

MIRANT CORP  
Form 425  
November 05, 2010

Filed by Mirant Corporation

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934, as amended

Subject Company: Mirant Corporation

(Commission File No. 001-16107)

### **Cautionary Language Regarding Forward-Looking Statements**

Some of the statements included herein involve forward-looking information. Mirant cautions that these statements involve known and unknown risks and that there can be no assurance that such results will occur. There are various important factors that could cause actual results to differ materially from those indicated in the forward-looking statements, such as, but not limited to, legislative and regulatory initiatives regarding deregulation, regulation or restructuring of the industry of generating, transmitting and distributing electricity (the "electricity industry"); changes in state, federal and other regulations affecting the electricity industry (including rate and other regulations); changes in, or changes in the application of, environmental and other laws and regulations to which Mirant and its subsidiaries and affiliates are or could become subject; the failure of Mirant's plants to perform as expected, including outages for unscheduled maintenance or repair; environmental regulations that restrict Mirant's ability or render it uneconomic to operate its plants, including regulations related to the emission of CO<sub>2</sub> and other greenhouse gases; increased regulation that limits Mirant's access to adequate water supplies and landfill options needed to support power generation or that increases the costs of cooling water and handling, transporting and disposing off-site of ash and other byproducts; changes in market conditions, including developments in the supply, demand, volume and pricing of electricity and other commodities in the energy markets, including efforts to reduce demand for electricity and to encourage the development of renewable sources of electricity, and the extent and timing of the entry of additional competition in our markets; continued poor economic and financial market conditions, including impacts on financial institutions and other current and potential counterparties and negative impacts on liquidity in the power and fuel markets in which Mirant and its subsidiaries hedge and transact; increased credit standards, margin requirements, market volatility or other market conditions that could increase Mirant's obligations to post collateral beyond amounts that are expected, including additional collateral costs associated with over-the-counter hedging activities as a result of new or proposed rules and regulations governing derivative financial instruments, including those resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act; Mirant's inability to access effectively the over-the-counter and exchange-based commodity markets or changes in commodity market conditions and liquidity, including as a result of new or proposed rules and regulations governing derivative financial instruments, including those resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act, which may affect Mirant's ability to engage in asset management, proprietary trading and fuel oil management activities as expected, or result in material gains or losses from open positions; deterioration in the financial condition of Mirant's counterparties and the failure of such parties to pay amounts owed to Mirant or to perform obligations or services due to Mirant beyond collateral posted; hazards customary to the power generation industry and the possibility that Mirant may not have adequate insurance to cover losses resulting from such hazards or the inability of Mirant's insurers to provide agreed upon coverage; the expected

timing and likelihood of completion of the proposed merger with RRI Energy, including the timing, receipt and terms and conditions of required, governmental and regulatory approvals that may reduce anticipated benefits or cause the parties to abandon the merger; the diversion of management's time and attention from our ongoing business during the time we are seeking to complete the merger; the ability to maintain relationships with employees, customers and suppliers; the ability to integrate successfully the businesses and realize cost savings and any other synergies; and the risk that credit ratings of the combined company or its subsidiaries may be different from what the companies expect; price mitigation strategies employed by ISOs or RTOs that reduce Mirant's revenue and may result in a failure to compensate Mirant's generating units adequately for all of their costs; changes in the rules used to calculate capacity, energy and ancillary services payments; legal and political challenges to the rules used to calculate capacity, energy and ancillary services payments; volatility in Mirant's gross margin as a result of Mirant's accounting for derivative financial instruments used in its asset management, proprietary trading and fuel oil management activities and volatility in its cash flow from operations resulting from working capital requirements, including collateral, to support its asset management, proprietary trading and fuel oil management activities; Mirant's ability to enter into intermediate and long-term contracts to sell power or to hedge our future expected generation of power, and to obtain adequate supply and delivery of fuel for its generating facilities, at Mirant's required specifications and on terms and prices acceptable to it; the failure to utilize new or advancements in power generation technologies; the inability of Mirant's operating subsidiaries to generate sufficient cash flow to support its operations; the potential limitation or loss of Mirant's net operating losses notwithstanding a continuation of its stockholder rights plan; Mirant's ability to borrow additional funds and access capital markets; strikes, union activity or labor unrest; Mirant's ability to obtain or develop capable leaders and its ability to retain or replace the services of key employees; weather and other natural phenomena, including hurricanes and earthquakes; the cost and availability of emissions allowances; curtailment of operations and reduced prices for electricity resulting from transmission constraints; Mirant's ability to execute its business plan in California, including entering into new tolling arrangements in respect of its existing generating facilities; Mirant's ability to execute its development plan in respect of its Marsh Landing generating facility, including obtaining the permits necessary for construction and operation of the generating facility and completing the construction of the generating facility by mid-2013; the ability of Mirant Marsh Landing to meet the conditions to draw under the Marsh Landing credit agreement; the ability of lenders under the Marsh Landing credit facility to fund the Marsh Landing credit agreement; Mirant's relative lack of geographic diversification of revenue sources resulting in concentrated exposure to the Mirant Mid-Atlantic market; the ability of lenders under Mirant North America's revolving credit facility to perform their obligations; war, terrorist activities, cyberterrorism and inadequate cybersecurity, or the occurrence of a catastrophic loss; the failure to provide a safe working environment for Mirant's employees and visitors thereby increasing Mirant's exposure to additional liability, loss of productive time, other costs, and a damaged reputation; Mirant's consolidated indebtedness and the possibility that Mirant or its subsidiaries may incur additional indebtedness in the future; restrictions on the ability of Mirant's subsidiaries to pay dividends, make distributions or otherwise transfer funds to Mirant, including restrictions on Mirant North America contained in its financing agreements and restrictions on Mirant Mid-Atlantic contained in its leveraged lease documents, which may affect Mirant's ability to access the cash flows of those subsidiaries to make debt service and other

