2000 Enron Strategic Goals Status

EC004392344

2000 Enron Strategic Goals
Overall

Goal: Achieve earnings and funds flow targets included in the 2000 Plan.

Status: Complete

All items are currently forecast to exceed Plan.

	Plan	Forecast
Net Income	$ 1,144 million	$ 1,224 million
Earnings per share	$ 1.35	$ 1.42
Funds Flow	$ 2,300 million	$ 2,840 million

EC004392345

2000 Enron Strategic Goals
Overall

Goal: Complete sale (and total risk transfer) of merchant assets so that total merchant investments are $200 million or less by year end.

Status: In Progress

- Merchant assets decreased from $1.1 billion at year end 1999 to $500 million at year end 2000.
- Balance includes assets that management considers advantageous to retain at this time.
- Monetization program is on-going. $2.1 billion of assets were sold during 2000.

EC004392346

ENRON

2000 Enron Strategic Goals
Risk Assessment and Control

Goal: Establish risk and trading control process for risks unique to EES.

Status: Complete

- Systems have been established and monitoring controls are in place.
- A study of the DSM business has been completed and the results presented to the Finance Committee.
- A task force has been put in place and has established a work plan

2000 Enron Strategic Goals
Risk Assessment and Control

Goal: Solidify the global risk management policy beyond Houston and London.

Status: Complete

- Project Doorstep inspected every office within Enron to determine if trading was taking place and if controls were being adhered to.
- A system was developed to routinely prompt surprise inspections and monitor if the recommendations are being adhered to.

EC004392348

2000 Enron Strategic Goals
Overall

Goal: Maintain premium valuation multiples for Enron. Achieve total return to Enron's shareholders in excess of its peer group and the S&P 500 index.

Status: Complete

Enron's relative valuation versus the market and peer group improved significantly, as follows:

	PE Multiple * 12/31/99	P/E Multiple * 12/06/00
Enron Corp.	31x	51x
Peer Group	16x	24x
S&P 500	26x	23x

* Based on 2000 E.P.S. estimates.

EC004392349

2000 Exxon Strategic Goals

Overall

(Continued)

Exxon's total return to shareholder for 2000 year to date has

2000 Enron Strategic Goals
Overall

Goal: Improve return on book equity to at least 13.5%.

Status: Not Complete

- Return on book equity is currently forecast to be 11.5% for 2000.
- Impacted by delay of asset sales until 1st quarter 2001.
- The return on equity for 2000 would have been 13.7% if the delayed sales had occurred and $5 billion of proceeds from the sales of assets were used to reduce equity.

EC004392351