



Aug. 14, 2003

**DTE ENERGY RECONFIRMS 2003 OPERATING EARNINGS GUIDANCE FOLLOWING  
MODIFICATION TO SECOND QUARTER ANNOUNCED EARNINGS**

DETROIT – DTE Energy (NYSE: DTE) today will file its second quarter 2003 Form 10-Q for the quarter ended June 30, 2003, with the Securities and Exchange Commission. The company will report a loss for the quarter of \$39 million, or \$0.23 per diluted share. This includes an additional \$16 million negative earnings impact not reflected in the unaudited loss of \$23 million, or \$0.13 per diluted share that was announced July 28, 2003. The earnings revision was due to a change in the interpretation of insurance coverage for an April ice storm. The revision does not change the company's 2003 operating earnings guidance. Reported earnings for the second quarter 2002 were \$68 million or \$0.42 per diluted share.

Revised operating earnings for the quarter were \$70 million, or \$0.42 per diluted share, compared to operating earnings of \$86 million, or \$0.53 per diluted share for the same period in 2002.

Reported earnings for the six months ended June 30, 2003 were \$116 million, or \$0.69 per share versus \$268 million or \$1.66 per share in 2002. Year-to-date operating earnings were \$248 million, or \$1.47 per share, compared to \$267 million, or \$1.65 per share in 2002. An updated income statement for the three months and six months ended June 30, 2003 is at the end of this release, as well as an updated balance sheet as of June 30, 2003.

After experiencing back-to-back catastrophic storms in April and July, the company initiated a review of its storm-related insurance portfolio. The April storm, occurring in the second quarter, had a pre-insurance cost of \$50 million and the July storm, in the third quarter, had a pre-insurance cost of \$20 million. The recently completed review recognized that the insurance coverage and the level of risk retained by the company for the second quarter and third quarter storms were different than previously understood. The level of risk retained and the after-insurance cost of the April storm was higher than previously understood, and the level of risk retained for the July storm was lower.

The company determined that it is appropriate to increase operating expenses in the second quarter to reflect that less of the April storm was covered by insurance than had been previously determined and recorded, even though this adjustment is small. The third quarter storm is substantially covered by insurance. Therefore, the revision of second quarter earnings results does not impact the company's 2003 operating earnings guidance, which it reaffirmed at \$3.10 - \$3.30 per share. This guidance assumes no additional storm expense through year-end.

A reconciliation of reported to operating earnings per share for both the quarter ended and six months ended June 30, 2003 and 2002 are at the end of this release. DTE Energy management believes that operating earnings provide a more meaningful representation of the company's earnings power from ongoing operations and uses operating earnings as the primary performance measurement for external communications with analysts and investors regarding its earnings outlook and results. Internally, DTE Energy uses operating earnings to measure performance against budget and to report to the DTE Energy Board of Directors.

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 [www.dteenergy.com](http://www.dteenergy.com).

The information contained in this document is as of the date of this news 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,” “believe,” “expect,” “projected” and “goals” signify forward-looking statements. Forward-looking statements are not guarantees of future results and conditions but rather are subject to various assumptions, risks and uncertainties. This news release contains forward-looking statements about DTE Energy’s financial results and estimates of future prospects, and actual results may differ materially. Factors that may impact forward-looking statements include, but are not limited to, timing and extent of changes in interest rates; access to the capital markets and capital market conditions and other financing efforts which can be affected by credit agency ratings required; resolution of the IRS review of chemical change at synthetic fuel facilities; ability to utilize Section 29 tax credits or sell interest in facilities producing such credits; the level of borrowings; the effects of weather and other natural phenomena on operations and actual sales; economic climate and growth in the geographic areas in which DTE Energy does business; unplanned outages; the cost of protecting assets against or damage due to terrorism; nuclear regulations and risks associated with nuclear operations; the grant of rate relief by the MPSC for the utilities; changes in the cost of fuel, purchased power and natural gas; the effects of competition; the implementation of electric and gas customer choice programs; the implementation of electric and gas utility restructuring in Michigan; environmental issues, including changes in the climate, and regulations, and the contributions to earnings by non-regulated businesses. This news release should also be read in conjunction with the forward-looking statements in DTE Energy’s and Detroit Edison’s 2002 Form 10-K Item 1, and in conjunction with other SEC reports filed by DTE Energy and Detroit Edison.

