



## CenterPoint Energy Reports Fourth Quarter and Full Year 2005 Earnings

Feb 28, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$81 million, or \$0.25 per diluted share, for the fourth quarter of 2005 compared to \$100 million, or \$0.29 per diluted share for the same period of 2004. For the year 2005, the company recorded net income of \$252 million, or \$0.75 per diluted share, compared to a net loss of \$905 million, or \$2.48 per diluted share, for 2004.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20020930/CNPLOGO> )

Net income for 2004 included a \$977 million extraordinary loss from the write-down of generation-related regulatory assets as a result of actions taken by the Texas Public Utility Commission (PUC), \$83 million of this amount was recorded in the fourth quarter. Net income for 2004 also included a \$133 million overall loss from discontinued operations, although there was a \$21 million gain from discontinued operations recorded in the fourth quarter of 2004. Net income for 2005 included a \$30 million positive adjustment to the 2004 write-down of generation-related regulatory assets, and a \$3 million loss from discontinued operations.

Income from continuing operations before extraordinary item for the fourth quarter of 2005 was \$81 million, or \$0.25 per diluted share, compared to \$162 million, or \$0.46 per diluted share, for the fourth quarter of 2004. Income from continuing operations before extraordinary item for the year 2005 was \$225 million, or \$0.67 per diluted share, compared to \$205 million, or \$0.61 per diluted share, for 2004. As a result of actions taken by the PUC, in the fourth quarter of 2004 the company recorded pre-tax income of \$226 million related to interest on the company's authorized true-up balance. Of this amount, \$131 million related to 2004 (\$36 million related to the fourth quarter of 2004) and \$95 million related to periods prior to 2004.

"I am very pleased with our overall progress and accomplishments in 2005," said David M. McClanahan, president and chief executive officer of CenterPoint Energy. "2005 was a year of significant milestones for our company, marking the end to our transition. We completed the sale of our power generation business and began to recover our authorized true-up balance through the implementation of a competition transition charge and the issuance of \$1.85 billion of transition bonds. We repaid our high-cost \$1.31 billion term loan, reduced other debt and restructured our credit facilities to reduce interest costs, extend maturities and improve terms. Now that our transition is behind us, we look forward to further improving our operating performance while we explore opportunities to grow in a disciplined manner."

### OPERATING INCOME BY SEGMENT DETAILED

#### Electric Transmission & Distribution

The electric transmission & distribution segment generated operating income of \$102 million in the fourth quarter of 2005, consisting of \$90 million for the regulated electric transmission & distribution utility (TDU) and \$12 million for the transition bond companies, which is an amount sufficient to pay interest on the transition bonds. Operating income for the fourth quarter of 2004 totaled \$104 million, consisting of \$95 million for the TDU and \$9 million for the transition bond company.

Revenues increased in the fourth quarter of 2005 primarily due to continued customer growth with the addition of over 60,000 metered customers since December 2004, increased customer usage and the implementation of a competition transition charge (CTC) in September 2005. Operating expenses increased primarily due to higher transmission costs, labor and benefit-related expenses, tree trimming expenses, and increased franchise fees paid to the City of Houston under a new 30-year franchise agreement.

Operating income for the year 2005 was \$487 million, consisting of \$448 million for the TDU and \$39 million for the transition bond companies. Operating income for 2004 totaled \$494 million, consisting of \$441 million for the TDU, \$38 million for the transition bond company, and a \$15 million reversal of a reserve related to the final fuel reconciliation of the former integrated utility recorded in the fourth quarter of 2004.

For the year 2005, revenues increased primarily due to continued customer growth, increased customer usage driven by warmer weather, higher transmission cost recovery and implementation of the CTC. Operating expenses increased primarily due to higher transmission costs, labor and benefit-related expenses, tree trimming expenses, depreciation and amortization, and the increased franchise fees paid to the City of Houston. Operating expenses for 2004 reflected an \$11 million credit from a land sale.

## Natural Gas Distribution

Beginning with the fourth quarter of 2005, the natural gas distribution segment excludes the company's non-rate regulated natural gas sales and services business, which is now reported as a separate segment, "competitive natural gas sales and services". All prior period segment information has been reclassified to conform to the 2005 presentation.

The natural gas distribution segment reported operating income of \$59 million for the fourth quarter of 2005, compared to \$69 million for the same period of 2004. Higher margins from the addition of nearly 44,000 customers since December 2004 were more than offset by increased litigation reserves and increased bad debt expense associated with higher natural gas prices.

