ENRON

EARNINGS RELEASE - EXTERNAL FORMAT

(Millions of Dollars, except as noted)

	Second Quarter					
	2001				2000	01 vs 00
	Plan	1st CE	Update	Forecast	Actual	Growth
Transmission & Distribution						
Enron Transportation Services	$ 76.8	$ 76.7	$ 2.0	$ 78.7	$ 77.3	
Portland General	-	57.7	7.3	65.0	62.0	
Total Transmission & Distribution	76.8	134.4	9.3	143.7	139.3	3%
Wholesale Energy Operations & Services						
Americas	294.8	959.5	(32.8)	926.7	331.2	
Europe	82.3	98.0	(55.0)	43.0	64.6	
Global Markets	54.6	54.6	(24.6)	30.0	(3.5)	
Industrial Markets	10.6	10.7	2.0	12.7	-	
Net Works	(3.8)	(3.8)	(1.0)	(4.8)	(7.8)	
EEOS	14.5	(4.8)	5.3	0.5	19.3	
Global Assets	85.6	41.7	14.0	55.7	54.3	
Retail Risk Management	-	(600.0)	100.0	(500.0)	-	
Other Wholesale	(2.4)	(19.6)	(7.9)	(27.5)	-	
Subtotal	536.3	536.3	-	536.3	458.0	
Global Finance	39.9	25.2	(10.0)	15.2	23.8	
Global E&P	0.4	13.8	1.7	15.5	7.0	
Prepays	(34.7)	(35.0)	(7.5)	(42.5)	(17.5)	
Other	45.6	(39.2)	(7.0)	(46.2)	(34.4)	
Total Wholesale Energy Ops. & Services	587.5	501.1	(22.8)	478.3	436.9	9%
Enron Energy Services	50.9	49.0	11.0	60.0	23.3	158%
Enron Broadband Services	(29.5)	(15.0)	(85.0)	(100.0)	(8.0)	
Corporate and Other						
Azurix	(19.5)	(25.3)	-	(25.3)	(10.8)	
Enron Renewable Energy Corp	0.2	12.9	(5.3)	7.6	13.4	
Clean Fuels	(2.6)	2.7	-	2.7	9.0	
Enron Investment Partners	(0.1)	(0.1)	(1.4)	(1.5)	(1.2)	
Corporate & Other Expenses	(82.4)	(95.9)	-	(95.9)	(34.2)	
Structured Transactions	4.2	4.2	-	4.2	42.4	
Reclass from/to Wholesale	-	-	-	-	(1.7)	
Total Corporate & Other	(100.2)	(101.5)	(6.7)	(108.2)	16.9	
Overview	13.0	180.0	146.0	326.0	-	
INCOME BEFORE INT., M.I. & INC. TAXES	598.5	748.0	51.8	799.8	608.4	31%
Interest Expense, Net	98.8	201.2	10.7	211.9	195.5	8%
Dividends on Preferred Stock of Subsidiaries	17.7	18.2	-	18.2	20.8	
Minority Interest	22.4	40.4	-	40.4	38.6	
PRE-TAX INCOME	459.6	488.2	41.1	529.3	353.3	50%
Income Tax Expense	110.3	117.2	9.8	127.0	64.4	
NET INCOME - RECURRING	$ 349.3	$ 371.0	$ 31.3	$ 402.3	$ 288.9	39%
DILUTED EPS						
Recurring	$ 0.39	$ 0.42	$ 0.03	$ 0.45	$ 0.34	32%
Non-recurring	-	-	-	-	-	
TOTAL DILUTED EPS	$ 0.39	$ 0.42	$ 0.03	$ 0.45	$ 0.34	
Avg shares outstanding - Diluted	885.0	886.0		894.0	862.2	
Effective Tax Rate - Recurring Earnings	24.0%	24.0%		24.0%	18.2%	

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ENRON
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Avg shares outstanding - Diluted	885.0	886.0		884.0	862.2	
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Highly Confidential
June 28, 2001
(In millions)

Wholesale hard look (to go for quarter)	$ 395.0	
Overview	326.0	
Current shortfall		721.0
Projected hotlist	(200.0)	
Retail additional charges	31.0	
		(169.0)
Current Shortfall - Adjusted		552.0
Reserves that must turn	(50.0)	
Valuation reserves	(402.0)	
EES reserves now booked	(319.0)	
Reserves Available		(771.0)
Cushion - projected remaining valuation reserves		$(219.0)

Note: California credit reserves at beginning and end of quarter = $450MM

ENRON
Overview - 2Q 2001
(Millions of Dollars)

	2nd Qtr 2001 Pre-Tax Income
1st CE Overview	180.0
Increase EPS from $0.42 to $0.45	35.0
EBS potential shortfall	35.0
2nd Quarter Anticipated Overview - May/Early June	250.0
Updated Activity:	
Additional EBS Shortfall ($0 to $50MM)	50.0
Stock book loss	10.0
Raptor credit shortfall	10.0
Other	6.0
End of Quarter Anticipated Overview Range	326.0

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