

FOR IMMEDIATE RELEASE**AES EARNS \$1.46 PER SHARE IN 2000, UP 135% OVER EARLIER YEAR
(EXCLUDING ONE-TIME CHARGE),****Year Closes with Robust Quarter of 50 Cents Per Share**

ARLINGTON, VA, January 29, 2001 – The AES Corporation (NYSE: AES) announced today that net income for 2000 (before deducting a one-time charge relating to the environmental fine in California) increased for the fourteenth consecutive year. Net income, before the \$17 million (after tax) one-time charge, increased 189% to \$658 million for the year ended 2000. For the year, revenues increased 106% to \$6.7 billion. Diluted earnings per share, before the one-time charge and extraordinary items in 2000 and 1999, increased to \$1.46 per share in 2000, from \$0.62 for 1999.

For the fourth quarter, revenues increased 70% to \$1.9 billion. Net income before the one-time charge increased 113% to \$238 million for the quarter. Diluted earnings per share, before the one-time charge, were \$0.50 for the fourth quarter of 2000. Including the one-time charge, diluted earnings per share were \$0.46 for the quarter.

Barry J. Sharp, Chief Financial Officer, stated, "This was a record quarter and a record year for AES, continuing to show the strength and diversification of our businesses around the world. We met our growing financial expectations despite the difficulties in the California market (included in AES's 2000 annual results is a pre-tax operating loss of \$11 million from the Company's generation and retail electricity businesses in California) and the lower than expected electricity pool prices in the United Kingdom. Additionally, depreciation of the Brazilian Real during the year resulted in foreign currency transaction losses of \$.05 per share for the quarter and \$.10 per share for the year. These impacts were offset by strong performance at several of our other businesses, particularly those in Venezuela, Brazil and parts of the U.S."

Dennis W. Bakke, President and Chief Executive Officer of AES, commented, "Our 19th year as a business was magical. We had the largest increase in new business in the history of AES. Moreover, we surpassed our budgeted earnings commitment. Significant progress was observed in making every person an AES "business person", as was indicated in our Values Survey. We surely made some mistakes, but overall the year 2000 was a terrific year."

AES's Expectations for 2001

The following information constitutes forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. These statements are not intended to be a guarantee of performance, but instead constitute AES's current expectation based on reasonable assumptions. Actual events and results may differ materially from those projected. In addition to those listed below, important factors that could affect actual results are discussed in AES's filings with the Securities and Exchange Commission, and readers are encouraged to read those filings to learn more about the risk factors associated with AES's businesses.

AES expects its earnings per share for 2001 to be in the range of \$1.75 - \$1.90. This expectation excludes any restructuring charges resulting from the IPALCO merger, any adjustments according to Financial Accounting Standard 133 and any possible charges that may result from rationalizing businesses in China. In addition, this expectation assumes that there is no substantial change in foreign currency exchange rates. The major businesses or factors that could cause AES's 2001 earnings to be at the higher or lower end of the \$1.75 - \$1.90 per share range (or fall outside the range) include but are not limited to the performance of AES's New York plants, Eletropaulo, EDC, electricity pool prices in the United Kingdom and the acquisition of new businesses.

AES provided further guidance on its longer-term earnings growth expectations. AES expects earnings per share to grow at an average, compounded annual growth rate in the range of 25 to 30% over the next five years. This growth rate expectation assumes that AES has similar success with new business acquisitions in the next three to five years that it has had over the last few years. With no significant new business acquisitions, annual EPS growth rates from existing AES businesses are expected to average 22% over 3 years and 19% over 5 years.

AES' business development successes in 2000 include the following:

- In December, AES announced that it had purchased 3,466,600,000 shares of common stock of Gener S.A. pursuant to its Chilean offer.
- In December, a subsidiary of AES concluded an agreement with RAO UES of Russia to sell 300MW of electric power (or 210m kWh per month) from the AES Ekibastuz 4,000 MW coal-fired plant in the Republic of Kazakhstan to the Russian Federation.
- In December, AES and EDF announced they have entered into an agreement to acquire a 9.2% interest in Light Serviços de Eletricidade S.A. from a subsidiary of Companhia Siderúrgica Nacional for \$362 million.
- In December, AES announced that it has acquired 100% of KMR Power Corporation in a stock-for-stock transaction valued at approximately \$53 million.

- In November, a subsidiary of AES was awarded the Barka Power and Desalination Project - Phase I (427 MW of electricity and 20 million gallons per day (mgd) of water) in the Sultanate of Oman.
- In November, AES made an offer to acquire all outstanding Gener S.A. ADSs in exchange for AES common stock and that it had commenced in Chile an offer to acquire 3,466,600,000 Gener shares.
- In September, AES entered the Bolivian telecom market with the purchase of 100% of Redibol, a Competitive Access Provider based in La Paz, for \$2.5 million.
- In September, AES and EDF International S.A. announced they have entered into an agreement to jointly acquire the 11.68% interest in Light Serviços de Eletricidade S.A. owned by two subsidiaries of Reliant Energy for \$430 million.
- In September, AES began construction on a \$340 million electric power plant and liquefied natural gas importing facility located in the Dominican Republic.
- In August, AES completed the acquisition of a 59% stake in the 1,000 MW hydroelectric facility of Hidroeléctrica Alicurá S.A. in Argentina from Southern Energy, Inc. and its partners.
- In August, AES and REI announced that they have entered into an agreement whereby a subsidiary of AES will acquire Reliant Energy International's interest in El Salvador Energy Holdings, S.A. which owns three distribution companies in El Salvador.
- In August, subsidiaries of AES issued approximately \$1 billion of non-recourse project bonds to refinance outstanding debt at the Drax Power Station, located in North Yorkshire, England.
- In August, a subsidiary of AES entered into an agreement whereby AES will acquire the 49% interest held by TransCanada PipeLines Limited in the Songo Songo Gas-to-Electricity Project in Tanzania.
- In July, AES and IPALCO Enterprises Inc. announced that they entered an agreement whereby AES will acquire IPALCO Enterprises, Inc.
- In June, AES acquired approximately 87% of the stock of C.A. La Electricidad de Caracas, an integrated electricity company serving Caracas, Venezuela.

- In June, a subsidiary of AES completed an \$815 million non-recourse financing for a circulating fluidized bed coal-fired facility currently being built on the south coast of Puerto Rico.
- In May, a subsidiary of AES acquired 100% of Tractebel Power Ltd., from Tractebel S.A. With this transaction, AES owns approximately 92% of NIGEN's common stock.
- In May, AES announced that it won a bid to purchase a 70% interest in the 1,580 MW Mohave Generating Station in Laughlin, Nevada for approximately \$667 million.
- In April, AES announced it intends to launch a tender offer to acquire all outstanding common and preference shares of Brazilian generation company Companhia de Geracao de Energia Eletrica Tiete.
- In March, a subsidiary of AES acquired for \$8 million, GeoUtilities Inc., an internet-based superstore for energy, telecom and other vital services.
- In March, a subsidiary of AES completed a financing associated with 823 MW of generating facilities in the Republic of Georgia, which included the acquisition of the 600 MW Gardabani thermal plant and the establishment of 25-year concessions for the Khrami I and II hydro stations, which have a combined capacity of 223 MW.
- In March, a subsidiary of AES completed a \$440 million non-recourse project financing for AES Red Oak, an 832 MW natural gas-fired combined cycle plant in Sayerville, New Jersey.
- In February, AES announced that a subsidiary had reached an agreement with the Bulgarian state-owned electric utility NEK, that will allow AES to build, own, operate and transfer a \$750 million lignite-fired power plant.
- In January, a subsidiary of AES agreed to acquire 59% of the outstanding preferred (non-voting) shares of Eletropaulo S.A.
- In January, a subsidiary of AES and Caterpillar Inc. reached a service agreement for multiple energy products that will result in the construction of a 45 MW cogeneration plant in Mossville, Illinois.

AES is a leading global power company comprised of competitive generation, distribution and retail supply businesses in Argentina, Australia, Bangladesh, Brazil, Canada, Chile, China, Colombia, Dominican Republic, El Salvador, Georgia, Hungary, India, Kazakhstan, the Netherlands, Mexico, Pakistan, Panama, Sri Lanka, the United Kingdom, the United States and Venezuela.

The company's generating assets include interests in one hundred and fifty three facilities totaling over 53 gigawatts of capacity. AES's electricity distribution network

has over 920,000 km of conductor and associated rights of way and sells over 126,000 gigawatt hours per year to over 17 million end-use customers. In addition, through its various retail electricity supply businesses, the company sells electricity to over 154,000 end-use customers.

AES is dedicated to providing electricity worldwide in a socially responsible way.

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For more general information visit our web site at www.aesc.com or contact investor relations at investing@aesc.com. The list `aes-pr-announce` is an automated mailing list and can be found on the investing page of our web site. Those who subscribe to this list will receive updates when AES issues a press release.

The AES Corporation

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE PERIODS ENDED DECEMBER 31, 2000 AND 1999

(\$ in millions, except per share amounts)	Quarter Ended 12/31/00	Quarter Ended 12/31/99	Percentage Change
REVENUES:			
Sales and services	\$ 1,916	\$ 1,128	70%
OPERATING COSTS AND EXPENSES:			
Cost of sales and services	1,423	818	(74%)
Selling, general and administrative expenses	16	27	41%
Total operating costs and expenses	<u>1,439</u>	<u>845</u>	(70%)
OPERATING INCOME	477	283	69%
OTHER INCOME AND (EXPENSE):			
Interest expense	(351)	(224)	(57%)
Interest and other income	95	69	38%
Equity in earnings of affiliates (before income tax)	156	78	100%
Environmental fine	(17)	-	n/a
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	360	206	75%
Income tax provision	86	56	(54%)
Minority interest	53	21	(152%)
INCOME BEFORE EXTRAORDINARY ITEM	221	129	71%
Extraordinary item, net of tax - Early extinguishment of debt	-	(17)	n/a
NET INCOME	<u>\$ 221</u>	<u>\$ 112</u>	97%
DILUTED EARNINGS PER SHARE:			
Before extraordinary item	0.46	0.30	53%
Extraordinary item	-	(0.04)	n/a
Total	<u>\$ 0.46</u>	<u>\$ 0.26</u>	77%
Diluted weighted average shares outstanding (in millions)	<u>501</u>	<u>445</u>	

The AES Corporation

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE PERIODS ENDED DECEMBER 31, 2000 AND 1999

