

Enron Corp.

August 2001

ENRON CORP.

NYSE Stock Symbol: ENE

Common Dividend: \$.50

Shares Outstanding (Diluted): 900 Million

Internet Address: www.enron.com

Investor Relations Contacts:

**Mark E. Koenig, Exec. Vice President
(713) 853-5981**

**Paula H. Rieker, Managing Director
(713) 853-7209**

EC26550A0070522

**GOVERNMENT
EXHIBIT
4159**

Crim. No. H-04-25 (S-2)

Definitions

Natural Gas

Btu	British thermal unit. The amount of energy required to raise the temperature of one pound of water one degree Fahrenheit.
MMBtu	One million Btu. The standard unit of delivery for natural gas, representing energy content.
Mcf	1,000 cubic feet. A common measure of volume for natural gas. Used interchangeably with MMBtu, as one Mcf = one MMBtu after extraction of natural gas liquids.

Electricity

kWh	Kilowatt-hour. A standard unit of electric consumption corresponding to usage of one thousand watts for one hour. A 100-watt lightbulb burning for 10 hours consumes one kWh.
MWh	Megawatt-hour. One thousand kWh
MW	Megawatt. One thousand kWh for one year (8,760 hours)
GW	Gigawatt. One thousand MWh for one year

Common

M	One Thousand
MM	One Million
B	One Billion
T	One Trillion
e	Equivalent Units
/d	Per Day

Other

Bbl	Barrel (of oil)
MT	Metric Ton

Conversions

1MMBtu	=	292.7 kWh
1Bbl(oil)	=	5.46 MMBtu of natural gas
1 gallon	=	3.785 liters
1 cubic meter of gas	=	.035 Mcf
1 MMcf	=	1 BBtu
1 Bcf	=	1 TBtu

This presentation includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although Enron believes that its expectations are based on reasonable assumptions, it can give no assurance that its goals will be achieved. Important factors that could cause actual results to differ materially from those in the forward looking statements herein include success in marketing natural gas and power to wholesale customers; the ability to penetrate new retail natural gas and electricity markets, including the energy outsource market, in the United States and Europe; development of Enron's broadband network and customer demand for intermediation and content services; and conditions of the capital markets and equity markets during the periods covered by the forward looking statements.

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EC26550A0070524

ITINERARY

Lehman CEO Energy Conference
September 4-5, 2001
New York

MEK Pager: 800/901-5209
PHR Pager: 800/957-8467

Tuesday, September 4

6:00 p.m. Gulf Stream N5733 departs hangar for Teterboro
Pilots: Gary Simmons, Ron Fain and Michael Boegler
Passengers: Ken Lay, Mark Koenig and Paula Rieker
Note: Rick Causey and Jim Derrick will be traveling on plane to attend
New Power Company Board Meeting. Hotel and Transportation arrangements
have been made by NPC.
Fruit & Cheese Tray and Dinner

9:51 p.m. Arrive Teterboro
FBO: Jet Aviation
Tel: 201/462-4000, Fax: 462-4005

Transportation: Delroy sedan - Rich
718/292-1010
Note: Rick Causey and Jim Derrick have arranged for transportation separately

Hotel: The Four Seasons
57 E. 57th Street
New York, NY
Tel: 212/758-5700 / Fax: 212/758-5711
Conf: K. Lay 849382, M. Koenig 90097932 and P. Rieker 849381
Note: a Package with 30 books for 1:1 is being sent to Hotel to Paula Rieker

Pilots Hotel: Marriott at Glenpointe
201/836-0600

Wednesday, September 5

7:30 a.m. - 1:1 Lehman Brothers/Rick Gross & Jim Harmon (212/526-3143)
8:30 a.m. Breakfast Meeting @ Four Seasons Hotel - Suite 505 on 5th Floor
Contact: Francine 212/893-6867

8:45 a.m. Depart The Four Seasons for The New York Hilton via Delroy sedan
Transportation provided by Delroy (718/292-1010)

9:20 a.m. - Ken Lay Presentation to Lehman Conference/Sutton South Room
9:55 a.m. The New York Hilton, 1335 Avenue of the Americas (Between 53rd St. and 54th St.)
Tel. 212/586-7000
20 minute presentation + 10-15 Q&A. Media will attend

10:00 a.m. - Break-out Session Gibson Suite (20 minutes)
10:20 a.m.

11:00 a.m. - 1:1 Morgan Stanley Investment Management/Ron Silvestri (212/762-9681) + 12

12:00 p.m. 1221 Ave. of the Americas, 22nd Floor 9 (Between 48th St. and 49th St.)

1:00p.m. - 1:1Oppenheimer Funds, Inc./Mike Levine (212/323-0877) + 6
2:15 p.m. Lunch Meeting -Two World Trade Center, 31st Floor

2:30 p.m. - 1:1 Smith Barney Asset Managemen/Kevin Struass (203/961-4843) + 10
3:30 p.m. and Salomon Asset Mgmt/Michael Kagan (212/783-6324)
Seven World Trade Center, 37th Floor

EC26550A0070525

3:30 p.m. Mr. Lay departs for 88 Pine Street meeting at 4:00 p.m.
Note: A second sedan will be provided for M. Koenig and P. Rieker

4:00 p.m. - **1:1 CIBC/Bill Hyler (212/667-7048) - Koenig & Rieker**
5:00 p.m. One World Trade Center, 200 Liberty at West Street

5:00 p.m. Depart for Teterboro

6:00 p.m. Depart Teterboro for Enron hangar
Pilots: Gary Simmons, Ron Fain and Michael Boegler
Passengers: Ken Lay, Mark Koenig, Paula Rieker, Rick Causey and Jim Derrick
Fruit & Cheese Tray and Dinner

8:05 p.m. Arrive Enron hangar

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1:1's



Morgan Stanley Investment Management

Ownership data as of 06/30/01

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1221 Avenue of the Americas

New York, NY 10020

Tel (212) 762-7100

Fax (212) 762-7379

Founded: 1975. Formerly Morgan Stanley Asset Management Inc. In Dec. '98, the parent M.S.D.W. & Co., re-named the firm Morgan Stanley Dean Witter Invst. Mgmt. As of second quarter 2001, the firm has phased out the Dean Witter and is now known as Morgan Stanley Investment Management.

Style GARP
Orientation Active
Turnover Mod
of Stocks Held 3,217
Portfolio Turnover 62.5
Equity Assets (\$MM) 51,746
Investor Type Investment Advisors

KEY CONTACTS

Name	Title	Phone
Edward Gaylor	Senior Vice President/Global Utilities	(212) 762-9679
Michelle Kaufman	Senior Vice President	(212) 762-9695
Andrew Arbenz	Vice President	212-762-9680
Ronald Silvestri	Vice President	(212) 762-9681

POSITIONAL HISTORY

Date	Position	Change	% Out
Current	3,134,946	0	0.42
06/30/01	3,134,946	658,104	0.42
03/31/01	2,476,842	124,401	0.33
12/31/00	2,352,441	665,329	0.31
09/30/00	1,687,112	384,220	0.22
06/30/00	1,302,892	-15,714	0.17
03/31/00	1,318,606	73,500	0.18
12/31/99	1,245,106	505,908	0.17
09/30/99	739,198	-233,020	0.10

PEER OWNERSHIP

	06/01 (\$MM)	03/01 (\$MM)	12/00 (\$MM)	09/00 (\$MM)
Top 10				
ENE	153.9	143.9	195.5	147.8
AES	261.7	274.8	317.4	319.1
WMB	53.0	57.7	52.1	52.8
DUK	51.2	45.8	41.2	34.0
D	27.8	12.6	13.5	9.4
MIR	24.6	9.1	2.8	0.0
DYN	8.7	10.4	14.3	13.5
KMI	8.2	14.3	7.9	2.2
PCG	4.9	11.2	13.0	14.4
TRP	1.5	1.5	1.4	1.3
EGP	0.2	0.3	0.2	0.2
Total	442.1	439.2	463.8	447.0

PORT DISTRIBUTION

Small	Mid	Large
7%	17%	76%

PORTFOLIO CHARACTERISTICS

	P/E	Yield	Price/Est	EPS	EPS 5 Yr Gr Proj	ROE	Debt/Equity	P/B	Beta
Enron Corp	47.0	1.1		24.9		17.4	7.8	83.3	3.6
S&P 500	26.4	1.4		25.8		15.3	20.7	53.2	4.3
Morgan Stanley Investment Management	28.1	1.4		28.3		17.3	19.5	34.3	3.8

HOLDINGS (All Cap)

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth	Buys	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
MSFT	1,163.8	-2,069.7	2.2	48.0	0.0	16.6	QQQ	521.0	364.6	1.0	NA	0.0	NA
GE	1,075.3	-44.1	2.1	32.7	1.5	15.3	CP	209.3	195.2	0.4	9.2	1.5	12.7
PFE	1,003.2	31.0	1.9	34.4	1.1	20.9	IBM	527.0	122.5	1.0	22.5	0.5	12.7
INTC	840.8	83.5	1.6	34.6	0.3	17.5	AOL	758.5	98.3	1.5	NM	0.0	NA
AOL	758.5	98.3	1.5	NM	0.0	NA	PEP	203.1	91.6	0.4	29.3	1.2	12.7
TYC	725.6	-93.3	1.4	20.6	0.1	19.1							
C	647.4	-8.5	1.3	18.2	1.1	14.3	Sells						
CSCO	615.6	-3.7	1.2	236.5	0.0	26.5	MSFT	1,163.8	-2,069.7	2.2	48.0	0.0	16.6
AIG	608.4	70.0	1.2	32.3	0.2	14.4	ERIC	11.4	-485.4	0.0	NA	2.0	18.4
IBM	527.0	122.5	1.0	22.5	0.5	12.7	BK	235.8	-149.1	0.5	22.0	1.6	12.4
							GMH	18.2	-108.0	0.0	NM	0.0	34.7
							TYC	725.6	-93.3	1.4	20.6	0.1	19.1

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INVESTMENT APPROACH

Morgan Stanley Investment Management New York's office manages both large and small-cap strategies for equity investments. For larger-cap issues, the firm uses a bottom-up fundamental approach, emphasizing strength of balance sheet and management. Below-average debt levels and productive use of cash flow are critical factors in stock selection. Historical measurements of a company's ability to increase earnings and dividends are also important. Selected companies tend to be mid to large-sized, with at least a \$500 million market-cap. The universe consists of the 500 largest and highest US quality corporations making up at least 75% of the portfolio. The remainder, if any, is chosen from a universe of 1,000 complimentary global corporations. The portfolio holds approximately 45 companies. The emerging growth approach is bottom-up and focuses exclusively on small to mid-size, high quality, rapidly growing companies with annual sales in the \$10-750 million range. Managers also seek EPS growth rates of at least 20% per year over the next five years, high return on shareholders' equity so that as much growth is internally financed as possible, clean balance sheets, conservative accounting practices and industry leadership. The U.S. equity plus strategy strives to produce mirrored results from that of the S&P 500 benchmark, plus 120 basis points. The analyst's ratings are combined with earnings momentum analysis and the firm will generally invest in large-cap stocks chosen from the S&P 500.

o Decision-Making Process:

Portfolio managers conduct their own research broken down by market-cap specialty groups as well as the integration of outside research. The firm relies on 70% in house, 20% provided by the street and 10% from consultants. The domestic equity strategy group establishes sector guidelines and company selection criteria.

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<http://w.../irchn?page=iosown&formtype=41&lname=Enron%20Peer%20FR&instid=MRGNST00> 8/29/2001

Mr. Ronald Silvestri, Vice President
Morgan Stanley Investment Management

1221 Avenue of the Americas
 22nd Floor

New York , NY 10020 US

Job Function Portfolio Manager

Tel Tel: (212) 762-9681

Fax Fax: (212) 762-7379

E-mail ronald.silvestri@morganstanley.com

URL www.msdw.com

Focus Equity
 Buy-Side

COVERAGE

Industry - Mid

Cellular/Wireless Telecom

Non-Electric Utilities

Telephone (Local)

Electric Utilities

Telephone-Long Distance

Industry - Micro

Natural Gas-Distr-Pipe Line

Power Producers (Independ)

MUTUAL FUNDS MANAGED

Fund	Style	Turnover	Assets
<u>Morgan Stanley Utilities Fund</u>	<u>Specialty</u>	<u>Low</u>	1,871
<u>Morgan Stanley Variable Utilities Fund</u>	<u>Specialty</u>	<u>Low</u>	400
<u>Morgan Stanley Sel. Dimensions Utilities</u>	<u>Specialty</u>	<u>Low</u>	139

BIOGRAPHY

Employment History: Mr. Ronald Silvestri is employed at Morgan Stanley Dean Witter Advisors, Inc. as a vice president.

Preferences: Mr. Ronald Silvestri prefers to be called "Ron."

EC26550A0070530



OppenheimerFunds, Inc.

Ownership data as of 06/30/01

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Two World Trade Center

New York, NY 10048-0203

Tel (212) 323-0200

Fax (212) 323-4013

Founded: 1959. The firm is a subsidiary of MassMutual Life Insurance Co. Some funds are managed from OppenheimerFunds' Hartford office. In March 1999, OppenheimerFunds, Inc. acquired Trinity Investment Management. HarbourView Asset Management Corp. is a subsidiary.

Style GARP
Orientation Active
Turnover Mod
of Stocks Held 1,712
Portfolio Turnover 64.5
Equity Assets (\$MM) 51,096
Investor Type Investment Advisors

KEY CONTACTS

Name	Title	Phone
Frank Jennings	Vice President	(212) 323-0799
O. Leonard Darling	Chief Investment Officer	(212) 323-0200
Nikolaos Monoyios	Vice President	(212) 323-0242

POSITIONAL HISTORY

Date	Position	Change	% Out
Current	4,700,000	810,500	0.63
06/30/01	3,889,500	-435,000	0.52
03/31/01	4,324,500	-321,200	0.58
12/31/00	4,645,700	-183,800	0.62
09/30/00	4,829,500	781,700	0.64
06/30/00	4,047,800	303,200	0.54
03/31/00	3,744,600	-54,800	0.50
12/31/99	3,799,400	-620,000	0.51
09/30/99	4,419,400	46,400	0.59

PEER OWNERSHIP

	06/01 (\$MM)	03/01 (\$MM)	12/00 (\$MM)	09/00 (\$MM)
Top 10				
ENE	191.0	251.3	386.2	423.2
DUK	219.2	263.6	110.4	12.2
KMI	198.2	76.1	56.0	33.4
AES	151.8	199.4	191.4	194.3
D	138.0	132.9	90.7	19.2
WMB	130.3	143.4	86.3	55.1
DYN	123.5	145.4	121.0	158.2
MIR	86.1	0.0	5.3	9.7
PCG	11.2	8.3	18.3	17.1
NRG	4.7	0.1	0.0	0.0
Total	1,062.9	969.3	679.3	499.4

PORT DISTRIBUTION

Small	Mid	Large
4%	16%	80%

PORTFOLIO CHARACTERISTICS

	P/E	Yield	Price/Est EPS	EPS 5 Yr Gr Proj	ROE	Debt/Equity	P/B	Beta
Enron Corp	47.0	1.1	24.9	17.4	7.8	83.3	3.6	0.8
S&P 500	26.4	1.4	25.8	15.3	20.7	53.2	4.3	1.0
OppenheimerFunds, Inc.	27.0	1.2	25.6	16.5	18.1	29.2	4.0	1.1

HOLDINGS (All Cap)

ADJUSTMENTS

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth		\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
FRE	1,170.3	28.5	2.3	16.5	1.2	14.5	JNJ	652.4	444.6	1.3	30.3	1.3	14.2
C	1,163.0	-34.4	2.3	18.2	1.1	14.3	HI	481.4	250.5	0.9	17.4	1.3	14.4
MSFT	953.5	142.5	1.9	48.0	0.0	16.6	TGT	276.3	231.9	0.5	27.5	0.6	14.9
AOL	812.7	182.2	1.6	NM	0.0	NA	CMCSK	477.4	221.7	0.9	NM	0.0	18.7
JNJ	652.4	444.6	1.3	30.3	1.3	14.2	WCOM	361.5	203.6	0.7	12.4	0.0	13.3
GE	635.9	-7.3	1.2	32.7	1.5	15.3							
PFE	610.5	14.2	1.2	34.4	1.1	20.9	Sells	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
TYC	609.9	131.1	1.2	20.6	0.1	19.1	AZA_	0.0	-268.1	0.0	NA	NA	NA
XOM	590.8	-53.9	1.2	15.4	4.2	7.3	CPN	28.9	-201.9	0.1	23.6	0.0	33.8
AIG	531.1	16.1	1.0	32.3	0.2	14.4	EMR	80.6	-193.7	0.2	17.9	2.7	11.8
							RSH	0.5	-177.0	0.0	16.5	0.8	16.6
							RTN A_	0.0	-169.0	0.0	NA	NA	NA

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MilK Lavin**INVESTMENT APPROACH**

Oppenheimer manages a number of funds, each with their individual investment objectives. However, the firm's overall investment process is based on a combination of bottom-up and top-down analysis. Portfolio managers place emphasis on relative valuations, historical and projected growth rates, as well as company fundamentals. This research is complemented by a macro analysis of interest rates, economic growth, industry trends and inflation. Ultimately, investments are concentrated in companies with attractive growth prospects and reasonable prices. The investment horizon is dependent, in part, upon Oppenheimer's outlook on the market as well as the fund under management.

Investment Criteria:

- 1) Strong earnings and revenue growth;
- 2) Attractive fundamentals;
- 3) Earnings surprise.

Decision-Making Process:

Portfolio managers have discretion to select investments for their individual funds.

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<http://w.../irchn?page=iosown&formtype=41&lname=Enron%20Peer%20FR&instid=OPPNHM00> 8/30/2001

Mr. Michael Levine, Vice President
OppenheimerFunds, Inc.

Two World Trade Center
 34th Floor

New York , NY 10048-0203 US

Job Function Portfolio Manager
 Fixed Income Portfolio Manager

Tel Tel: (212) 323-0877

Fax Fax: (212) 323-4017

E-mail mlevine@oppenheimerfunds.com

URL www.oppenheimerfunds.com

Focus Equity/Fixed Income
 Buy-Side

COVERAGE

Country

United States

Style

GARG

MUTUAL FUNDS MANAGED

Fund	Style	Turnover	Assets
Oppenheimer Capital Income Fund	Yield	Low	2,315
Oppenheimer Multiple Strategies Fund	GARP	Low	382
Oppenheimer Multiple Strategies Fund/VA	GARP	Mod	299

BIOGRAPHY

Employment History: Prior to joining OppenheimerFunds, Inc. in June 1994, Mr. Michael S. Levine served as a portfolio manager and research associate for Amas Securities, Inc.
 Preferences: Mr. Michael Levine prefers to go by the name "Mike."

EC26550A0070533



Smith Barney Asset Management

Ownership data as of 06/30/01

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Seven World Trade Center

New York, NY 10048-1102

Tel (212) 816-6000

Fax (212) 816-6101

In 1998, Citicorp merged with Travelers Group to form Citigroup. In 1999, Citigroup reorganized its asset management businesses to form Citigroup Asset Management, comprising Salomon Brothers Asset Mgmt, Smith Barney Asset Mgmt and Citibank Global Asset Mgmt. A small portion of the firm's assets are accounted for in a confidential filing.

Style GARP
Orientation Active
Turnover Low
of Stocks Held 3,776
Portfolio Turnover 28.7
Equity Assets (\$MM) 153,042
Investor Type Investment Advisors

KEY CONTACTS

Name	Title	Phone
Nicholson Lamdin	Managing Director/Large-Cap Value	(203) 961-4841
Scott Van Bergh	Security Analyst	(212) 816-0982
Mario Rodriguez	Security Analyst	(212) 816-0966

POSITIONAL HISTORY

Date	Position	Change	% Out
Current	14,600,000	-1,157,260	1.95
06/30/01	15,757,260	759,510	2.10
03/31/01	14,997,750	554,948	2.00
12/31/00	14,442,802	186,607	1.93
09/30/00	14,256,195	1,867,586	1.90
06/30/00	12,388,609	-3,286,391	1.65
03/31/00	15,675,000	-3,724,463	2.09
12/31/99	19,399,463	-4,334,961	2.59
09/30/99	23,734,424	1,190,108	3.17

PEER OWNERSHIP

	06/01	03/01	12/00	09/00
Top 10	(\$MM)	(\$MM)	(\$MM)	(\$MM)
ENE	773.7	871.4	1,200.6	1,249.2
DUK	445.4	498.1	466.3	433.5
WMB	393.4	501.4	455.3	468.2
AES	278.6	351.0	302.4	363.2
DYN	107.9	105.0	109.3	78.3
D	69.5	74.2	67.0	34.2
MIR	47.5	24.3	18.4	0.0
PCG	21.9	24.9	42.7	41.7
TRP	14.9	13.1	13.4	10.0
NRG	12.9	21.3	14.0	7.3
KMI	7.9	10.0	5.5	3.7
Total	1,401.5	1,624.9	1,494.7	1,440.4

PORT DISTRIBUTION

Small	Mid	Large
4%	11%	85%

PORTFOLIO CHARACTERISTICS

	P/E	Yield	Price/Est EPS	EPS 5 Yr Gr Proj	ROE	Debt/Equity	P/B	Beta
Enron Corp	47.0	1.1	24.9	17.4	7.8	83.3	3.6	0.8
S&P 500	26.4	1.4	25.8	15.3	20.7	53.2	4.3	1.0
Smith Barney Asset Management	30.0	1.1	29.8	16.7	20.2	34.1	4.2	1.1

HOLDINGS (All Cap)

ADJUSTMENTS

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth		\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
GE	4,113.6	-92.6	2.7	32.7	1.5	15.3	AXP	984.4	215.2	0.6	20.6	0.8	13.6
AOL	3,455.5	-99.5	2.3	NM	0.0	NA	AGR A	171.1	171.1	0.1	NA	0.0	NA
MSFT	3,453.1	-138.1	2.3	48.0	0.0	16.6	FON	396.9	165.6	0.3	15.3	2.1	10.7
TYC	3,048.8	-80.1	2.0	20.6	0.1	19.1	RTN	113.4	113.4	0.1	18.7	2.8	10.6
INTC	2,824.4	-50.8	1.8	34.6	0.3	17.5	JNJ	1,859.2	108.0	1.2	30.3	1.3	14.2
PFE	2,581.0	65.4	1.7	34.4	1.1	20.9							
AIG	2,551.9	52.3	1.7	32.3	0.2	14.4	Sells						
XOM	2,485.9	-137.5	1.6	15.4	4.2	7.3	RTN A_	0.0	-473.3	0.0	NA	NA	NA
AMGN	2,477.4	-137.3	1.6	56.7	0.0	19.6	HI	1,079.7	-311.8	0.7	17.4	1.3	14.4
HD	1,978.4	-116.5	1.3	45.6	0.3	21.0	CEFT	80.9	-248.5	0.1	56.5	0.0	30.5
							DAL	32.1	-215.3	0.0	70.4	0.2	9.0
							AZA_	0.0	-211.3	0.0	NA	NA	NA

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INVESTMENT APPROACH

The firm builds equity portfolios around a core group of strong, large-cap growth companies that are subject to ongoing fundamental analysis. Focus is on earnings growth, absolute and relative P/E, dividend growth and balance sheet quality. Investments tend to be made in companies with a global scope that are leaders in their industries. Equity investments also reflect investment themes within the prevailing market environment. However, the firm does not trade aggressively. Companies are held on average for three years.

