



*SUSTAINABILITY REPORT*  
*2001 Environmental, Social & Economic Performance*





# Profile of Reporting Organization

**Name of Reporting Organization**  
Entergy Corporation (NYSE: ETR)

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Environmental Support Department

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**Major Products and Services**  
Entergy is a major global energy company with power production, distribution operations and related diversified services. Entergy owns, manages, or invests in power plants generating more than 30,000 megawatts of electricity domestically and internationally, and delivers electricity to about 2.6 million customers in portions of Arkansas, Louisiana, Mississippi and Texas. Through Entergy-Koch, L.P., it is also a leading provider of wholesale energy marketing and trading services.

**Availability of Reports**  
*Sustainability Report: 2001 Environmental,  
Social & Economic Performance*  
[www.entergy.com/environment/environ.pdf](http://www.entergy.com/environment/environ.pdf)

*2001 Greenhouse Gas Progress Report*  
[www.entergy.com/environment/ghg\\_report.pdf](http://www.entergy.com/environment/ghg_report.pdf)

*2001 Annual Report to Shareholders*  
[investor.entergy.com/investor/pdfs/FINAL2001.pdf](http://investor.entergy.com/investor/pdfs/FINAL2001.pdf)

*2001 - 2002 Community Investment Report*  
[www.entergy.com/community/](http://www.entergy.com/community/)

*2001 Low-Income Initiatives*  
[www.entergy.com/community/2001\\_low\\_income\\_report.pdf](http://www.entergy.com/community/2001_low_income_report.pdf)



## CEO Statement

As the sixth largest producer of electricity in the country, to be good is simply not good enough. At Entergy, we have made a commitment to be the best environmentally and socially responsible company in the nation. It is our calling and our obligation to the generations to come.

Let me preface the following list of some of our recent accomplishments by saying this commitment wouldn't mean much if it did not span the breadth and depth of our company. I have and will continue to make this commitment public. Our senior management provides strong support and direction, but without the hearts and minds of Entergy's 15,000 talented, dedicated employees, it wouldn't happen.

We are making enormous strides. Among our environmental accomplishments, we have:

- reduced our overall air emissions rate to the second lowest among the nation's ten largest electric power generators;
- funded 90 special environmental stewardship projects in the communities we serve;
- initiated an ambitious program to stabilize our emissions of carbon dioxide, the major greenhouse gas, to reduce the risk of global climate change; and
- developed a portfolio of clean and zero-emission generation based on natural gas, nuclear, hydro and wind energy.

We are also making slow but steady progress in our efforts to ensure that no one has to worry about being without electricity in their home. We knew this would be controversial. Many people believe it's unrealistic. Others believe it's simply a welfare program run through the utility instead of the state. We believe it can happen, and by doing so we will increase the economic welfare of society as a whole. And we ran the numbers on our proposals to prove it. To that end, we are advocating public benefit funds, and are moving ahead with funding on our own of energy assistance programs for low-income families as well as implementing energy efficiency programs.

Environmentally and socially, we are stepping up to the plate. (And if we get hit with a few pitches from time to time, so be it.) But importantly, we believe these objectives are not in fundamental conflict with our financial goals. Yes, there are times the two are in tension. But that's true in all aspects of life. (Save or spend? Work or leisure?) Through consistently strong performance, we are clearly demonstrating that, more often than not, strong commitments to the environment and the communities we serve are the backbone for long-term financial performance.

We realize there is still much to do. We have put in place a "Become the Best" team to benchmark our environmental programs and performance against companies considered "world class," both in our industry and in other sectors of the economy. To date, the team has found over a dozen ways to make our environmental programs even stronger. We will pursue each and every one of these new and better ways to do business and then move to "beyond the best" goals and objectives.

There is more. It is not enough to simply do our part as a company. There is still much to be done as a nation and as a global community. We believe the time has come for our country to again take its place as the world leader on the climate change issue. Along with our voluntary programs to control greenhouse gas emissions and reduce emissions of all types, we are supporting federal legislation to reduce air pollutant emissions, including emissions of carbon dioxide.

Along with the rest of our nation, we recently faced enormous tests and challenges. September 11 reminded all of us of the value of the freedoms we take for granted. The corporate fraud and irresponsibility that have dominated the news reminds us that, as someone once said, "In America, freedom is the luxury of self-discipline." While we long for the days when terrorist acts on this country were almost unthinkable, there is very little we, as individuals, can do. On the other hand, we can all do our part every day to bring honor and integrity back to the way we do business in this country and prove we have the self-discipline that true freedom requires.

At Entergy, we are moving forward with determination. Our path to the future is directed and stronger than ever: we will be a world-class company that is a steward of the environment, serves its communities, and delivers strong financial performance year after year.

I believe our goal of becoming the best is a continuous journey, not a destination. The journey has begun. This report highlights where we are and where we are going. I am extraordinarily proud of the people at Entergy who head up this challenge and the various stakeholders who have joined our efforts and strengthened our resolve.



Sincerely,

A handwritten signature in black ink that reads "J. Wayne Leonard". The signature is written in a cursive, flowing style.

J. Wayne Leonard  
Chief Executive Officer



## *Executive Summary & Key Indicators*

In accordance with evolving sustainability reporting guidelines, Entergy's 2001 Sustainability Report expands on previously reported environmental performance to highlight and report on all three fundamental principles that govern our operations and success:

- to protect and enhance the environment for current and future generations;
- to serve well and responsibly all of our communities and customers ; and
- to sustain superior financial performance.

The graphs and charts on the opposite page are indicators of Entergy's strong performance in the environmental, social and economic arenas.

