

AES CORP  
Form 11-K  
June 29, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2004

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission file number 333-82306

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Employees' Thrift Plan of Indianapolis Power & Light Company

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

The AES Corporation  
1001 North 19<sup>th</sup> Street  
Arlington, VA 22209

REQUIRED INFORMATION

A list of the required financial statements filed as part of this Form 11-K is set forth on page F-1. The consent of Deloitte & Touche to the incorporation by reference of these financial statements into the AES Corporation's Form S-8 Registration Statement relating to the Plan (Registration No. 333-82306) is set forth hereto as Exhibit 23. The certification of the chief executive officer and the chief financial officer of Indianapolis Power & Light Company,

pursuant to 18 U.S.C. ss. 1350, is attached hereto as Exhibit 99.

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**Employees' Thrift Plan  
of Indianapolis Power &  
Light Company**

*Financial Statemetns as of December 31, 2004 and  
2003 and for the Year Ended December 31, 2004,  
Supplemental Schedule as of and for the Year Ended  
December 31, 2004*

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EMPLOYEES' THRIFT PLAN OF  
INDIANAPOLIS POWER & LIGHT COMPANY

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NOTE: Schedules not filed herewith are omitted because of the absence of the conditions under which they are required by Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employees Retirement Income Security Act of 1974.

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#### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employees' Pension Committee of  
Employees' Thrift Plan Indianapolis Power & Light Company

We have audited the accompanying statements of assets available for benefits of the Employees' Thrift Plan of Indianapolis Power & Light Company (the "Plan") as of December 31, 2004 and 2003, and the related statement of changes in assets available for benefits for the year ended December 31, 2004. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the assets available for benefits of the Plan at December 31, 2004 and 2003, and the changes in assets available for benefits for the year ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing

procedures applied in our audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic 2004 financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP

Indianapolis, Indiana  
June 29, 2005

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**EMPLOYEES' THRIFT PLAN OF  
INDIANAPOLIS POWER & LIGHT COMPANY  
STATEMENTS OF ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2004 AND 2003**

ASSETS	2004	2003
	-----	-----
INVESTMENTS--at fair value:		
The AES Corporation Common Stock	\$36,048,450	\$26,103,606
Merrill Lynch Equity Index Trust-- Common/Collective Trust	5,100,249	5,061,663
Merrill Lynch Retirement Preservation Trust-- Common/Collective Trust	7,450,289	6,165,445
Aim Income Mutual Fund	339,546	522,737
Alliance Technology Mutual Fund	822,749	1,130,463
Ivy International Mutual Fund	624,933	643,129
Merrill Lynch Balanced Capital Fund	2,625,860	2,452,516
Merrill Lynch U.S. Government Mortgage Fund	10,060,828	10,064,764
Oppenheimer Main Street Income & Growth Mutual Fund	8,080,735	8,021,811
Alger Midcap Growth Institutional Portfolio Mutual Fund	671,661	282,383
Templeton Foreign Mutual Fund	1,684,961	680,638
Van Kampen Growth & Income Mutual Fund	1,919,554	813,480
Lord Abbett Small Cap Value Mutual Fund	892,564	238,786
JP Morgan Mid-Cap Value Mutual Fund	804,560	244,140
Federated Total Return Bond Mutual Fund	1,305,905	549,830
Seligman Henderson Global Technology Mutual Fund	682,092	148,880
Phoenix Duff & Phelps Real Estate Securities Mutual Fund	336,423	112,375
Oppenheimer Real Asset Mutual Fund	346,230	8,942
Franklin Mutual Financial Services Mutual Fund	80,938	32,931
Oppenheimer Gold & Special Minerals Mutual Fund	162,223	44,404
Delaware Investments Trend Mutual Fund	253,798	83,115
Aim Global Health Care Mutual Fund	56,768	36,339
Merrill Lynch Utility and Telecommunications Mutual Fund	85,741	6,510
American Growth Fund of America Mutual Fund	1,565,498	653,311

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Participant loans	998,120	601,673
	-----	-----
Total investments	83,000,675	64,703,871
CASH	249	96,763
CONTRIBUTIONS RECEIVABLE	0	259,282
ACCRUED INTEREST AND DIVIDENDS	93,691	89,161
	-----	-----
ASSETS AVAILABLE FOR BENEFITS	\$83,094,615	\$65,149,077
	=====	=====

See notes to financial statements.

**EMPLOYEES' THRIFT PLAN OF  
INDIANAPOLIS POWER & LIGHT COMPANY  
STATEMENT OF CHANGES IN ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2004**

INCREASES:	
Employee contributions	\$4,580,237
Company contributions--net	2,266,574
Interest and dividend income	1,257,108
Net appreciation in fair value of investments	13,181,297
	-----
Total	21,285,216
	-----
DECREASES:	
Withdrawals by participants or their beneficiaries	3,324,583
Administrative fees	15,095
	-----
Total	3,339,678
	-----
INCREASE IN ASSETS AVAILABLE FOR BENEFITS	17,945,538
ASSETS AVAILABLE FOR BENEFITS--Beginning of year	65,149,077
	-----
ASSETS AVAILABLE FOR BENEFITS--End of year	\$83,094,615
	=====

See notes to financial statements.