payments; the failure to comply with, or monitor provisions of Mirant's loan agreements and debt may lead to a breach and, if not remedied, result in an event of default thereunder, which would limit access to needed capital and damage Mirant's reputation and relationships with financial institutions; and the disposition of the pending litigation described in Mirant's Form 10-Q for the quarter ended September 30, 2010, filed with the Securities and Exchange Commission.

Mirant undertakes no obligation to update publicly or revise any forward-looking statements to reflect events or circumstances that may arise. The foregoing review of factors that could cause Mirant'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 Mirant's future results included in Mirant's filings with the Securities and Exchange Commission [at www.sec.gov](http://www.sec.gov).

#### **Additional Information and Where To Find It**

In connection with the proposed merger between RRI Energy and Mirant, RRI Energy filed with the SEC a registration statement on Form S-4 that includes a joint proxy statement of RRI Energy and Mirant and that also constitutes a prospectus of RRI Energy. The registration statement was declared effective by the SEC on September 13, 2010. RRI Energy and Mirant urge investors and shareholders to read the registration statement, and any other relevant documents filed with the SEC, including the joint proxy statement/prospectus that is a part of the registration statement, because they contain important information. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website ([www.sec.gov](http://www.sec.gov)). You may also obtain these documents, free of charge, from RRI Energy's website ([www.rrienergy.com](http://www.rrienergy.com)) under the tab "Investor Relations" and then under the heading "Company Filings" and from Mirant's website ([www.mirant.com](http://www.mirant.com)) under the tab "Investor Relations" and then under the heading "SEC Filings."

Dickerson Generating Station  
Mirant Corporation  
Third Quarter 2010 Earnings Results  
November 5, 2010

2  
Forward-Looking Statements  
This  
presentation  
may  
contain  
statements,

estimates  
or  
projections  
that  
constitute  
forward-looking  
statements  
as  
defined  
under  
U.S.  
federal  
securities  
laws.  
In  
some  
cases,  
one  
can  
identify  
forward-looking  
statements  
by  
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will,  
expect,  
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lead,  
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of  
these  
terms  
or  
other  
comparable  
terminology.  
Forward-looking  
statements  
are  
subject  
to  
certain  
risks  
and  
uncertainties

that  
could  
cause  
actual  
results  
to  
differ  
materially  
from  
Mirant's  
historical  
experience  
and  
our  
present  
expectations  
or  
projections.  
These  
risks  
include,  
but  
are  
not  
limited  
to:  
(i)  
legislative  
and  
regulatory  
initiatives  
relating  
to  
the  
electric  
utility  
industry;  
(ii)  
changes  
in,  
or  
changes  
in  
the  
application  
of,  
environmental  
or  
other  
laws;

(iii)  
failure  
of  
our  
assets  
to  
perform  
as  
expected,  
including  
due  
to  
outages  
for  
unscheduled  
maintenance  
or  
repair;  
(iv)  
changes  
in  
market  
conditions  
or  
the  
entry  
of  
additional  
competition  
in  
our  
markets;  
(v)  
the  
expected  
timing  
and  
likelihood  
of  
completion  
of  
the  
proposed  
merger  
with  
RRI  
Energy,  
including  
the  
timing,



receipt  
and  
terms  
and  
conditions  
of  
required  
governmental  
and  
regulatory  
approvals  
that  
may  
reduce  
anticipated  
benefits  
or  
cause  
the  
parties  
to  
abandon  
the  
merger;  
the  
diversion  
of  
management's  
time  
and  
attention  
from  
our  
ongoing  
business  
during  
the  
time  
we  
are  
seeking  
to  
complete  
the  
merger;  
the  
ability  
to  
maintain  
relationships

with  
employees,  
customers  
and  
suppliers;  
the  
ability  
to  
integrate  
successfully  
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businesses  
and  
realize  
cost  
savings  
and  
any  
other  
synergies;  
and  
the  
risk  
that  
credit  
ratings  
of  
the  
combined  
company  
or  
its  
subsidiaries  
may  
be  
different  
from  
what  
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companies  
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SEC,  
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Quarterly  
Report  
on  
Form  
10-Q  
for  
the  
period  
ended  
September  
30,  
2010.

The  
forward-looking  
information  
in  
this  
document  
is  
given  
as  
of  
this  
date  
only,  
and  
Mirant  
assumes  
no  
duty  
to  
update  
this  
information.

