Investor Presentation

NRG Energy, Inc.

(NYSE: NRG)

September 2013

Safe Harbor

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," "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 merger between NRG and GenOn, the Company's future revenues, income, indebtedness, capital structure, plans, expectations, objectives, projected financial performance and/or business results and other future events, and views of economic and market conditions.

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, competition in wholesale 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, 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, failure to identify or successfully implement acquisitions and repowerings, our ability to implement value enhancing improvements to plant operations and companywide processes, our ability to obtain federal loan guarantees, the inability to maintain or create successful partnering relationships, our ability to retain retail customers, our ability to realize value through our commercial operations strategy, 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, and share repurchase under the Capital Allocation Plan may be made from time to time subject to market conditions and other factors, including as permitted by United States securities laws. Furthermore, any common stock dividend is subject to available capital and market conditions.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The Adjusted EBITDA and free cash flow guidance are estimates as of August 9, 2013. These estimates are based on assumptions believed to be reasonable as of that date. NRG disclaims any current intention to update such guidance, except as required by law. 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 Presentation 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.

NRG Energy Overview

Key Information

Listed: **NYSE (NRG)**

Market Cap[1]: ~**$9.0 BN**

Generation Assets[2]: **~46.0 GW**

Competitive Retail Customers: **~2.3 MM**

2012 Financial Highlights[3]

Revenues: **$8.4 BN**

Adjusted EBITDA[4]: ~**$1.9 BN**

Cash From Operations: **~$1.2 BN**

Free Cash Flow Before Growth: **~$900 MM**

NRG in the Power Sector Value Chain

Fuel Supply & Transportation

Power Generation

- Regulated Utilities
- ***Competitive Generators***
- ***Renewables***

Transmission & Distribution

Retail (Customer)

- Cost of service
- ***Competitive markets (Residential and C&I)***
- ***New products and services (EV charging and distributed solar)***

The nrg Difference:

- Largest Competitive Power Generation portfolio; Most capacity in Texas of any publicly-traded power company
- Poised for power price and natural gas recovery
- Leading integrated wholesale / retail energy business; Largest retailer in Texas
- First mover advantage in clean energy sector with ~1,200 MW[5] utility scale solar projects in operation or under construction
- Competitive cost of capital through majority ownership of NRG YIELD
- Strong free cash flow coupled with long history of balanced capital allocation

[1] As of 9/19/2013; assumes ~323MM shares outstanding
[2] Net capacity as of 6/30/2013 (excludes capacity attributable to non-controlling interest); excludes NRG Thermal MWt and projects under construction
[3] Results are not pro forma for GenOn contribution
[4] Adjusted EBITDA based on NRG's revised methodology, as more fully described in NRG's 4Q12 earnings presentation on 2/27/2013
[5] Total solar capacity, including MW owned by minority interest partners as of 6/30/2013

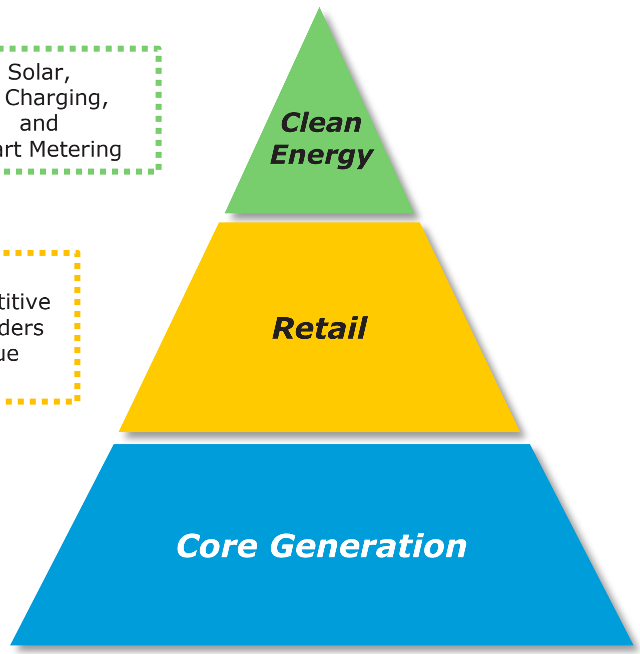
NRG's Investment Proposition

Premium Competitive Energy Business Model…

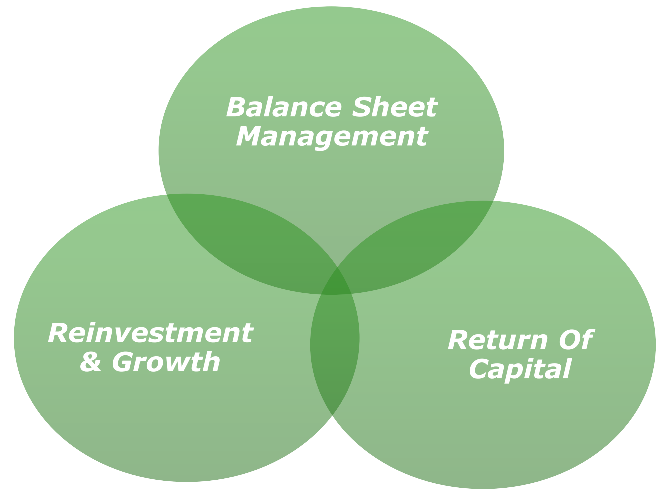
Solar,
EV Charging,
and
Smart Metering

Multi-market,
multi-brand competitive
retail energy providers
with distinct value
propositions

Multi-market, multi-fuel,
economic generation
across the merit order;
scale conventional power
generation company



…Augmented by Balanced Capital Allocation



Annual Dividend

of $0.48/share (~1.7% yield)[1]