**EMPLOYEES' THRIFT PLAN OF  
INDIANAPOLIS POWER & LIGHT COMPANY**

NOTES TO FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

-The financial statements of the Employees' Thrift Plan of Indianapolis Power & Light Company (the "Plan") have been prepared on the accrual basis.

Plan Assets

-Assets of the Plan are maintained in trust. Once placed in trust, assets may be withdrawn only for the purpose of refunding employee contributions; or payment of vested employer contributions to employees withdrawing from the Plan, to employees obtaining an in-service (suspension) withdrawal, to retiring employees, to participants electing a loan from the Plan, and to beneficiaries of deceased employees; or to pay expenses of the Plan. Participants make requests for distributions directly with the recordkeeper, Merrill Lynch Trust Company of America ("Merrill Lynch"), except for hardship withdrawals and refunds of participant contributions, which require approval from the Payroll & Benefits department of the Indianapolis Power & Light Company ("IPL"). The Payroll & Benefits department of IPL conducts day-to-day activities of the Plan at the designation of the Employees' Pension & Benefit Committee (the "Pension Committee").

Merrill Lynch is the sole trustee and recordkeeper of the assets of the Plan.

Investments

-Investments in securities are stated at fair value as determined by quoted market prices. Investment transactions are recorded as of the trade date. The cost of the securities sold is determined on a specific identification basis. Dividends are recorded on the ex-dividend date.

Participant Loans

-Loans to participants are stated at cost which approximates fair value.

Use of Management Estimates

-The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. The reported amounts of increases and decreases in assets during the reporting period may also be affected by the estimates and assumptions management is required to make. Actual results may differ from those estimates.

Administrative Fees

-The Trustee assesses each participant \$1.88 on a quarterly basis for the base service fee. Participants pay a commission of \$0.08 per share for open market transactions in The AES Corporation ("AES") common stock. The commission is reflected in the price per share for each transaction. There are no other transaction-based fees for the

investment funds.

Expenses for postage and handling for participant statements, confirmations and distributions are charged directly to participants. It is estimated that these expenses will be approximately \$3.00 per participant per plan year.

#### Payment of Benefits

-Upon severance of employment, a participant may elect to receive a lump sum payment for the full value of the participant's account, including vested employer contributions and related earnings. The participant also has the option of maintaining the account until reaching the age of 70 1/2 years. Benefits are recorded when paid.

## 2. DESCRIPTION OF THE PLAN

The Plan is administered by the Pension Committee which is a committee of not less than five persons appointed by the IPL Board of Directors. The Plan is a defined contribution plan, and certain employees become eligible to participate in the Plan immediately upon date of employment.

All employees vest at a rate of 20% per year and become fully vested in the Plan after five years of uninterrupted service. Termination of employment before the five-year requirement requires forfeiture of a prorated amount of allocated employer contributions. Forfeited amounts may be used to reduce employer matching contributions. As of December 31, 2004, there is currently \$22,641 in the forfeiture fund.

The Plan is valued on a daily "share" valuation.

Employee contributions are made through payroll deductions representing amounts equal to a specific percentage of the employee's base rate of compensation. Employees have the option of contributing anywhere from 1% to 50%, in increments of 1%, and direct their contributions into any of twenty-one options. Employees can make such contributions under a "Before Tax" or "After Tax" option. Employer contributions are made in an amount equal to current employee contributions up to a maximum of 4% and are invested in the same funds as the employee elects to have his/her contributions invested. Each participant's account is credited with the participant's contribution and IPL's matching contribution. Allocations of Plan earnings and losses are based on individual account balances relative to total account balances as of the valuation dates.

Participant fund transfers are subject to certain restrictions as outlined in the Summary Plan Description. In the event of partial or total termination of the Plan, the funds in the Plan shall be valued as of the date of partial or total termination and, after payment of necessary expenses, shall be distributed as though all participants directly affected by the partial or total termination had retired as of that date.

Participants may borrow up to the lesser of 50% of the vested portion of their account or \$50,000, with a minimum loan requirement of \$1,000. The period of repayment of the loan can vary but generally will not exceed five years except for loans used to purchase or construct a principal residence. The loans are secured by the balance in the participant's account and bear interest at one percent over prime. Principal and interest are paid through payroll deductions.

The Plan is maintained with the intent of being a qualified trust under Section 401(a) of the Internal Revenue Code. Its related trust is exempt from Federal income taxes under Section 501(a) of the Code. The Plan obtained its latest determination letter on February 6, 2003 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan, as amended, is being operated in compliance with the applicable requirements of the Internal Revenue Code.

Although it has not expressed any intent to do so, IPL has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of the Employees Retirement Income Security Act of 1974. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

Participants should refer to the Summary Plan Description for a more detailed description of the Plan.

