Enron Broadband Services

Executive Management Summary

March 26, 2001

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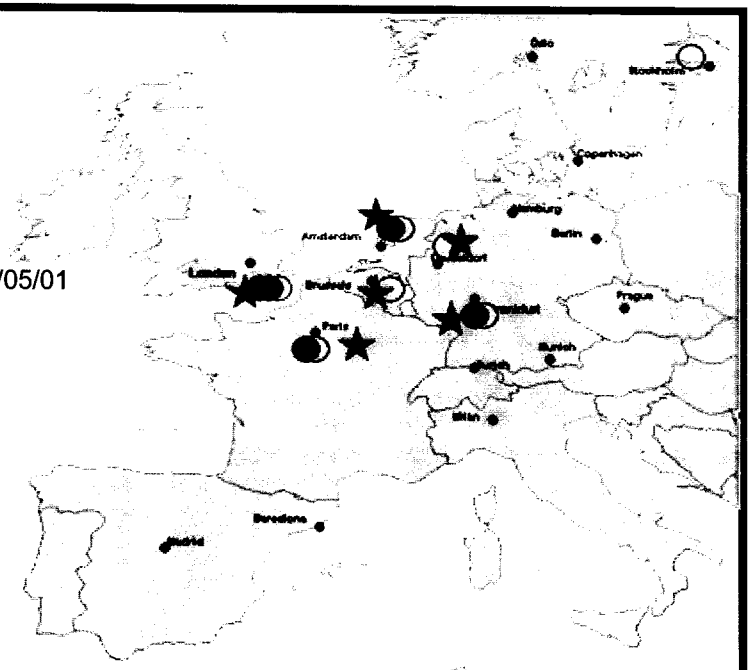
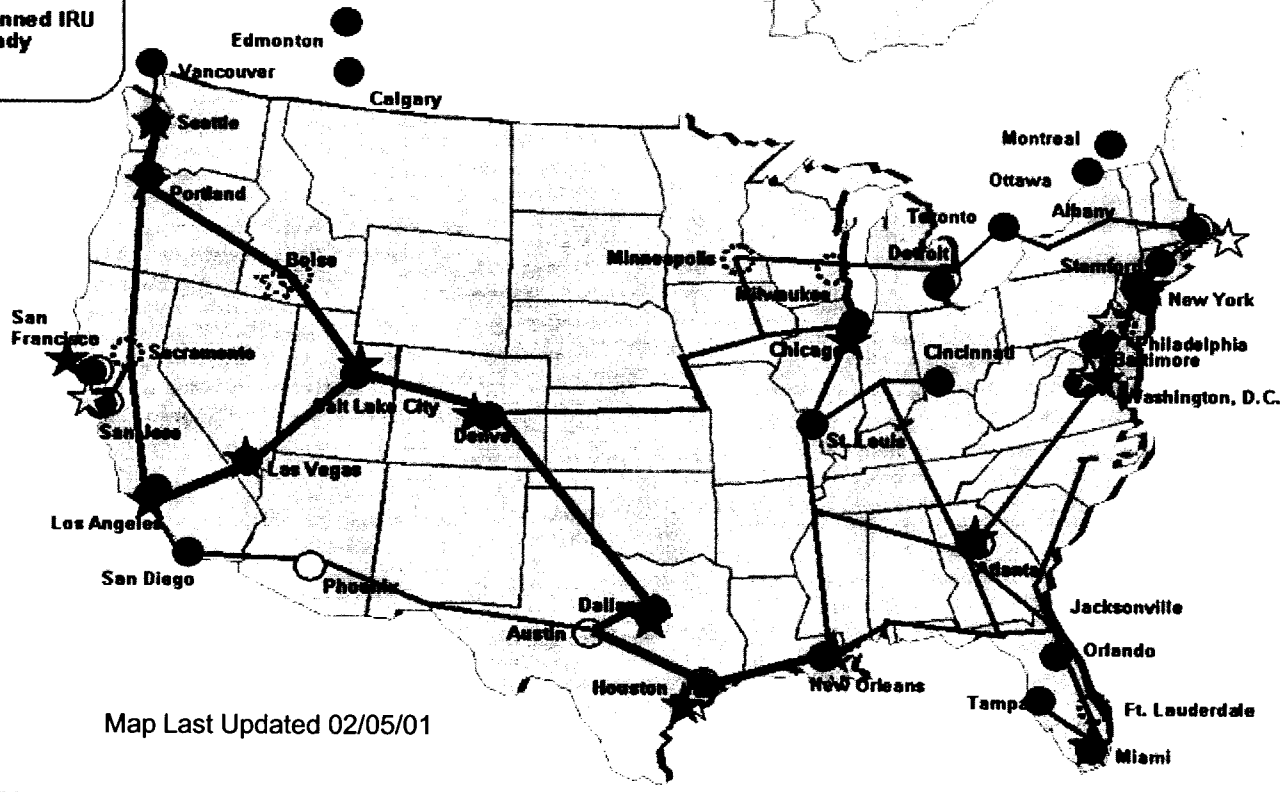
Map Last Updated 02/05/01