Free Cash Flow Yield

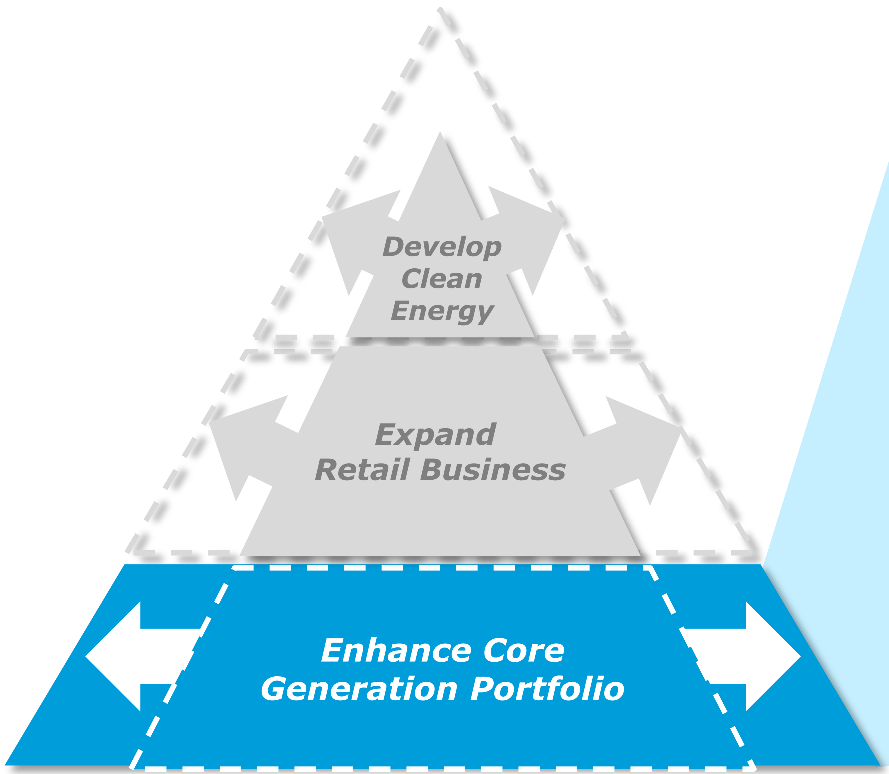
of 12–14% in 2013[1,2]

★ A Diversified Competitive Energy Company, Positioned for Future Growth, While Generating Significant Free Cash Flow ★

nrg

[1] As of 9/19/2013; assumes ~323MM shares outstanding
[2] Based on 2013 Free Cash Flow Before Growth guidance previously disclosed in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013

Enhancing the Core Generation Portfolio: nrg / GenOn Combination



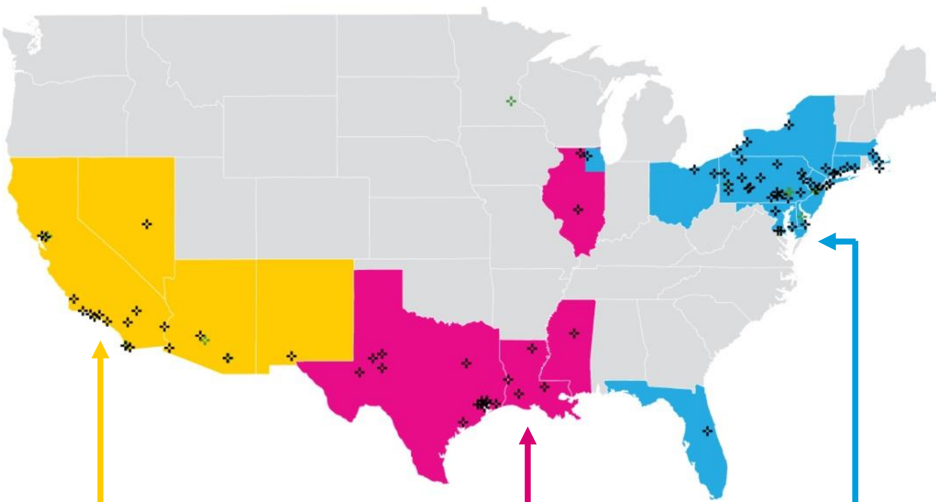
Delivering GenOn Synergies

- **~$480 MM** of annual cash flow synergies by 2014[1,2]
- **~$340 MM** of incremental Adjusted EBITDA by 2014[1]

★ Diversified Portfolio Provides Foundation for Growth, Augmented By Significant Benefits Resulting from GenOn Combination ★

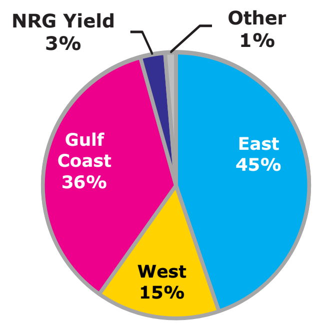
[1] As previously disclosed in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013
[2] Excludes additional free cash flow improvements relating to reductions in maintenance capex

Core Generation Portfolio:
Diversification by Region, Fuel Type, and Revenue

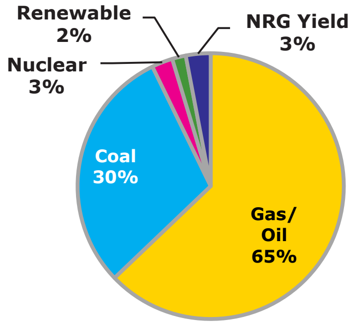


Total: 46,013 MW Capacity

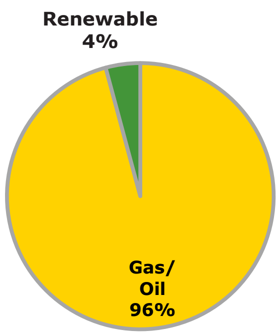
% Capacity by Region



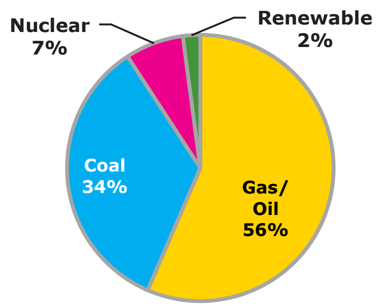
% Capacity by Fuel Type



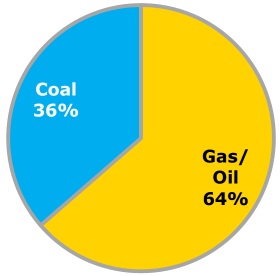
West: 6,788 MW[1]



Gulf Coast: 16,568 MW[1]



East: 20,665 MW[1]



★ Largest Competitive Power Generation Company in the US, with Unparalleled Scale and Diversification Across US Regions ★

