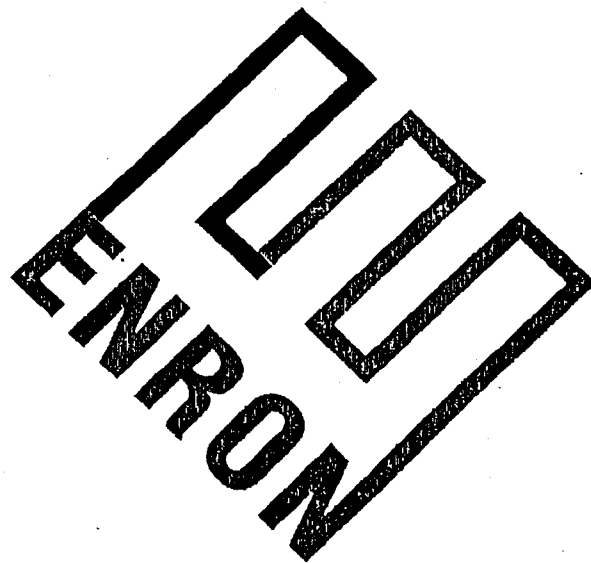


Enron Corp. 2nd Quarter 2001 Financial Review



July 19, 2001

EC 001943563



ENRON
EARNINGS RELEASE - EXTERNAL FORMAT
(Millions of Dollars, except as noted)