Smith Barney also offers a Growth Equity Management program. The firm has a tendency to concentrate holdings in one industry.

Decision-Making Process:

Meetings with company management are considered important to determine company quality, strategic plans and goals. Research is conducted separately from other advisors within Smith Barney, but on occasion information is shared.

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Michael**Mr. Kevin Strauss, Vice President/Large Cap-Value
Smith Barney Asset Management**100 First Stamford Place
Fifth Floor

Stamford , CT 06902-6729 US

Job Function Portfolio Manager

Tel Tel: 203- 961-4843
Fax Fax: 203- 961-4995
E-mail kevin.strauss@citicorp.com
URL www.smithbarney.com
Focus Equity
Buy-Side**COVERAGE****Industry - Mid**

Cellular/Wireless Telecom

Industry - Micro

Oil & Gas (International Integrated)

Oil & Gas (Exploration & Production)

Communications Equipment

Semiconductors

Oil & Gas (Domestic Integrated)

Office Equipment & Supplies

Computers (Networking)

Electronics

Market Cap

Large Cap

Style

Value

BIOGRAPHY

Employment History: Mr. Kevin Strauss serves as a vice president and portfolio manager with Smith Barney Asset Management where he covers energy, telecom and technology among other sectors.

EC26550A0070536



Salomon Brothers Asset Management Inc.

Ownership data as of 06/30/01

Page 1 | Page 2

Seven World Trade Center

New York, NY 10048-1102

Tel (212) 783-0589

Fax (212) 783-4573

In 1998, Citicorp merged with Travelers Group Inc. to form Citigroup. In 1999, Citigroup reorganized its various asset management businesses to form Citigroup Asset Management, which comprises Salomon Brothers Asset Management, Smith Barney Asset Management and Citibank Global Asset Management.

Style
Orientation
Turnover
of Stocks Held
Portfolio Turnover
Equity Assets (\$MM)
Investor Type
Investment Advisors

Core Growth

Active

High

570

138.2

2,770

KEY CONTACTS

Name	Title	Phone
Henry Clark	Managing Director	(212) 816-0989
Ross Margolies	Managing Director	(212) 783-6314
Gary Magnuson	Senior Portfolio Manager	(206) 344-5856
Ajay Dravid	Portfolio Manager	(212) 783-6886

POSITIONAL HISTORY

Date	Position	Change	% Out
Current	8,930	0	0.00
06/30/01	8,930	0	0.00
03/31/01	8,930	-15,000	0.00
12/31/00	23,930	-459,700	0.00
09/30/00	483,630	299,000	0.06
06/30/00	184,630	-94,000	0.02
03/31/00	278,630	0	0.04
12/31/99	278,630	0	0.04
09/30/99	278,630	22,000	0.04

PEER OWNERSHIP

	06/01 (\$MM)	03/01 (\$MM)	12/00 (\$MM)	09/00 (\$MM)
Top 10				
ENE	0.4	0.5	2.0	42.4
WMB	12.5	13.4	5.8	10.6
DUK	0.1	0.1	0.1	18.9
PCG	0.0	0.0	0.0	3.8
KMI	0.0	1.9	0.0	0.0
AES	0.0	3.6	4.0	6.5
Total	12.6	19.0	9.8	39.8

PORT DISTRIBUTION

Small	Mid	Large
14%	17%	69%

PORTFOLIO CHARACTERISTICS

	P/E	Yield	Price/Est EPS	EPS 5 Yr Gr Proj	ROE	Debt/Equity	P/B	Beta
Enron Corp	47.0	1.1	24.9	17.4	7.8	83.3	3.6	0.8
S&P 500	26.4	1.4	25.8	15.3	20.7	53.2	4.3	1.0
Salomon Brothers Asset Management Inc.	24.5	1.3	24.4	16.1	17.5	23.7	3.9	1.1

HOLDINGS (All Cap)

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
SWY	68.6	36.9	2.5	17.7	0.0	16.5
T	65.6	43.5	2.4	45.6	0.7	10.3
WM	56.7	34.0	2.0	14.1	2.3	12.4
HCA	53.5	18.9	1.9	25.4	0.2	14.6
VZ	52.6	18.8	1.9	20.7	2.8	11.4
NWS A	43.4	21.2	1.6	NA	NA	NA
FBF	39.8	9.8	1.4	12.9	3.5	11.0
BK	38.4	13.7	1.4	22.0	1.6	12.4
IBM	37.8	8.0	1.4	22.5	0.5	12.7
FD	37.3	9.8	1.3	12.3	0.0	12.7

ADJUSTMENTS

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
Buy						
SWY	65.6	43.5	2.4	45.6	0.7	10.3
WM	56.7	34.0	2.0	14.1	2.3	12.4
SUNW	30.9	27.2	1.1	37.3	0.0	20.2
OAT_	23.6	23.6	0.9	24.6	1.3	10.3
Sells						
MIKL_	0.0	-13.9	0.0	NA	NA	NA
AIG	1.6	-11.7	0.1	32.3	0.2	14.4
DCX	5.5	-10.8	0.2	NM	6.6	6.0
GE	11.9	-9.5	0.4	32.7	1.5	15.3
EVG	0.0	-8.7	0.0	24.5	0.0	33.8

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INVESTMENT APPROACH

The firm utilizes both quantitative and fundamental analysis when evaluating potential investments. Emphasis is placed on growth stocks that are performing poorly due to a specific event or overall industry woes. Such companies are often under-followed or out-of-favor with the Street. Fundamental analysis concentrates on companies which exhibit several of the following characteristics: 1) increasing earnings; 2) new products or services; 3) experiencing changes in market demand for products; 4) competitive industry position; 5) strong cash flow; and, 6) operating in favorable economic and regulatory environments. The firm prefers large-cap companies as all investments are set for long-term horizons.

Investment Criteria:

- 1) Low P/E relative to both historical levels and current market levels;
- 2) Above-average, long-term growth prospects;
- 3) Catalyst to drive earnings;
- 4) Undervalued assets;
- 5) Qualified management team or new management policies or personnel.

Decision-Making Process:

Portfolio managers, many of whom are analysts, generate a considerable amount of research and have the freedom to make investment decisions as long as they are within the guidelines set by the Investment Policy Committee.

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<http://www.irchannel.com>

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<http://www.../irchn?page=iosown&formtype=41&lname=Enron%20Peer%20FR&instid=SLMNBR00> 8/29/2001

Mr. Michael Kagan, Portfolio Manager
Salomon Brothers Asset Management Inc.

Seven World Trade Center
 37th Floor

New York , NY 10048-1102 US

Job Function Portfolio Manager
 Security Analyst

Tel Tel: (212) 783-6324

Fax Fax: (212) 783-2495

E-mail michael.a.kagan@ssmb.com

URL www.sbam.com

Focus Equity
 Buy-Side

COVERAGE

Industry - Mid

Aerospace/Defense

Business Cyclicals

Consumer Cyclicals

Health Care

Autos/Auto Parts

Chemicals

Energy

Industry - Micro

Automobiles

Lodging-Hotels

Engineering & Construction

Homebuilding

Oil & Gas (Domestic Integrated)

Country

United States

Market Cap

Large Cap

Small cap

Mid Cap

Style

Growth

MUTUAL FUNDS MANAGED

Fund	Style	Turnover	Assets
<u>Smith Barney Growth and Income Fund</u>	<u>Core Value</u>	<u>High</u>	1,625
<u>Concert Investments Select Growth and Income</u>		<u>High</u>	8
<u>Greenwich Street Series Fund - Growth & Income</u>	<u>Core Growth</u>	<u>High</u>	16
<u>Prudential Series - Equity Portfolio</u>	<u>Core Value</u>	<u>High</u>	5,444
<u>Salomon Brothers Fund Inc.</u>	<u>GARP</u>	<u>Mod</u>	1,553

BIOGRAPHY

Employment History: Mr. Michael Kagan is a portfolio manager with Salomon Brothers Asset Management where he also follows the aerospace, automotive, healthcare and housing sectors. Prior to joining Salomon Brothers Asset Management, Mr. Michael Kagan held positions at Zweig Advisors and Fidelity Investments.

Preferences: Mr. Kagan prefers to be called "Mike".

Education: Mr. Michael Kagan received an M.B.A from the Sloan School of Management at Massachusetts Institute of Technology, and a B.A. in Economics from Harvard College.

Funds Formerly Managed: Mr. Michael Kagan managed the Smith Barney Large Cap Blend Fund prior to it's liquidation in December 2000.

EC26550A0070539



CIBC World Markets Corp.

Ownership data as of 06/30/01

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One World Financial Center

New York, NY 10281-1098

Tel (212) 667-7000

Fax (212) 667-4928

Founded: 1950. Formerly CIBC Oppenheimer Corp., the firm changed its name in May 1999. In November 1997, Oppenheimer & Co. was purchased by CIBC Wood Gundy Securities Corp. to form CIBC Oppenheimer Corp. The firm handles all financial services for CIBC's U.S. operations.

Style
Orientation
Turnover
of Stocks Held
Portfolio Turnover
Equity Assets (\$MM)
Investor Type
Research Firm

Specialty

Passive

Mod

2,618

53.0

4,513

KEY CONTACTS

Name	Title	Phone
William Hyler	Managing Director/Sell-Side	(212) 667-7048
Jonathan Mogil	Security Analyst/Sell-Side	(212) 667-7256
Christopher Kotowski	Director of Research/Sell-Side	(212) 667-7067
Paul Keung	Security Analyst/Sell-Side	(212) 667-7789

INDUSTRY WEIGHTINGS

Top 10 Holdings	S&P	% Port	\$ Chg	Top 5 Buys	S&P	% Port	\$ Chg
Computer Sftwr	(1.3)	6.8	68.1	Computer Sftwr	(1.3)	6.8	68.1
Hlthcar-Drgs/Ph	(0.7)	5.0	18.6	Semiconductors	(1.0)	3.4	20.4
Multi-Industry	(0.6)	3.9	10.6	Hlthcar-Drgs/Ph	(0.7)	5.0	18.6
TV, Radio, Cabl	(5.2)	3.6	2.2	Computer-Network	(1.1)	1.5	17.3
Semiconductors	(1.0)	3.4	20.4	Internet	(10.9)	1.1	12.8
Oil&Gas-Intl	(0.7)	3.2	-3.4	Top 5 Sells	S&P	% Port	\$ Chg
Inv Bank/Broker	(0.7)	3.1	2.6	Electron-Defens	(1.2)	0.1	-16.4
Entertainment	(1.0)	3.0	8.4	Mutual Funds	(NA)	0.1	-13.9
Electronics	(2.4)	2.9	-3.1	Railroads	(0.2)	0.1	-13.4
Comms Equipm	(1.8)	2.9	6.5	Mining-Prec	(0.2)	0.0	-10.7
				S&L Cos	(1.4)	0.7	-10.1

POSITIONAL HISTORY

Date	Position	Change	% Out
Current	240,330	0	0.03
06/30/01	240,330	33,824	0.03
03/31/01	206,506	5,215	0.03
12/31/00	201,291	20,372	0.03
09/30/00	180,919	-3,244	0.02
06/30/00	184,163	22,162	0.02
03/31/00	162,001	79,913	0.02
12/31/99	82,088	16,710	0.01
09/30/99	65,378	20,910	0.01

PEER OWNERSHIP

Top 10	06/01 (\$MM)	03/01 (\$MM)	12/00 (\$MM)	09/00 (\$MM)
ENE	11.8	12.0	16.7	15.9
DUK	17.1	16.8	15.4	16.5
WMB	16.5	16.8	11.3	8.7
DYN	10.0	6.8	8.2	11.3
AES	4.2	2.3	3.0	3.1
D	3.4	2.1	2.1	0.4
KMI	3.0	2.8	0.0	0.0
PCG	1.0	1.1	1.5	1.9
MIR	0.9	0.0	0.0	0.0
NRG	0.2	0.7	0.5	3.5
EGP	0.0	0.0	0.0	0.0
Total	56.3	49.3	42.1	45.4

PORT DISTRIBUTION

Small	Mid	Large
6%	16%	77%

PORTFOLIO CHARACTERISTICS

	P/E	Yield	Price/Est EPS	EPS 5 Yr Gr Proj	ROE	Debt/Equity	P/B	Beta
Enron Corp	47.0	1.1	24.9	17.4	7.8	83.3	3.6	0.8
S&P 500	26.4	1.4	25.8	15.3	20.7	53.2	4.3	1.0
CIBC World Markets Corp.	27.7	1.0	27.5	17.8	19.1	35.2	4.1	1.1

HOLDINGS (All Cap)

ADJUSTMENTS

	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth	Buys	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
MSFT	119.6	14.9	2.7	48.0	0.0	16.6	MERQ	48.1	47.0	1.1	51.5	0.0	39.4
GE	65.8	-0.9	1.5	32.7	1.5	15.3	INTC	64.9	20.1	1.4	34.6	0.3	17.5
C	65.6	4.6	1.5	18.2	1.1	14.3	SLR	15.8	15.0	0.4	22.0	0.0	29.2
AOL	65.2	0.9	1.4	NM	0.0	NA	MSFT	119.6	14.9	2.7	48.0	0.0	16.6
INTC	64.9	20.1	1.4	34.6	0.3	17.5	CSCO	38.2	9.9	0.8	236.5	0.0	26.5
VIA B	49.8	5.6	1.1	NA	0.0	33.2							
MRK	48.5	2.8	1.1	22.5	2.0	11.9	Sells	\$ Held	\$ Chg	% Port	P/E	Yield	Proj EPS Growth
MERQ	48.1	47.0	1.1	51.5	0.0	39.4	CLS	0.7	-17.6	0.0	41.2	0.0	30.1
XOM	48.0	-0.4	1.1	15.4	4.2	7.3	RTN A_	0.0	-16.7	0.0	NA	NA	NA
IBM	45.6	-2.5	1.0	22.5	0.5	12.7	UNP	0.0	-14.4	0.0	14.9	1.5	11.4
							QQQ	3.1	-13.9	0.1	NA	0.0	NA
							DBRSY_	0.0	-10.6	0.0	NA	NA	NA

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SLIDES



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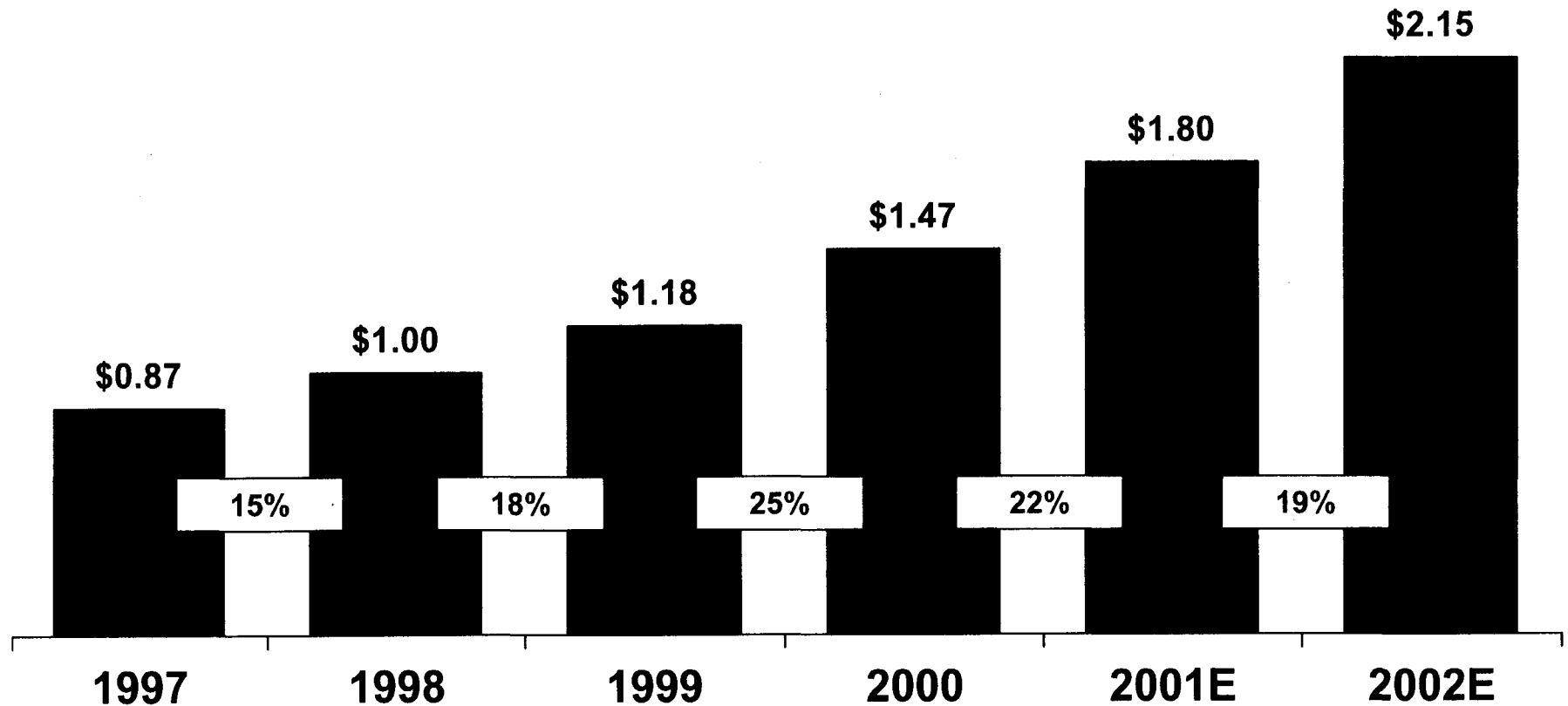
Enron Logo

- Welcome.

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Earnings Performance

(Recurring Per Diluted Share)



20% Average Annual Growth Rate

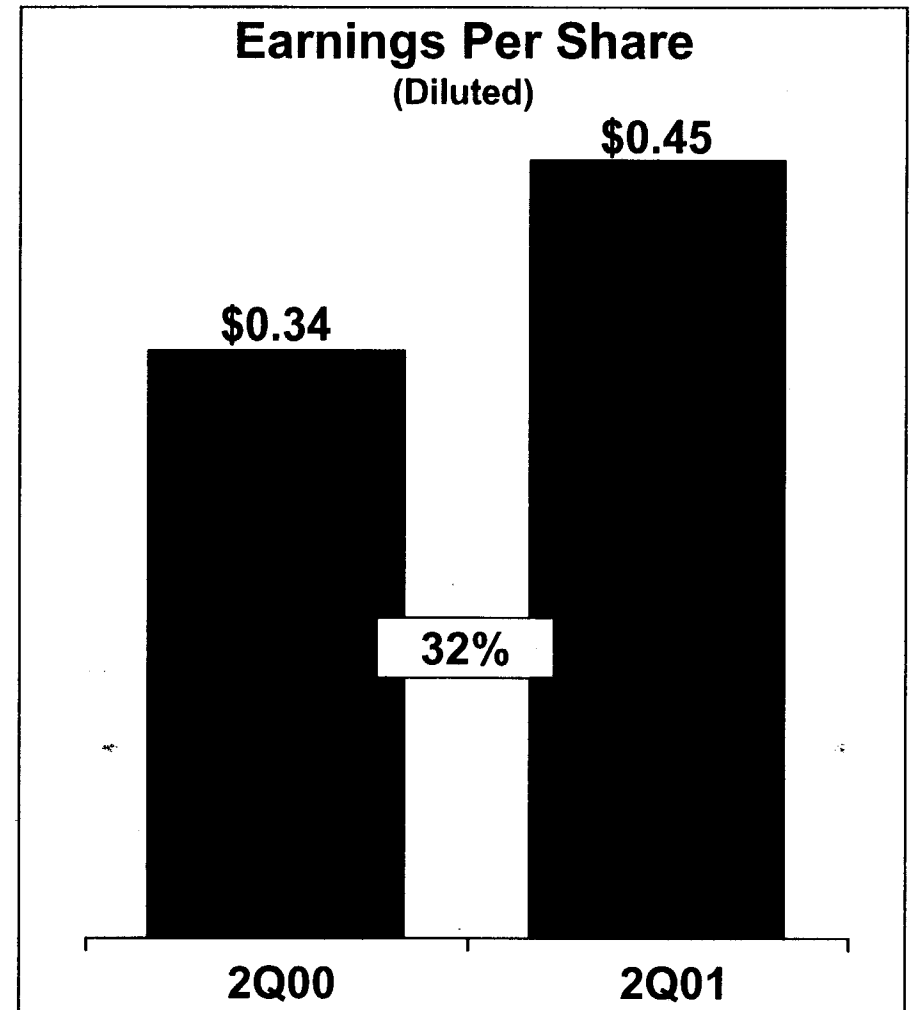
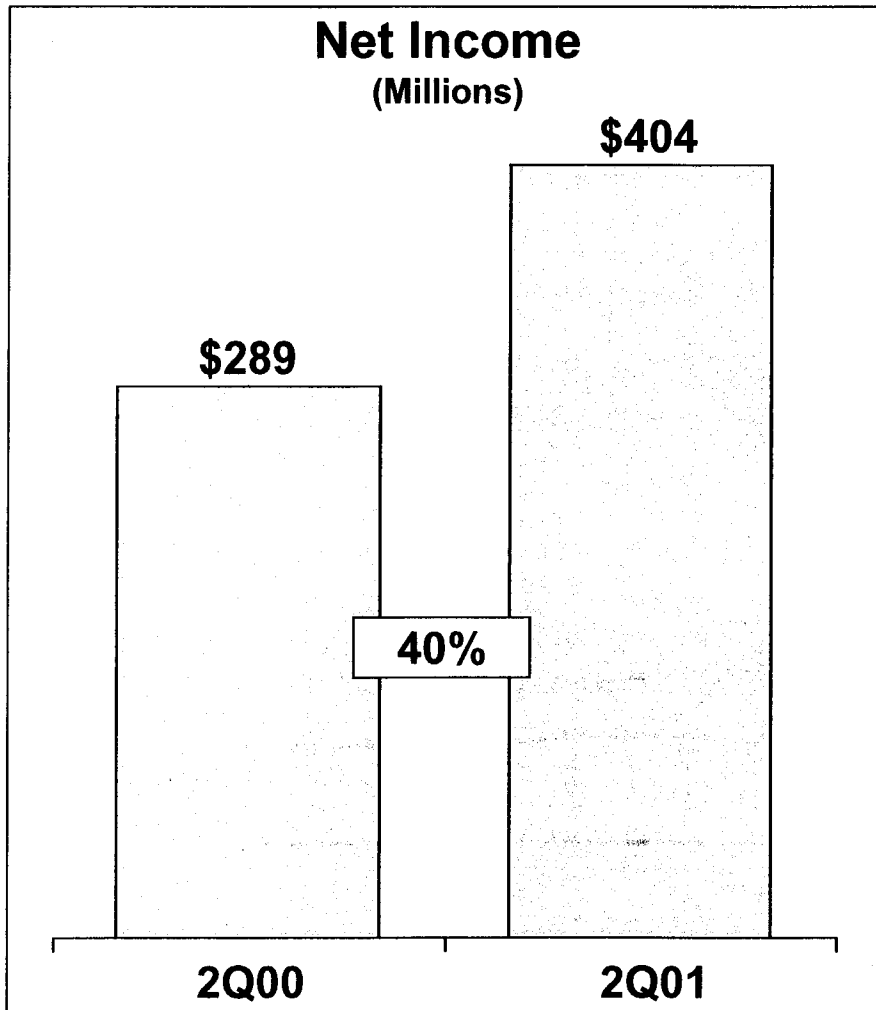
Earnings Performance – 1997 through 2002E

- Enron has a strong track record of earnings growth. Our earnings growth rate is continuing at very strong levels.
- Enron's recurring earnings of \$1.47 per diluted share last year were 25% above 1999 results.
- We had an initial target for 2001 of \$1.70 - \$1.75 per diluted share, which we have increased to \$1.80 per share.
- Our five-year annualized earnings per share growth rate is 20% - a sustainable level for the company and consistent with the growth rate implied in the recently revised 2002 guidance of \$2.15 per diluted share.