- Operational POP
- Operational Pooling Point
- Installed, Not Complete
- Planned
- Proposed
- Lit Fiber
- IRU Ready (Dark)
- Planned IRU Ready



Map Last Updated 02/05/01

Enron Network

EXH009-00978

ENRON BROADBAND SERVICES
1ST QUARTER 2001 EARNINGS ESTIMATE
Results based on activity through March 26, 2001

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(millions of dollars)	Earnings Before Tax			Forecast - Components of Earnings Before Tax								Variance from Plan - Fav/(Unfav)				
Business Team	Estimate	Plan	Variance	Actual Margin	Deals Identified	Other Margin	Total Margin	Direct Expenses	Allocated Expenses*	Capital Charge	Total	Gross Margin	Direct Expenses	Allocated Expenses*	Capital Charge	Total
Wholesale Market Origination	$ (4.2)	$ 5.3	$ (9.5)	$ 0.7	$ 2.5	$ 3.0	$ 6.2	$ 1.6	$ 8.7	$ -	**$ (4.1)**	$ (6.3)	$ -	$ (3.2)	$ -	**$ (9.5)**
Content Origination	(7.7)	(3.3)	(4.5)	0.4	-	-	0.4	3.1	5.0	-	**(7.7)**	(5.3)	-	0.9	-	**(4.4)**
Broadband Investments	(2.3)	3.0	(5.3)	(2.3)	-	1.6	(0.7)	0.8	0.8	-	**(2.3)**	(6.7)	-	1.5	-	**(5.2)**
Semiconductor Services	(2.2)	(1.7)	(0.4)	(0.3)	-	-	(0.3)	1.1	0.9	-	**(2.3)**	(0.5)	-	0.0	-	**(0.5)**
Media Services	(1.7)	0.6	(2.3)	0.4	0.4	-	0.8	1.0	1.6	-	**(1.8)**	(2.1)	-	(0.2)	-	**(2.3)**
Enterprise Services	(6.9)	(1.7)	(5.2)	-	1.7	-	1.7	3.8	4.8	-	**(6.9)**	(4.4)	(0.6)	(0.3)	-	**(5.3)**
Europe	(9.8)	(4.2)	(5.6)	-	-	-	-	9.1	0.7	-	**(9.8)**	(5.6)	-	-	-	**(5.6)**
Asia Origination	(4.4)	(4.4)	-	-	-	-	-	3.6	0.8	-	**(4.4)**	-	-	-	-	**-**
Global Trading & Risk Management	(56.3)	(46.8)	(9.5)	(7.8)	-	-	(7.8)	6.7	41.8	-	**(56.3)**	(9.6)	-	0.2	-	**(9.4)**
Latin America	(1.6)	(0.5)	(1.0)	-	-	-	-	0.7	0.9	-	**(1.6)**	(1.3)	-	0.3	-	**(1.0)**
Office of the Chairman	(2.9)	(2.4)	(0.5)	-	-	-	-	1.3	1.6	-	**(2.9)**	-	-	(0.5)	-	**(0.5)**
Other	(0.9)	-	(0.9)	(0.7)	-	(0.2)	(0.9)	-	-	-	**(0.9)**	(0.9)	-	-	-	**(0.9)**
Total Commercial	**(100.9)**	**(56.3)**	**(44.7)**	**(9.6)**	**4.6**	**4.4**	**(0.6)**	**32.8**	**67.6**	**-**	**(101.0)**	**(42.7)**	**(0.6)**	**(1.3)**	**-**	**(44.6)**
Group	-	-	-	-	-	-	-	67.6	(67.6)	-	**-**	-	(1.3)	1.3	-	**-**
Capital Charge Offset	-	-	-	-	-	-	-	-	-	-	**-**	-	-	-	-	**-**
Overview	8.6	21.2	(12.6)	-	-	8.6	8.6	-	-	-	**8.6**	(12.6)	-	-	-	**(12.6)**
EBS - EBIT	**$ (92.3)**	**$ (35.1)**	**$ (57.3)**	**$ (9.6)**	**$ 4.6**	**$ 13.0**	**$ 8.0**	**$ 100.4**	**$ -**	**$ -**	**$ (92.4)**	**$ (55.3)**	**$ (1.9)**	**$ -**	**$ -**	**$ (57.2)**