Environmentally, Entergy is a leader and pacesetter in its pledge to lower air emissions. We are the first U.S. electric power company to establish a stabilization target for its CO<sub>2</sub> emissions. Entergy has pledged to stabilize CO<sub>2</sub> emissions from its U.S. power plants at 2000 levels through 2005. As shown in the adjacent charts, when compared to 100 of the nation's largest utilities, our air emission rates are among the lowest in the industry. While we take pride in this accomplishment, our goal is to have the cleanest generating operations. We have not yet achieved that goal, but we are focused and well on our way.

Economically, we have a diversified business plan that has allowed us to deliver on the commitments we have made to our investors and to consistently outperform the electric utility market sector in both total shareholder return and earnings per share. We have not allowed recent disruptive factors within the energy sector to distract us from our long-term goals. As the charts on the opposite page show, in 2001, our operational earnings per share were up; our operating cash flow was strong; and our net debt ratio held steady at less than 50 percent. Four years ago, we said we were going to deliver superior financial results by focusing on our core competencies, providing outstanding customer service, and maintaining sound financial integrity. We've met, and in most instances exceeded, these goals, and we're committed to pursuing excellence with the highest level of ethics and integrity in our business practices and safety in our operations.

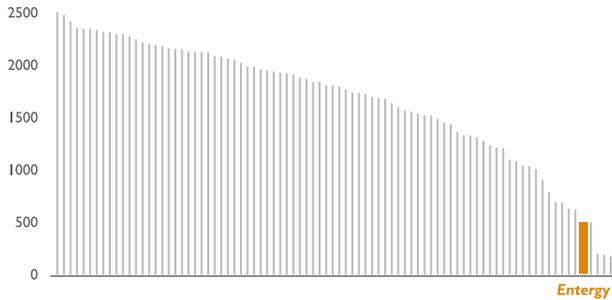
With regard to social responsibility, the company has publicly stated that it will work toward creating and implementing long-term solutions to break the cycle of poverty that grips so many of our customers. Entergy is advocating public policy to help the poor, actively working to stimulate the economy and create jobs, providing grants, helping low-income customers weatherize their homes and promoting volunteerism.

The following pages provide more details about Entergy's resolve to be the best environmentally and socially responsible company, sustained by a superior financial performance.

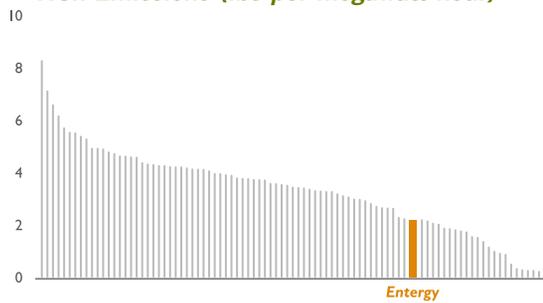
## Environmental Key Indicators

### Air Emission Comparison to 100 Largest Electric Generators

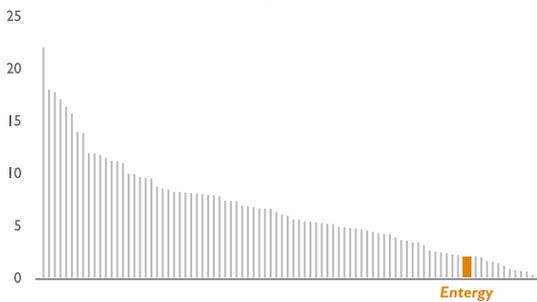
#### CO<sub>2</sub> Emissions (lbs per megawatt hour)



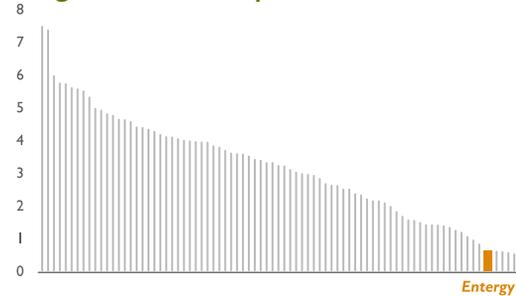
#### NO<sub>x</sub> Emissions (lbs per megawatt hour)



#### SO<sub>2</sub> Emissions (lbs per megawatt hour)



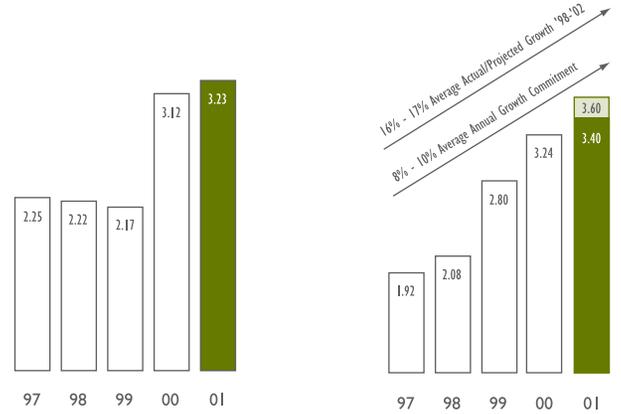
#### Hg Emissions (lbs per terawatt hour)



Emissions (Lbs/Mwh)	High	Average	Entergy
Sulfur Dioxide	21.9	6.7	2.0
Nitrogen Oxide	8.2	3.0	2.2
Carbon Dioxide	2,490.0	1,400.0	988.0
Mercury	7.33 x 10 <sup>-5</sup>	3.05 x 10 <sup>-5</sup>	0.67 x 10 <sup>-5</sup>