(\$ in millions, except per share amounts)	Year Ended 12/31/00	Year Ended 12/31/99	Percentage Change
REVENUES:			
Sales and services	\$ 6.691	\$ 3.253	106%
OPERATING COSTS AND EXPENSES:			
Cost of sales and services	4,991	2,257	(121%)
Selling, general and administrative expenses	85	71	(20%)
Total operating costs and expenses	<u>5,076</u>	<u>2,328</u>	(118%)
OPERATING INCOME	1,615	925	75%
OTHER INCOME AND (EXPENSE):			
Interest expense	(1,299)	(641)	(103%)
Interest and other income	245	115	113%
Equity in earnings of affiliates (before income tax)	475	21	2,162%
Environmental fine	(17)	-	n/a
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	1,019	420	143%
Income tax provision	252	111	(127%)
Minority interest	119	64	(86%)
INCOME BEFORE EXTRAORDINARY ITEM	648	245	164%
Extraordinary item, net of tax - Early extinguishment of debt	(7)	(17)	59%
NET INCOME	<u>\$ 641</u>	<u>\$ 228</u>	181%
DILUTED EARNINGS PER SHARE:			
Before extraordinary item	1.42	0.62	129%
Extraordinary item	(0.02)	(0.04)	50%
Total	<u>\$ 1.40</u>	<u>\$ 0.58</u>	141%
Diluted weighted average shares outstanding (in millions)	<u>473</u>	<u>392</u>	

The AES Corporation
Unaudited Supplemental Data
For the Quarter Ended December 31, 2000

	-----1999-----					-----2000-----				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Year
GEOGRAPHIC-% of Total										
North America										
Revenues	27%	31%	45%	39%	37%	37%	40%	37%	36%	38%
EBCIT (1)	35%	35%	40%	32%	35%	28%	32%	34%	25%	29%
South/Central America										
Revenues	38%	41%	33%	32%	35%	27%	31%	37%	39%	34%
EBCIT	17%	28%	36%	32%	29%	35%	46%	51%	62%	49%
Europe										
Revenues	14%	9%	9%	17%	13%	25%	19%	18%	17%	19%
EBCIT	23%	9%	9%	23%	17%	28%	12%	8%	8%	14%
Asia										
Revenues	21%	19%	13%	12%	15%	11%	10%	8%	8%	9%
EBCIT	25%	28%	15%	13%	19%	9%	10%	7%	5%	8%
SEGMENTS-% of Total										
Generation										
Revenues	61%	64%	63%	56%	60%	62%	52%	51%	49%	53%
Operating Margin (2)	78%	80%	83%	76%	79%	83%	93%	76%	68%	79%
EBCIT	84%	78%	73%	79%	77%	70%	90%	65%	44%	63%
Distribution										
Revenues	39%	36%	37%	44%	40%	38%	48%	49%	51%	47%
Operating Margin	22%	20%	17%	24%	21%	17%	7%	24%	32%	21%
EBCIT	16%	22%	27%	21%	23%	30%	10%	35%	56%	37%
FINANCIAL HIGHLIGHTS-million \$, except Total Assets in billion \$										
Revenues	\$638	\$640	\$847	\$1,128	\$3,253	\$1,476	\$ 1,538	\$ 1,761	\$ 1,916	\$ 6,691
EBCIT	\$147	\$171	\$197	\$245	\$760	\$343	\$ 222	\$ 311	\$ 402	\$ 1,278
Net Income Excluding										
Extraordinary Items (3)	\$74	\$84	\$99	\$120	\$377	\$181	\$ 111	\$ 134	\$ 221	\$ 648
Total Assets (billions)	\$10	\$11	\$12	\$21	\$21	\$23	\$ 29	\$ 29	\$ 31	\$ 31
Deprec./Amort.	\$60	\$62	\$72	\$84	\$278	\$112	\$ 132	\$ 166	\$ 172	\$ 582
Parent EBITDA - LTM (4)	\$360	\$381	\$370	\$403	\$403	\$387	\$ 501	\$ 593	\$ 871	\$ 871

(1) EBCIT is net income excluding corporate interest, other corporate costs and income taxes

(2) Operating Margin is revenues reduced by cost of sales, depreciation and amortization and other operating expenses.

(3) In 1999, Net Income Excluding Extraordinary Items also excludes foreign currency transaction gains and losses.

(4) Parent EBITDA is cash flow earnings distributed to parent less parent operating expenses

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FOR IMMEDIATE RELEASE

AES REPORTS EARNINGS OF \$0.42 PER SHARE FOR THE QUARTER, FROM RECURRING OPERATIONS

Phil Lader Elected to AES Board of Directors

ARLINGTON, VA, April 26, 2001 – The AES Corporation (NYSE: AES) announced today that net income, before deducting the noncash foreign currency transaction losses at Brazilian affiliates and the nonrecurring acquisition costs recorded in conjunction with the IPALCO pooling of interests transaction, was \$226 million for the quarter ended March 31, 2001, an increase of 19% over the comparative results for the first quarter of 2000. As a result of the pooling transaction, the results of operations of AES for the quarter ended March 31, 2000 have also been restated to include IPALCO. Diluted earnings per share, excluding the noncash transaction losses and the nonrecurring acquisition costs, were \$0.42 for the quarter, compared to \$0.38 (before foreign currency effects and nonrecurring items) for the same quarter in 2000. Net income, after all charges, was \$106 million for the quarter. Revenues for the quarter were \$2.5 billion, an increase of 50% from the first quarter of 2000.

Barry Sharp, Chief Financial Officer, commented, "The operating results for the first quarter of 2001 continue to showcase the strength of our diversified portfolio of worldwide businesses. Operating income increased 35% to a record \$602 million (before deducting the IPALCO nonrecurring and Brazilian foreign currency transaction losses) for the first quarter of 2001 with strong performances from our generation businesses in the Eastern U.S and South America as well as several of our distribution businesses, including those in Venezuela, Indianapolis (included as a pooling of interests transaction) and Brazil. We were encouraged with the improved results in Brazil this quarter, even after considering the operating impacts of the depreciation of the Real."

Dennis W. Bakke, President and Chief Executive Officer, stated, "In the first quarter we successfully delivered on two of our commitments: running existing businesses well and expanding the way we serve the world by adding new businesses.

On the existing business front, for example, we feel good about the progress we have made in adjusting to the new NETA rules in the United Kingdom at our 4000 MW Drax facility. We are also making great strides in reshaping our AES Eletropaulo business in Sao Paulo, Brazil, the second largest city in the world. Furthermore, the people at our plants in central New York are executing well as they both run the facilities and sell the output into the electricity market.

On the new business front, the quarter was an excellent start to the year:

- completed two major acquisitions of integrated companies, IPALCO in the U.S. and Gener in Chile;
- expanded our global presence to operations in 36 countries, with new businesses in four additional countries: Nigeria, Germany, Czech Republic and Italy (with an additional country being added thus far in the second quarter: the Ukraine);
- commenced commercial operations at plants formerly under construction: Uruguaiiana in Brazil, Fifoots Point in Wales and one unit at Yangcheng in China;
- moved ahead on the construction of plants in the United States (Granite Ridge, Wolf Hollow, Ironwood, Red Oak, Puerto Rico, Medina Valley), Bangladesh (Haripur and Meghneghat), Nigeria (barge mounted), Argentina (Parana and Caracoles), China (Yangcheng), Dominican Republic (Andes), Panama (Esti), and Sri Lanka (Kelanitissa); and
- expanded our ownership in the 1000 MW Alicura hydroelectric facility in Argentina, one of our near 80 hydro plants worldwide.

All of this reaffirms AES's desire to serve the world wherever we are needed, wanted, and can live consistent with our principles. We made great progress toward this goal in the first quarter."

AES also announced that Phil Lader has been elected to the AES Board of Directors. Mr. Lader is Chairman of WPP Group, the world's largest advertising and media services company, and Senior Advisor to Morgan Stanley International. Recently, he was U.S. Ambassador to the Court of St. James and earlier served in President Clinton's cabinet as Administrator of the U.S. Small Business Administration and as White House Deputy Chief of Staff. Earlier, he served as President of Sea Pines Company of Hilton Head, South Carolina and the president of universities in South Carolina and Australia. Mr. Lader is a member of the Council on Foreign Relations and a trustee of the RAND Corporation.

During the quarter, AES announced the following new leadership positions:

- Ned Hall: Group Manager for Central America and Florida;
- Hareh Jaisinghani: Group Manager for Southeast Asia, India, Australia and Hawaii and
- Mike Scholey: Group Manager for Hungary, Greece, Israel, Turkey, the Balkans and North Africa.

AES business development milestones in 2001 include the following:

- In April, AES announced that it won a bid for approximately \$45.9 million to purchase a 75% controlling interest in Kievoblenergo the distribution company that serves the region that surrounds Kiev, the capital city of the Ukraine.
- In April, a subsidiary of AES signed agreements for the financing of its \$300 million, 450 MW combined cycle gas-fired Meghnaghat power plant in Bangladesh.
- In April, a subsidiary of AES completed a \$180 million financing for its 360 MW gas-fired combined cycle facility Haripur in Bangladesh.
- In April, AES announced the completion of its acquisition of IPALCO in Indiana.
- In March, a subsidiary of AES secured the financing for the 720 MW gas-fired Granite Ridge project in New Hampshire.
- In March, a subsidiary of AES acquired from EniChem SpA an oil-fired 140 MW cogeneration facility in the town of Ottana, which is in the province of Nuoro, Sardinia, Italy.
- In February, a subsidiary of AES entered an agreement to purchase all of the energy assets of Thermo Ecotek Corporation, a wholly owned subsidiary of Thermo Electron Corporation of Waltham, Massachusetts for \$195 million.
- In January, AES announced the start of construction of the \$300 million AES Wolf Hollow power plant at a site in Granbury, Texas.
- In January, a subsidiary of AES acquired a majority interest in a 290MW barge-mounted natural-gas-fired electric generating business in Lagos, Nigeria.
- In January, AES Huntington Beach submitted a proposal to the California Energy Commission to restart two retired gas-fired units that will add an additional 450 megawatts of generation in the electricity-strapped state of California.
- In January, AES announced the purchase of an additional 39% ownership interest in Hidroelectrica Alicura, a 1000 MW hydro plant in Argentina.
- In January, AES announced that it had successfully completed its offer to exchange all American Depositary Shares of Gener S.A. for AES common stock.

AES is a leading global power company comprised of competitive generation, distribution and retail supply businesses in Argentina, Australia, Bangladesh, Brazil, Canada, Chile, China, Colombia, Dominican Republic, El Salvador, Georgia, Hungary, India, Italy, Kazakhstan, the Netherlands, Nigeria, Mexico, Oman, Pakistan,

Panama, Sri Lanka, the Ukraine, the United Kingdom, the United States and Venezuela.

