



## **NRG Energy Reports Record 2001 Third Quarter Earnings of 71 Cents per Share; On Track to Deliver \$1.35 per Share for 2001**

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**MINNEAPOLIS, Oct. 11, 2001** (BUSINESS WIRE)—NRG Energy, Inc. (NYSE:NRG):

### **Highlights:**

- Earnings per share for the third quarter 2001 were \$0.71, a 45 percent increase over the third quarter 2000.
- Earnings per share for the first nine months of 2001 were \$1.17, a 34 percent increase over the comparable period in 2000.
- Net income for the first nine months of 2001 was \$225.9 million, a 60 percent increase over the comparable period in 2000.
- Total revenues for the nine months ended September 30, 2001 were \$2.33 billion, a 59 percent increase over the same period of 2000.

On the eve of its investor conference, NRG Energy, Inc. (NYSE:NRG) today reported record financial results for the quarter and nine months ended September 30, 2001.

Earnings per share for the third quarter of 2001 increased 45 percent to \$0.71 compared to \$0.49 in the third quarter 2000. Earnings per share were \$1.17 for the first nine months of 2001 compared to \$.87 for the first nine months of 2000. Net income for the first nine months of 2001 increased 60 percent to \$225.9 million for the first nine months of 2000. Total revenues grew 59 percent to \$2.33 billion for the nine-month period compared to \$1.47 billion for the first nine months of 2000.

"NRG continues to deliver earnings and shareholder value through one of the industry's most diverse portfolios of generating assets, and we are confident of sustaining our earnings growth momentum well into the future," said David H. Peterson, NRG chairman, president and chief executive officer. "Our diversified strategies work, and NRG is well positioned to capitalize on opportunities in the markets we serve by virtue of our diverse generating facilities, which vary by type, fuel, and geographic location."

The company attributed the strong earnings performance to increased returns from a larger generation portfolio, contracted electricity sales, returns on power marketing activities, and superior operating performance.

"Consistently strong growth through financially disciplined acquisition and greenfield development programs is an NRG hallmark," said Peterson. "We are able to leverage our portfolio with operating expertise that allows us to keep our plants running in order to take advantage of favorable prices for electricity."

"NRG is confident we will deliver \$1.35 in earnings per share for 2001 and will continue that 25 percent growth," said Peterson, looking ahead. "Given our pipeline of projects and our prudent risk management strategies, we expect to earn between \$1.65 and \$1.70 per share in 2002."

The 2002 forecast includes earnings contributions from several projects currently under construction as well as additional growth attributable to new acquisitions NRG believes it will successfully close during the year.

NRG continues to derive earnings benefit from increased generation capacity due to a number of recently closed transactions. Since September 30, 2000, NRG has increased megawatt (MW) ownership in generating facilities in operation or construction by 65 percent--from 14,476 MW to 23,914 MW.

NRG plans to detail its 36,611 MW pipeline of projects in operation, construction and advanced development at its investor conference. (See Attachment.) The completion of the projects in this pipeline is expected to deliver more than 25 percent compound annual earnings growth rate through 2005. During its investor conference, NRG will outline different corporate MW growth scenarios--including a 36,611 MW plan scenario, and a 50,000 MW target scenario, and will provide information about NRG's regional targets that comprise more than 50,000 MW.

"Stringent investment criteria are critical to our success and we constantly assess each project's potential returns and allocate capital only to those warranting investment," said Peterson. "NRG will only develop and retain those projects that it believes will add to earnings and enhance our regional portfolio strategy."

Peterson elaborated on enhancing portfolio returns when he said, "Our North American Power Marketing Group extracts additional value from our portfolio, which we estimate adds approximately 100-200 basis points in additional incremental return on equity, by trading around the company's assets without taking undue speculative risks. In addition to trading success, NRG's contracting strategy is proving to be a competitive advantage as we face economic uncertainties that may affect the price of power in the future."

NRG North America has forward contracts in place for approximately 70 percent of the electricity it expects to sell in 2002 and approximately 65 percent of its estimated output in 2003.

On Friday at the NRG investor conference, NRG senior management will address financing the company's growth plans. "The 36,611 MW pipeline of projects will require additional equity approaching \$1 billion over the next four years," said Leonard A. Bluhm, NRG chief financial officer. "Although

increased operating cash flows will fund much of our growth, we anticipate the need for an additional \$500 million in equity sometime during the next 18 months, with the balance to be issued in later years."

The company also said it would be seeking to increase its revolving credit facility, used for general corporate purposes, from \$500 million to \$750 million. NRG continues to maintain investment grade ratings for its corporate debt from both Moody's and S&P (Baa3/BBB-).

#### **Investor Conference Web Cast**

NRG's Investor Conference is scheduled for Friday, October 12 from 9:00 am to 3:30 pm (Eastern.) To access the audio web cast and virtual presentation go to the company's web site, [www.nrgenergy.com](http://www.nrgenergy.com), and click on "Investor Relations," and then click on "Presentations."

You must have Real Media or Windows Media Player loaded onto your personal computer. The web cast and presentation will be archived on the NRG website.

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, future growth, financial performance, anticipated future equity offerings and expected project closings. 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 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 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; a change in general economic conditions, which could affect the demand for electricity; 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 is available at [www.nrgenergy.com](http://www.nrgenergy.com)

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CONTACT: NRG Energy, Inc., Minneapolis  
Media Relations:  
Meredith Moore, 612/373-8892  
or  
Investor Relations:  
Rick Huckle, 612/313-8900