

Enron Corp
Impact of Stock Price on Fully Dilutive Shares
3rd Quarter, 2001

(Shares in Thousands)

Stock Price Assumptions for Dilutive Shares			
Average Stock Price for Period	\$35.00	\$40.01	\$45.00

Used for Employee Options, EOG Options and Forward Contracts

Basic Shares Outstanding	<u>761,344</u>	<u>761,544</u>	<u>761,564</u>	Includes 12 million related to Raptor settled on September 28th
Dilutive Shares				
Convertible Preferred Stock - Series J	31,830	31,830	31,830	Estimated shares outstanding at Sept 30th of 1.159 million shares at a fixed conversion rate of 27.304. Dividend rate currently on an "if converted" into common shares basis. Held primarily by Belfer and Rubin families
Mand. Conv Jr Pref Stock - Series B	50,000	50,000	50,000	250,000 shares outstanding at a fixed conversion rate of 200. Face value of \$1.0 billion and a cash dividend of 6.50%. Shares held by Whitewing. Value of the stock has been hedged by a share settled swap between Enron & Whitewing which is accounted for on a MTM basis. Trigger events include: falling below investment grade AND stock falling below \$59.78
Raptor - Waterfall	18,013	17,887	16,568	Settled on September 28th
Raptor - Collars	37,530	28,822	21,894	Settled on September 28th
Employee Options	9,174	11,823	14,272	43.3 Million Options in the money at a \$40.01 market price, average strike price of \$28.72
Options Issued to EOG Resources	2,817	3,288	3,813	Similar to 'Employee Options', held by BofA; 6.4 Million Options at \$19.59 (will not be separately disclosed)
Forward Contracts	13,424	10,159	7,711	At Quarter-end 18.8 million shares at an average price of \$50.00
Total Shares	<u>924,152</u>	<u>914,751</u>	<u>907,952</u>	
Potential Items				
Marin Water Trust				Total of \$920 million of Senior Notes. Dilution would probably not be included as this is more of a guarantee like structure, and Enron is meeting all contingencies. Trigger events include: falling below investment grade AND stock falling below \$34.13
Whitewing Put (MTM Swap)				Put option on 50 million shares at \$48.55. Value of Put and Series B Preferred Stock support debt of \$2.4 Billion. As discussed above, this put is recorded on a MTM basis and Enron's earnings exposure will be determined on the allocation of income within Whitewing
Zero-Coupon Bond				Initial Conversion Price is \$113.83 per share.

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Guarantee of AEL financing

Shares are not financed by Marin Water Trust. Finance per common not all

→ could buy this out

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