

CREATING THE LEADING U.S. UTILITY

January 10, 2011

Safe Harbor

SAFE HARBOR STATEMENT

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as “may,” “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” and other words and terms of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. Duke Energy and Progress Energy caution readers that any forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed merger involving Duke Energy and Progress Energy, including future financial and operating results, Progress Energy’s or Duke Energy’s plans, objectives, expectations and intentions, the expected timing of completion of the transaction, and other statements that are not historical facts. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to: the ability to obtain the requisite Duke Energy and Progress Energy shareholder approvals; the risk that Progress Energy or Duke Energy may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the timing to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; general worldwide economic conditions and related uncertainties; the effect of changes in governmental regulations; and other factors discussed or referred to in the “Risk Factors” section of each of Duke Energy’s and Progress Energy’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission. These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that will be filed with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in Progress Energy’s and Duke Energy’s reports filed with the SEC and available at the SEC’s website at www.sec.gov. Each forward-looking statement speaks only as of the date of the particular statement and neither Progress Energy nor Duke Energy undertakes any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Safe Harbor (cont'd)

ADDITIONAL INFORMATION AND WHERE TO FIND IT

This document does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed merger between Duke Energy and Progress Energy, Duke Energy will file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of Duke Energy and Progress Energy that also constitutes a prospectus of Duke Energy. Duke Energy and Progress Energy will deliver the joint proxy statement/prospectus to their respective shareholders. **Duke Energy and Progress Energy urge investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from Duke Energy's website (www.duke-energy.com) under the heading "Investors" and then under the heading "Financials/SEC Filings." You may also obtain these documents, free of charge, from Progress Energy's website (www.progress-energy.com) under the tab "Investors" and then under the heading "SEC Filings."

PARTICIPANTS IN THE MERGER SOLICITATION

Duke Energy, Progress Energy, and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Duke Energy and Progress Energy shareholders in favor of the merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Duke Energy and Progress Energy shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Duke Energy's executive officers and directors in its definitive proxy statement filed with the SEC on March 22, 2010. You can find information about Progress Energy's executive officers and directors in its definitive proxy statement filed with the SEC on March 31, 2010. Additional information about Duke Energy's executive officers and directors and Progress Energy's executive officers and directors can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You can obtain free copies of these documents from Duke Energy and Progress Energy using the contact information above.

Safe Harbor (cont'd)

REG G DISCLOSURE

In addition, today's discussion includes certain non-GAAP financial measures as defined under SEC Regulation G. A reconciliation of those measures to the most directly comparable GAAP measures is available on our Investor Relations websites at www.duke-energy.com and www.progress-energy.com.

Agenda

- Transaction Overview
- Company Highlights
- Financial Summary
- Closing



Transaction Overview



Creating the Leading U.S. Utility – January 10, 2011

Compelling Strategic Transaction

Overall Strategic Benefits

- Creates largest U.S. utility, supported by substantial, diversified regulated earnings and cash flows
 - Unmatched financial and operational scale, scope and strength
 - Principally regulated earnings base supports dividend
 - Significant scale of operating cash flows
- Leverages “best-in-class” operational and customer service practices
- Enhances industry leadership position to shape federal and state energy policies
- Highly-regulated business mix
 - Regulated: comprises approximately 85% of combined company adjusted segment EBIT¹
 - Non-regulated: comprises approximately 15% of combined company adjusted segment EBIT¹

¹ Duke Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 adjusted diluted EPS range of \$1.25 - \$1.30; excludes operations labeled as 'Other'; Progress Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 ongoing EPS range of \$2.85 - \$3.05

Compelling Strategic Transaction (cont'd)

Investor Benefits

- Earnings accretive in year one¹
- Attractive total shareholder return proposition supported by strong dividend
 - Maintain Duke Energy dividend and policy
- Significant rate base growth expected to drive 4-6% long-term EPS growth¹
- Strong balance sheet and credit profile

Customer Benefits

- Ability to derive meaningful operational efficiencies for regulated electric customers over time
- Significant benefits to Carolinas customers from fuel and joint dispatch efficiencies
- Continued commitment to delivering clean, affordable and reliable energy to our customers