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**DTE ENERGY COMPANY**  
**STATEMENT OF OPERATIONS**  
**FORM 10-Q EARNINGS as compared to OPERATING EARNINGS**  
**June 30, 2003**

|   | Three Months Ended |             |           | Six Months Ended |             |           |
|---|--------------------|-------------|-----------|------------------|-------------|-----------|
|   | Results            |             | Form 10-Q | Results          |             | Form 10-Q |
|   | Released           | Adjustments |           | Released         | Adjustments |           |
| (in Millions, Except per Share Data)                  | July 28, 2003      |             | Results   | July 28, 2003    |             | Results   |
| <b>Operating Revenues</b> .....                       | \$ 1,600           | \$ -        | \$ 1,600  | \$ 3,695         | \$ -        | \$ 3,695  |
| <b>Operating Expenses</b>                             |                    |             |           |                  |             |           |
| Fuel, purchased power and gas.....                    | 493                | -           | 493       | 1,306            | -           | 1,306     |
| Operation and maintenance.....                        | 720                | 13          | 733       | 1,475            | 13          | 1,488     |
| Depreciation, depletion and amortization.....         | 180                | -           | 180       | 377              | -           | 377       |
| Taxes other than income.....                          | 87                 | -           | 87        | 184              | -           | 184       |
|   | 1,480              | 13          | 1,493     | 3,342            | 13          | 3,355     |
| <b>Operating Income</b> .....                         | 120                | (13)        | 107       | 353              | (13)        | 340       |
| <b>Other (Income) and Deductions</b>                  |                    |             |           |                  |             |           |
| Interest expense.....                                 | 132                | -           | 132       | 265              | -           | 265       |
| Preferred stock dividends of subsidiaries.....        | 6                  | -           | 6         | 12               | -           | 12        |
| Interest income.....                                  | (7)                | -           | (7)       | (15)             | -           | (15)      |
| Other income.....                                     | (18)               | -           | (18)      | (31)             | -           | (31)      |
| Other expenses.....                                   | 18                 | -           | 18        | 51               | -           | 51        |
|   | 131                | -           | 131       | 282              | -           | 282       |
| <b>Income (Loss) Before Income Taxes</b> .....        | (11)               | (13)        | (24)      | 71               | (13)        | 58        |
| <b>Income Tax Expense (Benefit)</b> .....             | 10                 | 3           | 13        | (16)             | 3           | (13)      |
| <b>Income (Loss) from Continuing Operations</b> ..... | (21)               | (16)        | (37)      | 87               | (16)        | 71        |
| <b>Discontinued Operations (ITC)</b> .....            |                    |             |           |                  |             |           |
| Income from operations.....                           | -                  | -           | -         | 5                | -           | 5         |
| Gain on sale.....                                     | (2)                | -           | (2)       | 67               | -           | 67        |
|   | (2)                | -           | (2)       | 72               | -           | 72        |
| <b>Cumulative Effect of Accounting Changes</b>        |                    |             |           |                  |             |           |
| Asset retirement obligations.....                     | -                  | -           | -         | (11)             | -           | (11)      |
| Energy trading activities.....                        | -                  | -           | -         | (16)             | -           | (16)      |
|   | -                  | -           | -         | (27)             | -           | (27)      |
| <b>Net Income (Loss)</b> .....                        | \$ (23)            | \$ (16)     | \$ (39)   | \$ 132           | \$ (16)     | \$ 116    |
| <b>Basic Earnings (Loss) per Common Share</b>         |                    |             |           |                  |             |           |
| Continuing operations .....                           | \$ (0.12)          | \$ (0.10)   | \$ (0.22) | \$ 0.53          | \$ (0.10)   | \$ 0.43   |
| Discontinued operations .....                         | (0.01)             | -           | (0.01)    | 0.43             | -           | 0.43      |
| Cumulative effect of accounting changes .....         | -                  | -           | -         | (0.17)           | -           | (0.17)    |
|   | \$ (0.13)          | \$ (0.10)   | \$ (0.23) | \$ 0.79          | \$ (0.10)   | \$ 0.69   |
| <b>Diluted Earnings (Loss) per Common Share</b>       |                    |             |           |                  |             |           |
| Continuing operations .....                           | \$ (0.12)          | \$ (0.10)   | \$ (0.22) | \$ 0.52          | \$ (0.10)   | \$ 0.42   |
| Discontinued operations .....                         | (0.01)             | -           | (0.01)    | 0.43             | -           | 0.43      |
| Cumulative effect of accounting changes .....         | -                  | 3           | -         | (0.16)           | -           | (0.16)    |