	Quarter Ended March 31			Quarter Ended June 30			Six Months Ended June 30		
	Plan	2001 Act	2000 Act	1st CE	2001 Act	2000 Act	1st CE	2001 Act	2000 Act
Transmission & Distribution									
Enron Transportation Services	\$ 131.8	\$ 133.3	\$ 127.9	\$ 76.7	\$ 77.0	\$ 77.3	\$ 210.0	\$ 210.3	\$ 205.2
Portland General	100.0	60.0	105.3	57.7	64.9	62.0	117.7	124.9	167.3
Total Transmission & Distribution	231.8	193.3	233.2	134.4	141.9	139.3	327.7	335.2	372.5
Wholesale Energy Operations & Services									
Americas	270.6	847.9	137.5	959.5	1,239.1	331.2	1,807.4	2,087.0	468.7
Europe	82.4	86.9	67.7	98.0	53.7	64.5	184.9	140.6	132.2
Global Markets	46.1	46.3	50.0	54.6	34.1	(3.5)	100.9	80.4	46.5
Industrial Markets	9.0	8.9	-	10.7	13.3	-	19.6	22.2	-
Nel Works	(3.6)	(3.6)	(14.2)	(3.8)	(5.2)	(7.8)	(7.4)	(8.8)	(22.0)
EEOS	9.2	8.1	3.4	(4.8)	0.5	19.3	3.3	8.6	22.7
Global Assets	91.1	47.9	67.5	41.7	41.7	54.3	89.6	89.6	121.8
Retail Risk Management	-	(230.4)	10.5	(600.0)	(495.8)	(22.4)	(830.4)	(726.2)	(111.9)
Other Wholesale	(0.8)	(57.3)	-	(19.6)	(55.1)	-	(76.9)	(112.4)	-
Subtotal	504.0	754.7	322.4	536.3	826.3	435.6	1,291.0	1,581.0	758.0
Global Finance	40.0	14.7	104.4	25.2	33.5	23.8	39.9	48.2	128.2
Global E&P	5.1	15.5	4.1	13.8	15.5	7.0	29.3	31.0	11.1
Prepays	(35.1)	(15.1)	(22.9)	(35.0)	(37.0)	(17.5)	(50.1)	(52.1)	(40.4)
Other	97.5	(15.0)	21.2	(39.2)	(35.8)	(34.4)	(54.2)	(50.8)	(113.2)
Total Wholesale Energy Ops. & Services	611.5	754.8	429.2	501.1	802.5	414.5	1,255.9	1,557.3	843.7
Enron Energy Services	52.4	39.6	6.0	48.0	59.8	45.7	88.6	99.4	51.7
Enron Broadband Services	(35.0)	(35.0)	(0.3)	(15.0)	(102.0)	(8.0)	(50.0)	(137.0)	-
Corporate and Other									
Azurix	(17.1)	(31.5)	(8.0)	(25.3)	(31.4)	(10.8)	(56.8)	(62.9)	(16.8)
Enron Renewable Energy Corp	(9.8)	(16.8)	11.9	12.9	7.5	13.4	(3.9)	(9.3)	25.3
Clean Fuels	(16.1)	(17.1)	(3.3)	2.7	10.7	9.0	(14.4)	(6.4)	5.7
Enron Investment Partners	(0.1)	(1.4)	(0.4)	(0.1)	(2.0)	(1.2)	(1.5)	(3.4)	(1.6)
Corporate & Other Expenses	(82.2)	(95.7)	(35.7)	(95.9)	(93.1)	(34.2)	(191.6)	(188.8)	(69.9)
Structured Transactions	4.0	4.8	6.8	4.2	(0.5)	42.4	9.0	4.3	49.2
Other	-	-	(17.4)	-	-	(1.7)	-	-	(19.1)
Total Corporate & Other	(121.3)	(157.7)	(44.1)	(101.5)	(108.8)	16.9	(259.2)	(266.5)	(27.2)
Overview	22.4	-	-	180.0	-	-	180.0	-	-
INCOME BEFORE INT., M.I. & INC. TAXES	761.8	795.0	624.0	748.0	793.4	608.4	1,543.0	1,588.4	1,232.4
Interest Expense, Net	193.2	201.0	161.1	201.2	215.0	195.5	402.2	416.0	356.6
Dividends on Preferred Stock of Subsidiaries	18.4	18.0	18.1	18.2	18.2	20.8	36.2	36.2	38.9
Minority Interest	23.8	40.0	35.0	40.4	29.5	38.8	80.4	69.5	74.8
PRE-TAX INCOME	526.4	538.0	409.8	488.2	530.7	353.3	1,024.2	1,066.7	763.1
Income Tax Expense	126.4	130.0	72.2	117.2	126.4	64.4	247.2	256.4	135.6
NET INCOME - RECURRING	\$ 400.0	\$ 408.0	\$ 337.6	\$ 371.0	\$ 404.3	\$ 288.9	\$ 777.0	\$ 810.3	\$ 627.5
DILUTED EPS									
Recurring	\$ 0.45	\$ 0.47	\$ 0.40	\$ 0.42	\$ 0.45	\$ 0.34	\$ 0.89	\$ 0.92	\$ 0.74
Non-recurring	-	0.02	-	-	-	-	0.02	0.02	-
TOTAL DILUTED EPS	\$ 0.45	\$ 0.49	\$ 0.40	\$ 0.42	\$ 0.45	\$ 0.34	\$ 0.91	\$ 0.94	\$ 0.74
Avg shares outstanding - Diluted	885.0	870.1	851.9	886.0	891.1	862.2	886.0	881.5	857.0
Effective Tax Rate - Recurring Earnings	24.0%	24.3%	17.6%	24.0%	23.8%	18.2%	24.1%	24.0%	17.9%

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EARNINGS RELEASE - EXTERNAL FORWARD
(Millions of Dollars, except as noted)