### 3. RISKS AND UNCERTAINTIES

The Plan invests in various securities including U.S. Government securities, corporate debt instruments, corporate stocks, registered investment companies, and common/collective trusts. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

### 4. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's assets.

	2004	2003
The AES Corporation common stock, 2,637,048 and 2,765,212 shares, respectively	\$36,048,450	\$26,103,606
Oppenheimer Main Street Income & Growth Mutual Fund, 227,883 and 244,567 shares, respectively	\$8,080,735	\$8,021,811
Merrill Lynch U.S. Government Mortgage Fund, 979,633 and 980,971 shares, respectively	\$10,060,828	\$10,064,764
Merrill Lynch Retirement Preservation Trust-- Common/Collective Trust, 7,450,289 and 6,165,445 shares, respectively	\$7,450,289	\$6,165,445
Merrill Lynch Equity Index Trust--Common/Collective Tust 57,371 and 62,972 shares, respectively	\$5,100,249	\$5,061,663

During 2004, the Plan's investments (including both realized and unrealized gains and losses) appreciated in value by \$13,181,297 as follows:

Mutual Funds	\$1,471,926
Common/Collective Trust	501,232
The AES Corporation Common Stock	11,208,139
	-----
Net appreciation in fair value of investments	\$13,181,297
	=====



5. MERRILL LYNCH RETIREMENT PRESERVATION TRUST

One of the investment funds is the Merrill Lynch Retirement Preservation Trust, which is a trust for the collective investment of Qualified Plans. The majority of the fund assets consist of investment contracts which are included in the financial statements at contract value, (which represents contributions made under the contracts, plus earnings, less withdrawals and administrative expenses) because they are fully benefit responsive. For example, participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The contract value of the investment contracts at December 31, 2004 and 2003 approximates market value. The average yield rate for 2004 was approximately 3.95%.

6. RELATED PARTY TRANSACTIONS

One of the Plan's investment options is AES common stock. Since AES is the parent company of IPALCO Enterprises, Inc. and IPALCO Enterprises, Inc. is the parent company of IPL, any investment transactions involving AES common stock qualify as party-in-interest transactions. Merrill Lynch is also the Investment Manager for the Merrill Lynch Retirement Preservation Trust, the Merrill Lynch Equity Index Trust, the Merrill Lynch Balanced Capital Fund, the Merrill Lynch Utility and Telecommunications Mutual Fund and the Merrill Lynch U.S. Government Mortgage Fund and, therefore, these transactions also qualify as party-in-interest transactions.

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**SUPPLEMENTAL SCHEDULE**

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**EMPLOYEES' THRIFT PLAN OF  
INDIANAPOLIS POWER & LIGHT COMPANY**

FORM 5500, SCHEDULE H, PART IV, LINE 4i--  
SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN: 35-0413620

PN: 003

DECEMBER 31, 2004

Shares	Description	Fair Value
51,446	Aim Income Mutual Fund	\$339,546
1,987	Aim Global Health Care Mutual Fund	56,768
14,432	Alliance Technology Mutual Fund	822,749
2,637,048	* The AES Corporation Common Stock	36,048,450
26,741	Ivy International Mutual Fund	624,933
7,450,289	* Merrill Lynch Retirement Preservation Trust--Common/Collective Trust	7,450,289

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57,371	*	Merrill Lynch Equity Index Trust-- Common/Collective Trust	5,100,249
227,883		Oppenheimer Main Street Income & Growth Mutual Fund	8,080,735
979,633	*	Merrill Lynch U.S. Govt. Mortgage Fund	10,060,828
98,310	*	Merrill Lynch Balanced Capital Fund	2,625,860
136,989		Templeton Foreign Mutual Fund	1,684,961
95,075		Van Kampen Growth & Income Mutual Fund	1,919,554
39,814		Alger Midcap Growth Institutional Portfolio Mutual Fund	671,661
32,504		Lord Abbett Small Cap Value Mutual Fund	892,564
36,488		JP Morgan Mid-Cap Value Mutual Fund	804,560
120,471		Federated Total Return Bond Mutual Fund	1,305,905
57,767		American Growth Fund of America Mutual Fund	1,565,498
53,920		Seligman Henderson Global Technology Mutual Fund	682,092
13,340		Phoenix Duff & Phelps Real Estate Securities Mutual Fund	336,423
50,841		Oppenheimer Real Asset Mutual Fund	346,230
3,954		Franklin Mutual Financial Services Mutual Fund	80,938
8,726		Oppenheimer Gold & Special Minerals Mutual Fund	162,223
11,983		Delaware Investments Trend Mutual Fund	253,798
7,998	*	Merrill Lynch Utility and Telecommunications Mutual Fund	85,741
	*	Participant Loans (with maturities ranging from 2006 to 2014 and interest rates ranging from 5.0% - 6.0%)	998,120
		TOTAL INVESTMENTS	----- \$83,000,675 =====

\* Party-in-interest transaction

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SIGNATURES

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

EMPLOYEES' THRIFT PLAN OF INDIANAPOLIS POWER &  
LIGHT COMPANY

By the Plan Administrator:

EMPLOYEES' PENSION & BENEFITS COMMITTEE OF  
INDIANAPOLIS POWER & LIGHT COMPANY

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By: /s/ Edward J. Kunz

Edward J. Kunz, Chairman of the Committee

DATE: June 29, 2005

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