**DTE ENERGY COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2003**

| (in Millions)   | Results<br>Released<br>July 28, 2003 | Adjustments | Form<br>10-Q<br>Results |
|---|--------------------------------------|-------------|-------------------------|
| <b>ASSETS</b>   |                                      |             |                         |
| <b>Current Assets</b>                                   |                                      |             |                         |
| Cash and cash equivalents.....                          | \$ 103                               | \$ -        | \$ 103                  |
| Restricted cash.....                                    | 126                                  | -           | 126                     |
| Accounts receivable                                     |                                      |             |                         |
| Customer, less allowance for doubtful accounts .....    | 930                                  | -           | 930                     |
| Accrued unbilled revenues.....                          | 190                                  | -           | 190                     |
| Other.....  | 370                                  | -           | 370                     |
| Inventories   |                                      |             |                         |
| Fuel and gas.....                                       | 367                                  | -           | 367                     |
| Materials and supplies.....                             | 159                                  | -           | 159                     |
| Assets from risk management and trading activities..... | 349                                  | -           | 349                     |
| Other.....  | 114                                  | -           | 114                     |
|   | 2,708                                | -           | 2,708                   |
| <b>Investments</b>                                      |                                      |             |                         |
| Nuclear decommissioning trust funds.....                | 466                                  | -           | 466                     |
| Other.....  | 484                                  | -           | 484                     |
|   | 950                                  | -           | 950                     |
| <b>Property</b>   |                                      |             |                         |
| Property, plant and equipment.....                      | 17,534                               | -           | 17,534                  |
| Less accumulated depreciation and depletion.....        | (7,856)                              | -           | (7,856)                 |
|   | 9,678                                | -           | 9,678                   |
| <b>Other Assets</b>                                     |                                      |             |                         |
| Goodwill.....   | 2,086                                | -           | 2,086                   |
| Regulatory assets.....                                  | 2,066                                | -           | 2,066                   |
| Securitized regulatory assets.....                      | 1,571                                | -           | 1,571                   |
| Assets from risk management and trading activities..... | 247                                  | -           | 247                     |
| Prepaid pension assets.....                             | 177                                  | -           | 177                     |
| Other.....  | 539                                  | -           | 539                     |
|   | 6,686                                | -           | 6,686                   |
| <b>Total Assets.....</b>                                | \$ 20,022                            | \$ -        | \$ 20,022               |

**DTE ENERGY COMPANY**  
**STATEMENT OF FINANCIAL POSITION**  
**As of June 30, 2003**

(in Millions, Except Shares)

