



## NRG Energy Reports Second Quarter Earnings of 25 Cents per Share for the Second Quarter 2001

July 25, 2001

**MINNEAPOLIS, July 25, 2001 (BUSINESS WIRE)**—NRG Energy, Inc. (NYSE:NRG):

Highlights:

- Earnings per share of \$0.44 increased 26 percent in the first six months of 2001 compared to the first six months of 2000.
- Earnings per share for the second quarter 2001 were \$0.25, compared to prior estimates of \$0.21 to \$0.22. Earnings per share for the second quarter of 2000 were \$0.28.
- Net income for the first six months of 2001 increased 61 percent to \$84.3 million from \$52.3 million in the first six months of 2000.
- Total revenues for the six months ended June 30, 2001, increased 62 percent to \$1.37 billion, versus \$845.0 million in the previous comparable period.
- Net megawatt (MW) ownership increased 58 percent to 21,612 MW in operation and construction as of June 30, 2001, versus 13,637 MW at the end of June 2000.

NRG Energy, Inc. (NYSE:NRG) today reported record net income and earnings per share for the six-month period ending June 30, 2001. Earnings per share increased 26 percent to \$0.44 for the six months from \$0.35 in 2000. Earnings per share for the second quarter of 2001 were \$0.25 versus \$0.28 in the second quarter of 2000. Net income increased 61 percent to \$84.3 million year-to-date 2001 compared to \$52.3 million during the previous comparable period. Total revenues grew to \$1.37 billion for the six-month period from \$845.0 million in 2000, an increase of 62 percent.

"NRG's strong results overall for the first two quarters of 2001 keep us on track to meet our aggressive growth and financial objectives for this year and we remain comfortable with earnings guidance for the year of \$1.35 per share," said David H. Peterson, chairman, president and chief executive officer. "NRG continues to deliver for our shareholders by expanding our highly diversified and well-positioned business platform in attractive markets in the United States and in select markets internationally."

Peterson went on to say, "We are focused on creating value for NRG shareholders through our strong acquisition program, continuing success in augmenting returns through our outstanding power marketing area, a construction program that will bring more than 6,600 MW of efficient and environmentally responsible generating capacity online by the end of 2003, and NRG's world-class development efforts leveraged through strategic relationships."

During the second quarter, NRG closed on the following projects that have achieved commercial operation:

[click here](#) for list of projects.

In addition to acquisitions and development, NRG's evolving power marketing operation is proving to be a competitive strength. NRG has one of the industry's most diversified generation portfolios. This diversity, in terms of geographic markets, fuels and dispatch profiles, allows NRG to follow the electric load in a given market.

NRG's strategy is to maximize returns and minimize risks in uncertain markets through its diverse portfolio and not to depend on any single fuel, technology, or market to generate its return and growth requirements. The company also manages risk through the prudent use of long-term power sales and fuel-purchase contracts to lock in margins.

"NRG benefits from the diversity of our portfolio in a number of ways," said Peterson. "NRG has enjoyed the earnings upside from significant coal-fired generating assets during periods of high natural gas prices. NRG also has about 20 percent of our assets located in select overseas markets. We are careful, experienced developers and operators of generation facilities and will continue to close well-structured transactions overseas as an important adjunct to our earnings diversity."

Other events of note occurring in the second quarter of 2001 include an NRG debt offering of \$690 million in senior notes, comprised of \$350 million of 7.75 percent notes due 2011 and \$340 million of 8.625 percent notes due 2031. In May, NRG also closed on a \$2 billion construction/acquisition revolver that is an innovative piece of NRG's overall financing strategy.

NRG is a leading global energy company engaged primarily in the acquisition, development, construction, ownership and operation of power generating facilities. The company's operations utilize such diverse fuel sources as natural gas, oil, coal and coal seam methane, biomass, landfill gas, refuse-derived fuel, and hydro.

The second quarter 2001 earnings conference call is scheduled for 1:00 p.m. (Eastern) on Wednesday, July 25, 2001. You may access the live conference call by calling (800) 553-0349 in the United States or (612) 288-0318 outside the U.S. The conference call will be simulcast over the Internet and can be accessed through the Investor Relations area of NRG Energy's web site at [www.nrgenergy.com](http://www.nrgenergy.com). A replay of the conference call will be available after 4:30 p.m. (Eastern) by calling (800) 475-6701 in the United States or (320) 365-3844 outside the United States with an access code of 594077.

The information in this news release includes forward-looking statements in addition to historical information. Forward-looking statements above

include, but are not limited to, expected earnings and future growth and financial performance. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct. Factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements above include, among others, factors affecting power generation operations such as unusual weather conditions, unscheduled generator outages, unanticipated changes in fuel costs or availability and environmental incidents; changes in government regulation or the implementation of government regulations, including pending changes within or outside of California as a result of the California energy crisis, which could result in NRG's failure to obtain regulatory approvals required to close project acquisitions, and which could adversely affect the continued deregulation of the electric industry; unanticipated developments in the California energy market, including defaults on amounts due and adverse results in current or future litigation; risks associated with the timely completion of development projects, including obtaining competitive contracts and construction delays; and factors affecting the availability or cost of capital, such as changes in interest rates and market perceptions of the power generation industry, NRG or any of its subsidiaries.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this news release should not be construed as exhaustive. For more information regarding these risks and uncertainties, review NRG's filings with the Securities and Exchange Commission.

More information on NRG Energy is available at [www.nrgenergy.com](http://www.nrgenergy.com).

[click here](#) for supporting tables.

See notes to consolidated financial statements

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