Background:

Millions	1997	1998	1999	2000	2001E	2002E
Revenues	\$ 20,273	\$ 31,260	\$ 40,112	\$ 100,789		
Net Income (Recurring)	\$ 515	\$ 698	\$ 957	\$ 1,266		
EPS (Recurring)	\$ 0.87	\$ 1.00	\$ 1.18	\$ 1.47	\$ 1.80	\$ 2.15

Financial Performance

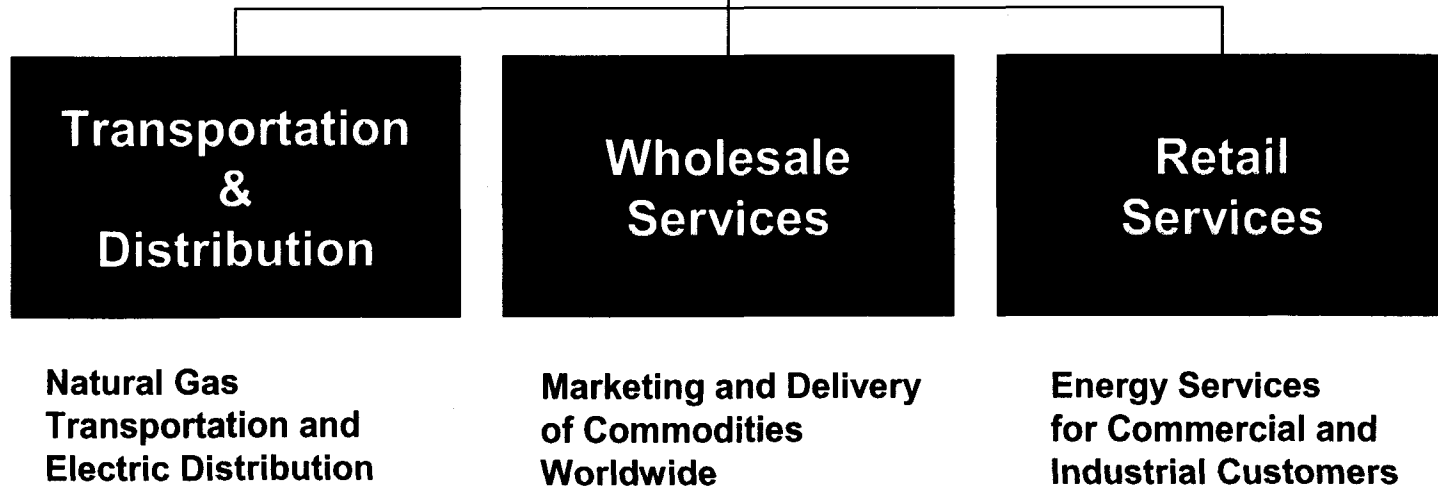


Enron Corp. – Financial Performance

- We had another excellent quarter in all of our businesses. The second quarter results confirm our strong growth and momentum.
- Net income was up 40% to \$404 million.
- Earnings per share were \$0.45 per diluted share this quarter, compared to \$0.34 last year - a 32% percent increase.

Background:

Performance	1Q2000	2Q2000	YTD2000	1Q2001	2Q2001	YTD2001	Q. Chg	% Chg	YTD Chg	% YTD Chg
Revenues (\$ Millions)	13,145	16,886	30,031	50,129	50,060	100,189	33,174	196%	70,158	234%
Net Income (\$ Millions)	338	289	627	406	404	810	115	40%	183	29%
EPS	\$ 0.40	\$ 0.34	\$ 0.73	\$ 0.47	\$ 0.45	\$ 0.92	0.11	32%	0.19	26%

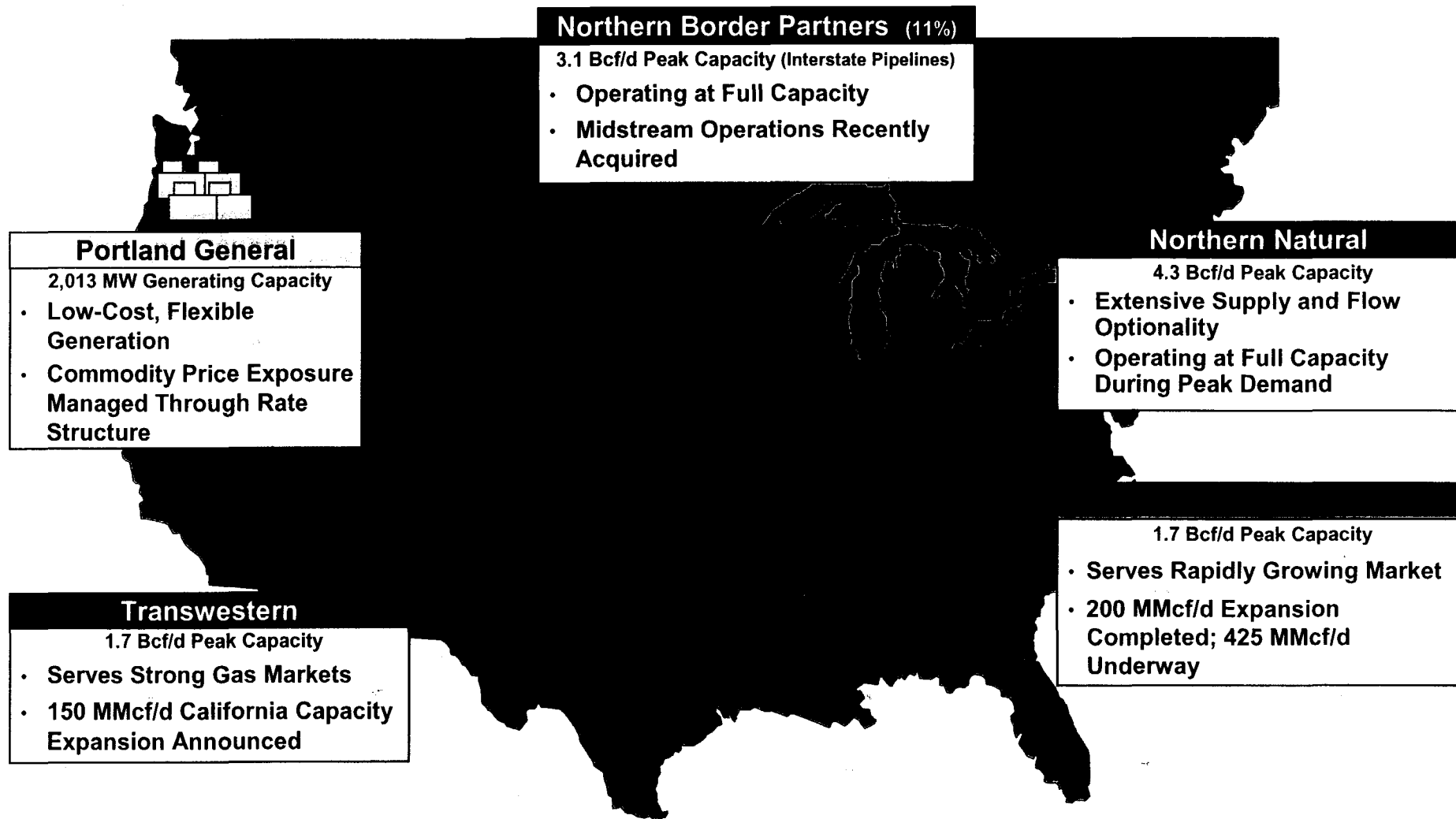


Organization Chart

- **Transportation and Distribution** includes our regulated businesses. Our gas pipeline network, which operates as Enron Transportation Services, is one of the largest, most innovative and cost effective systems in North America. Portland General is our electric utility in the northwest U.S. Our T&D businesses produce strong, earnings and stable cash flows.
- **Wholesale Services** is our largest business. Enron's wholesale business outlook is very strong. Our broad scale and extensive scope enables us to package and reliably deliver energy commodities and provide price risk management services at the lowest available cost. We are also successfully extending into new global and industrial markets. In addition, we are well positioned, with our asset light strategy, to play a lead role in the intermediation market for bandwidth.
- Our **Retail Energy** business provides energy services directly to end-use customers in the commercial and light industrial markets. We are the only comprehensive nationwide provider of energy services in North America and are experiencing great results in Europe. We have a strong history of contracting success, and we are penetrating new markets with proven, standardized products.

Transportation and Distribution

Strong Competitive Position in All Markets Served

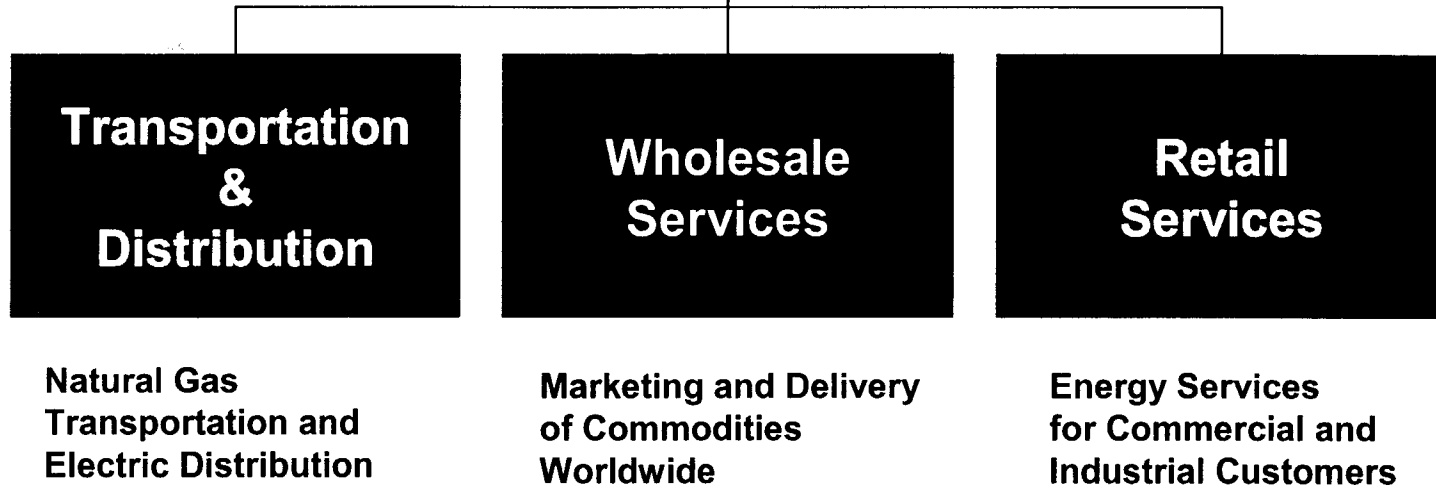


Transportation and Distribution

- Portland General is a strong utility.
 - Tremendous supply optionality results from access to substantial low-cost hydro generation, combined with ownership of gas, oil and coal generation.
 - Proven wholesale operations are used to balance base-load supply with normal retail demand. (Portland General currently has fully covered their base-load generation requirements through the end of 2002).
 - Finally, wholesale commodity price exposure in Oregon is largely managed through Portland General's rate structure.
- Each of our interstate pipelines generated solid financial results. We continue to experience strong demand for capacity. The outlook for our gas pipelines is excellent.
 - Natural gas demand in the U.S. is growing, driven to a large degree by new gas-fired power generation.
 - The majority of capacity is contracted under long-term agreements with no new rate cases required until late in 2003.
 - We are competitively well-positioned to expand our pipelines to meet the increased demand in each of the markets we serve. We expanded our system in Florida to 1.7 Bcf/d in May 2001. We will complete an additional expansion in April 2002 which will bring our total capacity in Florida to 2.1 Bcf/d. We are actively pursuing an addition to the California border, which will bring our total capacity to the California border from 1.1 Bcf/d to 1.24 Bcf/d in June 2002.

Δ 150 mme+/d

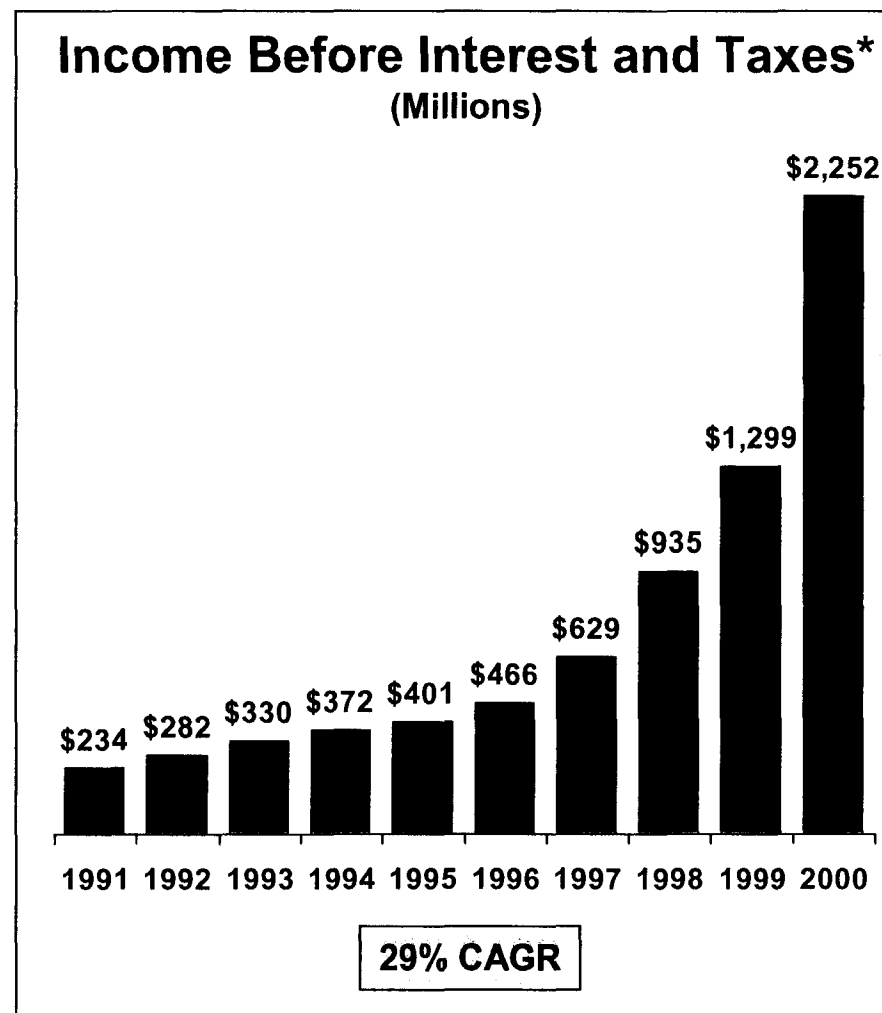
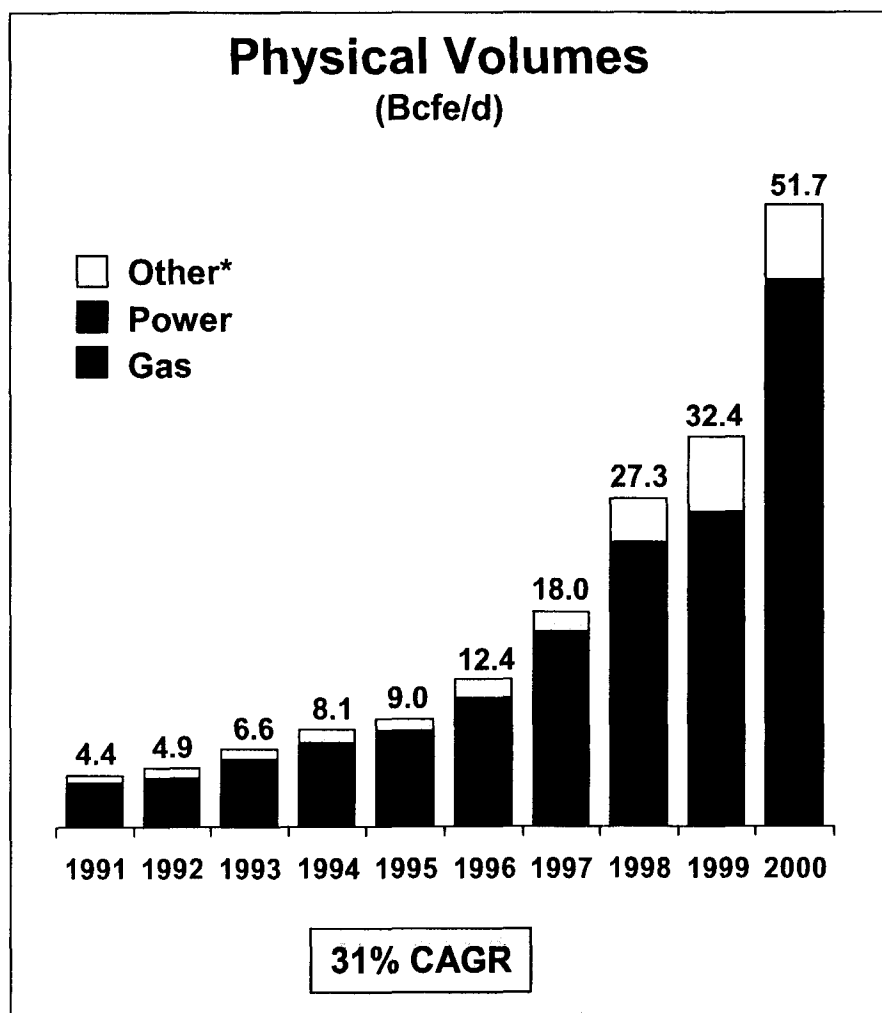
Δ 400 mme+/d



Wholesale Services – Organization Chart

- Wholesale Services is our largest business and has been the main driver of growth for Enron since its inception a decade ago. We have leading market positions worldwide in the fast growing, deregulating worldwide energy markets. We have consistently increased profitability regardless of commodity market conditions.
- We have also extended the Wholesale Services business model to other wholesale markets with enormous growth potential, including, coal, metals, forest products, steel and bandwidth.
- Through our Wholesale Services activities, we have established a franchise with strong, accelerating, recurring growth opportunity.

High, Long-Term Correlation in Volumes and Profitability



*Excludes Products Such as Steel, Metals and Forest Products not Convertible to Bcfe/d

*1997-2000 Have Been Restated

Lehman 9-01 6

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High, Long-Term Correlation in Volumes and Profitability – 10-Years Historical

Physical volumes are the best indicator of earnings growth for Enron.

Physical Volumes

- Physical volumes have increased at a compounded annual growth rate of 31% since 1991.
- We have steadily expanded beyond natural gas. Power deliveries have increased rapidly (over 140%, annually) since our early entry into the wholesale power market in 1995
- Our volume mix has become increasingly well diversified, with power contributing significantly to increasing energy deliveries.

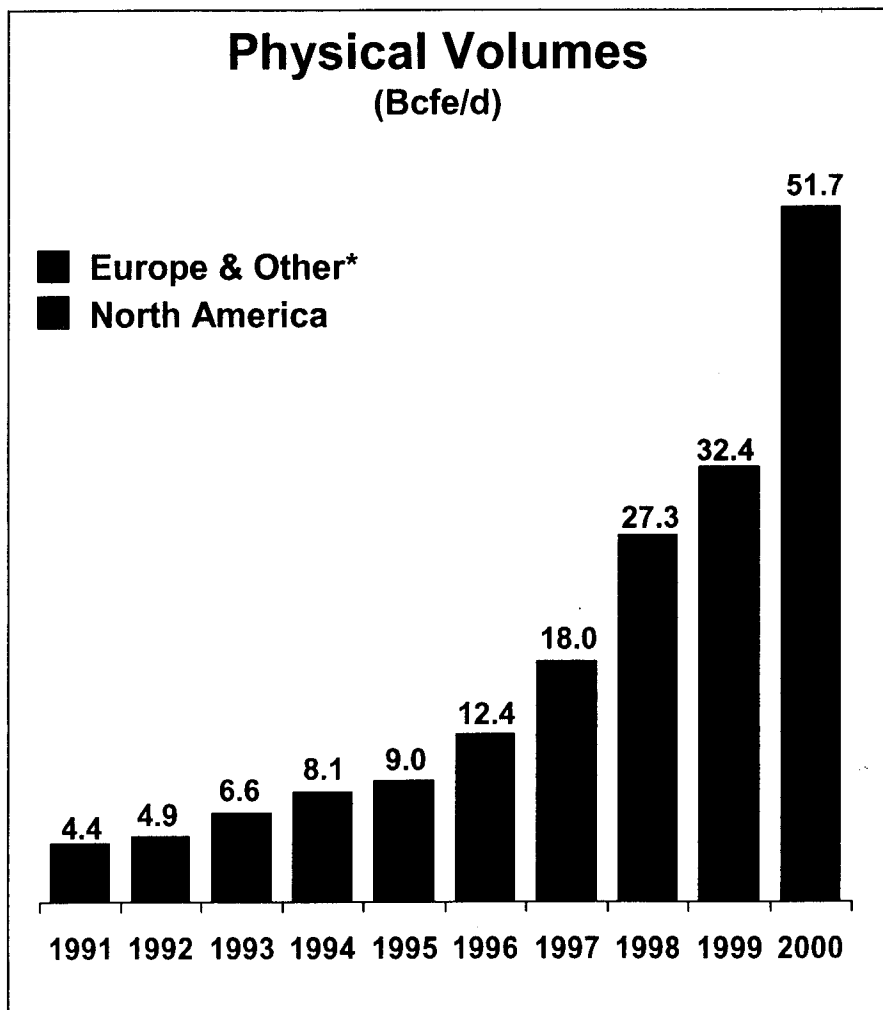
IBIT

- Income before interest and taxes has also grown substantially, with a compounded annual growth rate of 29% over the ten-year period.
- IBIT is highly correlated with our physical volumes.
- We have consistently grown profits regardless of prevailing commodity pricing environments.