Safe Harbor Statement

3  
Additional  
Information  
and  
Where  
To  
Find

It  
In  
connection  
with  
the  
proposed  
merger  
between  
RRI  
Energy  
and  
Mirant,  
RRI  
Energy  
filed  
with  
the  
SEC  
a  
registration  
statement  
on  
Form  
S-4  
that  
includes  
a  
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proxy  
statement  
of  
RRI  
Energy  
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Mirant  
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of  
RRI  
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September  
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RRI  
Energy  
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including  
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website  
([www.sec.gov](http://www.sec.gov)).  
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documents,  
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RRI  
Energy's  
website  
([www.rrienergy.com](http://www.rrienergy.com))  
under  
the  
tab  
Investor  
Relations  
and  
then  
under  
the  
heading  
Company  
Filings  
and  
from  
Mirant's  
website  
([www.mirant.com](http://www.mirant.com))

under  
the  
tab  
Investor  
Relations  
and  
then  
under  
the  
heading  
SEC  
Filings.  
Non-GAAP  
Financial  
Information  
The  
following  
presentation  
includes  
certain  
non-GAAP  
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measures  
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Securities  
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Company's  
website  
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mirant.com  
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Generally  
Accepted  
Accounting  
Principles.  
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Company  
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financial

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its  
earnings  
press  
release.  
Safe Harbor Statement

4

GenOn

Energy

Merger Update

Mirant and RRI Energy stockholders approved on October 25, 2010  
the proposals related to their proposed merger

Entered into agreements on September 20, 2010 for revolving credit

facility and merger related financings  
\$788 million five-year revolving credit facility  
\$700 million seven-year term loan  
\$675 million of 9.5% senior unsecured notes due 2018  
\$550 million of 9.875% senior unsecured notes due 2020  
Merger remains subject to Hart-Scott-Rodino  
clearance by the  
Department of Justice  
Merger expected to close by the end of 2010  
Operational  
Performance  
-  
Cash  
Generation  
-  
Prudent  
Growth

5

Financial Highlights

(\$millions)

In Q3, change in Adjusted EBITDA principally attributable to

-

Lower realized value of hedges

-

Lower energy gross margins from proprietary trading activities

-

Lower contracted and capacity revenues

-

Higher operating costs primarily because of scrubbers installed in December 2009 and the Montgomery County, Maryland CO2 levy imposed on our Dickerson generating facility beginning in May 2010

Higher energy gross margins from generation

Adjusted EBITDA

190

311

501

706

Q3

9 Months

2010

2009

2010

2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth



6

1.45

1.01

1.15

0.50

0.34

0

3.35

2.34

2.21

1.24

1.01

1.08

0.00

0.50

1.00

1.50

2.00

2.50

3.00

3.50

4.00

2004

2005

2006

2007

2008

2009

YTD 2010

Operations Highlights

Mirant's safety incident rates remain at low levels

Commercial Availability, the percent of maximum achievable energy gross margin that was realized in the period, remains at a high level

Commercial Availability

Safety Incident Rates

Lost Time Incident Rate

Lost Time EEI Top Quartile Benchmark

Recordable Incident Rate

Recordable EEI Top Quartile Benchmark

0.34

0.80



84%

87%

89%

88%

80%

85%

90%

95%

100%

2007

2008

2009

YTD 2010

Operational  
Performance

-

Cash

Generation

-

Prudent

Growth

7

Market Update Since August

Near term (2010 and 2011)

Natural gas prices decreased and currently trade around \$4.30/mmBtu for 2011

Power prices in PJM decreased but heat rates expanded as power prices declined less than natural gas prices

Northern Appalachian coal prices were relatively unchanged and trade around

\$64/ton for 2011

Dark spreads declined

Longer term (2012

2015)

Natural gas prices decreased and currently trade in a range of \$5.00 to

\$5.80/mmBtu

Power prices in PJM decreased but heat rates expanded as power prices

declined less than natural gas prices

Northern Appalachian coal prices were unchanged and are quoted in a range of

\$66

\$75/ton

Dark spreads declined

Operational

Performance

-

Cash

Generation

-

Prudent

Growth



8

Electricity Markets

Reserve Margins

Forecasted reserve margins incorporate the latest information from each ISO

Eastern markets are forecasted to tighten because little generation is being built

Source: Mirant forecasts

8%

12%

16%

20%

24%

28%

32%

36%

40%

2010

2011

2012

2013

2014

New York East

N. California

PJM East

New England

PJM RTO (ex. COMED)

Target Reserve range

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

9  
Hedge Levels  
Based on Expected Total Generation  
Aggregate  
Baseload  
Coal  
1.

Positions as of October 12, 2010

Shaded boxes represent net additions to prior guidance

2.

2010 represents period between November and December

3.

Power hedges include hedges with both power and natural gas

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

10

Marsh Landing Generating Station

(760 MW)

Total project costs are expected to be approximately \$700 million including capital costs and financing fees

Directed Kiewit to commence engineering and procurement

Construction expected to begin in late 2010 and to be completed by mid-2013



Received approval of PPA with PG&E  
and all necessary permits to commence  
construction

\$650 million project financing closed on  
October 8, 2010

Includes \$500 million construction  
and term loan and \$150 million of  
letter of credit facilities

Operational  
Performance

-

Cash  
Generation

-

Prudent  
Growth

11  
Pittsburg Generating Station  
Mirant  
entered  
into  
a  
new

tolling  
agreement  
with  
PG&E  
on  
October  
28,  
2010  
to provide electricity from Pittsburg units 5, 6, and 7  
Agreement is for total capacity of 1,159 MW for three years  
commencing January 1, 2011  
Includes options for PG&E to extend agreements for each of 2014  
and 2015  
Operational  
Performance  
-  
Cash  
Generation  
-  
Prudent  
Growth

