



July 30, 2002

**DTE ENERGY REPORTS SECOND QUARTER EARNINGS OF \$0.42 PER SHARE;  
TIGHTENS 2002 EARNINGS TARGET TO \$3.75 - \$3.95, INITIATES 2003 GUIDANCE  
OF \$3.90 - \$4.10**

DETROIT – DTE Energy Company (NYSE: DTE) today announced 2002 second quarter earnings of \$68 million, or \$0.42 per diluted share, down from \$81 million, or \$0.55 per diluted share (excluding merger and restructuring expenses and goodwill amortization) in the second quarter of 2001. Reported earnings for the second quarter of 2001 were an \$87 million loss, or a loss of \$0.60 per basic and diluted share, including the impact of merger and restructuring charges and goodwill amortization. During the second quarter of 2001, the company recorded \$164 million in after-tax merger and restructuring charges related to the MCN merger.

Year-to-date earnings per share increased 8 percent to \$1.66 from \$1.53 in 2001 (excluding merger and restructuring expenses and goodwill amortization). Net income for the six-month period increased 22 percent to \$268 million, from \$220 million in 2001.

“Our solid results this quarter demonstrate the strength of our diverse and integrated business portfolio,” said Anthony F. Earley Jr., DTE Energy chairman and chief executive officer. “Contributions from our non-regulated businesses, as well as sound performance at our electric utility, allowed us to achieve second quarter results that position us well for the balance of the year. The uncertain impact of weather and the pace of economic recovery will continue to affect our business, but I am confident that we can achieve our 2002 earnings goals. Our expected earnings range for the full year is narrowed to \$3.75 - \$3.95 per diluted share, from our previously issued guidance of \$3.70 - \$4.00 per diluted share. In addition, we are providing our initial expectations of earnings for 2003 of \$3.90 - \$4.10 per diluted share, which anticipates continued solid growth in a difficult industry environment.”

Compared with the second quarter of 2001, several factors impacted earnings:

- Increased earnings from the electric utility business, primarily driven by an increase in residential sales due to warm June weather, as well as lower fuel and purchased power costs.
- Non-regulated earnings were down year-over-year driven by the absence of mark-to-market gains in the second quarter of 2002 as compared to the prior year. This gain was related to gas supply contracts that have largely been hedged to reduce future earnings volatility.
- Several non-regulated businesses provided increased earnings contributions. This was led by the coal-based fuels business that had higher synfuel production, and the non-regulated natural gas business, which was acquired as part of the MCN merger.
- Quarterly timing of the company’s tax credit normalization adjustments had a negative impact on earnings of approximately 8 cents versus last year. DTE Energy earns tax credits consistently throughout the year as a result of its synthetic fuels business, but accounting

rules mandate tax adjustments to retime tax credit recognition to reflect the distribution of pre-tax income. This generally results in negative tax adjustments for the second and third quarters and positive tax adjustments in the first and fourth quarters and does not impact total year earnings.

- Common stock shares issued as a result of DTE Energy's merger with MCN Energy and shares repurchased with the proceeds from the securitization bond issuance resulted in an increase in the average number of common shares of stock outstanding from 145 million to 162 million.

David E. Meador, DTE Energy senior vice president and chief financial officer added: "During this turbulent period for our industry, DTE Energy's diversity of earnings around our core competencies continues to be a strength for our company. We are focused on delivering consistent and solid earnings growth to our shareholders. Our recent equity issuance strengthens an already solid balance sheet and credit rating, and places us in an enhanced position to execute our growth strategy. We remain committed to achieving 6% earnings growth, and we believe that this goal, coupled with our 5.5% dividend yield, provides an attractive and low risk return to our shareholders."

On July 31, DTE Energy will be conducting a meeting with the financial community to discuss second quarter earnings and to provide a general business update. The live webcast of this meeting begins at 9:00 am EST, and the accompanying presentation materials will be available at [www.DTEEnergy.com](http://www.DTEEnergy.com).

DTE Energy is a Detroit-based diversified energy company involved in the development and management of energy-related businesses and services nationwide. DTE Energy's largest operating subsidiaries are Detroit Edison, an electric utility serving 2.1 million customers in Southeastern Michigan, and MichCon, a natural gas utility serving 1.2 million customers in Michigan. Information about DTE Energy is available at <http://www.dteenergy.com>.

