Summary

(US$ Thousands)

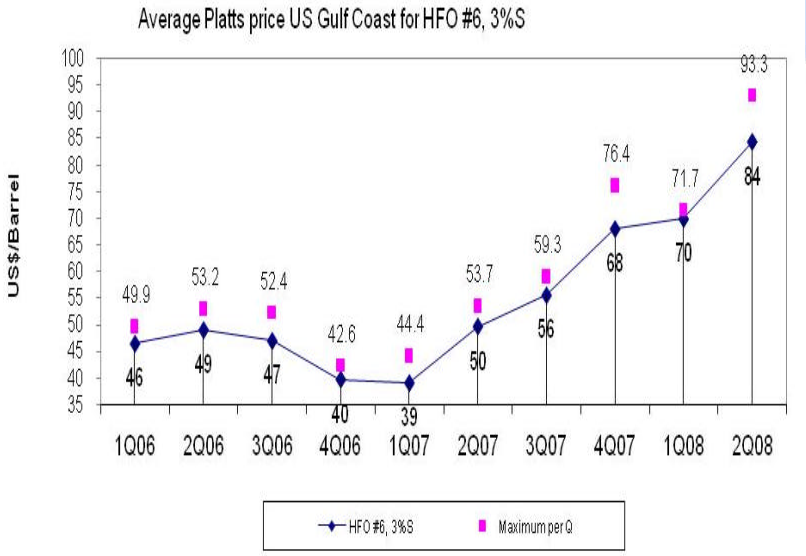
Description	1Q 2008	1Q 2007	Var %	2Q 2008	2Q 2007	Var %	Jan-June 08	Jan-June 07	Var %	2007 Aud.
Revenues	100,484	64,847	55%	121,353	78,781	54%	221,838	143,628	54%	344,519
Operating Costs	83,344	57,394	45%	104,493	74,603	40%	187,837	131,997	42%	286,679
Variable Margin	36,555	25,522	43%	28,202	25,103	12%	64,756	50,625	28%	136,025
Operating Income	21,202	7,453	184%	12,798	4,178	206%	34,000	11,631	192%	57,840
Net Income	15,084	3,670	311%	6,774	732	825%	21,858	4,402	397%	37,972
EBITDA	25,501	11,858	115%	17,019	14,766	15%	42,520	26,624	60%	74,437
Operational cash, net	16,732	14,077	19%	(14,073)	(32,165)	-56%	2,659	(18,088)	115%	(17,525)
Availability, %	97	95	2%	97	98	-1%	97	96	0%	97
Sales, GWh	502	490	2%	558	539	3%	1,060	1,029	3%	2,169
Generation, GWh	377	389	-3%	361	409	-12%	738	798	-8%	1,674
Spot Purchase, GWh	126	105	20%	197	130	52%	323	235	38%	(502)

Quarterly Summary

- Variable margin is greater for the second quarter of 2008, when compared to the variable margin for the same period of 2007, by 12%. This variation is due to higher revenues by US$42,572 (54%), caused mainly by the increase in cost of fuel which is the main escalator of the PPA's sales price. In addition, we had higher sales in GWH by 3% due to a higher generation, driven by an increase in demand.
- Net income for the second quarter of 2008 was US$6.04 million greater, when compared to the net income for the same period of 2007. Net income for the second quarter of 2007 was negatively impacted by the recording of accelerated amortization of deferred costs related with the US$104 million bond, which was cancelled due to the issuance of a new bond for the amount of US$175 million. The total accelerated amortization charged amounted US$5.8 million.
- EBITDA for the second quarter of 2008 resulted in US$17 million, versus the US$14.7 million for the second quarter of 2007. For the second quarter of 2008, accounts receivable increased by US$22.4 million, when compared to the first quarter of 2008.
- The three distribution companies have restricted their energy supply to end-users at approximately 76% of demand during the second quarter of 2008.

