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Sent by: Enron  
Announcements@EN  
RON

Worldwide

To: All Enron

cc:  
Subject:  
Organizational

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changes

We are pleased to announce the following organizational changes:

### **Enron Global Assets and Services**

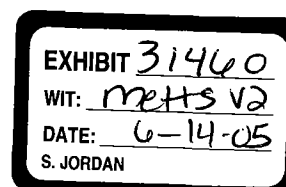
In order to increase senior management focus on our international businesses, we are creating a new business unit, Enron Global Assets and Services (EGAS). EGAS will be led by Kevin Hannon, Chief Executive Officer, and Jim Hughes, Chief Operating Officer. Kevin will report to the Enron Corp. Office of the Chairman. With the exception of the Wessex Water Company (which will remain in the Enron Transportation Services organization) and Enron India (discussed below), EGAS will include all of the assets and activities of the former Enron Global Assets group and the Azurix organization. EGAS will include Enron's assets and merchant activities in South America. In order to ensure continuity in the management of our South American merchant business, John Lavorato will remain responsible for those merchant activities. John will report to Kevin Hannon with respect to the South American merchant business, and will continue to report to the Enron Wholesale Services Office of the Chairman for all other activities in his role as Chief Executive Officer of Enron Americas.

### **Enron India**

Enron's significant interests in India are commanding increased attention from Enron's senior management. We are pleased to announce that Rebecca McDonald will focus exclusively on Enron's business in India, as Chief Executive Officer of Enron India, reporting to the Enron Corp. Office of the Chairman.

### **Enron Broadband Services**

With Kevin's departure from Enron Broadband Services (EBS), we are also making a number of changes in the EBS organization. Jim Fallon will now be President and Chief Operating Officer of EBS. Paul Racicot, Marcello Romano and Fred Cohagan will maintain their EBS risk



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management activities within their respective regions. Dave Cox will continue as Chief Commercial Officer of EBS and will also join Ken Rice and Jim Fallon in the EBS Office of the Chairman. Finally, Rick Fehl will continue as Vice President of Network Engineering and Chief Network Officer but will now report to the EBS Office of the Chairman.

### **Enron Principal Investments**

In order to better develop and manage equity investment opportunities related to Enron's core businesses, we are combining the existing investment groups in ENA, EBS, Enron Investment Partners and the Enron Special Asset Group into a single unit, Enron Principal Investments. Enron Principal Investments will work with all Enron business units to identify, execute, and manage equity investments that leverage Enron's unique and proprietary knowledge. These investments may be in the form of venture capital, leveraged buy-outs, traditional private equity and distressed debt positions. This new business unit will be headed by Kevin Garland, Managing Director, and will report to an investment committee consisting of Dave Delainey, Ken Rice, and Greg Whalley.

### **Enron Corporate Development**

In order to improve coordination of Enron's corporate development activities, we are consolidating these activities under Andy Fastow, Executive Vice President and Chief Financial Officer. Jeff Donahue, Managing Director of Corporate Development for EBS will now head Corporate Development across Enron. Corporate Development leaders in the business units will have a dual reporting relationship to their business units and to Jeff.

One of Enron's most compelling challenges is the sale of certain assets or businesses that are no longer core operations. Mark Metts, Executive Vice President of Enron Corp., will head up a new Special Projects group to specifically focus on the completion of some of these more challenging transactions.

Please join us in congratulating all of these individuals on their new responsibilities.