12  
Financial Results  
(millions, except per share amounts)  
9 Months  
2010  
2009  
2010

2009

Net income

254

\$

55

\$

398

\$

598

\$

Unrealized (gains) losses on derivatives

(167)

174

(179)

(66)

Bankruptcy charges and legal contingencies

(1)

-

-

(62)

Postretirement benefit curtailment gain

-

-

(37)

-

Other

-

9

11

14

Adjusted net income

86

238

193

484

Interest, taxes, depreciation & amortization

104

73

308

222

Adjusted EBITDA

190

\$

311

\$

501

\$

706

\$

Diluted weighted average shares outstanding

146

146

146

145

Earnings per share:

Net income

1.74

\$

0.38

\$

2.73

\$

4.12

\$

Adjusted net income

0.59

\$

1.63

\$

1.32

\$

3.34

\$

Q3

Operational

Performance

-

Cash

Generation

-

Prudent  
Growth

13  
Realized Gross Margin  
(millions)  
Operational  
Performance  
-  
Cash  
Generation



-
Prudent
Growth
Q3 2010
Q3 2009
YTD 2010
YTD 2009
Energy
171
72
377
254
Contracted & Capacity
135
147
415
418
Realized Value of Hedges
55
247
202
507
Total Realized Gross Margin
361
466
994
1,179
\$361
\$466
\$994
\$1,179
\$0
\$200
\$400
\$600
\$800
\$1,000
\$1,200
\$1,400

14

Adjusted Free Cash Flow

(millions, except per share amounts)

2010

2009

2010

2009

Net cash provided by operating activities

193

\$

342

\$

343

\$

726

\$

Bankruptcy claim payments

-

-

-

1

Emission allowance sales proceeds

-

3

3

20

Capitalized interest

-

(2)

(3)

(35)

Adjusted net cash provided by operating activities

193

343

343

712

Capital expenditures, excluding capitalized interest

(54)

(128)

(211)

(473)

Adjusted free cash flow

139

215

132

239

MD Healthy Air Act capital expenditures

32

88

109

336

Marsh Landing capital expenditures and working capital

82

16

84

16

Adjusted free cash flow (w/o MD HAA & Marsh Landing)

253

\$

319

\$

325

\$

591

\$

Diluted weighted average shares outstanding

146

146

146

145

Adjusted free cash flow per share (w/o MD HAA & Marsh Landing)

1.73

\$

2.18

\$  
2.23  
\$  
4.08  
\$  
9 Months  
Q3  
Operational  
Performance  
-  
Cash  
Generation  
-  
Prudent  
Growth

15  
Consolidated Debt and Liquidity  
(millions)  
Debt  
\$ 2,561  
Cash and cash equivalents  
Mirant Corporation

1,421

\$

Mirant Americas Generation

19

Mirant North America

245

Mirant Mid-Atlantic

273

Other

31

Total cash and cash equivalents

1,989

Less restricted and reserved

(11)

Available cash & cash equivalents

1,978

Revolver & LC availability

712

Total available liquidity

2,690

\$

September 30, 2010

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

16

Capital Expenditures  
(millions)

Maryland Healthy Air Act spending prior to 2010 totaled approximately \$1.405 billion

Normalized  
maintenance

CapEx



of  
\$50  
million  
to  
\$60  
million  
per  
year  
Other environmental expenditures include the amounts deposited in escrow for control of  
small dust particles as part of the Potomac River agreement  
Operational  
Performance  
-  
Cash  
Generation  
-  
Prudent  
Growth  
2010  
1  
2011  
Environmental  
Maryland Healthy Air Act  
176  
\$  
93  
\$  
Other  
7  
24  
Maintenance  
103  
47  
Construction  
Marsh Landing Generating Station  
37  
180  
Other  
24  
51  
Other  
12  
12  
Total  
Capital  
Expenditures  
2  
359  
\$  
407

\$

1

Includes actuals  
for January through September

2

Excludes capitalized interest unrelated to the Marsh Landing project financing  
Forecast

17

Takeaways

Creation of GenOn

Energy will deliver significant value to stockholders

Hedging cushioned Mirant in Q3 2010 from the effects of relatively low commodity prices

Eastern markets are forecasted to tighten because little generation is

being built

Mirant completed financing for the Marsh Landing generating facility and directed Kiewit to commence engineering and procurement

Construction is expected to begin in late 2010

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

Dickerson Generating Station  
Appendix

19

Federal NOL Status

Mirant's estimated Federal NOL balance at December 31, 2009 was \$2.7 billion

An

ownership

change

requires

Mirant

to

reset

the

limitation

that

determines

how much annual taxable income may be offset by its NOLs

in future years

An ownership change occurs if there is an increase of more than 50 percentage points in the ownership of Mirant stock held by large Mirant shareholders from the date of a previous ownership change

New limitation depends on Mirant stock value on the ownership change date and an interest rate determined by the IRS

We expect that Mirant will experience an ownership change

for federal

income tax purposes on the closing date of the proposed merger with RRI

Energy

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

20

Federal NOL Status (Cont.)