External Factors

Fuel prices have continued their upward trend during this quarter, reaching on a single day US$103.00/Bbl for Platt's US Gulf Coast HFO #6, 3% Sulfer (fuel used to index the tariffs under contract and for its acquisition in the international markets).



Financial Results

Revenues:

- 2Q 2008 revenues exceed 2Q 2007 comparative figures by 54% (US$ 121.3MM Vs. US$ 78.8MM), due to higher energy sales (61.9% Q Vs Q) and a slight increase in capacity sales (1.0%).

- The positive variance in energy sales is explained by a 48.7% increase in the energy sales price (US¢21.67 per KWh vs. US¢14.57 per KWh Q Vs Q). The indexation formula for the aforementioned sales price allows Haina to track fuel prices defined in several PPAs. Additionally, a slight increase of 3.3% in the amount of energy sold (557 GWh vs. 539 GWh Q Vs Q) contributed to the 61.9% surpass in energy sales.

Revenues
(US$ Thousands)

	1Q 2008	1Q 2007	Var.%	2Q 2008	2Q 2007	Var %	Jan-Jun.08	Jan-Jun.07	Var %	2007
Contract Energy	**92,008**	**56,528**	**63%**	**112,772**	**70,261**	61%	**204,780**	**126,789**	62%	310,513
Contract Capacity	**8,476**	**8,319**	**2%**	**8,582**	**8,520**	1%	**17,058**	**16,839**	1%	34,006
Total Revenues	**100,484**	**64,847**	**55%**	**121,353**	**78,781**	54%	**221,838**	**143,628**	54%	**344,519**

Operating expenses

2Q 2008 operating expenses surpassed 2Q 2007 comparative figures by 40%, (US$104.5 MM VS. US$74.6MM).

The company switched the source of its sales from own generation to purchased power and energy. Therefore, the rise in operational expenses mentioned above is explained as follows:

- Own generation: 35% increase in fuel expenses (US$39.8 MM Vs US$29.3 MM). The increase in fuel costs by 44.4% is partially offset by lower volume of fuel consumed (-20%)

- Purchased power: The 164% increase (US$44.1MM Vs US$16.7MM) resulted from the combination of i) higher average purchase price (US$181.89 per MWh Vs US$107.64 MWh Q Vs. Q) and ii) higher volume of electricity purchases in the spot market and through PPA's (197 GWh Vs. 130 GWh Q Vs Q).

- Increase in Operating and Maintenance costs is mainly due to additional repairs made in Sultana during the second quarter of 2008 for a total of US$5.1 million, which duplicated the amount paid in the same period of 2007 when the total cost of O&M in Sultana was US$2.5 million.

As a percentage of revenues, Operating expenses decreased to 89% in the second quarter of 2008 from 94% in the same period of 2007.

Operating Expenses
(US$ Thousands)

	1Q 2008	1Q 2007	Var.%	**2Q 2008**	**2Q 2007**	**Var %**	Jan-Jun.08	Jan-Jun.07	Var %	**2007**
Fuel Expense	36,137	23,431	54%	39,679	29,332	35%	75,815	52,763	44%	128,108
Transmission Tolls	3,003	3,593	-16%	4,217	4,280	-1%	7,220	7,873	-8%	15,263
Purchased Power	20,613	9,856	109%	44,150	16,720	164%	64,763	26,575	144%	63,416
Frequency Regulation	646	274	136%	886	536	65%	1,532	809	89%	1,707
Regulatory Payment	567	259	119%	640	486	32%	1,207	745	62%	1,849
Technical Advisory Fee	2,964	1,913	55%	3,580	2,324	54%	6,544	4,237	54%	10,074
Labor Cost	3,716	4,022	-8%	3,229	3,455	-7%	6,945	7,478	-7%	14,665
Operating & Maintenance Expenses	5,371	6,293	-15%	6,233	3,970	57%	11,603	10,264	13%	21,587
General & Administrative Expenses	1,966	3,349	-41%	1,721	2,911	-41%	3,687	6,261	-41%	24,380
Book Depreciation	3,990	3,791	5%	3,975	4,242	-6%	7,965	8,033	-1%	16,026
Amortization	308	613	-50%	247	6,346	-96%	555	6,959	-92%	12,776
Total Operating Exp	**79,281**	**57,394**	38%	**108,556**	**74,603**	46%	**187,837**	**131,997**	42%	**269,126**