*Includes Depreciation & Ad Valorem Taxes

Changes from Last Week:

Europe - NETS Group removed from Greensheet	(2.5)
DPR Changes	
Media Services	(0.2)
Global Trading & Risk Management	(1.0)
Other	(0.2)

ENRON BROADBAND SERVICES
DEAL TRACKER - GREENSHEET
Results based on Activity through 03/26/01

50-100% Deals

Deal Name	Team Leader	Sector	MTM	TCV	NPV	Cash	Probability	Mkt Segment
Into Networks/Electronics Boutique (ELBO) Swaps	Michael Harris	Content	n/a	49.0	8.2		100%	Other
Compaq Computer Corporation	Kim Godfrey	Enterprise	1.7			1.7	100%	Other
Global Crossing - OC12/DW 48 Deal	Brian Spector	Wholesale	2.5			(17.9)	95%	BW Int. Layer #2, Circuits, TDM
Various Counterparties	Edward Ondarza	Media Services	0.4				90%	Media Services
BMC Software, Inc.	Brad Nebergall	Enterprise		4.6	1.4		85%	IPN
Microsoft - MSN - Asterix	Matt Harris	Enterprise			3.0		80%	Collo, IP Transit, IP Transport, Local Loop
Totals for: >50%			**4.6**	**53.6**	**12.6**	**(16.2)**		

25-49% Deals

Deal Name	Team Leader	Sector	MTM	TCV	NPV	Cash	Probability	Mkt Segment
FLAG - STM1 (2 Year Term)	Brett Vorley	European	0.9	5.5			25%	Circuits
Metromedia Fiber Network Services, Inc. - Chicago-Totonto-New York Lambdas	Mitch Olson	Wholesale	0.5	7.0			25%	Lambda
Totals for: 25% - 49%			**1.4**	**12.5**	**0.0**	**0.0**		

Totals for Quarter			**6.0**	**66.1**	**12.6**	**(16.2)**		

ENRON BROADBAND SERVICES
ALLOCATED EXPENSES
1ST QUARTER 2001 - FORECAST
(millions)

	Salary Related	Emp Exp	Outside Svces	Amt Captlzd	Corporate Charges & Other	Total	Over / (Under) Plan	Allocation Whsl	Cont	EMS	Trad.	Other
Network Support Functions:												
Switching Services	$ 1.1	$ 0.2	$ 0.2	$ (0.8)	$ 0.7	**$ 1.4**	$ -	$ -	$ -	$ -	$ 1.4	$ -
IT	5.9	0.6	2.4	(5.4)	0.4	**3.9**	-	-	-	-	3.9	-
Software Engineering	-	-	-	-	-	**-**	-	-	-	-	-	-
Global Network Services	6.9	1.0	2.4	(2.2)	5.7	**13.8**	-	-	-	-	13.8	-
Mid-Office Operations	1.1	0.1	0.3	(0.3)	0.2	**1.4**	-	-	0.2	-	1.2	-
Product Engineering	-	-	-	-	-	**-**	-	-	-	-	-	-
Structuring	2.3	0.4	0.1	-	0.1	**2.9**	-	0.9	0.4	0.8	0.6	0.4
Strategic Development	0.5	0.1	0.5	-	-	**1.1**	0.5	-	-	-	-	1.6
Staff Functions:												
Legal	1.0	0.1	0.8	-	0.1	**2.0**	-	1.4	0.1	0.4	-	0.2
Accounting & Transaction Support	1.9	0.2	0.5	-	1.2	**3.8**	-	2.6	0.2	0.7	-	0.4
Purchasing	0.4	0.1	-	-	-	**0.5**	-	0.3	0.0	0.1	-	0.0
Facilities	-	-	-	-	-	**-**	-	-	-	-	-	-
Finance	0.8	0.1	-	-	-	**0.9**	-	0.6	0.0	0.2	-	0.1
Human Resources	0.7	0.1	0.2	-	0.1	**1.1**	-	0.1	0.2	0.1	0.4	0.2
Marketing, Communications, PR	0.3	0.1	0.4	-	0.5	**1.3**	-	0.9	0.1	0.2	-	0.1
Business Controls & Security	-	-	-	-	-	**-**	-	-	-	-	-	-
Corporate Development	0.4	0.1	-	-	-	**0.5**	-	0.3	0.0	0.1	-	0.0
Corporate Charges and Other	-	2.2	-	(1.0)	11.6	**12.8**	0.8	1.3	3.0	1.8	4.7	2.8
Ad Valorem Tax	-	-	-	-	2.5	**2.5**	-	0.0	0.0	0.0	2.5	0.0
Depreciation/Amortization	-	-	-	-	16.2	**16.2**	-	0.3	0.8	0.4	13.4	1.4
Total Allocated Expenses	**$ 23.3**	**$ 5.4**	**$ 7.8**	**$ (9.7)**	**$ 39.4**	**$ 66.2**	**$ 1.3**	**$ 8.7**	**$ 5.0**	**$ 4.8**	**$ 41.8**	**$ 7.2**