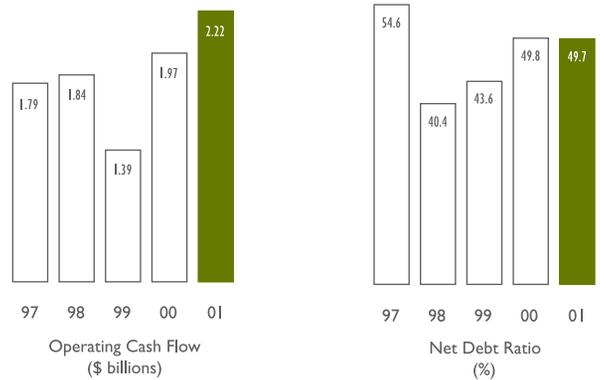
Source: Benchmarking Air Emissions of 100 Largest Electric Generation Owners in the U.S. - 2000. Report issued in March, 2002 by the Natural Resource Defense Council.

## Economic Key Indicators



Operational Earnings Per Share (\$ diluted EPS including weather)

Annual Operational Earnings Per Share (\$ diluted EPS excluding weather)

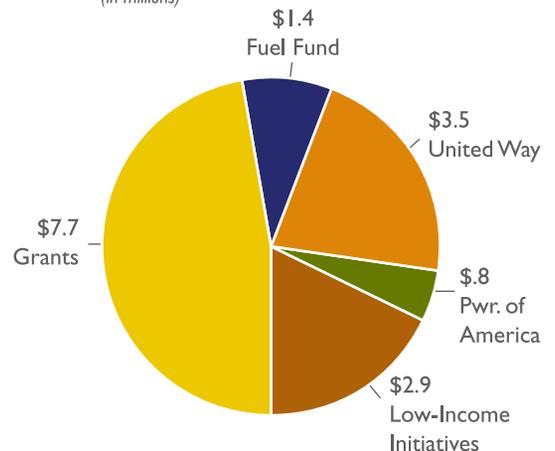


Operating Cash Flow (\$ billions)

Net Debt Ratio (%)

## Social Key Indicators

### 2001 Social Responsibility Investments (in millions)



## Vision & Strategy

At Entergy, our vision is to succeed by taking innovative, profitable and socially responsible action. We need to be competitive, profitable and do what's right for our customers, our employees and for future generations.

*"The future cannot be predicted. It must be created based upon our conscience, our own set of values, our own sense of right and wrong and the legacy we want to leave for future generations. The responsibility starts and ends with each of us as individuals." J. Wayne Leonard, CEO, Entergy – 2000 Business Climate Change Symposium*

### Programs Driving Key Indicators

#### Energy Policy Goals:

- Improve domestic supply from diverse sources
- Increase efficiency of production and use
- Promote stable, efficient markets and pricing
- Enhance distribution infrastructure
- Minimize health/environmental impacts
- Develop new technology

#### Goals for Energy Production, Distribution & Use:

- Affordable
- Efficient
- Reliable
- Secure
- Environmentally sustainable

## Points of View

**Social Sustainability:** Many people in the areas we serve are living on the edge of starvation and homelessness. One quarter of the children in Louisiana, Texas, Arkansas and Mississippi live in poverty today. We cannot ignore their plight. Entergy is advocating public policy to help the poor. We are actively working to stimulate the economy and create jobs, providing grants, helping low-income customers weatherize their homes and promoting volunteerism. Helping our low-income customers is the right thing to do. By investing in our communities we are also investing in the places that are and will be responsible for our success.

**Environmental:** We believe in managing environmental risks to our company and our planet. Entergy has one of the cleanest power portfolios among the top U.S. generating companies. We've become even cleaner by expanding our position in renewable energy, working to continually improve our production efficiency, helping customers use our products more efficiently, and looking for improved ways to prevent pollution.

**Climate Change:** Entergy believes global climate change is the greatest environmental threat now facing the world's current and future populations. We are the first generation in history that has to decide if we are more important than future generations. Credible scientists are warning that the world is warming faster than we knew or believed possible, and the problem will increase exponentially as greenhouse gases continue to accumulate in the atmosphere. Sea levels will rise, coastal lands will erode and flood prone regions could suffer from catastrophic storm damage. At Entergy we are taking a firm leadership position with regard to global warming and are working with stakeholders to help address the problem. Entergy will continue to invest in technologies that will reduce the rate of greenhouse gas emissions while providing the world the energy it needs to improve quality of life and achieve economic prosperity.

As one of the largest producers of electric power in the United States, Entergy recognizes the leadership role incumbent on a company of our stature and resources. We are advocating public policy that will preserve and enhance the environment. In May 2001, Entergy volunteered to stabilize its domestic greenhouse gas emissions at year 2000 levels through 2005, and to develop a long term-target to help address climate change. Entergy was the first U.S. electric generating company to publicly announce such a greenhouse gas emissions target.

**Stakeholders:** We've aligned our company with our stakeholders, so when Entergy succeeds, everyone wins. Growing returns to shareholders have gone hand in hand with improved service, greater safety on the job for employees and commitment to our communities and in particular, our low-income customers.

**Access:** Electricity is not just a product we sell; it's also fundamental to our very way of life. The cost of electricity to meet even basic needs can overburden elderly and disadvantaged citizens. Entergy is committed to addressing this problem by working to assist customers to pay their utility bills and weatherize their homes.

**Our Culture:** People who respect each other succeed together. Through our diverse backgrounds we have much to teach each other. These lessons can only be learned in a culture of trust and respect.