Note: Net capacity as of 6/30/2013 (excludes capacity attributable to non-controlling interest); excludes NRG Thermal MWt and projects under construction; totals may not sum to 100 due to rounding

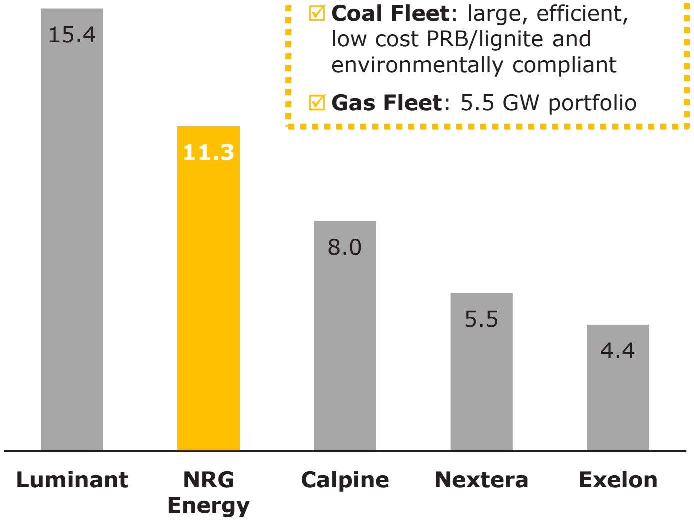
[1] Includes generation in the Alternative Energy segment that is located in the specified region; Excludes capacity located internationally (605 MW) and capacity owned by NRG Yield (1,387 MW)

Leading Position in the Texas Power Market

Most Texas Capacity of any Publicly Traded Company[1]

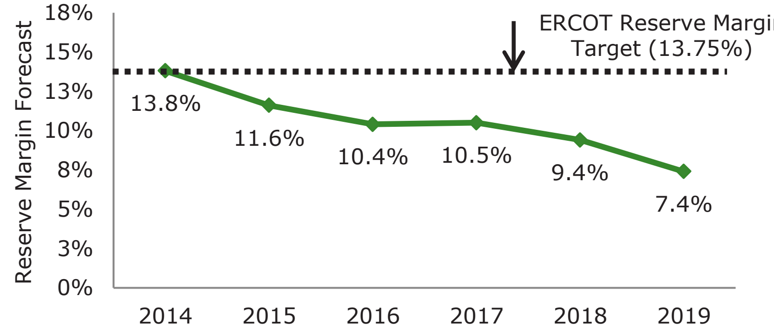
(GWs Installed Capacity)

- ☑ **South Texas Project**: Young and high performing nuclear facility
- ☑ **Coal Fleet**: large, efficient, low cost PRB/lignite and environmentally compliant
- ☑ **Gas Fleet**: 5.5 GW portfolio



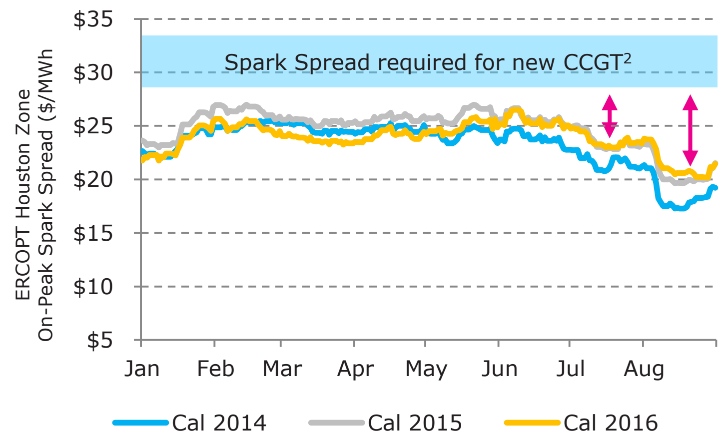
Note: Figures represent GW's total capacity; Source: Company websites
NRG MW's include seasonally mothballed units

Tightening Texas Reserve Margin Forecast…



Source: ERCOT May 2013 Capacity, Demand, and Reserves Report

…With Room for Significant Price Improvement



Source: ERCOT, NRG Estimates.

★ Poised to Benefit from Strong Fundamentals in Texas ★

[1] NRG Texas included in Gulf Coast Region
[2] CCGT CONE range is calculated based on overnight capital cost in the range of $800/kW to $900/kW; Spark Spreads =(On Peak Power - 7 heat rate x Houston Ship Channel Gas)

Expanding the Retail Business:
Multi-Brand and Multi-Channel Approach

Objective: Empower energy consumers with smart energy choices that are safe, affordable, reliable and sustainable

Maintain Texas Leadership

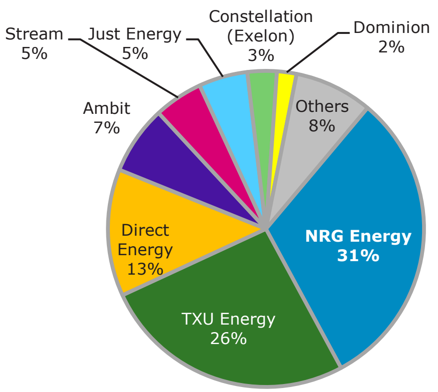
- Continue to leverage multi-brand, multi-channel, customer-centric approach
- Harness value of integrated model in a supply constrained market

Expand Northeast

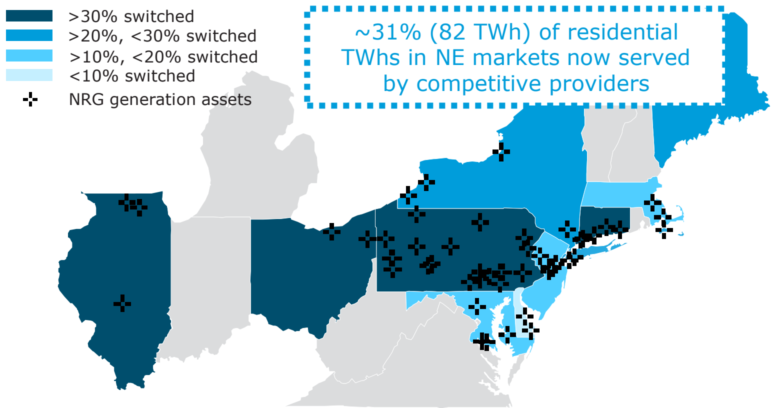
- Build leading insurgent retailer via disciplined, profitable growth in evolving markets
- Extend integrated model with GenOn portfolio