Broadband Investments

1st Quarter Deals

Income Adjustment Items ($ MM)

Company	Original Investment	Carrying Value	Current Value	Exit Value	Income Adjustment	Description
Fast Forward	$3.0	$6.2	$6.2		$0.0	Acquired By Inktomi
Equinix	$5.0	$4.1	$1.9		($2.2)	Exposure to current public market price
IAM.com	$4.0	$2.0	$1.0		($1.0)	Shutting down operations. Selling assets and distributing cash.
Telseon	$5.0	$5.0	$5.0		$0.0	Just closed a round composed of $100 MM equity and $75 MM vendor financing.
MSHOW.com	$5.0	$5.9	$5.9		$0.0	MSHOW was acquired by Qwest Digital Media for $50 MM. The value of the combined entity is $500 MM.
Amber Networks			$1.5		$1.5	Additional shares: 125,000 for services to date and test outline. 62,500 for test commencement and completion.
Vivace Networks			$1.0		$1.0	100,000 shares acquired for signing Collaboration Agreement.
Total	$22.0	$23.2	$22.5	$0.0	**($0.7)**	

1st Quarter Investments ($ MM)

Company	Investment Amount	Description
Lynx Photonics	$3.0	LYNX is an Intelligent Optical Network (ION) Subsystems Company with its own patented optical planar waveguide switching technology. Lynx plans to provide communication system vendors with photonic switching solutions.

Video On Demand Radar Screen

03/12 - 03/18

Content

Movies	Received	Encoded	Available	Received	Encoded	Available
	Weekly			Cumulative		
Other (Charade etc.)	0	0	0	6	6	6
Artisan	0	0	0	42	42	36
Blockbuster	0	0	0	17	14	11
Cinema Now (Trimark)	0	0	0	24	24	24
MGM	0	0	0	39	39	39
Total	**0**	**0**	**0**	**128**	**125**	**116**
Special Interests:						
Popeye Cartoons	0	0	0	2	2	2
Baby Einstein	0	0	0	6	5	4
First Works Series	0	0	0	8	7	7
Vast Video	0	0	0	21	21	21
National Geographic	0	0	0	3	3	3
Total	**0**	**0**	**0**	**40**	**38**	**37**

Distribution

Subscribers:	Potential	Activated	Potential	Activated
	Weekly		Cumulative	
SwitchPoint - Salt Lake	0	(17)	451	451
Reflex - Portland	0	(8)	102	102
Reflex - Seattle	0	(2)	31	31
Verizon - New York	0	0	30	30
Total	**0**	**(27)**	**614**	**614**

Operations

Video Operating Center

BDP	Movie Latency (sec)	Up-Time	Peak Stream Utilization
SwitchPoint - Salt Lake	4.0	99.60%	0.6%
Reflex - Portland	4.2	99.80%	0.2%
Reflex - Seattle	N/A	99.90%	0.0%
Verizon - New York	4.0	99.90%	0.4%