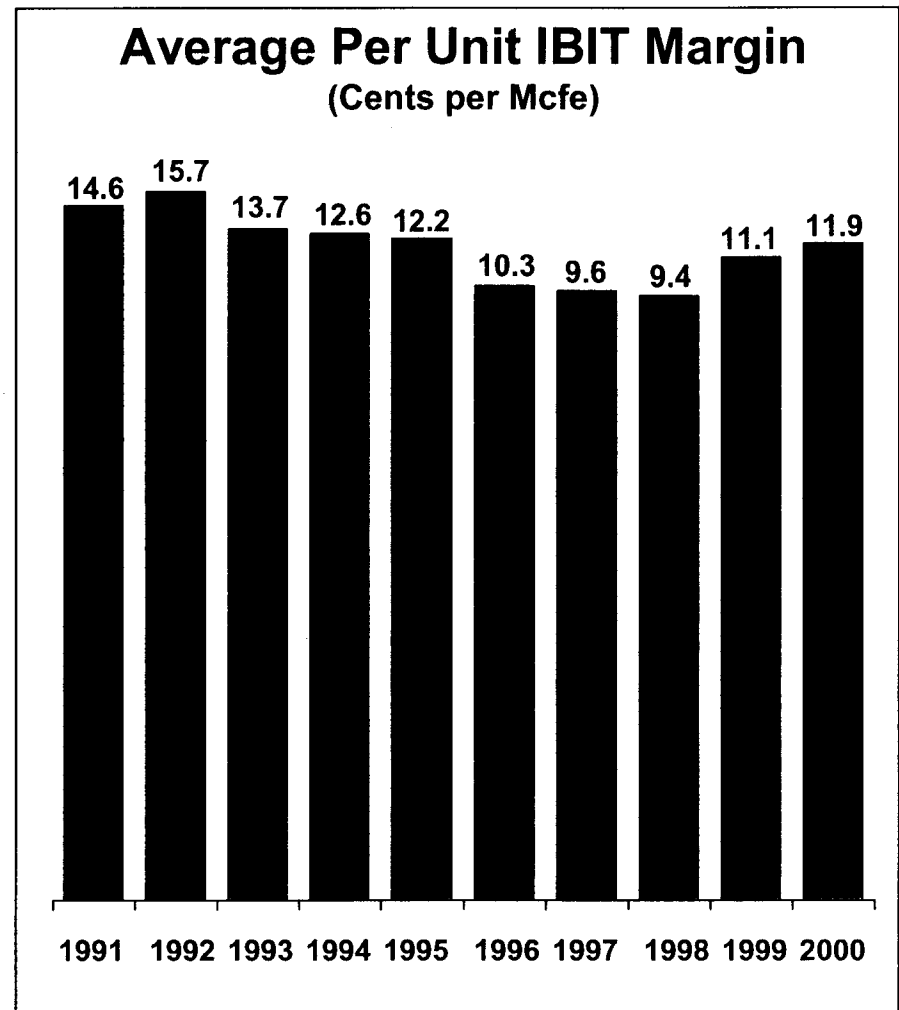
Physical Volumes (Bcfe/d)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Gas	3.7	4.1	5.7	7.0	7.8	9.2	11.0	12.7	15.5	28.3
Power	-	-	-	-	0.2	1.6	5.3	11.0	10.7	17.3
Other	0.7	0.8	0.9	1.1	1.0	1.6	1.7	3.6	6.2	6.1
Total by Product	4.4	4.9	6.6	8.1	9.0	12.4	18.0	27.3	32.4	51.7
10-Year CAGR										31%
Increase over Prior Year		11%	35%	23%	11%	38%	45%	52%	19%	60%

IBIT (\$ Millions)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Wholesale Services IBIT	\$ 234	\$ 282	\$ 330	\$ 372	\$ 401	\$ 466	\$ 629	\$ 935	\$ 1,299	\$ 2,252
10-Year CAGR										29%
Increase over Prior Year		21%	17%	13%	8%	16%	35%	49%	39%	73%

Volume Growth and Strong Margins Drive Profitability



*Excludes Products Such as Steel, Metals and Forest Products not Convertible to Bcfe/d



Volume Growth and Strong Margins Drive Profitability – 10-Years Historical

Physical Volumes

- Our consistent growth has also been achieved by expanding into new high-growth markets.
- Our Europe energy network provides a strong contribution to increased physical volumes.

Average per Unit IBIT Margin

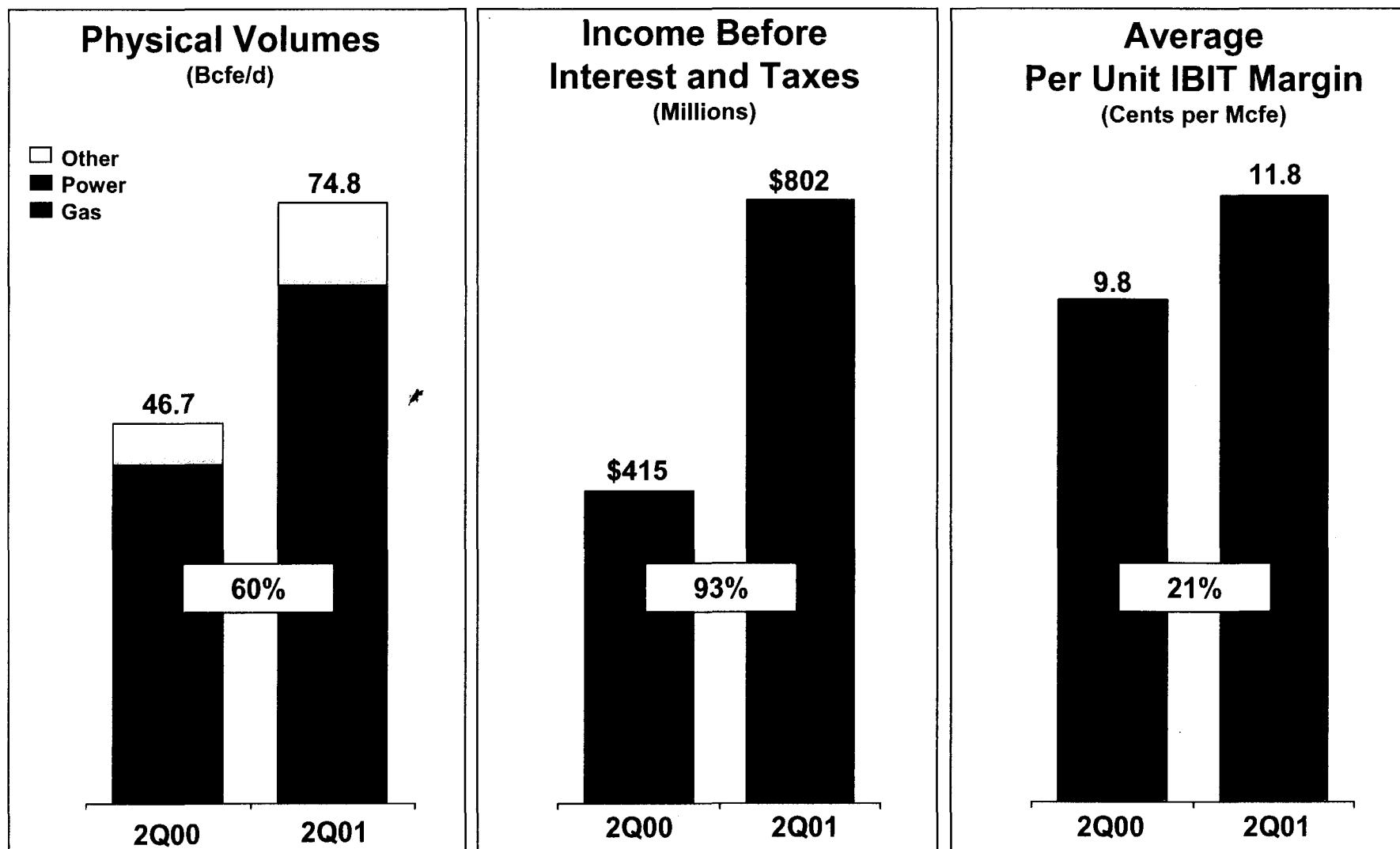
- The strong correlation in IBIT and physical volumes translates to very consistent per unit margins.
- We have increased our Average Unit IBIT Margin to 11.9 cents per Mcfe for 2000.

Physical Volumes (Bcfe/d)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
North America	3.7	4.1	5.7	7.0	8.0	10.6	15.6	22.5	24.4	40.5
Europe & Other	0.7	0.8	0.9	1.1	1.0	1.8	2.4	4.8	8.0	11.2
Total by Product	4.4	4.9	6.6	8.1	9.0	12.4	18.0	27.3	32.4	51.7
10-Year CAGR										29%
Increase over Prior Year		11%	35%	23%	11%	38%	45%	52%	19%	60%

IBIT (\$ Millions)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Wholesale Services IBIT	\$ 234	\$ 282	\$ 330	\$ 372	\$ 401	\$ 466	\$ 629	\$ 935	\$ 1,299	\$ 2,252
10-Year CAGR										29%
Increase over Prior Year		21%	17%	13%	8%	16%	35%	49%	39%	73%

Average per Unit IBIT Margin (cents per Mcfe)	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Average per Unit IBIT Margin	14.6	15.7	13.7	12.6	12.2	10.3	9.6	9.4	11.1	11.9

Second Quarter Performance



Second Quarter Performance

- These charts depict the combined Wholesale Services group.
- We had an outstanding quarter. Total physical volumes were up 60% from last year to 74.8 Bcfe/d. Natural gas and power volumes increased by 25% and 109%, respectively, in the second quarter from a year ago. As we will discuss, EnronOnline has been a significant contributor to our expanded scale.
- IBIT increased 93% from a year ago to \$802 million.
 - Commodity, Sales and Services IBIT increased by 81% to \$762 million, once again primarily due to significantly increased physical delivery increases across North America and Europe. Our North American power business led the IBIT contribution.
 - IBIT from assets and investments increased by 144% to \$134 million, reflecting a higher level of earnings from merchant investments and related assets.
- Average IBIT per unit of throughput increased 21%, from 9.8 cents per mcfe to 11.8 cents, largely attributable to the scale efficiencies of Enron Online.

PHYSICAL VOLUMES (Bcfe/d) - 2Q			
	2Q00	2Q01	%
Gas			
U.S.	14,902	19,806	33%
Canada	7,536	5,808	-23%
Europe and Other	3,593	7,290	103%
Total Physical Sales Vol.	26,031	32,904	26%
Transport	595	319	-46%
Total Gas	26,626	33,223	25%
Oil and Liquids	5,048	10,054	99%
Electricity	15,056	31,500	109%
Total Volumes	46,730	74,777	60%
Electricity (Thousand MWh)			
U.S.	124,089	213,948	72%
Europe and Other	12,912	72,704	463%
	137,001	286,652	109%

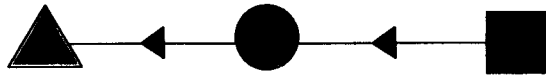
IBIT (\$ Millions) - 2Q					
	2Q00	2Q01	\$Change	%	
Commodity Sales & Services					
Gas Trading	\$ 240	\$ 36	\$ (204)	-85%	
Power Trading (including Retail)	151	790	639	423%	
Other	29	(64)	(93)	-321%	
Total Commodity Sales & Services	420	762	342	81%	
Assets & Investments					
Fair Value Investments	(55)	(58)	(3)	5%	
Other Changes-Merchant Activities	88	151	63	72%	
Asset Operations	27	40	13	48%	
Development & Construction	(5)	1	6	-120%	
Total Assets & Investments	55	134	79	144%	
Unallocated Expenses	(60)	(94)	(34)	57%	
Total IBIT for Wholesale Services	\$ 415	\$ 802	\$ 387	93%	
MMcfe/d	46,730	74,777	28,047	60%	
Margin (Cents per Mcfe)	9.8	11.8	2.0	21%	

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Contrasting Business Approaches

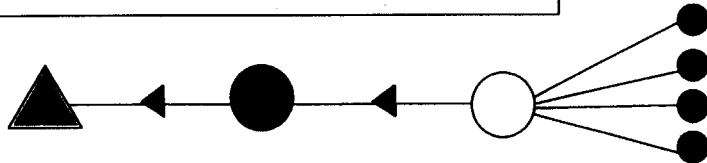
Example: Providing Reliable Power Supply

Utilities



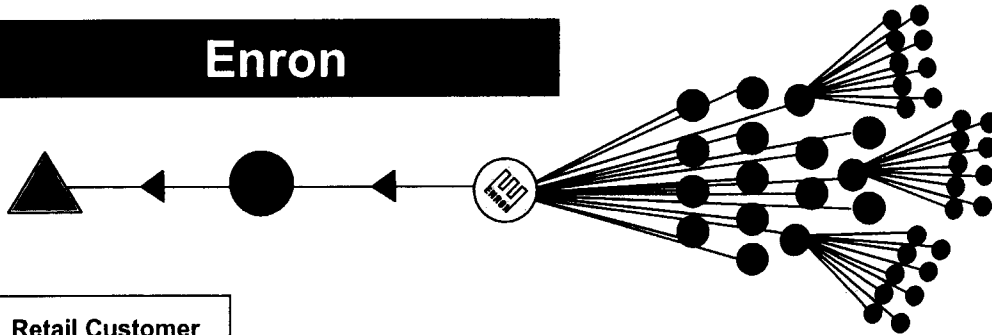
Source from Dedicated Plant

Merchants



Aggregate Power from Market Sources

Enron



Aggregate Cheapest Power from Numerous, Deep Market Sources

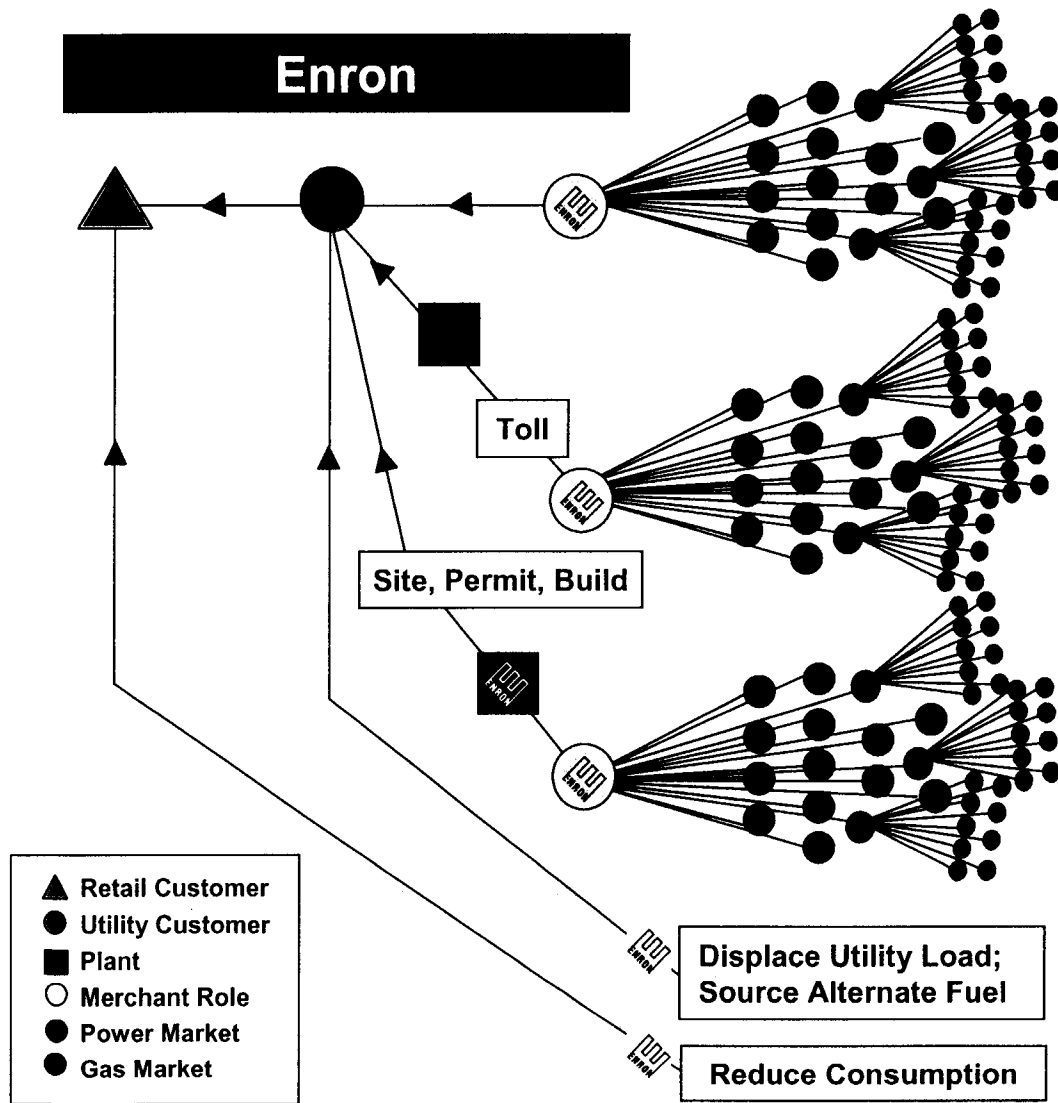
- ▲ Retail Customer
- Utility Customer
- Plant
- Merchant Role
- Power Market

Contrasting Business Approaches – (Build-Up Slide)

- *more than a* Enron's wholesale business is unique. We can apply our scope, scale and access to market information in many ways to provide our customers the most reliable physical delivery at the lowest available cost. Enron is ~~not~~ a trading company. We are a logistics company. We utilize the markets to source the cheapest energy components and reliable package and deliver energy to our customers. 10Y
- The value of our extensive network can be seen by contrasting alternatives available to utilities, other merchants and Enron in providing reliable power supply.
 - Utilities obtain power from limited sources – typically by direct ownership of plants dedicated to serve a specific group of customers.
 - Other merchant companies aggregate supplies from market sources within a given region, including from other utilities with excess power or from other merchants.
 - Enron's vast scope and scale enable us to have many more contacts and market sources both within the region as well as in surrounding regions. We can aggregate the cheapest power from numerous, deep market sources.

Enron's Unique Network Alternatives

Example: Providing Reliable Power Supply



Aggregate Cheapest Power from Numerous, Deep Sources

Contract for Capacity; Aggregate Cheapest Gas Supply

Build Plant; Aggregate Cheapest Gas Supply

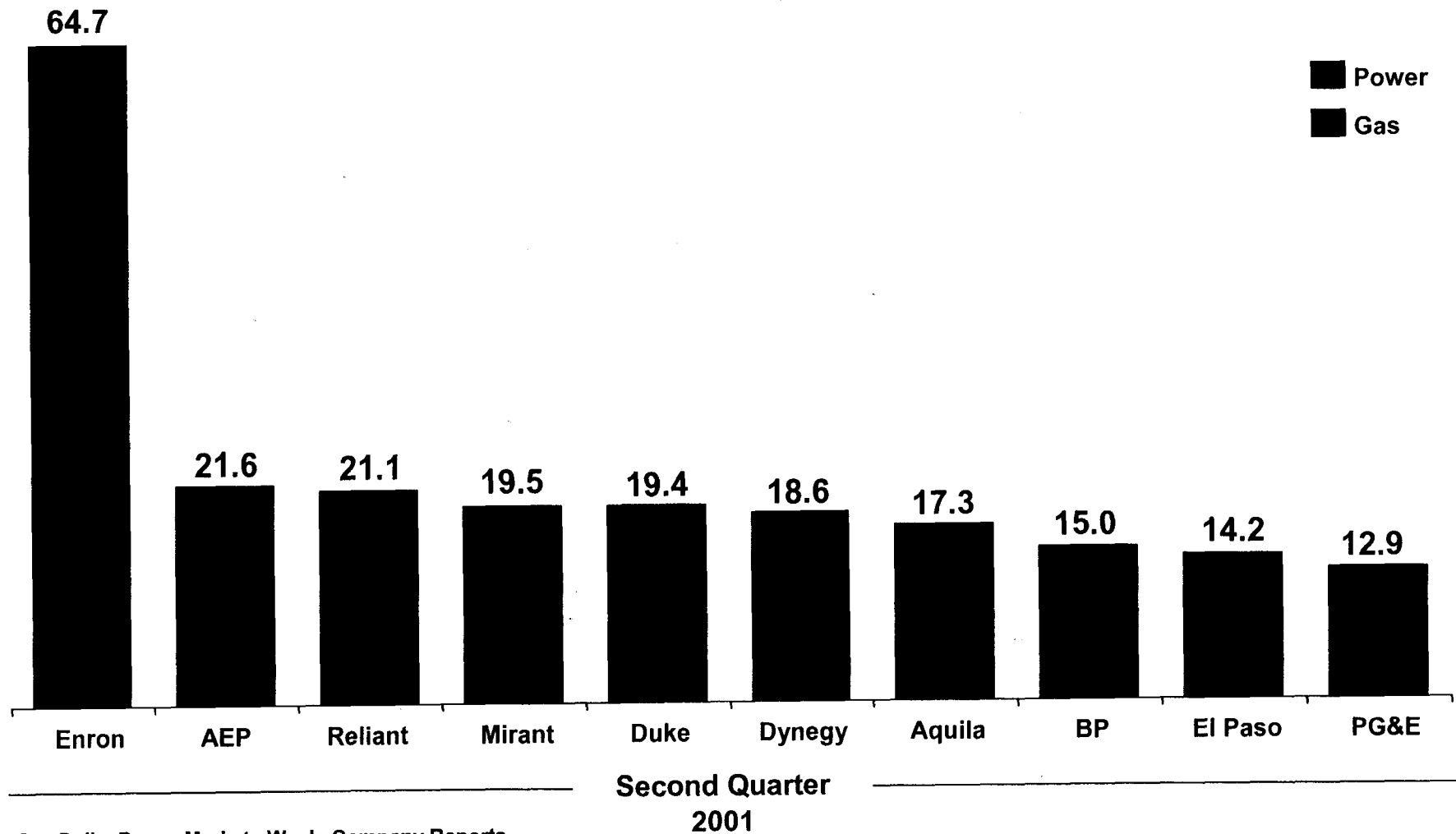
Influence Demand

Enron's Unique Network Alternatives – (Build-Up Slide)

- Enron's broad capability to aggregate power is repeated here, along with numerous other ways Enron can source reliable, low-cost power.
- We also obtain contract access to third party plants through tolling agreements, which provide us the benefits of ownership without the capital commitment. The advantages of our scope and scale extend from power into gas, as we can aggregate low-cost gas supply to fuel the plant, similar to our sourcing power from many broad sources.
- In regions with tight capacity, we develop plants, including sighting, permitting and construction activities. We may sell these rights to third parties prior to completion, or we may build to completion and source low-cost gas supply for an Enron-owned plant.
- We can also work directly with utilities and shut down their plants when it is cheaper to buy power on the market than to produce. Similarly, we can work with industrial customers to shut down their operations when the value of their energy is worth more than the value of the good they produce. For plants with fuel switching capabilities, we can source alternate fuel sources when cheaper than running with natural gas or other fuels.
- With our retail business, Enron is distinct is being able to work directly with retail business customers to reduce energy consumption with our full range of energy management services.