Enhance value through value-added products and services

Residential ERCOT Share[1]



- 1.9 MM retail customers
- ~50% mass, C&I by volume
- Over 700K customers using Smart Energy Solutions and 330K using Home Solutions



[1] Source: NRG research, company filings, and KEMA Retailer Landscape April 2013

Source: KEMA Retail Energy Outlook, Q4 2012 and NRG Research; Colors indicate MWh switched

★ NRG Retail: Leading Position and A Channel for Future Growth ★

Developing Clean Energy:
Targeting First-Mover Status, Strategic Synergies

Green Products and Services: >$450 BN Value

Clean Transportation

- Electric vehicle services
- Home and network charging
- Clean electricity for home charging

- US PEV sales to reach ~300k units by 2015, up from 1.6k in 2010

Green Housing and Utilities

- Clean/green retail electricity
- Rooftop solar
- Smart Meters
- LEEDs
- Utility RPS (solar)

- By 2015, US green building market to increase to $173 BN from $71 BN in 2010

Green Retail Energy

- Clean /green electricity
- Distributed solar
- CO_2 offsets and REC sales
- B2B/Energy management

- Green retail market projected to grow from 36 TWh in 2010 to 157 TWh by 2015[1]

☑ Consumer-Focused
☑ Sustainability-Focused
☑ First-Mover Advantage

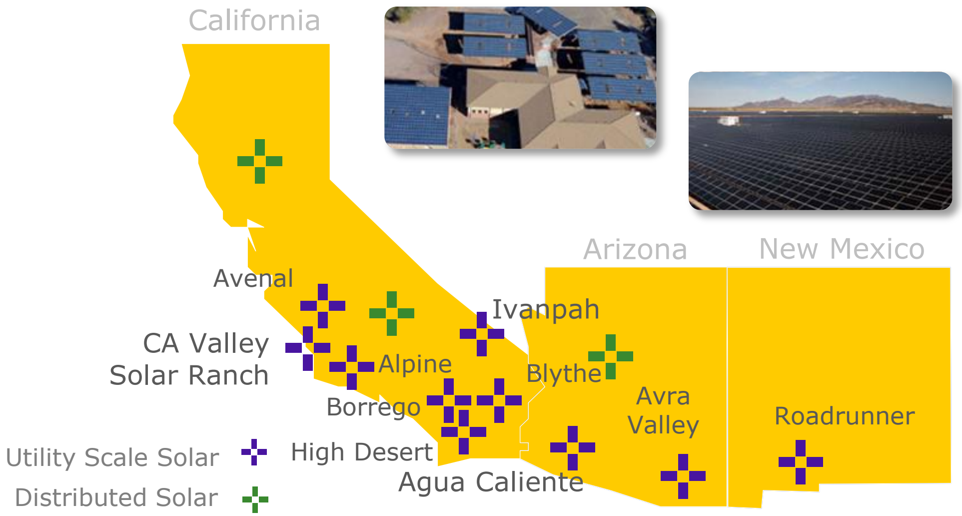
nrg Residential Solar Solutions · Green Mountain Energy · eVgo · reliant an NRG company · NRG YIELD

★ First-Mover Advantage in >$450 BN Clean Economy ★

Source: Department of Commerce, EPRI, EL Insights, NREL
[1] NREL High Forecast case; PEV=Plug-in Electric Vehicle

Developing Clean Energy:
Industry Leading Solar Platform

Solar Project Map: West Region



Key Highlights

- Projects supported by long term PPAs with investment-grade counterparties
- ~490 MW utility-scale solar in operation; ~330 MW under construction[1]
- ~50 MW of distributed solar projects completed or under construction[1]

2011 → **2012** → **2013** → **2014** → **2015**

Utility Scale Construction and Completion

Build Capacity and Scale in the Distributed Solar Space

Residential

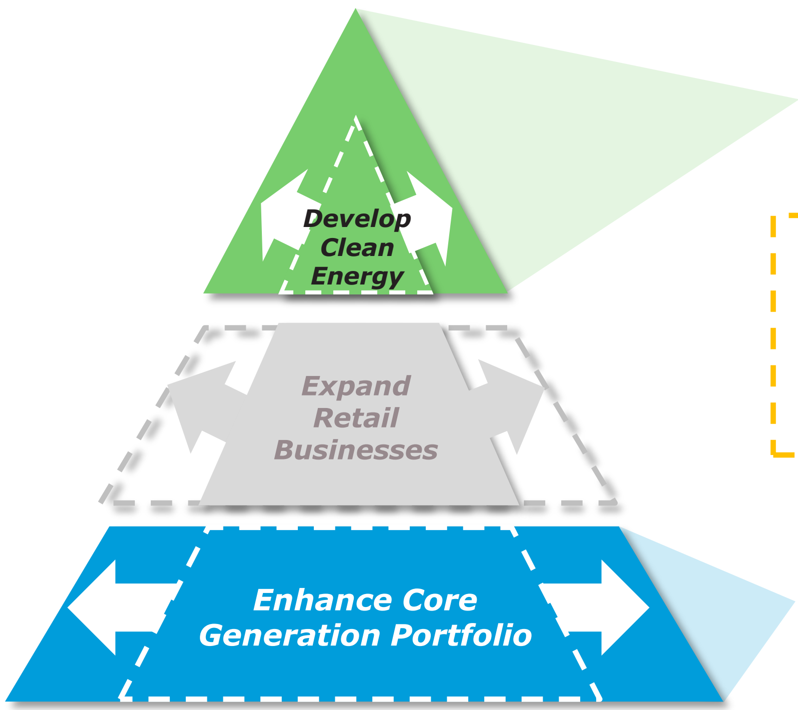
★ Increasing Solar Scale Contributing Significant Contracted EBITDA and Growth ★

[1] Net NRG ownership share as of 6/30/2013 (utility-scale only)

NRG Yield:
A Long-Term Strategic Perspective

NRG's Competitive Energy Business Model…

…is Meaningfully Enhanced by the Success of …



Renewables enabled by long term PPAs and leases with utility and corporate off-takers

