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**ENRON CONTINUES STRONG EARNINGS GROWTH;
REPORTS FOURTH QUARTER 1999 EARNINGS OF \$0.31 PER DILUTED SHARE**

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HOUSTON - Enron Corp. announced today very strong financial and operating results for the full year 1999, including:

- a 28 percent increase in revenues to \$40 billion;
- a 37 percent increase in net income to \$957 million;
- an 18 percent increase in earnings per diluted share to \$1.18;
- a 19 percent increase in marketed volumes to 32 trillion British thermal unit equivalents per day (TBtue/d); and
- a more than doubling of new retail energy services contracts to \$8.5 billion.

The above financial results exclude nonrecurring items.

“Our strong results in both the fourth quarter and the full year 1999 reflect excellent performance in all of our operating businesses. Our wholesale business again registered strong profitability and growth in the rapidly expanding, deregulating energy industry worldwide. Our retail business is now profitable. This business has reached critical mass in contracting activity and service capabilities, and profitability is expected to accelerate rapidly,” said Kenneth L. Lay, Enron chairman and chief executive officer. “In addition, Enron continues to develop innovative, high-growth new businesses that capitalize on our core skills, as demonstrated by the early success of our new broadband services business. Overall, a great year – one in which our shareholders received a total return of 58 percent.”

Enron also announced a very successful fourth quarter of 1999, generating earnings of \$0.31 per diluted share, an increase of 29 percent from \$0.24 a year ago.

FULL YEAR RESULTS

Enron's businesses include Wholesale Energy Operations and Services (including broadband services), Retail Energy Services, and Transportation and Distribution.

Wholesale Energy Operations and Services: Enron's wholesale group consists of two primary lines of business: Commodity Sales and Services (marketing energy commodities and services and managing the associated contract portfolios) and Energy Assets and Investments (investing in, developing, constructing and operating energy and other assets.)

The wholesale group increased income before interest, minority interests and taxes (IBIT) 36 percent in 1999 to \$1.3 billion.

Strong earnings in Commodity Sales and Services were reflected in a 53 percent increase in IBIT to \$628 million for 1999. Total deliveries of energy commodities increased 19 percent to 32 TBtue/d, including significant increases in both North America and Europe. Volume growth reflects expanding, comprehensive supply management contracts for large regional gas and power utilities. Natural gas volumes increased 22 percent, largely driven by the North American operations. Total power volumes worldwide declined slightly to 392 million megawatt hours due to a single period of unusual activity in the U.S. during the third quarter of 1998. Enron's strong early lead in large, newly deregulated power markets and the successful launch during 1999 of EnronOnline, Enron's innovative global Internet-based transaction system, are expected to contribute significantly to continuing growth in Commodity Sales and Services.

Energy Assets and Investments reported a 20 percent increase in IBIT to \$850 million. The earnings reflect a balanced contribution from Enron's growing energy networks worldwide, diverse energy and communications investments, and sales of power plants developed and constructed to meet energy demands worldwide.

In 1999, Enron began commercial operations of eleven wholesale power plants totaling over 4,300 megawatts of capacity. Certain of these new facilities complement Enron's power marketing capabilities and provide customers in North America and Europe with valuable power in periods of high demand. Enron's plants also deliver new sources of electricity to developing markets, such as South America and India.

Retail Energy Services: Enron Energy Services offers comprehensive products to reduce energy costs for business customers throughout the U.S. and Europe. Enron Energy