The company's generating assets include interests in one hundred and sixty facilities totaling over 58 gigawatts of capacity. AES's electricity distribution network has over 920,000 km of conductor and associated rights of way and sells over 126,000 gigawatt hours per year to over 17 million end-use customers. In addition, through its various retail electricity supply businesses, the company sells electricity to over 154,000 end-use customers.

AES is dedicated to providing electricity worldwide in a socially responsible way.

This news release may include forward-looking statements. Actual events and results may differ materially from those projected. Factors that could affect actual results are discussed in AES's filings with the Securities and Exchange Commission, and readers are encouraged to read those filings to learn more about the risk factors associated with AES's businesses.

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For more general information visit our web site at www.aesc.com or contact investor relations at investing@aesc.com. The list [aes-pr-announce](#) is an automated mailing list and can be found on the [investing](#) page of our web site. Those who subscribe to this list will receive updates when AES issues a press release.

THE AES CORPORATIONCONSOLIDATED SCHEDULE
FOR THE PERIODS ENDED MARCH 31, 2001 AND 2000

(\$ in millions, except per share amounts)	Quarter Ended 3/31/01	Quarter Ended 3/31/00	Percentage Change
REVENUES:			
Sales and services	\$ 2,545	\$ 1,696	50%
OPERATING COSTS AND EXPENSES:			
Cost of sales and services	1,921	1,220	(57%)
Selling, general and administrative expenses	22	29	(24%)
Total operating costs and expenses	1,943	1,249	(56%)
OPERATING INCOME	602	447	35%
OTHER INCOME AND (EXPENSE):			
Interest expense, net	(350)	(264)	33%
Other (expense) income	(13)	12	(208%)
Equity in earnings of affiliates (before income tax)	50	118	(58%)
Gain on sale of investment	-	112	n/a
Nonrecurring severance and transaction costs	(94)	-	n/a
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	195	425	(54%)
Income tax provision	57	133	57%
Minority interest	32	18	(78%)
INCOME BEFORE EXTRAORDINARY ITEM	106	274	(61%)
Extraordinary item, net of tax - Early extinguishment of debt	-	(7)	n/a
NET INCOME	\$ 106	\$ 267	(60%)
DILUTED EARNINGS PER SHARE:			
Before extraordinary item	0.20	0.57	(65%)
Extraordinary item	-	(0.01)	n/a
Total	\$ 0.20	\$ 0.56	(64%)
Diluted weighted average shares outstanding (in millions)	<u>538</u>	<u>495</u>	

THE AES CORPORATION --- Supplemental Schedule (1)

CONSOLIDATED SCHEDULE (Excluding Brazilian affiliates foreign currency effects, Nonrecurring and Extraordinary items)(1)
 FOR THE PERIODS ENDED MARCH 31, 2001 AND 2000

(\$ in millions, except per share amounts)	Quarter Ended 3/31/01	Quarter Ended 3/31/00	Percentage Change
REVENUES:			
Sales and services	\$ 2,545	\$ 1,696	50%
OPERATING COSTS AND EXPENSES:			
Cost of sales and service	1,921	1,220	(57%)
Selling, general and administrative expenses	22	29	(24%)
Total operating costs and expenses	<u>1,943</u>	<u>1,249</u>	(56%)
OPERATING INCOME	602	447	35%
OTHER INCOME AND (EXPENSE), Excluding Brazilian affiliates foreign currency effects, nonrecurring and extraordinary items:			
Interest expense, net	(350)	(264)	33%
Other (expense) income	(13)	12	(208%)
Equity in earnings of affiliates (before income tax)	<u>140</u>	<u>99</u>	(41%)
INCOME BEFORE TAXES AND MINORITY INTEREST, Excluding Brazilian affiliates foreign currency effects, nonrecurring and extraordinary items:	379	294	(29%)
Income tax provision	121	86	41%
Minority interest	<u>32</u>	<u>18</u>	(78%)
NET INCOME, Excluding Brazilian affiliates foreign currency effects, nonrecurring items and extraordinary item	<u>\$ 226</u>	<u>\$ 190</u>	19%
DILUTED EARNINGS PER SHARE, Excluding Brazilian affiliates foreign currency effects, nonrecurring and extraordinary items	<u>\$ 0.42</u>	<u>\$ 0.38</u>	11%
Diluted weighted average shares outstanding (in millions)	<u>558</u>	<u>495</u>	

(1) Basis of presentation - This schedule presents, on a proforma basis, the results of operations of AES excluding the aggregate (both subsidiaries and affiliates)

Brazilian affiliates foreign currency losses of approximately \$59 million after income tax, or \$0.11 per share in 2001 and gains of approximately \$13 million after income tax, or \$0.03 per share in 2000 and nonrecurring items, including transaction and severance costs related to the IPALCO acquisition of \$61 million after income tax, or \$0.11 per share in 2001 and a gain on the sale of an investment held by IPALCO of \$77 million after income tax, or \$0.16 per share in 2000. This schedule also excludes the extraordinary loss of approximately \$7 million incurred during the first quarter of 2000.

The AES Corporation
Unaudited Supplemental Data
For the Quarter Ended March 31, 2001

GEOGRAPHIC-% of Total	-----2000-----					2001
	<u>1st Qtr</u>	<u>2nd Qtr</u>	<u>3rd Qtr</u>	<u>4th Qtr</u>	<u>Year</u>	<u>1st Qtr</u>
North America						
Revenues	45%	47%	45%	42%	45%	39%
EBCIT (1)	37%	44%	43%	36%	42%	40%
South/Central America						
Revenues	24%	27%	33%	35%	30%	38%
EBCIT	31%	38%	43%	53%	41%	51%
Europe						
Revenues	22%	17%	15%	15%	17%	14%
EBCIT	24%	10%	7%	7%	11%	8%
Asia						
Revenues	9%	9%	7%	8%	8%	9%
EBCIT	8%	8%	6%	4%	6%	1%
SEGMENTS-% of Total						
Generation						
Revenues	51%	48%	45%	44%	47%	48%
Operating Margin (2)	70%	80%	67%	59%	68%	59%
EBCIT	64%	65%	55%	38%	52%	43%
Distribution						
Revenues	49%	52%	55%	56%	53%	52%
Operating Margin	30%	20%	33%	41%	32%	41%
EBCIT	36%	35%	45%	62%	48%	57%
FINANCIAL HIGHLIGHTS-million \$, except Total Assets in billion \$						
Revenues	\$1,696	\$1,751	\$1,995	\$2,141	\$7,583	\$2,545
EBCIT	\$397	\$268	\$364	\$468	\$1,497	\$463
Net Income Excluding						
Extraordinary and Other Items (3)	\$190	\$140	\$164	\$225	\$796	\$226
Total Assets (billions)	\$26	\$31	\$32	\$33	\$33	\$35
Deprec./Amort.	\$143	\$163	\$197	\$201	\$704	\$209
Parent EBITDA - LTM (4)	\$387	\$501	\$593	\$871	\$871	\$965

(1) EBCIT is net income excluding corporate interest, other corporate costs, income taxes and nonrecurring items. Additionally, in the first quarter of 2001 Brazilian affiliate foreign currency effects have been excluded.

(2) Operating Margin is revenues reduced by cost of sales, depreciation and amortization and other operating expenses.

(3) In the first quarter of 2000 and 2001, Net Income excludes extraordinary items, Brazilian affiliate foreign currency effects and nonrecurring items.

(4) Parent EBITDA is cash flow earnings distributed to parent less parent operating expenses.



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© **Reliant Energy's Wholesale Energy Businesses and Electric Operations Drove Earnings Up 65 Percent for the Year 2000**

**FOR FURTHER
INFORMATION:**

Media: Sandy Fruhman (713) 207-3123
Investors: Randy Burkhalter (713) 207-3115

FOR IMMEDIATE RELEASE: Jan. 26, 2001

HOUSTON, TX - Reliant Energy today reported adjusted earnings for 2000 of \$838 million, or \$2.94 per basic share, compared to \$508 million, or \$1.78 per basic share, for 1999. Strong performance from the company's unregulated wholesale energy businesses and increased customer demand in its regulated electric service territory resulted in a substantial rise in earnings. Adjusted earnings for both years exclude the results of the company's investments in Latin America, which are classified as discontinued operations.

Adjusted earnings for the fourth quarter of 2000 were \$73 million, or \$0.25 per basic share, compared to \$73 million, or \$0.26 per basic share, for the same period of 1999.

"We are proud of what we have achieved over the past year," said Steve Letbetter, chairman, president and chief executive officer. "Reliant Energy has made substantial strides in executing its growth strategies in recent years. Our substantial earnings growth demonstrates our financial strength, market intelligence and disciplined approach to commercial asset management.

"The company performed well across all of its business segments during the past year, with the competitive wholesale energy business showing significant growth. Our track record of strong performance reflects our commitment to continually increase shareholder value," said Letbetter.

SELECTED OPERATING INCOME DETAILED

Electric Operations

For the year 2000, Reliant Energy HL&P generated operating income of \$1.23 billion, up from \$981 million for 1999. Increased customer demand, favorable weather comparisons and lower depreciation and amortization expense were the primary reasons for the 25 percent rise in operating income. Reliant Energy HL&P's operating income for the fourth quarter of 2000 rose 41 percent to \$203 million, compared to \$144 million, for the same period last year. The increase was largely due to the same reasons described above.

Kilowatt-hour sales for the fourth quarter increased approximately 5 percent over the same quarter of 1999, and 4 percent for the year 2000. In addition, Reliant Energy HL&P added over 44,000 customers in its service territory during 2000.

Wholesale Energy

Reliant Energy's wholesale energy group, which includes unregulated power generation and energy trading and marketing activities in North America, produced operating income of \$482 million in 2000, compared to \$27 million in 1999. The group also reported equity income, which is included in other income, of \$43 million for 2000, compared to an equity loss of \$1 million in 1999. Additional operations in the Mid-Atlantic, Mid-Continent and Southwest regions, as well as higher energy sales and prices contributed to the substantial increase over 1999. These were partially offset by higher general and administrative expenses to support generation and commercial activities, increased generation development costs, and reserves which include a \$39 million provision taken against receivable balances related to energy sales in California. The company's

wholesale energy group reported an increase of \$30 million in fourth-quarter operating income and \$10 million in fourth-quarter equity income from the same period in 1999, primarily due to the same factors described above.

Natural Gas Distribution

Reliant Energy's natural gas distribution companies reported operating income of \$113 million for 2000, compared to \$158 million for 1999. Higher operating expenses during 2000, mainly related to costs associated with exiting certain retail gas markets, provisions against receivable balances and benefit expenses, contributed to the decline.