NRG YIELD

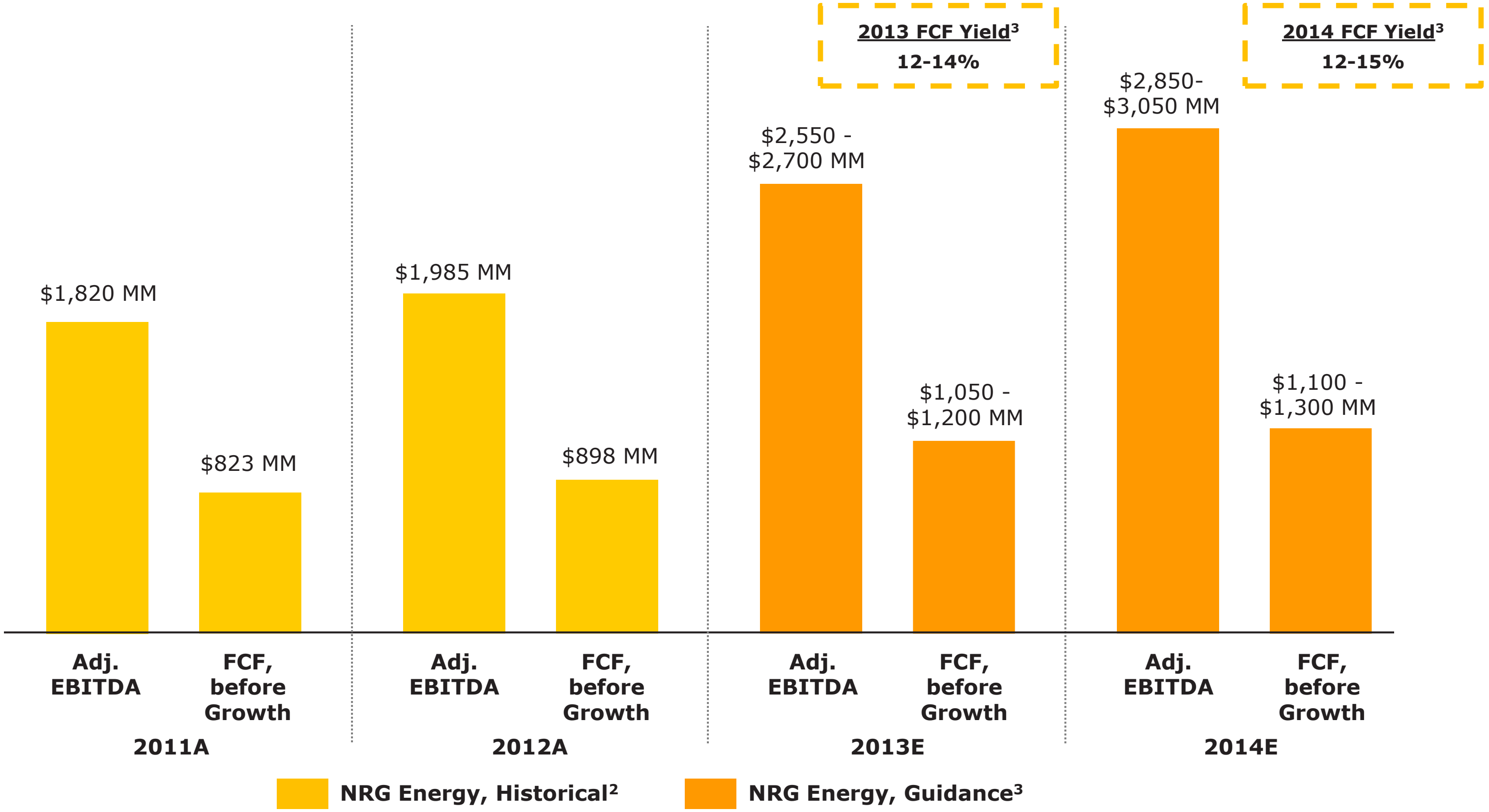
competitive cost of capital for contracted assets

In low gas price environment, long term contracted assets are the key to replacement capacity market for conventional assets

★ NRG Yield: Strategically Aligned with NRG and a Vehicle for Long-Term Value Creation ★

Financial Highlights:
EBITDA[1] and Free Cash Flow

Sustaining Financial Performance Throughout the Cycle…



…While Preserving Upside for Commodity Price Recovery

[1] 2012A, 2013E, and 2014E Adjusted EBITDA based on NRG's revised methodology, as more fully described in NRG's 4Q12 earnings presentation on 2/27/2013
[2] 2011A from NRG's 4Q11 earnings presentation on 2/28/2012; 2012A from NRG's 4Q12 earnings presentation on 2/27/2013
[3] Based on guidance previously disclosed in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013; market data as of 9/10/2013; assumes ~323MM shares outstanding

Conclusion – Investment Thesis

NRG: Why Now?

Core Generation

- The ***Largest and Most Diversified*** competitive power company, levered to both power and gas recovery across US regions
- Positioned for ***Texas*** power market upside as the largest publicly traded Texas generator

Retail Energy

- Leading integrated competitive wholesale / retail position provides ***Countercyclical*** earnings
- ***Growth*** vehicle for new customers, sales volume, and products and services

Clean Energy

- First mover in ***>$450 BN*** clean energy sector (~790 net MW utility scale solar projects in operation or under construction)
- ***>$340 MM*** Annual Solar EBITDA[1] by 2014

Financial

- ***Significant*** annual free cash flow generation
- ***Committed*** return of capital as a dividend payer
- ***Advantaged*** cost of capital through NRG Yield

★ Strategically Positioned and Levered for Future Growth, ★
While Generating Significant Free Cash Flow

[1] As previously disclosed in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013; Includes EBITDA contribution from both utility scale and distributed projects excluding development expenses

Investor Relations Contacts

NRG Investor Relations

211 Carnegie Center

Princeton, NJ 08540

- **Chad Plotkin**
  Vice President of Investor Relations
  609.524.4526
  chad.plotkin@nrgenergy.com

- **Daniel Keyes**
  Analyst, Investor Relations
  609.524.4527
  dan.keyes@nrgenergy.com

For copies of other presentations, annual/ quarterly reports, or to be added to our email distribution list please contact:

- **Lori Stagliano**
  Investor Relations Coordinator
  609.524.4528
  lori.stagliano@nrgenergy.com

Appendix

Guidance Overview

As previously disclosed in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013

($ millions)	2013	2014
Wholesale[1]	$1,735-$1,810	$1,965-$2,090
Retail	$575-$650	$600-$675
NRG Yield	$240	$285
Adjusted EBITDA	$2,550-$2,700	$2,850-$3,050
Free Cash Flow – before growth investments	$1,050-$1,200	$1,100-$1,300

nrg

[1] Total synergies of $200 million and $340 million are included in Wholesale results for 2013 and 2014, respectively; wholesale guidance now includes solar assets not currently owned by NRG Yield

GenOn Acquisition: Synergy Report Card

($ millions)

	Annual Run Rate (by 2014)		
	Revised	Executed[1]	%
Total Cost	**$215**	**$147**	**68%**
Previous[2]	***$200***		
Operational	**$125**	**$99**	**79%**
Adjusted EBITDA	**$340**	**$246**	**72%**
Previous[2]	***$325***		
Balance Sheet Efficiencies	**$142**	**$142**	**100%**
Total Cash Flow Benefits[3]	**$482**	**$388**	**81%**
Previous[2]	***$467***		

Improvements Driven By:

- ✓ Increase in Insurance Synergies
- ✓ Incremental Reduction in Consulting Requirements
- ✓ Further Workforce Reduction

Estimated 2013 Contribution:

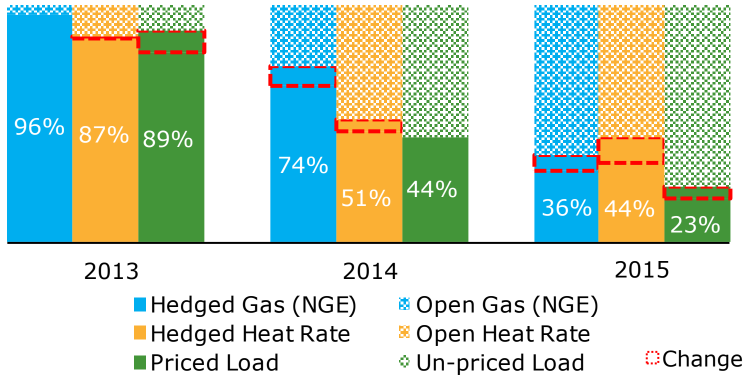
- ✓ ~$200 MM for full year
- ✓ ~$76 MM realized in 1H13

★ On Track To Achieve, and Improve Upon, Combination Synergy Targets ★

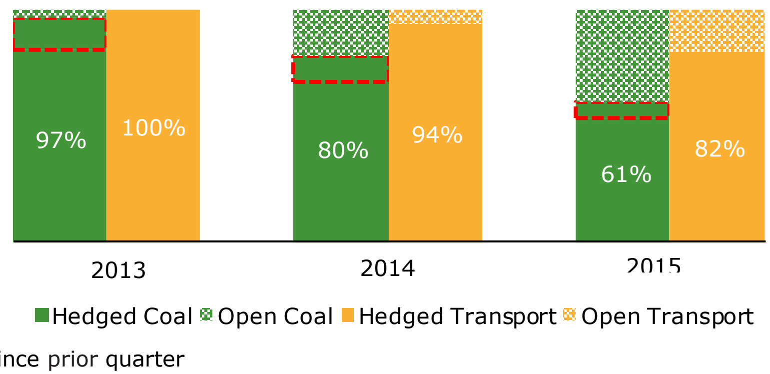
[1] As of 7/1/2013
[2] As previously disclosed on 6/24/2013
[3] Excludes additional free cash flow improvements relating to reductions in maintenance capex

Managing Commodity Price Risk

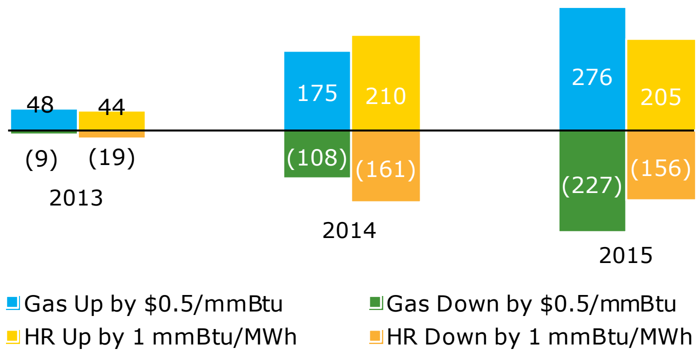
Coal and Nuclear Generation and Retail Hedge Position[1,2]



Coal and Transport Hedge Position[1,4]



Coal and Nuclear Generation Sensitivity to Gas Price and Heat Rate[1,3]



Commercial Highlights

- Commercial integration: successful operations during the northeast heat wave
- Extended tolling agreement at Pittsburg plant in CA for one year
- Increased hedges in 2014 and 2015 for coal and nuclear fleet

[1] Portfolio as of 7/12/2013; [2] Retail Priced Load includes Term load, Hedged Month-to-month load, and Indexed load
[3] Price sensitivity reflects gross margin change from $0.5/MMBtu gas price, 1 mmBtu/MWh heat rate move
[4] Coal position excludes existing coal inventory

Components of NRG Market Value Post NRG Yield ("NYLD")

As previously presented in NRG's 2nd Quarter 2013 Results Presentation on 8/9/2013

($ millions)

Implied Trading Value Summary	
NRG Market Cap[1]	$8,687
Less: NRG Stake in NYLD[2]	(1,215)
Implied Residual Equity Value	7,472
Add: NRG proportional debt[3]	15,397
Less: NYLD proportional debt[3]	(1,876)
Less: pro-forma cash[4]	(1,496)
Add: Preferred Stock	249
Implied Residual Enterprise Value	$19,746
2014 mid-point of Residual Adjusted EBITDA	$2,565
Implied Residual Adjusted EBITDA multiple	7.7x

($ millions)