*“The future cannot be predicted.  
It must be created based upon our  
conscience, our own set of values,  
our own sense of right and wrong  
and the legacy we want to leave for  
future generations. The responsibility  
starts and ends with each of us as  
individuals.”*

*J. Wayne Leonard, CEO, Entergy  
2000 Business Climate Change Symposium*





## ***Policies, Organization & Management System***

### ***Shared Values***

Pursuit of our vision must be accomplished in concert with our values. At Entergy our values are very simple. We believe there is only one way to do business - with fairness, honesty and integrity:

- Create and sustain a safe work environment
- Possess a winning spirit
- Focus on customers
- Grow the business
- Be active team players
- Treat people with respect
- Aggressively look for better ways
- Take actions to achieve results
- Above all, act with integrity

### ***Our Environmental Policy***

At Entergy we pledge that, in conducting our worldwide businesses, we will:

- first and foremost, comply with all environmental laws and regulations everywhere we serve, verified through regular environmental reviews;
- conduct our worldwide operations in a manner that places a high priority on health, safety and the environment;
- instill in all employees the attitude and commitment that environmental protection is “my business;”
- advocate socially responsible environmental laws and regulations based on sound science and best practice;
- support research and development in order to devise innovative, cost-effective solutions to environmental issues;
- prevent pollution, minimize the creation of waste and recycle materials when practical;
- utilize appropriate and practical indicators to monitor environmental performance;
- encourage the efficient production, delivery and use of electricity;
- strive to operate in accordance with accepted international environmental management standards; and,
- communicate our commitment to this Policy and supply the resources and training needed to carry it out.

### ***Global Sullivan Principles***

In endorsing the Principles, Entergy has agreed that it will respect the law and apply the Principles with integrity. To that end Entergy has developed and implemented company policies, procedures, training and an internal reporting structure to ensure the Principles are followed throughout the organization. The Principles are:

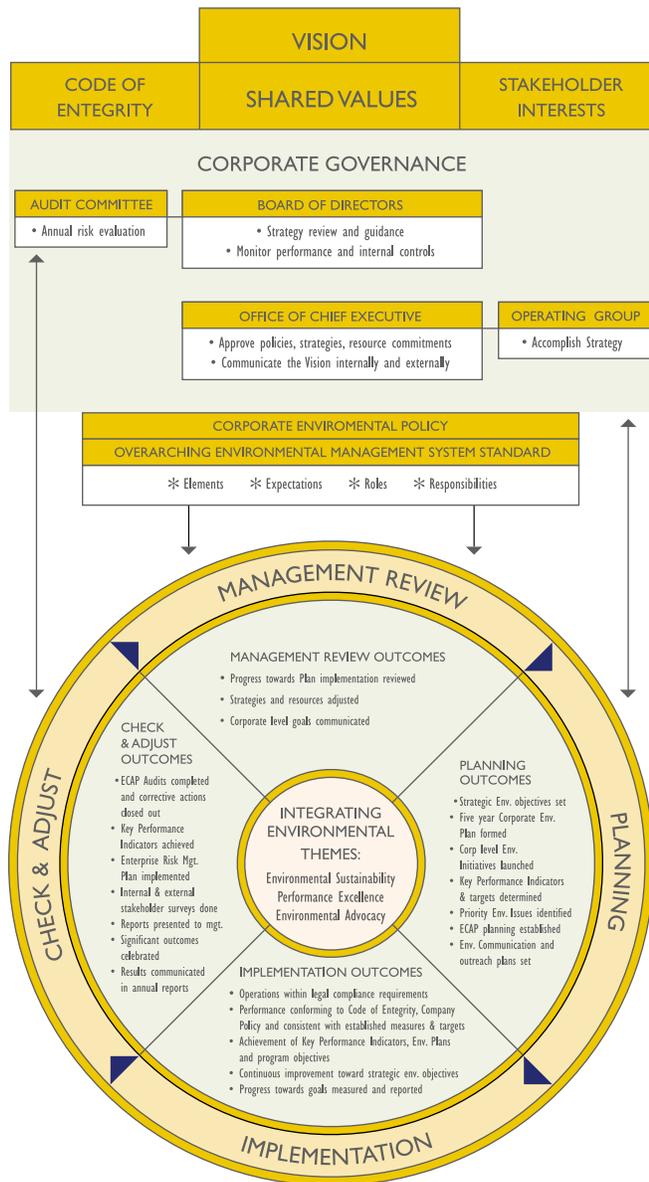
- support universal human rights
- promote equal opportunity for employees
- respect employees voluntary freedom of association
- compensate employees so they meet their basic needs and raise their social and economic opportunities
- provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development
- promote fair competition
- work with governments and communities to improve the quality of life
- promote the application of these principles with whomever we do business

**Environmental Governance**

Entergy’s Environmental Governance process ensures that environmental risks are effectively managed and that all business units act in accordance with Entergy’s values, its Code of Entegrity, its commitment to the Global Sullivan Principles, its environmental policy and its strategic direction. The Board of Directors and Senior Management are actively engaged in directing the environmental management system that guides Entergy on its continuous improvement journey. The Office of the Chief Executive, the Operating Group and the Environmental Forum maintain the Environmental Policy and establish strategic direction. Entergy’s Enterprise Risk Management (ERM) program proactively identifies risks and works with Business Units to develop ERM Action Plans. Corporate Compliance sets Code of Entegrity training requirements, and Environmental Support organiza-tions communicate environmental requirements and performance goals. Business Units identify key performance indicators (kpi), set performance goals and direct departments to implement enabling actions to achieve goals. Goal setting and performance are documented and communicated throughout the year using the Balanced Scorecard. Exception reports are prepared and reviewed for kpi’s not meeting goals. The Environmental Compliance Assessment Program (ECAP) conducts audits using independent third party auditors to assess, document and report compliance status at Entergy facilities. Corrective actions are agreed to and tracked. ECAP results are reported to the Board Audit Committee. Management and the Board of Directors review progress, assess performance, celebrate success and set new strategic direction.