Customer Service

Average Wait Time:
Abandonment Rate:
Total Calls:
Non-cust:
Resolved:
Escalated:

Sales

	Weekly Purchased	Percent of Total	Cumulative Purchased	Enron Revenue
Artisan	11	**20%**		
Blockbuster(DEJ)	5	**9%**		
Cinema Now (Trimark)	3	**6%**		
MGM	31	**57%**		
Enron Movie Content	4	**7%**		
Sub Total Movies	**54**	**76%**	**2,826**	
Baby Einstein	3	**18%**		
EBS Special Interest	5	**29%**		
Vast Video	7	**41%**		
National Geographic	2	**12%**		
Sub Total Special Interest	**17**	**24%**	**367**	
Grand Total	**71**		**3,193**	**$ 3,831.60**
Weekly Avg. Pur. per Sub.	**0.12**			
Year-to-Date Weekly Avg. Pur. per Sub.	**0.38**			

**EBS paid per movie streamed*

Top 5 Titles	
Autumn in New York (MGM)	13%
My 5 Wives (Artisan); Return to Me (MGM)	6%
Popeye Cartoons 1940's (2) (EBS); Showgirls, Silence of the Lambs (MGM)	4%
Chuck & Buck (Artisan); After Sex (DEJ); Charade, Popeye Cartoons 1940's (1), Road to Bali (EBS); Man in the Iron Mask (MGM); Basic Photography (VastVideo); 2000: Amazing Moments (NtlGeo)	3%
All other videos (rented once each)	1%

POPs

City

Pooling Point Network I

North America - Running/Operating

EBS	Las Vegas	2.5G	
EBS	Los Angeles	4608	
EBS	New York	4608	
EBS	Atlanta	2.5G	
EBS	Chicago	4608	
EBS	Dallas	4608	
EBS	Denver	2.5G	
EBS	New Orleans	2.5G	
EBS	Portland	2.5G	
EBS	Salt Lake City	2.5G	
EBS	Seattle	4608	
EBS	Houston (G/point)	2.5G	
MFN	New York	2.5G	
Exchange	San Francisco	2.5G	
LayerOne	Miami	2.5G	
AT&T	Houston(1301F)	2.5G	
MFN	Washington DC	2.5G	
EBS	San Jose	4608	

Equipment Installed (subject to NOC connectivity)

MFN	Philadelphia	2.5G	
MFN	Washington DC	2.5G	
EBS	Boston	2.5G	
Cities/POPS		18	21

Europe & Asia - Running/Operating

Telecity	London	4608	
Telecity	Amsterdam	10G	
Interxion	Frankfurt	10G	
Interxion	Dusseldorf	10G	
Interxion	Brussels	10G	
LD Com	Paris	10G	
ComSpace	Tokyo	10G	
Cities/POPS		7	7
Total		25	28

Fiber

Lit Footprint (currently Lit)

Route	City Pairs	Current Miles
Western Build	Seattle-Portland-Salt Lake City-Las Vegas-Los Angeles	1,865
Wasatch Build	Salt Lake City-Denver	612
Texas Extension	Denver-Amarillo-Dallas-Austin-San Antonio-Houston	1,562
Gulf Route	Houston-New Orleans	386
GST Swap	Los Angeles-Sacramento-San Jose	786
MFN Swap	New York-Washington DC	249
TOTAL		**5,460**

Dark Fiber Footprint (currently in possession)

Route	City Pairs	Current Miles	Q1 2001
Western Build	Seattle-Portland-Salt Lake City-Las Vegas-Los Angeles	1,865	1,865
Wasatch Build	Salt Lake City-Denver	612	612
Texas Extension	Denver-Amarillo-Dallas-Austin-San Antonio-Houston	1,562	1,562
Gulf Route	Houston-New Orleans	386	386
MFN Swap	New York-Washington DC	249	249
GST Swap	LA-Sacramento-OAK-SJ spur (Portland-Sac Q1 2001)	786	786
360 Swap	NO-Chicago-Denver (Chicago-Boston Q1 2001)	2,097	2,097
FECT Swap	Atlanta-Jacksonville-Florida Ring	0	780
DTI Swap	Denver-Kansas City-Omaha-Des Moines-Chicago	682	0
AT&T Swap	Boston-New York	0	0
Qwest Swap	various routes	0	469
TOTAL		**8,239**	**8,806**

