Enron Global & Staff Functions
2000 Goals

EC004392391

2000 Enron Strategic Goals
Finance

Goal: Outperform the BBB+ Bond Index.

Status: Complete

Enron has out performed the BBB+ Bond Index the entire year at all maturities by an average of 15 basis points.

EC004392392

2000 Enron Strategic Goals
Finance

Goal: Create merchant investment hedging vehicle to reduce downside earnings exposure.

Status: Complete

Project Raptor

- Provided hedging mechanism for over $1.5 billion of notional public and private equity positions.
- Mitigated $460 million of equity losses.
- Supplied funds flow of $300 million.

EC004392393

2000 Enron Strategic Goals
Finance

Goal: Provide platform(s) for increased capital velocity to achieve return on equity target.

Status: Complete

Established numerous vehicles to stimulate capital markets and reduce use of Enron equity -

- Raptor
- Hawaii 125
- Osprey
- Others

EC004392394

2000 Enron Strategic Goals
Strategic Sourcing

Goal: Implement strategic sourcing initiative resulting in $100 million of global savings and e-commerce capabilities to market services to third parties.

Status: Complete

- Negotiated savings of approximately $120 million. $60 million were realized in 2000.
- Completed pre-feasibility of offering eProcurement services to third parties and determined that such a service was inconsistent with Enron's view of future market development and eCommerce.

EC004392395

ENRON

2000 Enron Strategic Goals

2000 Enron Strategic Goals
Accounting

Goal: Successfully complete implementation of SAP.

Status: Complete

- SAP was successfully implemented on time and within budget.
- Favorable opinion from AA on internal controls.

EC004392397

2000 Enron Strategic Goals

Goal: Continue delivery of a coordinated and targeted global investor communication, generating premium valuations for Wholesale Energy, Retail Energy and Broadband Services.

2000 Enron Strategic Goals
Human Resources

Goal: Improve the efficiency of the HR organization by decreasing costs 20%.

Status: Complete

- Corporate HR costs have been reduced from 2000 plan to 2001 plan by $11 million or 48%.
- Overall, Enron HR cost have been reduced by $12 million (19%) from 2000 plan to 2001 plan.
- Costs per employee have been reduced in the 2001 plan to $2,545 from $4,004 in the 2000 plan.

EC004392399

2000 Enron Strategic Goals
Human Resources

Goal: Develop an Enron measure for return on human capital.

Status: Complete

- In the Financial Reviews this year, the following were reviewed:
  - Number of MDs & VPs
  - Ratio of Commercial to Non-commercial FTEs - the average is 1:4, with the best ratios of 1:2 in both EEL and ENA. The target is 1:1.
- Overall turnover was reviewed as was turnover at specific performance levels.
- Each business unit reviewed revenue and net income per employee.

EC004392400

ENRON

2000 Enron Strategic Goals
Public Affairs

Goal: Expansion of influence in standard setting process for wholesale and retail energy markets.

Status: Complete

- Launched a "Coalition for Uniform Business Rules" with industry and public policy representatives.
- Scope has been expanded to include both gas and power market rules.

EC004392401

2000 Enron Strategic Goals
Public Affairs

Goal: Significant, measurable improvement in Enron's reputation (familiarity and favorability) through the successful launch of the brand campaign, establishment of a "21st Century Company" reputation with key international organizations and continued active media relations to produce favorable earned media.

Status: Complete

- Enron is covered as a leading company in the media, not just an energy company. Coverage has moved from the trade press and occasional mentions in major business publications to feature coverage in the major business publication and mainstream press.
- Enron has successfully launched a new brand campaign built around the themes of innovation and questioning the status quo.
- Enron also successfully launched a corporate responsibility program to manage reputation risk with the NGO community.

ENRON

EC004392402

2000 Enron Strategic Goals
Diversity - Visions & Values

Goal: Be named by Fortune Magazine as one of the top 10 "100 Best Companies to Work for in America".

Status: Unknown

Results will not be available until mid-December. Indications are that Enron may have moved from 24 to the top 10. A photo shoot has been scheduled, which historically has only been done for the top 10 companies.

EC004392403

2000 Enron Strategic Goals Scorecard Summary

	Number	Percent
Complete	42	72%
In Progress	6	10%
Not Complete	9	16%
Change in Business Strategy	1	2%
Total Goals	58	100%

EC004392404