

ENRON CORP.

Table 1 - Earnings Summary

(Unaudited: in millions, except per share data)

	Quarter Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Revenues	\$ 47,613	\$ 30,007	\$ 139,692	\$ 60,038
Cost of Sales	45,713	28,280	133,735	55,480
Operating Expenses	910	929	3,106	2,705
Depreciation and Amortization	229	256	682	620
Equity in Earnings (Losses)	(51)	46	(67)	365
Other, net	63	78	259	301
IBIT	\$ 773	\$ 666	\$ 2,361	\$ 1,899
Interest and Related Charges, net	201	247	617	604
Dividends on Preferred Securities	21	20	57	59
Minority Interests	33	35	103	109
Income Tax Expense	125	72	381	208
Net Income Excluding Non-recurring Items	\$ 393	\$ 292	\$ 1,203	\$ 919
Non-recurring Items Relating to:				
Azurix	(287)	-	(287)	-
Broadband Services	(180)	-	(180)	-
Investing Activities (a)	(544)	-	(544)	-
Cumulative Effect of Accounting Changes	-	-	19	-
Net Income (Loss)	\$ (618)	\$ 292	\$ 211	\$ 919
Preferred Dividends (b):				
Second Preferred Stock	4	5	12	13
Series B Preferred Stock	16	16	49	49
Earnings (Loss) on Common Stock	\$ (638)	\$ 271	\$ 150	\$ 857
Earnings (Loss) Per Share (Diluted):				
EPS Excluding Non-recurring Charges	\$ 0.43	\$ 0.34	\$ 1.35	\$ 1.07
Non-recurring Items	(1.11)	-	(1.11)	-
Effect of Anti-dilution	(0.16)	-	(0.05)	-
EPS (Diluted) (c)	\$ (0.84)	\$ 0.34	\$ 0.19	\$ 1.07
Average Shares Outstanding (Diluted) (c)	761	870	810	861

- (a) The amount also reflects costs associated with Enron's termination of certain structured finance arrangements with a previously disclosed entity.
- (b) The Second Preferred Stock and the Series B Preferred Stock are both anti-dilutive in the third quarter of 2001 and the nine-months ended September 30, 2001. The Second Preferred Stock and the Series B Preferred Stock are both dilutive in the third quarter of 2000 and the nine-months ended September 2000.
- (c) The conversions of preferred shares and equity instruments to common shares for purposes of the diluted earnings per share calculation were anti-dilutive. However, in order to present comparable results, per share amounts for each earnings component were calculated after considering conversion. The total average number of shares used to calculate each component of earnings per share was 913 million and 892 million for the third quarter and nine months of 2001, respectively.

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Table 2a - Business Highlights - Wholesale Services

(Unaudited: dollars in millions)

Wholesale Services	Quarter Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Total Wholesale Services				
IBIT	\$ 754	\$ 589	\$ 2,180	\$ 1,336
Total Physical Volumes (Bbtue/d) (a)	88,220	53,459	77,441	47,362
Americas				
Revenues	\$ 29,519	\$ 21,655	\$ 85,888	\$ 41,467
Cost of Sales	28,554	20,987	83,130	39,812
Operating Expenses	142	106	624	746
Depreciation and Amortization	53	24	132	73
Equity in Earnings (Losses)	(67)	21	(127)	232
Other, net	(2)	(23)	(4)	3
IBIT	\$ 701	\$ 536	\$ 1,871	\$ 1,071
Physical Volumes (Bbtue/d):				
Gas	26,659	25,253	26,787	23,152
Power	31,507	17,777	25,642	14,287
Total	58,166	43,030	52,429	37,439
 Power (Thousand MWh)	 289,853	 163,556	 700,007	 391,459
Europe and Other Commodity Markets				
Revenues	\$ 16,447	\$ 7,168	\$ 48,520	\$ 15,161
Cost of Sales	16,139	6,917	47,501	14,475
Operating Expenses	217	194	682	400
Depreciation and Amortization	22	16	66	51
Equity in Earnings (Losses)	(6)	(9)	10	3
Other, net	(10)	21	28	27
IBIT	\$ 53	\$ 53	\$ 309	\$ 265
Physical Volumes (Bbtue/d):				
Gas	9,338	3,595	8,438	3,192
Power	11,306	1,080	7,798	1,086
Total	20,644	4,675	16,236	4,278
 Power (Thousand MWh)	 104,006	 9,932	 212,906	 29,777
Physical Volumes:				
Crude Oil and Liquids (MM Bbl)	157	105	434	300
Coal (thousand tons)	24,953	9,942	70,392	28,643
Weather (notional value \$MM)	304	164	779	512
LNG (Bbtue)	8,874	-	17,664	-
Metals (thousand tons)	2,362	969	6,904	2,946
Forest Products (thousand tons)	899	101	2,094	182
Steel (thousand tons)	648	-	887	-

(a) This amount Includes total physical gas, power and crude oil and liquids for Americas and Europe and Other Commodity Markets.