Dark Fiber Miles (in total)

Status	City Pairs	Route Miles	Fiber Miles
Complete	Enron Build	3,866	154,510
Complete	Swap Received	4,373	56,502
In Progress	Swap Received	13,111	146,724
TOTAL		**21,350**	**357,736**

Metro Dark Fiber Miles (in total)

Type	Cities	Number Fibers	Fiber Miles
Spurs to PoPs	Newark, Philadelphia, Wilmington (DE), Baltimore	36	691
Metro Fiber Rings	Chicago, New York, San Francisco, Portland, LA, DC	various	4,503
New York Other	New York	6	133
TOTAL			**5,328**

Conduit Miles

# Conduits	City Pairs	Route Miles	Conduit Miles
1	Salt Lake City-Denver-Amarillo	1,091	1,091
2	Amarillo-Dallas-Austin-San Antonio-Houston	1,083	2,166
2	Houston-New Orleans	386	772
TOTAL		**2,560**	**4,029**

Equipment

Equipment	Number	Cost $000
In Field Servers		
Streaming Servers Installed at Site		
G2 Servers	270	$4,266
WMP Servers	44	304
Total	314	$4,570
Billable Streaming Servers in UCL/ULP		
G2 Servers	229	$3,618
WMP Servers	41	283
Total	270	$3,901
Infrastructure Servers Installed at Site		
Sun Netra T1400 (Europe)	5	
NOC MediaCast Monitoring	23	
Total	28	

Metrics

		Current	Per Analyst Presentation
Dark Fiber Miles			
Received		8,239	
Contracted		21,350	
Lit Fiber Footprint Miles		5,460	
Dark Fiber Miles		357,736	
DS-3 (months)		5,209	
TCV (millions)		$1,155	
Servers (Installed per Network Ops)		314	
IP Transit (DS-3 Months)		20,500	
Pooling Point			
Operating		28	
Cities		25	
Simultaneous Streams (@300 kbps)	G2	150	
	WMP	300	
Simultaneous Streams (@20 kbps)	G2	1,000	
	WMP	2,000	
Utilization @20 kbps & 10% Simultaneous Viewing	G2	2.56%	
	WMP	0.14%	

Product & Information Engineering
Project Status
3/26/2001

MediaCast

Project	Delivery	Status	Actual $	Frcst $
MC 3.0	3/30/2001	On Sched.	TBD	0.25

IPNet Connect

Project	Delivery	Status	Actual $	Frcst $
IPN 1.2	########	Released	TBD	0.22
IPN 1.2- SWE	3/31/2001	Released	TBD	TBD
IPN 1.3	4/1/2001		TBD	0.39

