

# NRG deal for GenOn gets shareholder approval

The Associated Press

NRG Energy Inc. said Friday that its pending acquisition of GenOn Energy Inc. has been approved by shareholders of both companies.

NRG in July announced plans to buy the wholesale power provider in an all-stock deal worth about \$1.94 billion.

GenOn shareholders will get 0.1216 of an NRG share for each GenOn share. Based on NRG's Thursday closing stock price, the offer works out to about \$2.51 per GenOn share.

NRG, based in Princeton, N.J., sells power on the wholesale market and to retail customers in states that have deregulated their electric power industry. It said the acquisition will allow it to cut costs, while boosting efficiency and cash flow.

GenOn is based in Houston.

The Federal Trade Commission has ended the deal's antitrust waiting period. It's also been approved by Texas regulators, but remains subject to other closing conditions, including approvals by the Federal Energy Regulatory Commission and the New York Public Service Commission. The acquisition is expected to close by the first quarter of 2013.

NRG operates power plants that run on natural gas, coal, oil, nuclear, solar and wind energy. It is one of the biggest power companies in the country with 25,000 megawatts of generating capacity and two million customers in 16 states. GenOn has generating capacity of almost 23,000 megawatts, with facilities in a dozen states. It uses coal, natural gas and oil to generate electricity.

Once the deal closes NRG shareholders will own 71 percent of the combined company and GenOn shareholders will own 29 percent. Four members of GenOn's board will join NRG's board, with GenOn Chairman and CEO Edward Muller becoming the board's vice chairman.

Also on Friday, GenOn said its third-quarter loss more than doubled to \$85 million, or 11 cents per share. Excluding one-time items, it posted adjusted net income of \$141 million.

In morning trading, NRG shares rose 7 cents to \$20.69. GenOn shares rose 2 cents to \$2.47.

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