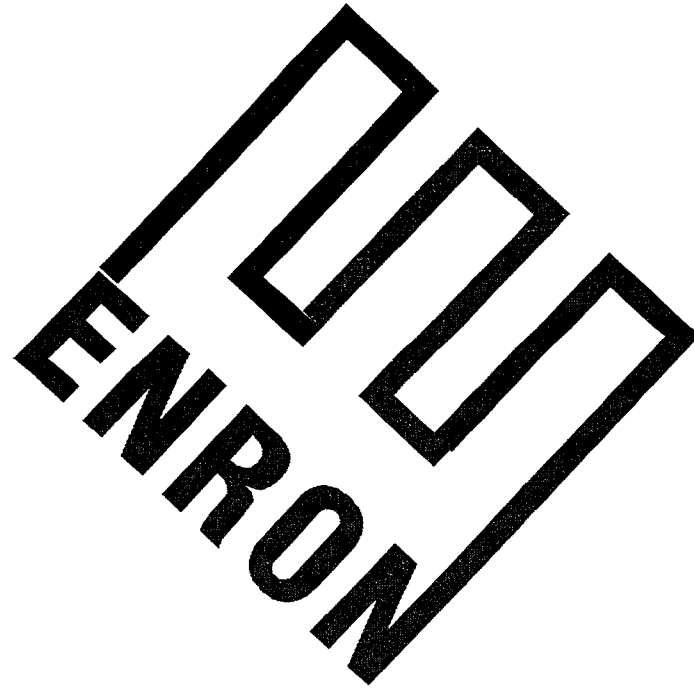


BOARD OF DIRECTORS' MEETING
August 8, 2000

EC004391519



Project Summer

EC004391520

Overview/Rationale

EC004391521

Overview

- **Opportunity to sell substantially all non-European international businesses (“Project Summer”)**
 - Disproportionate use of resources for inadequate returns
 - Offered reasonable price given the comprehensive nature of the transaction
 - Improves reported profitability, reduces risk
- **Given Project Summer, good time to reduce dividend**
 - Dividend reduction has been under consideration for some time
 - Given growth-oriented investor base, no significant sales pressure likely
 - Reception could be enhanced by a simultaneous increase in shares authorized for repurchase
- **Want to target improved BBB+ rating but not recommending seeking an A- rating at this time**
 - Could achieve an A- if proceeds from Summer & PGE used to improve rating
 - Not evident that the benefit of achieving an A- rating is worth the cost

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VKS

Deal Description

\$6.08 billion cash sale for 80% (100% valuation = \$7.6 billion) of Enron's equity interests in:

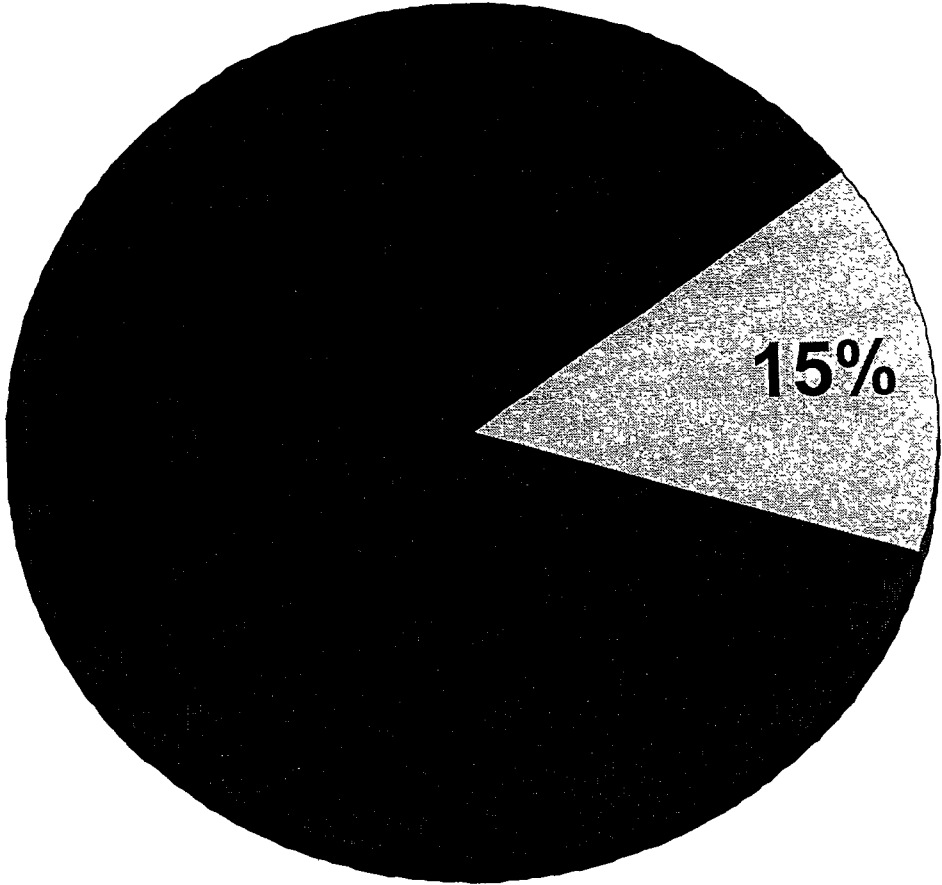
- **South America**
- **CALME**
- **Enron Global Exploration and Production**
- **India**
- **APACHI**
- **Enron Renewable Energy Corp.**
- **Turkey**

Project Excludes

- **Trading operations in Japan and Australia**
- **Hainan project**
- **Enron Engineering & Construction**
- **Purchaser has right to exclude Turkish project from transaction**

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Gross National Product



GNP of countries where **Businesses to be Sold** (\$4.1 Trillion)



GNP of countries where **Businesses to be Retained** (\$22.5 Trillion)

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