Assuming the shares of Mirant and RRI Energy are at or near current prices on the closing date of the proposed merger and both companies experience an ownership change, Mirant expects that

The combined company, GenOn

Energy, will be unable to use any pre merger NOLs



for the first 5 years following the merger

Thereafter, assuming sufficient taxable income, GenOn

will be able to use

approximately \$100MM

\$125MM per year of pre merger NOLs

until such NOLs

expire

Based on current commodity price forecasts, Mirant expects that GenOn

Energy

will pay only federal Alternative Minimum Tax and certain state income taxes during

the 5 years immediately following the merger

Mirant's Board of Directors has extended its stockholder rights plan and the plan

was approved at its 2010 Annual Meeting of Stockholders held on May 6, 2010

There is no assurance that the stockholder rights plan will prevent an ownership

change prior to the closing date of the proposed merger

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

21

Additional Hedge Information

1

Projected as of October 12, 2010

2

Power hedges include hedges with both power and natural gas

3

Realized Value of Hedges are nominal values and do not include certain adjustments required under fair value accounting

(\$millions)

Q3  
2010  
Q3  
2009  
YTD  
2010  
YTD  
2009  
2010  
2011  
2012  
2013  
2014  
Power  
2  
59  
\$  
285  
\$  
234  
\$  
608  
\$  
362  
\$  
289  
\$  
208  
\$  
193  
\$  
189  
\$  
Fuel  
(4)  
  
(38)  
  
(32)  
  
(101)  
  
(34)  
  
(23)  
  
(33)

1

1

Realized Value of Hedges

55

\$

247

\$

202

\$

507

\$

328

\$

266

\$

175

\$

194

\$

190

\$

Projected

1,3

Actual

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

Nov-Dec 2010

2011

2012

2013

2.37

\$

2.74

\$

2.99

\$

2.74

\$

Average contract price of hedged coal before delivery  
(\$/mmBtu)



Quarterly Generation by Dispatch Type

Net MW  
 Net MWh  
 Generated  
 EAF (%) (1)  
 Net Capacity  
 Factor (%)  
 Net MW  
 Net MWh  
 Generated  
 EAF (%) (1)  
 Net Capacity  
 Factor (%)  
 Baseload  
 MidAtlantic  
 2,729  
 4,060,219  
 91.6  
 67.1  
 2,765  
 3,400,766  
 87.4  
 55.7  
 Northeast  
 238  
 399,732  
 94.5  
 82.7  
 238  
 377,785  
 95.0  
 78.1  
 California  
 0  
 0  
 0  
 0  
 Total Baseload  
 2,967  
 4,459,951  
 91.8  
 68.3  
 3,003  
 3,778,551  
 88.0  
 57.3  
 Intermediate  
 MidAtlantic  
 1,400  
 733,421

71.2  
24.8  
1,400  
194,192  
53.1  
6.6  
Northeast  
2,265  
324,013  
85.1  
6.5  
2,265  
111,191  
93.4  
2.2  
California  
2,191  
254,390  
99.9  
5.3  
2,191  
457,168  
99.3  
9.5  
Total Intermediate  
5,856  
1,311,824  
87.5  
10.3  
5,856  
762,551  
86.3  
6.0  
Peaking  
MidAtlantic  
1,065  
120,092  
95.3  
5.1  
1,065  
27,772  
99.5  
1.2  
Northeast  
32  
4,796  
100.0  
6.8  
32  
2,012

99.8

2.9

California

156

(235)

98.7

0.0

156

1,484

99.5

0.4

Total Peaking

1,253

124,653

95.8

4.5

1,253

31,268

99.5

1.1

Total Mirant

10,076

5,896,428

89.8

26.7

10,112

4,572,370

88.4

20.7

(1) Equivalent Availability Factor - the total hours a unit is available in a period minus the sum of all full and partial outage eq expressed as a percent of all hours in a period.

Generation by Dispatch Type

Third Quarter 2010

Third Quarter 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth





Year to Date Generation by Dispatch Type

Net MW  
 Net MWh  
 Generated  
 EAF (%) (1)  
 Net Capacity  
 Factor (%)  
 Net MW  
 Net MWh  
 Generated  
 EAF (%) (1)  
 Net Capacity  
 Factor (%)  
 Baseload  
 MidAtlantic  
 2,729  
 11,094,303  
 82.2  
 62.0  
 2,765  
 10,568,142  
 84.9  
 58.3  
 Northeast  
 238  
 1,119,425  
 93.2  
 74.4  
 238  
 1,076,030  
 91.4  
 71.6  
 California  
 0  
 0  
 0  
 0  
 Total Baseload  
 2,967  
 12,213,728  
 83.0  
 62.9  
 3,003  
 11,644,172  
 85.4  
 59.3  
 Intermediate  
 MidAtlantic  
 1,400  
 1,065,311

53.6  
11.9  
1,400  
333,372  
41.9  
3.7  
Northeast  
2,265  
382,168  
86.2  
2.6  
2,265  
682,781  
86.5  
4.6  
California  
2,191  
466,242  
92.4  
3.3  
2,191  
846,415  
86.4  
5.9  
Total Intermediate  
5,856  
1,913,721  
80.9  
5.0  
5,856  
1,862,568  
76.0  
4.9  
Peaking  
MidAtlantic  
1,065  
190,146  
92.2  
2.6  
1,065  
63,284  
94.9  
0.9  
Northeast  
32  
6,123  
92.7  
2.9  
32  
2,381

98.7

1.1

California

156

(823)

97.7

0.0

156

1,986

89.1

0.2

Total Peaking

1,253

195,446

92.9

2.3

1,253

67,651

94.3

0.8

Total Mirant

10,076

14,322,895

83.1

21.6

10,112

13,574,391

81.2

20.5

(1) Equivalent Availability Factor - the total hours a unit is available in a period minus the sum of all full and partial outage eq expressed as a percent of all hours in a period.