Operating income for the year 2005 was \$175 million compared to \$178 million for 2004. The benefits from rate increases and customer growth were more than offset by reduced customer usage, increased bad debt expense and litigation reserves, and higher depreciation. In 2004, operating expenses reflected severance and associated benefit-related expenses due to an organizational restructuring.

## Competitive Natural Gas Sales and Services

The competitive natural gas sales and services business is engaged in the sale of natural gas and related services primarily to commercial and industrial customers and electric and gas utility companies.

This segment reported operating income of \$30 million for the fourth quarter of 2005, compared to \$16 million for the same period of 2004. The increase was primarily attributable to higher sales to utilities and favorable basis differentials across the pipeline capacity that the company controls.

Operating income for the year 2005 was \$60 million compared to \$44 million for 2004. The increase was primarily attributable to the same items noted above. Partially offsetting the margin increase were the effects of mark-to-market accounting related to non-trading financial derivatives used to lock in economic margins of certain forward gas sales, as well as increased employee-related and bad debt expenses.

## Pipelines and Field Services

The pipelines and field services segment reported operating income of \$67 million for the fourth quarter of 2005 compared to \$57 million for the same period of 2004. Within this segment, the pipeline business achieved higher operating income (\$46 million vs. \$42 million) driven by increased demand for transportation resulting from basis differentials across the system and higher demand for ancillary services. The field services business achieved higher operating income (\$21 million vs. \$15 million) driven by increased throughput and demand, increased gas gathering and ancillary services, and higher commodity prices.

Operating income for the year 2005 was \$235 million compared to \$180 million for 2004. Operating income for the pipeline business for 2005 was \$165 million compared to \$129 million for 2004. The field services business recorded operating income of \$70 million for 2005 compared to \$51 million for 2004. The improvements in operating income for the year resulted primarily from the same items noted for the quarter.

## Other Operations

The company's other operations reported an operating loss of \$6 million for the fourth quarter of 2005 compared to a loss of \$15 million for the same period of 2004. The operating loss for the year 2005 was \$18 million compared to a loss of \$32 million for 2004.

## OTHER 2005 EVENTS

Additional significant events for CenterPoint Energy during 2005 included:

- \* completion of the sale of the company's generation assets; proceeds of \$2.231 billion and \$700 million were received in 2004 and 2005, respectively;
- \* issuance of over \$1.85 billion in transition bonds to recover a portion of the company's authorized true-up balance;
- \* implementation of a CTC to begin recovering the remaining authorized true-up balance of \$596 million over 14 years, plus interest;
- \* contribution of \$75 million to the pension plan in 2005 following a \$476 million pension plan contribution in 2004; and
- \* completion of an exchange offer for \$572 million of the company's 3.75 percent convertible senior notes.

DIVIDEND DECLARATION

On January 26, 2006, CenterPoint Energy's board of directors declared a regular quarterly cash dividend of \$0.15 per share of common stock payable on March 10, 2006, to shareholders of record as of the close of business on February 16, 2006. In declaring this dividend, the board of directors indicated its intent to return to the company's traditional practice of paying consistent quarterly dividends. An annualized dividend based on a \$0.15 per common share quarterly dividend represents a 50 percent increase over the \$0.40 per common share in total dividends paid by the company in 2005.

OUTLOOK FOR 2006

CenterPoint Energy expects diluted earnings per share for 2006 to be in the range of \$0.90 to \$1.00. This guidance excludes any impacts related to the company's Zero-Premium Exchangeable Subordinated Notes (ZENS) and associated federal income tax consequences due to the uncertainties associated with the resolution of the ongoing dispute with the Internal Revenue Service. This guidance takes into consideration various economic and operational assumptions related to the business segments in which it operates. In particular, the company has made certain assumptions regarding the impact to earnings of various regulatory proceedings but cannot predict the ultimate outcome of any of those proceedings. In providing this guidance, the company has not projected the impact of any potential changes in accounting standards, any impact from acquisitions or divestitures, or the outcome of pending legal proceedings related to the company's true up appeal.

