EGE Haina Reports First Quarter 2012 Net Income of US$19.1 million; Revenues of US$154.6 million

Special points of interest:

- As of March 31st, 2012, EGE Haina reported a Consolidated Net Debt to Consolidated EBITDA Ratio and a Consolidated Interest Coverage Ratio of 1.29:1.0 and 16.78:1.0, respectively.
- In January 2012, the Company entered into several contracts with Pueblo Viejo Dominicana Corporation "PVDC", under which will provide management, oversight of construction of infrastructures and operation and maintenance services of PVDC generation plants, and purchase and sale of energy.
- In March 2012, the Company entered into a Senior Syndicated and Secured Loan Agreement with Citibank as lead arranger and other lenders, in the amount of US$200 million, with a 5 year maturity and an interest rate equivalent to three (3) months LIBOR plus 575bps, with a floor of 6.25% p.a.
- In April, the Company repaid Tranche #5 corresponding to the $30MM Corporate Bonds in the amount of US$6MM.

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Santo Domingo, Dominican Republic, May 4th, 2012 – EGE Haina announced today Net Income of US$19.1 million for the first quarter of 2012, compared to a net income of US$17.2 million in the first quarter of 2011, driven by an increase in energy sales price and higher demand. First quarter 2012 revenues amounted to US$154.6 million, showing a 24% increase when compared to the same period of the previous year.

Financial and Operational Summary

(US$ Thousands, except for Operational data)

Description	1Q'12	1Q'11	Var %
Revenues	154,566	124,548	24%
Operating Costs	126,626	102,149	24%
Variable Margin	52,719	42,408	24%
EBITDA[1]	33,078	26,474	25%
Operating Income	27,940	22,399	25%
Net Income	19,145	17,156	12%
Operating cash, net	5,607	(35,732)	-116%
Availability, %	90	99	-9%
Sales, GWh	573	566	1%
Generation, GWh	426	387	10%
Spot Purchases, GWh	84	178	-53%
PPA Purchases, GWh	63	-	100%

1 EBITDA is a non-GAAP financial measure, which is calculated by adding depreciation and amortization expenses to the Operating income.

Quarter Highlights and Recent Developments

- In January 2012, the Company entered into several contracts with Pueblo Viejo Dominicana Corporation "PVDC", under which will provide management, oversight of construction of infrastructures and operation and maintenance services of PVDC generation plants, and purchase and sale of energy.

- In January 2012, the Company made a down payment to Wärtsilä of US$32.1 MM, under the contract signed in December 2011, for the design, engineering, procurement of equipment for construction, start-up and testing of a dual fuel, combined cycle reciprocating engine power plant.

- In January 2012, the Company made a down payment to UTE Los Cocos of US$19.1 MM, under the contract signed in December 2011, for the design, construction and installation and commissioning of a 50MW wind power project.

- In March 2012, the Company entered into a Senior Syndicated and Secured Loan Agreement with Citibank as lead arranger and other lenders, in the amount of US$200 million, with a 5 year maturity and an interest rate equivalent to three (3) months LIBOR plus 575bps, with a floor of 6.25% p.a.

- As of March 31st, 2012, EGE Haina reported a Consolidated Net Debt to Consolidated EBITDA Ratio and a Consolidated Interest Coverage Ratio of 1.29:1.0 and 16.78:1.0, respectively.

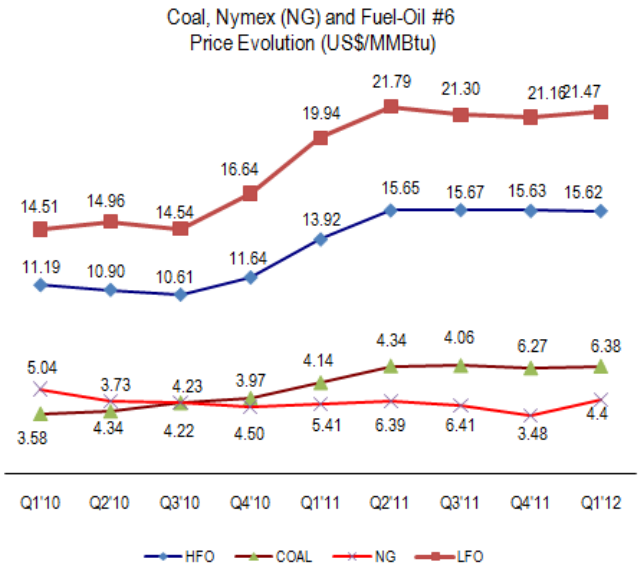
- In April, the Company repaid Tranche #5 corresponding to the $30MM Corporate Bonds in the amount of US$6MM.

