



Enron

*P.O. Box 1188
Houston, TX 77251-1188*

News Release

Mark Palmer
(713) 853-4738

ENRON REPORTS RECURRING ANNUAL EARNINGS OF \$1.47 PER DILUTED SHARE IN 2000 AND FOURTH QUARTER EARNINGS OF \$0.41

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HOUSTON -- Enron Corp. announced today record financial and operating results for the full year 2000, including:

- a 25 percent increase in earnings per diluted share to \$1.47;
- a 32 percent increase in net income to \$1.3 billion;
- a 59 percent increase in marketed energy volumes to 52 trillion British thermal unit equivalents per day (TBTue/d); and
- an almost doubling of new retail energy services contracts to \$16.1 billion.

“Our strong results reflect breakout performances in all of our operations,” said Kenneth L. Lay, Enron’s chairman and CEO. “Our wholesale services, retail energy and broadband businesses further expanded their leading market positions, as reflected in record levels of physical deliveries, contract originations and profitability. Our shareholders had another excellent year in 2000, as Enron’s stock returned 89 percent, significantly in excess of any major investment index.”

Enron also announced a very successful fourth quarter of 2000, generating recurring earnings of \$0.41 per diluted share, an increase of 32 percent from \$0.31 a year ago.

The above financial results exclude nonrecurring after-tax charges of \$287 million primarily related to Enron’s portion of asset impairments recorded by Azurix Corp.

FULL YEAR PERFORMANCE SUMMARY

Enron’s businesses are reported as Wholesale Services, Retail Energy Services, Transportation and Distribution, and Broadband Services.

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Wholesale Services: Income before interest, minority interests and taxes (IBIT) of the wholesale group increased 72 percent in 2000 to \$2.3 billion. Enron's wholesale group consists of two lines of business: Commodity Sales and Services (marketing energy commodities and services and managing the associated contract portfolios) and Assets and Investments (investing in, developing, constructing and operating energy-related and other assets).

Commodity Sales and Services: The 160 percent increase to \$1.6 billion in Commodity Sales and Services IBIT for 2000 reflects Enron's broad-based success in building energy franchises across North America and Europe. For the full year, Enron's North American natural gas business led the group's increase both in volume levels and profitability.

In 2000, Enron completed its first full year of deploying EnronOnline, which quickly became the world's largest web-based Ecommerce site. During the year, Enron executed 548,000 transactions online with 3,000 customers, totaling \$336 billion of gross value. In addition to expanding the market reach of 1,200 wholesale commodity products, EnronOnline's internal features have enabled very significant expansion in scale, efficiency, information and liquidity. These sustainable competitive advantages contributed to both the expansion of Enron's existing wholesale businesses as well as the growth of new businesses.

Physical volumes in 2000 increased for gas and power in every major region where Enron operates, including:

Total Wholesale:

- a 59 percent total increase in wholesale volumes to 51.7 TBtue/d;
- an 82 percent increase in natural gas volumes to 28.3 TBtue/d; and
- a 62 percent increase in power volumes to 633 million megawatt hours.

North America:

- a 77 percent increase in natural gas volumes to 24.7 TBtue/d; and
- a 52 percent increase in power volumes to 579 million megawatt hours.

Europe and Other:

- a 131 percent increase in natural gas volumes to 3.6 TBtue/d; and
- a 372 percent increase in power volumes to 55 million megawatt hours.

Assets and Investments: The Wholesale Assets and Investments business reported \$889 million IBIT compared to \$850 million last year. The earnings reflect contributions from Enron's asset operations comparable to 1999 levels. Relative to last year, Enron experienced an