Other Expenses
(US$ Thousands)

	1Q 2008	1Q 2007	Var.%	2Q 2008	2Q 2007	Var %	Jan-Jun.08	Jan-Jun.07	Var %	2007
Interest and Fee	2,666	1,301	105%	1,946	2,066	-6%	4,612	3,367	37%	7,843
Other Expense (Income)	1,243	1,166	7%	2,814	802	251%	4,057	1,968	106%	5,875
Exchange Loss (Gain)	(18)	200	-109%	137	(682)	-120%	119	(482)	-125%	-240
Total Other expenses	**3,891**	**2,667**	**46%**	**4,897**	**2,186**	124%	**8,788**	**4,853**	81%	**42,270**

Net Income
Net Income increased to US$6.8 million in the second quarter of 2008, from US$0.7 million in the same period of 2007. As a percentage of revenues, net income increased to 5.5% in the second quarter of 2008, from 0.9% in the same period of 2007. The principal variances impacting net income can be summarized as follows: US$3.0 million of higher variable margin and US$6.4 million of lower depreciation and amortization expenses. The aforementioned are partially offset by an increase in fixed costs by US$4 million.

Cash provided (or used) by operating activities
Operating activities used cash in the amount of US$14.1 million during the second quarter of 2008, which was an improvement over the same period of 2007, which amounted to US$32.6 million. The most significant factors that reduced the use of cash from Operating activities were: a) net income of US$6.6 million; b) US$5.0 million of reduction in inventory; c) US$0.8 million increase of deferred tax liability. Those positive factors were partially offset by a)US$22.39 increase in the accounts receivable; b) US$7.5 million of accounts payable payments c) US$0.7 million of prepaid expenses.

Cash used in investing activities
The company used cash in the amount of US$0.65 million during the second quarter of 2008 and US$1.7 million in the same period of 2007, in the acquisition of fixed assets. In the second quarter of 2008 the company cancelled investments in Time Deposits for US$27.1MM, while in the same period of 2007 invested in Time Deposits by US$60.0 million raised through the bond issuance of US$175MM. Also during the second quarter of 2008, the Company lends CEPM US$10.4MM at an interest rate of 8.5%. These funds were repaid on September 22nd, 2008.

Financing activities
The Company repaid US$7.2 million in short term debt during the second quarter of 2008. On the other hand, the Company shows an increase in the second quarter of 2007 by US$87.8 million through its financial activities, mainly from the net proceeds the bond issuance of US$175M.

Financial Debt
(US$ millions)

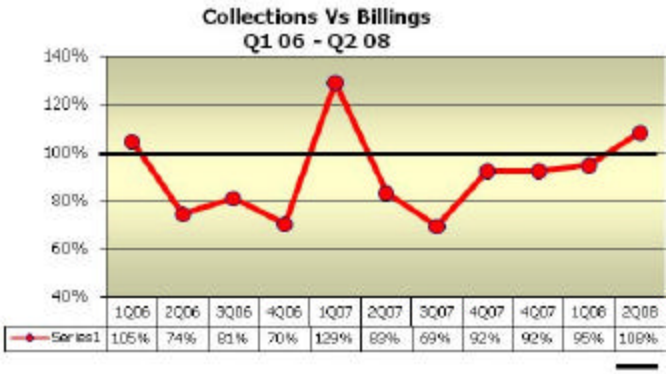
	1Q 2008	1Q 2007	Var.%	2Q 2008	2Q 2007	Var %	2007
Short Term Debt	12,970	9,865	31%	5,746	10,325	-44%	12,441
Long Term Debt	175,000	88,142	99%	175,000	175,501	0%	175,000
Total Financial Debt	**187,970**	**98,007**	**92%**	**180,746**	**185,825**	**-3%**	187,441

Collections

Collections versus the quarterly invoices equaled 108% as compared to the 83% level of last year's same quarter.