For the fourth quarter of 2000, the gas distribution companies generated operating income of \$64 million, up from \$57 million for the same period of 1999. Improved gas margins, largely due to colder weather, contributed to the increase in the fourth quarter.

Pipelines and Gathering

The company's pipelines and gathering segment contributed operating income of \$137 million in 2000, up from \$131 million the prior year, and \$38 million for the fourth quarter of 2000, compared to \$35 million for the same period of 1999. The increase for both reporting periods was primarily due to increased gas gathering and processing revenues.

European Energy

The European energy segment contributed operating income of \$89 million for the year. The company established its European presence in the fourth quarter of 1999, with the acquisition of UNA N.V., a Dutch power generation company.

The European energy segment produced \$17 million of operating income for the fourth quarter of 2000, compared to \$32 million in the same period last year. The decline was largely due to foreign exchange rate differences and trading and marketing start-up costs.

Other Operations

Reliant Energy's other operations segment, which includes its unregulated retail electric operations, its communications business, its eBusiness group and corporate costs, reported an operating loss of \$172 million for 2000, compared to a loss of \$71 million for 1999. The decline resulted primarily from increased expenses incurred in preparing to enter the deregulated Texas electric retail market, increased communications start-up costs and information technology costs.

For the fourth quarter of 2000, the company's other operations segment had an operating loss of \$90 million. This compares to an operating loss of \$16 million for the same period of 1999. The factors affecting the decline are the same as those mentioned above for the year.

Discontinued Operations

By the end of 2000, the company's Latin American segment had sold its investments in El Salvador, Brazil and Colombia for approximately \$790 million in after-tax proceeds. Its remaining investments include a wholly owned cogeneration facility and an electric distribution company in Argentina, as well as a coke calcining plant in India. Reliant Energy is engaged in negotiations for the sale of these investments and anticipates the transactions to be concluded in 2001. As of December 1, 2000, Reliant Energy began reporting the results from its Latin American segment as discontinued operations.

REPORTED EARNINGS

Reliant Energy's earnings for the year and fourth quarter have been adjusted to eliminate the effects of certain items that are unusual or non-operational in nature. The adjustments, which are shown in the table below, include: losses from and the disposal of discontinued operations in Latin America; extraordinary items; and non-cash, net unrealized accounting gains and losses on indexed debt securities and Reliant Energy's investment in Time Warner common stock.

2000 Results (millions of dollars, except per share amounts)		
	Quarter Ended	Year Ended

	December 31,		December 31,	
Earnings	2000	1999	2000	1999
Net (loss) income, as reported	\$ (299)	\$ (73)	\$ 447	\$ 1,482
Loss (income) from discontinued operations	146	(37)	172	9
Loss on disposal of discontinued operations	159	--	159	--
Net unrealized loss (gain) on indexed debt securities & Time Warner investment	67	--	67	(1,166)
Extraordinary loss (gain)	--	183	(7)	183
Adjusted Earnings	73	73	838	508
Earnings Per Basic Share				
(Loss) income per basic share, as reported	(1.04)	(.26)	1.57	5.20
Loss (income) from discontinued operations	.51	(.13)	.61	.03
Loss on disposal of discontinued operations	.55	--	.56	--
Net unrealized loss (gain) on indexed debt securities & Time Warner investment	.23	--	.23	(4.09)
Extraordinary loss (gain)	--	.65	(.03)	.64
Basic EPS, adjusted	.25	.26	2.94	1.78
Weighted average basic shares (000)	286,088	284,427	284,652	285,040

Statements (MS Excel files):

- Consolidated Income
- Selected Data

WEBCAST OF EARNINGS CONFERENCE CALL

Reliant Energy has scheduled its fourth-quarter 2000 earnings conference call for Friday, January 26, 2001, at 10 a.m. CST. Interested parties may listen to a live audio broadcast of the conference call at www.reliantenergy.com/investors. Parties may also listen to an online replay that will follow within two hours after completion of the call.

The webcast requires listeners to have a multimedia computer with speakers and RealPlayer installed. Please visit the website at least 15 minutes before the scheduled broadcast to register for the event and download and install any necessary audio software.

FORM 8-K

For further details related to the fourth-quarter 2000 earnings release, refer to the company's current report on form 8-K, which was filed today with the Securities and Exchange Commission.

Reliant Energy (NYSE: REI) based in Houston, Texas, is an international energy services and energy delivery company with approximately \$29 billion in annual revenue and assets totaling approximately \$32 billion. The company has a wholesale energy trading and marketing business that is one of only six companies to rank among both the ten largest power marketers and the ten largest natural gas marketers in the U.S. It also has power generation and wholesale trading and marketing operations in Western Europe. The company has nearly 27,000 megawatts of power generation in operation in the U.S. and

Western Europe and has announced acquisitions and development projects that will add nearly 4,000 megawatts. Reliant Energy also has marketing and distribution operations serving nearly four million electricity and natural gas customers in the U.S. and a communications business serving the Houston area.

* * * *

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. Factors that could affect actual results include the timing and impact of future regulatory and legislative decisions, changes in Reliant Energy's business plans, financial market conditions and other factors discussed in Reliant Energy's filings with the Securities and Exchange Commission.

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© Reliant Energy Reports Strong First-Quarter Earnings

FOR FURTHER INFORMATION: Sandy Fruhman, Media (713) 207-3123
Dennis Barber, Investors (713) 207-3042

FOR IMMEDIATE RELEASE: April 16, 2001

Houston, TX - Reliant Energy today reported first-quarter 2001 adjusted earnings of \$274 million, or \$.94 per diluted share, compared to \$134 million, or \$.47 per share, for the first quarter of 2000. Adjusted earnings per share doubled compared to a year ago due to the strong performance from the company's wholesale energy segment and improved results from its natural gas distribution companies and its pipelines and gathering segment.

"We are pleased to report a quarter of outstanding performance for our shareholders," said Steve Letbetter, chairman, president and chief executive officer of Reliant Energy. "We are particularly pleased with the results from our wholesale energy business, which continues to perform well in a competitive environment. In a few short years, we've built a substantial wholesale energy merchant business that has grown rapidly and gained a sizeable presence in five key regions of the U.S. We are proud of these accomplishments. Our regulated businesses also performed well in the first quarter, with increased operating income from our natural gas distribution segment and pipelines and gathering operations. These businesses continue to produce solid earnings and cash flows."

OPERATING INCOME DETAILED **Electric Operations**

Reliant Energy HL&P's operating income for the first quarter of 2001 was \$186 million, down from \$202 million for the same period of 2000. The decline was primarily due to increased operating expenses and increased taxes, partially offset by strong demand from residential and commercial customers and reduced depreciation and amortization expense.

Wholesale Energy

The company's wholesale energy segment produced first-quarter operating income of \$216 million, compared to an operating loss of \$22 million for the first quarter of 2000. Gross margins for the wholesale group rose by \$343 million from the same quarter of last year. This increase was primarily due to increased revenues from energy and ancillary services, the addition of our Mid-Atlantic assets and strong commercial and operational performance in other regions.

These results were partially offset by higher general and administrative and emissions expenses and a \$38 million provision taken against receivable balances related to energy sales in the West region.

Natural Gas Distribution

Operating income for the company's natural gas distribution segment increased 29 percent to \$135 million for the first quarter of 2001, compared to \$105 million for the first quarter of 2000. The substantial rise was largely due to improved margins from cooler weather, partially offset by increased operating expenses.

Pipelines and Gathering

The company's pipelines and gathering segment produced first-quarter operating income of \$39 million, up from \$32 million for the same period last

year. Improved margins from both the pipelines and gas gathering businesses contributed to the rise in operating income.

European Energy

The company's European energy segment reported operating income of \$18 million for the first quarter of 2001, compared to \$33 million for the same period of 2000. The decline was largely due to a decrease in gross margins resulting from competition in the wholesale market, which began January 1, 2001. Increased margins from ancillary services and district heating partially offset the decline.

Other Operations

The company's other operations segment, which includes its unregulated retail electric operations, its communications business, its eBusiness group and corporate costs, reported an adjusted operating loss of \$33 million for the first quarter of 2001, compared to an operating loss of \$9 million for the same period last year. The decline resulted primarily from the timing of certain legal expenses as well as costs related to the company's communications operations.

In anticipation of the spin-off of its unregulated businesses, the company incurred a \$101 million pre-tax, non-cash charge related to the redesign of its benefits plans. Including this charge, the reported operating loss for this segment was \$134 million.

REPORTED EARNINGS

Reliant Energy's reported earnings for the first quarter of 2001 were \$262 million, or \$.90 per diluted share, reflecting a \$7 million, after-tax loss on the disposal of discontinued operations in Latin America, a \$62 million after-tax, non-cash gain from the implementation of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and a \$65 million after-tax, non-cash charge relating to the redesign of the company's benefits for employees of the company's unregulated businesses as discussed above. This compares to reported earnings of \$133 million, or \$.47 per share, for the first quarter of 2000, which includes a \$1 million loss from discontinued operations in Latin America.

WEBCAST OF EARNINGS CONFERENCE CALL

Reliant Energy has scheduled its first-quarter 2001 earnings conference call for Monday, April 16, 2001, at 10 a.m. Central Time. Interested parties may listen to a live audio broadcast of the conference call at www.reliantenergy.com/investors. Parties may also listen to an online replay that will follow within two hours after completion of the call.

The webcast requires listeners to have a multimedia computer with speakers and RealPlayer installed. Please visit the website at least 15 minutes before the scheduled broadcast to register for the event and download and install any necessary audio software.

FORM 8-K

For further details related to the first-quarter 2001 earnings release, refer to the company's current report on Form 8-K, which was filed today with the Securities and Exchange Commission.

Reliant Energy (NYSE: REI) based in Houston, Texas, is an international energy services and energy delivery company with approximately \$38 billion in annual revenue and assets totaling more than \$30 billion. The company has more than 23,000 megawatts of power generation in operation in the U.S. and is one of only three companies to rank among both the five largest power marketers and the five largest natural gas marketers in the nation. The company also has wholesale trading and marketing operations and more than 3,400 megawatts of power generation in Western Europe. Reliant Energy's retail marketing and distribution operations serve nearly four million electricity and natural gas customers in the U.S., and its Internet infrastructure and communications company serves business customers in Texas.

* * * * *

This news release includes forward-looking statements, estimates and projections. Actual events and results may differ materially from those projected. Factors that could affect actual results include future regulatory and legislative decisions, weather, risks associated with international operations, the success in integrating acquired operations, changes in Reliant Energy's business plans and other factors discussed in the company's other filings with the Securities and Exchange Commission.

