ENRON

BOARD OF DIRECTORS' MEETING

December 12, 2000

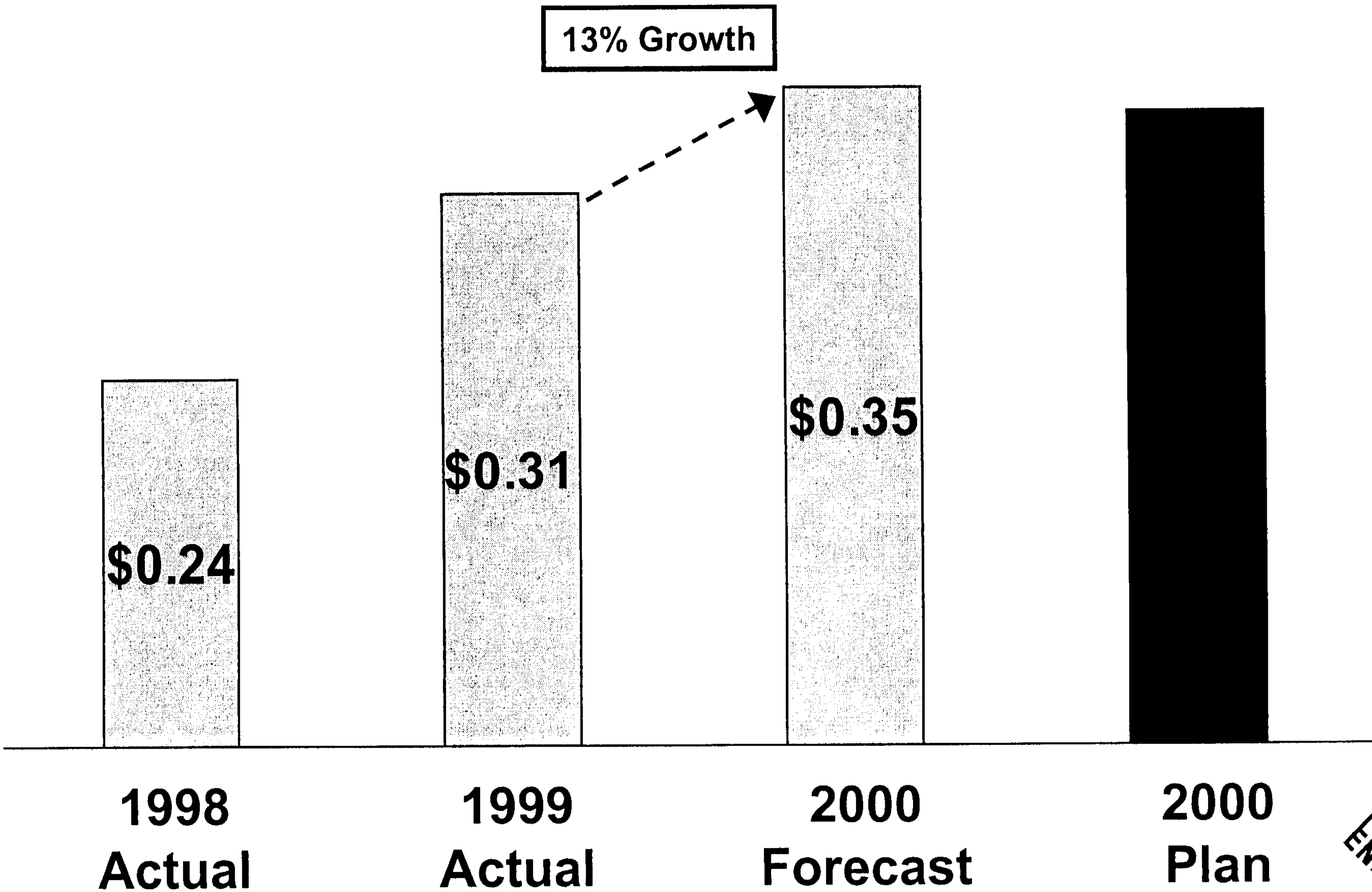
EC004392306

EXH005-02480

Financial and Earnings Report

EC004392307

Fourth Quarter 2000
Recurring Diluted EPS



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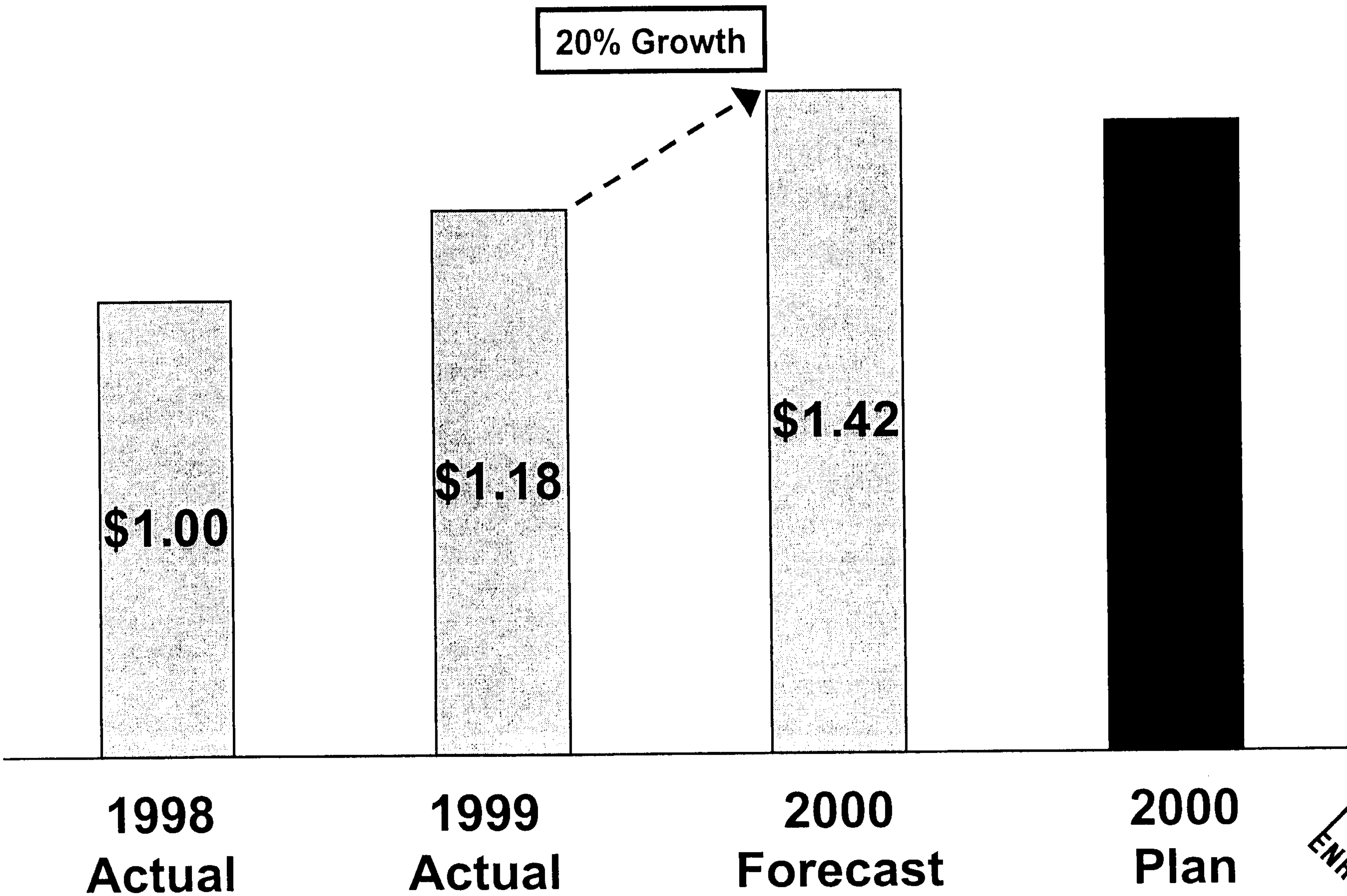
EXH005-02482

Recurring Diluted EPS
Year Ended December 31, 2000



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Net Income
($MM)

Forward

	Fourth Quarter Plan	Fourth Quarter Actual	Total Year Plan	Total Year Actual
Transportation & Distribution				
Transportation & Storage	$ 100	$ 55	$ 263	$ 263
Portland General Group	30	38	129	145
Wholesale				
North America	56	158	329	643
Europe	36	44	125	140
International Regions lack of asset sales underperformance of India	166	3	227	56
Enron Energy Services	18	20	24% ↑ 37	46
Enron Broadband Services	(3)	(32)	(42)	(71)
Corporate and Other	(55)	41	124	65
Azurix	(3)	(22)	(19)	(63)
Recurring Net Income	$ 345	$ 305	$ 1,173	$ 1,224

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External Reporting View

Fourth Quarter Earnings by Segment

($ MM)

	Fourth Quarter 2000	Fourth Quarter 1999	Total Year 2000	Total Year 1999
Wholesale Energy Operations	$ 571	$ 263	$ 2,054	$ 1,317
Transmission & Distribution	190	202	719	685
Retail Energy Services	37	7	107	(68)
Broadband Services	(32)	-	(60)	-
Corporate and Other [illegible], IT costs Benefits costs	(72)	1	(227)	48
Interest, MI, & Income Tax Higher debt levels	(389)	(214)	(1,369)	(1,025)
Net Income - recurring	$ 305	$ 259	$ 1,224	$ 957

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EXH005-02485

Balance Sheet Debt
2000 Activity
($MM)

	Total Year	Plan
Opening Debt Balance	$ (8,152)	$ (8,200)
Funds Flow from Operations	2,840	2,300
Change in Working Capital	140	40
Proceeds from Sales of Assets	562	1,307
Capital Expenditures	(2,142)	(1,764)
Equity Investments	(2,468)	(1,597)
Dividends	(527)	(450)
Other	47	(424)
Period Activity	(1,548)	(588)
Period Ending Debt Balance	$ (9,700)	$ (8,788)

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Financial and Earnings Report

