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Investor Presentation
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2 Forward Looking Statements NYSE: NRGY, NRGP

Important Information For Investors And Unitholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of an transactions between Inergy, L.P. (Inergy) and Inergy Holdings, L.P. (Holdings) will be submitted to the unitholders of H Securities and Exchange Commission (SEC) a registration statement on Form S-4 that will include a proxy statement of Ho Inergy and Holdings also plan to file other documents with the SEC regarding the proposed transaction. INVESTORS AND S URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS THAT WILL I AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT IN TRANSACTION. Investors and unitholders will be able to obtain free copies of the proxy statement/prospectus and other doc Inergy and Holdings once such documents are filed with the SEC, through the website maintained by the SEC at http://www.se by Inergy will be available free of charge on Inergy s website at www.inergylp.com under the tab Investor Relations then s relations administrator at (816) 842-8181. Copies of the documents filed with the SEC by Holdings will be available free of cl the tab Investor Relations then select Inergy Holdings, L.P. or by contacting Holdings investor relations administrator a Inergy, Holdings and certain of their respective directors and executive officers may be deemed to be participants in the solicit connection with the proposed transaction. Information about the directors and executive officers of Inergy is set forth in its Ar September 30, 2009, which was filed with the SEC on November 30, 2009. Information about the directors and executive offi Form 10-K for the fiscal year ended September 30, 2009, which was filed with the SEC on November 30, 2009. These docum indicated above. Other information regarding the participants in the proxy solicitation and a description of their direct and indicated above. be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become availal Cautionary Statement Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the safe harbor provisions of the Private Se limited to historical facts, but reflect Inergy s and Holdings current beliefs, expectations or intentions regarding future events project, intend, anticipate, believe, estimate, predict, potential, pursue, forward-looking statements. These forward-looking statements include, without limitation, Inergy s and Holdings expectation anticipated financial impacts of the proposed transaction; future financial and operating results of the combined company; the and intentions with respect to future operations and services; approval of the proposed transaction by Holdings unitholders and satisfaction of the closing conditions to the proposed transaction; and the timing of the completion of the proposed transaction. All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from which are generally outside the control of Inergy and Holdings and are difficult to predict. Examples of such risks and uncertainty that the proposed transaction is delayed or does not close, including due to the failure to receive required Holdings unitholder action (including the passage of legislation) to block the transaction, or the failure of other closing conditions and (2) the possi will not be realized within the expected time period, because of, among other things, weather conditions; price and availability areas; the ability to pass the wholesale cost of propane through to customers; costs or difficulties related to the integration of the greater than expected; governmental legislation and regulations; local economic conditions; the demand for high deliverability availability of natural gas and the price of natural gas to the consumer compared to the price of alternative and competing fuels plan for its natural gas storage facilities; labor relations; environmental claims; competition from the same and alternative ener to transporting, storing and distributing propane; energy efficiency and technology trends; interest rates; the price and availabil defaults.

Inergy and Holdings caution that the foregoing list of factors is not exclusive. Additional information concerning these and oth most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Forwritten and oral forward-looking statements concerning Inergy, Holdings, the proposed transaction or other matters and attribute their behalf are expressly qualified in their entirety by the cautionary statements above. Neither Inergy nor Holdings undertaked forward-looking statements to reflect events or circumstances that may arise after the date hereof.

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Transaction Summary

The Boards of Directors of NRGY & NRGP have agreed to simplify their capital structure by merging the two partnerships in a tax-free, equity exchange

The merger is subject to approval by a majority of NRGP unitholders and is expected to close in 4Q 2010

Certain members of management have entered into support agreements in favor of the merger

Ownership of the managing general partner will remain unchanged NRGP unitholders will receive 0.77 NRGY units in exchange for each NRGP unit

NRGY will issue approximately 47.7 million units to the owners of NRGP in exchange for its non-managing general partner

interest, incentive distribution rights (IDRs) and ownership of two wholly-owned NRGP subsidiaries

Represents ~10% premium

expected

provide

to NRGP

unitholders based on 20-trading day average closing price for both securities on August 3 rd Approximately \$27 million of NRGP debt will be assumed and repaid by NRGY Certain members of management (a) have agreed to receive non-cash distribution paying, paid-inkind equity securities (PIK Units) in exchange for a portion of their NRGP units in lieu of common units (b) Represents approximately 11.6 million units or 24% of the total NRGY units issued Holders of the PIK Units will receive additional PIK Units in lieu of cash distributions at PIK terms that favor NRGY unithold period of 2 years Expected to eliminate near term cash dilution to common unitholders Demonstrates management s long-term support for the merger and the company s prospects for growth The transaction is expected to be immediately neutral to NRGY s distributed cash flow of \$0.705 per unit (\$2.82 annualized) and

to
unitholders
(c)
Upon completion of the merger, the NRGP unitholders will own approximately 44% of the
combined entity, including management
(a)
ownership of approximately 28%
(d)
The NRGP director that does not currently serve on the NRGY Board of Directors will be invited to
join the NRGY board
(a)
Includes the participation of a founding investor in Inergy Holdings GP, LLC.
(b)
See page 7 for further description of PIK Units.
(c)
See page 8 for key transaction assumptions.