The information contained in this document is as of the date of this press release. DTE Energy expressly disclaims any current intention to update any forward-looking statements contained in this document as a result of new information or future events or developments. Words such as "anticipate" and "projected" signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various risks and uncertainties. This press release contains forward-looking statements about DTE Energy's financial results and estimates of future prospects that involve risks and uncertainties that may cause actual results to differ materially. Factors that may impact forward-looking statements include, but are not limited to, access to the capital markets, the level of borrowings, weather, actual sales, changes in the cost of fuel and purchased power due to the suspension of the Power Supply Cost Recovery mechanism, changes in the cost of natural gas, the effects of competition and the implementation of electric and gas Customer Choice programs, the impact of changes in and interpretations of tax laws, the timing of the accretive effects of DTE Energy's merger with MCN Energy, and the contributions to earnings by non-regulated businesses. This press release should also be read in conjunction with the forward-looking statements in DTE Energy's, MichCon's and Detroit Edison's 2001 Form 10-K Item 1, and in conjunction with other SEC reports filed by DTE Energy, MichCon and Detroit Edison.

Analysts – For Further Information:  
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**DTE ENERGY COMPANY AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED STATEMENT OF INCOME (PRELIMINARY/UNAUDITED)**

(Dollars in Millions, Except Per Share Amounts)

	3 Months - June			6 Months - June		
	2002	2001*	% Change	2002	2001*	% Change
<b>Operating Revenues</b>	\$1,981	\$1,790	11%	\$4,381	\$3,632	21%
<b>Operating Expenses</b>						
Fuel, gas & purchased power	\$907	\$908	-	\$2,130	\$1,856	15%
Operation and maintenance	603	453	33%	1,141	836	36%
Depreciation and amortization	186	188	-1%	380	372	2%
Taxes other than income	86	77	12%	184	158	16%
Merger and restructuring charges	-	252	n/m	-	254	n/m
<b>Total Operating Expenses</b>	<b>\$1,782</b>	<b>\$1,878</b>	<b>-5%</b>	<b>\$3,835</b>	<b>\$3,476</b>	<b>10%</b>
<b>Operating Income</b>	<b>\$199</b>	<b>(\$88)</b>	<b>326%</b>	<b>\$546</b>	<b>\$156</b>	<b>250%</b>
<b>Interest Expense and Other</b>						
Interest Expense	\$137	\$104	32%	\$274	\$195	41%
Pref. Stock Dividend of Subsidiary	6	2	200%	13	2	550%
Other (Income)/Expense - net	(8)	(5)	60%	(6)	(6)	0%
<b>Total Interest Expense and Other</b>	<b>\$135</b>	<b>\$101</b>	<b>34%</b>	<b>\$281</b>	<b>\$191</b>	<b>47%</b>
<b>Income Before Income Taxes</b>	<b>\$64</b>	<b>(\$189)</b>	<b>134%</b>	<b>\$265</b>	<b>(\$35)</b>	<b>857%</b>
Income Taxes	(4)	(102)	96%	(3)	(83)	96%
Cumulative Effect of Accounting Change, net of tax	-	-	n/m	-	3	n/m
<b>Net Income - Including Merger Related Items</b>	<b>\$68</b>	<b>(\$87)</b>	<b>178%</b>	<b>\$268</b>	<b>\$51</b>	<b>425%</b>
<b>Earnings per Diluted Share Including Merger Related Items</b>	<b>\$0.42</b>	<b>(\$0.60)</b>	<b>170%</b>	<b>\$1.66</b>	<b>\$0.36</b>	<b>361%</b>
<b>Merger Related Items</b>						
Merger and Restructuring Charges - net of tax	-	1.12	n/m	-	1.14	n/m
Goodwill	-	0.03	n/m	-	0.03	n/m
<b>Earnings per Share Excluding Merger Related Items</b>	<b>\$0.42</b>	<b>\$0.55</b>	<b>-24%</b>	<b>\$1.66</b>	<b>\$1.53</b>	<b>8%</b>
<b>Average Common Shares Outstanding (Diluted)</b>	<b>162</b>	<b>145</b>	<b>12%</b>	<b>162</b>	<b>144</b>	<b>13%</b>

\* 2001 data includes only one month (June) of contribution from the former MCN entities

n/m - not meaningful

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, 10K, and 10Q.