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02/05/01

Williams' 2000 Results From Continuing Operations Quadruple 1999

TULSA -- Williams (NYSE: WMB) today reported unaudited 2000 income from continuing operations of \$873.2 million, or \$1.95 per share on a diluted basis, versus \$178 million, or 40 cents per share on a restated basis, for 1999.

Including the loss from discontinued operations from the previously announced plan to sell Williams Communications Solutions, Williams reported unaudited 2000 net income of \$524.3 million, or \$1.17 per share, compared with restated net income of \$221.4 million, or 50 cents per share, for 1999.

"It was a year of operational and financial highlights for Williams," said Keith E. Bailey, chairman, president and chief executive officer. "We had nearly a three-fold growth in segment profit of our Energy Services unit and our Gas Pipeline business turned in another record performance. By finishing our national fiber-optic network, we completed in only three years one of the largest, most complex construction projects ever undertaken by the company.

"As we enter 2001, we believe that our performance will meet the expectations of the financial community as the productive capacity that we have aggressively developed in each of our businesses delivers bottom-line results," he said. "Our recently completed equity offering is a major factor in providing the financial capacity for us to execute the growth strategy of each of our businesses."

For the fourth quarter, income from continuing operations was \$259.3 million, or 57 cents per share on a diluted basis, compared with \$66.1 million, or 14 cents per share on a restated basis, for the same period last year.

Gas Pipeline, one of the nation's largest transporters of natural gas through systems that span the United States, reported 2000 segment profit of \$741.5 million compared with \$697.3 million during 1999.

The improvement primarily was due to the benefit of increased transportation and storage revenues and the contribution of new capital investments.

For the fourth quarter of 2000, Williams' gas pipeline business reported segment profit of \$175.6 million, compared with segment profit of \$192.4 million during the same period of 1999, a period which benefited from \$21 million in rate refund reductions.

Energy Services, which provides a full spectrum of traditional and advanced energy products and services, reported 2000 segment profit of \$1,558.7 million, compared with segment profit of \$529.1 million during 1999.

The increase primarily was due to substantially higher profits from the energy marketing and trading business, reflecting successful proprietary natural gas and electric power trading during a year of nationwide volatility across these energy portfolios; increased earnings from structured transactions and greater overall market demand. Also contributing were increased natural gas liquids margins and volumes, higher natural gas production prices and increased throughput and refining margins. Partially offsetting these increases was the \$75.7 million impact of impairments and losses accrued during 2000 related to the decision to exit certain energy activities, including \$45.4 million recorded in the fourth quarter.

For the fourth quarter of 2000, Energy Services reported segment profit of \$630.5 million, compared with segment profit of \$142.9 million during the same period of 1999. The increase was due primarily to substantially higher natural gas and electric power trading profits resulting, in large part, from significant nationwide price volatility during the quarter.

Communications, which includes a leading-edge broadband network, single-source communications systems integration and multiple technology applications for businesses, reported a 2000 segment loss of \$165.7 million, compared with a restated segment loss of \$259.1 million during 1999.

The reduced segment loss resulted from gains on sales of investments and lower losses from its investment in a Brazilian cellular business, partially offset by higher depreciation and amortization and the continued cost of adding resources and infrastructure to serve network customers. Results for 1999 reflect approximately \$34 million in losses resulting from selling certain non-core businesses. Pursuant to plans to sell the Solutions segment, results for that business unit are reported as discontinued operations.

For the fourth quarter of 2000, Communications reported a segment loss of \$152.4 million compared with a restated segment loss of \$68.3 million during the same period of 1999.

About Williams

Williams, through its subsidiaries, connects businesses to energy and

communications. The company delivers innovative, reliable products and services through its extensive networks of energy-distributing pipelines and high-speed fiber-optic cables. Williams information is available at <http://www.williams.com>.

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

Our financial highlights are available in Adobe Acrobat Reader format.

If you don't have the Adobe Acrobat Reader, you can download it free from Adobe.



[Download Financial Highlights](#)

Contact Information:

Jim Gipson, media
(918) 573-2111

Rick Rodekohr, Investors
(918) 573-2087

Richard George, Investors
(918) 573-3679

jim.gipson@williams.com rick.rodekohr@williams.com richard.george@williams.com

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04/26/01

Williams' 1st Quarter Results From Continuing Operations More Than Double Last Year

TULSA -- Williams (NYSE: WMB) today announced unaudited first quarter 2001 results from continuing operations of \$378.3 million, or 78 cents per share, compared with a restated \$138.9 million, or 31 cents per share, for the same period last year.

"This great start to the year saw most of our energy businesses achieving year-over-year improvement in financial performance. We continue to benefit from generally favorable market conditions in most of the industry sectors in which we operate and from our strategy of expanding the productive capacity of the company," said Keith Bailey, chairman, president and chief executive officer. "As we look out over the balance of the year, we anticipate that favorable market conditions will continue, as will our commitment to invest in our capacity to produce results for all of our stakeholders.

"Based on this quarter's results and our view of the balance of the year, we are again adjusting our estimates for 2001, anticipating results of from \$2.10 to \$2.20 per share," he said.

Bailey will lead a conference call today at 9 a.m. Eastern to discuss financial and operating performance. The live webcast and replays may be accessed from <http://www.williams.com>.

Results of Williams Communications, which was spun off to shareholders earlier this week, are reported as discontinued operations. Williams' prior-period consolidated financial results have been restated as a result of this transaction. Following is a summary of Williams' major business groups:

Gas Pipeline, which provides natural gas transportation and storage services through systems that span the United States, reported first quarter 2001 segment profit of \$204 million, compared with \$197.3 million during the same period a year ago.

The improvement primarily was due to the benefit of increased revenues from

new capital investments and reduced general and administrative expense.

Williams is actively developing 10 major and numerous smaller projects in virtually every area of the country that would expand natural gas transportation and storage infrastructure to more fully serve markets. These would add some 5 billion cubic feet per day of new pipeline capacity, which would boost Williams' total capacity by some 30 percent. In-service dates for these projects range from this summer into 2003. More than 60 percent of the new pipeline capacity is destined to fuel the generation of electricity.

During the first quarter, Williams received emergency federal government approval to significantly expand pipeline capacity into Southern California by the middle of this summer, and the company plans to eventually double the capacity of the Kern River system. In addition, approval was won to move forward with Gulfstream, a major new pipeline to serve Florida. Williams also announced three open seasons to expand capacity in areas of the East, Southeast and Northwest, and filed to re-activate the Cove Point liquefied natural gas import facility on the Maryland coast.

Energy Services, which provides a full spectrum of traditional and advanced energy products and services, reported first quarter 2001 combined segment profit of \$600.5 million vs. a restated \$208.3 million during the same period a year ago. Results of the major business segments within Energy Services are:

Energy Marketing & Trading, which provides energy commodities marketing and trading and price risk management services, reported first quarter segment profit of \$484.5 million vs. \$77.8 million for the same period last year. The increase primarily was due to substantially higher results from electric power and natural gas proprietary trading activities, increased structured transactions and additional value created in trading in cash markets. Physical power volumes during the first quarter of 2001 were approximately two and one-half times greater than the year-ago period.

Major steps were taken during the first quarter to further expand Williams' electric power portfolio and strengthen its geographic reach into the Midwest and Southeast. Exiting 2000 with more than 8,900 megawatts, transactions were executed during the first three months of 2001 to bring the total portfolio to nearly 15,000 megawatts, with a goal to grow to 25,000 megawatts within three years and 40,000 within five years.

Midstream Gas & Liquids, which provides gathering, processing, natural gas liquids transportation, fractionation and storage services, reported first quarter segment profit of \$37.8 million vs. \$82.5 million for the same period last year. The decrease primarily was due to lower liquids margins, resulting from average natural gas prices that were 180 percent higher than during the same period last year. Domestic liquids margins averaged 1.7 cents per gallon during the first quarter of 2001, compared with 18.2 cents per gallon during the same

period last year. In addition, transportation volumes were lower due to ethane rejection at several plants in a low-margin environment.

Petroleum Services, which includes refining, convenience stores and travel centers, petroleum products transportation, terminals and distribution, bio-energy and olefins production, reported first quarter segment profit of \$32.1 million vs. \$28.9 million for the same period last year. The improved results are primarily due to higher refining margins and higher volumes, partially offset by an additional impairment charge related to certain assets designated as held for sale and increased retail losses.

Exploration & Production, which includes natural gas exploration, development and production in basins within the San Juan and Rocky Mountains, Texas, Louisiana and Gulf of Mexico, reported first quarter segment profit of \$50.6 million vs. \$11.4 million for the first quarter last year. The improvement primarily was due to significant overall price improvements and slightly higher production volumes. Prices on approximately 70 percent of production volumes were hedged prior to the start of the first quarter of this year.

Also included within Energy Services is the International business unit, as well as the results the newly created Williams Energy Partners MLP. Together, these two units reported a segment loss of \$3.1 million for the first quarter 2001 vs. a profit of \$10.4 million for the same period of last year.

Editors note: Unaudited consolidated net income the first quarter for 2001, which includes the effects of discontinued operations, was \$199.2 million, or 41 cents per share, compared with 22 cents per share for the same period last year. Also, the cumulative effect of Williams' adoption of SFAS 133, titled "Accounting for Derivative Instruments and Hedging Activities," is not material to results from operations.

About Williams (NYSE: WMB)

Williams, through its subsidiaries, connects businesses to energy, delivering innovative, reliable products and services. Williams information is available at www.williams.com.

Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.

Contact Information:

Jim Gipson, media
(918) 573-2111
jim.gipson@williams.com

Rick Rodekohr, Investor
relations
(918) 573-2087
rick.rodekohr@williams.com

Richard George, Investor
relations
(918) 573-3679
richard.george@williams.com

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Financial Highlights
(UNAUDITED)



<i>(Millions, except per-share amounts)</i>	Three months ended March 31.	
	2001	2000*
Revenues	\$ 3,088.0	\$ 1,899.3
Income from continuing operations	\$ 378.3	\$ 138.9
Loss from discontinued operations	\$ (179.1)	\$ (39.2)
Net income	\$ 199.2	\$ 99.7
Basic earnings per common share:		
Income from continuing operations	\$.79	\$.31
Loss from discontinued operations	\$ (.37)	\$ (.09)
Net income	\$.42	\$.22
Average shares (thousands)	479,090	442,884
Diluted earnings per common share:		
Income from continuing operations	\$.78	\$.31
Loss from discontinued operations	\$ (.37)	\$ (.09)
Net income	\$.41	\$.22
Average shares (thousands)	483,310	448,105
Shares outstanding at March 31 (thousands)	484,128	441,677

* Amounts have been restated as described in Note 1 of Notes to Consolidated Statement of Income.