The general trend experienced is that the three distribution companies have fallen 60 days in payments of their monthly power invoices.

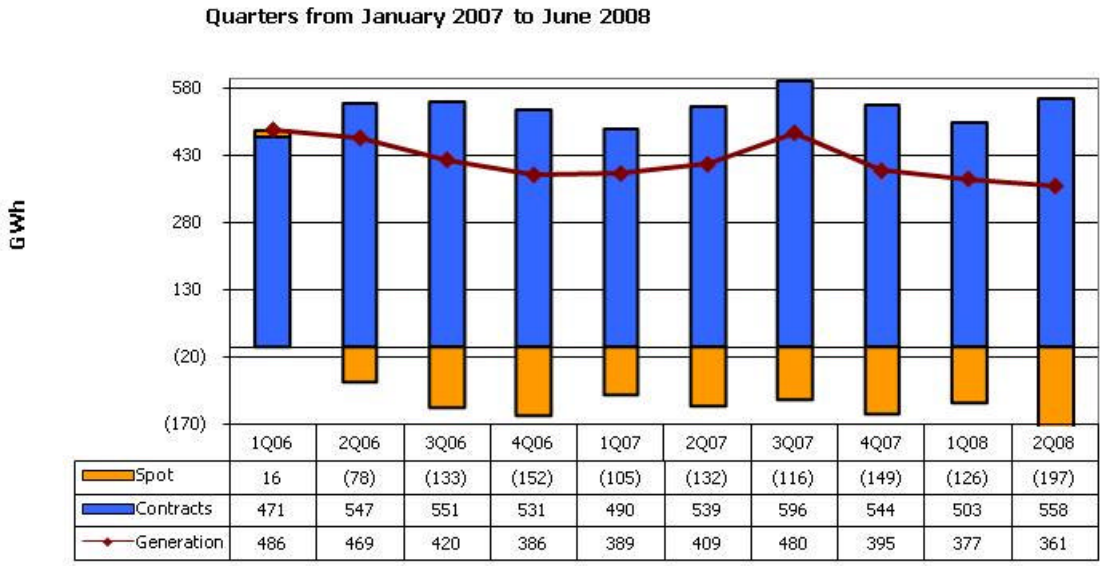
During the second quarter of 2008, the three distribution companies have sustained their energy supply at 76% of the total demand. Naturally, this is not met by a proportional increase in collections from customers, thus creating the delay in payment to generators, including EGE Haina. The Dominican government, via CDEEE, during the course of the second quarter of 2008 was seeking to increase the subsidy funding from the national treasury in order to reestablish the balance of payments between generators and distributors. International agencies such as World Bank, IDB and IMF are actively working, along with the Dominican Government, to fund energy theft reduction programs, clearly demonstrating that the principal solution to the Dominican electrical problem lies in the resolution of the energy theft.



Unofficially, the deficit, and therefore, the subsidy estimated for 2008 equals US$1,000 million. The government budgeted US$650 million for this purpose.

Operational Statistics

	1Q 2008	1Q 2007	Var.%	**2Q 2008**	**2Q 2007**	**Var %**	**2007**
Heat Rate, Btu/kWh	9,092	9,618	-5.5%	9,262	9,573	-3.3%	9,526
Availability, %	97.2	95.1	2.2%	96.6	97.9	-1.3%	96.8
Forced Outage Rate, %	0.8	3.1	-74.2%	2.2	0.8	175.0%	1.3
Installed Capacity, MW	599	663	-9.7%	578	578	0.0%	599
Effective Capacity, MW	547	599	-8.7%	500	500	0.0%	547
Firm Capacity, MW	359	348	3.2%	359	348	3.2%	339