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EXH005-02487

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Investor Relations Update

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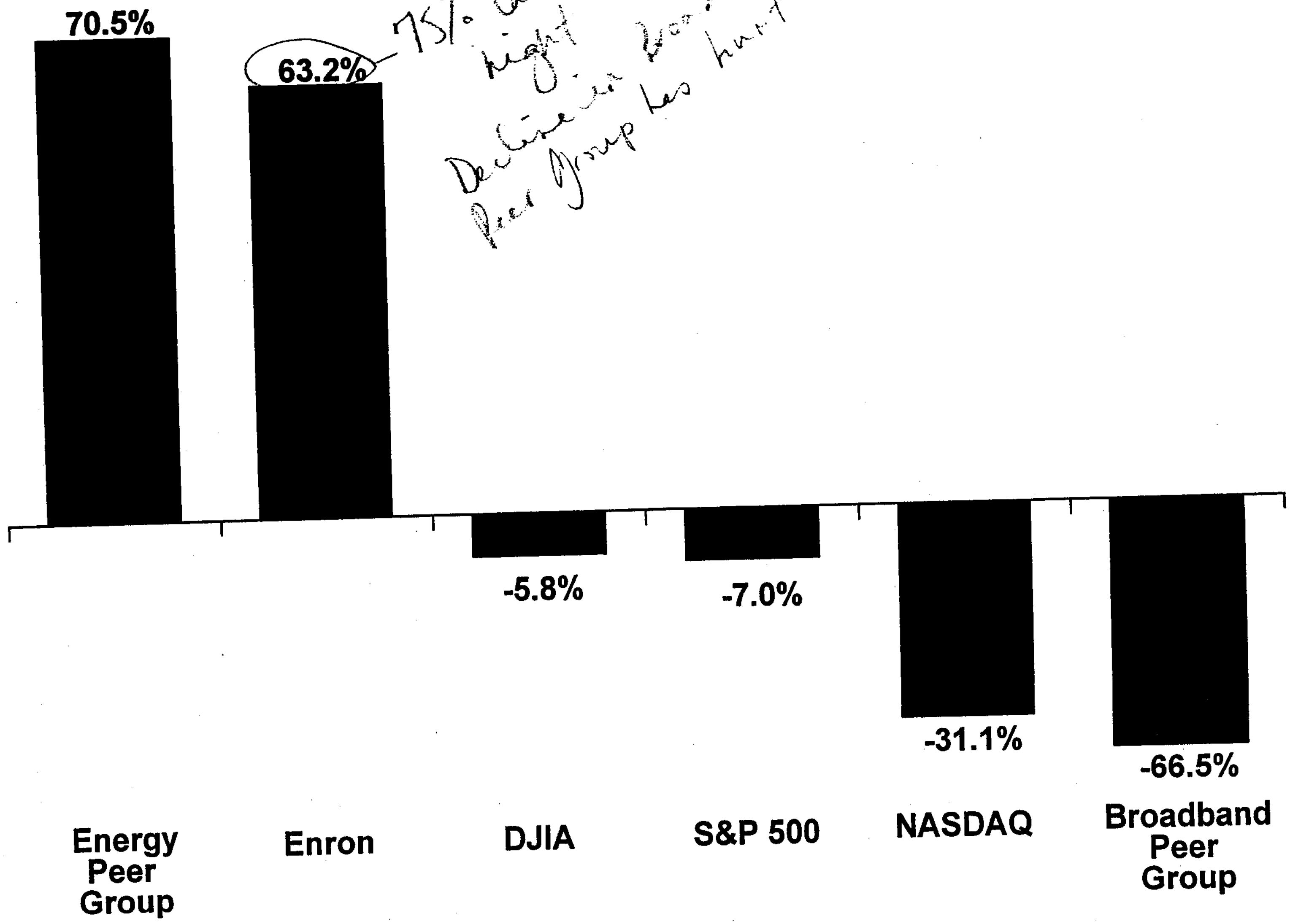
EXH005-02488

Total Return to Shareholder

2000 Year-to-Date*

As of Dec. 6



75% last night

Decline in Broadband Peer Group has hurt us

*Through December 6; Returns Include Dividends

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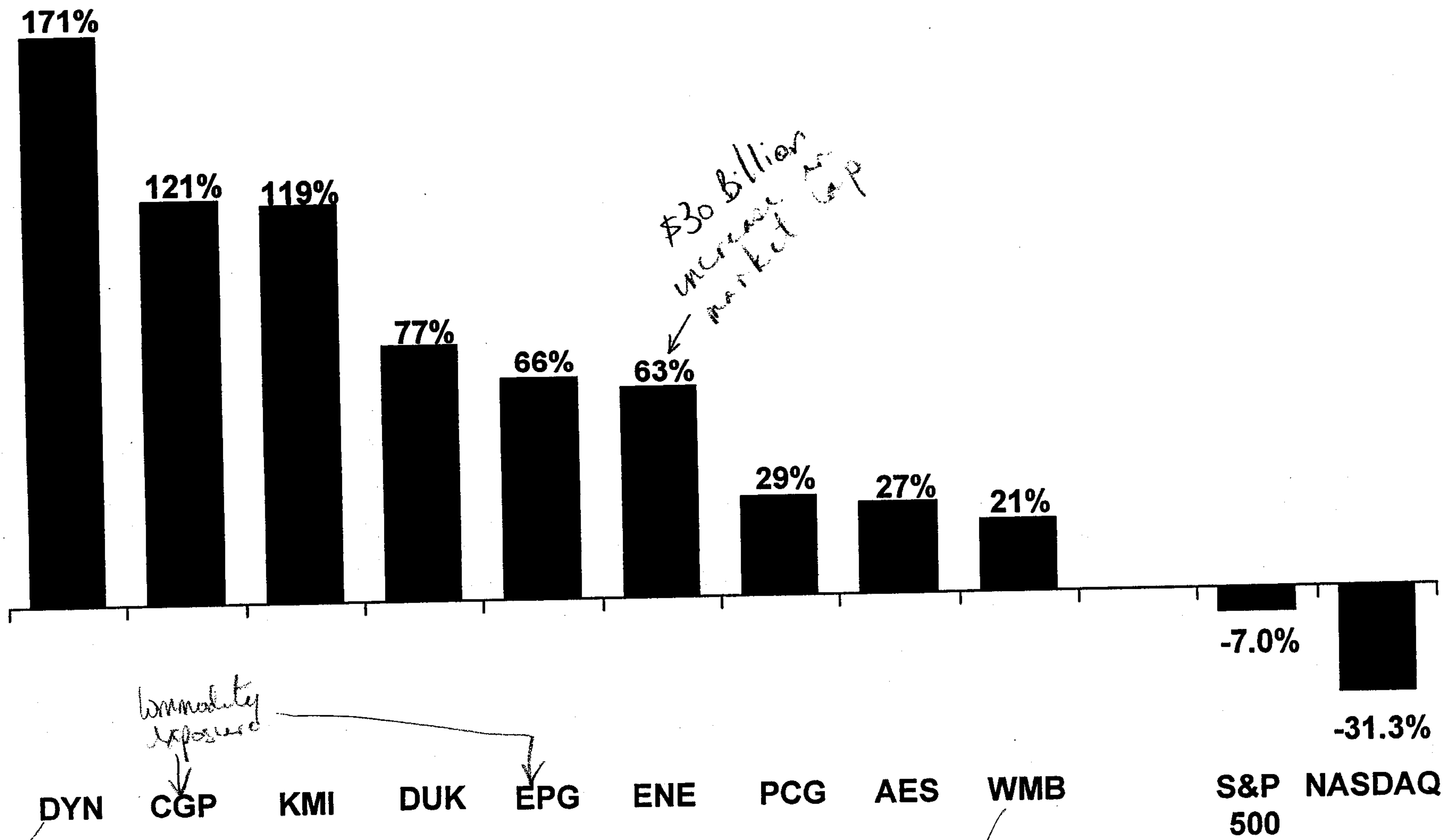
Koenig