Enron's Leading Market Position

(Bcfe/d)



Source: Gas Daily, Power Markets Week, Company Reports

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Enron's Leading Market Position – 2Q01

This slide presents Enron's competitive position relative to U.S.-based energy merchants.

- Enron has significantly distanced its market share from other marketers. The volume results continue to demonstrate Enron's more than three-fold lead on our nearest group of competitors.
- In addition, Enron has a well-diversified energy business, with gas and power contributing about 60% and 40% to volumes, respectively. No other merchant energy peer has so successfully penetrated both markets. Similarly, no other peer has so successfully expanded into the Europe energy market.
- We have built a tremendous market franchise that has significant sustainable competitive advantages.

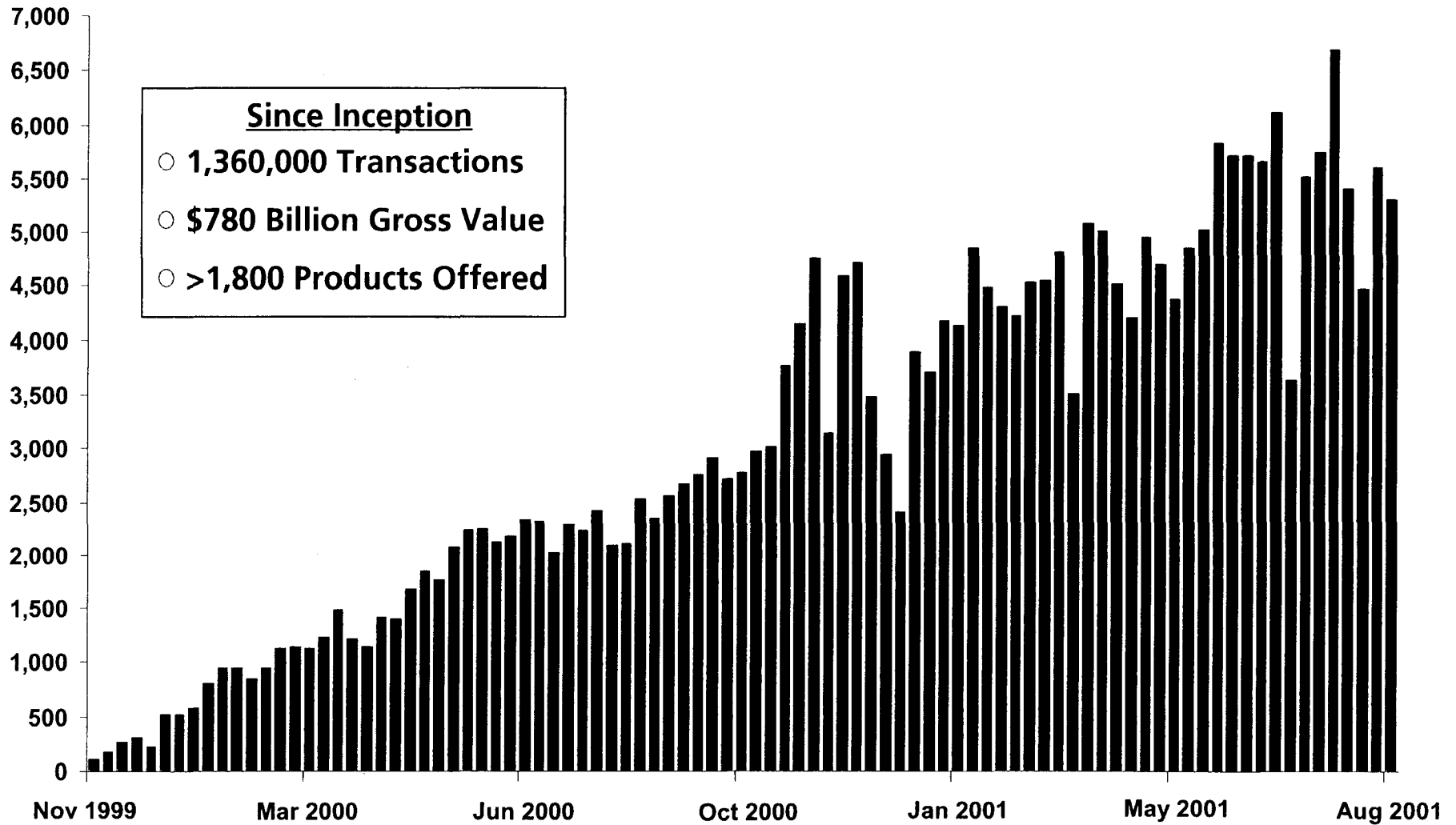
NOTE: Physical volumes only: Volumes include Europe to the extent publicly reported (descending order by 2Q total volumes).

Enron's Lead Market Position (Bcfe/d)						
	1Q01			2Q01		
	Gas	Power	Total	Gas	Power	Total
Enron	36.5	25.8	62.3	33.2	31.5	64.7
NA	27.8	21.8	49.6	25.9	23.5	49.4
Europe	8.7	4.0	12.7	7.3	8.0	15.3
AEP	3.5	15.5	19.0	8.5	13.1	21.6
Reliant	10.8	8.5	19.3	11.5	9.6	21.1
Mirant	12.8	7.3	20.1	11.8	7.7	19.5
Duke	13.6	6.6	20.2	11.2	8.2	19.4
Dynegy	10.7	2.9	13.6	10.9	7.7	18.6
Aquila	10.4	5.5	15.9	10.3	7.0	17.3
BP	12.5	1.3	13.8	12.3	2.7	15.0
El Paso	13.8	3.9	17.7	9.2	5.0	14.2
PG&E	6.8	6.0	12.8	3.9	9.0	12.9

Source: Company Reports

EnronOnline

Average Daily Transactions



EnronOnline – Average Daily Transactions

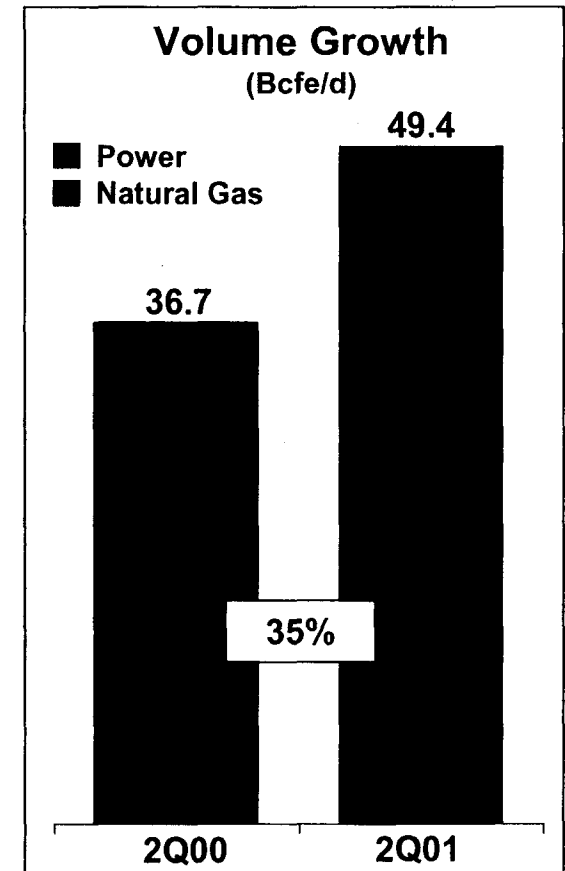
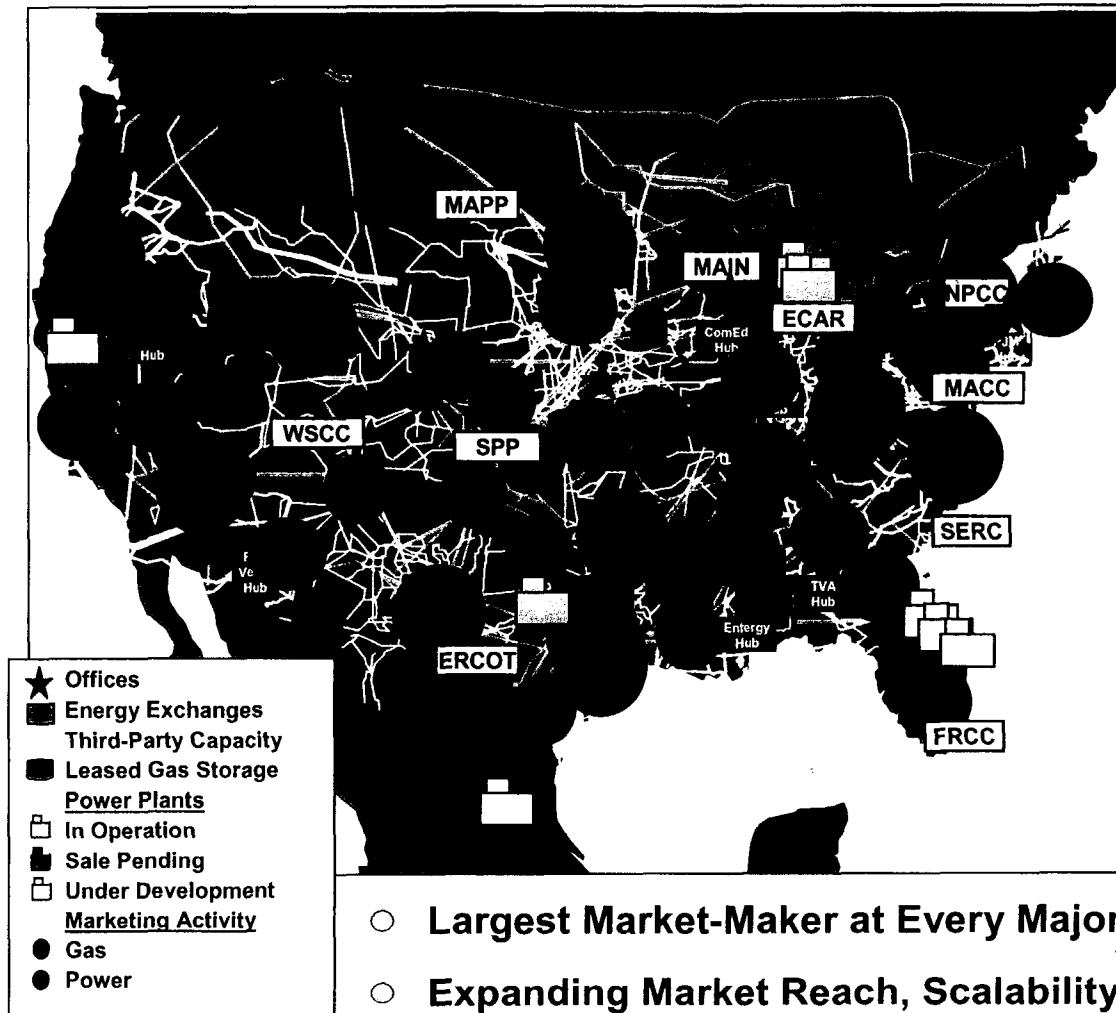
- EnronOnline has been an enormous accelerator to our businesses.
- Customers have rapidly embraced EnronOnline. The wide range of products and ease of use are attracting an increasing number of both existing and new customers. In the second quarter of 2001, an average of 4,000 customers logged onto our site each week.

EnronOnline	12 months ended 12/31/00	1Q01	2Q01	LTD-Since Launch (as of Aug 27, 2001)
Transactions	548,000	276,000	325,000	1,360,000
Gross Value (Bn)	\$ 336	\$ 163	\$ 180	\$ 780
Products Offered				>1,800

- EnronOnline completes more than 5,000 transactions per day worth over \$2.7 billion notional value daily. New records for average weekly volumes continued to be set throughout the second quarter.
- We have quickly moved to introduce new products online. We offer over 1,800 products online currently. Products include a full range of gas and power products in North America and Europe and many other products, such as coal, metals, weather protection and bandwidth.
- On May 23, 2001, we completed our one-millionth transaction on EnronOnline.

Enron North America

The Most Flexible, Reliable and Valuable Energy Network



- Largest Market-Maker at Every Major Hub
- Expanding Market Reach, Scalability, Information and Liquidity
- Generating Consistent Growth Regardless of Market Conditions

Enron North America

- Enron has established the leading energy network in North America. We have an unparalleled network of physical assets that enable us to deliver natural gas and power anywhere in the U.S. on short notice. We may own these assets, or we may contract for capacity on third party assets. We use our market making skills to secure the cheapest available commodities, and we use our extensive network to reliably deliver the commodity. Our extensive scope, access to assets, liquidity and large, capable commercial team provides us tremendous competitive advantages.
- Volumes were up significantly in every North American region, with total gas and power volumes increasing 35% on a quarter-to-quarter basis to 49.4 Bcfe/d.
- Because we actively operate in every area of North America, we have enormous information about gas and power supply and demand and related events. We create value with that market information by adjusting our prices and products on a real-time basis.
- We are continuing to see relatively high gas and power price volatility. Customers need a reliable provider of increasingly complex energy supply, and we are experiencing a significant increase in demand for risk management products and services.

Enron North America

Regional Transmission Organizations

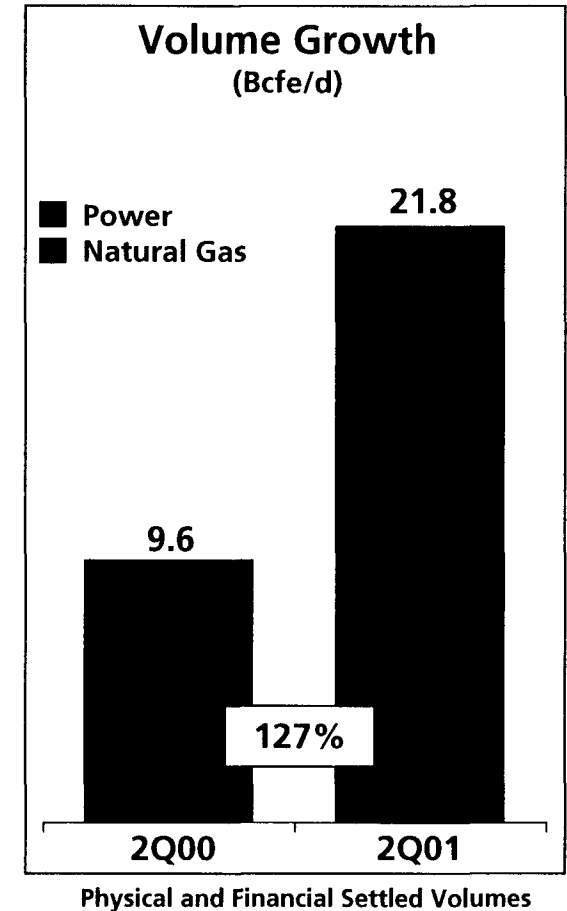
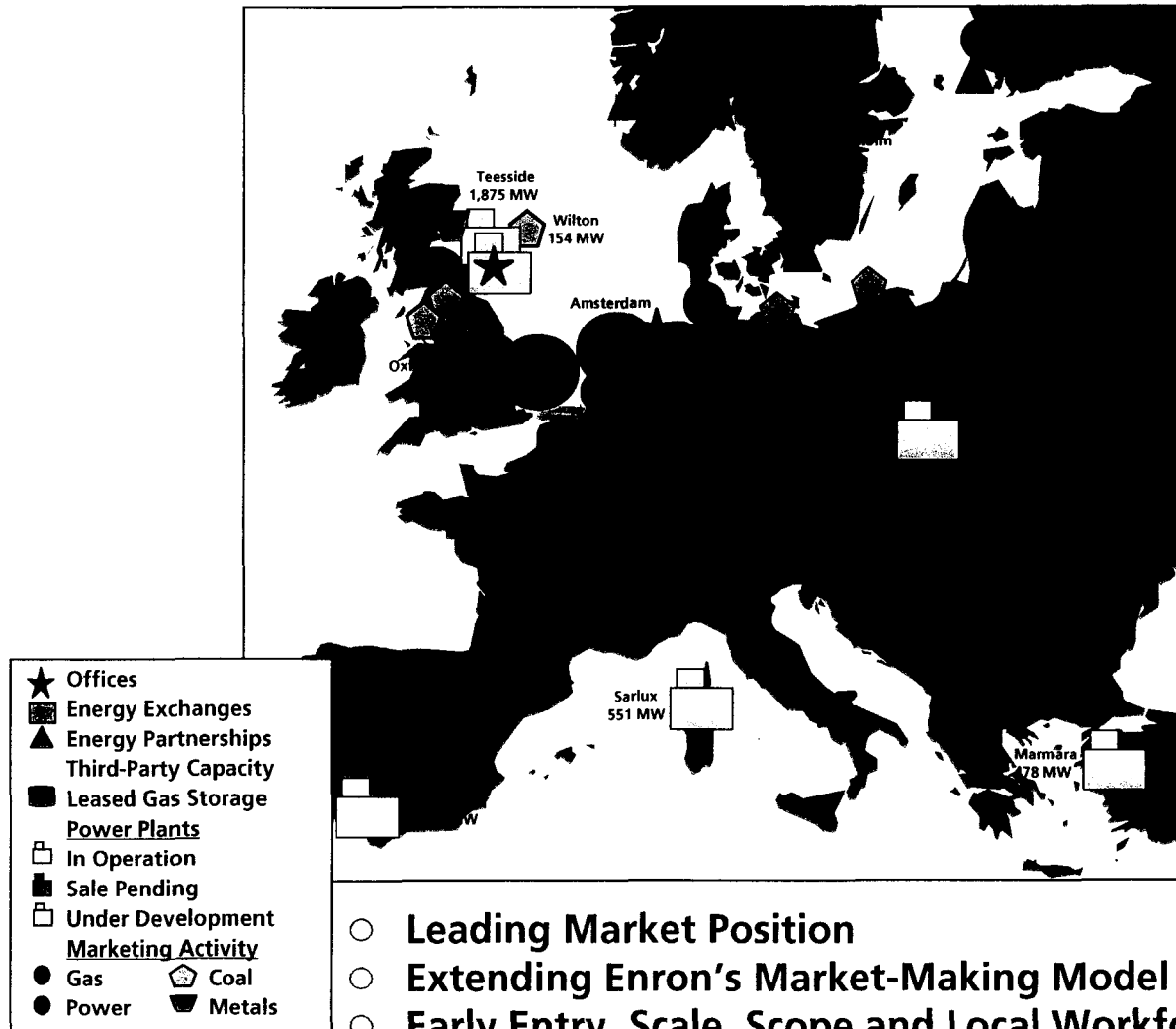
- Recent FERC Order Very Favorable to Power Industry
 - Movement Towards Formation of Four Large RTO's
 - Expedites Moving Northeast & Southeast to Single RTO's
- Facilitates More Supplies To More Customers
- Drives Deeper, More Liquid Power Markets
- Provides New Opportunities for Enron
 - Ability to Leverage Extensive Power Network
 - New Demand for Risk Management Products
 - Accelerates Retail Market Development

Regional Transmission Organizations

- Work from slide.

Enron Europe

The Only Major Pan-European Energy Network



- Leading Market Position
- Extending Enron's Market-Making Model
- Early Entry, Scale, Scope and Local Workforce Providing Tremendous Competitive Advantages

Enron Europe

- We entered the European market early and quickly to establish the leading energy franchise in Europe. We have relatively few physical assets in the U.K. and Europe. Just as in North America, our market-making activities are a driving force in creating market liquidity and providing price transparency.
- We have seen increased liquidity across all of our European markets. Volumes were up significantly in the second quarter, with aggregate power and gas volumes increasing 127% to 21.8 Bcfe/d.
- We have a number of new opportunities from the recent implementation of NETA (March 27, 2001). The new structure plays to our proven strengths by creating a true "bi-lateral" physical power market, replacing the pool structure. In addition, we expect the demand for forward pricing and delivery commitments to significantly increase.
- As gas and power markets become more liquid and concentrated, Enron is actively participating in the formation of regional trading hubs on the Continent.
- We are also very well-positioned for increased profit and growth opportunities as the U.K. and Continent gas and power markets continue their convergence.
- Enron is the energy market-maker in Europe, and EnronOnline has been a positive factor in our growth in Europe. Over 30% of our European transactions are currently executed on-line.