BOS

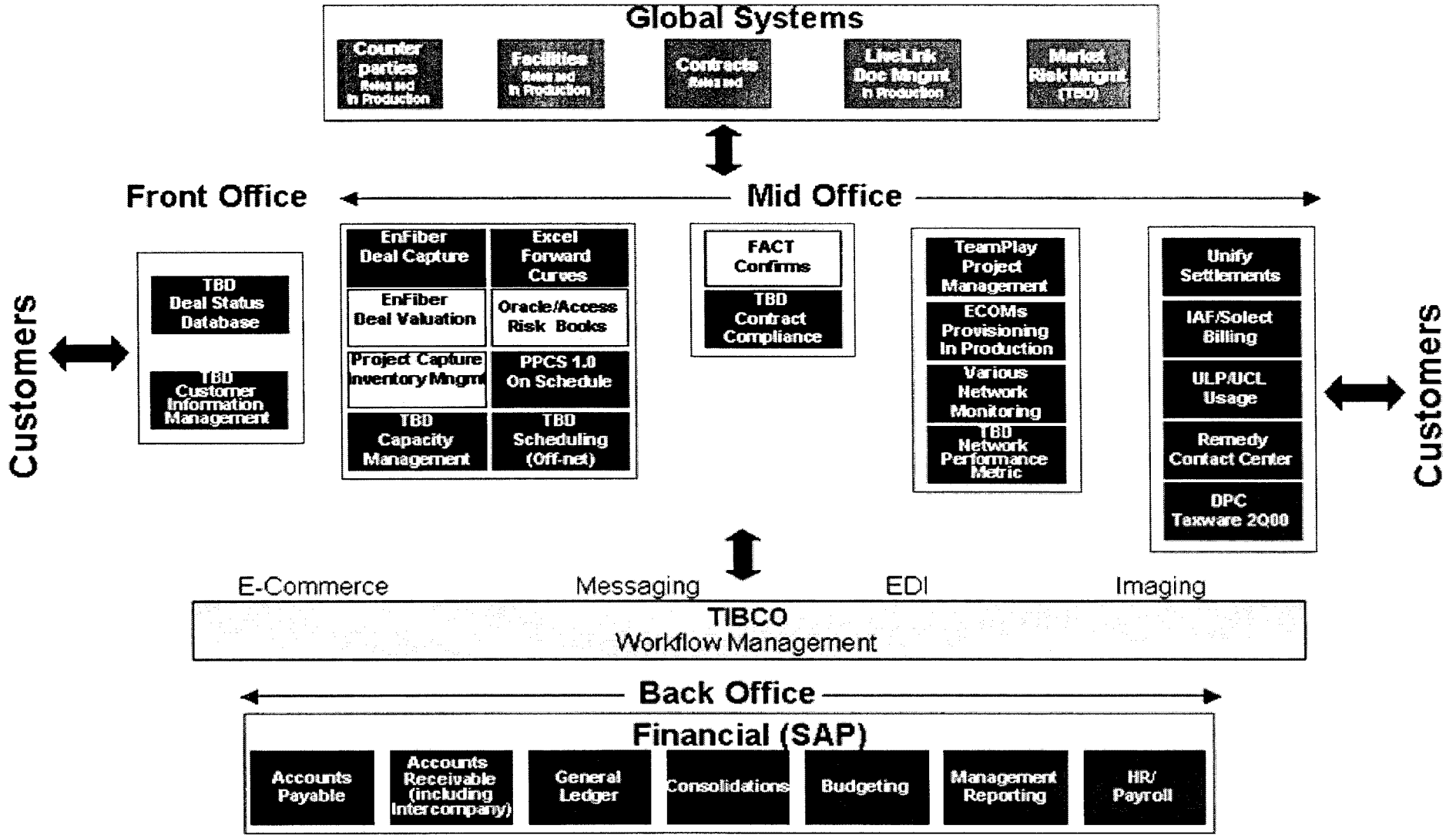
Project	Delivery	Status	Actual $	Frcst $
QOD	1/24/2001	Released	2.75	4.00

Control Systems

Project	Delivery	Status	Actual $	Frcst $
PPCS 1.1	3/31/2001	On Sched.	TBD	TBD

Applications Schematic

3/26/2001



Enron Broadband Services
Headcount Reporting

	Department Head	March 22 Actual	March Budget	B/(W) Variance
Office of the Chairman	Rice/Hannon	**8**	**7**	(1)
North America Business Units				
Wholesale Market Origination	Seeligson	41	19	(22)
Content Origination	Cox/DiMichele	41	37	(4)
Enterprise Marketplace Services	Echols	28	32	4
Semiconductor Services	Doshier	9	14	5
Media Services	Ondarza	8	10	2
Broadband Investments	Garland	9	9	-
Total North America Business Units		**136**	**121**	**(15)**
Global Business Units				
Europe	Elliott	113 *	110	(3)
Asia Origination	Duenner	13	37	24
Latin America	Waddell	9	10	1
Global Trading & Risk Management	Fallon	123	100	(23)
Total Global Business Units		**258**	**257**	**(1)**
Global Functions				
Network Engineering	Golden	228	227	(1)
Structuring	Surbey	42	36	(6)
Mid Office	Casari	59	39	(20)
Product & Information Engineering	Plante	280	170	(110)
Total Global Functions		**609**	**472**	**(137)**
Global Staff Functions				
Purchasing		15	12	(3)
Accounting & Transaction Support	Lord	40	38	(2)
Legal	Mordaunt	16	21	5
Corporate Development	Donahue	4	5	1
Human Resources	Barnard	31	26	(5)
Marketing/Public Relations	Kimberly	37	7	(30)
Business Controls & Security	Brindle	10	-	(10)
Finance	Howard	18	18	-
Total Global Staff Functions		**171**	**127**	**(44)**
TOTAL		**1,182**	**984**	**(198)**
Analysts/Associates		**70**	**83**	**13**
TOTAL EBS		**1,252**	**1,067**	**(185)**

*Europe Actuals as of 02/28/01.