EXH005-02489

Energy Peer Group – Total Return
(Through December 6)



Generating capacity
Increase in liquidity w/ merger

Broadband exposure

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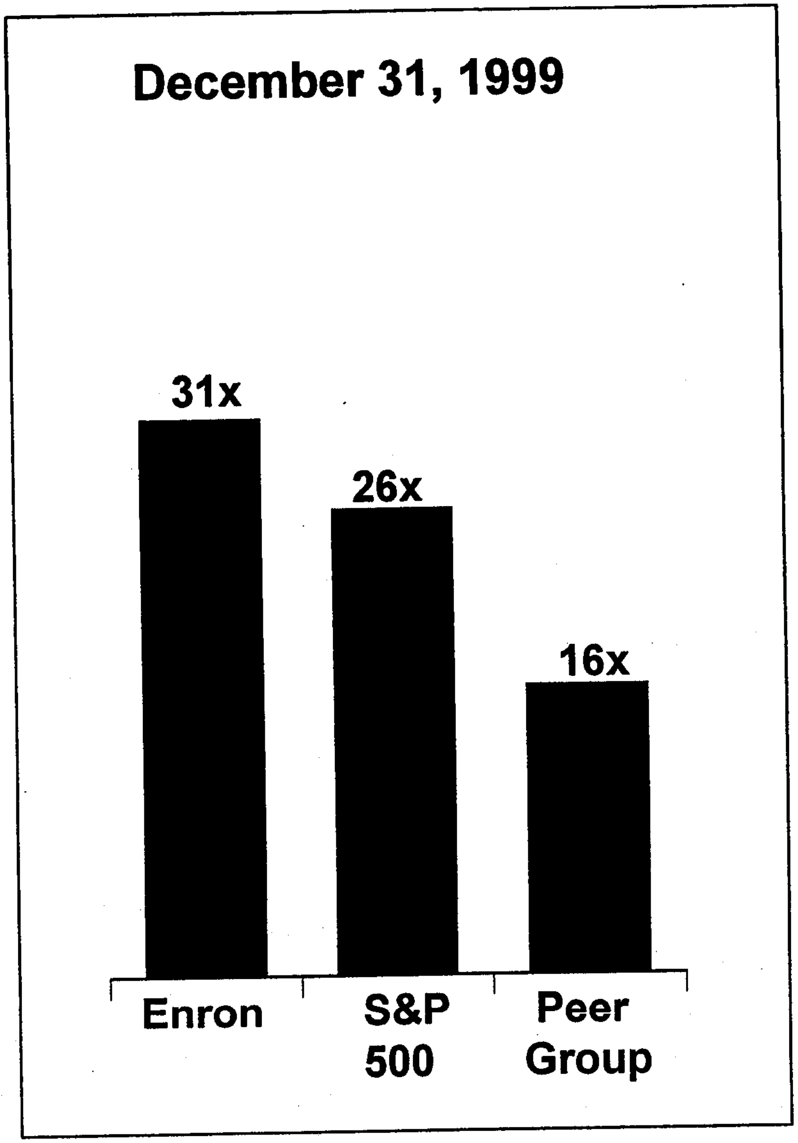
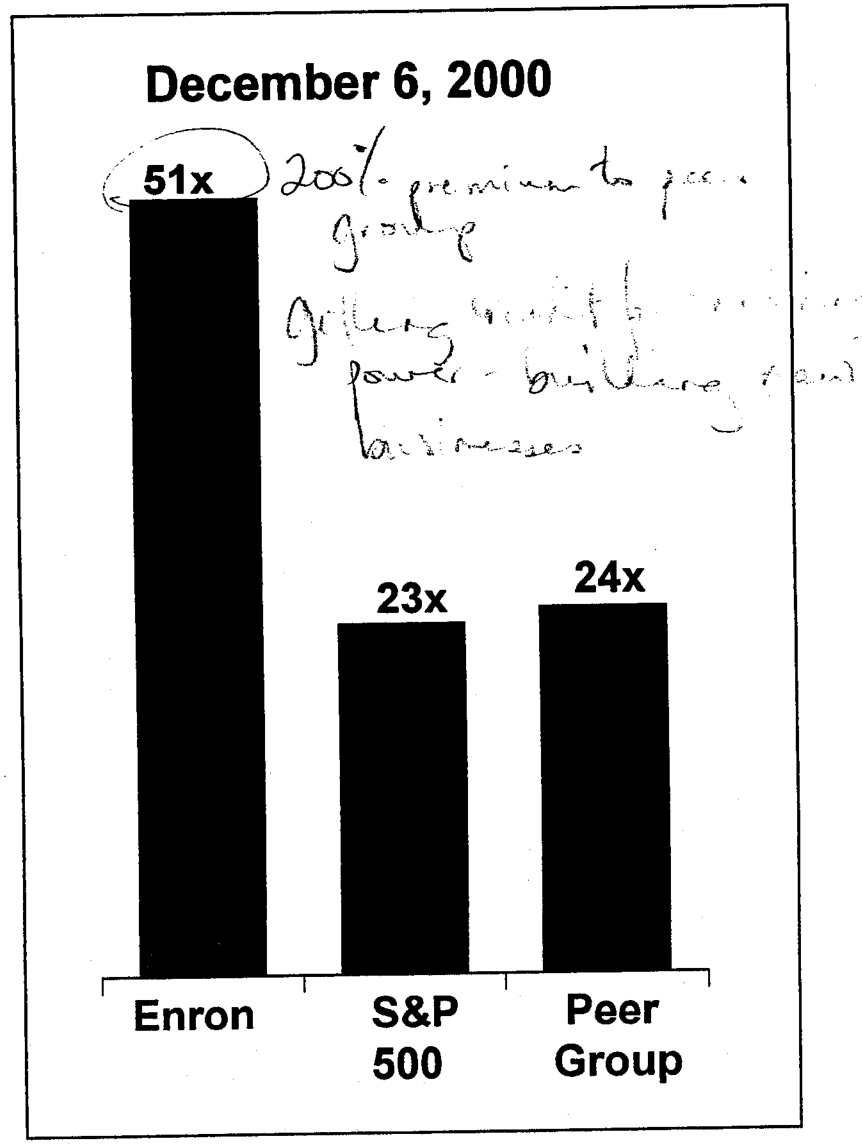
EXH005-02490