|   | Results<br>Released<br>July 28, 2003 | Adjustments | Form<br>10-Q<br>Results |
|---|--------------------------------------|-------------|-------------------------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |                                      |             |                         |
| <b>Current Liabilities</b>  |                                      |             |                         |
| Accounts payable.....   | \$ 839                               | \$ 13       | \$ 852                  |
| Accrued interest.....   | 114                                  | -           | 114                     |
| Dividends payable.....  | 91                                   | -           | 91                      |
| Accrued payroll.....  | 41                                   | -           | 41                      |
| Short-term borrowings.....  | 231                                  | -           | 231                     |
| Current portion of long-term debt, including capital leases.....  | 744                                  | -           | 744                     |
| Liabilities from risk management and trading activities.....  | 404                                  | -           | 404                     |
| Other.....  | 550                                  | 3           | 553                     |
|   | <u>3,014</u>                         | <u>16</u>   | <u>3,030</u>            |
| <b>Other Liabilities</b>  |                                      |             |                         |
| Deferred income taxes.....  | 1,154                                | -           | 1,154                   |
| Regulatory liabilities.....   | 171                                  | -           | 171                     |
| Asset retirement obligations.....   | 841                                  | -           | 841                     |
| Unamortized investment tax credit.....  | 162                                  | -           | 162                     |
| Liabilities from risk management and trading activities.....  | 345                                  | -           | 345                     |
| Liabilities from transportation and storage contracts.....  | 497                                  | -           | 497                     |
| Accrued pension liability.....  | 389                                  | -           | 389                     |
| Nuclear decommissioning.....  | 59                                   | -           | 59                      |
| Other.....  | 691                                  | -           | 691                     |
|   | <u>4,309</u>                         | <u>-</u>    | <u>4,309</u>            |
| <b>Long-Term Debt</b>   |                                      |             |                         |
| Mortgage bonds, notes and other.....  | 5,671                                | -           | 5,671                   |
| Securitization bonds.....   | 1,539                                | -           | 1,539                   |
| Equity-linked securities.....   | 188                                  | -           | 188                     |
| Capital lease obligations.....  | 79                                   | -           | 79                      |
|   | <u>7,477</u>                         | <u>-</u>    | <u>7,477</u>            |
| <b>Obligated Mandatorily Redeemable Preferred Securities of</b>   |                                      |             |                         |
| <b>Subsidiaries Holding Solely Debentures of DTE Energy or Enterprises.....</b>                                   | <u>271</u>                           | <u>-</u>    | <u>271</u>              |
| <b>Shareholders' Equity</b>   |                                      |             |                         |
| Common stock, without par value, 400,000,000 shares authorized,<br>168,012,997 shares issued and outstanding..... | 3,076                                | -           | 3,076                   |
| Retained earnings.....  | 2,096                                | (16)        | 2,080                   |
| Accumulated other comprehensive loss.....   | (221)                                | -           | (221)                   |
|   | <u>4,951</u>                         | <u>(16)</u> | <u>4,935</u>            |
| <b>Total Liabilities and Shareholders' Equity.....</b>  | <u>\$ 20,022</u>                     | <u>\$ -</u> | <u>\$ 20,022</u>        |

**DTE ENERGY COMPANY**  
**STATEMENT OF OPERATIONS**  
**FORM 10-Q EARNINGS as compared to OPERATING EARNINGS**  
**June 30, 2003**