Generation by Dispatch Type

YTD 2010

YTD 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

24  
Equivalent Forced Outage Rate (EFOR)  
EFOR =  
Forced Outage Hours  
Forced Outage Hours + Service Hours  
2010  
2009

2010

2009

Mid-Atlantic Baseload Coal

4%

8%

5%

9%

Q3

YTD

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

25  
Mirant Operations  
10,076 MW  
Operational  
Performance  
-  
Cash

Generation

-

Prudent

Growth



26

Development Opportunities

760 MW Marsh Landing Generating Station will commence commercial operations in mid-2013

Potential to add 1,700

2,700 MWs  
of capacity  
California  
Operational  
Performance

-

Cash  
Generation

-

Prudent  
Growth

27  
Share Count  
(millions)  
Weighted average shares outstanding - basic  
146  
145  
145

145  
Effect of dilutive securities  
0  
1  
1  
0  
Weighted average shares outstanding - diluted  
146  
146  
146  
145  
Shares outstanding at quarter end - basic  
146  
145  
146  
145  
Effect of dilutive securities  
0  
1  
0  
1  
Shares outstanding at end of quarter - diluted  
146  
146  
146  
146  
Three  
Three  
Nine  
Nine  
Months Ending  
September 30, 2009  
Months Ending  
Months Ending  
Months Ending  
September 30, 2010  
September 30, 2009  
September 30, 2010  
Operational  
Performance  
-  
Cash  
Generation  
-  
Prudent  
Growth

28  
Regulation G Reconciliation  
Operational  
Performance  
-  
Cash  
Generation

-  
 Prudent  
 Growth  
 (in millions except per share)  
 Per  
 Share  
 1  
 Per  
 Share  
 1  
 Net Income  
 254  
 \$  
 1.74  
 \$  
 55  
 \$  
 0.38  
 \$  
 Unrealized losses (gains)  
 (167)  
 (1.14)  
 174  
 1.19  
 Impairment losses  
 -  
 -  
 14  
 0.10  
 Lower of cost or market inventory adjustments, net  
 (7)  
 (0.05)  
 (6)  
 (0.04)  
 Merger-related costs  
 8  
 0.06  
 -  
 -  
 Other  
 (2)  
 (0.02)  
 1  
 -  
 Adjusted Net Income  
 86  
 \$  
 0.59  
 \$  
 238

\$  
1.63  
\$  
Provision for income taxes  
-  
3  
Interest expense, net  
51  
33  
Depreciation and amortization  
53  
37  
Adjusted EBITDA  
190  
\$  
311  
\$

Table 1

Net Income to Adjusted Net Income and Adjusted EBITDA

Quarter Ending

Quarter Ending

September 30, 2010

September 30, 2009

1

Per share amounts for 2010 and 2009 are based on diluted weighted average shares outstanding of 146 million.

29  
Regulation G Reconciliation  
Operational  
Performance  
-  
Cash  
Generation



-  
 Prudent  
 Growth  
 (in millions except per share)  
 Per  
 Share  
 1  
 Per  
 Share  
 1  
 Net Income  
 398  
 \$  
 2.73  
 \$  
 598  
 \$  
 4.12  
 \$  
 Unrealized gains  
 (179)  
 (1.23)  
 (66)  
 (0.45)  
 Bankruptcy charges and legal contingencies  
 -  
 -  
 (62)  
 (0.43)  
 Severance and bonus plan for dispositions  
 -  
 -  
 13  
 0.09  
 Impairment losses  
 -  
 -  
 14  
 0.10  
 Lower of cost or market inventory adjustments, net  
 (1)  
 (0.01)  
 (17)  
 (0.12)  
 Postretirement benefit curtailment gain  
 (37)  
 (0.25)  
 -  
 -  
 Merger-related costs

13  
0.09  
-  
-  
Other  
(1)  
(0.01)  
4  
0.03  
Adjusted Net Income  
193  
\$  
1.32  
\$  
484  
\$  
3.34  
\$  
Provision for income taxes  
1  
11  
Interest expense, net  
150  
102  
Depreciation and amortization  
157  
109  
Adjusted EBITDA  
501  
\$  
706  
\$  
1  
Per  
share  
amounts  
for  
2010  
are  
based  
on  
diluted  
weighted  
average  
shares  
outstanding  
of  
146  
million.  
Per

share  
amounts  
for  
2009  
are  
based  
on  
diluted  
weighted  
average  
shares  
outstanding  
of  
145  
million.