## Earnings per Share Summary Q2 2002

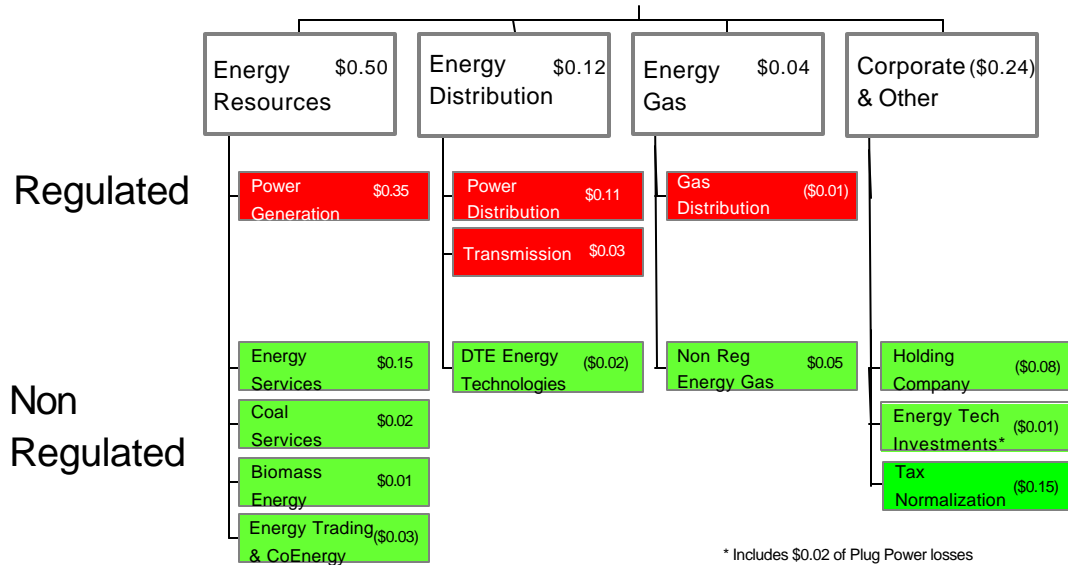
(Preliminary/Unaudited)

Earnings per Share



**DTE Energy**

\$0.42





## DTE ENERGY COMPANY AND SUBSIDIARY COMPANIES

### Earnings Variance Analysis (Preliminary/Unaudited)

2nd Quarter  
Per Share Impact

<b>DTE Energy Q2 2001 EPS</b> (excluding merger restructuring and goodwill related costs)		<b>\$0.55</b>
<b>Energy Resources</b>		
5% rate reduction	(\$0.02)	
Electric gross margin - higher sales and lower power supply costs	0.19	
FAS 133 adj. of summer supply contracts - designated normal purchases in July 2001	0.16	
Other	(0.02)	
<b>Non Regulated</b>		
Energy Services - increased synfuel production	0.03	
DTE Generation - decreased output, soft market conditions	(0.05)	
Energy Trading - mark-to-market gains on new business in 2002	0.03	
Co-Energy Portfolio - mark-to-market gains in 2001 on long term gas supply contracts	(0.23)	
<b>Energy Resources Variance</b>		<b>\$0.09</b>
<b>Energy Distribution</b>		
Distribution margins - higher territory sales +4%	\$0.11	
O&M Expense and other - heat-related and other distribution system distribution costs	(0.12)	
Non Regulated - Energy Technologies	(0.01)	
<b>Energy Distribution Variance</b>		<b>(\$0.02)</b>
<b>Energy Gas</b>		
Regulated Gas - only one month included in 2001 results	(\$0.01)	
Non Regulated Gas - only one month included in 2001 results	0.05	
<b>Energy Gas Variance</b>		<b>\$0.04</b>
<b>Holding Company &amp; Other</b> - Primarily effective tax rate adjustment, higher interest expense		<b>(0.19)</b>
EPS Share Dilution from MCN Merger shares issued		<b>(0.07)</b>
EPS Accretion from Share Repurchase from Securitization Proceeds		<b>0.02</b>
<b>DTE Energy Q2 2002 EPS</b>		<b>\$0.42</b>



## Net Income Summary

(Preliminary/Unaudited)

### Regulated Performance

(Net Income \$M)

	Q2 2002	Q2 2001**	Change
<b>Energy Resources</b>	\$57.2	\$11.7	\$45.5
<b>Energy Distribution</b> (including Transmission)	23.1	25.8	(2.7)
<b>Energy Gas</b>	(0.9)	0.8	(1.7)
<b>Total Regulated</b>	<u>\$79.4</u>	<u>\$38.3</u>	<u>\$41.1</u>

