



AES Announces Tender Offers for up to \$700,000,000 Aggregate Principal Amount of Its 5.500% Senior Notes Due 2024 and 5.500% Senior Notes Due 2025 and a Consent Solicitation for Its 5.500% Senior Notes Due 2024

March 01, 2018 08:20 AM Eastern Standard Time

ARLINGTON, Va.--(BUSINESS WIRE)--The AES Corporation (NYSE: AES) announced today the commencement of tender offers to purchase (the "Tender Offers" and each, a "Tender Offer") for cash, subject to certain terms and conditions, up to \$700,000,000 aggregate principal amount of its 5.500% senior notes due 2024 (the "2024 Notes") and its 5.500% senior notes due 2025 (the "2025 Notes" and together with the 2024 Notes, the "Securities").

In conjunction with the Tender Offers, the Company also commenced a solicitation of consents (the "Consent Solicitation") to amend the indenture governing the 2024 Notes to shorten the minimum notice requirements for optional redemption with respect to the 2024 Notes from thirty days to three business days. The Tender Offers and Consent Solicitation (collectively, the "Offer") are being made pursuant to the Company's Offer to Purchase and Consent Solicitation Statement (the "Offer to Purchase"), dated March 1, 2018, and a related Consent and Letter of Transmittal (together, the "Offer Materials") which set forth a more detailed description of the terms of the Offer. Holders of the Securities are urged to carefully read the Offer Materials before making any decision with respect to the Tender Offers.

AES is offering to purchase for cash the 2024 Notes and the 2025 Notes in an aggregate principal amount of up to \$700,000,000 (the "Maximum Tender Amount"); provided that no more than \$200,000,000 aggregate principal amount of the 2025 Notes (the "Capped Notes"), will be purchased in the Tender Offers (such aggregate principal amount of the Capped Notes, the "Tender Cap").

The following table sets forth certain terms of the Offer:

Title of Security	CUSIP Number	Tender Cap	Principal Amount Outstanding	Acceptance Priority Level	Dollars per \$1,000 Principal Amount of Securities		
					Tender Offer Consideration ¹	Early Tender Premium	Total Consideration ^{1,2}
5.500% Senior Notes due 2024	00130HBU8	N/A	\$737,726,000	1	\$1,025.00	\$30.00	\$1,055.00
5.500% Senior Notes due 2025	00130HBW4	\$200,000,000	\$573,217,000	2	\$1,022.50	\$30.00	\$1,052.50

¹ Excludes Accrued Interest to, but not including, the applicable Settlement Date, which will be paid in addition to the Tender Offer Consideration or Total Consideration, as applicable.

² Includes the Early Tender Premium.

The Consent Solicitation will expire at 11:59 p.m., New York City time, on March 28, 2018, unless extended or earlier terminated (as the same may be modified, the "Consent Expiration Date"). The Tender Offers will expire at 11:59 p.m., New York City time, on March 28, 2018, unless extended or earlier terminated by AES (as the same may be extended, the "Expiration Date"). Tenders of Securities may be validly withdrawn at any time at or prior to 5:00 p.m., New York City time, on March 14, 2018, but may not be validly withdrawn thereafter except in certain limited circumstances where additional withdrawal rights are required by law.

Subject to the terms and conditions of the Tender Offer, each Holder who validly tenders and does not subsequently validly withdraw their Securities at or prior to 5:00 p.m., New York City time, on March 14, 2018 (the "Early Tender Date") will be entitled to receive the Total Consideration, plus accrued and unpaid interest up to, but not including, the applicable Settlement Date if and when such Securities are accepted for payment. Holders who validly tender their Securities after the Early Tender Date but at or prior to the Expiration Date will be entitled to receive only the tender offer consideration equal to the Total Consideration less the Early Tender Premium (the "Tender Offer Consideration"), plus accrued and unpaid interest up to, but not including, the applicable Settlement Date, if and when such Securities are accepted for payment.

Payments for Securities purchased will include accrued and unpaid interest from and including the last interest payment date applicable to the relevant series of Securities up to, but not including, the applicable settlement date for such Securities accepted for purchase. Payment for the Securities that are validly tendered (including a properly completed, executed and delivered consent for tendered 2024 notes (i) on or prior to the Early Tender Date if the Early Settlement Date has

not occurred at the Company's election and (ii) after the Early Tender Date, and, in each case, accepted for purchase by the Company will be made on the date referred to as the "Final Settlement Date." The Final Settlement Date for the Securities will be promptly following the Expiration Date. It is anticipated that the Final Settlement Date for the Securities will be March 29, 2018, the first business day after the Expiration Date.