Jim Mutch  
Vice President, Environmental Support



## Environmental Performance

Consistent with emerging practices for reporting corporate performance towards achievement of sustainability, Entergy is reporting information showing not only environmental performance but also providing key elements associated with economic and social performance.

### Clean Air

As you can see from the graphs to the right, Entergy's average emission rates for SO<sub>2</sub>, CO<sub>2</sub>, NO<sub>x</sub> and mercury are all well below the national average and our goal is to be the cleanest. In 2001, annual emissions of CO<sub>2</sub>, NO<sub>x</sub> and mercury continued to decline. A temporary increase in annual SO<sub>2</sub> emissions resulted from a switch from natural gas to fuel oil. This temporary fuel switch was necessary to protect customers from a natural gas price spike that occurred during 2001.

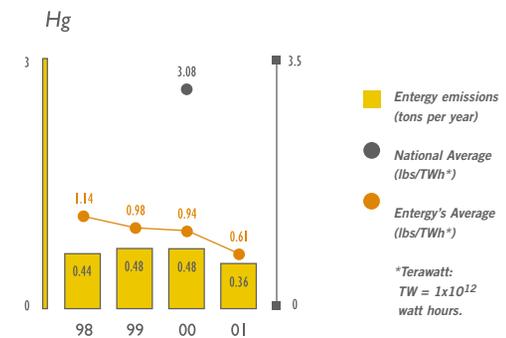
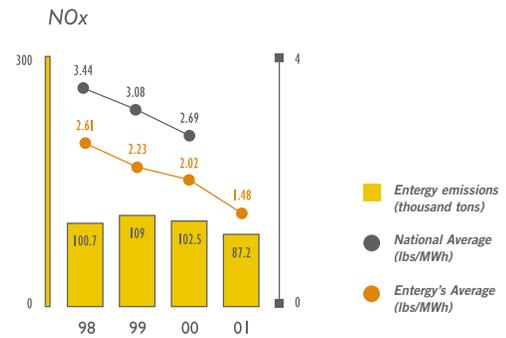
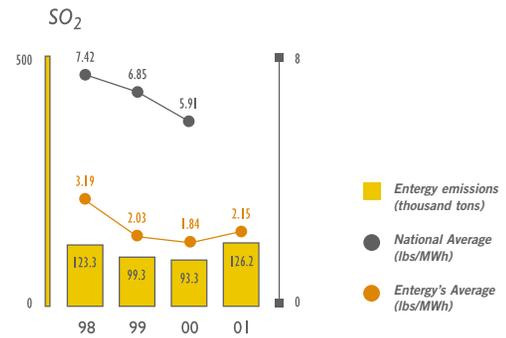
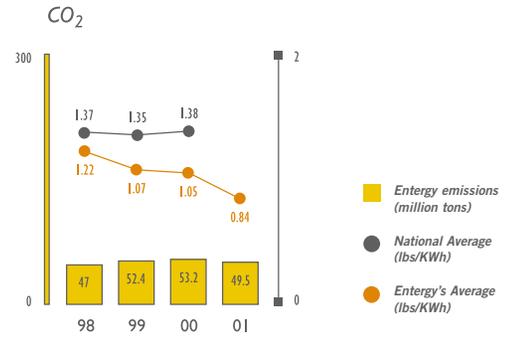
Entergy is one of the cleanest generators of electricity with over 80 percent of its domestic electric production in 2001 provided by natural gas and nuclear fuels. Entergy also added the 80-megawatt Top of Iowa Wind Farm to its generating capacity in 2001. Entergy has 150 megawatts of zero-emission renewable generating capacity.

Total electric production at Entergy has increased by over 50 percent since 1998 while the fossil intensity\* of the electricity produced has declined by 33 percent. This trend results from Entergy's clean and zero-emission fuel mix. Reducing fossil intensity reduces the consumption rate of fuels like coal, oil and natural gas, conserving these natural resources for future or alternative uses.

The company has also added 800 megawatts of new, natural gas-fired Combined Cycle Gas Turbine (CCGT) capacity. CCGT units are 60 percent more efficient than traditional fossil generation. The higher efficiency results in lower fossil fuel consumption per unit of electricity generated and therefore a lower overall air pollutant emission rate.

As a result of these actions electric production efficiency of Entergy's power plant fleet has increased, fuel costs have been reduced and the overall air emission rate for CO<sub>2</sub>, SO<sub>2</sub>, NO<sub>x</sub>, mercury and particulates has declined.

\*Fossil intensity is total fossil btu input divided by total annual generation.