|   | Three Months Ended   |             |                       | Six Months Ended     |                |                       |
|---|----------------------|-------------|-----------------------|----------------------|----------------|-----------------------|
|   | Form 10-Q<br>Results | Adjustments | Operating<br>Earnings | Form 10-Q<br>Results | Adjustments    | Operating<br>Earnings |
| (in Millions, Except per Share Data)                  |                      |             |                       |                      |                |                       |
| <b>Operating Revenues</b> .....                       | \$ 1,600             | \$ -        | \$ 1,600              | \$ 3,695             | (25) A<br>26 B | \$ 3,696              |
| <b>Operating Expenses</b>                             |                      |             |                       |                      |                |                       |
| Fuel, purchased power and gas.....                    | 493                  | -           | 493                   | 1,306                | -              | 1,306                 |
| Operation and maintenance.....                        | 733                  | -           | 733                   | 1,488                | (21) C         | 1,467                 |
| Depreciation, depletion and amortization.....         | 180                  | -           | 180                   | 377                  | -              | 377                   |
| Taxes other than income.....                          | 87                   | -           | 87                    | 184                  | -              | 184                   |
|   | 1,493                | -           | 1,493                 | 3,355                | (21)           | 3,334                 |
| <b>Operating Income</b> .....                         | 107                  | -           | 107                   | 340                  | 22             | 362                   |
| <b>Other (Income) and Deductions</b>                  |                      |             |                       |                      |                |                       |
| Interest expense.....                                 | 132                  | -           | 132                   | 265                  | -              | 265                   |
| Preferred stock dividends of subsidiaries.....        | 6                    | -           | 6                     | 12                   | -              | 12                    |
| Interest income.....                                  | (7)                  | -           | (7)                   | (15)                 | -              | (15)                  |
| Other income.....                                     | (18)                 | -           | (18)                  | (31)                 | -              | (31)                  |
| Other expenses.....                                   | 18                   | -           | 18                    | 51                   | (15) D         | 36                    |
|   | 131                  | -           | 131                   | 282                  | (15)           | 267                   |
| <b>Income (Loss) Before Income Taxes</b> .....        | (24)                 | -           | (24)                  | 58                   | 37             | 95                    |
| <b>Income Tax Expense (Benefit)</b> .....             | 13                   | 107 F       | (94)                  | (13)                 | 12 E<br>152 F  | (153)                 |
| <b>Income (Loss) from Continuing Operations</b> ..... | (37)                 | 107         | 70                    | 71                   | 177            | 248                   |
| <b>Discontinued Operations (ITC)</b> .....            |                      |             |                       |                      |                |                       |
| Income from operations.....                           | -                    | -           | -                     | 5                    | (5) G          | -                     |
| Gain on sale.....                                     | (2)                  | 2 H         | -                     | 67                   | (67) H         | -                     |
|   | (2)                  | 2           | -                     | 72                   | (72)           | -                     |
| <b>Cumulative Effect of Accounting Changes</b>        |                      |             |                       |                      |                |                       |
| Asset retirement obligations.....                     | -                    | -           | -                     | (11)                 | 11 I           | -                     |
| Energy trading activities.....                        | -                    | -           | -                     | (16)                 | 16 J           | -                     |
|   | -                    | -           | -                     | (27)                 | 27             | -                     |
| <b>Net Income (Loss)</b> .....                        | \$ (39)              | \$ 109      | \$ 70                 | \$ 116               | \$ 132         | \$ 248                |
| <b>Basic Earnings (Loss) per Common Share</b>         |                      |             |                       |                      |                |                       |
| Continuing operations .....                           | \$ (0.22)            | \$ 0.64     | \$ 0.42               | \$ 0.43              | 1.05           | \$ 1.48               |
| Discontinued operations .....                         | (0.01)               | 0.01        | -                     | 0.43                 | (0.43)         | -                     |
| Cumulative effect of accounting changes .....         | -                    | -           | -                     | (0.17)               | 0.17           | -                     |
|   | \$ (0.23)            | \$ 0.65     | \$ 0.42               | \$ 0.69              | \$ 0.79        | \$ 1.48               |
| <b>Diluted Earnings (Loss) per Common Share</b>       |                      |             |                       |                      |                |                       |
| Continuing operations .....                           | \$ (0.22)            | 0.64        | \$ 0.42               | \$ 0.42              | 1.05           | \$ 1.47               |
| Discontinued operations .....                         | (0.01)               | 0.01        | -                     | 0.43                 | (0.43)         | -                     |
| Cumulative effect of accounting changes .....         | -                    | -           | -                     | (0.16)               | 0.16           | -                     |
|   | \$ (0.23)            | \$ 0.65     | \$ 0.42               | \$ 0.69              | \$ 0.78        | \$ 1.47               |

- A) Adjustment of EITF 98-10 accounting change..... Flowback of the cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10
- B) Disallowance of gas costs..... Reserve for the potential disallowance of MichCon 2002 gas procurement costs
- C) Loss on sale of steam heating business..... Sold Detroit Edison steam heating business
- D) Contribution to DTE Energy Foundation..... Used portion of ITC sale proceeds to fund the DTE Energy Foundation
- E) Tax effects of items A, B, C and D.
- F) Tax credit driven normalization..... Quarterly adjustment at DTE Energy to normalize its effective tax rate. Annual results not impacted
- G) Adjust for discontinued operations of ITC..... Sold International Transmission Company
- H) Gain on sale of ITC..... Sold International Transmission Company
- I) Asset retirement obligations..... Cumulative effect of a change in accounting principle from adoption of SFAS 143
- J) Adjustment of EITF 98-10 accounting change..... Cumulative effect of a change in accounting principle from rescission of EITF Issue No. 98-10