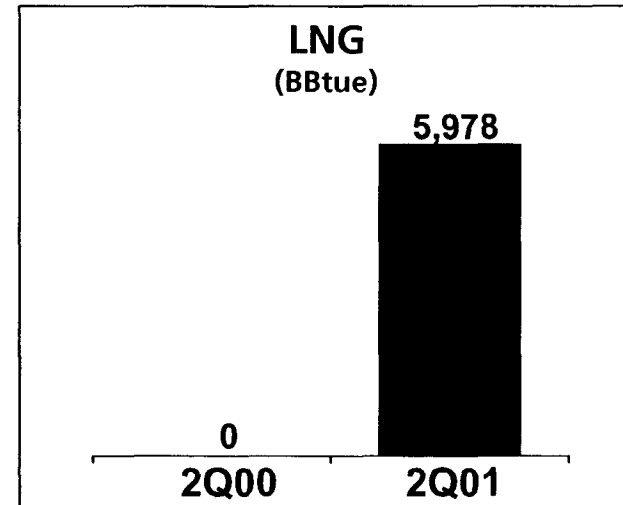
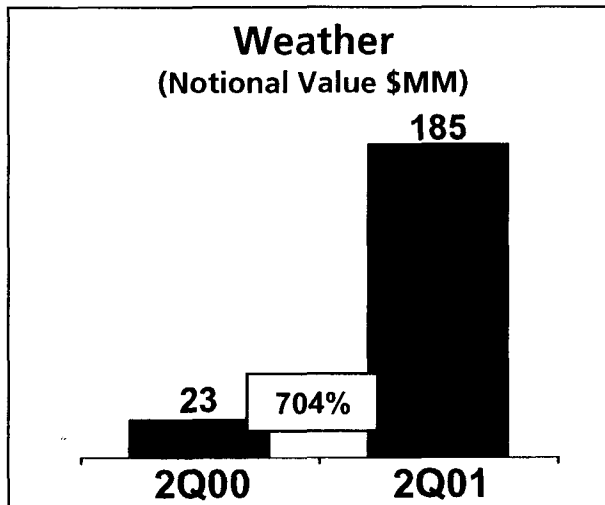
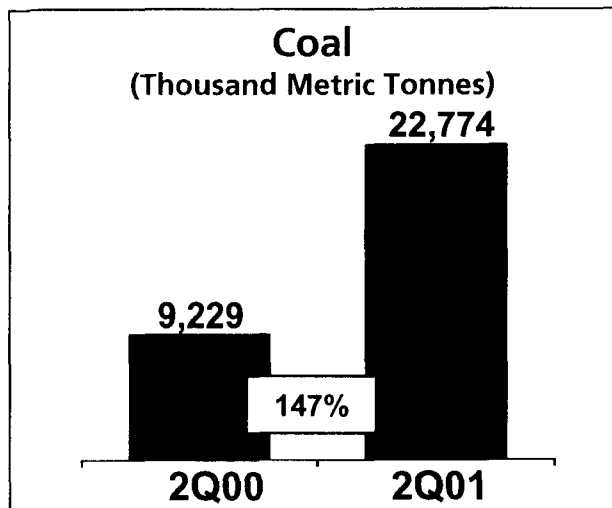
Background:

Volume Growth	1Q2000	2Q2000	YTD2000	1Q2001	2Q2001	YTD2001	Q. Chg	% Chg	YTD Chg	% YTD Chg
Physical Gas	2,411	3,567	2,989	8,695	7,273	7,980	3,706	104%	4,991	167%
Financial Gas	17	159	88	73	159	116	0	0%	28	32%
Total Gas (BBtue/d)	2,428	3,726	3,077	8,768	7,432	8,096	3,706	99%	5,019	163%
Physical Power	832	1,349	1,090	3,967	7,809	5,899	6,460	479%	4,809	441%
Financial Power	3,719	4,566	4,143	10,448	6,542	8,484	1,976	43%	4,341	105%
Total Power (BBtue/d)	4,551	5,915	5,233	14,415	14,351	14,383	8,436	143%	9,150	175%
Total Gas & Power (Mcf/d)	7.0	9.6	8.3	23.2	21.8	22.5	12.1	127%	14.2	171%
Power Volumes (million MWh)	41.4	53.8	95.2	129.7	130.6	260.3	77	143%	165	173%

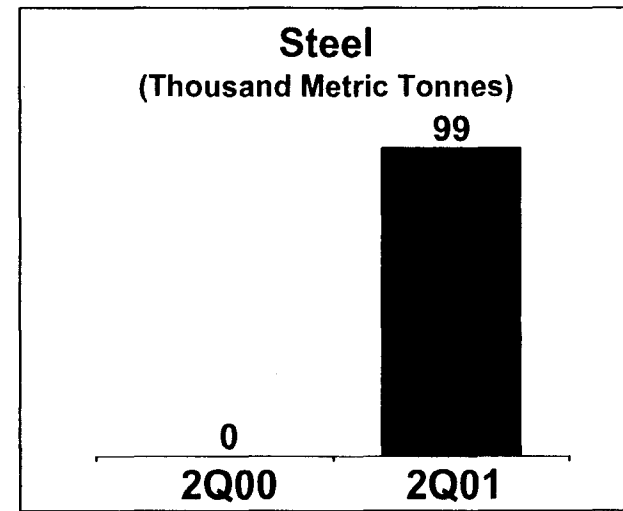
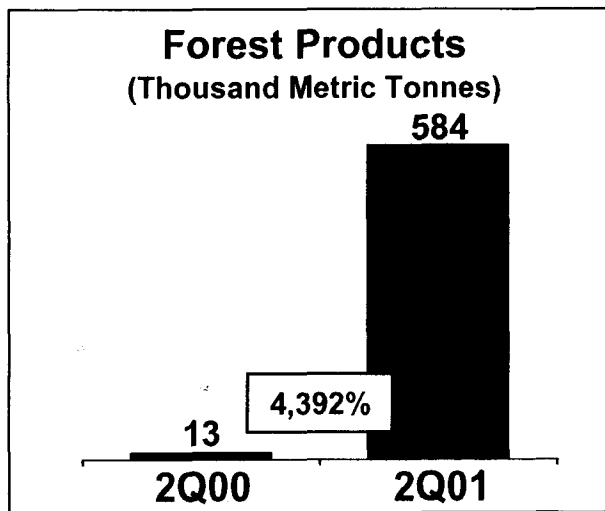
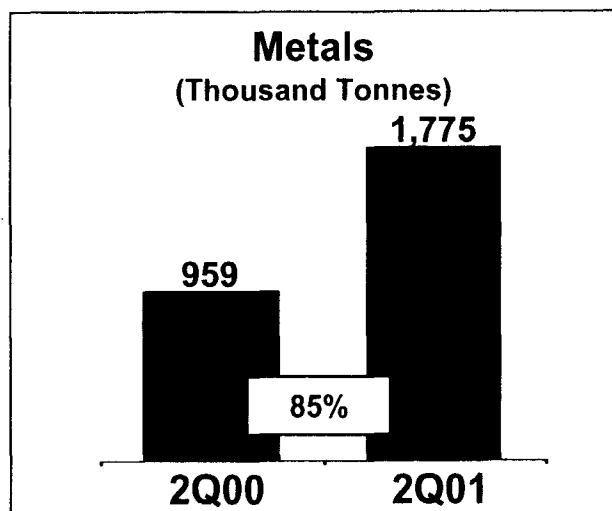
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Profitably Extending to New Markets

ENRON GLOBAL MARKETS



ENRON INDUSTRIAL MARKETS



Profitability Extending to New Markets

- Enron has extended our successful wholesale model to several large markets for new growth opportunities.
- **Coal**, where we are:
 - Are the largest U.S. and leading international marketer of coal serving nearly 200 customers
 - Have a significant presence at major hubs (Major - Powder River Basin, NYMEX, Amsterdam-Rotterdam-Antwerp, Columbia, South Africa, Australia, Indonesia. Also at other hubs – China, Russia and Poland);
- **Weather**, where we are largest weather market-maker in the world.
- **LNG**, where we are creating a global network of LNG capabilities
 - Leveraging our existing LNG holdings; and
 - Positioning Enron to capture potential transatlantic arbitrage opportunities.
- In addition, **Liquids (Crude and Products)**, where we are:
 - Leveraging our expertise in origination, risk management and finance services;
 - Transacting with over 400 customers worldwide offering 24 x 7 global market-making services.

Enron Global Markets	1Q2000	2Q2000	YTD2000	1Q2001	2Q2001	YTD2001	Q. Chg	% Chg	YTD Chg	% YTD Chg
Liquids (MM BBL)	100	95	195	112	165	277	70	74%	82	42%
Coal (Thousand Metric Tons)	8,072	9,229	17,301	20,884	22,774	43,658	13,545	147%	26,357	152%
Weather (Notional Value \$MM)	325	23	348	290	185	475	162	704%	127	36%
LNG (BBtue)	-	-	-	2,812	5,978	8,790	5,978		8,790	

Enron Industrial Markets

- **Metals**, where we are a leading provider of merchant energy and financial services transacting with over 900 customers
- **Forest Products**, where we are creating world class logistics, operating and financial services capabilities
 - Leveraging our access of physical newsprint capability (Garden State - 2100,000 tones/yr; Quebec City Mill – 515,000 tones/year).
- **Steel**, where we are establishing a position as a leading market maker in the steel industry
 - Initially rolling out business in the U.S with plans to build a European capability

Enron Industrial Markets	1Q2000	2Q2000	YTD2000	1Q2001	2Q2001	YTD2001	Q. Chg	% Chg	YTD Chg	% YTD Chg
Metals (Thousand Tons)	835	959	1,794	2,345	1,775	4,120	816	85%	2,326	130%
Forest Products (Thousand Metric Tons)	16	13	29	339	584	923	571	4392%	894	3083%
Steel (Thousand Metric Tons)	-	-	-	132	99	231	99		231	

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Enron Broadband Services

Network

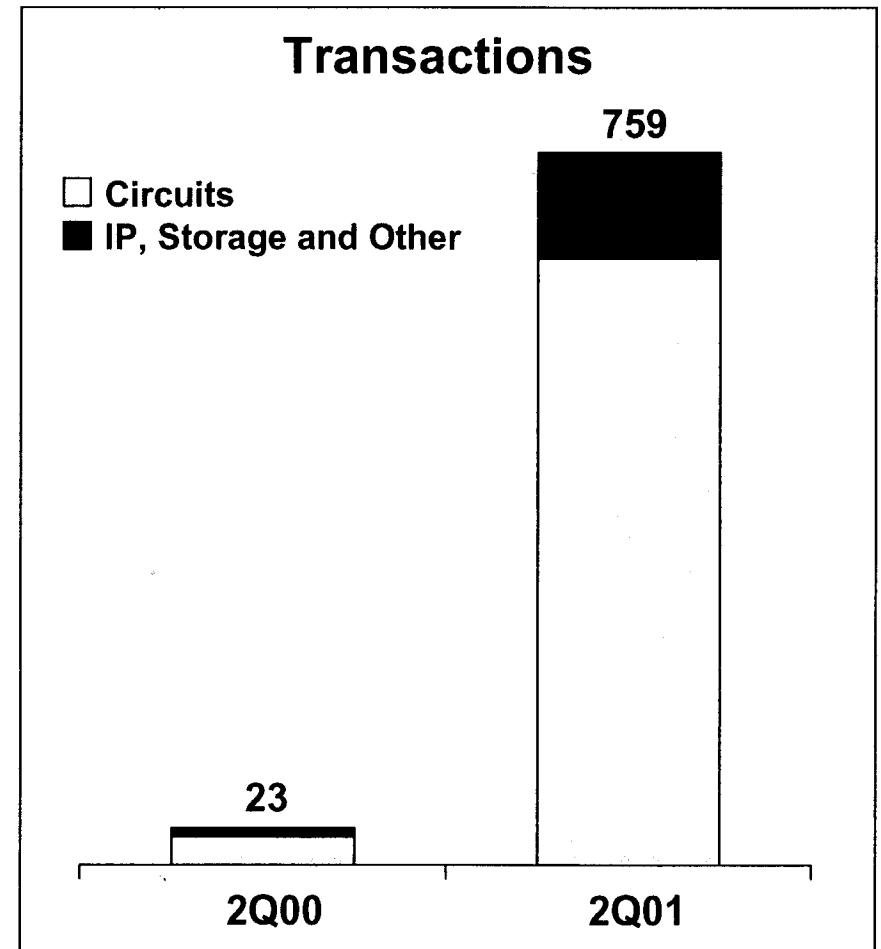
- Maintain Functionality to Support Commercial Activities

Intermediation

- Make Liquid and Transparent Market For Broadband-Related Products
- Provide Reliable Delivery at Predictable Prices

Content Services

- Bundled Services for Large-Scale Users



Objective: Cost Effectively Maximize Option Value

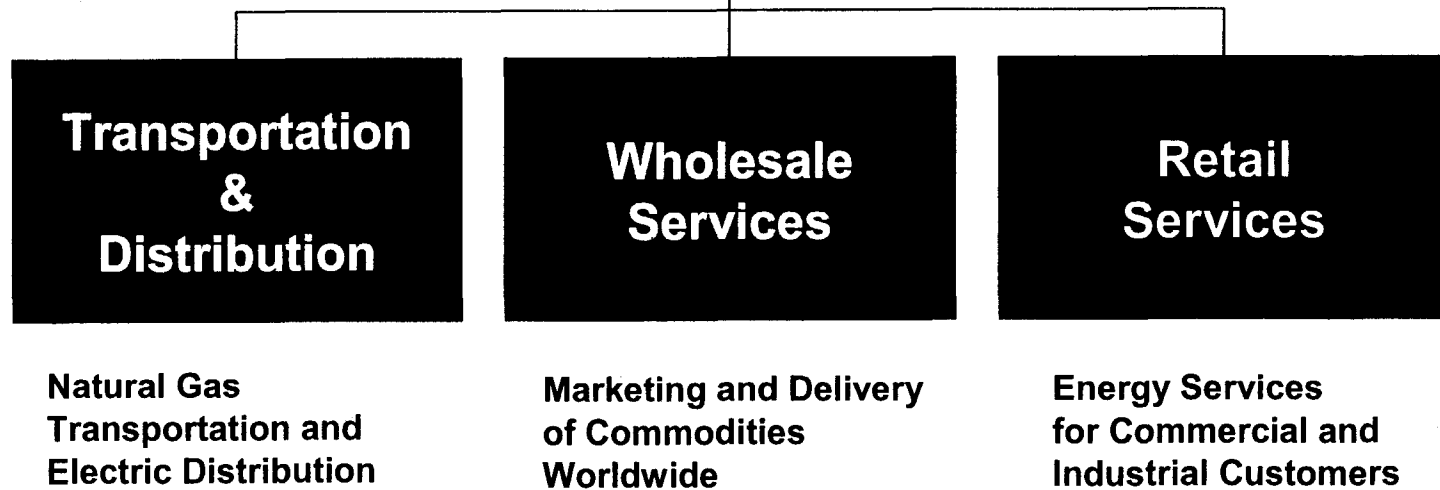
Enron's Broadband Services

- We have moved rapidly to properly size Broadband for the current environment. The three major components of our business (network, intermediation and content services) are unchanged, but we are highly focused on our near-term network needs and transactions with associated current gross margin.
- **Network** – Our existing broadband platform continues to provide us with a low-cost, flexible network. Our network is a key differentiation from other entrants into bandwidth intermediation. We plan to maintain the functionality necessary to deliver on our existing commitments and support our highly focused commercial activities.
- **Intermediation** – We will continue to make markets for bandwidth products (circuits, storage and IP) as well as originate bundled services. The market values our reliable delivery and firm price commitments. We continue a strong resource commitment in this business.
- **Content Services** – We have further focused our content business to the large players who can have a major impact on the Entertainment-on-Demand market. We have a few, very effective commercial employees pursuing a low-cost, high impact approach to the business.

Intermediation Transactions

- We have seen a ramp-up in transaction activity for all products. We completed 759 transactions in the second quarter, up 31% from the first quarter of 2001.

Area	Headcount At 6/30/01	After Reorg.	Transfer to Wholesale
Intermediation	96	49	7
Network services	208	153	2
Wholesale origination	15	8	1
Enterprise origination	19	0	
Content services	23	13	1
Europe and Asia	132	81	8
Structuring & Support	423	42	210
TOTAL	916	346	229

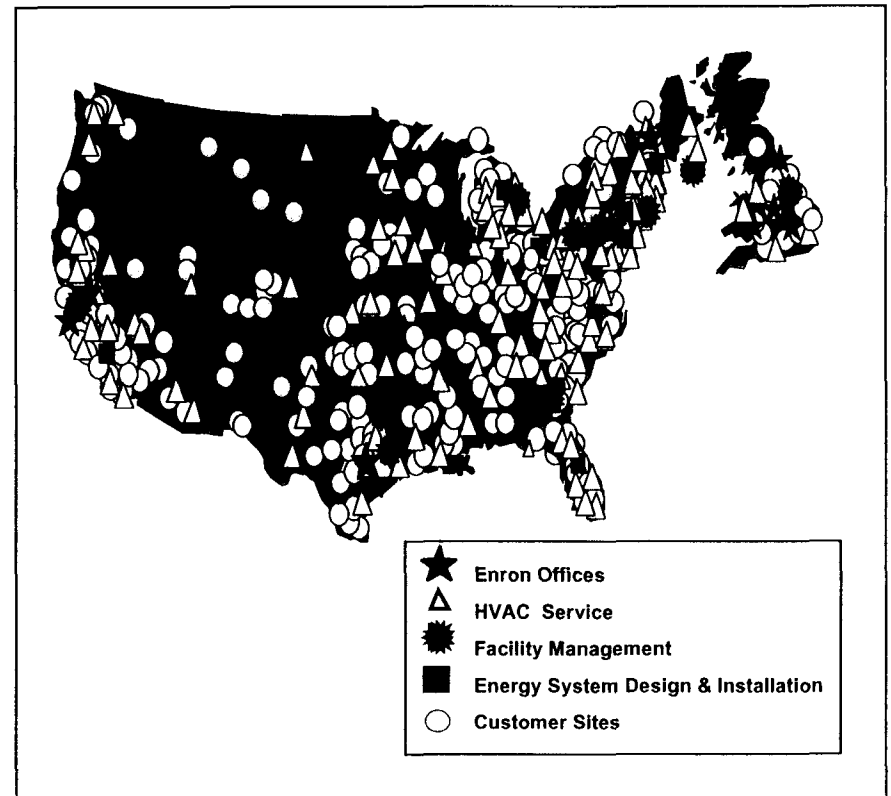


Retail Services – Divider Slide

- Divider Slide

Enron Energy Services

- **Leading Provider of Retail Energy Services in North America and Europe**
- **“Energy Awareness” Very High**
- **Penetrating New Markets With Proven, Standardized Products**
- **Achieving Significant Scale**
- **Rapidly Increasing Profitability**



Leading Provider of Retail Energy Services in North America and Europe

Enron Energy Services

- Enron Energy Services is the leading provider of energy services to end-use customers in the commercial and light industrial markets. We are the largest manager of energy assets in the world, and we offer customers expert commodity risk management. Enron remains the sole nationwide provider of these energy services in the U.S., while our domestic competitors are more regional in nature.
- Product awareness is at an all time high and getting higher. The fundamental market has changed. Our customers are experiencing volatility in their energy costs, and they are under budget pressure to contain these costs. This environment has further enhanced opportunities, as we are uniquely suited to help customers manage risks associated with increasingly volatile energy prices and energy usage.
- We are continuing to expand by penetrating new markets. We have expanded geographically, as reflected by our very successful U.K. activities. We have penetrated our markets more deeply by going further downstream into a given customer segment. We have rolled out proven, standardized products, which are enabling us to deliver more products in more markets and shorten our sales cycles.
- By offering more compelling, standardized products on a broader scale and moving down market and penetrating broad scaleable markets, EES will rapidly and quickly build on the existing, established business.

Background:

	Facilities Under Contract*	Sq. Ft. Under Contract	Value of Assets Controlled
1998	11,500	300 MM	\$1 Billion
1999	16,600	1 Billion	\$4 Billion
2000	28,800	2.8 Billion	\$8.5 Billion
Q1 01	31,300	3.1 Billion	\$9 Billion
Q201	35,700	3.5 Billion	\$9 Billion

* Averages 100,000 sq. ft. per site

	EES USA			EFS			EES UK	Total **
	Gas	Power	Total	w/o Linc	w/Linc	Total	ED	
	<i>including bundled deals</i>							
Number of Customers	16,650	1,025	17,675	1,000	20,000	21,000	168,045	206,720
No of Meters/Sites	29,658	21,777	51,435	14,564	34,000	48,564	180,000	279,999

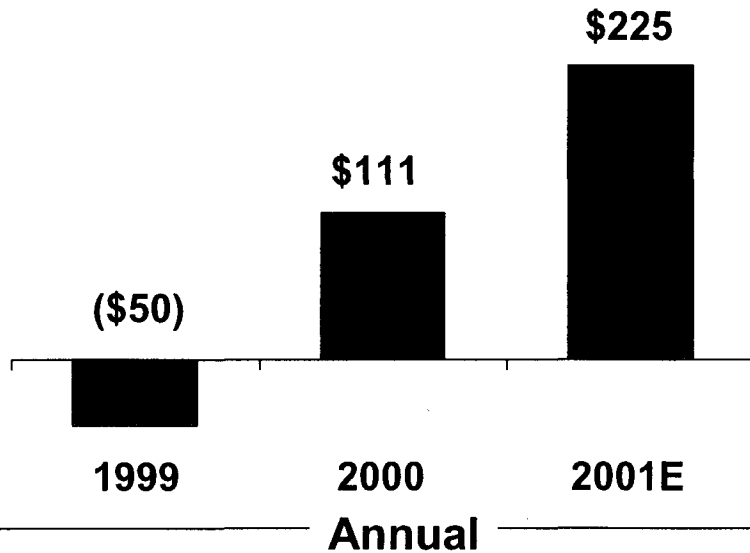
Note: The key difference from number of sites previously disclosed is the Enron Direct U.K. of 180,000.

** Excluding Canada and bundled deals in Europe

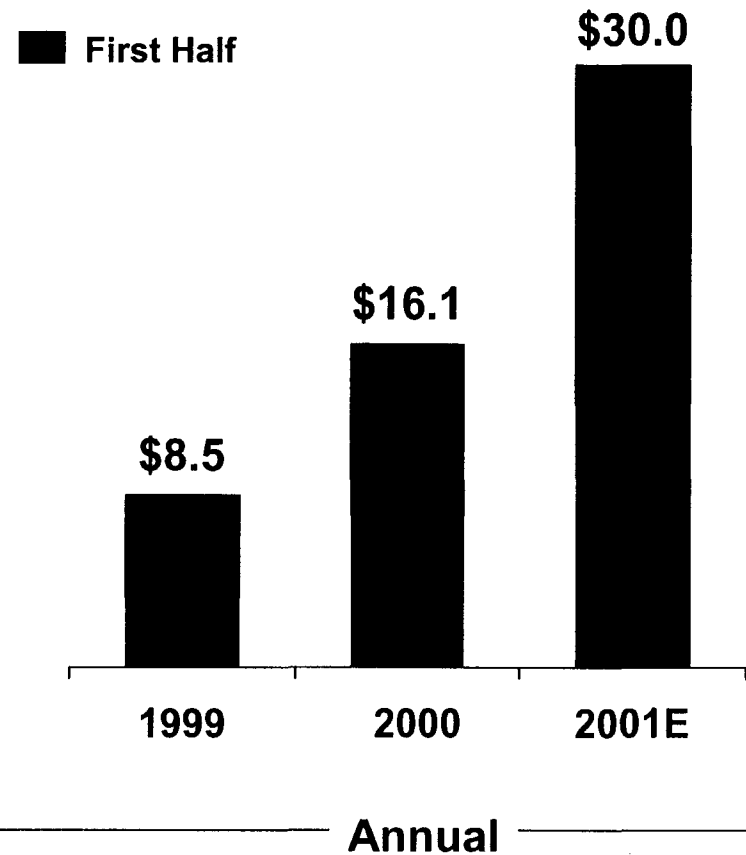
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Enron Energy Services Financial Highlights

Income Before Interest and Taxes
(in millions)



Total Contract Value
(in billions)



Reflects Customers Energy Expenditures Over Contract Life

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Enron Energy Services – Financial Highlights

Income Before Interest and Taxes

- We have seen consistent growth in revenues and have also experienced benefits of very strong operating leverage resulting strong earnings growth.

Total Contract Value

- Our contracting track record shows that the marketplace needs and demands comprehensive energy products and services.
- In the second quarter 2001, contracting totaled \$7.2 billion, which is almost 90% greater than the contracting achieved in the second quarter 2000 and over 4 times the level that we achieved two years ago in the second quarter of 1999.
- We are on target for full year contracting in 2001 of \$30 billion.