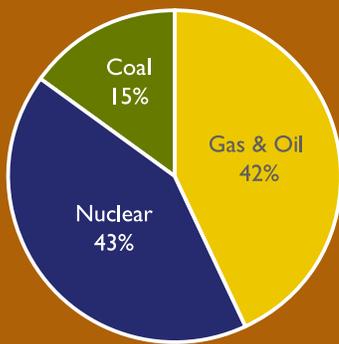


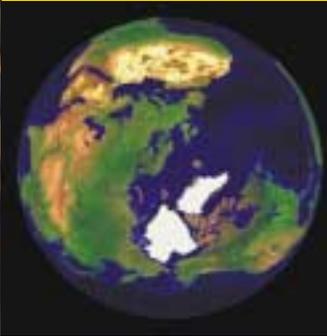


Energy Electric Production  
& Product Fossil Intensity



2001 Fuel Mix





### *Our Greenhouse Gas Commitment*

- *Stabilize CO<sub>2</sub> emission from U.S. plants at year 2000 levels through 2005.*
- *Establish \$25 million Environmental Initiatives Fund.*
- *Document and annually report progress.*
- *Evaluate and adopt future targets beyond current 2001-2005 by end of 2004.*



## Climate Change

Since 1991 under a U.S. Voluntary Climate Challenge program, Entergy has reduced greenhouse emissions from all areas of its operation. Entergy signed a Climate Accord with the U.S. Department of Energy in 1995. These activities resulted in over 30 million tons of CO<sub>2</sub> emission reductions between 1991 – 2000. However, even though emissions were lower than they otherwise would have been, total CO<sub>2</sub> emissions continued to rise from just under 40 million tons in 1990 to over 53 million tons in 2000. Entergy set a target for stabilizing CO<sub>2</sub> emissions as the company entered the new decade and a new century.

In May 2001, Entergy made a public commitment to stabilize power plant CO<sub>2</sub> emissions at 2000 levels through 2005. Entergy also committed to set a future target by the end of 2004 that will call for a CO<sub>2</sub> emissions reduction beyond its current stabilization goal. Entergy established a \$25 million Environmental Initiatives Fund (EIF) for carrying out internal and external reduction projects in support of the stabilization goal. Entergy also committed to documenting these activities and annually reporting progress towards the 2001 – 2005 stabilization commitment. The first of these annual progress reports was issued this year and can be viewed at: [www.entergy.com/environment/ghg\\_report.pdf](http://www.entergy.com/environment/ghg_report.pdf). To achieve its goal, Entergy is working cooperatively with Environmental Defense, the Partnership for Climate Action, The Pew Center for Global Climate Change and other organizations committed to responsible action on climate change.

As of May 2002, 26 internal greenhouse gas reduction projects have been completed or are in progress at Entergy facilities and operations. Over \$8.1 million of Entergy's EIF funding has been allocated to these internal projects, and they are projected to achieve 1.135 million tons of CO<sub>2</sub> equivalent greenhouse gas emission reductions during the 2001-2005 commitment period.

As of May 2002, Entergy has initiated 12 external projects to reduce emissions from sources that are not owned by Entergy. These are known as "emission offset projects." The emission offset projects now in progress are forecast to achieve 780,000 tons of CO<sub>2</sub> equivalent reductions by 2005 and involve \$3.4 million in funding from EIF.

In 2001, Entergy's power plant CO<sub>2</sub> emissions fell to 49.58 million tons from 53.24 million tons in 2000. This decline, after years of increases, is welcome. However, it was due mainly to the milder weather in 2001 and to other factors not associated with Entergy's EIF program. The projects implemented in 2001 have not yet begun to reduce emissions but have planted the seeds necessary for Entergy to meet its stabilization commitment.

### Internal Projects

- Projects completed or in progress: 26
- EIF funding: \$8.1 million
- CO<sub>2</sub>-equivalent emission reductions 2001-2005: 1,135,000 tons

#### Project Types:

- Power plant upgrades
- Small hydro turbine addition
- Renewable energy
- SF<sub>6</sub> electrical equipment replacement
- Tree plantings at facility sites

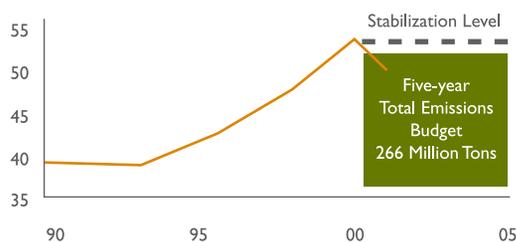
### External Projects

- Projects completed or in progress: 12
- EIF funding: \$3.4 million
- Emission reductions 2001-2005: 779,000 tons

#### Project Types:

- Coal mine methane to energy
- Agricultural carbon sequestration
- Landfill gas to energy
- Forest sequestration
- External CO<sub>2</sub> trades

Entergy's Annual CO<sub>2</sub> Emissions  
(millions of tons)



## Pollution Prevention Measures

The best way to reduce pollution is to not create it in the first place. Entergy is committed to a clean environment and has implemented many pollution prevention and reduction strategies. Some of these are listed below.

**Coal Ash Resale:** Although coal supplies a relatively small share of Entergy's generation capacity, we're continuing to work to reduce the environmental impact of coal combustion byproducts: fly ash and bottom ash. During 2001, Entergy marketed 70 percent of the total ash volume from three coal-fired generating units in Louisiana and Arkansas (see graph). Traditional uses include ready-mix concrete, roofing shingles, and replacement of aggregate in road construction. We will continue to identify safe, environmentally advantageous disposal alternatives for this material.

**NPDES Compliance:** NPDES is the National Pollutant Discharge Elimination System. Each Entergy facility that discharges wastewater into a body of water must have a permit. Each permit establishes monitoring and pollutant discharge limits that are set at a level low enough to ensure desired water quality standards are maintained. An exceedance occurs whenever the quality of our wastewater discharge exceeds a permit limit. Entergy monitors and tracks the compliance rate with NPDES permit limits. Whenever an exceedance occurs, Entergy takes prompt corrective action to eliminate the source of the problem and to ensure it doesn't happen in the future.

