

AES CORP
Form 8-K
May 05, 2005

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20349

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported) : **May 5, 2005**

THE AES CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE
(State of Incorporation)

001-12291
(Commission File No.)

54-1163725
(IRS Employer Identification No.)

4300 Wilson Boulevard, Suite 1100
Arlington, Virginia 22203

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code:
(703) 522-1315

NOT APPLICABLE
(Former Name or Former Address, if changed since last report)

Item 2.02. Results of Operations and Financial Condition

On May 5, 2005, the AES Corporation issued a press release setting forth its first quarter financial results. A copy of the release is furnished as Exhibit 99.1 to this report.

Item 8.01: Other Events

AES CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

(\$ in millions, except per share amounts)	Quarter Ended	
	2005	March 31, 2004
Revenues	\$ 2,645	\$ 2,257
Cost of sales	(1,863)	(1,577)
GROSS MARGIN	782	680
General and administrative expenses	(49)	(48)
OPERATING INCOME	733	632
Interest expense	(467)	(493)
Interest income	86	69
Other nonoperating expense, net	(15)	(14)
Foreign currency transaction losses	(12)	(8)
Loss on sale of investments		(1)
Equity in earnings of affiliates	25	16
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	350	201
Income tax expense	(126)	(64)
Minority interest expense, net	(91)	(63)
INCOME FROM CONTINUING OPERATIONS	133	74
Loss from operations of discontinued components (net of income tax expense of \$0 and \$2, respectively)		(26)
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	133	48
Cumulative effect of accounting change		
NET INCOME	\$ 133	\$ 48
DILUTED EARNINGS PER SHARE		
Income from continuing operations	\$ 0.20	\$ 0.12
Discontinued operations		(0.04)
Cumulative effect of accounting change		
Total	\$ 0.20	\$ 0.08
Diluted weighted average shares outstanding (in millions)	660	633

AES CORPORATION

SEGMENT INFORMATION (unaudited)

(\$ in millions)	Quarter Ended March 31,	
	2005	2004
BUSINESS SEGMENTS		
REVENUES		
Large Utilities	\$ 1,007	\$ 818
Growth Distribution	374	328
Contract Generation	985	868
Competitive Supply	279	243
Total revenues	\$ 2,645	\$ 2,257
GROSS MARGIN		
Large Utilities	\$ 252	\$ 194
Growth Distribution	73	63
Contract Generation	393	359
Competitive Supply	64	64
Total gross margin	\$ 782	\$ 680
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST		
Large Utilities	\$ 153	\$ 117
Growth Distribution	45	31
Contract Generation	252	190
Competitive Supply	53	55
Corporate	(153)	(192)
Total income before income taxes and minority interest	\$ 350	\$ 201
GEOGRAPHIC SEGMENTS		
REVENUES		
North America	\$ 540	\$ 546
Caribbean	403	391
South America	1,192	879
Europe/Africa	309	274
Asia	201	167
Total revenues	\$ 2,645	\$ 2,257
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST		
North America	\$ 114	\$ 118
Caribbean	55	61
South America	190	92
Europe/Africa	79	57
Asia	65	65
Corporate	(153)	(192)

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Total income before income taxes and minority interest	\$	350	\$	201
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AES CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

(\$ in millions)	March 31, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,555	\$ 1,396
Restricted cash	334	395
Short term investments	57	153
Accounts receivable, net of reserves of \$322 and \$303, respectively	1,547	1,575
Inventory	413	418
Receivable from affiliates	7	8
Deferred income taxes - current	193	187
Prepaid expenses	116	93
Other current assets	674	713
Current assets of held for sale and discontinued businesses		
Total current assets	4,896	4,938
PROPERTY, PLANT AND EQUIPMENT		
Land	783	788
Electric generation and distribution assets	22,463	22,434
Accumulated depreciation and amortization	(5,530)	(5,353)
Construction in progress	1,107	919
Property, plant and equipment, net	18,823	18,788
OTHER ASSETS		
Deferred financing costs, net	496	513
Investment in and advances to affiliates	684	655
Debt service reserves and other deposits	678	737
Goodwill, net	1,422	1,378
Deferred income taxes - noncurrent	798	813
Long-term assets of held for sale and discontinued businesses		
Other assets	1,866	1,910
Total other assets	5,944	6,006
TOTAL ASSETS	\$ 29,663	\$ 29,732
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 1,106	\$ 1,143
Accrued interest	409	336
Accrued and other liabilities	1,686	1,583
Current liabilities of held for sale and discontinued businesses		
Recourse debt-current portion	146	142
Non-recourse debt-current portion	1,748	1,618
Total current liabilities	5,095	4,822
LONG-TERM LIABILITIES		
Non-recourse debt	11,435	11,813
Recourse debt	5,016	5,010
Deferred income taxes	729	685

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Long-term liabilities of held for sale and discontinued businesses			
Pension liabilities		869	891
Other long-term liabilities		3,108	3,261
Total long-term liabilities		21,157	21,660
Minority Interest		1,663	1,605
STOCKHOLDERS EQUITY			
Common stock		7	7
Additional paid-in capital		6,368	6,341
Accumulated deficit		(680)	(813)
Accumulated other comprehensive loss		(3,947)	(3,890)
Total stockholders equity		1,748	1,645
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$	29,663	\$ 29,732

AES CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(\$ in millions)	2005	March 31,	2004
OPERATING ACTIVITIES			
Net income	\$	133	\$ 48
Adjustments:			
Depreciation and amortization of intangible assets		224	200
Other non-cash charges		153	226
Increase in working capital		(84)	(78)
Changes in other assets and liabilities		94	6
Net cash provided by operating activities		520	402
INVESTING ACTIVITIES			
Property additions		(271)	(190)
Proceeds from the sale of assets		3	27
Sale of short-term investments		430	392
Purchase of short-term investments		(330)	(428)
Acquisitions, net of cash acquired		(85)	
Decrease (increase) in restricted cash		67	(435)
Decrease (increase) in debt service reserves and other assets		27	(4)
Other investing		(7)	7
Net cash used in investing activities		(166)	(631)
FINANCING ACTIVITIES			
Borrowings under the revolving credit facilities		10	
Issuance of non-recourse debt and other coupon bearing securities		416	1,133
Repayments of non-recourse debt and other coupon bearing securities		(586)	(1,473)
Payments for deferred financing costs		(1)	(40)
Dividends to minority interests, net		(21)	(8)
Issuance of common stock, net		8	2
Other financing		(2)	(1)
Net cash used in financing activities		(176)	(387)
Effect of exchange rate changes on cash		(19)	(15)
Total increase (decrease) in cash and cash equivalents		159	(631)
Decrease in cash and cash equivalents of discontinued operations and businesses held for sale			(1)
Cash and cash equivalents, beginning		1,396	1,727
Cash and cash equivalents, ending	\$	1,555	\$ 1,095

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE AES CORPORATION

Date: May 5, 2005

By: /s/ Vincent W. Mathis
Name: Vincent W. Mathis
Title: Assistant General Counsel

EXHIBIT INDEX

No.	Description
99.1	Press Release dated May 5, 2005