**DTE ENERGY COMPANY**  
**STATEMENT OF OPERATIONS**  
**FORM 10-Q EARNINGS as compared to OPERATING EARNINGS**  
**June 30, 2002**

|  | Three Months Ended   |             |                       | Six Months Ended     |             |                       |
|--|----------------------|-------------|-----------------------|----------------------|-------------|-----------------------|
|  | Form 10-Q<br>Results | Adjustments | Operating<br>Earnings | Form 10-Q<br>Results | Adjustments | Operating<br>Earnings |
| (in Millions, Except per Share Data)           |                      |             |                       |                      |             |                       |
| <b>Operating Revenues.....</b>                 | \$ 1,474             | \$ -        | \$ 1,474              | \$ 3,368             | \$ -        | \$ 3,368              |
| <b>Operating Expenses</b>                      |                      |             |                       |                      |             |                       |
| Fuel, purchased power and gas.....             | 403                  | -           | 403                   | 1,138                | -           | 1,138                 |
| Operation and maintenance.....                 | 623                  | -           | 623                   | 1,166                | -           | 1,166                 |
| Depreciation, depletion and amortization.....  | 180                  | -           | 180                   | 369                  | -           | 369                   |
| Taxes other than income.....                   | 81                   | -           | 81                    | 174                  | -           | 174                   |
|  | 1,287                | -           | 1,287                 | 2,847                | -           | 2,847                 |
| <b>Operating Income .....</b>                  | 187                  | -           | 187                   | 521                  | -           | 521                   |
| <b>Other (Income) and Deductions</b>           |                      |             |                       |                      |             |                       |
| Interest expense.....                          | 136                  | -           | 136                   | 272                  | -           | 272                   |
| Preferred stock dividends of subsidiaries..... | 5                    | -           | 5                     | 13                   | -           | 13                    |
| Interest income.....                           | (6)                  | -           | (6)                   | (11)                 | -           | (11)                  |
| Other income.....                              | (28)                 | -           | (28)                  | (37)                 | -           | (37)                  |
| Other expenses.....                            | 27                   | -           | 27                    | 42                   | -           | 42                    |
|  | 134                  | -           | 134                   | 279                  | -           | 279                   |
| <b>Income Before Income Taxes.....</b>         | 53                   | -           | 53                    | 242                  | -           | 242                   |
| <b>Income Tax Benefit.....</b>                 | (8)                  | 25 A        | (33)                  | (11)                 | 14 A        | (25)                  |
| <b>Income from Continuing Operations.....</b>  | 61                   | 25          | 86                    | 253                  | 14          | 267                   |
| <b>Discontinued Operations (ITC).....</b>      | 7                    | (7) B       | -                     | 15                   | (15) B      | -                     |
| <b>Net Income.....</b>                         | \$ 68                | \$ 18       | \$ 86                 | \$ 268               | \$ (1)      | \$ 267                |
| <b>Basic Earnings per Common Share</b>         |                      |             |                       |                      |             |                       |
| Continuing operations .....                    | \$ 0.38              | \$ 0.15     | \$ 0.53               | \$ 1.57              | \$ 0.08     | \$ 1.65               |
| Discontinued operations .....                  | 0.04                 | (0.04)      | -                     | 0.09                 | (0.09)      | -                     |
|  | \$ 0.42              | \$ 0.11     | \$ 0.53               | \$ 1.66              | \$ (0.01)   | \$ 1.65               |
| <b>Diluted Earnings per Common Share</b>       |                      |             |                       |                      |             |                       |
| Continuing operations .....                    | \$ 0.38              | \$ 0.15     | \$ 0.53               | \$ 1.57              | \$ 0.08     | \$ 1.65               |
| Discontinued operations .....                  | 0.04                 | (0.04)      | -                     | 0.09                 | (0.09)      | -                     |
|  | \$ 0.42              | \$ 0.11     | \$ 0.53               | \$ 1.66              | \$ (0.01)   | \$ 1.65               |

A) Tax credit driven normalization..... Quarterly adjustment at DTE Energy to normalize its effective tax rate. Annual results not impacted

B) Adjust for discontinued operations of ITC..... Sold International Transmission Company