Components of Adjusted EBITDA	
2014 Adjusted EBITDA	$2,850-$3,050
Less: NYLD Adjusted EBITDA	(285)
Adjust for proportionate Adjusted EBITDA	(100)
2014 Residual Adjusted EBITDA	$2,465-$2,665
2014 NRG ROFO Assets[5] Proportionate Adjusted EBITDA	$250

[1]Assumes ~323 million common shares outstanding as of 7/31/2013; closing share price of $26.90 on 8/8/2013

[2]Calculated based on Class B shares outstanding of 42.7 million shares at $28.42 for NYLD, the closing share price on 8/8/2013

[3]Represents debt balances as of 6/30/2013

[4]NRG cash and cash equivalents of $1,368 million at 6/30/2013; plus net NRG Yield IPO proceeds of $462 million, less $73 million retained by NRG Yield; less $244 million for Gregory acquisition; and less $17 million NRG Yield cash and cash equivalent balance at 6/30/2013

[5]Includes the projects identified as NRG ROFO Assets pursuant to the Right of First Offer Agreement by and between NRG and NRG Yield

★ NRG Yield Trading Value Provides Clearer View of Overall NRG Energy Valuation ★

nrg

Proportionate Adjusted EBITDA and Debt[1]

($ millions)

	June 30, 2013	Year End 2013	Year End 2014
Adjusted EBITDA Guidance		$2,550-$2,700	$2,850-$3,050
- Pro-rata Adjusted EBITDA associated with project non-controlling interests (i.e., Agua Caliente, Ivanpah)		(50)	(100)
NRG Proportionate Adjusted EBITDA		$2,500-$2,650	$2,750-$2,950
- NRG Yield Proportionate Adjusted EBITDA		(240)	(285)
NRG Residual Adjusted EBITDA		$2,260-$2,410	$2,465-$2,665
Recourse Debt	$8,098	$ 8,124	$ 8,154
Non-recourse Debt	8,202	7,924	7,808
Consolidated Debt	$16,300	$ 16,048	$ 15,962
- Pro-rata Debt associated with project non-controlling interests (i.e., Agua Caliente, Ivanpah)	(1,132)	(1,084)	(1,040)
+ Pro-rata Debt associated with unconsolidated affiliates	229	225	210
NRG Proportionate Debt	$15,397	$ 15,189	$ 15,132
- NRG Yield Proportionate Debt[2]	(1,876)	(1,702)	(1,539)
NRG Residual Debt	$13,521	$ 13,487	$ 13,593

[1] Debt balances exclude discounts and premiums
[2] Represents NRG Yield's portion of NRG Consolidated debt ($1,177 million); plus its share of pro-rata debt associated with Avenal, GenConn and 48.95% of CVSR totaling $699 million

Appendix
Reg. G Schedules

Reg. G: YTD Q2 2013 Free Cash Flow Before Growth Investments

$ in millions		Jun 30, 2013		Jun 30, 2012		Variance
Adjusted EBITDAR	**$**	**1,006**	**$**	**871**	**$**	**135**
Less: GenOn operating lease expense		(39)		-		(39)
Adjusted EBITDA	**$**	**967**	**$**	**871**	**$**	**96**
Interest payments		(492)		(293)		(199)
Income tax		62		(21)		83
Collateral/working capital/other		(615)		28		(643)
Cash flow from operations	**$**	**(78)**	**$**	**585**	**$**	**(663)**
Reclassifying of net receipts (payments) for settlement of acquired derivatives that include financing elements		171		(44)		215
GenOn Merger and integration costs		80		-		80
Collateral		158		(240)		398
Adjusted Cash flow from operations	**$**	**331**	**$**	**301**	**$**	**30**
Maintenance CapEx, net[1]		(170)		(102)		(68)
Environmental CapEx, net		(33)		(21)		(12)
Preferred dividends		(5)		(5)		-
Free cash flow - before growth investments	**$**	**123**	**$**	**173**	**$**	**(50)**

nrg

[1] 6/30/2013 maintenance CapEx, net excludes GenOn integration CapEx of $10 million

Reg. G: 2013 & 2014 Guidance

$ in millions	8/9/2013 2013 Guidance	8/9/2013 2014 Guidance	6/24/2013 2013 Guidance	6/24/2013 2014 Guidance
Adjusted EBITDAR	**$2,630-$2,780**	**$2,930-$3,130**	**$2,695-$2,895**	**$2,930-$3,130**
Less: GenOn operating lease expense	(80)	(80)	(80)	(80)
Adjusted EBITDA	**$2,550-$2,700**	**$2,850-$3,050**	**$2,615-$2,815**	**$2,850-$3,050**
Interest Payments	(945)	(945)	(945)	(945)
Income Tax	50	(40)	50	(40)
Working capital/other	(120)	(165)	(120)	(215)
Adjusted Cash flow from operations	**$1,535-$1,685**	**$1,700-$1,900**	**$1,600-$1,800**	**$1,650-$1,850**
Maintenance CapEx, net	(325)-(345)	(315)-(335)	(385)-(405)	(325)-(345)
Environmental CapEx, net	(135)-(145)	(220)-(240)	(155)-(175)	(205)-(225)
Preferred Dividends	(9)	(9)	(9)	(9)
Distributions to non-controlling interests-NRG Yield and Solar	(7)	(33)	(1)	(6)
Free cash flow - before growth investments	**$1,050-$1,200**	**$1,100-$1,300**	**$1,050-$1,250**	**$1,100-$1,300**

nrg

Reg. G

Appendix Table A-1: Second Quarter 2013 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(dollars in millions)	Retail	Texas	South Central	East	West	Other Conventional	NRG Yield	Alt. Energy	Corp.	Total
Net Income/(Loss)	**(82)**	**169**	**6**	**142**	**37**	**(3)**	**33**	**(29)**	**(143)**	**130**
Plus:										
Net Income Attributable to Non-Controlling Interest	-	-	-	-	-	-	-	4	3	7
Income Tax	-	-	-	-	-	1	1	-	(63)	(61)
Interest Expense, net	-	-	4	14	(1)	-	6	17	164	204
Depreciation, Amortization and ARO Expense	36	112	25	82	13	1	9	27	7	312
Loss on Debt Extinguishment	-	-	-	-	-	-	-	-	21	21
Amortization of Contracts	18	12	(6)	(8)	(2)	-	-	-	1	15
EBITDA	**(28)**	**293**	**29**	**230**	**47**	**(1)**	**49**	**19**	**(10)**	**628**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	1	-	1	4	12	6	(8)	16
Integration & Transaction Costs	-	-	-	-	-	-	-	-	37	37
Deactivation costs	-	-	-	6	2	-	-	-	-	8
Asset and Investment Write-offs	-	3	-	-	-	-	-	-	-	3
Economic Hedge	168	(179)	(12)	(73)	-	-	-	(2)	-	(98)
Adjusted EBITDA	**140**	**117**	**18**	**163**	**50**	**3**	**61**	**23**	**19**	**594**

