

AES BORSOD HOLDINGS LIMITED

Report and Financial Statements

31 December 2000



**Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR**

REPORT AND FINANCIAL STATEMENTS 2000

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

3

Auditors' report

4

Balance sheet

5

Notes to the accounts

6

REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Randy Holloway (resigned 9 December 1999)
Stefan Dijkers
Johan Swemmelaar (appointed 13 December 1999)

SECRETARY

Neil Hopkins

REGISTERED OFFICE

18 Parkshot
Richmond
Surrey
TW9 2RG

AUDITORS

Deloitte & Touche
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their report for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is as a holding company for overseas companies involved in the development and operation of independent power generation facilities.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company did not trade during the year and will not trade for the foreseeable future. The company will continue in its current role as a holding company for companies in the development and operation of independent power generation facilities.

DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year and to the date of these financial statements are given on page 1.

No director had any interests, as defined by the Companies Act 1985, in the shares of the company or any other group company in the UK at 31 December 2000 or at any time during the year.

AUDITORS

A resolution proposing the reappointment of Deloitte & Touche as auditors to the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Neil Hopkins

Secretary

21 October

2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS

AES BORSOD HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company as at 31 December 2000 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

31 October 2001

BALANCE SHEET**31 December 2000**

| | Note | 2000 £ | 1999 £ |
|---|------|-----------|-----------|
| FIXED ASSETS | | | |
| Investments | 3 | 78,734 | 78,734 |
| CREDITORS: amounts falling due within one year | 4 | (58,734) | (58,734) |
| Net current liabilities | | (58,734) | (58,734) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 20,000 | 20,000 |
| NET ASSETS | | 20,000 | 20,000 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 20,000 | 20,000 |
| EQUITY SHAREHOLDERS' FUNDS | | 20,000 | 20,000 |

The company did not trade during the year and has made neither a profit nor a loss during the current or preceding financial year.

These financial statements were approved by the Board of Directors on 31 October 2001

Signed on behalf of the Board of Directors



Stefan Dijkers
Director

NOTES TO THE ACCOUNTS**Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year and made neither profit nor loss. No director received any emoluments for their services to the company for the year ended 31 December 2000 or the preceding year. The company has no employees (1999 – none).

Auditors' remuneration for the year was borne by the immediate parent company.

3. INVESTMENTS

| | 2000 £ | 1999 £ |
|-------------------------|-----------|-----------|
| Fixed asset investments | 78,734 | 78,734 |

The company owns 100% of the share capital and voting rights of AES Borsodi Aramtermelo Kft, a company incorporated in Hungary.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2000 £ | 1999 £ |
|--|-----------|-----------|
| Amounts owed to immediate parent company | 58,734 | 58,734 |

5. CALLED UP SHARE CAPITAL

| | 2000 £ | 1999 £ |
|--|-----------|-----------|
| Authorised: | | |
| 100,000 ordinary shares of £1 each | 100,000 | 100,000 |
| Called up, allotted and fully paid: | | |
| 20,000 ordinary shares of £1 | 20,000 | 20,000 |

NOTES TO THE ACCOUNTS
Year ended 31 December 2000

6. ULTIMATE PARENT COMPANY

The immediate parent company and the parent of the smallest group for which consolidated accounts are prepared of which this company is a part is AES Summit Generation Ltd, a company incorporated in Great Britain. Copies of the financial statements of AES Summit Generation Ltd may be obtained from 18 Parkshot, Richmond, Surrey, TW9 2RG.

The ultimate parent company and controlling entity, and parent of the largest group for which consolidated accounts are prepared, is The AES Corporation, a company incorporated in the State of Delaware, USA. Copies of the ultimate parent company's financial statements can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 2059, USA.

The company has taken advantage of the exemption granted by Financial reporting Standard No.8 "Related Party Disclosures" not to disclose transactions with other undertakings within, and related parties of, The AES Corporation Group.