

CONSTELLATION ENERGY GROUP INC

Form 425

May 03, 2011

Filed by Exelon Corporation
(Commission File No.
1-16169)
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
Subject Company: Constellation Energy Group,
Inc.

(Commission File No.
1-12869)

On May 3, 2011, Exelon presented the following
slides about the proposed merger at its annual
meeting of shareholders.

Welcome
to
the
2011
Exelon
Annual
Meeting

Philadelphia,
PA
May
3,
2011

3
Except
for
the
historical
information
contained
herein,

certain
of
the
matters
discussed
in
this
presentation
constitute
forward-looking
statements
within
the
meaning
of
the
Securities
Act
of
1933
and
the
Securities
Exchange
Act
of
1934,
both
as
amended
by
the
Private
Securities
Litigation
Reform
Act
of
1995.
Words
such
as
may,
will,
anticipate,
estimate,
expect,
project,
intend,
plan,

believe,
target,
forecast,
and
words
and
terms
of
similar
substance
used
in
connection
with
any
discussion
of
future
plans,
actions,
or
events
identify
forward-looking
statements.
These
forward-looking
statements
include,
but
are
not
limited
to,
statements
regarding
benefits
of
the
proposed
merger,
integration
plans
and
expected
synergies,
the
expected
timing
of

completion
of
the
transaction,
anticipated
future
financial
and
operating
performance
and
results,
including
estimates
for
growth.
These
statements
are
based
on
the
current
expectations
of
management
of
Exelon
Corporation
(Exelon)
and
Constellation
Energy
Group,
Inc.
(Constellation),
as
applicable.
There
are
a
number
of
risks
and
uncertainties
that
could
cause
actual

results
to
differ
materially
from
the
forward-looking
statements
included
in
this
presentation.

For
example,
(1)
the
companies
may
be
unable
to
obtain
shareholder
approvals
required
for
the
merger;

(2)
the
companies
may
be
unable
to
obtain
regulatory
approvals
required
for
the
merger,
or
required
regulatory
approvals
may
delay
the
merger

or
result
in
the
imposition
of
conditions
that
could
have
a
material
adverse
effect
on
the
combined
company
or
cause
the
companies
to
abandon
the
merger;
(3)
conditions
to
the
closing
of
the
merger
may
not
be
satisfied;
(4)
an
unsolicited
offer
of
another
company
to
acquire
assets
or
capital

stock
of
Exelon
or
Constellation
could
interfere
Forward-Looking Statements

4
with
the
merger;
(5)
problems
may
arise

in
successfully
integrating
the
businesses
of
the
companies,
which
may
result
in
the
combined
company
not
operating
as
effectively
and
efficiently
as
expected;
(6)
the
combined
company
may
be
unable
to
achieve
cost-cutting
synergies
or
it
may
take
longer
than
expected
to
achieve
those
synergies;
(7)
the
merger
may
involve

unexpected
costs,
unexpected
liabilities
or
unexpected
delays,
or
the
effects
of
purchase
accounting
may
be
different
from
the
companies
expectations;
(8)
the
credit
ratings
of
the
combined
company
or
its
subsidiaries
may
be
different
from
what
the
companies
expect;
(9)
the
businesses
of
the
companies
may
suffer
as
a
result

of
uncertainty
surrounding
the
merger;
(10)
the
companies
may
not
realize
the
values
expected
to
be
obtained
for
properties
expected
or
required
to
be
divested;
(11)
the
industry
may
be
subject
to
future
regulatory
or
legislative
actions
that
could
adversely
affect
the
companies;
and
(12)
the
companies
may
be
adversely

affected
by
other
economic,
business,
and/or
competitive
factors.
Other
unknown
or
unpredictable
factors
could
also
have
material
adverse
effects
on
future
results,
performance
or
achievements
of
the
combined
company.
Discussions
of
some
of
these
other
important
factors
and
assumptions
are
contained
in
Exelon's
and
Constellation's
respective
filings
with
the
Securities

and
Exchange
Commission
(SEC),
and
available
at
the
SEC's
website
at
www.sec.gov,

including:

(1)
Exelon's
2010

Annual
Report
on

Form
10-K

in

(a)
ITEM
1A.

Risk
Factors,

(b)
ITEM
7.

Management's
Discussion
and

Analysis
of

Financial
Condition
and

Results
of

Operations
and

Forward-Looking Statements

5
(c)
ITEM
8.
Financial
Statements
and
Supplementary

Data:
Note
18;
(2)
Exelon's
Quarterly
Report
on
Form
10-Q
for
the
quarterly
period
ended
March
31,
2011
in
(a)
Part
II,
Other
Information,
ITEM
1A.
Risk
Factors,
(b)
Part
1,
Financial
Information,
ITEM
2.
Management's
Discussion
and
Analysis
of
Financial
Condition
and
Results
of
Operations
and
(c)
Part
I,

Financial
Information,
ITEM
1.
Financial
Statements:
Note
12;
and
(3)
Constellation s
2010
Annual
Report
on
Form
10-K
in
(a)
ITEM
1A.
Risk
Factors,
(b)
ITEM
7.
Management s
Discussion
and
Analysis
of
Financial
Condition
and
Results
of
Operations
and
(c)
ITEM
8.
Financial
Statements
and
Supplementary
Data:
Note
12.
These
risks,

as
well
as
other
risks
associated
with
the
proposed
merger,
will
be
more
fully
discussed
in
the
joint
proxy
statement/prospectus
that
will
be
included
in
the
Registration
Statement
on
Form
S-4
that
Exelon
will
file
with
the
SEC
in
connection
with
the
proposed
merger.
In
light
of
these
risks,
uncertainties,

assumptions
and
factors,
the
forward-looking
events
discussed
in
this
communication
may
not
occur.
Readers
are
cautioned
not
to
place
undue
reliance
on
these
forward-looking
statements,
which
speak
only
as
of
the
date
of
this
presentation.
Neither
Exelon
nor
Constellation
undertake
any
obligation
to
publicly
release
any
revision
to
its
forward-looking

statements

to

reflect

events

or

circumstances

after

the

date

of

this

presentation.