External Factors

- *Average price of fuel for 1Q'12 was US$107.87 Bbl for Platt's US Gulf Coast HFO #6, 3% Sulfur (fuel used to index the energy price under our PPAs).*

- *Exchange rate as of March 31st, 2012, closed at RD$38.87/USD.*

- *Accumulated inflation in DR, as of March 31st, 2012 was 4.94%.*[2]



[2] http://www.bancentral.gov.do

Consolidated Financial Results[3]

Revenues
(US$ Thousands)

Description	1Q'12	1Q'11	Var %
Contracted Energy	139,892	111,672	25%
Contracted Capacity	13,854	12,060	15%
Others	820	816	0%
Total Revenues	154,566	124,548	24%

1Q'12 revenues increased by 24% when compared with the same period of the previous year (US$ 154.6 MM vs. US$ 124.5 MM). This positive variance is essentially driven by a 21.2% increment in the average energy sales price for the period (1Q'12 US$233.0/MWh vs 1Q'11 US$192.3/MWh) as a result of the increase in Fuel Oil #6 prices, which is the main escalator of our PPAs' pricing formula, and a higher demand by 1.3% (1Q'12 573.2 GWh vs 1Q'11 565.6 GWh), mainly driven by an increase in the contracted capacity under CEPM PPA.

Operating Expenses
(US$ Thousands)

Description	1Q'12	1Q'11	Var %
Fuel Expense	61,029	46,086	32%
Transmission Tolls	3,324	2,368	40%
Purchased Power	35,042	32,121	9%
Frequency Regulation	2,452	1,565	57%
Operation & Maintenance	7,852	7,114	10%
General & Administrative	11,789	8,820	34%
Depreciation	5,138	4,075	26%
Total Operating Expenses	126,626	102,149	24%

During 1Q'12 operating expenses were higher than 1Q'11 comparative figures by 24% or US$24.5MM (US$126.6MM Vs. US$102.1MM). This increase is mainly explained by:

- Fuel costs: 32% or US$14.9 million increase in fuel cost, essentially as a consequence of higher LFO, HFO and Coal consumption at higher prices driven by an increment in generation during the period (1Q'12 426 GWh vs 1Q'11 387 GWh).

- General and administrative expenses: 34% or US$3MM increase when compared to 1Q'11 mainly due to: i) US$1.8MM higher technical advisory fee expense as a result of the increase in sales during 1Q'12; ii) US$0.3MM higher labor cost head office, iii) US$0.3MM higher insurance expenses, iv) US$0.2MM higher office operation costs; v) US$0.2MM higher professional services and; vi) US$0.1MM higher regulatory payment.

[3] *The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (USGAAP). These consolidated financial statements include the accounts of EGE Haina, and those of its wholly owned subsidiary EGE Haina Finance Company. Intercompany balances and transactions have been eliminated in consolidation.*

Net Income

Net income was US$19.1 MM in 1Q'12, compared to a net income of US$17.1 MM in the same period of the prior year. The positive variance of US$2.0 MM is explained by:

- Higher EBITDA by US$6.6 MM as explained in the paragraphs above.
- US$0.6 MM higher exchange gain.

Partially offset by :

- US$1.8 MM higher income tax.
- US$1.7 MM higher interest expense, net, mainly due to higher financial interests driven by an increase in debt.
- US$1.0 MM higher depreciation expense.
- US$0.7 million lower other income due to the insurance reimbursement of the 48 MVA transformer received during March'11.

Cash Flow

Cash provided by operating activities

Net cash provided by operating activities was US$5.6 MM during the 1Q'12, compared to US$35.8 MM used in the same period of 2011. The US$41.3 MM variance is explained by: a) US$28.4MM higher accounts payable, b) US$8.4MM increase in other assets, c) US$2.5MM higher inventories, d) US$2.0MM higher net income and e) US$1.9MM of higher negative adjustments reconciling net income to the net cash used in operating activities. The aforementioned are partially offset by US$1.9MM lower prepaid expenses.