### Non Regulated Performance

(Net Income \$M)

	Q2 2002	Q2 2001**	Change
<b>Energy Resources</b>			
Energy Services			
Coal Based Fuels	33.9	25.4	\$8.5
On Site Energy Projects	2.3	2.4	(\$0.1)
Merchant Generation	(1.4)	6.3	(\$7.7)
Other	(10.0)	(7.9)	(\$2.1)
Coal Services	2.7	5.3	(2.6)
Biomass Energy	1.4	1.0	0.4
Energy Trading & CoEnergy Portfolio	(5.4)	24.2	(29.6)
Subtotal	23.5	56.7	(33.2)
<b>Energy Gas</b>	7.7	1.0	6.7
<b>Energy Distribution</b>			
Energy Technologies	(3.8)	(2.7)	(1.1)
<b>Other</b>			
Plug Power	(2.4)	(3.5)	1.1
Other	(0.7)	(0.2)	(0.5)
<b>Total Non Regulated*</b>	<u>\$24.3</u>	<u>\$51.3</u>	<u>(\$27.0)</u>

Large mark-to-market gain in Q2 2001

\* Excludes holding company items

\*\* Excludes merger related items



**DTE ENERGY COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEET (PRELIMINARY/UNAUDITED)**  
(Dollars in Millions)

<b>ASSETS</b>	<b>Jun. 30 2002</b>	<b>Dec. 31 2001</b>	<b>Percent Change</b>	<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>Jun. 30 2002</b>	<b>Dec. 31 2001</b>	<b>Percent Change</b>
<b>Current Assets</b>				<b>Current Liabilities</b>			
Cash and Cash Equivalents	\$82	\$268	-69%	Accounts Payable	\$689	\$697	-1%
Restricted Cash	152	157	-3%	Accrued Interest	127	118	8%
Accounts Receivable	1,491	1,352	10%	Dividends Payable	89	84	6%
Accrued gas cost recovery	53	14	279%	Accrued Payroll	104	108	-4%
Inventories (at average cost)				Short-term Borrowings	515	681	-24%
Fuel and Gas	374	343	9%	Income Taxes	15	54	-72%
Materials and Supplies	161	162	-1%	Current Portion Long-term Debt	628	516	22%
Asset from Risk Mgmt & Trading Activities	503	400	26%	Liab. From Risk Mgmt & Trading	559	425	32%
Deferred Income Taxes	-	47	n/m	Other	376	495	-24%
Other	117	83	41%		<b>\$3,102</b>	<b>\$3,178</b>	<b>-2%</b>
	<b>\$2,933</b>	<b>\$2,826</b>	<b>4%</b>	<b>Other Liabilities</b>			
<b>Investments</b>				Deferred Income Taxes	\$1,420	\$1,478	-4%
Nuclear Decommissioning Trust Funds	\$413	\$417	-1%	Regulatory Liabilities	180	187	-4%
Other	493	615	-20%	Unamortized investment tax credit	175	180	-3%
	<b>\$906</b>	<b>\$1,032</b>	<b>-12%</b>	Liab. From Risk Mgmt & Trading	549	313	75%
<b>Property</b>				Nuclear decommissioning	413	417	-1%
Property, Plant and Equipment	\$18,029	\$17,067	6%	Other	901	958	-6%
Less: Acc. Depreciation & Amortization	8,366	7,524	11%		<b>\$3,638</b>	<b>\$3,533</b>	<b>3%</b>
	<b>\$9,663</b>	<b>\$9,543</b>	<b>1%</b>	<b>Long-Term Debt</b>			
<b>Other Assets</b>				Mortgage Bonds, Notes & Other	\$5,707	\$5,892	-3%
Goodwill	\$2,084	\$2,003	4%	Securitization Bonds	\$1,625	\$1,673	-3%
Regulatory Assets	1,183	1,204	-2%	Equity Linked Debt	\$194	-	n/m
Securitized Regulatory Assets	1,656	1,692	-2%	Capital lease obligations	\$87	\$89	-2%
Assets from risk management & trading	342	149	130%		<b>\$7,613</b>	<b>\$7,654</b>	<b>-1%</b>
Prepaid pension assets	438	473	-7%	<b>Preferred securities of subsidiaries</b>	<b>\$271</b>	<b>\$274</b>	<b>-1%</b>
Other	299	306	-2%	<b>Shareholders' Equity</b>			
	<b>\$6,002</b>	<b>\$5,827</b>	<b>3%</b>	Common Stock	\$3,050	\$2,811	9%
<b>Total Assets</b>	<b>\$19,504</b>	<b>\$19,228</b>	<b>1%</b>	Retained Earnings	1,941	1,846	5%
				Accumulated other comprehensive loss	(111)	(68)	63%
					<b>\$4,880</b>	<b>\$4,589</b>	<b>6%</b>
				<b>Total Liabilities and Shareholders' Equity</b>	<b>\$19,504</b>	<b>\$19,228</b>	<b>1%</b>