Relative Valuation
(P/E Ratio*)





*Based on 2000 EPS

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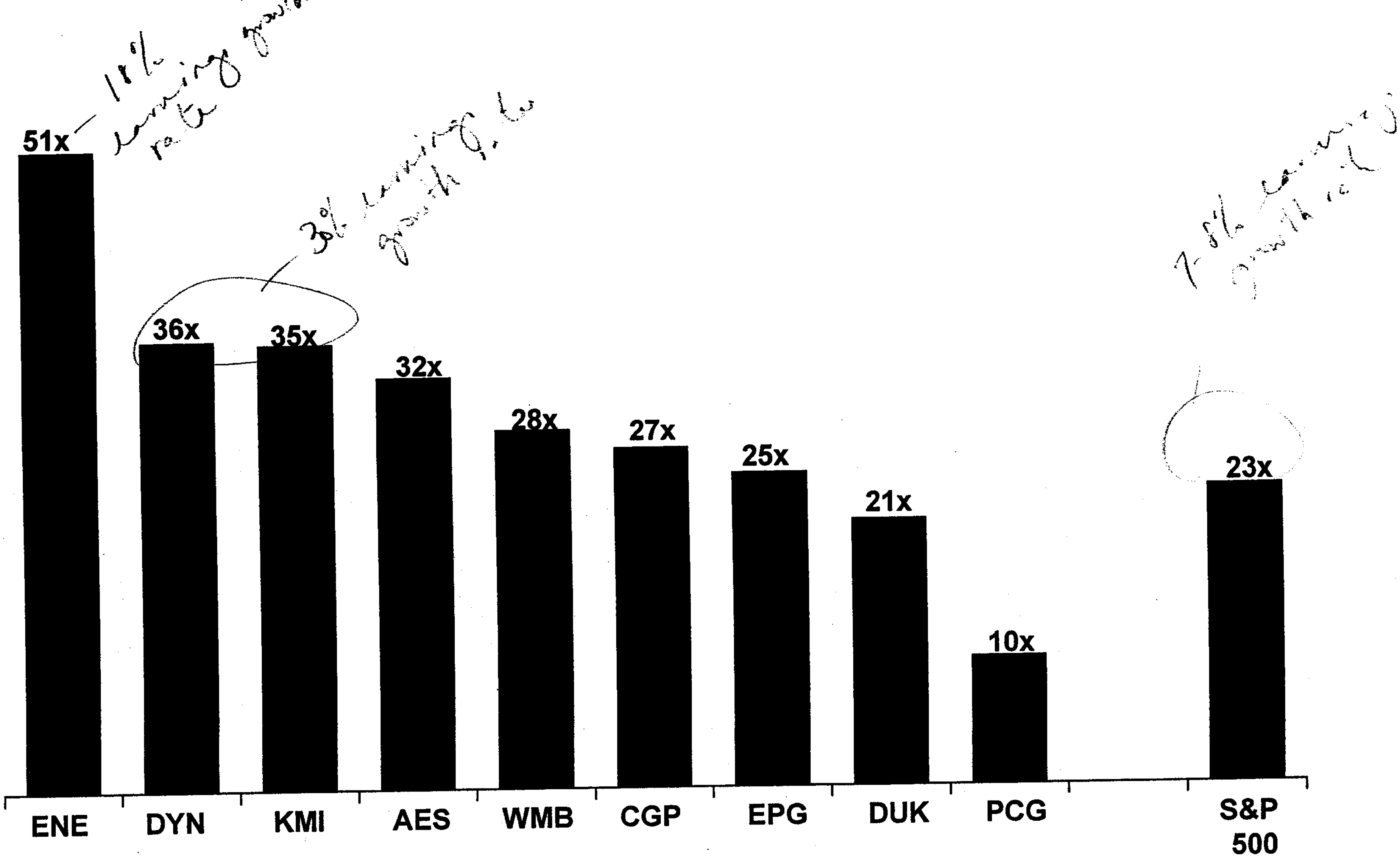
Energy Peer Group – P/E Ratio*