Cash used in investing activities

Net cash used in investing activities was US$54.8MM during 1Q'12, compared to US$6.4MM used in the same period of the prior year. The US$48.3MM variance is mainly due to higher additions to property, plant and equipment during 1Q'12; partially offset by the collection of restricted investments during the same period.

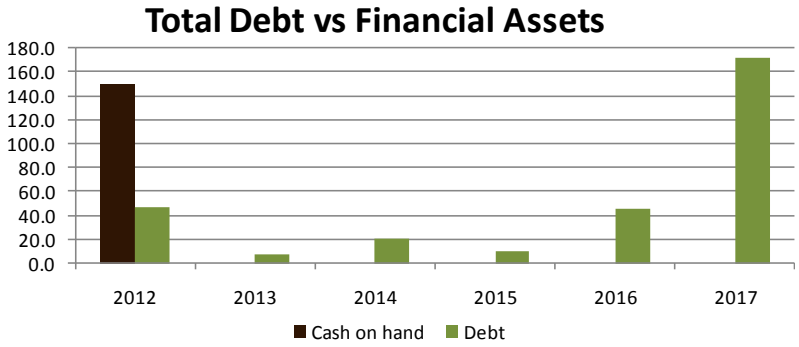
Cash provided by financing activities

The positive variance of US$10.3 MM in financing activities during 1Q'12, when compared to the same period of the prior year, is due to the net result of higher proceeds from long term debt by US$16 MM in 1Q'12; partially offset by i) US$5.1MM higher payments of debt issuance costs; and ii) US$0.6MM higher repayment of long term debt during 1Q'12.

Financial Debt as of March 31st, 2012

FINANCIAL DEBT GENERAL CONDITIONS AND RELEVANT STATISTICS				
Instrument	Balance	Interest type	Interest Rate	Repayment schedule
144 A Bond	164.9	Fixed	9.50%	Bullet payment April 2017
Local Bond-T4	6.0	Fixed	8.75%	Bullet payment April 2012
Local Bond-T5	6.0	Fixed	7.75%	Bullet payment Dec 2012
Local Bond (2) - T1/2	10.0	Fixed	7.00%	Bullet payment May 2016
Local Bond (2) - T3/4	10.0	Fixed	7.00%	Bullet payment June 2016
Local Bond (2) - T5/6	10.0	Fixed	7.00%	Bullet payment June 2016
Local Bond (2) - T7/8	10.0	Fixed	6.00%	Bullet payment Oct 2014
Local Bond (2) - T9/10	10.0	Fixed	7.00%	Bullet payment Oct 2016
Popular term loan program	10.6	Variable (DR US$)	5.91%	Monthly - ending Nov 2015
BHD DR term loan program	10.8	Variable (DR US$)	6.50%	Monthly - ending March & May 2016
BHD Panamá term loan program	1.7	Variable (DR US$)	5.50%	Monthly - ending May 2016
Syndicated loan	21.0	Variable (L3M + 5.75%, 6.25% floor)	6.25%	Quarterly - ending March 2017
Scotiabank Short Term Loan	30.0	Variable (LIBOR 1M + 3%)	3.25%	Bullet payment June 2012

Weighted av. Interest rate	7.89%
Weighted av. Life (Years)	3.91
Total financial debt (Millions)	301.0



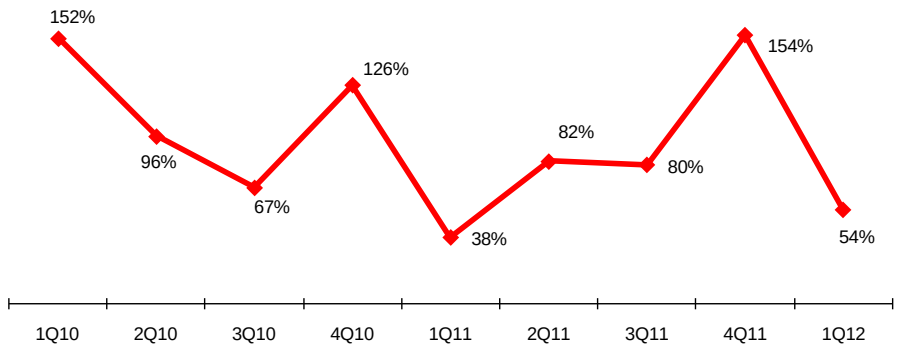
Financial Expenses
(US$ Thousands)