Unaudited Consolidated Income Statement
For the Three and Six Month Periods Ended June 2008 and 2007
(Expressed in thousands of US$)

	Quarter Ended June		YTD June	
	2008	2007	2008	2007
Revenues:				
Energy	112,772	70,261	204,780	126,789
Capacity	8,582	8,520	17,058	16,839
	121,353	78,781	221,838	143,628
Operating Costs:				
Fuel Costs	39,679	29,332	75,815	52,763
Transmission Costs	4,217	4,280	7,220	7,873
Purchased power	44,150	16,720	64,763	26,575
Frequency regulator	886	536	1,532	809
Regulatory Payment	640	486	1,207	745
Technical Advisory Fees	3,580	2,324	6,544	4,237
Operating and Maintenance	8,201	6,105	15,853	14,559
Administrative and general expenses	2,982	4,232	6,383	9,443
Depreciation & Amortization	4,221	10,588	8,520	14,992
Operating Income	12,798	4,178	34,000	11,630
Financial Expenses, net	1,946	2,066	4,611	3,366
Foreign exchange loss (Gain)	137	(683)	119	(482)
Other expenses (income), net	2,814	745	4,058	1,911
Income (loss) before income tax	7,901	2,050	25,211	6,835
Income Tax	386	-	1,766	-
Deferred Income tax	840	1,318	1,688	2,433
Net Income (loss)	**6,674**	**732**	**21,758**	**4,402**

EBITDA	Last Twelve Month EBITDA June		
	2008	2007	Jan-Dec.07
	Expressed in 000's US$)		
Net income (loss)	51,562	7,948	37,972
Plus:			
Income Tax (current)	1,766	(1,758)	0
Income Tax (deferred)	(4,728)	6,138	(3,983)
Financial expense, net	20,582 *	8,539	19,613
Foreign exchange gain (loss)	328	418	(274)
Other income (expense)	6,659	746	4,511
Depreciation and amortization	6,101	29,742	16,597
EBITDA	**82,270**	**51,772**	**74,437**

Ratios:			
Interest Coverage Ratio, (No less tan 2.5:1)	4.00	6.06	3.80
Net Debt to EBITDA Ratio, (No Greater than 3.5:1)	1.49	2.08	1.51

* Includes financial expenses related to the prior bond of US$104MM which were charged to expenses as a result of th issuance of a new bond by US$175MM, being the most significant:

Interest for call premium	5,129
Taxes paid on mortgage registration	1,674
Issuance costs	2,754
Structuring fees	2,024

Unaudited Consolidated Balance Sheet
As of June 30 2008, and December 31st 2007
(Expressed in thousands of US$)

	June 2008	December 2007
Balance Sheet Data:		
Assets:		
Cash and cash at banks including short term investment	49,593	67,053
Account receivable	137,096	110,758
Inventory	24,237	18,250
Other Assets	10,887	9,283
Long term receivables	56,011	44,380
Property, plant and equipment net	255,193	261,359
Deposits & deferred assets	19,857	20,412
Total assets	**552,874**	**531,495**
Liabilities:		
Short-term debt, including current portion of long-term debt	5,746	12,441
Accounts payable	4,389	7,113
Current liabilities payable to related parties	17,775	16,616
Accounts Payables to Generators	11,167	6,890
Long term debt	175,000	175,000
Other Liabilities	17,126	13,521
Total Liabilities	**231,203**	**231,581**
Shareholder's equity	**321,671**	**299,914**
Total Liabilities & Shareholder's equity	**552,874**	**531,495**