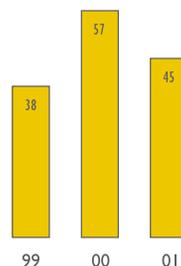
**PCB Phase Out:** Since 1990, Entergy has eliminated approximately 150 PCB transformers and 21,000 PCB capacitors. Entergy's transmission organization has an ongoing program to drain and refill remaining PCB and PCB-contaminated substation transformers with mineral oil, and to remove remaining PCB capacitors. In 1999, Entergy's fossil generation organization began a high-level PCB transformer phase-out and removal project. The initiative was a voluntary, beyond compliance project that targeted elimination of all high-level (>500 ppm) PCB transformers, resulting in over 100 transformers being removed and/or replaced.

**Recycling:** Entergy's Investment Recovery group is responsible for obtaining the best return on the dollar for assets that Entergy no longer requires, thereby minimizing costly disposal of this material. In 2001, this group recovered and sold over \$10 million dollars worth of material that may have otherwise been destined for disposal.

**Hazardous Waste Reductions:** Entergy has implemented a program that focuses on reducing and/or eliminating hazardous waste from its facilities throughout the system. When compared to 1999, Entergy has reduced its hazardous waste generation by 91.3 tons (or 80 percent). This is accomplished through process improvements, product substitution and increased recycling/recovery efforts.



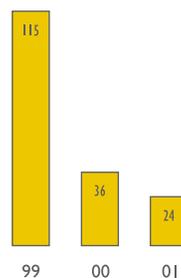
**NPDES Exceedances**  
(number of exceedances)



**Investment Recovery, 2001**  
(dollars in millions)



**Hazardous Waste**  
(in tons)





### ***Renewable Energy***

Harnessing the power of natural, renewable resources to generate electrical power is a practice that Entergy has been committed to for many years. Entergy currently owns and operates two hydro electric facilities in Arkansas totaling 70 megawatts of clean, renewable electric power generation. We also operate, but do not own, a hydro electric facility located in Toledo Bend, Texas.

In late 2001, Entergy aggressively entered the wind power market by purchasing a brand-new, state-of-the-art wind farm in Worth County, Iowa. This 80 megawatt wind farm uses the latest wind energy conversion technology to generate clean, renewable, emission-free electrical power.

Other renewable energy investment opportunities or projects in the evaluation and/or planning stages include solar energy, small hydro power additions, ocean and wave action energy, renewable hydrogen, biomass energy and landfill gas energy.

Entergy has also funded a project in the eastern United States that will collect coal mine methane vented from abandoned mines and convert it to pipeline-quality natural gas or use as fuel to generate electricity.

## Energy Efficiency

Entergy has a number of initiatives to help customers conserve energy, improve energy efficiency and lower their energy bills. Many of these initiatives are targeted to low-income customers with an emphasis on sustaining families, helping them achieve self sufficiency and teaching them good energy management. The homes of over 200 elderly and low-income families were weatherized by volunteer teams in 2001. A Weatherization Impact Pilot Program was initiated to demonstrate the tangible benefits of weatherization and energy education. Grants are made available through the Entergy Charitable Foundation to community groups so that needy families can implement energy efficiency improvements. Over 400 Energy Conservation Workshops were held last year that provided 20,000 customers valuable information on how to manage energy bills through conservation. Entergy has budgeted \$2.8 million for 2001- 2002 to achieve energy efficiency improvements for residential, commercial, industrial and hard-to-reach customers in Texas. Entergy is encouraging state Public Service Commissions to implement "System Benefit Charges" to fund energy efficiency programs for customers and is advocating for state and federal government to increase Low-Income Home Energy Assistance Program (LIHEAP) funding and Weatherization Assistance Program (WAP) funding.



## Social Performance

Entergy's philanthropic vision, "Lighting the way for a brighter future by investing in our communities," is a natural outgrowth of the company's shared values. Through numerous contributions, volunteer programs and community advocacy initiatives, Entergy has made this vision a reality in the communities in which the company serves.

### *Entergy Is Taking Action To:*

- Advocate for public policy to help the poor including:
  - 1) reaching out to stakeholders through Low-Income Summits and Low-Income Champions; and,
  - 2) working with local, state and federal governments and community organizations to establish public benefit funds to help families weatherize their homes and pay their energy bills.
- actively participate in the Emerging Markets Partnership in the Delta region to stimulate economic activity and create jobs;
- encourage and reward Entergy's 15,000 employees for contributing volunteer efforts within the community;
- provide grants to non profit organizations via Entergy's Charitable Foundation, United Way Campaigns, Open Grants, Community Partnership Grants and Matching Funds.

### *Low-Income Initiatives*

- **Fuel Fund Campaign:** Entergy employees, shareholders and customers raised more than \$1.3 million to help low-income customers pay their energy bills.
- **Low-Income Housing:** Entergy entered into a partnership with Louisiana Housing and Community Development Corporation to form a \$500,000 fund to provide affordable housing for low-income residents.
- **Energy Efficiency:** Entergy ASSIST low-income weatherization program, working in partnership with the Texas Department of Housing and Community Affairs, contributed \$900,000 to improve the energy efficiency of low-income housing stock and teach low-income customers how to conserve energy.

### *Environmental Stewardship Grants*

- Entergy funded 32 community-based environmental stewardship projects totaling \$146,000 to preserve natural resources and wildlife, deliver environmental education or protect public health. Over the past three years, 90 projects involving \$450,000 have been funded.

### *Community Grants*

Entergy provided \$10.6 million in grants to non-profit organizations via Entergy's Charitable Foundation, United Way Campaigns, Open Grants, Community Partnership Grants and Matching Funds specifically designed to improve the quality of life in the areas we serve.