Description	1Q'12	1Q'11
Financial Expenses		
Interest on Senior Notes	(4,307)	(4,307)
Interest on Long-Term Debt	(2,821)	(739)
Interest on Payables to Power Vendors	(850)	56
Amortization of Deferred Charges	(428)	(382)
Capitalized Interest	1,241	1,181
Other Financial Expenses	(201)	(71)
	(7,366)	**(4,262)**
Financial Income:		
Interest on Trade Accounts Receivable	2,535	1,763
Interest on Short-Term Investments	1,129	163
Interest on Long-Term Investments	-	250
Other Financial Income	18	12
	3,682	2,188
Total Financial Expenses, Net	**(3,684)**	**(2,074)**

Collections

Cash Collection rate from distributions companies for 1Q'12 was 54% as of March 31, 2012 the invoices in arrears stood at 4, reflecting an increase of 2 invoices from December 31, 2011.

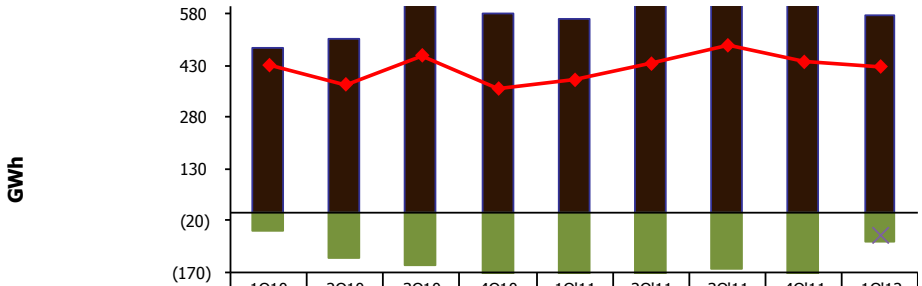
Discos Cash Collections Vs Billings



Operational Statistics

Description	1Q'12	1Q'11	Var.%
Heat Rate, Btu/KWh	9,340	9,253	0.9%
Availability, %	90.2	98.6	-8.5%
Forced Outage Rate, %	0.1	0.5	-80.0%
Installed Capacity, MW	624	599	4.2%
Effective Capacity, MW	547	547	0.0%
Firm Capacity, MW	290	272	6.6%

Energy Balance



	1Q10	2Q10	3Q10	4Q10	1Q'11	2Q'11	3Q'11	4Q'11	1Q'12
GWh - Spot Purchase	(53)	(131)	(151)	(219)	(178)	(179)	(161)	(196)	(84)
GWh - Sales	483	505	609	582	566	613	647	635	573
GWh - PPA Purchase									(63)
GWh - Generation	430	375	458	363	387	434	486	439	426

EMPRESA GENERADORA DE ELECTRICIDAD HAINA, S.A. AND SUBSIDIARY
UNAUDITED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2012 AND DECEMBER 31, 2011
Amounts in thousands of US$

	2012	2011
Assets:		
Current Assets:		
Cash and cash equivalents	149,333	183,879
Short-term investment	-	483
Accounts receivable	226,922	162,543
Inventories	39,034	36,104
Prepaid expenses	17,069	15,844
Deferred income tax	199	523
Other current assets	2,734	9,795
Total current assets	435,291	409,171
Deposits in banks, restricted	-	7,831
Long term receivable	2,607	1,306
Property plant and equipment, net	361,741	295,298
Intangible assets	91	91
Deferred charges, net	11,423	6,463
Other assets	13,299	21,799
Total assets	**824,452**	**741,959**
Liabilities and Shareholders' Equity		
Current liabilities		
Short-term debt	30,000	30,000
Current portion of long-term debt	17,700	17,656
Accounts payable	69,251	35,042
Payable to related parties	3,365	1,776
Income tax payable	34,231	26,868
Other current liabilities	9,484	8,022
Total current liabilities	164,031	119,364
Long term debt	253,311	233,751
Deferred income tax	12,802	13,636
Other non-current liabilities	3	3
	430,147	366,754
Shareholders' equity:		
Common stock	289,000	289,000
Legal reserve	17,676	14,941
Retained earnings	118,661	102,296
Accumulated other comprehensive loss	(31,032)	(31,032)
Total shareholders' equity	394,305	375,205
Total liabilities and shareholders' equity	**824,452**	**741,959**