TCV has been an effective metric to reflect strong contracting results in EES' start-up phase, with over \$40 billion of contracts signed since inception.

Background:

	TCV (Billions)
1997	\$ -
1998	\$ 3.8
1999	\$ 8.5
2000	\$ 16.1
2001E	\$ 30.0

Qtr	TCV (Billions)
Q499	\$ 2.6
Q100	\$ 3.7
Q200	\$ 3.8
Q300	\$ 4.1
Q400	\$ 4.5
Q101	\$ 5.9
Q201	\$ 7.2

(IN MILLIONS of \$)			
1998	\$ TCV	1999	\$ TCV
UC/CSU	312	Owens Corning	1,359
Quebecor	280	Simon Properties	1,200
PacBell	260	Suiza	1,070
Kaiser	198	Tyco Healthcare	458
		Chase	450
		Arch of Chicago	247
		Polaroid	203
		Houston Astros	200
		General Cable	137
		Oceanspray	120
		Packaged Ice	115
		Lucent	113
2000	\$ TCV	Q1-2001	\$ TCV
Quebecor	>1000	Owens-Illinois	2,200
Starwood	>1000	Lilly	1,300
Chase	750	JCPenney	660
IBM	610	Quaker Oats	400
Springs	583	Saks	225
General GrowthProp	260		
	\$ TCV	Q2-2001	\$ TCV
Sonoco	210	Park Place	298
Macerich	189	Equity Office Prop	291
Owens-AGY	180	Home Depot	244
Prudential	180	Harrahs	208
Consumer Food Prod	150		
Glacier Sports	108		

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Customer Segments

>\$30 Million
Annual Energy Spend

Large National and Multi-National Companies with Multiple Facilities

Comprehensive, Packaged Energy and Facilities Management



\$10 - 30 Million
Annual Energy Spend

National and Regional Companies with Numerous Facilities

Gas, Power and Energy Management Services



<\$10 Million
Annual Energy Spend

Single-to-Multiple Site Businesses

Standardized Gas and Power Services



USA Canada UK

Customer Segments

Internally, we think of our target customers in three major segments:

- **Greater than \$30 million in total annual energy spend and less than 100 sites.** These are large companies with facilities across North America and Europe that require highly packaged and comprehensive agreements and service. (Potential number of customers: >400)

Examples of energy management agreements signed in this segment during the first half of 2001 are: Eli Lilly, Owens-Illinois, Harrah's and Quaker Oats.

- **Total annual energy spend between \$10 and \$30 million, and more than 100 sites.** This is much more of a component-based transaction with lower customization. (Potential number of customers: 1,000s)

Examples of contracts signed during the first six months of this year are: Equity Office, Home Depot, JC Penney, and Saks, Incorporated.

- **Less than \$10 million of total annual energy spend.** This segment is a component-based transaction with high standardization. (Potential number of customer: 10,000s).
 - Enron Direct in the U.K. has over 140,000 customers. We had great success in the U.S. during the most recent quarter with this customer base, including approximately 2,000 new agreements for energy services. We launched Enron Direct in Canada during the most recent quarter as well.

Background:

SEGMENT	TCV - YTD 6/30/01
Energy Outsourcing	\$3.8 million
Energy Portfolio Mgmt	\$3.8 million
Energy Direct (including U.K.)	<u>\$5.5 million</u>
	\$13.1 million

Conclusion

- Long-Term History of Excellent Performance
- Record First Half Results Demonstrate Enron's Strong Business Fundamentals
- Firmly Positioned For Continued Growth

Conclusion

- Work from slide.

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STATISTICS

SELECTED FINANCIAL DATA
Enron Corp. and Subsidiaries

(In Millions, Except Per Share Amounts)	1999					2000					2001		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Revenues, Net of Intercompany													
Transportation and Distribution													
Transportation Services	\$ 178	\$ 121	\$ 160	\$ 175	\$ 634	\$ 202	\$ 163	\$ 126	\$ 201	\$ 692	\$ 247	\$ 148	\$ 395
Portland General	299	296	407	377	1,379	397	382	663	608	2,050	686	787	1,473
Wholesale Services (1)	6,691	8,702	10,841	9,938	36,172	12,162	15,632	28,445	39,201	95,440	48,407	48,616	97,023
Retail Energy Services (1)	188	157	181	321	847	288	409	513	452	1,662	642	283	925
Broadband Services	-	-	-	-	-	59	151	135	63	408	85	15	100
Exploration and Production (2)	149	175	105	-	429	-	-	-	-	-	-	-	-
Corporate and Other	127	221	141	162	651	37	149	125	226	537	62	211	273
Total	\$ 7,632	\$ 9,672	\$ 11,835	\$ 10,973	\$ 40,112	\$ 13,145	\$ 16,886	\$ 30,007	\$ 40,751	\$ 100,789	\$ 50,129	\$ 50,060	\$ 100,189
Net Income													
Income (Loss) Before Interest, Minority Interests and Income Taxes													
Transportation and Distribution													
Transportation Services	\$ 126	\$ 72	\$ 85	\$ 97	\$ 380	\$ 128	\$ 77	\$ 83	\$ 103	\$ 391	\$ 133	\$ 77	\$ 210
Portland General	92	56	52	105	305	105	62	74	100	341	60	65	125
Wholesale Services (1)	328	363	375	233	1,299	429	415	630	778	2,252	755	802	1,557
Retail Energy Services (1)	(39)	(33)	(15)	37	(50)	6	46	27	32	111	40	60	100
Broadband Services	-	-	-	-	-	-	(8)	(20)	(32)	(60)	(35)	(102)	(137)
Exploration and Production (2)	12	20	33	-	65	-	-	-	-	-	-	-	-
Corporate and Other	14	(9)	(23)	1	(17)	(44)	17	(128)	(134)	(289)	(158)	(109)	(267)
IBIT - Recurring	533	469	507	473	1,982	624	609	666	847	2,746	795	793	1,588
Non-Recurring Items (See Analysis of Reported Earnings)	-	-	13	-	13	-	-	-	(264)	(264)	-	-	-
Total IBIT	533	469	520	473	1,995	624	609	666	583	2,482	795	793	1,588
Interest and Related Charges, net	175	175	187	119	656	161	196	247	234	838	201	215	416
Dividends on Company-Obligated Preferred Securities of Subsidiaries	19	19	19	19	76	18	21	20	18	77	18	18	36
Minority Interests	33	23	38	41	135	35	39	35	45	154	40	30	70
Income Tax Provision (Benefit)	53	30	(14)	35	104	72	64	72	226	434	130	126	256
Net Income Before Cumulative Changes	253	222	290	259	1,024	338	289	292	60	979	406	404	810
Cumulative Effect of Accounting Changes, net of tax	(131)	-	-	-	(131)	-	-	-	-	-	19	-	19
Net Income	122	222	290	259	893	338	289	292	60	979	425	404	829
Preferred Stock Dividend (3)	4	19	19	24	66	20	21	21	21	83	20	21	41
Earnings on Common Stock	\$ 118	\$ 203	\$ 271	\$ 235	\$ 827	\$ 318	\$ 268	\$ 271	\$ 39	\$ 896	\$ 405	\$ 383	\$ 788
Earnings Per Share (4)													
Basic	\$ 0.17	\$ 0.29	\$ 0.38	\$ 0.33	\$ 1.17	\$ 0.44	\$ 0.37	\$ 0.37	\$ 0.05	\$ 1.22	\$ 0.54	\$ 0.51	\$ 1.04
Diluted													
Recurring	\$ 0.34	\$ 0.27	\$ 0.27	\$ 0.31	\$ 1.18	\$ 0.40	\$ 0.34	\$ 0.34	\$ 0.41	\$ 1.47	\$ 0.47	\$ 0.45	\$ 0.92
Non-Recurring Items (See Analysis of Reported Earnings)	(0.18)	-	0.08	-	(0.08)	-	-	-	(0.36)	(0.35)	0.02	-	0.02
Reported	\$ 0.16	\$ 0.27	\$ 0.35	\$ 0.31	\$ 1.10	\$ 0.40	\$ 0.34	\$ 0.34	\$ 0.05	\$ 1.12	\$ 0.49	\$ 0.45	\$ 0.94
Depreciation, Depletion and Amortization													
Transportation and Distribution													
Transportation Services	\$ 17	\$ 17	\$ 18	\$ 14	\$ 66	\$ 16	\$ 17	\$ 16	\$ 18	\$ 67	\$ 17	\$ 17	\$ 34
Portland General	46	48	43	44	181	46	46	60	59	211	51	55	106
Wholesale Services	57	70	71	96	294	75	85	89	94	343	92	109	201
Retail Energy Services	6	4	9	10	29	9	9	10	10	38	9	10	19
Broadband Services	-	-	-	-	-	3	8	52	14	77	14	16	30
Exploration and Production (2)	82	89	42	-	213	-	-	-	-	-	-	-	-
Corporate and Other	7	8	42	30	87	23	27	29	40	119	30	33	63
Total	\$ 215	\$ 236	\$ 225	\$ 194	\$ 870	\$ 172	\$ 192	\$ 256	\$ 235	\$ 855	\$ 213	\$ 240	\$ 453

(1) Beginning in 2001, risk management activities associated with Enron's retail customers are managed by Wholesale Services. Prior period Wholesale Services and Retail Energy Services amounts have been restated.

(2) Reflects results of Enron Oil & Gas through August 16, 1999, the date of the share exchange transaction; following this date the results of the exploration and production operations in India and China are included in Wholesale Services.

(3) The Second Preferred Stock and the Series B Preferred Stock are both dilutive in the first three quarters of 2000 and both antidilutive in the fourth quarter. The Second Preferred Stock is dilutive for the year-to-date 2000, while the Series B Preferred Stock is antidilutive for the same period. The Second Preferred Stock and the Series B Preferred Stock are both dilutive in the first two quarters of 2001.

(4) Adjusted to reflect two-for-one common stock split effective August 13, 1999.

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ANALYSIS OF REPORTED EARNINGS
Enron Corp. and Subsidiaries

(In Millions, Except Per Share Amounts)	1999					2000					2001		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Diluted Earnings Per Share - Recurring (1)	\$ 0.34	\$ 0.27	\$ 0.27	\$ 0.31	\$ 1.18	\$ 0.40	\$ 0.34	\$ 0.34	\$ 0.41	\$ 1.47	\$ 0.47	\$ 0.45	\$ 0.92
Non-Recurring Earnings (Loss) Items Per Share (1)													
Charge to reflect impairment by Azurix of certain assets	-	-	-	-	-	-	-	-	(0.41)	(0.40)	-	-	-
Gain on The New Power Company, net	-	-	-	-	-	-	-	-	0.05	0.05	-	-	-
Gain on sale of subsidiary stock	-	-	0.44	-	0.45	-	-	-	-	-	-	-	-
Charge to reflect losses on impairment of MTBE assets	-	-	(0.36)	-	(0.36)	-	-	-	-	-	-	-	-
Cumulative effect of accounting changes (2)	(0.18)	-	-	-	(0.17)	-	-	-	-	-	0.02	-	0.02
Total Non-Recurring Earnings (Loss) Items Per Share	(0.18)	-	0.08	-	(0.08)	-	-	-	(0.36)	(0.35)	0.02	-	0.02
Reported Diluted Earnings Per Share	\$ 0.16	\$ 0.27	\$ 0.35	\$ 0.31	\$ 1.10	\$ 0.40	\$ 0.34	\$ 0.34	\$ 0.05	\$ 1.12	\$ 0.49	\$ 0.45	\$ 0.94
Average Number of Common Shares Used in Diluted Computation (1)(3)	744.6	771.1	781.1	779.1	769.0	851.9	862.2	869.6	787.7	813.9	871.6	891.1	881.5
Non-Recurring Earnings (Loss) Items - After tax (4)													
Charge to reflect impairment by Azurix of certain assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (326)	\$ (326)	\$ -	\$ -	\$ -
Gain on The New Power Company, net	-	-	-	-	-	-	-	-	39	39	-	-	-
Gains on sales of subsidiary stock	-	-	345	-	345	-	-	-	-	-	-	-	-
Charge to reflect losses on impairment of MTBE assets	-	-	(278)	-	(278)	-	-	-	-	-	-	-	-
Cumulative effect of accounting changes (2)	(131)	-	-	-	(131)	-	-	-	-	-	19	-	19
Total Non-Recurring Earnings (Loss) Items - After tax	\$ (131)	\$ -	\$ 67	\$ -	\$ (64)	\$ -	\$ -	\$ -	\$ (287)	\$ (287)	\$ 19	\$ -	\$ 19
Non-Recurring Earnings (Loss) Items - Pretax													
Charge to reflect impairment by Azurix of certain assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (326)	\$ (326)	\$ -	\$ -	\$ -
Gain on The New Power Company, net	-	-	-	-	-	-	-	-	62	62	-	-	-
Gains on sales of subsidiary stock	-	-	454	-	454	-	-	-	-	-	-	-	-
Charge to reflect losses on impairment of MTBE assets	-	-	(441)	-	(441)	-	-	-	-	-	-	-	-
Cumulative effect of accounting changes (2)	(200)	-	-	-	(200)	-	-	-	-	-	31	-	31
Total Non-Recurring Earnings (Loss) Items - Pretax	\$ (200)	\$ -	\$ 13	\$ -	\$ (187)	\$ -	\$ -	\$ -	\$ (264)	\$ (264)	\$ 31	\$ -	\$ 31

(1) Adjusted to reflect two-for-one common stock split effective August 13, 1999.

(2) 1999 primarily due to the adoption of an accounting pronouncement requiring that costs for all start-up activities and organization costs be expensed as incurred. 2001 due to the adoption of an accounting pronouncement requiring the measurement of all derivative instruments at fair value.

(3) In 2001, the average number of diluted shares outstanding reflect the impact of equity instruments indexed to Enron common stock. The equity instruments, which terminate beginning in 2003, were originated in conjunction with off-balance sheet structures.

(4) Except where a specific tax rate applied, assumes a 35% tax rate.

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CAPITAL STRUCTURE AND STATISTICS
Enron Corp. and Subsidiaries

(In Millions, Except Per Share Amounts)	1999					2000					2001	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr
Common Shares Outstanding (1)												
Average, Basic	683.4	708.0	714.1	715.3	705.3	722.5	733.4	741.2	747.8	736.2	751.5	757.3
Average, Diluted	744.6	771.1	781.1	779.1	769.0	851.9	862.2	869.6	787.7	813.9	871.6	891.1
End of Period, Diluted	764.4	779.0	781.1	783.2	783.2	861.3	858.3	872.3	791.1	824.5	874.2	900.8
Market Price Per Share (end of period) (1)	\$ 32.125	\$ 40.875	\$ 41.063	\$ 44.375	\$ 44.375	\$ 74.875	\$ 64.500	\$ 87.645	\$ 83.125	\$ 83.125	\$ 58.100	\$ 49.000
Dividends Per Share												
Cumulative Second Preferred Convertible Stock ("Series J") (2) (3) (4)	\$ 3.413	\$ 3.413	\$ 3.413	\$ 3.413	\$ 13.652	\$ 3.413	\$ 3.413	\$ 3.413	\$ 3.413	\$ 13.652	\$ 3.413	\$ 3.413
Junior Convertible Preferred Stock ("Series A") (5)	-	59.150	59.233	-	118.383	-	-	-	-	-	-	-
Junior Mandatorily Convertible Preferred Stock ("Series B") (4) (5)	-	-	4.333	65.000	69.333	65.000	65.000	65.000	65.000	260.000	65.000	65.000
Common Stock (1)	0.125	0.125	0.125	0.125	0.500	0.125	0.125	0.125	0.125	0.500	0.125	0.125
Company-Obligated Preferred Securities of Subsidiaries												
8% Cumulative Preferred ("Series C") (3)	0.500	0.500	0.500	0.500	2.000	0.500	0.500	0.500	0.500	2.000	0.500	0.500
9% Cumulative Preferred ("Series A") (3)	0.563	0.563	0.563	0.563	2.252	0.563	0.563	0.563	0.563	2.252	0.563	0.563
8.57% Cumulative Preferred	2,142.500	2,142.500	2,142.500	2,142.500	8,570.000	2,142.500	2,142.500	2,142.500	2,142.500	8,570.000	2,142.500	2,142.500
7.39% Cumulative Preferred	1,847.500	1,847.500	1,847.500	1,847.500	7,390.000	1,847.500	1,847.500	1,847.500	1,847.500	7,390.000	1,847.500	1,847.500
8.30% Trust Originated Preferred ("Series T") (3)	0.519	0.519	0.519	0.519	2.076	0.519	0.519	0.519	0.519	2.076	0.519	0.519
8.125% Trust Originated Preferred ("Series R") (3)	0.508	0.508	0.508	0.508	2.032	0.508	0.508	0.508	0.508	2.032	0.508	0.508
7.1% Cumulative Preferred	19.878	19.878	19.878	19.878	79.512	19.878	19.878	19.878	19.878	79.512	19.878	19.878
Adjustable Rate Trust Securities (6)	13.653	12.968	13.177	14.430	54.228	16.105	11.691	-	-	27.796	-	-
7.75% Cumulative Preferred	1.938	1.938	1.938	1.938	7.750	1.938	1.938	1.938	1.938	7.752	1.938	1.938
LNG Power II, L.L.C. Preference Units	-	-	-	-	-	-	18.125	18.125	18.125	54.375	18.125	18.125
Capital Structure												
Total Debt	\$ 9,419	\$ 8,979	\$ 8,592	\$ 8,152	\$ 8,152	\$ 10,172	\$ 11,697	\$ 13,781	\$ 10,229	\$ 10,229	\$ 11,922	\$ 12,812
Percent	44.1	41.5	41.4	38.5	38.5	43.7	46.3	49.5	40.9	40.9	44.2	46.0
Minority Interests	\$ 2,125	\$ 2,475	\$ 1,822	\$ 2,430	\$ 2,430	\$ 1,872	\$ 1,893	\$ 1,889	\$ 2,414	\$ 2,414	\$ 2,418	\$ 2,395
Percent	9.9	11.4	8.8	11.5	11.5	8.0	7.5	6.8	9.7	9.7	9.0	8.6
Company-Obligated Preferred Securities of Subsidiaries	\$ 1,001	\$ 1,001	\$ 1,001	\$ 1,000	\$ 1,000	\$ 1,099	\$ 899	\$ 904	\$ 904	\$ 904	\$ 904	\$ 903
Percent	4.7	4.6	4.8	4.7	4.7	4.7	3.6	3.2	3.6	3.6	3.3	3.2
Shareholders' Equity	\$ 8,824	\$ 9,206	\$ 9,345	\$ 9,570	\$ 9,570	\$ 10,140	\$ 10,769	\$ 11,276	\$ 11,470	\$ 11,470	\$ 11,727	\$ 11,740
Percent	41.3	42.5	45.0	45.3	45.3	43.6	42.6	40.5	45.8	45.8	43.5	42.2
PREFERRED STOCK	Annual Dividend Rate	Date Issued	Optional Call Date	Redemption Price		Authorized	Securities Original Issue	Outstanding at 6/30/2001				
Enron Corp. Second Preferred Stock ("Series J") (2) (3) (4)	\$ 13.65	8/83	8/93	\$ 100		1,370,000	2,396,455	1,162,649				
Enron Corp. Junior Mandatorily Convertible Preferred Stock ("Series B") (4) (5)	6.500%	9/99	n/a	4,000		250,000	250,000	250,000				
Preferred Securities of Subsidiary Companies												
Enron Capital L.L.C. ("Series C") (3)	8.000%	11/93	11/98	25		9,200,000	8,550,000	8,550,000				
Enron Capital Resources, L.P. ("Series A") (3)	9.000%	7/94	8/99	25		3,000,000	3,000,000	3,000,000				
Enron Equity Corp.	8.570%	12/94	12/99	100,000		880	880	880				
Enron Equity Corp.	7.390%	4/96	4/01	100,000		150	150	150				
Enron Capital Trust I ("Series T") (3)	8.300%	11/96	12/01	25		8,000,000	8,000,000	8,000,000				
Enron Capital Trust II ("Series R") (3)	8.125%	1/97	3/02	25		6,000,000	6,000,000	6,000,000				
Private Placement	7.100%	3/97	4/02	n/a (7)		20,000	20,000	20,000				
Enron Capital Trust III (6)	Variable	6/97	Variable	1,000		200,000	200,000	-				
Portland General Electric Company	7.750%	6/93	n/a	100		30,000,000	300,000	300,000				
LNG Power II, L.L.C. Preference Units	6.740% (8)	3/00	n/a	1,000		105,000	105,000	105,000				

(1) Adjusted to reflect two-for-one common stock split effective August 13, 1999.

(2) Each share is convertible into 27.304 shares of Enron common stock at the holder's option following the call by Enron in 1993 (adjusted for common stock split effective August 13, 1999). The dividend is equal to the higher of \$10.50 per share or the equivalent dividend that would be paid if the shares had been converted.

(3) Publicly traded on the New York Stock Exchange.

(4) The Second Preferred Stock and the Series B Preferred Stock are both dilutive in the first three quarters of 2000 and both antidilutive in the fourth quarter. The Second Preferred Stock is dilutive for the year-to-date 2000, while the Series B Preferred Stock is antidilutive for the same period. The Second Preferred Stock and the Series B Preferred Stock are both dilutive in the first two quarters of 2001.

(5) On September 24, 1999, one share of Series B Junior Mandatorily Convertible Preferred Stock was issued in exchange for each share of Series A Junior Voting Convertible Preferred Stock. Each share of Series B is mandatorily convertible into 200 shares of Enron common stock on January 15, 2003.

(6) Redeemed June 6, 2000.

(7) Redemption price varies based on original issue amounts.

(8) Initial rate is 6.74% increasing to 7.79%.