Reg. G

Appendix Table A-2: Second Quarter 2012 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

(dollars in millions)	Retail	Texas	South Central	East	West	Other Conventional	NRG Yield	Alt. Energy	Corp.	Total
Net Income/(Loss)	**797**	**(427)**	**11**	**(13)**	**21**	**7**	**(1)**	**(14)**	**(130)**	**251**
Plus:										
Net Income Attributable to Non-Controlling Interest	-	-	-	-	-	-	-	8	-	8
Income Tax	-	-	-	-	-	2	(1)	1	(15)	(13)
Interest Expense, net	1	-	4	5	-	1	16	1	135	163
Depreciation, Amortization and ARO Expense	44	114	23	33	4	-	6	10	2	236
Amortization of Contracts	33	11	(4)	-	-	-	-	-	-	40
EBITDA	**875**	**(302)**	**34**	**25**	**25**	**10**	**20**	**6**	**(8)**	**685**
Adjustment to reflect NRG share of Adjusted EBITDA in unconsolidated affiliates	-	-	-	-	-	4	5	1	(2)	8
Asset Write Off and Impairment	-	1	-	-	-	-	-	-	-	1
Transaction fee on asset sale	-	-	-	-	-	-	-	-	1	1
Economic Hedge	(656)	529	(6)	(8)	(2)	-	-	3	-	(140)
Adjusted EBITDA[1]	**219**	**228**	**28**	**17**	**23**	**14**	**25**	**10**	**(9)**	**555**

[1] Revised to reflect new EBITDA methodology

Reg. G

Appendix Table A-3: YTD 2012 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

		Gulf Coast				Other	Alt.		
($ in millions)	**Retail**	**Texas**	**South Central**	**East**	**West**	**Conv.**	**Energy**	**Corp.**	**Total**
Net Income/(Loss)	$541	($94)	$2	($39)	$59	$33	(34)	$111	$579
Plus:									
Net Income Attributable to Non-Controlling Interest	-	-	-	-	-	-	(20)	-	(20)
Income Tax	-	-	-	-	-	3	-	(330)	(327)
Interest Expense	4	-	18	20	2	11	46	560	661
Depreciation, Amortization and ARO Expense	162	461	93	140	16	17	59	12	960
Loss on Debt Extinguishment	-	-	-	-	-	-	-	51	51
Amortization of Contracts	115	41	(20)	(1)	-	1	-	-	136
EBITDA	822	408	93	120	77	65	51	404	2,040
Merger and Transaction Costs	-	-	-	-	-	-	-	112	112
Bargain Purchase Gain	-	-	-		-	-	-	(560)	(560)
Legal Settlement	-	-	14		20	-	-	-	34
Asset and investment Write off	-	8	9	-	-	-	-	5	22
MtM losses/(gains)	(166)	464	(17)	(3)	(10)	-	1	-	269
Adjusted EBITDA	$656	$880	$99	$117	$87	$65	$52	($39)	$1,917

Reg. G

Appendix Table A-4: YTD 2011 Regional Adjusted EBITDA Reconciliation
The following table summarizes the calculation of adjusted EBITDA and provides a reconciliation to net income

		Gulf Coast				Other	Alt.		
($ in millions)	**Retail**	**Texas**	**South Central**	**East**	**West**	**Conv.**	**Energy**	**Corp.**	**Total**
Net Income/(Loss)	$369	$316	(14)	($86)	$54	$19	($57)	($404)	$197
Plus:									
Net Income Attributable to Non-Controlling Interes	-	-	-	-	-	-	-	-	-
Income Tax	(3)	-	-	-	-	7	-	(847)	(843)
Interest Expense	4	(16)	41	47	2	15	16	556	665
Depreciation, Amortization and ARO Expense	159	466	89	120	13	14	31	12	904
Loss on Debt Extinguishment	-	-	-	-	-	-	-	175	175
Amortization of Contracts	169	56	(20)		-	1	-	-	206
EBITDA	698	822	96	81	69	56	(10)	(508)	1,304
Asset and Investment Write off	-	170	-	12	-	-	-	495	677
MtM losses/(gains)	(34)	(150)	29	(5)	4	-	(5)	-	(161)
Adjusted EBITDA	$664	$842	$125	$88	$73	$56	($15)	($13)	$1,820

nrg

Reg. G

- 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.
- Adjusted cash flow from operating activities is a non-GAAP measure NRG provides to show cash from operations with the reclassification of net payments of derivative contracts acquired in business combinations from financing to operating cash flow, as well as the add back of merger and integration related costs. The Company provides the reader with this alternative view of operating cash flow because the cash settlement of these derivative contracts materially impact operating revenues and cost of sales, while GAAP requires NRG to treat them as if there was a financing activity associated with the contracts as of the acquisition dates. The Company adds back merger and integration related costs as they are one time and unique in nature and do not reflect ongoing cash from operations and they are fully disclosed to investors.
- Free cash flow (before growth investments) is adjusted cash flow from operations less maintenance and environmental capital expenditures, net of funding, 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. The reader is encouraged to evaluate each of these adjustments and the reasons NRG considers them appropriate for supplemental analysis. Because we have mandatory debt service requirements (and other non-discretionary expenditures) investors should not rely on free cash flow before growth investments as a measure of cash available for discretionary expenditures.
- Cash available for distribution is adjusted EBITDA plus cash dividends from unconsolidated affiliates, less maintenance capital expenditures, pro-rata adjusted EBITDA from unconsolidated affiliates, cash interest paid, income taxes paid, principal amortization of indebtedness and changes in others assets. Management believes cash available for distribution is a relevant supplemental measure of the Company's ability to earn and distribute cash returns to investors.

nrg