WEBCAST OF EARNINGS CONFERENCE CALL

CenterPoint Energy's management will host an earnings conference call on Tuesday, February 28, 2006, at 10:30 a.m. Central time or 11:30 a.m. Eastern time. Interested parties may listen to a live, audio broadcast of the conference call at <http://www.CenterPointEnergy.com/investors/events>. A replay of the call can be accessed approximately two hours after the completion of the call, and will be archived on the web site for at least one year.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, and interstate pipeline and gathering operations. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total approximately \$17 billion. With approximately 9,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at <http://www.CenterPointEnergy.com>.

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of appeals from the true-up proceedings, the timing and impact of future regulatory and legislative decisions, effects of competition, weather variations, changes in CenterPoint Energy's or its subsidiaries' business plans, financial market conditions, the timing and extent of changes in commodity prices, particularly natural gas, the impact of unplanned facility outages and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the period ended December 31, 2004, Form 10-Qs for the periods ended March 31, 2005, June 30, 2005 and September 30, 2005, and other filings with the Securities and Exchange Commission.

CenterPoint Energy, Inc. and Subsidiaries  
 Statements of Consolidated Operations  
 (Millions of Dollars)  
 (Unaudited)

	Quarter Ended		Twelve Months	
	December 31,		Ended December 31,	
	2004	2005	2004	2005
Revenues:				
Electric Transmission & Distribution	\$368	\$401	\$1,521	\$1,644
Natural Gas Distribution	1,184	1,441	3,579	3,846
Competitive Natural Gas Sales and Services	873	1,346	2,848	4,129
Pipelines and Field Services	127	131	451	493
Other Operations	---	4	8	19
Eliminations	(115)	(111)	(408)	(409)
Total	2,437	3,212	7,999	9,722

Expenses:				
Natural gas	1,647	2,348	5,013	6,509
Operation and maintenance	345	384	1,277	1,358
Depreciation and amortization	128	130	490	541
Taxes other than income taxes	86	98	355	375
Total	2,206	2,960	7,135	8,783
Operating Income	231	252	864	939
Other Income (Expense):				
Gain (loss) on Time Warner investment	71	(15)	31	(44)
Gain (loss) on indexed debt securities	(63)	15	(20)	49
Interest and other finance charges	(185)	(149)	(739)	(670)
Interest on transition bonds	(9)	(13)	(38)	(40)
Return on true-up balance	226	17	226	121
Other - net	5	5	20	23
Total	45	(140)	(520)	(561)
Income from Continuing Operations				
Before				
Income Taxes and Extraordinary Item	276	112	344	378
Income Tax Expense	(114)	(31)	(139)	(153)
Income from Continuing Operations				
Before Extraordinary Item	162	81	205	225
Discontinued Operations:				
Income from Texas Genco, net of tax	53	---	294	11
Minority Interest related to Texas Genco, net of tax	(12)	---	(61)	---
Loss on Disposal of Texas Genco, net of tax	(20)	---	(366)	(14)
Total	21	---	(133)	(3)
Income Before Extraordinary Item	183	81	72	222
Extraordinary Item, net of tax	(83)	---	(977)	30
Net Income (Loss)	\$100	\$81	\$(905)	\$252

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report on Form 10-K of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries  
Selected Data From Statements of Consolidated Operations  
(Millions of Dollars, Except Share and Per Share Amounts)  
(Unaudited)

	Quarter Ended December 31,		Twelve Months Ended December 31,	
	2004	2005	2004	2005
Basic Earnings (Loss) Per Common Share:				
Income from Continuing Operations	\$0.53	\$0.26	\$0.67	\$0.72
Income (Loss) from Discontinued Operations	0.07	---	(0.43)	(0.01)
Extraordinary Item, net of tax	(0.27)	---	(3.18)	0.10

Net Income (Loss)	\$0.33	\$0.26	\$(2.94)	\$0.81
Diluted Earnings (Loss) Per Common Share:				
Income from Continuing Operations	\$0.46	\$0.25	\$0.61	\$0.67
Income (Loss) from Discontinued Operations	0.06	---	(0.37)	(0.01)
Extraordinary Item, net of tax	(0.23)	---	(2.72)	0.09
Net Income (Loss)	\$0.29	\$0.25	\$(2.48)	\$0.75
Dividends Declared per Common Share	\$0.10	\$0.06	\$0.40	\$0.40
Weighted Average Common Shares				
Outstanding (000):				
- Basic	307,876	310,147	307,185	309,349
- Diluted	360,205	320,351	359,506	346,028