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CONSOLIDATED BALANCE SHEET
Enron Corp. and Subsidiaries

(In Millions)	1999				2000				2001	
	3/31	6/30	9/30	12/31	3/31	6/30	9/30	12/31	3/31	6/30
Current Assets										
Cash and cash equivalents	\$ 296	\$ 286	\$ 316	\$ 288	\$ 466	\$ 718	\$ 697	\$ 1,374	\$ 1,086	\$ 847
Trade and other receivables, net	3,534	3,522	3,851	3,548	4,352	6,269	7,675	12,270	11,310	12,581
Assets from price risk management activities	1,554	1,756	2,156	2,205	3,139	5,696	7,294	12,018	12,672	8,815
Inventories	458	557	613	598	437	571	1,942	953	650	913
Other	603	772	631	616	939	1,116	1,198	3,766	3,449	3,168
Total Current Assets	6,445	6,893	7,567	7,255	9,333	14,370	18,806	30,381	29,167	26,324
Investments and Other Assets										
Investments in and advances to unconsolidated equity affiliates	4,632	4,779	4,968	5,036	6,020	5,621	5,376	5,294	5,694	5,934
Assets from price risk management activities	2,271	2,364	3,052	2,929	3,428	5,228	7,367	8,988	9,998	9,023
Goodwill	2,690	2,696	2,636	2,799	2,905	3,408	3,646	3,638	3,609	3,527
Other	5,076	5,599	5,578	4,681	5,101	5,728	6,348	5,459	7,217	7,843
Total Investments and Other Assets	14,669	15,438	16,234	15,445	17,454	19,985	22,737	23,379	26,518	26,327
Property, Plant and Equipment, at cost	17,197	17,507	12,924	13,912	14,012	14,682	15,133	15,459	15,297	14,287
Less accumulated depreciation, depletion and amortization	5,612	5,691	3,149	3,231	3,315	3,471	3,680	3,716	3,722	3,546
Net Property, Plant and Equipment	11,585	11,816	9,775	10,681	10,697	11,211	11,453	11,743	11,575	10,741
Total Assets	\$ 32,699	\$ 34,147	\$ 33,576	\$ 33,381	\$ 37,484	\$ 45,566	\$ 52,996	\$ 65,503	\$ 67,260	\$ 63,392
Current Liabilities										
Accounts payable	\$ 2,694	\$ 2,603	\$ 2,281	\$ 2,154	\$ 2,914	\$ 4,400	\$ 5,390	\$ 9,777	\$ 8,686	\$ 9,646
Liabilities from price risk management activities	1,542	2,386	2,829	1,836	2,697	4,292	6,187	10,495	10,840	7,470
Short-term debt	-	-	-	1,001	1,884	1,486	3,117	1,679	2,159	3,457
Other	1,408	1,457	1,559	1,768	1,695	2,044	2,408	6,455	5,885	3,740
Total Current Liabilities	5,644	6,446	6,669	6,759	9,190	12,222	17,102	28,406	27,570	24,313
Long-term Debt	9,419	8,979	8,592	7,151	8,288	10,211	10,664	8,550	9,763	9,355
Deferred Credits and Other Liabilities										
Deferred income taxes	2,194	2,352	1,908	1,894	1,791	1,678	1,565	1,644	1,625	1,758
Liabilities from price risk management activities	1,852	2,068	2,521	2,990	3,510	5,525	7,314	9,423	10,472	10,062
Other	1,640	1,620	1,718	1,587	1,594	2,369	2,282	2,692	2,781	2,866
Total Deferred Credits and Other Liabilities	5,686	6,040	6,147	6,471	6,895	9,572	11,161	13,759	14,878	14,686
Minority Interests	2,125	2,475	1,822	2,430	1,872	1,893	1,889	2,414	2,418	2,395
Company-Obligated Preferred Securities of Subsidiaries	1,001	1,001	1,001	1,000	1,099	899	904	904	904	903
Shareholders' Equity										
Cumulative second preferred convertible stock	131	131	130	130	129	127	127	124	121	116
Junior voting convertible preferred stock	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Common stock	6,249	6,588	6,640	6,637	7,041	7,665	8,003	8,348	9,513	9,416
Retained earnings	2,256	2,369	2,537	2,698	2,922	3,101	3,277	3,226	3,525	3,827
Cumulative foreign currency translation adjustment	(711)	(760)	(853)	(741)	(756)	(861)	(958)	(1,048)	(1,193)	(1,606)
Common stock held in treasury	(50)	(1)	(1)	(49)	(16)	(84)	(18)	(32)	(1,082)	(861)
Restricted stock and other	(51)	(121)	(108)	(105)	(180)	(179)	(155)	(148)	(157)	(152)
Total Shareholders' Equity	8,824	9,206	9,345	9,570	10,140	10,769	11,276	11,470	11,727	11,740
Total Liabilities and Shareholders' Equity	\$ 32,699	\$ 34,147	\$ 33,576	\$ 33,381	\$ 37,484	\$ 45,566	\$ 52,996	\$ 65,503	\$ 67,260	\$ 63,392

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CONSOLIDATED STATEMENT OF CASH FLOWS

Enron Corp. and Subsidiaries

(In Millions)	YTD 1999				YTD 2000				YTD 2001	
	3/31	6/30	9/30	12/31	3/31	6/30	9/30	12/31	3/31	6/30
Cash Flows From Operating Activities										
Reconciliation of net income to net cash provided by (used in) operating activities										
Net income	\$ 122	\$ 344	\$ 634	\$ 893	\$ 338	\$ 627	\$ 919	\$ 979	\$ 425	\$ 829
Cumulative effect of accounting changes	131	131	131	131	-	-	-	-	(19)	(19)
Depreciation, depletion and amortization	215	451	676	870	172	364	620	855	213	453
Impairment of long-lived assets (including equity investments)	-	-	441	441	-	-	-	326	-	-
Deferred income taxes	2	(11)	(38)	21	30	31	22	207	113	188
Gains on sales of non-merchant assets	(12)	(12)	(461)	(541)	(18)	(90)	(135)	(146)	(32)	(50)
Changes in components of working capital	(556)	(909)	(1,072)	(1,000)	(313)	(524)	(188)	1,769	(599)	(3,142)
Net assets from price risk management activities	(518)	247	55	(395)	(52)	(799)	(952)	(763)	(270)	782
Merchant assets and investments:										
Realized gains and losses on sales	(22)	(161)	(252)	(756)	(31)	29	15	(104)	26	(64)
Proceeds from sales	26	561	708	2,217	199	553	683	1,838	135	479
Additions and unrealized gains	(135)	(829)	(657)	(827)	(517)	(1,095)	(1,414)	(1,295)	(74)	(154)
Other operating activities	87	150	(208)	174	(265)	357	530	1,113	(382)	(639)
Net Cash Provided by (Used in) Operating Activities	(660)	(38)	(43)	1,228	(457)	(547)	100	4,779	(464)	(1,337)
Cash Flows From Investing Activities										
Capital expenditures	(519)	(969)	(2,022)	(2,363)	(496)	(1,009)	(1,549)	(2,381)	(382)	(1,200)
Equity investments	(409)	(648)	(718)	(722)	(316)	(390)	(870)	(933)	(716)	(1,088)
Proceeds from sales of non-merchant assets	43	138	245	294	17	105	222	494	339	1,423
Acquisition of subsidiary stock	-	-	-	-	(485)	(485)	(485)	(485)	-	-
Business acquisitions, net of cash acquired	(38)	(40)	(213)	(311)	(144)	(358)	(773)	(777)	(33)	(34)
Other investing activities	(207)	(340)	(447)	(405)	(69)	(117)	(147)	(182)	(332)	(262)
Net Cash Used in Investing Activities	(1,130)	(1,859)	(3,155)	(3,507)	(1,493)	(2,254)	(3,602)	(4,264)	(1,124)	(1,161)
Cash Flows From Financing Activities										
Issuance of long-term debt	114	1,301	1,570	1,776	1,361	2,479	2,725	3,994	1,747	2,864
Repayment of long-term debt	(68)	(645)	(1,417)	(1,837)	(393)	(431)	(545)	(2,337)	(996)	(1,782)
Net increase (decrease) in short-term borrowings	1,119	128	2,038	1,565	962	1,301	1,694	(1,595)	799	1,169
Net issuance (redemption) of company-obligated preferred securities of subsidiaries	-	-	-	-	105	(95)	(95)	(96)	-	-
Issuance of common stock	839	889	889	852	179	264	182	307	119	185
Issuance of subsidiary equity	-	513	513	568	-	-	-	500	-	-
Dividends paid	(113)	(227)	(346)	(467)	(156)	(265)	(396)	(523)	(143)	(256)
Net (acquisition) disposition of treasury stock	119	181	223	139	70	(129)	354	327	(226)	(209)
Other financing activities	(35)	(68)	(67)	(140)	-	107	(8)	(6)	-	-
Net Cash Provided by Financing Activities	1,975	2,072	3,403	2,456	2,128	3,231	3,911	571	1,300	1,971
Increase (Decrease) in Cash and Equivalents	185	175	205	177	178	430	409	1,086	(288)	(527)
Cash and Cash Equivalents, Beginning of Period	111	111	111	111	288	288	288	288	1,374	1,374
Cash and Cash Equivalents, End of Period	\$ 296	\$ 286	\$ 316	\$ 288	\$ 466	\$ 718	\$ 697	\$ 1,374	\$ 1,086	\$ 847
Capital Expenditures										
Transportation and Distribution										
Transportation Services	\$ 25	\$ 50	\$ 66	\$ 120	\$ 10	\$ 2	\$ 33	\$ 71	\$ 60	\$ 73
Portland General	29	60	128	196	31	78	130	199	54	112
Wholesale Services	278	610	1,035	1,216	317	523	862	1,280	145	775
Retail Energy Services	22	34	49	64	17	30	40	70	12	29
Broadband Services	-	-	-	-	71	219	280	436	84	100
Exploration and Production	92	180	227	226	-	-	-	-	-	-
Corporate and Other	73	35	517	541	50	157	204	325	27	111
Total	\$ 519	\$ 969	\$ 2,022	\$ 2,363	\$ 496	\$ 1,009	\$ 1,549	\$ 2,381	\$ 382	\$ 1,200
Equity Investments										
Transportation and Distribution										
Transportation Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 3	\$ 6
Portland General	-	-	-	-	-	-	-	-	-	-
Wholesale Services	381	647	709	712	304	372	848	911	388	756
Retail Energy Services	-	-	-	-	-	-	-	-	-	-
Broadband Services	-	-	-	-	-	-	-	-	-	-
Exploration and Production	-	-	-	-	-	-	-	-	-	-
Corporate and Other	28	1	9	10	12	18	22	21	325	326
Total	\$ 409	\$ 648	\$ 718	\$ 722	\$ 316	\$ 390	\$ 870	\$ 933	\$ 716	\$ 1,088

SELECTED FINANCIAL AND OPERATING HIGHLIGHTS
Transportation and Distribution - Transportation Services

(In Millions, Except Where Noted)	1999					2000					2001		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Transportation Services													
Gross Margin	\$ 181	\$ 124	\$ 145	\$ 176	\$ 626	\$ 201	\$ 148	\$ 119	\$ 182	\$ 650	\$ 243	\$ 121	\$ 364
Operating Expenses	61	65	64	74	264	65	76	63	76	280	107	54	161
Depreciation and Amortization	17	17	18	14	66	16	17	16	18	67	17	17	34
Equity in Earnings of Unconsolidated Affiliates	8	8	14	8	38	7	10	28	18	63	14	16	30
Other, net	15	22	8	1	46	1	12	15	(3)	25	-	11	11
Reported Income Before Interest and Taxes	\$ 126	\$ 72	\$ 85	\$ 97	\$ 380	\$ 128	\$ 77	\$ 83	\$ 103	\$ 391	\$ 133	\$ 77	\$ 210
Northern Natural Gas (100% Owned)													
Transportation Revenues	\$ 140	\$ 87	\$ 86	\$ 137	\$ 450	\$ 164	\$ 69	\$ 77	\$ 136	\$ 446	\$ 170	\$ 76	\$ 246
Average Transportation Rate (per MMBtu)	\$ 0.35	\$ 0.27	\$ 0.27	\$ 0.40	\$ 0.32	\$ 0.44	\$ 0.23	\$ 0.28	\$ 0.40	\$ 0.34	\$ 0.50	\$ 0.29	\$ 0.42
Gas Transportation (BBtu/d)	4,464	3,553	3,525	3,738	3,820	4,147	3,237	3,009	3,728	3,529	3,750	2,908	3,327
Transwestern Pipeline (100% Owned)													
Transportation Revenues	\$ 35	\$ 35	\$ 36	\$ 36	\$ 142	\$ 36	\$ 36	\$ 39	\$ 40	\$ 151	\$ 41	\$ 45	\$ 86
Average Transportation Rate (per MMBtu)	\$ 0.28	\$ 0.27	\$ 0.25	\$ 0.27	\$ 0.27	\$ 0.24	\$ 0.25	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.26	\$ 0.25	\$ 0.26
Gas Transportation (BBtu/d)	1,393	1,419	1,575	1,460	1,462	1,566	1,606	1,746	1,715	1,657	1,744	1,973	1,859
Florida Gas Transmission (50% Owned)													
Transportation Revenues	\$ 75	\$ 76	\$ 78	\$ 76	\$ 305	\$ 76	\$ 77	\$ 78	\$ 77	\$ 308	\$ 80	\$ 87	\$ 167
Average Transportation Rate (per MMBtu)	\$ 0.68	\$ 0.54	\$ 0.47	\$ 0.54	\$ 0.56	\$ 0.54	\$ 0.53	\$ 0.51	\$ 0.66	\$ 0.56	\$ 0.72	\$ 0.61	\$ 0.66
Gas Transportation (BBtu/d)	1,225	1,546	1,659	1,538	1,495	1,563	1,591	1,649	1,270	1,501	1,234	1,574	1,404
Northern Border Pipeline (8% Owned)													
Transportation Revenues	\$ 74	\$ 73	\$ 74	\$ 78	\$ 299	\$ 76	\$ 77	\$ 78	\$ 79	\$ 310	\$ 77	\$ 77	\$ 154
Gas Transportation (BBtu/d)	2,388	2,405	2,419	2,406	2,405	2,464	2,429	2,420	2,460	2,443	2,490	2,303	2,396
Rate per 100 Dekatherm Miles	\$ 0.037	\$ 0.037	\$ 0.036	\$ 0.036	\$ 0.037	\$ 0.041	\$ 0.041	\$ 0.040	\$ 0.040	\$ 0.041	\$ 0.037	\$ 0.037	\$ 0.037

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SELECTED FINANCIAL AND OPERATING HIGHLIGHTS
Transportation and Distribution - Portland General Electric

(In Millions, Except Where Noted)	1999					2000					2001		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year
Revenues (Portland General Group)													
Residential	\$ 134	\$ 98	\$ 86	\$ 120	\$ 438	\$ 135	\$ 99	\$ 90	\$ 124	\$ 448	\$ 134	\$ 98	\$ 232
Commercial	89	86	96	96	367	92	92	102	102	388	94	90	184
Industrial	36	39	46	52	173	46	51	56	55	208	48	47	95
Accrued (Collected) Revenues	10	6	7	3	26	3	2	9	-	14	-	-	-
Retail Revenues	269	229	235	271	1,004	276	244	257	281	1,058	276	235	511
Wholesale	25	62	166	102	355	114	182	466	409	1,171	480	587	1,067
Other	5	5	6	4	20	7	5	6	9	27	11	9	20
Total Revenues	299	296	407	377	1,379	397	431	729	699	2,256	767	831	1,598
Purchased Power & Fuel	100	119	241	179	639	202	252	522	485	1,461	582	624	1,206
Operating Expenses	70	79	74	81	304	78	76	85	82	321	67	94	161
Depreciation & Amortization	46	48	43	44	181	46	46	60	59	211	51	55	106
Other Income (Expense)	9	6	3	32	50	34	5	12	27	78	(7)	7	-
Income Before Interest and Taxes	\$ 92	\$ 56	\$ 52	\$ 105	\$ 305	\$ 105	\$ 62	\$ 74	\$ 100	\$ 341	\$ 60	\$ 65	\$ 125
Operating Statistics (Portland General Electric)													
Retail Customers (End of Period, Thousands)	708	711	714	719	719	724	726	722	725	725	728	730	730
Electricity Sales (Thousand MWh)													
Residential	2,342	1,618	1,440	2,004	7,404	2,361	1,480	1,444	2,148	7,433	2,171	1,548	3,719
Commercial	1,816	1,746	1,951	1,879	7,392	1,872	1,769	1,964	1,922	7,527	1,820	1,785	3,605
Industrial	1,020	1,083	1,162	1,198	4,463	1,169	1,235	1,249	1,259	4,912	1,200	1,139	2,339
Total Retail	5,178	4,447	4,553	5,081	19,259	5,402	4,484	4,657	5,329	19,872	5,191	4,472	9,663
Wholesale	1,338	3,053	4,921	3,300	12,612	4,281	4,909	5,703	3,655	18,548	2,739	3,035	5,774
Total Sales	6,516	7,500	9,474	8,381	31,871	9,683	9,393	10,360	8,984	38,420	7,930	7,507	15,437
Average Billed Revenue (\$ per kWh)													
Residential	5.73	6.08	6.04	5.99	5.91	5.72	6.69	6.23	5.77	6.03	6.17	6.33	6.24
Commercial	4.91	4.92	4.87	5.12	4.97	4.91	5.20	5.19	5.31	5.15	5.16	5.04	5.10
Industrial	3.49	3.63	3.96	4.32	3.88	3.93	4.13	4.48	4.37	4.23	4.00	4.13	4.06
Total Retail	5.00	5.03	5.01	5.27	5.08	5.05	5.40	5.33	5.27	5.25	5.32	5.25	5.29
Wholesale	1.88	2.03	3.37	3.11	2.82	2.66	3.71	8.17	11.19	6.31	17.52	19.34	18.48
Total Sales	4.36	3.81	4.15	4.42	4.18	4.00	4.51	6.89	7.68	5.77	9.67	10.95	10.22
Resource Mix													
Coal	18%	12%	14%	16%	15%	13%	7%	9%	14%	11%	16%	12%	14%
Combustion Turbine	4%	6%	8%	14%	8%	10%	6%	14%	17%	12%	17%	17%	17%
Hydro	13%	10%	5%	8%	9%	8%	7%	4%	6%	6%	6%	7%	6%
Total Generation	35%	28%	27%	38%	32%	31%	20%	27%	37%	29%	39%	36%	37%
Firm Purchases	47%	61%	61%	56%	57%	62%	74%	63%	53%	63%	53%	58%	56%
Secondary Purchases	18%	11%	12%	6%	11%	7%	6%	10%	10%	8%	8%	6%	7%
Total Resources	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Average Variable Power Cost (Mills/kWh)													
Generation	8.0	8.7	10.1	11.5	11.3	12.1	14.5	15.1	16.0	14.5	24.0	19.6	22.2
Firm Purchases	16.7	16.8	30.3	25.0	23.2	23.3	25.0	50.1	43.0	34.9	91.2	111.7	101.6
Secondary Purchases	15.0	18.5	22.0	27.4	19.7	25.5	74.6	126.6	226.6	123.6	173.9	177.2	175.3
Total Average Variable Power Cost	15.0	15.5	24.7	20.7	20.0	20.8	26.9	48.8	52.1	37.2	71.9	83.6	77.6

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SELECTED FINANCIAL AND OPERATING HIGHLIGHTS

Wholesale Services (In Millions, Except Where Noted)						1999					2000					2001		
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year		1st Qtr	2nd Qtr	Year			
Income Before Interest, Minority Interests and Income Taxes																		
Commodity Sales and Services (1)	\$ 232	\$ 88	\$ 169	\$ 121	\$ 610	\$ 256	\$ 420	\$ 407	\$ 539	\$ 1,622	\$ 785	\$ 762	\$ 1,547					
Assets and Investments	136	325	240	149	850	220	55	305	309	889	59	134	193					
Unallocated Expenses	(40)	(50)	(34)	(37)	(161)	(47)	(60)	(82)	(70)	(259)	(89)	(94)	(183)					
Reported IBIT	\$ 328	\$ 363	\$ 375	\$ 233	\$ 1,299	\$ 429	\$ 415	\$ 630	\$ 778	\$ 2,252	\$ 755	\$ 802	\$ 1,557					
Physical Volumes (BBtue/d)																		
Gas:																		
North America	13,042	12,513	13,321	14,625	13,380	20,606	22,438	24,625	28,410	24,033	27,256	25,614	26,430					
Europe and Other	1,799	1,223	1,640	1,630	1,572	2,469	3,593	3,605	4,866	3,637	8,699	7,290	7,991					
Total Physical Sales Volumes	14,841	13,736	14,961	16,255	14,952	23,075	26,031	28,230	33,276	27,670	35,955	32,904	34,421					
Transportation Volumes	556	513	537	693	575	456	595	618	925	649	506	319	412					
Total Physical Gas Volumes	15,397	14,249	15,498	16,948	15,527	23,531	26,626	28,848	34,201	28,319	36,461	33,223	34,833					
Crude Oil and Liquids	4,284	8,822	4,699	6,824	6,160	6,134	5,048	5,754	7,406	6,088	6,836	10,054	8,454					
Electricity (2)	9,594	10,637	12,406	10,306	10,742	12,170	15,056	18,857	23,068	17,308	25,822	31,500	28,677					
Total Physical Volumes	29,275	33,708	32,603	34,078	32,429	41,835	46,730	53,459	64,675	51,715	69,119	74,777	71,964					
Electricity Volumes (Thousand MWh)																		
North America	85,962	94,966	111,336	88,254	380,518	102,903	124,089	162,963	188,832	578,787	196,064	213,948	410,012					
Europe and Other	384	1,833	2,795	6,564	11,576	7,844	12,912	10,525	23,389	54,670	36,338	72,704	109,042					
Transaction Volumes Marketed	86,346	96,799	114,131	94,818	392,094	110,747	137,001	173,488	212,221	633,457	232,402	286,652	519,054					
Financial Settlements (Notional)(BBtue/d)	95,151	82,699	109,351	109,872	99,337	141,865	152,627	212,174	276,865	196,148	302,694	258,443	280,447					

Retail Energy Services						1999					2000					2001		
(In Millions, Except Where Noted)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year					
Revenues (1)	\$ 181	\$ 161	\$ 202	\$ 332	\$ 876	\$ 314	\$ 420	\$ 535	\$ 497	\$ 1,766	\$ 693	\$ 557	\$ 1,250					
IBIT (recurring) (1)	\$ (39)	\$ (33)	\$ (15)	\$ 37	\$ (50)	\$ 6	\$ 46	\$ 27	\$ 32	\$ 111	\$ 40	\$ 60	\$ 100					
Total Contract Value (In Billions) (3)	\$ 1.7	\$ 1.7	\$ 2.5	\$ 2.6	\$ 8.5	\$ 3.7	\$ 3.8	\$ 4.1	\$ 4.5	\$ 16.1	\$ 5.9	\$ 7.2	\$ 13.1					

Broadband Services						1999					2000					2001		
(In Millions, Except Where Noted)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	Year					
Revenues	-	-	-	-	-	\$ 59	\$ 151	\$ 135	\$ 63	\$ 408	\$ 83	\$ 16	\$ 99					
IBIT	-	-	-	-	-	\$ -	\$ (8)	\$ (20)	\$ (32)	\$ (60)	\$ (35)	\$ (102)	\$ (137)					
Terabytes Delivered (4)	-	-	-	-	-	6,005	13,692	19,446	33,263	72,406	43,400	98,478	141,878					

(1) Beginning in 2001, risk management activities associated with Enron's retail customers are managed by Wholesale Services. Prior period Wholesale Services and Retail Energy Services amounts have been restated.

(2) Represents electricity volumes, converted to BBtue/d.

(3) Represents customers' estimated future expenditures related to new contracts.

(4) Unit of measurement for data delivered, equal to one trillion bytes.

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