Consolidated Statement of Income
(UNAUDITED)



		Three months ended March 31,	
		2001	2000*
<i>(Millions, except per-share amounts)</i>			
REVENUES	Gas Pipeline	\$ 468.6	\$ 481.3
	Energy Services	2,843.9	1,539.2
	Other	18.5	16.3
	Intercompany eliminations	(243.0)	(137.5)
	Total revenues	3,088.0	1,899.3
SEGMENT COSTS AND EXPENSES	Costs and operating expenses	2,041.4	1,310.0
	Selling, general and administrative expenses	226.1	179.9
	Other expense – net	11.2	.9
	Total segment costs and expenses	2,278.7	1,490.8
OPERATING INCOME	General corporate expenses	29.4	23.4
	Gas Pipeline	204.0	197.3
	Energy Services	600.5	208.3
	Other	4.8	2.9
	General corporate expenses	(29.4)	(23.4)
	Total operating income	779.9	385.1
	Interest accrued	(190.0)	(168.6)
	Interest capitalized	9.7	9.2
	Investing income	37.1	22.1
	Minority interest in income and preferred returns of consolidated subsidiaries	(24.2)	(13.1)
Other income – net	5.4	4.5	
Income from continuing operations before income taxes	617.9	239.2	
Provision for income taxes	239.6	100.3	
Income from continuing operations	378.3	138.9	
Loss from discontinued operations	(179.1)	(39.2)	
Net income	\$ 199.2	\$ 99.7	
EARNINGS PER SHARE	Basic earnings per common share:		
	Income from continuing operations	\$.79	\$.31
	Loss from discontinued operations	(.37)	(.09)
	Net income	\$.42	\$.22
	Diluted earnings per common share:		
	Income from continuing operations	\$.78	\$.31
	Loss from discontinued operations	(.37)	(.09)
	Net income	\$.41	\$.22

* Amounts have been restated or reclassified as described in Note 1 of Notes to Consolidated Statement of Income.

See accompanying notes.



1. BASIS OF PRESENTATION

On March 30, 2001, Williams' board of directors approved a tax-free spinoff of Williams' communications business, Williams Communications Group, Inc. (WCG). The results of operations for WCG have been reflected in the Consolidated Statement of Income as discontinued operations. Unless indicated otherwise, the information in the Notes to Consolidated Statement of Income relates to the continuing operations of Williams (see Note 3).

During first-quarter 2001, Williams Energy Partners, L.P. (WEP) completed an initial public offering. WEP is now reported as a separate segment within Energy Services and consists of certain terminals and an ammonia pipeline previously reported within Petroleum Services and Midstream Gas & Liquids, respectively. Also during first-quarter 2001, management of international activities, previously reported in Other, was transferred and the international activities are now reported as a separate segment under Energy Services.

Effective February 2001, management of certain operations previously conducted by Energy Marketing & Trading was transferred to Petroleum Services. These operations included the procurement of crude oil and marketing of refined products produced from the Memphis refinery. Additionally, the refined product sales activities surrounding certain terminals located throughout the United States were transferred. This sales activity was previously included in the trading portfolio of Energy Marketing & Trading and was therefore reported net of related costs of sales. Following the transfer, these sales are reported on a "gross" basis.

Prior year segment amounts have been restated to reflect the above mentioned changes.

Segment profit of operating companies may vary by quarter. Based on current rate structures and/or historical maintenance schedules of certain of its pipelines, Gas Pipeline generally experiences higher segment profits in the first and fourth quarters as compared with the second and third quarters.

2. SEGMENT REVENUES AND PROFIT

Segment revenues and profit (loss) for the three months ended March 31, 2001 and 2000, are as follows:

(millions)	Three months ended March 31, Revenues		Segment Profit (loss)	
	2001	2000*	2001	2000*
Gas Pipeline	\$ 468.6	\$ 481.3	\$204.0	\$197.3
Energy Services:				
Energy Marketing & Trading	659.6	156.4	484.5	77.8
Exploration & Production International	134.2	55.8	50.6	11.4
Midstream Gas & Liquids	18.1	17.0	(8.5)	3.3
Petroleum Services	598.0	324.4	37.8	82.5
Williams Energy Partners, L.P.	1,413.7	967.9	32.1	28.9
Merger-related costs and non-compete amortization	20.3	17.7	5.4	7.1
	-	-	(1.4)	(2.7)
Total Energy Services	2,843.9	1,539.2	600.5	208.3
Other	18.5	16.3	4.8	2.9
Intercompany eliminations	(243.0)	(137.5)	-	-
Total Segments	\$3,088.0	\$1,899.3	\$809.3	\$408.5

* Certain amounts have been restated or reclassified as described in Note 1.

The following table reflects the reconciliation of segment profit to operating income as reported in the Consolidated Statement of Income.

(millions)	Three months ended March 31,	
	2001	2000*
Segment profit:		
Gas Pipeline	\$204.0	\$197.3
Energy Services	600.5	208.3
Other	4.8	2.9
Total	809.3	408.5
General corporate expenses	(29.4)	(23.4)
Operating income	\$779.9	\$385.1

* Certain amounts have been restated as described in Note 1.

3. DISCONTINUED OPERATIONS

On March 30, 2001, Williams' board of directors approved a tax-free spinoff of WCG to Williams' shareholders. Williams distributed 398.5 million shares, or approximately 95 percent of the WCG common stock held by Williams, to holders of record on April 9 of Williams common stock. Distribution of .822399 of a share of WCG common stock for each share of Williams stock occurred on April 23, 2001. The distribution will be recorded as a dividend and will result in a decrease to stockholders' equity of approximately \$1.8 billion. Included in the loss from discontinued operations is a pre-tax loss accrual net of minority interest of approximately \$80 million representing an estimate of Communications' operations for the period April 1, 2001 through April 23, 2001.



Notes to Consolidated Statement of Income (continued)
(UNAUDITED)

4. RECENT ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities." This was followed in June 2000 by the issuance of SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," which amends SFAS No. 133. SFAS No. 133 and 138 establish accounting and reporting standards for derivative financial instruments. The standards require that all derivative financial instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives will be recorded each period in earnings if the derivative is not a hedge. If a derivative is a hedge, changes in the fair value of the derivative will either be recognized in earnings along with the change in the fair value of the hedged asset, liability or firm commitment also recognized in earnings, or recognized in other comprehensive income until the hedged item is recognized in earnings. For a derivative recognized in other comprehensive income, the ineffective portion of the derivative's change in fair value will be recognized immediately in earnings. Williams adopted these standards effective January 1, 2001. The January 1, 2001 cumulative effect of the accounting change included in the results of operations associated with the initial adoption of these standards is not material.



Three months ended
March 31,

	2001	2000
Gas Pipeline:		
Central		
Throughput (TBtu)	113.0	104.1
Average daily transportation volumes (TBtu)	1.3	1.1
Average daily firm reserved capacity (TBtu)	2.3	2.3
Kern River Gas Transmission		
Throughput (TBtu)	89.2	79.3
Average daily transportation volumes (TBtu)	1.0	.9
Average daily firm reserved capacity (TBtu)	.8	.8
Northwest Pipeline		
Throughput (TBtu)	205.4	206.3
Average daily transportation volumes (TBtu)	2.3	2.3
Average daily firm reserved capacity (TBtu)	2.8	2.6
Texas Gas Transmission		
Throughput (TBtu)	200.3	218.9
Average daily transportation volumes (TBtu)	2.3	2.4
Average daily firm reserved capacity (TBtu)	2.7	2.8
Transcontinental Gas Pipe Line		
Throughput (TBtu)	444.6	489.1
Average daily transportation volumes (TBtu)	4.9	5.4
Average daily firm reserved capacity (TBtu)	5.9	6.5
Energy Services:		
Energy Marketing & Trading		
Physical Trading		
Natural gas (Bcf/d)	3.4	3.8
Power (GWh)	65,582	25,677
Exploration & Production		
Natural gas production (TBtu)	17.1	16.8
Midstream Gas & Liquids		
Field Services - Domestic		
Gathering volumes (TBtu)	539.6	527.1
Processing volumes (TBtu)	145.7	144.9
Natural gas liquids sales (million gallons)	201.2	274.9
Natural Gas Liquids Pipeline - Domestic		
Barrel miles - total system (billions)	29.5	36.2
Mid-America Pipeline deliveries (million barrels)	65.1	71.2
Seminole Pipeline deliveries (million barrels)	19.5	24.7
Rocky Mountain Extension deliveries (million barrels)	9.9	10.1
Petroleum Services		
Petroleum Products Pipeline		
Shipments (million barrels)	53.2	50.9
Barrel miles (billions)	15.4	13.2
Ethanol sales (million gallons)	58.9	54.9
Refining (crude runs)		
Memphis (MBPD)	168.8	142.8
North Pole (MBPD)	174.0	191.2
Travel Centers		
Average monthly gasoline and diesel sales per travel center (thousand gallons)	1,085.0	928.6
Number of travel centers (end of period)	58	45

Dynegy Inc
1000 Louisiana Street Suite 5800
Houston, Texas 77002
Phone 713.507.6400 - Fax 713.507.3871
<http://www.dynegy.com>

news release



Dynegy Triples Recurring Net Income in 2000

HOUSTON--(BUSINESS WIRE)--Jan. 23, 2001--Dynegy Inc. (NYSE:DYN)-

- Dynegy reports 2000 recurring net income of \$452 million, or \$1.43 per diluted share
- Dynegy reports fourth quarter recurring diluted earnings per share of \$0.32
- Dynegy Marketing and Trade 2000 recurring net income increases more than 250 percent
- Growth driven by diversification strategy, dynamic energy environment

Dynegy Inc. (NYSE:DYN) today reported a 210 percent increase in 2000 recurring net income to \$452 million, or \$1.43 per diluted share, compared to 1999 recurring net income of \$146 million, or \$0.63 per diluted share. The 2000 results represent a 157 percent increase compared to 1999 pro forma recurring net income of \$176 million, or \$0.53 per diluted share.

For the year, Dynegy's common stock was one of the top performers among Standard & Poor's 500 companies with a total shareholder return of 218 percent.