*Based on 2000 EPS

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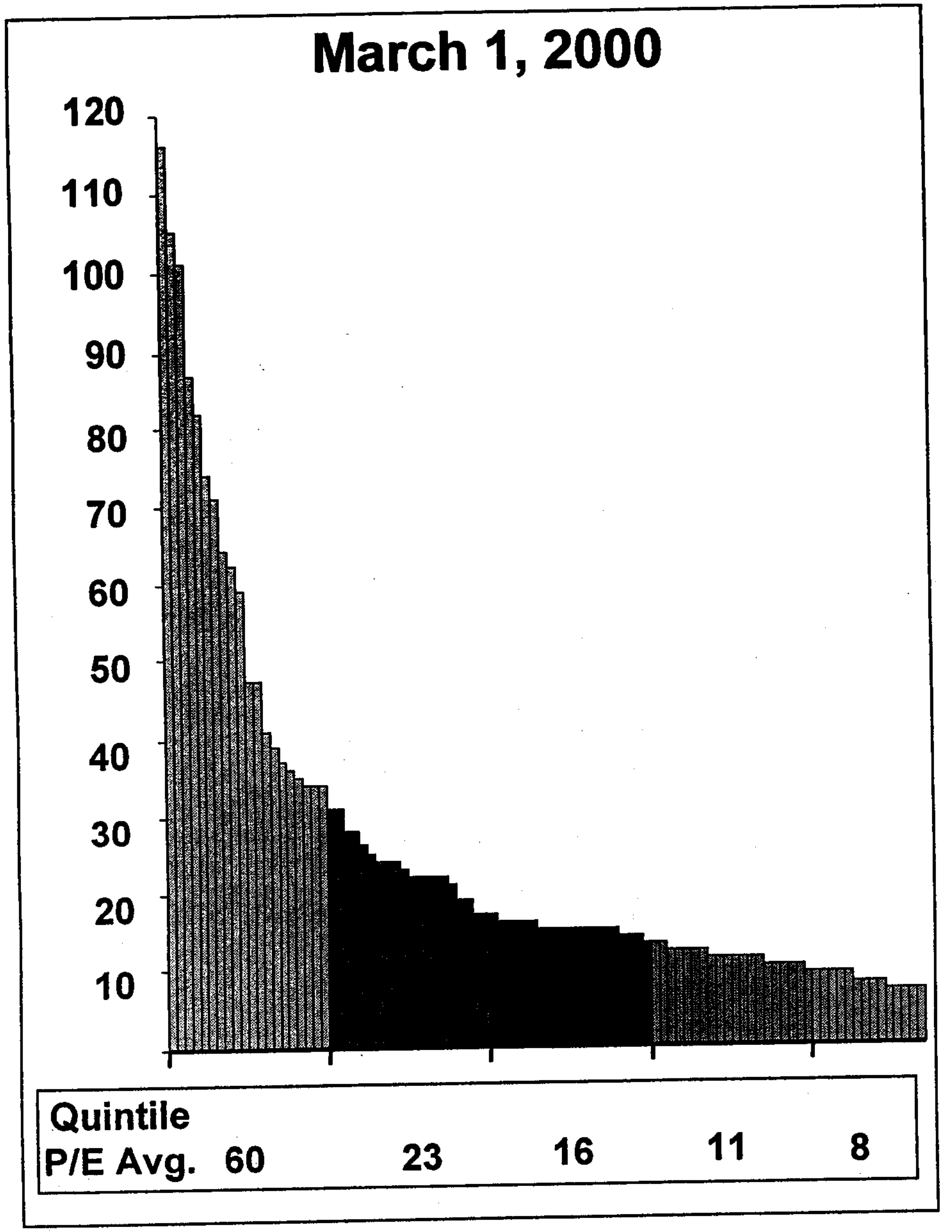
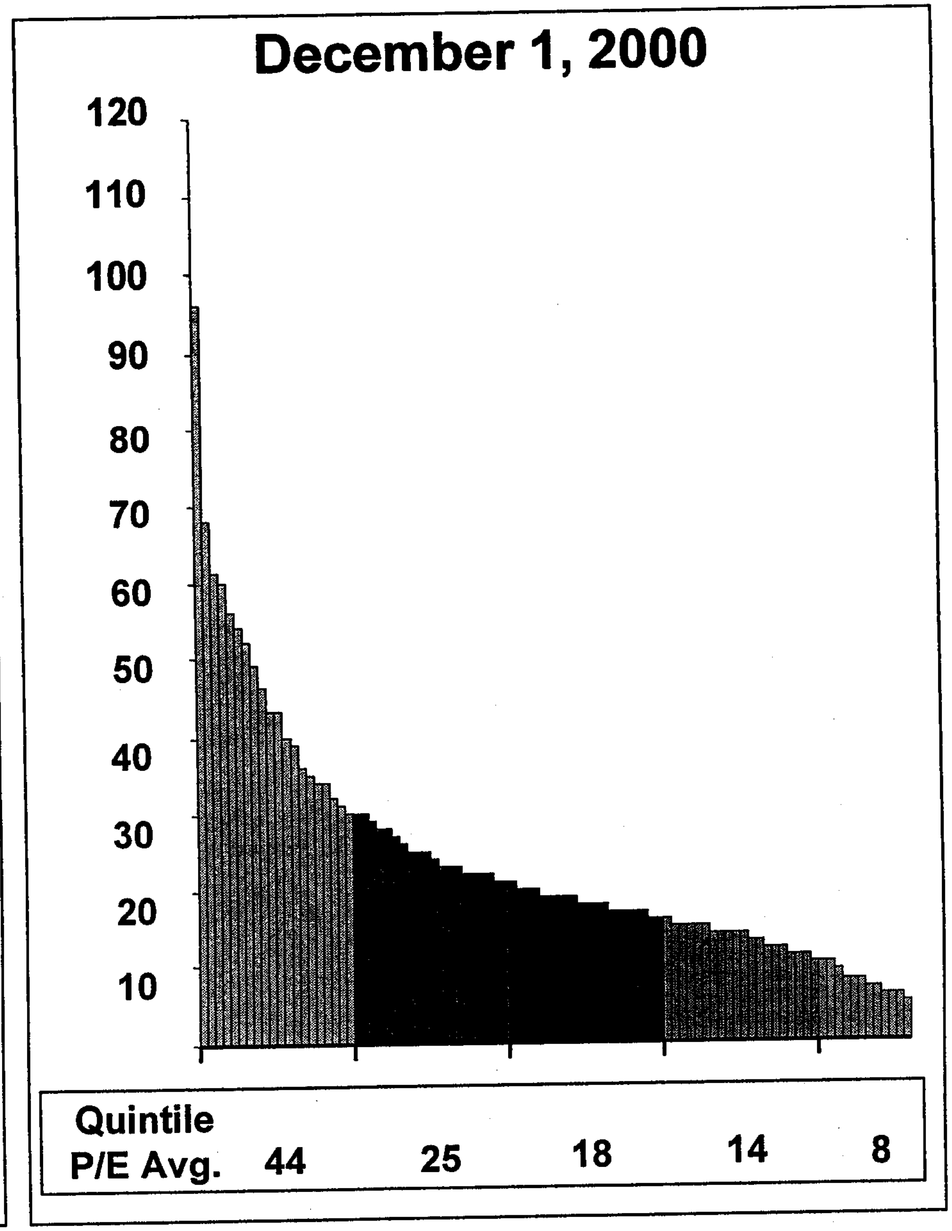
Top 100 based on Market Cap

