



# **2000 Enron Strategic Goals Status**

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# 2000 Enron Strategic Goals Overall

**Goal:** Achieve earnings and funds flow targets included in the 2000 Plan.

**Status:** Complete

All items are currently forecast to exceed Plan.

	<u>Plan</u>	<u>Forecast</u>
Net Income	\$ 1,144 million	\$ 1,224 million
Earnings per share	\$ 1.35	\$ 1.42
Funds Flow	\$ 2,300 million	\$ 2,840 million

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# 2000 Enron Strategic Goals Overall

**Goal:** Complete sale (and total risk transfer) of merchant assets so that total merchant investments are \$200 million or less by year end.

**Status:** In Progress

- Merchant assets decreased from \$1.1 billion at year end 1999 to \$500 million at year end 2000.
- Balance includes assets that management considers advantageous to retain at this time.
- Monetization program is on-going. \$2.1 billion of assets were sold during 2000.

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# **2000 Enron Strategic Goals Risk Assessment and Control**

**Goal: Establish risk and trading control process for risks unique to EES.**

**Status: Complete**

- **Systems have been established and monitoring controls are in place.**
- **A study of the DSM business has been completed and the results presented to the Finance Committee.**
- **A task force has been put in place and has established a work plan.**
- **Significant progress has been made against these recommendations.**
- **Tests have highlighted focus areas to determine where the capital dollars are best employed.**



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# 2000 Enron Strategic Goals Risk Assessment and Control

**Goal:** Solidify the global risk management policy beyond Houston and London.

**Status:** Complete

- **Project Doorstep inspected every office within Enron to determine if trading was taking place and if controls were being adhered to.**
- **A system was developed to routinely prompt surprise inspections and monitor if the recommendations are being adhered to.**

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# 2000 Enron Strategic Goals Overall

**Goal:** Maintain premium valuation multiples for Enron. Achieve total return to Enron's shareholders in excess of its peer group and the S&P 500 index.

**Status:** Complete

Enron's relative valuation versus the market and peer group improved significantly, as follows:

	<b>PE Multiple *</b> <b><u>12/31/99</u></b>	<b>P/E Multiple *</b> <b><u>12/06/00</u></b>
<b>Enron Corp.</b>	<b>31x</b>	<b>51x</b>
<b>Peer Group</b>	<b>16x</b>	<b>24x</b>
<b>S&amp;P 500</b>	<b>26x</b>	<b>23x</b>

\* Based on 2000 E.P.S. estimates.

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# 2000 Enron Strategic Goals Overall

(Continued)

Enron's total return to shareholder for 2000 year to date has significantly exceeded most comparative indexes.

	<u>Total Return 2000 (YTD through 12/06)</u>
Enron Corp.	63.2%
S&P 500	( 7.0%)
Dow Jones Industrials	(5.8%)
NASDAQ	(31.1%)
Peer Group - Energy	70.5%
Peer Group - Broadband	(66.5%)

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