

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](http://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](http://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.

9