



## PRESS RELEASE

FOR IMMEDIATE RELEASE

### NRG Energy Raises 2014 Guidance on Strength of Increased Operational and Cost Synergies Arising Out of the GenOn Acquisition

#### Increased Guidance

- 2014 Free Cash Flow (FCF) before growth increased by \$200 million to \$1,100 - 1,300 million
- 2014 Adjusted EBITDA increased by \$90 million to \$2,850 - \$3,050 million
- 2013 FCF before growth increased by \$50 million to \$1,050 - 1,250 million
- 2013 Adjusted EBITDA reaffirmed

#### Synergy Highlights

- Increasing expected FCF benefits resulting from the GenOn combination to \$467 million per year by 2014 (up from \$310 million per year)
- Increasing expected adjusted EBITDA benefits resulting from Operational and Cost synergies arising out of the GenOn combination to \$325 million per year by 2014 (up from \$210 million per year)
- Cash flow benefits from balance sheet efficiencies increased to \$142 million

#### Operational Highlights

- Reactivation of Avon Lake and New Castle; Over 1 GW in ATSI Region cleared most recent capacity auction
- New Reliability Support Service Agreement at Dunkirk
- Improving cash flow profile through both new and accelerated plant deactivations

**PRINCETON, NJ; June 24, 2013** — NRG Energy (NYSE: NRG) is increasing its guidance for both adjusted EBITDA and FCF before growth investments following today's announcement on improved synergies resulting from the GenOn combination as well as providing an update on current market conditions. Specifically, NRG is reaffirming 2013 adjusted EBITDA guidance, increasing 2014 adjusted EBITDA guidance by \$90 million, and increasing FCF before growth guidance in 2013 and 2014 by \$50 million and \$200 million, respectively. These changes to guidance are relative to the guidance ranges previously provided on NRG's first quarter earnings presentation on May 7, 2013 and are due to a number of factors, including:

- Increases in all GenOn combination-related synergies (Cost, Operational, and Balance Sheet)
- Updated outlook on forward commodity prices, competitive markets, and impact of mild weather experienced year to date

## 2013 and 2014 Guidance

(\$ in Millions)

	2013	2014
<b>Adjusted EBITDA<sup>1</sup></b>	<b>\$2,615-\$2,815</b>	<b>\$2,850-\$3,050</b>
Wholesale	1,825-1,940	1,915-2,030
Retail	575-650	600-675
Solar <sup>2</sup>	215-225	335-345
<b>FCF, before growth investments</b>	<b>\$1,050-\$1,250</b>	<b>\$1,100-\$1,300</b>

Note: Reconciliation of Adjusted EBITDA are shown in Appendix

<sup>1</sup>Includes \$200 million and \$325 million in 2013 and 2014, respectively, of synergies as revised in today's disclosure

<sup>2</sup>Solar projects include the adjusted EBITDA contribution from the projects excluding development expenses

"As a result of our ongoing continuous improvement and integration program over the past six months following the GenOn combination, we are pleased to announce significantly increased guidance for 2013 and 2014," said David Crane, NRG's President and Chief Executive Officer. "Our continued focus on relentless execution in our core businesses, combined with the inherent benefits of our combined energy platform, is putting us in a position to deliver strong financial performance even through the softer portion of the commodity price cycle."

### Conference Call Details

On June 24, 2013, NRG will host a conference call at 9:00 am eastern to discuss this announcement in more detail. Investors, the news media and others may access the live webcast of the conference call and accompanying presentation materials by logging on to NRG's website at <http://www.nrgenergy.com> and clicking on "Investors." The webcast will be archived on the site for those unable to listen in real time.

### 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 500 company, NRG is challenging the U.S. energy industry by becoming one of the largest developers of solar power, building the first comprehensive electric vehicle ecosystem, 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](http://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)

<b>Adjusted EBITDA guidance</b>	<b>2,615 – 2,815</b>
Interest payments, net	(945)
Income tax	50
Collateral/working capital/other changes	(120)
<b>Adjusted Cash flow from operations</b>	<b>1,600 – 1,800</b>
Maintenance capital expenditures, net	(385) – (405)
Environmental capital expenditures, net	(155) – (175)
Preferred dividends	(9)
<b>Free cash flow – before growth investments</b>	<b>1,050 – 1,250</b>

Note: Subtotals and totals are rounded

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

(\$ in millions)

<b>Adjusted EBITDA guidance</b>	<b>2,850 – 3,050</b>
Interest payments, net	(945)
Income tax	(40)
Collateral/working capital/other changes	(215)
<b>Adjusted Cash flow from operations</b>	<b>1,650 – 1,850</b>
Maintenance capital expenditures, net	(325) – (345)
Environmental capital expenditures, net	(205) – (225)
Preferred dividends	(9)
<b>Free cash flow – before growth investments</b>	<b>1,100 – 1,300</b>

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.

### **Safe Harbor Disclosure**

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and include our Adjusted EBITDA, free cash flow guidance, expected earnings, future growth, financial performance, capital allocation, environmental capital expenditures, expected benefits from the GenOn acquisition and development projects, and typically can be identified by the use of words such as "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, hazards customary in the power industry, weather conditions, successful partnering relationships, government loan guarantees, competition in wholesale and retail power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, changes in the wholesale power markets, changes in government regulation of markets and of environmental emissions, our ability to utilize tax incentives, the condition of capital markets generally, our ability to access capital markets, unanticipated outages at our generation facilities, adverse results in current and future litigation, our inability to implement value enhancing improvements to plant operations and companywide processes, 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 due to our ability to maintain retail customers, and our ability to achieve the expected benefits and timing of development projects. Furthermore, any common stock dividend or share repurchases are subject to available capital, market conditions, and compliance with associated laws and regulations.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Adjusted EBITDA guidance and free cash flows are estimates as of today's date, June 24, 2013 and are based on assumptions believed to be reasonable as of this date. NRG expressly disclaims any current intention to update such guidance. 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 be considered in connection with information regarding risks and

uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). In addition, NRG makes available free of charge at [www.nrgenergy.com](http://www.nrgenergy.com) (in the "Investors" section), copies of materials it files with, or furnish to, the SEC.

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