Forward-Looking Statements

6
This
presentation
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.
Exelon
intends
to
file
with
the
SEC
a
registration
statement
on
Form
S-4
that
will
include
a
joint
proxy
statement/prospectus
and
other
relevant
documents
to
be
mailed
by
Exelon
and
Constellation
to
their
respective
security
holders
in
connection
with
the
proposed
merger
of
Exelon
and
Constellation.

WE
URGE
INVESTORS
AND
SECURITY
HOLDERS
TO
READ
THE
JOINT
PROXY
STATEMENT/PROSPECTUS
AND
ANY
OTHER
RELEVANT
DOCUMENTS
WHEN
THEY
BECOME
AVAILABLE,
BECAUSE
THEY
WILL
CONTAIN
IMPORTANT
INFORMATION
about
Exelon,
Constellation
and
the
proposed
merger.
Investors
and
security
holders
will
be
able
to
obtain
these
materials
(when
they
are
available)
and

other
documents
filed
with
the
SEC
free
of
charge
at
the
SEC's
website,
www.sec.gov.

In
addition,
a
copy
of
the
joint
proxy
statement/prospectus
(when
it
becomes
available)
may
be
obtained
free
of
charge
from
Exelon
Corporation,
Investor
Relations,
10
South
Dearborn
Street,
P.O.
Box
805398,
Chicago,
Illinois
60680-5398,
or
from

Constellation
Energy
Group,
Inc.,
Investor
Relations,
100
Constellation
Way,
Baltimore,
MD
21202.
Investors
and
security
holders
may
also
read
and
copy
any
reports,
statements
and
other
information
filed
by
Exelon,
or
Constellation,
with
the
SEC,
at
the
SEC
public
reference
room
at
100
F
Street,
N.E.,
Washington,
D.C.
20549.
Please

call
the
SEC
at
1-800-SEC-0330

or
visit
the
SEC's
website
for
further
information
on
its
public
reference
room.

Additional Information and Where to Find It

7
Exelon,
Constellation,
and
their
respective
directors,
executive

officers
and
certain
other
members
of
management
and
employees
may
be
deemed
to
be
participants
in
the
solicitation
of
proxies
in
respect
of
the
proposed
transaction.
Information
regarding
Exelon's
directors
and
executive
officers
is
available
in
its
proxy
statement
filed
with
the
SEC
by
Exelon
on
March
24,
2011
in

connection
with
its
2011
annual
meeting
of
shareholders,
and
information
regarding
Constellation's
directors
and
executive
officers
is
available
in
its
proxy
statement
filed
with
the
SEC
by
Constellation
on
April
15,
2011
in
connection
with
its
2011
annual
meeting
of
shareholders.
Other
information
regarding
the
participants
in
the
proxy
solicitation

and
a
description
of
their
direct
and
indirect
interests,
by
security
holdings
or
otherwise,
will
be
contained
the
joint
proxy
statement/prospectus
and
other
relevant
materials
to
be
filed
with
the
SEC
when
they
become
available.

Participants in the Merger Solicitation

Exelon Transaction Rationale

Increases
geographic
diversity
of
generation,
load

and
customers
in
competitive
markets

This
transaction
meets

all
of
our
M&A
criteria
and
can
be

executed
Shared
Commitment to
Competitive
Markets
Enhances
Scalable Growth
Platform
Creates
Shareholder
Value

Expands
a
valuable
channel
to
market
our
generation

Enhances
margins
in
the
competitive
portfolio

Diversifies
portfolio
across
the
value
chain

EPS
break-even
in
2012
and
accretive
by
+5%
in
2013

Maintains
strong
credit
profile
and
financial
discipline

Maintains
earnings
upside
to
future
environmental
regulations
and
power
market
recovery

Adds
stability
to
earnings
and
cash
flow

Adds
mix
of
clean
generation
to
the
portfolio
Clean
Generation Fleet

Transaction Overview

100%
stock

0.930
shares
of

EXC
for
each
share
of
CEG

Upfront
transaction
premium
of
18.1%
(1)

\$2.10
per
share
Exelon
dividend
maintained

Expect
to
close
in
early
1Q
2012

Exelon
and
Constellation
shareholder
approvals
in
3Q
2011

Regulatory
approvals
including
FERC,
DOJ,
MD,
NY,
TX

Executive
Chairman:
Mayo

Shattuck

President
and
CEO:
Chris
Crane

Board
of
Directors:
16
total
(12
from
Exelon,
4
from
Constellation)

Exelon
Corporation

78%
Exelon
shareholders

22%
Constellation
shareholders

Corporate
headquarters:
Chicago,
IL

Constellation
headquarters:
Baltimore,
MD

No
change
to
utilities
headquarters

Significant
employee
presence

maintained

in

IL,

PA

and

MD

Company Name

Consideration

Pro Forma

Ownership

Headquarters

Governance

Approvals &

Timing

(1) Based on the 30-day average Exelon and Constellation closing stock prices as of April 27, 2011.

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