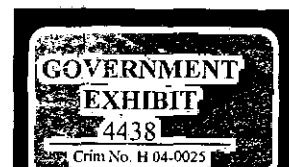


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Date: 04/17/2001

KLH:klh - revised 1/29/2006

1 SKILLING - JEFF SKILLING
2 KOENIG - MARK KOENIG
3 RICE - KEN RICE
4 NILES - RAY NILES
5 FLEISCHER - DAVID FLEISCHER
6 MEADE - ANDRE MEADE
7 FOLLOWILL - REBECCA FOLLOWILL
8 GRUBMAN - RICHARD GRUBMAN
9 YANELLO - JAY YANELLO
10 LAUNER - CURT LAUNER
11 COALE - CAROL COALE
12 TSAO - ANNIE TSAO
13 RICH - LESLIE RICH
14 MOELLER - KURT MOELLER
15 OPERATOR - UNIDENTIFIED FEMALE
16 UM - UNIDENTIFIED MALE
17 UI - UNINTELLIGIBLE
18 OPERATOR - Good morning everyone and welcome to the ENRON's first quarter earnings
19 release conference call. This call is being recorded. At this time I would like
20 to turn the call over to the President and Chief Executive Officer, Mr. JEFF
21 SKILLING. Please go ahead, sir.
22 SKILLING - Thank you very much. I hope you all heard that music that was on before.



1 We're all dancing here, it's pretty good stuff. We need to change that PAULA.
2 See if we can work on that. This is JEFF SKILLING, President and Chief
3 Executive Officer of ENRON Corporation. With me here in Houston I've got
4 MARK KOENIG, who is Executive Vice President of Investor Relations,
5 KEN RICE, who is CEO of ENRON BROADBAND SERVICES, RICK
6 CAUSEY who's Executive Vice President and Chief Accounting Officer and
7 PAULA RIEKER who is Managing Director of Investor Relations. So I'd like
8 to thank you all for joining us on the call and Web broadcast this morning.
9 Earlier today we recorded our first quarter results. I will provide a brief
10 overview of our quarterly results then open the call for your questions. Okay,
11 summary of earnings. For the first quarter of 2001, ENRON reported
12 outstanding recurring results, including an 18 percent increase in diluted
13 earnings per share to 47 cents per share compared to 40 cents per share a year
14 ago, a 281 percent increase in revenues to \$50 billion versus \$13 billion a year
15 ago and a 20 percent increase in net income to \$406 million versus \$338
16 million a year ago. Volumes and transaction levels are expanding rapidly. We
17 are translating this activity and growth into increased profitability. Our first
18 quarter results demonstrate the strength of all of our businesses. Today, we
19 also announced an increase in our earnings expectations for the Year 2001 to a
20 range of \$1.75 to \$1.80 per diluted share. What I'll do is go through each of
21 the individual businesses and give you a recap starting first with our wholesale
22 business. Wholesale Services led our strong performance in the first quarter.

1 Total income before interest - minority interest and taxes or IBIT for the
2 quarter increased 76 percent to \$755 million from \$429 million a year ago,
3 making Wholesale Services' twenty-first consecutive period of year-over-year
4 quarterly earnings growth. These earnings are primarily attributable to
5 ENRON's leading role worldwide in our commodity sales and service
6 business where we market and deliver energy and other commodities. First
7 quarter IBIT for the commodity business increased 207 percent to \$785
8 million. In the first quarter, our total volumes increased 65 percent to 69 BCF
9 equivalents versus 42 BCF equivalents a year ago. That is obviously the
10 crucial number. Our earnings are directly proportional to the increase in
11 physical volumes delivered to our customers. Natural gas volumes increased
12 55 percent to 36 BCF a day equivalent versus 24 BCF a day equivalent a year
13 ago. And power volume, showing strong growth, increased 109 percent to 232
14 million megawatt hours versus 111 million megawatt hours a year ago. So
15 very, very strong volume increases. Let me give you a regional recap starting
16 first with North America. Our North American wholesale business natural gas
17 volumes increased 32 percent in the quarter to 27.8 BCF a day. Sales east of
18 the Rockies contributed the largest volume increase followed by solid
19 increases in each of Canada and in the Western U.S. Power volumes in North
20 America increased 90 percent to 195 million megawatt hours. Deliveries in
21 the Eastern U.S. grew substantially, accounting for nearly 80 percent of the
22 total increase. We completed the previously announced sale of two peaker