Table 2

Net Income to Adjusted Net Income and Adjusted EBITDA

Year to Date

Year to Date

September 30, 2010

September 30, 2009

30  
Regulation G Reconciliation  
(in millions )  
Mid-  
Atlantic  
Northeast  
California

Other  
Operations  
Eliminations  
Total  
Net Income (Loss)  
319  
\$  
(3)  
\$  
11  
\$  
(73)  
\$  
-  
\$  
254  
\$  
Unrealized losses (gains)  
(179)  
  
2  
  
-  
  
10  
  
-  
  
(167)  
  
Bankruptcy charges and legal contingencies  
-  
  
-  
  
(1)  
  
-  
  
-  
  
(1)  
  
Lower of cost or market inventory adjustments, net  
(4)  
  
-  
  
-

(3)

-

(7)

Merger-related costs

-

-

-

8

-

8

Gains on sales of assets (excluding emissions allowances), net

-

(1)

-

-

-

(1)

Adjusted Net Income (Loss)

136

\$

(2)

\$

10

\$

(58)

\$

-

\$

86

\$

Provision (benefit) for income taxes

(1)

-

-  
1  
-  
-  
Interest expense, net  
1  
-  
(1)  
51  
-  
51  
Depreciation and amortization  
36  
5  
8  
4  
-  
53

Adjusted EBITDA

172  
\$  
3  
\$  
17  
\$  
(2)  
\$  
-  
\$  
190  
\$

Table 3

Adjusted Net Income (Loss) and Adjusted EBITDA  
Quarter Ending September 30, 2010

Operational  
Performance

-

Cash  
Generation

-

Prudent  
Growth





31  
Regulation G Reconciliation  
(in millions )  
Mid-  
Atlantic  
Northeast  
California  
Other  
Operations  
Eliminations  
Total  
Net Income (Loss)  
525  
\$  
(17)  
\$  
17  
\$  
(127)  
\$

-  
\$  
398  
\$  
Unrealized losses (gains)  
(208)  
  
16  
  
-  
  
13  
  
-  
  
(179)  
  
Bankruptcy charges and legal contingencies  
-  
  
-  
  
(1)  
  
1  
  
-  
  
-  
  
Lower of cost or market inventory adjustments, net  
(3)  
  
-  
  
-  
  
2  
  
-  
  
(1)  
  
Postretirement benefit curtailment gain  
-  
  
-  
  
-

(37)

-

(37)

Merger-related costs

-

-

-

13

-

13

Gains on sales of assets (excluding emissions allowances), net

-

(1)

-

-

-

(1)

Adjusted Net Income (Loss)

314

\$

(2)

\$

16

\$

(135)

\$

-

\$

193

\$

Provision (benefit) for income taxes

(1)

-

-
2
-
1
Interest expense, net
2
1
(1)
148
-
150
Depreciation and amortization
105
17
23
12
-
157
Adjusted EBITDA
420
\$
16
\$
38
\$
27
\$
-
\$
501
\$

Table 4  
Adjusted Net Income (Loss) and Adjusted EBITDA  
Year to Date September 30, 2010

Continuing Operations

Operational  
Performance

-

Cash  
Generation

-

Prudent  
Growth

32  
Regulation G Reconciliation  
(in millions )  
Mid-  
Atlantic  
Northeast  
California

Other  
Operations  
Eliminations  
Total  
Net Income (Loss)  
86  
\$  
5  
\$  
(5)  
\$  
(31)  
\$  
-  
\$  
55  
\$  
Unrealized losses (gains)  
124  
  
26  
  
-  
  
24  
  
-  
  
174  
  
Impairment losses  
-  
  
-  
  
14  
  
-  
  
-  
  
14  
  
Generating facility shut down costs  
-  
  
1  
  
-



-

-

1

Lower of cost or market inventory adjustments, net

(4)

-

-

(2)

-

(6)

Adjusted Net Income (Loss)

206

\$

32

\$

9

\$

(9)

\$

-

\$

238

\$

Provision for income taxes

-

-

-

3

-

3

Interest expense, net

-

-

1

32

-

33

Depreciation and amortization

25

4

5

3

-

37

Adjusted EBITDA

231

\$

36

\$

15

\$

29

\$

-

\$

311

\$

Table 5

Adjusted Net Income (Loss) and Adjusted EBITDA

Quarter Ending September 30, 2009

Continuing Operations

Operational

Performance

-

Cash

Generation

-

Prudent

Growth



33  
Regulation G Reconciliation  
(in millions )  
Mid-  
Atlantic  
Northeast  
California  
Other  
Operations  
Eliminations  
Total  
Net Income (Loss)  
604  
\$  
40  
\$  
(2)  
\$  
(45)  
\$  
1

\$  
598  
\$  
Unrealized losses (gains)  
(119)  
  
(20)  
  
-  
  
73  
  
-  
  
(66)  
  
Bankruptcy charges and legal contingencies  
-  
  
-  
  
-  
  
(62)  
  
-  
  
(62)  
  
Severance and bonus plan for dispositions  
-  
  
-  
  
-  
  
13  
  
-  
  
13  
  
Impairment losses  
-  
  
-  
  
14  
  
-

-

14

Generating facility shut down costs

-

4

-

-

-

4

Lower of cost or market inventory adjustments, net

3

(1)

1

(20)

-

(17)

Adjusted Net Income (Loss)

488

\$

23

\$

13

\$

(41)