The Condensed Consolidated Balance Sheet (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, Form 10K, and 10Q.

n/m - not meaningful



**Detroit Edison**  
**Statement of Income (Preliminary/Unaudited)**

(Dollars in Millions)

	3 Months - June			6 Months - June		
	2002	2001	% Change	2001	2000	% Change
<b>Operating Revenues</b>	\$962	\$992	-3%	\$1,891	\$2,016	-6%
<b>Operating Expenses</b>						
Fuel and Purchased power	\$239	\$354	-32%	\$440	\$623	-29%
Operation and Maintenance	328	290	13%	612	546	12%
Depreciation and amortization	138	160	-14%	285	334	-15%
Taxes other than income	65	72	-10%	136	151	-10%
Merger and Restructuring Charges	-	163	n/m	-	163	n/m
Total Operating Expenses	\$770	\$1,039	-26%	\$1,473	\$1,817	-19%
<b>Operating Income</b>	\$192	(\$47)	509%	\$418	\$199	110%
<b>Interest Expense and Other</b>						
Interest Expense	\$78	\$78	0%	\$156	\$150	4%
Other - net	1	-	n/m	11	5	120%
Total Interest Expense and Other	\$79	\$78	1%	\$167	\$155	8%
<b>Income Before Income Taxes</b>	\$113	(\$125)	190%	\$251	\$44	470%
Income Taxes	\$39	(\$48)	181%	\$84	\$5	1580%
Income (Loss) Before Cumulative Effect of a Change in Accounting Principle	\$74	(\$77)	196%	\$167	\$39	328%
Cumulative Effect of a Change in Accounting Principle, Net of Tax	-	-	n/m	-	(3)	n/m
<b>Net Income (Loss) including merger related items</b>	<b>\$74</b>	<b>(\$77)</b>	<b>196%</b>	<b>\$167</b>	<b>\$36</b>	<b>364%</b>
Merger Related Charges	-	106	n/m	-	\$106	n/m
<b>Net Income excluding merger related items</b>	<b>\$74</b>	<b>\$29</b>	<b>155%</b>	<b>\$167</b>	<b>\$142</b>	<b>18%</b>

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the Annual Report to Shareholders, Form 10K, and Form 10Q.

n/m - not meaningful





**MichCon**  
**Statement of Income (Preliminary/Unaudited)**  
(Dollars in Millions, Except Per Share Amounts)

	3 Months - June 30			6 Months - June 30		
	2002	2001*	% Change	2002	2001*	% Change
<b>Operating Revenues</b>	\$235	\$182	29%	\$825	\$658	25%
<b>Operating Expenses</b>						
Cost of Gas	\$116	\$145	-20%	\$501	\$353	42%
Operation and Maintenance	88	66	33%	154	130	18%
Depreciation and Amortization	27	27	0%	53	53	0%
Taxes other than income	11	10	10%	27	27	0%
Merger and Restructuring Charges	-	101	n/m	-	102	n/m
Property write-down	33	-	n/m	33	-	n/m
Total Operating Expenses	\$275	\$349	-21%	\$768	\$665	15%
<b>Operating Income</b>	(\$40)	(\$167)	76%	\$57	(\$7)	914%
<b>Interest Expense and Other</b>						
Interest Income	\$2	\$2	0%	\$6	\$5	20%
Interest on long-term debt	(12)	(11)	9%	(26)	(21)	24%
Other interest expense	(4)	(2)	100%	(6)	(6)	0%
Loss on joint venture held for sale	-	(7)	n/m	-	(7)	n/m
Equity in earnings of joint ventures	1	1	0%	1	1	0%
Other	1	(1)	200%	1	0	n/m
Total Interest Expense and Other	(\$12)	(\$18)	-33%	(\$24)	(\$28)	-14%
<b>Income Before Income Taxes</b>	(\$52)	(\$185)	72%	\$33	(\$35)	194%
Income Taxes	(\$18)	(\$65)	72%	\$12	(\$12)	200%
<b>Net Income (Loss) including merger related charges and Purchase Accounting Adjustments**</b>	<b>(\$34)</b>	<b>(\$120)</b>	<b>72%</b>	<b>\$21</b>	<b>(\$23)</b>	<b>191%</b>
Merger Related Charges	-	66	n/m	-	66	n/m
Purchase Accounting Adjustment	33	-	n/m	33	-	n/m
<b>Net Income (Loss) excluding merger related charges</b>	<b>(\$1)</b>	<b>(\$54)</b>	<b>98%</b>	<b>\$54</b>	<b>\$43</b>	<b>25%</b>