Operating Income (Loss) by Segment

Electric Transmission & Distribution:				
Transmission & Distribution Operations	\$95	\$90	\$456	\$448
Transition Bond Companies	9	12	38	39
Total Electric Transmission & Distribution	104	102	494	487
Natural Gas Distribution	69	59	178	175
Competitive Natural Gas Sales and Services	16	30	44	60
Pipelines and Field Services	57	67	180	235
Other Operations	(15)	(6)	(32)	(18)
Total	\$231	\$252	\$864	\$939

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report on Form 10-K of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries  
Results of Operations by Segment  
(Millions of Dollars)  
(Unaudited)

	Electric Transmission & Distribution		
	Quarter Ended		% Diff
	December 31,		
	2004	2005	Fav/(Unfav)
Results of Operations:			
Revenues:			
Electric transmission and distribution utility	\$347	\$374	8%
Transition bond companies	21	27	29%
Total	368	401	9%
Expenses:			
Operation and maintenance	145	172	(19%)
Depreciation and amortization	62	61	2%
Taxes other than income taxes	45	51	(13%)
Transition bond companies	12	15	(25%)
Total	264	299	(13%)

Operating Income - Electric transmission and distribution utility	95	90	(5%)
Operating Income - Transition bond companies	9	12	33%
Total Segment Operating Income	\$104	\$102	(2%)

Electric Transmission & Distribution	Quarter Ended		
	December 31,		
Operating Data:	2004	2005	
Actual MWH Delivered			
Residential	5,033,574	5,317,080	6%
Total	16,997,828	17,055,414	---
Weather (average for service area):			
Percentage of normal:			
Cooling degree days	146%	128%	(18%)
Heating degree days	75%	91%	16%
Average number of metered customers:			
Residential	1,656,281	1,704,690	3%
Total	1,881,761	1,936,685	3%

Results of Operations:	Twelve Months Ended		% Diff
	December 31,		
Revenues:	2004	2005	Fav/(Unfav)
Electric transmission and distribution utility	\$1,446	\$1,538	6%
Transition bond companies	75	106	41%
Total	1,521	1,644	8%
Expenses:			
Operation and maintenance	539	618	(15%)
Depreciation and amortization	248	258	(4%)
Taxes other than income taxes	203	214	(5%)
Transition bond companies	37	67	(81%)
Total	1,027	1,157	(13%)
Operating Income - Electric transmission and distribution utility	456	448	(2%)
Operating Income - Transition bond companies	38	39	3%
Total Segment Operating Income	\$494	\$487	(1%)

Electric Transmission & Distribution	Twelve Months Ended		
	December 31,		
Operating Data:	2004	2005	
Actual MWH Delivered			
Residential	23,747,996	24,923,995	5%
Total	73,631,547	74,189,448	1%

Weather (average for service area):

Percentage of normal:			
Cooling degree days	107%	112%	5%
Heating degree days	82%	82%	---

Average number of metered customers:			
Residential	1,639,488	1,683,100	3%
Total	1,862,853	1,912,346	3%

Natural Gas Distribution

	Quarter Ended		% Diff
	December 31,		
	2004	2005	Fav/(Unfav)
Results of Operations:			
Revenues	\$1,184	\$1,441	22%
Expenses:			
Natural gas	904	1,148	(27%)
Operation and maintenance	143	158	(10%)
Depreciation and amortization	36	37	(3%)
Taxes other than income taxes	32	39	(22%)
Total	1,115	1,382	(24%)
Operating Income	\$69	\$59	(14%)

Natural Gas Distribution Operating Data:

Throughput data in BCF			
Residential	55	53	(4%)
Commercial and Industrial	65	57	(12%)
Total Throughput	120	110	(8%)

Weather (average for service area)

Percentage of normal:			
Heating degree days	88%	94%	6%

Average number of customers:

Residential	2,817,670	2,855,670	1%
Commercial and Industrial	246,581	245,925	---
Total	3,064,251	3,101,595	1%

Twelve Months Ended  
December 31,

	Twelve Months Ended		% Diff
	December 31,		
	2004	2005	Fav/(Unfav)
Results of Operations:			
Revenues	\$3,579	\$3,846	7%
Expenses:			
Natural gas	2,596	2,841	(9%)
Operation and maintenance	544	551	(1%)
Depreciation and amortization	141	152	(8%)
Taxes other than income taxes	120	127	(6%)
Total	3,401	3,671	(8%)
Operating Income	\$178	\$175	(2%)