### *The Power of America Fund*

Power companies across the U.S. and beyond quickly came together in the aftermath of the September 11 terrorist attacks to establish The Power of America Fund (TPOA). TPOA is an industry-wide campaign to ensure future educational assistance to the surviving dependents of the victims of the September 11 tragedy. The objective of the fund is to make sure that the dependents left behind are not cut off from the opportunity for a college education due to the death of their parent or parents. Entergy Corporation and Exelon Corporation each contributed \$500,000 as seed money to start the fund and are matching employee and retiree contributions dollar for dollar. The fund currently stands at more than \$3.1 million. Of that amount, approximately \$105,000 has come from Entergy employees and has been matched by the company.

## Economic Performance

At Entergy, we are well aware that in addition to being an environmentally and socially responsible company, we must also be a strong, consistent financial performer. And we are doing just that.

Adhering to a diversified, integrated fiscal strategy that emphasizes superior financial results by focusing on our core competencies, providing outstanding customer service, and maintaining sound financial integrity, Entergy has consistently outperformed the market since 1998. At second quarter 2002, the company's total shareholder return was up 112 percent since the fourth quarter of 1998, ranking second versus the Standard and Poor's Electric Index (SPELEC). As of the end of the year 2001, Entergy's annual earnings per share rose 49 percent compared to 1998, ranking fifth in earnings per share growth versus the SPELEC.

Earnings for the year 2001 broke the record for annual earnings set by the company just the previous year. Earnings were \$3.23 per share, or \$726.2 million, compared with \$2.97, or \$679.3 million, in 2000. An 18 percent increase in weather-adjusted operational earnings was driven by solid results at the utility, as well as the non-utility nuclear business. The company achieved outstanding results in 2001 despite difficult economic conditions, weak commodity prices and some of the mildest weather in over 100 years.

A strong financial performance continues into 2002 with first quarter operational earnings increasing 7 percent year over year, another record-setting quarter. Second quarter earnings per share for 2002 were 10 percent higher than in the same period last year and set a new company record.

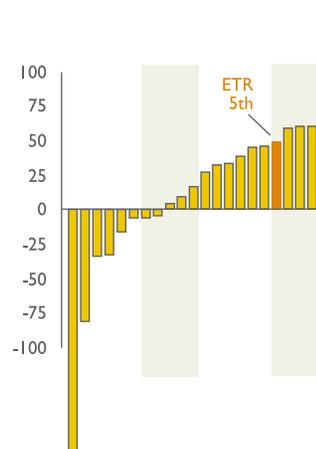
Our goal is to continue to deliver superior financial performance year after year, and we're committed to pursuing this excellence with both the highest level of integrity in our business practices and safety in our operations.

Total Shareholder Return  
(5/22/98 - 6/10/02, %)

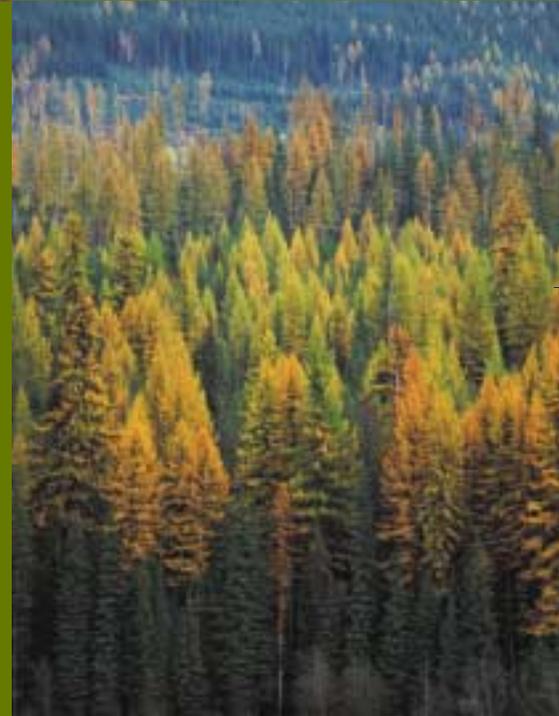


\*Source: Bloomberg; Excludes EIX & PCG

Earnings Per Share  
Growth vs. SPELEC  
(2Q98 - 4Q01, % Change)



\*Source: Bloomberg; Excludes EIX & PCG



### ***Affiliations & Partnerships***

Entergy participates in the following organizations and has made the following commitments to help do its part to create an environmentally sustainable future:

- ***Pew Center for Climate Change:*** Founding member of the Business Environment Leadership Council that provides a constructive, positive and pragmatic voice to the public debate on Global Climate Change.
- ***The Partnership for Climate Action (PCA):*** Participating member of the PCA, a collaboration of business and environmental leaders dedicated to climate protection, the limitation and reduction of greenhouse gas emissions, the employment of market-based mechanisms and shared learning.
- ***The Clean Energy Group:*** Member of the Clean Energy Group, a coalition of electric generating and distribution companies that seek to promote the adoption of progressive environmental policies that are sustainable from both an environmental and an economic perspective.

### ***Awards***

- ***The Edison Award (2002):*** The Electric Industry's Highest Honor. Entergy Corporation's business leadership and nuclear operational excellence earned the company this prestigious honor from the Edison Electric Institute.
- ***National Arbor Day Foundation (2002) Tree Line USA Utility:*** For Entergy's work to promote urban forestry. Recognizes utilities that meet three requirements: a program of quality tree care, annual worker training in quality tree care practices and a tree planting and public education program.
- ***Mayor's Sustainable Business Award for the City of New Orleans (2002) Environmental Stewardship:*** recognizes local businesses that voluntarily engage in practices that reduce waste, energy usage and toxic materials.