"2000 was an exceptional year for the company with all business segments executing very well. By leveraging our assets, Dynegy's core convergence segment achieved particularly outstanding results with a 252 percent increase in 2000 recurring net income to \$355 million," said Chuck Watson, chairman and chief executive officer of Dynegy Inc. "We significantly advanced the company's competitive position through the closing of the Illinova merger and the completion of three greenfield power projects totaling 1,055 megawatts. The closing of two acquisitions totaling more than 3,000 megawatts during the first half of this year and the development of three additional greenfield power projects totaling 1,165 megawatts by this summer will ensure that our growth performance will continue into 2001 and beyond.

"We also established our global communications business in less than six months through two well-timed acquisitions, creating an asset-lite network that will enable Dynegy to become a leader in the emerging broadband

marketing and trading arena," said Watson. "Our ongoing technology and infrastructure development enabled the launch of Dynegydirect, the company's electronic commerce portal that exceeded \$3 billion in notional transaction value in less than three months."

Watson added, "Dynegy's excellent stock performance in 2000 can be attributed to the execution of our core business strategies over the last several years and improved market liquidity. We are confident about the year ahead and are well-positioned to achieve our targeted growth rate of about 30 percent."

Dynegy Marketing and Trade

Dynegy Marketing and Trade is engaged in wholesale marketing and trading of power, natural gas, coal, emission allowances, and weather derivatives, and the generation of electricity. This segment is focused on commodities marketing, trading and risk management around the ownership and/or control of related physical assets and includes Dynegy's direct commercial and industrial sales and retail marketing alliances.

For the year, Dynegy Marketing and Trade reported a 252 percent increase in recurring net income to \$355 million, which represented nearly 80 percent of the company's overall results. This compares to 1999 recurring net income of \$101 million. The segment's outstanding performance benefited from Dynegy's expanded North American natural gas and power operations, including the integration of Illinova's unregulated generation assets, strong marketing, trading and risk management activities and a return to normal weather.

Worldwide natural gas marketing volumes increased to 11 billion cubic feet per day for the year, reflecting increased demand by gas-fired generation and greater volumes sold to Dynegy's retail alliances. The company produced and sold 138 million megawatt hours during 2000, representing a 74 percent increase over 1999. The increase was the result of the continued execution of the company's merchant leverage effect, combined with acquisitions, new development projects and the opening of wholesale power markets.

Dynegy Midstream Services

Dynegy Midstream Services consists of Dynegy's North American midstream liquids business and worldwide natural gas liquids marketing and transportation operations. The company continues its strategy to focus on its downstream marketing and trading operations, reduce upstream commodity pricing exposure through hedging and forward sales and lower costs through efficiency programs.

Recurring net income for the year increased 21 percent to \$55 million, compared to recurring net income of \$45 million in 1999. Segment performance benefited from strong natural gas liquids marketing activities, a favorable commodity pricing environment and ongoing cost savings

initiatives.

Prior period comparisons in this segment are impacted by the sale of approximately one-third of Dynegy's upstream natural gas processing assets in late 1999 and early 2000. 1999 recurring net income normalized for these sales was approximately \$37 million.

Natural gas liquids sold during 2000 totaled 565 thousand barrels per day (MBbls/d), up from 537 MBbls/d in 1999. Processing volumes decreased 21 percent to 97 MBbls/d in 2000, compared to 123 MBbls/d in 1999. Normalized processing volumes for 1999 were 97 MBbls/d.

Transmission and Distribution

Dynegy's regulated transmission and distribution subsidiary, Illinois Power (IP), is an energy delivery company engaged in the transmission, distribution and sale of electricity and natural gas to approximately 650,000 customers across a 15,000-square-mile area of Illinois.

IP reported recurring net income of \$55 million for the year. Segment performance benefited from cost reductions and operational efficiencies resulting from the integration with Dynegy. The year also benefited from higher-than-expected natural gas and power demand throughout IP's market area during the latter part of the year, which helped offset the impact of mild temperatures during the summer.

Dynegy Global Communications

Dynegy's newly established communications segment, Dynegy Global Communications (DGC), is engaged in pursuing and capturing opportunities in the converging energy and communications marketplace. DGC is currently developing a state-of-the-art, cost-efficient global network that will enable Dynegy to become a leader in the broadband marketing and trading arena.

Dynegyconnect, L.P., DGC's North American subsidiary, is developing the first nationwide optically switched data network that will consist of approximately 20,000 route miles and more than 40 points of presence by the fourth quarter of 2001. Dynegy Europe Communications (DEC) will be formed in the first part of 2001 following the acquisition of iaxis Limited, a privately held, London-based communications company. Upon completion of this purchase, DEC will acquire an 8,750-route-mile (14,000-kilometer) fiber optic network and state-of-the-art optical equipment and technology deployed at more than 30 strategically positioned co-location, data center and hub sites throughout Europe.

Segment results reflect a \$12 million quarterly loss, or \$0.04 per diluted share, resulting from start-up investments associated with the expansion of the company's global communications business.

Other Factors Affecting Earnings

Depreciation increased principally as a result of an expanded portfolio of power generation and other assets and amortization of costs related to strategic infrastructure projects designed to enhance Dynegy's competitive position in the convergence markets. The increased level of general and administrative expenses principally reflects incremental costs associated with a larger, more diverse base of operations and higher variable compensation costs. Interest expense was higher due to the expanded capital base of the company.

Fourth Quarter 2000 Results

Dynegy reported fourth quarter 2000 recurring net income of \$106 million, or \$0.32 per diluted share. This compares to fourth quarter 1999 recurring net income of \$45 million, or \$0.19 per diluted share. For the quarter, Dynegy reported recurring net income of \$118 million, or about \$0.36 per diluted share, excluding the company's newly established communications businesses.

A dynamic energy environment produced outstanding marketing and trading results in natural gas and power. Dynegy also had strong generation results, which were primarily attributable to cold weather demand throughout the Midwest and Northeast. Earnings from Dynegy's West Coast generation were not material and the company recorded what it considers to be an appropriate reserve for its California generation receivables.

"Dynegy concluded the year with the strongest fourth quarter in the company's history. Our earnings growth reflects solid performance across all our energy business segments," said Watson. "We are confident that the continued execution of our multi-dimensional business strategy centered around marketing and trading will enable us to sustain this earnings level throughout 2001."

About Dynegy Inc.

Dynegy Inc. is a leading provider of energy and communications solutions to customers in North America, the United Kingdom and Continental Europe. The company's leadership position extends across the entire convergence value chain, from broadband, power generation and wholesale and direct commercial and industrial marketing and trading of power, natural gas, coal, emission allowances, and weather derivatives to transportation, gathering and processing of natural gas liquids.

Earnings Conference Call

Dynegy will simulcast its fourth quarter and year-end 2000 earnings conference call live via the Internet on Tuesday, January 23, 2001 at 9:00 a.m. CDT. The web cast can be accessed and archived through the Investor Relations section of Dynegy's web site. The address is <http://www.dynegy.com>.

Certain statements included in this news release are intended as "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. These statements include assumptions, expectations, predictions, intentions or beliefs about future events. Dynegy cautions that actual future results may vary materially from those expressed or implied in any forward-looking statements. Some of the key factors that could cause actual results to vary from those Dynegy expects include changes in commodity prices for energy or communications products or services; the timing and extent of deregulation of energy markets in the U.S. and Europe; general capital market conditions; the effectiveness of Dynegy's risk management policies and procedures; the liquidity and competitiveness of wholesale trading markets for energy commodities, including the impact of electronic or online trading in these markets; operational factors affecting Dynegy's power generation or Dynegy's midstream natural gas facilities; uncertainties regarding the development of, and competition within, the market for broadband services in the U.S. and Europe; and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting Dynegy's business. More information about the risks and uncertainties relating to these forward-looking statements are found in Dynegy's SEC filings, which are available free of charge on the SEC's web site at <http://www.sec.gov>.

DYNEGY INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In Thousands, Except Per Share Data)

	Three Months Ended December 31,		Year Ended December 31,	
	2000	1999	2000	1999
Operating Revenues	\$10,009,926	\$4,639,317	\$29,444,876	\$15,429,976
Cost of Sales	9,622,558	4,500,080	27,985,791	14,886,101
Operating Margin	387,368	139,237	1,459,085	543,875
Depreciation General and Administrative Expenses	97,208	33,185	388,558	129,458
Operating Income	94,268	50,589	329,417	200,717
	195,892	55,463	741,110	213,700
Equity in Earnings of Unconsolidated Subsidiaries	22,649	19,709	205,412	79,854
Interest Expense	(56,557)	(18,705)	(251,274)	(78,164)
Minority Interest in Income of a Subsidiary	(5,885)	(4,158)	(29,173)	(16,632)
Other Income and Expenses, Net	1,394	16,590	95,068	27,768

Income Before Income Taxes	157,493	68,899	761,143	226,500
Income Tax Provision	51,615	23,789	260,634	74,677
Net Income	\$105,878	\$45,110	\$500,509	\$151,849
Recurring Net Income (A)	\$105,878	\$45,110	\$452,426	\$146,084
Earnings Before Interest and Taxes	\$219,935	\$91,762	\$1,041,590	\$321,321
Recurring Earnings Before Interest and Taxes (A)	\$219,935	\$91,762	\$974,258	\$312,453
Earnings Per Share:				
Basic Earnings Per Share of Common Stock	\$0.33	\$0.21	\$1.54	\$0.71
Diluted Earnings Per Share of Common Stock	\$0.32	\$0.19	\$1.48	\$0.66
Recurring Basic Earnings Per Share of Common Stock (A) (B)	\$0.33	\$0.21	\$1.49	\$0.68
Recurring Diluted Earnings Per Share of Common Stock (A) (B)	\$0.32	\$0.19	\$1.43	\$0.63
Basic Shares Outstanding	321,607	215,259	302,011	212,793
Diluted Shares Outstanding	335,440	241,817	314,630	230,426

(A) 2000 excludes the impact of the following non-recurring pre-tax amounts: a \$83.3 million (\$58.5 million after-tax) gain on the disposition of its non-operating equity interest in Accord Energy Ltd., a U.K. gas marketing joint venture, a \$52 million (\$33.8 million after-tax) gain on the sale of certain qualifying generation facilities and \$68 million (\$44.2 million after-tax) of charges related to the sale and impairment of certain natural gas liquids assets, the adjustment in the carrying value of the domestic crude assets related to the anticipated sale of the business and merger related costs. 1999 excludes the impact of a one-time pre-tax gain of \$8.9 million (\$5.8 million after-tax) related to the sale of an investment.

(B) The year ended December 31, 2000 recurring earnings per

share amounts exclude the impact of a \$31.8 million non-recurring special stock dividend payment.