S&P 100 – P/E Multiples





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Largest Shareholders*

(As of November 28, 2000)

confident in Enron's growth

Name	Shares Held	Location	Change From 6/30/00
Janus Capital Corporation Liquidations personnel turnover	48,000,000	Denver	(11,700,000)
Fidelity Management and Research	19,600,000	Boston	2,900,000
Putnam Investment Management, Inc.	18,000,000	Boston	1,100,000
American Century Investment Management	14,800,000	Kansas City	800,000
American Express Financial Advisors	14,200,000	Minneapolis	1,680,000
Smith Barney Asset Management	12,000,000	New York	(2,000,000)
Northern Trust Global Investments	9,400,000	Chicago	300,000
Morgan Stanley Dean Witter Advisors	7,600,000	New York	(4,877,000)
Merrill Lynch Asset Management	7,225,000	Plainsboro	875,000
Dresdner RCM Global Investors	6,000,000	San Francisco	300,000
UBS Warburg	6,000,000	Stamford	(1,500,000)
Goldman Sachs Asset Management	5,800,000	New York	-
Deutsche Asset Mgmt./Morgan Grenfell	5,600,000	London	955,000
AIM Management Group	5,500,000	Houston	3,400,000
Van Kampen Funds	5,500,000	Houston	3,200,000
Oppenheimer Funds	5,200,000	New York	1,388,000
Rorer Asset Management	5,000,000	Philadelphia	650,000
Robur Kapital Forvaltning	4,600,000	Stockholm	-
MacKay Shields	4,065,000	New York	(435,000)
First Union	3,900,000	Charlotte	70,000
MFS Financial Services	3,376,000	Boston	650,000

*Excluding Index Funds

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EXH005-02494

Enron – Segment Valuation
(Estimated Analyst Consensus)

Dec. 6th

Business Segment	Valuation Method	Total (Millions)	Per Share
Wholesale	35% Premium to Market P/E (32x) x 2000 Net Income	$32,000	$38.00
Retail	Income Analyst Consensus - NPV Approach	$13,000	$15.00
Broadband Services	Analyst Consensus - NPV Approach	$9,000	$10.00
Transportation & Distribution	GPG -15 P/E x 2000 Net Income. PGN - $1.7 Billion	$6,000	$7.00
		$60,000	$70.00