\$

1

\$

484

\$

Provision for income taxes

-

-

-

11

-

11

Interest expense, net

2

-

2

98

-

102

Depreciation and amortization

73

13

15

8

-

109

Adjusted EBITDA

563

\$

36

\$

30

\$

76

\$

1

\$

706

\$

Table 6

Adjusted Net Income (Loss) and Adjusted EBITDA

Year to Date September 30, 2009

Continuing Operations

Operational  
Performance

-

Cash  
Generation

-

Prudent  
Growth



34  
Regulation G Reconciliation  
(in millions)  
Mid-Atlantic  
Northeast  
California  
Other

Operations  
Eliminations  
Total  
Energy  
151  
\$  
14  
\$  
-  
\$  
6  
\$  
-  
\$  
171  
\$  
Contracted & capacity  
83  
  
20  
  
32  
  
-  
  
-  
  
135  
  
Incremental realized value of hedges  
58  
  
(3)  
  
-  
  
-  
  
-  
  
55  
  
Realized gross margin  
292  
  
31  
  
32  
  
6

-  
361  
Unrealized gross margin  
179  
(2)  
-  
(10)  
-  
167  
Gross margin  
471  
\$  
29  
\$  
32  
\$  
(4)  
\$  
-  
\$  
528  
\$  
(in millions)  
Mid-Atlantic  
Northeast  
California  
Other  
Operations  
Eliminations  
Total  
Energy  
33  
\$  
3  
\$  
-  
\$  
36  
\$  
-  
\$

72

\$

Contracted & capacity

90

24

33

-

-

147

Incremental realized value of hedges

214

33

-

-

-

247

Realized gross margin

337

60

33

36

-

466

Unrealized gross margin

(124)

(26)

-

(24)

-

(174)

Gross margin

213

\$

34

\$

33

\$

12

\$

-

\$

292

\$

Gross Margin

Quarter Ending September 30, 2010

Table 7

Quarter Ending September 30, 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

35  
Regulation G Reconciliation  
(in millions)  
Mid-Atlantic  
Northeast  
California  
Other

Operations	
Eliminations	
Total	
Energy	321
	\$
	15
	\$
	-
	\$
	41
	\$
	-
	\$
	377
	\$
Contracted & capacity	257
	67
	91
	-
	-
	415
Incremental realized value of hedges	
	189
	13
	-
	-
	-
	202
Realized gross margin	
	767
	95
	91
	41

-  
994  
Unrealized gross margin  
208  
  
(16)  
-  
  
(13)  
-  
  
179  
  
Gross margin  
975  
\$  
79  
\$  
91  
\$  
28  
\$  
-  
\$  
1,173  
\$  
(in millions)  
Mid-Atlantic  
Northeast  
California  
Other  
Operations  
Eliminations  
Total  
Energy  
124  
\$  
21  
\$  
-  
\$  
112  
\$  
(3)  
\$



254

\$

Contracted & capacity

261

68

89

-

-

418

Incremental realized value of hedges

473

34

-

-

-

507

Realized gross margin

858

123

89

112

(3)

1,179

Unrealized gross margin

119

20

-

(73)

-

66

Gross margin

977

\$

143

\$

89

\$

39

\$

(3)

\$

1,245

\$

Table 8

Gross Margin

Year to Date September 30, 2010

Year to Date September 30, 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

36  
Regulation G Reconciliation  
(in millions)  
Gross margin  
528  
\$  
292

\$  
Unrealized gross margin  
(167)  
  
174  
  
Lower of cost or market inventory adjustments, net  
(7)  
  
(6)  
  
Adjusted gross margin  
354  
  
460  
  
Operations and maintenance expenses  
(172)  
  
(154)  
  
Bankruptcy charges and legal contingencies  
-  
  
-  
  
Merger-related costs  
8  
  
-  
  
Generating facility shut down costs  
-  
  
1  
  
Adjusted operations and maintenance expenses  
(164)  
  
(153)  
  
Gain on sales of emissions allowances, net  
-  
  
3  
  
Other income (expense), net  
-  
  
1

Adjusted EBITDA

190

\$

311

\$

Table 9

Gross Margin to Adjusted EBITDA

Quarter Ending

Quarter Ending

September 30, 2010

September 30, 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

37  
Regulation G Reconciliation  
(in millions)  
Gross margin  
1,173  
\$  
1,245

\$  
Unrealized gross margin  
(179)  
  
(66)  
  
Lower of cost or market inventory adjustments, net  
(1)  
  
(17)  
  
Adjusted gross margin  
993  
  
1,162  
  
Operations and maintenance expenses  
(470)  
  
(430)  
  
Bankruptcy charges and legal contingencies  
-  
  
(62)  
  
Severance and bonus plan for dispositions  
-  
  
13  
  
Merger-related costs  
13  
  
-  
  
Postretirement benefit curtailment gain  
(37)  
  
-  
  
Generating facility shut down costs  
-  
  
4  
  
Adjusted operations and maintenance expenses  
(494)  
  
(475)

Gain on sales of emissions allowances, net

3

20

Other expense, net

(1)

(1)

Adjusted EBITDA

501

\$

706

\$

Table 10

Gross Margin to Adjusted EBITDA

Year to Date

Year to Date

September 30, 2010

September 30, 2009

Operational

Performance

-

Cash

Generation

-

Prudent

Growth