DYNEGY INC.
OPERATING AND FINANCIAL DATA
SEGMENTED RESULTS OF OPERATIONS
(In Thousands)

Three Months Ended December 31, 2000

	Dynegy Marketing and Trade	Dynegy Midstream Services	Transmission & Distribution	Dynegy Global Communications
Financial Contribution:				
Energy Operations and Services	\$215,786	\$---	\$---	\$---
Midstream Liquids Operations	---	67,279	---	---
Transmission & Distribution	---	---	103,849	---
Telecommunications	---	---	---	454
Equity Investments	16,354	6,295	---	---
Subtotal - Financial Contribution	232,140	73,574	103,849	454
Depreciation	(34,519)	(20,897)	(39,276)	(2,516)
General and Administrative Expenses	(56,586)	(16,099)	(6,132)	(15,451)
Other Items -- Income (Loss)	7,974	(10,662)	2,151	1,931
Earnings (Loss) Before Interest and Taxes ("EBIT")	149,009	25,916	60,592	(15,582)
Interest Expense	(12,347)	(14,789)	(32,150)	(3,156)
Pretax Earnings (Loss)	136,662	11,127	28,442	(18,738)
Income Tax Provision (Benefit)	44,458	4,861	8,770	(6,474)
Net Income (Loss)	\$92,204	\$6,266	\$19,672	\$(12,264)
Recurring Earnings (Loss) Before Interest and Taxes ("Recurring EBIT")	\$149,009	\$25,916	\$60,592	\$(15,582)
Recurring Net Income (Loss)	\$92,204	\$6,266	\$19,672	\$(12,264)

Three Months Ended December 31, 1999

	Dynegy Marketing and Trade	Dynegy Midstream Services	Transmission & Distribution (A)	Dynegy Global Communications (B)
Financial Contribution:				
Energy Operations and Services	\$67,220	\$---	\$---	\$---
Midstream Liquids Operations	---	72,017	---	---
Transmission & Distribution	---	---	---	---
Telecommunications	---	---	---	---
Equity Investments	14,101	5,608	---	---

Subtotal - Financial				
Contribution	81,321	77,625	---	---
Depreciation	(7,936)	(25,249)	---	---
General and Administrative				
Expenses	(30,679)	(19,910)	---	---
Other Items -- Income				
(Loss)	7,744	8,846	---	---
Earnings Before				
Interest and Taxes				
("EBIT")	50,450	41,312	---	---
Interest Expense	(4,750)	(18,113)	---	---
Pretax Earnings	45,700	23,199	---	---
Income Tax Provision	13,976	9,813	---	---
Net Income	\$31,724	\$13,386	\$---	\$---
Recurring Earnings				
Before Interest				
and Taxes				
("Recurring EBIT")	\$50,450	\$41,312	\$---	\$---
Recurring Net Income	\$31,724	\$13,386	\$---	\$---

(A) This segment includes the operations of Illinois Power, which was not acquired until the first quarter of 2000.

(B) This segment was formed in the fourth quarter of 2000.

DYNEGY INC.
OPERATING AND FINANCIAL DATA
SEGMENTED RESULTS OF OPERATIONS
(In Thousands)

	Year Ended December 31, 2000			
	Dyneyg Marketing and Trade	Dyneyg Midstream Services	Transmission & Distribution	Dyneyg Global Communications
Financial Contribution:				
Energy Operations				
and Services	\$770,413	\$---	\$---	\$---
Midstream Liquids				
Operations	---	255,635	---	---
Transmission &				
Distribution	---	---	432,583	---
Telecommunications	---	---	---	454
Equity Investments	181,589	23,823	---	---
Subtotal - Financial				
Contribution	952,002	279,458	432,583	454
Depreciation	(125,491)	(105,090)	(155,461)	(2,516)
General and				
Administrative				
Expenses	(190,263)	(61,318)	(62,385)	(15,451)
Other Items --				
Income (Loss)	140,444	(50,755)	3,448	1,931
Earnings (Loss)				
Before Interest				
and Taxes ("EBIT")	776,692	62,295	218,185	(15,582)
Interest Expense	(103,699)	(32,601)	(140,991)	(3,156)
Pretax Earnings				
(Loss)	672,993	29,694	77,194	(18,738)
Income Tax Provision				
(Benefit)	232,823	10,236	24,049	(6,474)
Net Income (Loss)	\$440,170	\$19,458	\$53,145	\$(12,264)

Recurring Earnings (Loss) Before Interest and Taxes ("Recurring EBIT") (A)	\$652,414	\$116,265	\$221,161	\$(15,582)
Recurring Net Income (Loss) (A)	\$355,070	\$54,540	\$55,030	\$(12,264)

Year Ended December 31, 1999

	Dynegy Marketing and Trade	Dynegy Midstream Services	Transmission & Distribution (B)	Dynegy Global Communications (C)
Financial Contribution:				
Energy Operations and Services	\$283,594	\$---	\$---	\$---
Midstream Liquids Operations	---	260,281	---	---
Transmission & Distribution	---	---	---	---
Telecommunications	---	---	---	---
Equity Investments	62,185	17,669	---	---
Subtotal - Financial Contribution	345,779	277,950	---	---
Depreciation General and Administrative Expenses	(35,116)	(94,342)	---	---
Other Items -- Income (Loss)	26,068	1,700	---	---
Earnings Before Interest and Taxes ("EBIT")	208,471	112,851	---	---
Interest Expense	(43,742)	(51,054)	---	---
Pretax Earnings	164,729	61,797	---	---
Income Tax Provision	58,098	16,579	---	---
Net Income	\$106,631	\$45,218	\$---	\$---
Recurring Earnings Before Interest and Taxes ("Recurring EBIT") (A)	\$199,602	\$112,851	\$---	\$---
Recurring Net Income (A)	\$100,866	\$45,218	\$---	\$---

(A) 2000 excludes the impact of the following non-recurring pre-tax amounts: a \$83.3 million (\$58.5 million after-tax) gain on the disposition of its non-operating equity interest in Accord Energy Ltd., a U.K. gas marketing joint venture, a \$52 million (\$33.8 million after-tax) gain on the sale of certain qualifying generation facilities and \$68 million (\$44.2 million after-tax) of charges related to the sale and impairment of certain natural gas liquids assets, the adjustment in the carrying value of the domestic crude assets related to the anticipated sale of the business and merger related costs. 1999 excludes the impact of a one-time pre-tax gain of \$8.9 million (\$5.8 million after-tax)

related to the sale of an investment.

(B) This segment includes the operations of Illinois Power, which was not acquired until the first quarter of 2000.

(C) This segment was formed in the fourth quarter of 2000.

DYNEGY INC.
OPERATING AND FINANCIAL DATA
SEGMENTED RESULTS OF OPERATIONS

Three Months Ended December 31, 2000

	Dynergy Marketing and Trade	Dynergy Midstream Services	Transmission & Distribution
Operating Statistics:			
Million Megawatt Hours Generated - Gross	8.2	---	---
Million Megawatt Hours Generated - Net	6.8	---	---
Million Megawatt Hours Sold	35.0	---	---
Total Produced and Sold	41.8	---	---
Domestic Gas Marketing Volumes (Bcf/d) (A)	8.2	---	---
Canadian Gas Marketing Volumes (Bcf/d) (B)	2.2	---	---
European Gas Marketing Volumes (Bcf/d) (C)	0.7	---	---
Total Gas Marketing Volumes	11.1	---	---
Electric Sales in KWH (Millions):			
Residential	---	---	1,176
Commercial	---	---	1,015
Industrial	---	---	2,427
Other	---	---	87
Sales to Ultimate Customers	---	---	4,705
Interchange	---	---	---
Total Electric Sales	---	---	4,705
Gas Sales in Therms (Millions):			
Residential	---	---	133
Commercial	---	---	53
Industrial	---	---	23
Sales to Ultimate Customers	---	---	209
Transportation			

of customer-owned gas	---	---	64
Interdepartmental sales	---	---	1
Total Gas Delivered	---	---	274
Natural Gas Processing			
Volumes (MBbls/d):			
Field Plants	---	57.6	---
Straddle Plants	---	29.9	---
Total Natural Gas Processing Volumes	---	87.5	---
Fractionation volumes (MBbls/d)	---	176.1	---
Natural Gas Liquids Sold (MBbls/d)	---	571.5	---
Average Commodity Prices:			
Henry Hub Natural Gas (First of the Month) (\$/MMBtu)	---	\$5.32	---
Crude Oil - Cushing (\$/Bbl)	---	34.01	---
Natural Gas Liquids (\$/Gal)	---	0.63	---
Average On-Peak Market Power Prices:			
Cinergy	\$48.21	---	---
TVA	49.16	---	---
PJM	49.33	---	---
CALPX SP15	167.73	---	---

Three Months Ended December 31, 1999

	Dynegy Marketing and Trade	Dynegy Midstream Services	Transmission & Distribution(D)
Operating Statistics:			
Million Megawatt Hours Generated - Gross	5.8	---	---
Million Megawatt Hours Generated - Net	3.3	---	---
Million Megawatt Hours Sold	16.0	---	---
Total Produced and Sold	19.3	---	---
Domestic Gas Marketing Volumes (Bcf/d) (A)	6.8	---	---
Canadian Gas			

Marketing Volumes (Bcf/d) (B)	2.4	---	---
European Gas Marketing Volumes (Bcf/d) (C)	1.1	---	---
Total Gas Marketing Volumes	10.3	---	---
Electric Sales in KWH (Millions):			
Residential	---	---	977
Commercial	---	---	972
Industrial	---	---	2,172
Other	---	---	86
Sales to Ultimate Customers	---	---	4,207
Interchange	---	---	710
Total Electric Sales	---	---	4,917
Gas Sales in Therms (Millions):			
Residential	---	---	101
Commercial	---	---	40
Industrial	---	---	18
Sales to Ultimate Customers	---	---	159
Transportation of customer-owned gas	---	---	67
Interdepartmental sales	---	---	2
Total Gas Delivered	---	---	228
Natural Gas Processing Volumes (MBbls/d):			
Field Plants	---	84.9	---
Straddle Plants	---	38.7	---
Total Natural Gas Processing Volumes	---	123.6	---
Fractionation volumes (MBbls/d)	---	225.9	---
Natural Gas Liquids Sold (MBbls/d)	---	616.2	---
Average Commodity Prices:			
Henry Hub Natural Gas (First of the Month) (\$/MMBtu)	---	\$2.65	---
Crude Oil - Cushing (\$/Bbl)	---	23.21	---
Natural Gas Liquids (\$/Gal)	---	0.43	---
Average On-Peak Market Power Prices:			
Cinergy	\$20.50	---	---
TVA	21.07	---	---
PJM	24.14	---	---