using Energy peer group multiple

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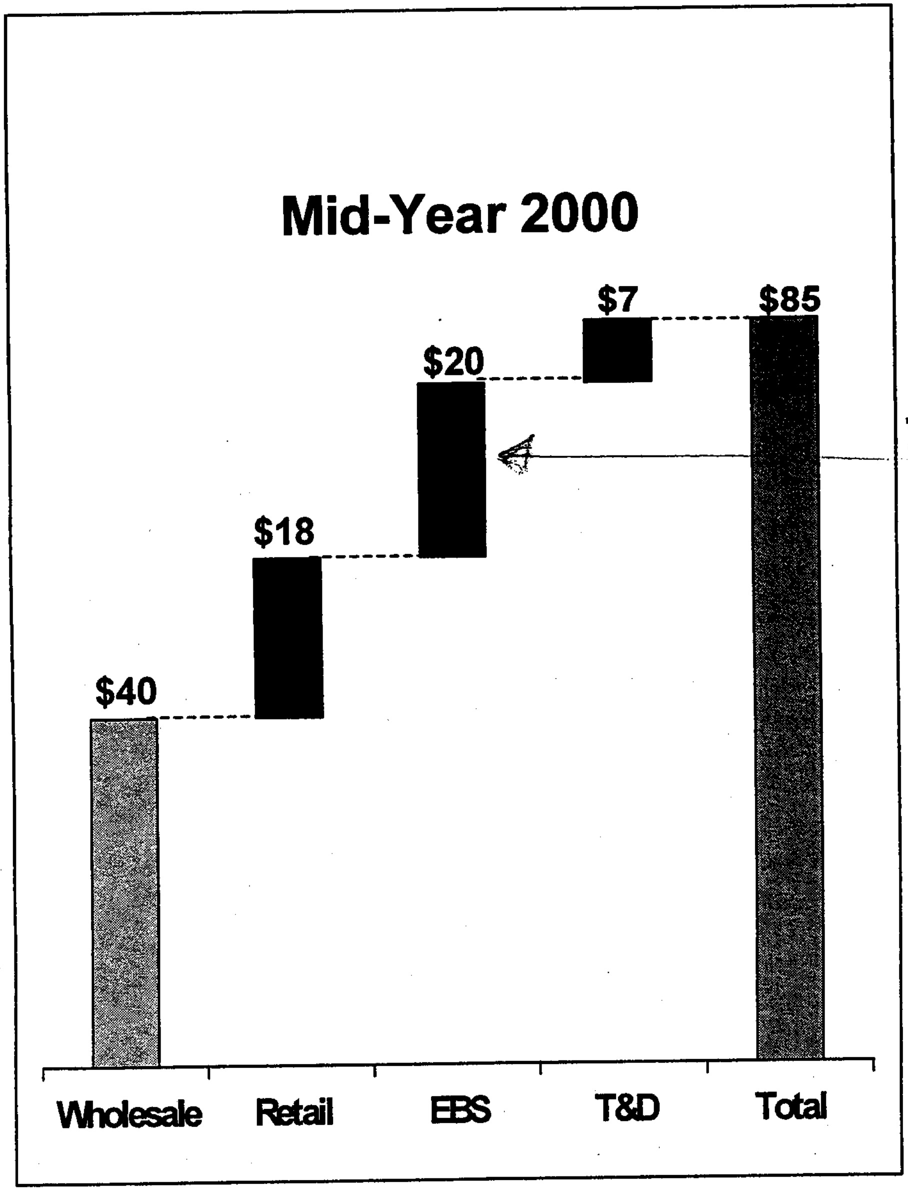
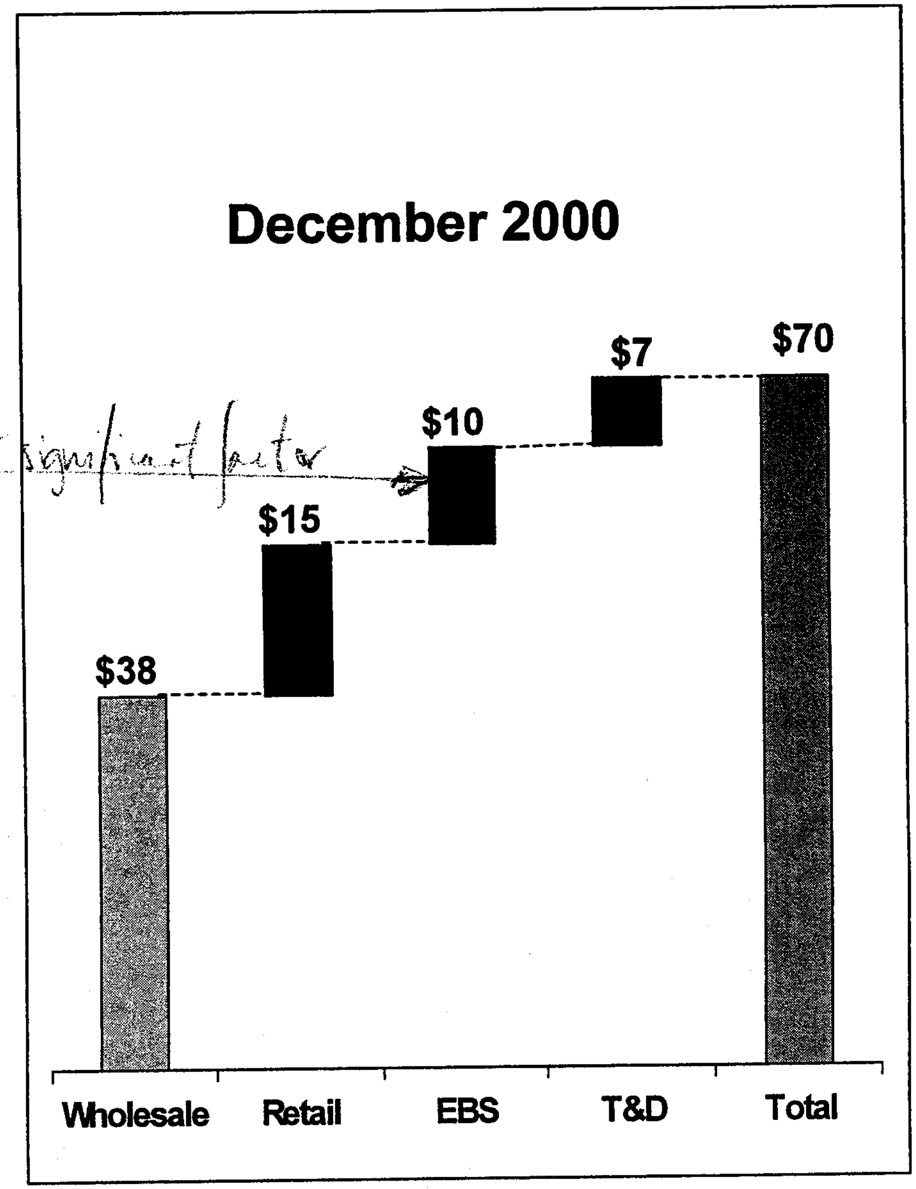
Enron – Segment Valuation (Est.)





Most significant factor

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X

Investor Concerns/Issues

- Enron Broadband Services
  - General Broadband Industry Valuation Declines
  - Concerns on Rate of Market Acceptance of Bandwidth Trading
  - Ability to Deliver on Content Services
- Azurix
  - Enron Write-off Risk Related to Reduced Valuation
  - Enron Capital/Cash Commitment
- California Wholesale Power Issues
  - Refunds, Price Caps, Re-Regulation, Lawsuits, Etc.

    Also Credit issues
- New Power Company
  - Enron's Share of Equity Losses ("Burn Rate")
  - Market Value Decline
- General
  - Earnings Generation from LJM (Related Party) Activity

    Disclosure 10Q

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EXH005-02497