Unaudited Consolidated Statements of Cash Flow
For the Three and Six Months Ended June 2008 and 2007
(Expressed in thousands of US$)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Cash flows from operating activities				
Net income	6,674	630	21,758	4,308
Adjustments to reconcile the net income to net cash provided by (used in) operating activities:				
Deferred Income Tax	840	1,317	1,687	2,447
Depreciation and amortization	3,970	4,241	7,960	8,034
Changes in current assets and liabilities:				
Accounts receivable	(22,390)	(16,045)	(26,338)	11,388
Inventories	5,013	(5,254)	(5,987)	(8,862)
Prepaid expenses	694	14	(1,604)	(2,146)
Other Assets net	(1,186)	(7,340)	551	(6,879)
Accounts payable and accrued expenses	(1,423)	(8,711)	4,176	(1,737)
Payables to related parties	(2,493)	8,401	146	(8,727)
Other Liabilities	(3,772)	3,112	2,044	(1,534)
Other Non Current Lialibities	-	(12,530)	(1,735)	(14,381)
Net cash provided by operating activities	(14,073)	(32,165)	2,658	(18,088)
Cash flows from investing activities				
Net changes in Deposits in Bank restricted and	-	3,810	-	3,632
Purchases of property, plant and equipment (PPE)	(659)	(1,705)	(1,792)	(1,752)
Changes in Short Term Investment	27,132	(60,057)	19,999	(60,046)
Changes in Long Term Receivables	(9,409)		(11,631)	-
Net cash used in investing activities	17,064	(57,952)	6,576	(58,166)
Cash flows from financing activities				
Net changes in Short Term Debt	(6,723)	3,827	(6,194)	(4,584)
Repayment of Long Term Debt	(501)	(3,368)	(501)	(3,368)
Proceeds from Long Term Debt	-	87,359	-	86,789
Net cash provided by financing activities	(7,224)	87,818	(6,695)	78,837
Net increase (decrease) in cash	(4,233)	(2,299)	2,539	2,583
Cash at the beginning of the year	18,766	11,294	11,994	6,412
Short Term Investment	35,060	61,057	35,060	61,057
Cash at the end of the period	**49,593**	**70,052**	**49,593**	**70,052**

Business Development

Over the course of the second quarter, the Company continued analyzing the feasibility of three specific projects:

- The conversion of Haina Gas Turbine to natural gas and its possible relocation.
- The installation of new generation at the Haina Complex.
- The installation of a heat recovery system at the Sultana plant.

As previously mentioned, EGE Haina signed an MOU with KEPCO (the principal Korean power company) during April 2008. This agreement stipulates that jointly, the companies will study the engineering, procurement and construction, including operation and maintenance of a 240 MW coal-fired power plant.

The Company expects to determine the feasibility of the project within the next 6 to 9 months.

Recent Developments

- In August, 2008 the Company entered into a power sales agreement with Consorcio Energético Punta Cana Macao S.A. (CEPM). Through the aforementioned, the Company committed to sell 50MW and associated energy over an eighteen (18) year period.

- Related to the contract described above, three engines form Sultana Barge were disconnected from the national interconnected system and will be fully dedicated to sell electricity to CEPM in accordance with the terms of the agreement.

- In September, 2008 the Company entered into a letter of intent with Vestas Argentina, S.A. to acquire 25 wind turbine generators for the Juancho Los Cocos project for a total purchase price of €53,212,791. Related to this contract, the Company made a down-payment for an amount of €10,642,558 (20% of the total purchase price) as a retention fee.

- On September 17th, 2008 the Sultana and Barahona plants were declared commercially unavailable due to lack of fuel. Both units were synchronized with the national interconnected system on September 21st.

- On September 22nd, 2008 the Company collected the total amount lent to CEPM by US$18.3 million.

Note:

The financial statements presented herein have not been audited and were prepared in conformity with the Generally Accepted Accounting Principles in the United States (US GAAP).

This report may contain forward-looking statements speculative in nature based on the information, operational plants and forecasts currently available about future trends and facts. As such, they are subject to risks and uncertainties. A wide variety of factors may cause real facts to differ significantly from the issues presented or anticipated in this report, including, among others, changes in general economic, political, governmental and business conditions. In the event of materializing any of these risks or uncertainties, or if underlying assumptions prove to be mistaken, future real facts may vary significantly. EGE Haina is not bound to update or correct the information contained in this report.

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