	Second Quarter			2000 Actual	01 vs 00 Growth
	1st CE	2001 Update	Actual		
Transmission & Distribution					
Enron Transportation Services	\$ 76.7	\$ 0.3	\$ 77.0	\$ 77.3	
Portland General	57.7	7.2	64.9	62.0	
Total Transmission & Distribution	134.4	7.5	141.9	139.3	2%
Wholesale Energy Operations & Services					
Americas	959.5	279.6	1,239.1	331.2	
Europe	98.0	(1.2)	96.8	64.5	
CATS/Margaux	-	(43.1)	(43.1)	-	
Global Markets	54.6	(20.5)	34.1	(3.5)	
Industrial Markets	10.7	2.6	13.3	-	
Net Works	(3.8)	(1.4)	(5.2)	(7.8)	
EEOS	(4.8)	5.3	0.5	19.3	
Global Assets	41.7	-	41.7	54.3	
Retail Risk Management	(800.0)	104.2	(495.8)	(22.4)	
Other Wholesale	(19.6)	(35.5)	(55.1)	-	
Subtotal	536.3	290.0	826.3	435.8	
Global Finance	25.2	8.3	33.5	23.8	
Global E&P	13.8	1.7	15.5	7.0	
Prepays	(35.0)	(2.0)	(37.0)	(17.5)	
Other	(39.2)	3.4	(35.8)	(34.4)	
Total Wholesale Energy Ops. & Services	501.1	301.4	802.5	414.5	94%
Enron Energy Services	49.0	10.8	59.8	45.7	31%
Enron Broadband Services	(15.0)	(87.0)	(102.0)	(8.0)	
Corporate and Other					
Azurix	(25.3)	(8.1)	(31.4)	(10.8)	
Enron Renewable Energy Corp	12.9	(5.4)	7.5	13.4	
Clean Fuels	2.7	8.0	10.7	9.0	
Enron Investment Partners	(0.1)	(1.9)	(2.0)	(1.2)	
Corporate & Other Expenses	(95.9)	2.8	(93.1)	(34.2)	
Structured Transactions	4.2	(4.7)	(0.5)	42.4	
Reclass from/to Wholesale	-	-	-	(1.7)	
Total Corporate & Other	(101.5)	(7.3)	(108.8)	16.9	
Overview	180.0	(180.0)	-	-	
INCOME BEFORE INT., M.I. & INC. TAXES	748.0	45.4	793.4	608.4	30%
Interest Expense, Net	201.2	13.8	215.0	195.5	10%
Dividends on Preferred Stock of Subsidiaries	18.2	-	18.2	20.8	
Minority Interest	40.4	(10.9)	29.5	38.8	
PRE-TAX INCOME	488.2	42.5	530.7	353.3	50%
Income Tax Expense	117.2	9.2	126.4	64.4	
NET INCOME - RECURRING	\$ 371.0	\$ 33.3	\$ 404.3	\$ 288.9	40%
DILUTED EPS					
Recurring	\$ 0.42	\$ 0.03	\$ 0.45	\$ 0.34	32%
Non-recurring	-	-	-	-	
TOTAL DILUTED EPS	\$ 0.42	\$ 0.03	\$ 0.45	\$ 0.34	
Avg shares outstanding - Diluted	886.0	-	891.1	862.2	
Effective Tax Rate - Recurring Earnings	24.0%	-	23.8%	18.2%	

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ENRON
EARNINGS RELEASE - EXTERNAL FORMAT
(MMons of Dollars, except as noted)