AES' obligation to accept for purchase, and to pay for, Securities validly tendered pursuant to the Tender Offer is subject to, and conditioned upon, receipt of sufficient cash proceeds from its previously announced agreement to sell its entire 51% equity interest in Masin-AES Pte. Ltd., a subsidiary of AES that owns AES' business interests in the Philippines to purchase the tendered Securities together with Accrued Interest (the "Asset Sale Condition"). The sale includes AES' 51% equity interest in the 630 MW Masinloc coal-fired power plant in operation, the 335 MW Masinloc 2 coal-fired power plant under construction and the 10 MW Masinloc energy storage project in operation (the "Masinloc Sale"). There can be no assurance that the Masinloc Sale will occur as expected, and thus no assurance that the Asset Sale Condition will be satisfied.

Subject to the Maximum Tender Amount and the Tender Cap, all 2024 Notes validly tendered and not validly withdrawn on or before the Early Tender Date will be accepted before any 2025 Notes, and all 2024 Notes validly tendered after the Early Tender Date will be accepted before any 2025 Notes tendered after the Early Tender Date. If the Tender Offers are not fully subscribed as of the Early Tender Date, subject to the Maximum Tender Amount and the Tender Cap, Securities validly tendered and not validly withdrawn on or before the Early Tender Date will be accepted for purchase in priority to any Securities tendered after the Early Tender Date even if such Securities tendered after the Early Tender Date have a higher Acceptance Priority Level than Securities tendered prior to the Early Tender Date.

Securities of a series may be subject to proration if the aggregate principal amount of the Securities of such series validly tendered and not validly withdrawn would cause the Maximum Tender Amount to be exceeded, and the 2025 Notes may be subject to proration if the aggregate principal amount of such 2025 Notes validly tendered and not validly withdrawn would cause the Tender Cap to be exceeded. Furthermore, if the Tender Offers are fully subscribed as of the Early Tender Date, holders who validly tender Securities following the Early Tender Date will not have any of their Securities accepted for payment.

The obligation of AES to accept for purchase and to pay either the Total Consideration or Tender Offer Consideration and the accrued and unpaid interest on the Securities is not subject to any minimum tender condition, but is subject to the satisfaction or waiver of the Asset Sale Condition and certain other conditions described in the Tender Offer Materials.

AES has retained Morgan Stanley & Co. LLC to serve as the Dealer Manager and Solicitation Agent for the Tender Offer. Global Bondholder Services Corporation has been retained to serve as the Information and Depositary Agent for the Tender Offer. Questions regarding the Tender Offer may be directed to Morgan Stanley & Co. LLC at 1585 Broadway, New York, New York 10036, Attn: Liability Management Group, (800) 624-1808 (toll-free), (212) 761-1057 (collect). Requests for the Tender Offer Materials may be directed to Global Bondholder Services Corporation at 65 Broadway – Suite 404, New York, New York 10006, Attn: Corporate Actions, (212) 430-3774 (for banks and brokers) or (866) 470-4200 (for all others).

AES is making the Tender Offer only by, and pursuant to, the terms of the Tender Offer Materials. None of AES, the Dealer Manager and Solicitation Agent, the Information Agent and Tender Agent makes any recommendation as to whether Holders should tender or refrain from tendering their Securities. Holders must make their own decision as to whether to tender Securities and, if so, the principal amount of the Securities to tender. The Tender Offer is not being made to holders of Securities in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Tender Offer to be made by a licensed broker or dealer, the Tender Offer will be deemed to be made on behalf of AES by the Dealer Manager and Solicitation Agent, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

This press release does not constitute an offer to purchase securities or a solicitation of an offer to sell any securities or an offer to sell or the solicitation of an offer to purchase any new securities, nor does it constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is unlawful. Capitalized terms used in this press release but not otherwise defined herein have the meanings assigned to them in the Tender Offer Materials.

About AES

The AES Corporation (NYSE: AES) is a Fortune 200 global power company. We provide affordable, sustainable energy to 15 countries through our diverse portfolio of distribution businesses as well as thermal and renewable generation facilities. Our workforce is committed to operational excellence and meeting the world's changing power needs. Our 2017 revenues were \$11 billion and we own and manage \$33 billion in total assets. To learn more, please visit www.aes.com. Follow AES on Twitter @TheAESCorp.

Safe Harbor Disclosure

This news release contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES' current expectations based on reasonable assumptions. Actual results could differ materially from those projected in AES' forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in the Tender Offer Materials related to the Tender Offer and AES' filings with the SEC, including, but not limited to, the risks discussed under Item 1A "Risk Factors" and Item 7 "Management's Discussion & Analysis of Financial Condition and Results of Operations" in AES' 2017 Annual Report on Form 10-K and in subsequent reports filed with the SEC. Readers are encouraged to read AES' filings to learn more about the risk factors associated with AES' business. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Any Stockholder who desires a copy of AES' 2016 Annual Report on Form 10-K filed on or about February 27, 2018 with the SEC may obtain a copy (excluding Exhibits) without charge by addressing a request to the Office of the Corporate Secretary, The AES Corporation, 4300 Wilson Boulevard, Arlington, Virginia 22203. Exhibits also may be requested, but a charge equal to the reproduction cost thereof will be made. A copy of the Form 10-K may be obtained by visiting AES' website at www.aes.com.

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