



NRG Energy Increases Guidance Following Completion of GenOn Transaction

January 22, 2013

PRINCETON, N.J.--(BUSINESS WIRE)--Jan. 22, 2013-- NRG Energy is increasing its guidance for both adjusted EBITDA and Free Cash Flow before Growth investments following the successful close of the GenOn transaction on December 14, 2012. Specifically, NRG is reaffirming 2013 adjusted EBITDA guidance, increasing its 2014 adjusted EBITDA guidance by \$70 million and increasing both 2013 and 2014 Free Cash Flow before Growth guidance by \$75 million and \$55 million, respectively. These increases in guidance are relative to the guidance ranges for the combined company previously provided in connection with the merger announcement in July 2012 and are due to a number of factors, including:

- Updated outlook on forward commodity prices
- Review of expenditures for the combined portfolio
- Impact of reduction in projected environmental capital expenditures previously disclosed

2013 and 2014 Guidance

(\$ in Millions)

	2013	2014
Adjusted EBITDA ¹	\$2,535-\$2,735	\$2,700-\$2,900
Wholesale	1,685 - 1,800	1,705 - 1,820
Retail	650 - 725	675 - 750
Solar Projects ²	200 - 210	320 - 330
FCF, before growth investments	\$900-\$1,100	\$900-\$1,100

Note: Reconciliation of Adjusted EBITDA are shown in Appendix

¹Includes \$150 million and \$200 million in 2013 and 2014, respectively, of synergies as previously disclosed

²Solar projects include the EBITDA contribution from the projects net of non-controlling interest and excluding development expenses

"Having closed the GenOn transaction ahead of our original expectations, we now have the opportunity to complete our review of the combined company's business operations and are pleased to announce increased adjusted EBITDA and free cash flow guidance for 2013-2014," said David Crane, NRG's President and Chief Executive Officer. "NRG's personnel are already fully engaged realizing both the synergies of the combination and the potential of our 47,000 megawatts of multi-fuel, multi-regional, across-the-merit-order generation capacity."

NRG expects to provide the financial community with full year results for both NRG and GenOn as well as further updates of its activities on its fourth quarter 2012 earnings call, to be held in late February.

About NRG Energy

NRG is at the forefront of changing how people think about and use energy. We deliver cleaner and smarter energy choices for our customers, backed by the nation's largest independent power generation portfolio of fossil fuel, nuclear, solar and wind facilities. A Fortune 300 company, NRG is challenging the U.S. energy industry by becoming the largest developer of solar power, building the first privately-funded electric vehicle charging infrastructure, and providing customers with the most advanced smart energy solutions to better manage their energy use. In addition to 47,000 megawatts of generation capacity, enough to supply nearly 40 million homes, our retail electricity providers – Reliant, Green Mountain Energy and Energy Plus – serve more than two million customers. More information is available at www.nrgenergy.com. Connect with NRG Energy on Facebook and follow us on Twitter @nrgenergy.

Appendix Table A-1: 2013 Reconciliation of Adjusted EBITDA Guidance

(\$ in millions)

Adjusted EBITDA guidance	2,535 – 2,735
Interest payments	(925)
Income tax	(30)
Collateral/working capital/other changes	(50)
Cash flow from operations	1,525 – 1,725

Maintenance capital expenditures, net	(420) – (440)
Environmental capital expenditures, net	(175) – (195)
Preferred dividends	(9)
Free cash flow – before growth investments	900 – 1,100

Note: Subtotals and totals are rounded

Appendix Table A-2: 2014 Reconciliation of Adjusted EBITDA Guidance

(\$ in millions)

Adjusted EBITDA guidance	2,700 – 2,900
Interest payments	(1,010)
Income tax	40
Collateral/working capital/other changes	(200)
Cash flow from operations	1,550 – 1,750
Maintenance capital expenditures, net	(390) – (410)
Environmental capital expenditures, net	(230) – (250)
Preferred dividends	(9)
Free cash flow – before growth investments	900 – 1,100

Note: Subtotals and totals are rounded

EBITDA and adjusted EBITDA are non-GAAP financial measures. These measurements are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance. The presentation of adjusted EBITDA should not be construed as an inference that NRG's future results will be unaffected by unusual or non-recurring items.

EBITDA represents net income before interest (including loss on debt extinguishment), taxes, depreciation and amortization. EBITDA is presented because NRG considers it an important supplemental measure of its performance and believes debt-holders frequently use EBITDA to analyze operating performance and debt service capacity. EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our operating results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect cash expenditures, or future requirements for capital expenditures, or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on debt or cash income tax payments;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in this industry may calculate EBITDA differently than NRG does, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to use to invest in the growth of NRG's business. NRG compensates for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only supplementally. See the statements of cash flow included in the financial statements that are a part of this news release.

Adjusted EBITDA is presented as a further supplemental measure of operating performance. Adjusted EBITDA represents EBITDA adjusted for mark-to-market gains or losses, asset write offs and impairments; and factors which we do not consider indicative of future operating performance. The reader is encouraged to evaluate each adjustment and the reasons NRG considers it appropriate for supplemental analysis. As an analytical tool, adjusted EBITDA is subject to all of the limitations applicable to EBITDA. In addition, in evaluating adjusted EBITDA, the reader should be aware that in the future NRG may incur expenses similar to the adjustments in this news release.

Free cash flow (before growth investments) is cash flow from operations less maintenance and environmental capital expenditures and preferred stock dividends and is used by NRG predominantly as a forecasting tool to estimate cash available for debt reduction and other capital allocation alternatives. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on free cash flow as a measure of cash available for discretionary expenditures.

Forward Looking Statements

In addition to historical information, the information presented in this communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. These statements involve estimates, expectations, projections, goals, assumptions, known and unknown risks and uncertainties and can typically be identified by terminology such as "may," "will," "should," "could," "objective," "projection," "forecast," "goal," "guidance," "outlook," "expect," "intend," "seek," "plan," "think," "anticipate," "estimate," "predict," "target," "potential" or "continue" or the negative of these terms or other comparable terminology. Such forward-looking statements include, but are not limited to, statements about the anticipated benefits of the transaction between NRG and GenOn, the combined company's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and economic and market conditions.

Forward-looking statements are not a guarantee of future performance and actual events or results may differ materially from any forward-looking

statement as result of various risks and uncertainties, including, but not limited to, those relating to: impact of the transaction on relationships with customers, suppliers and employees, the ability to finance the combined business post-closing and the terms on which such financing may be available, the financial performance of the combined company following completion of the transaction, the ability to successfully integrate the businesses of NRG and GenOn, the ability to realize anticipated benefits of the transaction (including expected cost savings and other synergies) or the risk that anticipated benefits may take longer to realize than expected, legislative, regulatory and/or market developments, the outcome of pending or threatened lawsuits, regulatory or tax proceedings or investigations, the effects of competition or regulatory intervention, financial and economic market conditions, access to capital, the timing and extent of changes in law and regulation (including environmental), commodity prices, prevailing demand and market prices for electricity, capacity, fuel and emissions allowances, weather conditions, operational constraints or outages, fuel supply or transmission issues, hedging ineffectiveness.

Additional information concerning other risk factors is contained in NRG's and GenOn's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings.

Many of these risks, uncertainties and assumptions are beyond NRG's ability to control or predict. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made, and NRG does not undertake any obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that may arise after the date of this communication. All subsequent written and oral forward-looking statements concerning NRG, the transaction, the combined company or other matters and attributable to NRG or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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