	Quarter Ended March 31			Quarter Ended June 30			Six Months Ended June 30		
	Plan	2001 Act	2000 Act	1st CE	2001 Act	2000 Act	1st CE	2001 Act	2000 Act
Transmission & Distribution									
Enron Transportation Services	\$ 131.8	\$ 133.3	\$ 127.9	\$ 76.7	\$ 77.0	\$ 77.3	\$ 210.0	\$ 210.3	\$ 205.2
Portland General	100.0	60.0	105.3	57.7	64.9	62.0	117.7	124.9	167.3
Total Transmission & Distribution	231.8	183.3	233.2	134.4	141.9	139.3	327.7	335.2	372.5
Wholesale Energy Operations & Services									
Americas	270.6	847.9	137.5	959.5	1,239.1	331.2	1,807.4	2,087.0	468.7
Europe	82.4	99.0	67.7	98.0	96.8	64.5	197.0	195.8	132.2
CATS/Margaux	-	(12.1)	-	-	(43.1)	-	(12.1)	(55.2)	-
Global Markets	46.1	46.3	50.0	54.6	34.1	(3.5)	100.9	80.4	46.5
Industrial Markets	9.0	8.9	-	10.7	13.3	-	19.6	22.2	-
Net Works	(3.6)	(3.6)	(14.2)	(3.8)	(5.2)	(7.8)	(7.4)	(8.8)	(22.0)
EEOS	9.2	8.1	3.4	(4.6)	0.5	19.3	3.3	8.6	22.7
Global Assets	91.1	47.9	67.5	41.7	41.7	54.3	89.6	89.6	121.8
Retail Risk Management	-	(230.4)	10.5	(600.0)	(495.8)	(22.4)	(830.4)	(726.2)	(11.9)
Other Wholesale	(0.8)	(57.3)	-	(19.6)	(55.1)	-	(76.9)	(112.4)	-
Subtotal	504.0	754.7	322.4	536.3	826.3	435.6	1,291.0	1,581.0	758.0
Global Finance	40.0	14.7	104.4	25.2	33.5	23.8	39.9	48.2	128.2
Global E&P	5.1	15.5	4.1	13.8	15.5	7.0	29.3	31.0	11.1
Prepays	(35.1)	(15.1)	(22.9)	(35.0)	(37.0)	(17.5)	(50.1)	(52.1)	(40.4)
Other	97.5	(15.0)	21.2	(39.2)	(35.8)	(34.4)	(54.2)	(50.8)	(13.2)
Total Wholesale Energy Ops. & Services	611.5	754.8	429.2	501.1	802.5	414.5	1,255.9	1,557.3	843.7
Enron Energy Services	52.4	39.8	6.0	49.0	59.8	45.7	88.6	99.4	51.7
Enron Broadband Services	(35.0)	(35.0)	(0.3)	(15.0)	(102.0)	(8.0)	(50.0)	(137.0)	(8.3)
Corporate and Other									
Azurix	(17.1)	(31.5)	(6.0)	(25.3)	(31.4)	(10.8)	(56.8)	(62.9)	(16.8)
Enron Renewable Energy Corp	(9.8)	(16.8)	11.9	12.9	7.5	13.4	(3.9)	(9.3)	25.3
Clean Fuels	(16.1)	(17.1)	(3.3)	2.7	10.7	9.0	(14.4)	(6.4)	5.7
Enron Investment Partners	(0.1)	(1.4)	(0.4)	(0.1)	(2.0)	(1.2)	(1.5)	(3.4)	(1.6)
Corporate & Other Expenses	(82.2)	(95.7)	(35.7)	(95.9)	(93.1)	(34.2)	(191.6)	(188.8)	(69.9)
Structured Transactions	4.0	4.8	6.8	4.2	(0.5)	42.4	9.0	4.3	49.2
Other	-	-	(17.4)	-	-	(1.7)	-	-	(19.1)
Total Corporate & Other	(121.3)	(157.7)	(44.1)	(101.5)	(108.8)	16.9	(259.2)	(266.5)	(27.2)
Overview	22.4	-	-	180.0	-	-	180.0	-	-
INCOME BEFORE INT., M.I. & INC. TAXES	761.8	795.0	624.0	748.0	783.4	608.4	1,543.0	1,588.4	1,232.4
Interest Expense, Net	193.2	201.0	161.1	201.2	215.0	195.5	402.2	416.0	356.6
Dividends on Preferred Stock of Subsidiaries	18.4	18.0	18.1	18.2	18.2	20.8	36.2	36.2	36.9
Minority Interest	23.8	40.0	35.0	40.4	29.5	38.8	80.4	69.5	73.8
PRE-TAX INCOME	526.4	536.0	409.8	488.2	530.7	353.3	1,024.2	1,066.7	763.1
Income Tax Expense	126.4	130.0	72.2	117.2	126.4	64.4	247.2	256.4	135.6
NET INCOME - RECURRING	\$ 400.0	\$ 406.0	\$ 337.6	\$ 371.0	\$ 404.3	\$ 288.9	\$ 777.0	\$ 810.3	\$ 627.5
DILUTED EPS									
Recurring	\$ 0.45	\$ 0.47	\$ 0.40	\$ 0.42	\$ 0.45	\$ 0.34	\$ 0.89	\$ 0.92	\$ 0.74
Non-recurring	-	0.02	-	-	-	-	0.02	0.02	-
TOTAL DILUTED EPS	\$ 0.45	\$ 0.49	\$ 0.40	\$ 0.42	\$ 0.45	\$ 0.34	\$ 0.91	\$ 0.94	\$ 0.74
Avg shares outstanding - Diluted	885.0	870.1	851.9	886.0	891.1	862.2	885.0	881.5	857.0
Effective Tax Rate - Recurring Earnings	24.0%	24.3%	17.6%	24.0%	23.8%	18.2%	24.1%	24.0%	17.9%

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