

MIRANT CORP
Form 425
May 06, 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 STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

Forward-looking statements are typically identified by words or phrases such as will, anticipate, estimate, expect, project, intend, plan, target, forecast, and other words and terms of similar meaning. These forward-looking statements involve a number of risks and uncertainties.

Mirant cautions readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving RRI Energy and Mirant, including future financial and operating results, RRI Energy's and Mirant's plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in Mirant's filings with the Securities and Exchange Commission. These include risks and uncertainties relating to: the ability to obtain the requisite RRI Energy and Mirant shareholder approvals; the risk that Mirant or RRI Energy may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; general worldwide economic conditions and related uncertainties; the effect of changes in governmental regulations; and other factors we discuss or refer to in the Risk Factors section of our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. Each forward-looking statement speaks only as of the date of the particular statement and Mirant does not undertake any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION AND WHERE TO FIND IT

*This document does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed merger between RRI Energy and Mirant, RRI Energy will file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of RRI Energy and Mirant that also constitutes a prospectus of RRI Energy. RRI Energy and Mirant will deliver the joint proxy statement/prospectus to their respective shareholders. **RRI Energy and Mirant urge investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as other***

documents filed with the SEC, because they will 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). You may also obtain these documents, free of charge, from RRI Energy's website (www.rrienergy.com) under the tab Investor Relations and then under the heading Company Filings. You may also obtain these documents, free of charge, from Mirant's website (www.mirant.com) under the tab Investor Relations and then under the heading SEC Filings.

PARTICIPANTS IN THE MERGER SOLICITATION

RRI Energy, Mirant, and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from RRI Energy and Mirant shareholders in favor of the merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of RRI Energy and Mirant shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about RRI Energy's executive officers and directors in its definitive proxy statement filed with the SEC on April 1, 2010. You can find information about Mirant's executive officers and directors in its definitive proxy statement filed with the SEC on March 26, 2010 and supplemented on April 28, 2010. Additional information about RRI Energy's executive officers and directors and Mirant's executive officers and directors can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You can obtain free copies of these documents from RRI Energy and Mirant using the contact information above.

Below is a copy of the presentation that was given at Mirant Corporation's 2010 Annual Meeting of Stockholders, which was held on May 6, 2010.

Dickerson Generating Station
Mirant Corporation
Annual Meeting
May 6, 2010

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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
terminology
such
as
will,
expect,
plan,
lead,
project

or
the
negative
of
these

terms or other comparable terminology. Forward-looking statements are subject to certain risks and uncertainties that could cause our results to differ materially from Mirant's historical experience and our present expectations or projections. These risks include, but are not limited to: (i) regulatory initiatives relating to the electric utility industry; (ii) changes in, or changes in the application of, environmental or other laws relating to 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
receipt and terms and conditions of required stockholder, governmental and regulatory approvals that may reduce anticipated benefits
parties to abandon the merger; the ability of the parties to arrange debt financing in an amount sufficient to fund the refinancing,
terms consistent with, the Merger Agreement; the diversion of management's time and attention from our ongoing business due to
seeking to complete the merger; the ability to maintain relationships with employees, customers and suppliers; the ability to integrate
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;
and
(vi)
those

factors
contained
in
our
periodic
reports
filed
with
the
SEC,
including
in
our
Annual
Report
on
Form
10-K
for
the
year
ended
December
31,
2009.

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

Additional Information and Where To Find It

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an offer to buy any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration under applicable securities laws.

of
any
such
jurisdiction.

In
connection
with
the
proposed
merger
between
RRI
Energy
and
Mirant,
RRI
Energy
will
file
with
the
SEC
a

Registration Statement on Form S-4 that will include a joint proxy statement of RRI Energy and Mirant that also constitutes a proxy statement. RRI Energy and Mirant will mail the joint proxy statement/prospectus to their respective shareholders. RRI Energy and Mirant will encourage their respective shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as to file with the SEC, because they will contain important information. You may obtain copies of all documents filed with the SEC regarding

of
charge,
at
the
SEC's
website
(www.sec.gov).

You
may
also
obtain
these
documents,
free
of
charge,
from
RRI
Energy's
website
(www.rienergy.com)
under
the

tab
Investor
Relations
and
then
under
the
heading
Company
Filings.
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Mirant's
website
(www.mirant.com)
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the
tab
Investor
Relations
and
then
under
the
heading
SEC
Filings.
Safe Harbor Statement

3
Participants in The Merger Solicitation
RRI
Energy,
Mirant,
and
their

respective
directors,
executive
officers
and
certain
other
members
of
management
and
employees

may
be
soliciting
proxies from RRI Energy and Mirant shareholders in favor of the merger and related matters. Information regarding the person
of the SEC, be deemed participants in the solicitation of RRI Energy and Mirant shareholders in connection with the proposed
the joint proxy statement/prospectus when it is filed with the SEC. You can find information about RRI Energy's executive of
definitive

proxy
statement

filed
with
the
SEC
on
April
1,
2010.

You
can
find
information
about

Mirant's
executive
officers
and
directors
in
its
definitive

proxy
statement
filed
with
the
SEC
on
March

26,
2010.

Additional
information
about

RRI
Energy's
executive
officers
and
directors
and

Mirant's
executive

officers and directors can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You may obtain copies of these documents from RRI Energy and Mirant using the contact information above.

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Reconciliation to GAAP Financial Information

The
following
presentation
includes
certain

non-GAAP
financial
measures

as
defined
in
Regulation

G
under
the
Securities
Exchange
Act

of
1934.

