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News Release

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ENRON AND LILLY ANNOUNCE LONG-TERM ENERGY MANAGEMENT AGREEMENT

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HOUSTON -- Enron Energy Services, a subsidiary of Enron Corp. (NYSE:ENE), and Eli Lilly and Company (NYSE: LLY) announced today a \$1.3 billion, 15-year energy management agreement.

Through this agreement, Enron will manage the supply of electricity and natural gas for Lilly facilities in Indiana, as well as perform operations and maintenance on energy assets and related energy infrastructure upgrades that will increase energy efficiency at Lilly facilities.

"Lilly continues to look for ways to operate more effectively and efficiently," said Frank Deane, vice president of biochemical manufacturing at Eli Lilly and Company. "Outsourcing our energy purchasing and operations and maintenance of energy related equipment makes sense in terms of future savings and Lilly's overall strategy to focus on our core business – pharmaceutical research and development. This strategy also allows us to retain all the affected employees and offer them reassignments in areas closer to our core business."

"Our agreement with Lilly gives the company immediate integration into Enron's extensive buying power and expertise in energy management services, while enabling them to focus on their core competencies," said Jeremy Blachman, chief operating officer, Global National Outsourcing and Commodity for Enron Energy Services. "We look forward to being a part of Lilly's continued success."

Lilly, a leading innovation-driven corporation, is developing a growing portfolio of best-in-class pharmaceutical products by applying the latest research from its own worldwide

laboratories and from collaborations with eminent scientific organizations. Headquartered in Indianapolis, Ind., Lilly provides answers – through medicines and information – for some of the world's most urgent medical needs. Additional information about Lilly is available at www.lilly.com.

Enron Energy Services (EES) has built a business to transform the energy marketplace by providing integrated energy and facility management solutions. EES currently manages energy at more than 28,500 customer sites. Contracts signed within the last two years represent a reduction of approximately 8 billion kilowatt hours of electricity consumption and 18 trillion British Thermal Units of natural gas consumption between 2000 and 2012.

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

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