The Condensed Consolidated Statement of Income (Unaudited) should be read in conjunction with the Notes to Consolidated Financial Statements appearing in the 2002 Annual Report.

n/m - not meaningful

\*DTE Energy 2001 consolidated results only includes one month (June) results

\*\* Purchase accounting adjustments reverse losses reflected in regulated gas operations that have been eliminated at DTE Energy

# Sales Analysis

## Electric - Detroit Edison Service Area (GWh)

Category	2nd Quarter			% Change from 2Q 2001
	2000	2001	2002	
Residential	3,270	3,236	3,528	9.0%
Commercial	4,959	4,942	5,150	4.2%
Industrial	4,189	3,720	3,730	0.3%
Other	614	629	634	0.8%
Total System Sales	13,032	12,527	13,042	4.1%
Mitigation	40	N/A	N/A	N/A
<b>Total Sales</b>	<b>13,072</b>	<b>12,527</b>	<b>13,042</b>	<b>4.1%</b>

## Gas Distribution - MichCon (MCF)

Category	2nd Quarter			% Change from 2001
	2000	2001	2002	
Residential	18,759,714	17,849,568	22,044,213	23.5%
Commercial	5,192,206	5,489,233	7,122,666	29.8%
Industrial	308,410	330,247	306,361	-7.2%
<b>Total Sales</b>	<b>24,260,330</b>	<b>23,669,048</b>	<b>29,473,240</b>	<b>24.5%</b>

## Heating and Cooling Degree Day Data

	2nd Quarter			% Change from 2Q 2001
	2000	2001	2002	
Heating Degree Days	694	586	843	43.9%
Normal	812	812	812	
% over (under) Normal	-15%	-28%	4%	
Cooling Degree Days	238	233	256	9.9%
Normal	154	154	154	
% over (under) Normal	55%	51%	66%	



## KEY TO COMPANY REPORTING METHODOLOGY

DTE Energy has shifted to business unit reporting for both internal and external purposes. This method is more reflective of DTE Energy's business operation. Overall this type of presentation will provide more in depth and useful information to the financial community. In large part, the change in segmentation is only a reclassification of the old components. The exception to this is the electric utility, which is divided into three components: Energy Distribution – Regulated, Energy Resources – Regulated and International Transmission Company.

The first schedule below shows the components of the current business breakdown. The second schedule reconciles the current and the previous methodology.

### Current Methodology

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#### Energy Resources

##### Regulated

Detroit Edison Power Generation

##### Non-Regulated

Energy Services

Coal Services

Biomass Energy

Energy Trading & CoEnergy

#### Energy Gas

##### Regulated

MichCon

Citizens

Southern Missouri Gas

##### Non-Regulated

Pipeline & Processing

Exploration & Production

#### Energy Distribution

##### Regulated

Detroit Edison LDC

International Transmission Company

##### Non-Regulated

Energy Technologies

#### Corporate and Other

##### Holding Company

##### Non-Regulated

Energy Technology Investments

including Plug Power

### Previous Methodology

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#### Detroit Edison

Regulated Energy Resources

Regulated Energy Distribution

International Transmission Company

#### MichCon

Regulated Energy Gas

#### Non-Regulated

Non-Regulated Energy Resources

Non-Regulated Energy Distribution

Non-Regulated Gas

Non-Regulated Corporate and Other

#### Holding Company