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News Release

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ENRON REITERATES CONFIDENCE IN OPERATIONS AND EARNINGS OUTLOOK

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HOUSTON -- Enron reiterated today strong confidence in its earnings outlook.

"Our business continues to be extremely strong. Interest in our energy delivery and energy management capabilities has never been higher," said Jeffrey K. Skilling, Enron president and CEO. "Having reviewed the recent FERC action on price controls in the western U.S., we remain very confident that we will meet the market's consensus recurring earnings estimates of \$0.42 and \$1.79 per share, respectively, for both the second quarter and full year 2001."

"We're hopeful this action allows FERC to now concentrate on the vitally important task of opening the nation's electricity grid so that power can move from where it's plentiful to where it's needed," Skilling said.

Enron is one of the world's leading electricity, natural gas and communications companies. The company, with revenues of \$101 billion in 2000, markets electricity and natural gas, delivers physical commodities and financial and risk management services to customers around the world, and has developed an intelligent network platform to facilitate online business. *Fortune* magazine has named Enron "America's Most Innovative Company" for six consecutive years. Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

This press release 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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