A
schedule
is
attached
hereto

and
is
posted
on
the
Company's
website

at
mirant.com
(in
the
Investor
Relations
-
Presentations
section)
that
reconciles
the
non-GAAP
financial
measures
included
in
the
following
presentation
to
the
most
directly
comparable
financial
measures
calculated
and
presented
in
accordance with Generally Accepted Accounting Principles.
Safe Harbor Statement

Dickerson Generating Station
Introduction

5
Mirant Corporation Board of Directors
Operational
Performance
-
Cash
Generation

-

Prudent

Growth

Edward R. Muller, Chairman

Thomas W. Cason

A.D. (Pete) Correll

Terry G. Dallas

Thomas H. Johnson

John T. Miller

Robert C. Murray

John M. Quain

William L. Thacker

Dickerson Generating Station
Business Overview

7

2009 Highlights

Hedging strategy mitigated the effects of relatively low commodity prices

Generating facilities achieved 89% commercial availability

Incurred zero

lost time accidents at our facilities

Completed installation of four scrubbers to control emissions
of sulfur dioxide at our Maryland coal-fired facilities

Entered a ten-year power purchase agreement with PG&E for
new 760 MW Marsh Landing Generating Station

Operational
Performance

-

Cash
Generation

-

Prudent
Growth

8
Financial Highlights
(\$millions)
Operational
Performance
-
Cash

Generation

-

Prudent

Growth

Adjusted EBITDA

890

782

2009

2008

Change in Adjusted EBITDA principally attributable to

Higher realized value of hedges

Higher realized results from proprietary trading and
fuel oil management activities

-

Lower energy gross margins from generation

9

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

2009 Operations Highlights

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

Mirant's safety incident rates are Top Quartile against EEI's benchmark data

Commercial Availability, the percent of maximum achievable energy gross

margin that was realized in the period, has improved significantly

Safety Incident Rates

Commercial Availability

Lost Time Incident Rate

Lost Time EEI Top Quartile Benchmark

Recordable Incident Rate

Recordable EEI Top Quartile Benchmark

10
Maryland Healthy Air Act
Operational
Performance
-
Cash
Generation

-

Prudent

Growth

All environmental controls were operational as of December 21, 2009

Control equipment allows our facilities to comply with all of the requirements of the Maryland Healthy Air Act

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California Update

Executed PPA with PG&E for 760 MW natural gas-fired

Marsh Landing Generating Station at Contra Costa site

Ten-year PPA for entire output of the peaking facility,
subject to CPUC approval

Construction to begin in late 2010 to be completed by

mid-2013

Existing PPA on Contra Costa units 6 & 7 extended through April 2013, subject to CPUC approval

At end of extension, subject to regulatory approval, units 6 & 7 will be retired

Reached settlement with City of San Francisco to shut down Potrero

facility when CAISO no longer needs units for reliability

Under reliability must-run contract through 2010

Expect to shutdown Potrero (362 MW) in 2010

Operational Performance

-

Cash

Generation

-

Prudent

Growth

Potrero

Potrero

Contra

Costa

Pittsburg

12
Introducing GenOn
Energy
Operational
Performance
-
Cash

Generation

-

Prudent

Growth

On April 11, 2010, Mirant and RRI Energy announced that the companies would merge to form GenOn

Energy

Creation of GenOn

Energy will deliver significant value to stockholders

Strategic rationale for the transaction

Significant near-term value creation driven by annual cost savings of \$150 million to be fully realized starting in January 2012

Strengthened balance sheet and enhanced financial flexibility

Increased scale and geographic diversity across key regions

Well positioned to benefit from improvement in market fundamentals

Merger is expected to close by the end of 2010

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Transaction Terms
Company Name
GenOn
Energy
Consideration
Merger of equals

100% stock transaction

Exchange Ratio

Mirant stockholders will receive 2.835 shares of RRI Energy in exchange for each share of Mirant

Ownership

Mirant

stockholders

will

own

approximately

54%

of

GenOn

Energy

RRI

Energy

stockholders

will

own

approximately

46%

of

GenOn

Energy

Board of Directors

GenOn

Energy Board to consist of 10 directors

5 Directors from Mirant/ 5 Directors from RRI Energy

Management

Edward R. Muller, Chairman & CEO

Mark M. Jacobs, President & COO

J. William Holden III, CFO

Identified executive leadership team reflects balanced representation from both companies

Headquarters

Corporate headquarters in Houston, TX

Transaction Close

Expected before the end of 2010

Operational

Performance

-

Cash

Generation

-

Prudent

Growth

Dickerson Generating Station
Q and A

15
Regulation G Reconciliation
Operational
Performance
-
Cash
Generation

-
Prudent
Growth
(in millions except per share)
Per Share ¹
Per Share ¹
Net income
494
\$
3.41
\$
1,265
\$
6.36
\$
Income from discontinued operations
-
-
50
0.25
Income from continuing operations
494
3.41
1,215
6.11
Unrealized gains
(47)
(0.32)
(786)
(3.95)
Bankruptcy charges and legal contingencies
(62)
(0.43)
-
-

Severance and bonus plan for dispositions

13

0.09

14

0.07

Impairment charges

221

1.52

-

-

Lovett shut down costs

5

0.03

12

0.06

Lower of cost or market inventory adjustments, net

(31)

(0.21)

54

0.27

Other

1

0.01

8

0.04

Adjusted income from continuing operations

594

\$

4.10

\$
517
\$
2.60
\$
Provision for income taxes
12

2

Interest expense, net
135

119

Depreciation and amortization
149

144

Adjusted EBITDA
890

\$
782

\$
1

Per share amounts for 2009 are based on diluted weighted average shares outstanding of 145 million. Per share amounts for 2008 are based on diluted weighted average shares outstanding of 199 million.

Net Income to Adjusted Income from Continuing Operations and Adjusted EBITDA

Year to Date

Year to Date

December 31, 2009

December 31, 2008