EMPRESA GENERADORA DE ELECTRICIDAD HAINA, S.A. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
Amounts in thousands of US$

	Three month periods ended March 31,	
	2012	**2011**
Revenues		
Energy	139,892	111,672
Capacity	13,854	12,060
Others	820	816
	154,566	124,548
Operating costs		
Fuel	61,029	46,086
Purchased power	35,042	32,121
Transmission	3,324	2,368
Compensation for frequency regulation	2,452	1,565
Operating and maintenance	7,852	7,114
Administrative and general expenses	11,789	8,820
Depreciation and amortization	5,138	4,075
	126,626	102,149
Operating income	27,940	22,399
Financial expenses, net	(3,684)	(2,074)
Foreign exchange loss, net	624	25
Other income (expenses), net	(19)	767
Income before income tax	24,861	21,117
Income tax		
Current	(6,253)	(4,031)
Deferred	537	70
Net income	19,145	17,156

EMPRESA GENERADORA DE ELECTRICIDAD HAINA, S.A. AND SUBSIDIARY
UNAUDITED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2012 AND 2011
Amounts in thousands of US$

	Three month periods ended March 31,	
	2012	**2011**
Net income	19,145	17,156
Adjustments to reconcile net income		
to the net cash provided by (used in) operating activities:		
Gain on sale of property plant and equipment	-	(35)
Deferred income tax	(537)	(70)
Depreciation	5,138	4,075
Provision for doubful accounts	28	63
Financial expenes	4,341	3,021
Change in assets and liabilities:		
Accounts receivable	(72,994)	(73,080)
Inventories	(2,928)	(5,445)
Prepaid expenses	(1,226)	634
Other assets	7,240	(1,199)
Accounts payable	37,311	14,348
Income tax payable	7,425	3,971
Payable to related parties	1,590	257
Other liabilities	1,047	509
Net cash provided by (used in) operating activities	5,580	(35,795)
Sale of property, plant and equipment	-	46
Additions to property, plant and equipment	(61,403)	(6,492)
Collection of restricted investments	8,314	-
Disbursement of notes receivable	(1,700)	-
Net cash used in investing activities	(54,789)	(6,446)
Proceeds from long-term debt	21,000	5,000
Repayment of long-term debt	(1,247)	(650)
Debt issuance costs paid	(5,090)	(25)
Net cash provided by financing activities	14,663	4,325
Net decrease in cash and cash equivalents	(34,546)	(37,916)
Cash and cash equivalents at the beginning of the period	183,879	110,924
Cash and cash equivalents at the end of the period	**149,333**	**73,008**

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

EGE Haina is the largest generator of electricity in the Dominican Republic, based on installed capacity, currently operating 11 electric power generation units at six plants, consisting of San Pedro, Sultana del Este - barge, Haina and Barahona in the southern part of the country, Puerto Plata in the northern and Pedernales in the western part of Santo Domingo. Additionally, the Company constructed a 25MW wind farm consisting of 14 wind generators located in Los Cocos, municipality of Oviedo, in the southern part of the country. EGE Haina had contracted approximately 82% of its power generation with three State owned distributors, and approximately 18% with a related operating company. For more information, visit the Company's Web site at www.egehaina.com.

Caution Concerning Forward-Looking Statements:

This report may contain "forward-looking statements"- that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expect," "anticipate," "intend," "plan," believe," "seek," or "will". Forward-looking statements involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of the Company may differ materially from those expressed or implied by such forward-looking statements and assumptions. For us, particular uncertainties that could adversely or positively affect our future results include, but are not limited to: changes in general economic, political, governmental and business conditions; the behavior of financial markets; changes in commercial market regulations. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. EGE Haina assumes no obligation and does not undertake to update forward-looking statements.

Investor Contact:

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