Natural Gas Distribution Operating Data:

Throughput data in BCF

Residential	175	160	(9%)
Commercial and Industrial	237	215	(9%)
Total Throughput	412	375	(9%)
Weather (average for service area)			
Percentage of normal:			
Heating degree days	92%	91%	(1%)
Average number of customers:			
Residential	2,798,210	2,838,357	1%
Commercial and Industrial	246,068	246,372	---
Total	3,044,278	3,084,729	1%

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report on Form 10-K of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries  
Results of Operations by Segment  
(Millions of Dollars)  
(Unaudited)

Competitive Natural Gas Sales and Services

	Quarter Ended		% Diff Fav/ (Unfav)	Twelve Months Ended		% Diff Fav/ (Unfav)
	December 31, 2004	December 31, 2005		December 31, 2004	December 31, 2005	
Results of Operations:						
Revenues	\$873	\$1,346	54%	\$2,848	\$4,129	45%
Expenses:						
Natural gas	849	1,305	(54%)	2,778	4,033	(45%)
Operation and maintenance	7	9	(29%)	22	30	(36%)
Depreciation and amortization	1	1	---	2	2	---
Taxes other than income taxes	---	1	---	2	4	(100%)
Total	857	1,316	(54%)	2,804	4,069	(45%)
Operating Income	\$16	\$30	88%	\$44	\$60	36%

Competitive Natural Gas Sales and Services Operating Data:

Throughput data in BCF

Wholesale - third parties	71	69	(3%)	228	304	33%
Wholesale - affiliates	9	4	(56%)	35	27	(23%)
Retail	41	44	7%	141	156	11%
Pipeline	19	10	(47%)	76	51	(33%)
Total Throughput	140	127	(9%)	480	538	12%

Average number of customers:

Wholesale	102	121	19%	97	138	42%
Retail	6,003	6,616	10%	5,976	6,328	6%
Pipeline	169	135	(20%)	172	142	(17%)
Total	6,274	6,872	10%	6,245	6,608	6%

Pipelines and Field Services



	Quarter			Twelve Months		
	Ended December 31,		% Diff Fav/ (Unfav)	Ended December 31,		% Diff Fav/ (Unfav)
	2004	2005		2004	2005	
Results of Operations:						
Revenues	\$127	\$131	3%	\$451	\$493	9%
Expenses:						
Natural gas	13	5	62%	46	30	35%
Operation and maintenance	42	43	(2%)	164	164	---
Depreciation and amortization	11	11	---	44	45	(2%)
Taxes other than income taxes	4	5	(25%)	17	19	(12%)
Total	70	64	9%	271	258	5%
Operating Income	\$57	\$67	18%	\$180	\$235	31%
Pipelines and Gathering						
Operating Data:						
Throughput data in BCF						
Natural Gas Sales	3	2	(33%)	11	6	(45%)
Transportation	201	214	6%	859	914	6%
Gathering	88	91	3%	321	353	10%
Elimination	(2)	---	---	(7)	(4)	43%
Total Throughput	290	307	6%	1,184	1,269	7%

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CenterPoint Energy, Inc. and Subsidiaries  
Results of Operations by Segment  
(Millions of Dollars)  
(Unaudited)

	Other Operations					
	Quarter Ended December 31,		% Diff Fav/ (Unfav)	Twelve Months Ended December 31,		% Diff Fav/ (Unfav)
	2004	2005		2004	2005	
Results of Operations:						
Revenues	\$---	\$4	---	\$8	\$19	138%
Expenses	15	10	33%	40	37	8%
Operating Loss	\$(15)	\$(6)	60%	\$(32)	\$(18)	44%

Capital Expenditures by Segment  
(Millions of Dollars)  
(Unaudited)

	Quarter Ended December 31,		Twelve Months Ended December 31,	
	2004	2005	2004	2005

Capital Expenditures by Segment

Electric Transmission & Distribution	\$62	\$82	\$235	\$281
Natural Gas Distribution	65	80	196	249
Competitive Natural Gas Sales and Services	---	8	1	12
Pipelines and Field Services	35	48	73	156
Other Operations	9	4	25	21
Total	\$171	\$222	\$530	\$719

Interest Expense Detail  
(Millions of Dollars)  
(Unaudited)