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Table 2b - Business Highlights - Transportation and Distribution

(Unaudited: dollars in millions)

Transportation and Distribution	Quarter Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Total Transportation and Distribution				
IBIT	\$ <u>87</u>	\$ <u>176</u>	\$ <u>415</u>	\$ <u>654</u>
Natural Gas Pipelines				
Net Revenues	\$ 136	\$ 132	\$ 500	\$ 499
Operating Expenses	75	74	236	232
Depreciation and Amortization	17	17	51	50
Equity in Earnings	19	28	49	45
Other, net	22	14	33	27
IBIT	\$ <u>85</u>	\$ <u>83</u>	\$ <u>295</u>	\$ <u>289</u>
Total Volumes Transported (BBtu/d) (a)				
Northern Natural Gas	2,770	3,009	3,139	3,464
Transwestern Pipeline	1,823	1,746	1,847	1,639
Florida Gas Transmission	1,927	1,649	1,578	1,601
Northern Border Pipeline	2,295	2,420	2,362	2,438
Portland General				
Revenues	\$ 905	\$ 729	\$ 2,503	\$ 1,557
Purchased Power and Fuel	823	522	2,029	976
Operating Expenses	68	85	229	239
Depreciation and Amortization	32	59	138	152
Other, net	1	11	1	51
IBIT	\$ <u>(17)</u>	\$ <u>74</u>	\$ <u>108</u>	\$ <u>241</u>
Electricity Sales (Thousand MWh)				
Residential	1,432	1,444	5,151	5,285
Commercial	1,870	1,964	5,475	5,605
Industrial	1,207	1,249	3,546	3,653
Total Retail	4,509	4,657	14,172	14,543
Wholesale	4,062	5,703	9,836	14,893
Total Sales	8,571	10,360	24,008	29,436
Global Assets				
Revenues	\$ 424	\$ 382	\$ 1,134	\$ 1,125
Cost of Sales	286	221	719	646
Operating Expenses	107	132	352	370
Depreciation and Amortization	46	50	134	134
Equity in Earnings	25	23	48	120
Other, net	9	17	35	29
IBIT	\$ <u>19</u>	\$ <u>19</u>	\$ <u>12</u>	\$ <u>124</u>

(a) Reflects 100% of each entity's throughput volumes.

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**Table 2c - Business Highlights - Retail Services, Broadband Services
and Corporate and Other**

(Unaudited: dollars in millions)

	Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2001	2000	2001	2000
Retail Services				
Revenues (a)	\$ 501	\$ 535	\$ 1,751	\$ 1,269
Cost of Sales	261	406	1,084	932
Operating Expenses	142	115	474	284
Depreciation and Amortization	10	10	29	28
Equity in Earnings (Losses)	(17)	(15)	(45)	(38)
Other, net	-	38	52	92
IBIT (a)	\$ 71	\$ 27	\$ 171	\$ 79
Broadband Services				
Revenues	\$ 4	\$ 162	\$ 103	\$ 345
Cost of Sales	8	8	59	64
Operating Expenses	58	123	213	249
Depreciation and Amortization	19	52	49	63
Equity in Earnings (Losses)	(4)	(1)	(1)	1
Other, net	5	2	2	2
IBIT	\$ (80)	\$ (20)	\$ (217)	\$ (28)
Corporate and Other				
IBIT	\$ (59)	\$ (106)	\$ (188)	\$ (141)

(a) Beginning in 2001, risk management activities associated with Enron's North American retail customers are managed by Wholesale Services. Prior to the restatement, Retail Energy Services' reported revenues and recurring IBIT were \$1,476 million and \$30 million, respectively, for the third quarter of 2000 and \$4,615 million and \$103 million, respectively, for the full year 2000. Restated full year 2000 revenues and recurring IBIT were \$1,766 million and \$111 million, respectively.

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