As adjusted for the transaction, NRGY s outstanding units total ~108.9 million.

long-term accretion

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Transaction Benefits

Accelerates Distribution Growth Potential

Cancellation of IDRs lowers NRGY s cost of capital

Lower cost of capital enhances NRGY s competitive position for acquisition opportunities and organic growth projects

Cancellation of IDRs and purchase of GP economic interest results in 100% of economic return from capital expansion projects and acquisitions being paid to unitholders of NRGY

Equity transaction maintains NRGY s balance sheet flexibility and liquidity Streamlines Capital Structure

Attracts

a broader investor base to a single, larger entity with increased public float and liquidity Single entity simplifies the governance of NRGY which reduces the potential for conflicts **Improves** transparency for investors

Reduces G&A costs associated with two publicly traded entities

benefit

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Inergy Holdings, L.P.
& Affiliates
NYSE Symbol: NRGP
Inergy Holdings
GP, LLC
(Board of Directors)
Inergy GP, LLC
Managing General Partner
(Board of Directors)
Inergy, L.P.

NYSE Symbol: NRGY Propane Operating & Other Subsidiaries Midstream Operating & Other Subsidiaries Inergy Finance Corp. Public Unitholders **Public** Unitholders 100% Member Interest 100% Member Interest 100% Ownership Non-Economic Mgmt Rights 63.4% Limited Partner Interest 36.6% Limited Partner Interest Non-Economic Mgmt Rights 7.1% Limited Partner Interest 0.7% General Partner Interest 100% Incentive Distribution Rights 92.2% Limited Partner Interest (a) Simplified. (b) Includes the ownership of a certain founding investor in Inergy Holdings GP, LLC.

Management

(b)

Current

Inergy

Structure

(a)

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Post-Transaction Structure

(a)

Inergy

GP, LLC

Managing General Partner

(Board of Directors)

Inergy, L.P.

& Affiliates

NYSE Symbol : NRGY

Propane

Operating &

Other Subsidiaries

Midstream

Operating &

Other Subsidiaries

Inergy

G G
Finance Corp.
Public
Unitholders
100% Member Interest
100% Ownership
28.3%
Limited
Partner
Interest,
including
PIK
Units
(c)
(PIK Units convertible to common units over a 2-year period)
Non-Economic Mgmt Rights
71.7% Limited Partner Interest
(a)
Simplified.
(b)
Includes the ownership of a certain founding investor in Inergy Holdings GP, LLC.
(c)
Reflects
pro
forma
ownership
as
of
August
9,
2010.
See
page
7
for
further
description
of
PIK
Units.
100% Member Interest

Management

(b)

7
PIK Unit Overview
Description
Approximately
40%
of
the
original
NRGP
interests
owned
by
management
(a)
are
expected

to

be
exchanged
for
PIK
Units at the same 0.77 exchange ratio as common unitholders
~ 11.6 million PIK Units will be issued, representing approximately 24% of the 47.7 million total NRGY units issued PIK Units have been structured in a manner so that the recipients receive less value than the non-affiliated public unitholders of NRGP
PIK Units are non-transferable and will not be entitled to a cash distribution until converted into common units
The
number
of
new
PIK
Units
to
be
issued
each
quarter in
lieu of
cash
distributions
will
be the state of th
determined
quarterly
by
dividing
the
then
current
annualized
distribution
by
the
greater
of
\$41.6854
(b)
,
or 1
by
the

20-day

Lagar Filling. INCITION 1 101111 420
NRGY VWAP ending
on on
the 3
trading day prior to the applicable quarterly ex-dividend date PIK
terms that favor NRGY unitholders
PIK Units will automatically convert on a one-for-one basis to NRGY common units based upon the following
schedule:
50%
immediately
following
the novement
payment of
the
first
quarterly
cash
distribution
on
NRGY
units
after
the
first
anniversary
of
the close
of
the transaction; and
the transaction, and
50%
immediately
following
the
payment
of
the
first
quarterly
cash
distribution
on NRGY
NKU I

units after the

anniversary
of
the
close
of the transaction
In
support
of
the
merger,
certain
members
of
management
(a)
have
agreed
to
exchange
a
portion
of
their
ownership
in NRGP for PIK Units
Expected to eliminate near term cash dilution to NRGY common unitholders
Demonstrates management s long-term support for the transaction to NRGY and NRGP unitholders
Overview & Rationale

rd

second

(a)

Includes the ownership of a certain founding investor in Inergy Holdings GP, LLC.

(b)

Represents the 20-trading day volume weighted average price (VWAP) ending on the 3 trading day prior to the announceme rd

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Key
Assumptions
(a)
Base Case and Merger Transaction Assumptions
FY 2010 guidance range of $330-$340 million
FY 2011-2014 retail propane gallons and gross margins based on preliminary FY
2011 budget and remaining stable over forecast period
2011-2014 Base Case Midstream operations forecast includes the following capital deployed:

-
Seneca Lake Acquisition
-
Finger Lakes LPG Storage Project
```

North-South Project

-

Marc I Project

-

Seneca Lake Gas Storage Expansion Project

Merger

transaction

assumes

additional

annual

capital

deployed

of

\$375

million

at

an 8.8x EBITDA multiple

Merger transaction assumes repayment of NRGP s current credit facility

(~\$27mm) by NRGY

(a)

This forecast is based on various forward-looking assumptions made by the management of NRGY. While management be such results will materialize. Please refer to our forward-looking statement discosure on page 2

Transaction Milestones
Announce definitive merger agreement and support agreement execution
Prepare and file with SEC proxy statement/registration statement
SEC review of proxy statement and registration statement
File definitive proxy/registration statement
NRGP Unitholder meeting
Transaction closing (expected close calendar Q4 2010)

10 Committed to Generating Industry-Leading Returns to Our Investors