	Quarter Ended		Twelve Months Ended	
	December 31,		December 31,	
	2004	2005	2004	2005
Interest Expense Detail				
Amortization of Deferred Financing Cost	\$29	\$17	\$92	\$76
Capitalization of Interest Cost	(1)	(1)	(4)	(4)
Transition Bond Interest Expense	9	13	37	39
Other Interest Expense	157	133	652	599
Total Interest Expense	194	162	777	710
Amortization of Deferred Financing Cost				
Reclassified to Discontinued Operations	16	---	19	---
Other Interest Reclassified to Discontinued Operations	18	---	53	---
Total Interest Reclassified to Discontinued Operations (A)	34	---	72	---
Interest Expense Incurred by				
Discontinued Operations	---	---	---	1
Total Expense in Discontinued Operations	34	---	72	1
Total Interest Expense Incurred	\$228	\$162	\$849	\$711

(A) In accordance with Emerging Issues Task Force Issue No. 87-24 "Allocation of Interest to Discontinued Operations", in 2004, we have reclassified interest to discontinued operations of Texas Genco based on net proceeds received from the sale of Texas Genco of \$2.5 billion, and have applied the proceeds to the amount of debt assumed to be paid down in 2004 according to the terms of the respective credit facilities in effect for that period. In periods where only the term loan was assumed to be repaid, the actual interest paid was reclassified. In periods where a portion of the revolver was assumed to be repaid, the percentage of that portion of the revolver to the total outstanding balance was calculated, and that percentage was applied to the actual interest paid in those periods to compute the amount of interest reclassified.

Total interest expense was \$228 million and \$162 million for the three months ended December 31, 2004 and 2005, respectively, and \$849 million and \$711 million for the year ended December 31, 2004 and 2005, respectively. Interest expense of \$34 million for the

three months ended December 31, 2004, and \$72 million for the year ended December 31, 2004, was reclassified to discontinued operations of Texas Genco.

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CenterPoint Energy, Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets  
(Millions of Dollars)  
(Unaudited)

	December 31, 2004 -----	December 31, 2005 -----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$165	\$74
Other current assets	2,092	2,817
Current assets of discontinued operations	514	---
Total current assets	2,771	2,891
Property, Plant and Equipment, net	8,186	8,492
Other Assets:		
Goodwill, net	1,741	1,709
Regulatory assets	3,350	2,955
Other non-current assets	997	1,069
Non-current assets of discontinued operations	1,051	---
Total other assets	7,139	5,733
Total Assets	\$18,096	\$17,116
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of transition bond long-term debt	\$47	\$73
Current portion of other long-term debt	1,789	266
Other current liabilities	2,836	2,651
Current liabilities of discontinued operations	449	---
Total current liabilities	5,121	2,990
Other Liabilities:		
Accumulated deferred income taxes, net and investment tax credit	2,469	2,544
Regulatory liabilities	1,082	728
Other non-current liabilities	705	990
Non-current liabilities of discontinued operations	420	---
Total other liabilities	4,676	4,262
Long-term Debt:		
Transition bond	629	2,407
Other	6,564	6,161
Total long-term debt	7,193	8,568

Shareholders' Equity	1,106	1,296
Total Liabilities and Shareholders' Equity	\$18,096	\$17,116

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CenterPoint Energy, Inc. and Subsidiaries  
Condensed Statements of Consolidated Cash Flows  
(Millions of Dollars)  
(Unaudited)

	Twelve Months Ended December 31,	
	2004	2005
Cash Flows from Operating Activities:		
Net income (loss)	\$(905)	\$252
Discontinued operations, net of tax	133	3
Extraordinary item, net of tax	977	(30)
Income from continuing operations	205	225
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	582	618
Deferred income taxes and investment tax credit	258	224
Changes in net regulatory assets and liabilities	(520)	(192)
Changes in other assets and liabilities	(164)	(795)
Other, net	20	18
Net Cash Provided by Operating Activities of Continuing Operations	381	98
Net Cash Provided by (Used in) Operating Activities of Discontinued Operations	355	(38)
Net Cash Provided by Operating Activities	736	60
Net Cash Provided by Investing Activities	1,466	20
Net Cash Used in Financing Activities	(2,124)	(171)
Net Increase (Decrease) in Cash and Cash Equivalents	78	(91)
Cash and Cash Equivalents at Beginning of Year	87	165
Cash and Cash Equivalents at End of Year	\$165	\$74

SOURCE CenterPoint Energy, Inc.

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