Management Expertise

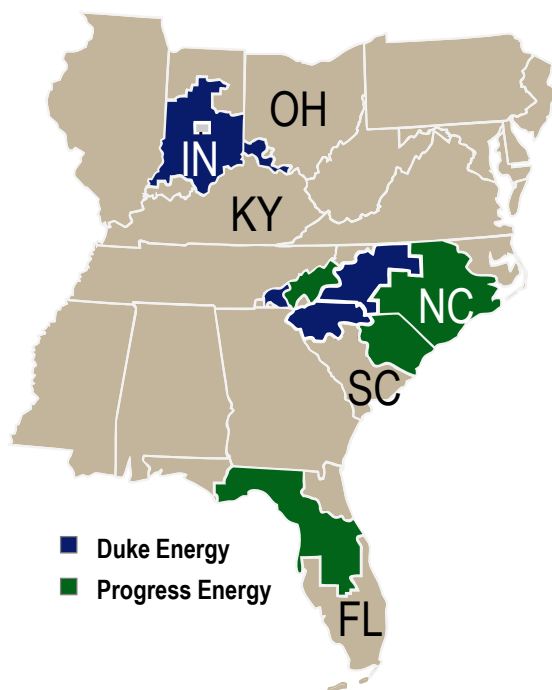
- Strong, complementary management teams
- Experience with execution of large-scale merger transactions

¹ Based upon adjusted diluted earnings per share. Long-term EPS growth rate off a stand-alone Duke Energy base year of 2011

Creating the Largest U.S. Utility

- The combined company will create the largest U.S. utility, with unmatched scale and scope

Diverse Service Territories



Combined Statistics

	Duke Energy	Progress Energy	Combined	Rank
Enterprise Value	\$40.2 B	\$25.1 B	\$65.3 B	#1
Market Cap.	\$23.6 B	\$12.8 B	\$36.5 B	#1
Electric Customers	4.0 M	3.1 M	7.1 M	#1
Generation Capacity	35.4 GW ¹	21.8 GW	57.2 GW ¹	#1
Total Assets	\$57.9 B	\$32.7 B	\$90.6 B ²	#1
Rate Base	\$23 B	\$17 B	\$40 B	#1
Regulated EBIT Mix ³	77%	100%	85%	N/A

Source: FactSet as 12/31/2010

Note: Customer data as of 12/31/2009; rate base data estimated as of 12/31/2010; total assets and generation capacity as of 09/30/2010

¹ Excludes purchased power and approximately 4 GW of Duke Energy International assets

² Total assets are a summation of the two stand-alone companies and do not include any purchase accounting adjustments from this transaction.

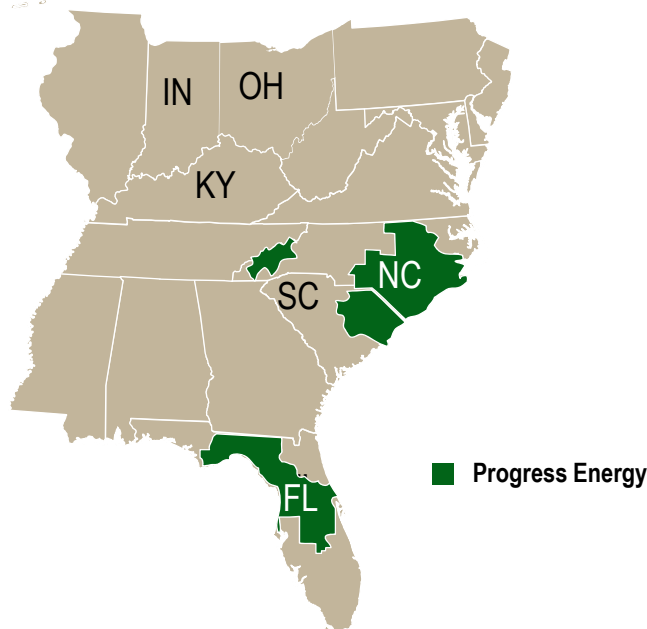
³ Duke Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 adjusted diluted EPS range of \$1.25 - \$1.30; excludes operations labeled as 'Other'; Progress Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 ongoing EPS range of \$2.85 - \$3.05



Key Transaction Terms

Company Name	<ul style="list-style-type: none">▪ Duke Energy Corporation
Consideration	<ul style="list-style-type: none">▪ 100% stock▪ 2.6125 shares of Duke Energy per Progress Energy share
Headquarters	<ul style="list-style-type: none">▪ Corporate: Charlotte; significant presence in Raleigh▪ Utilities: No change
Pro Forma Ownership	<ul style="list-style-type: none">▪ Duke Energy shareholders: 63%▪ Progress Energy shareholders: 37%
Governance	<ul style="list-style-type: none">▪ Executive Chairman: Jim Rogers▪ President and CEO: Bill Johnson▪ Board composition<ul style="list-style-type: none">▪ 11 nominated by Duke Energy, including Jim Rogers▪ 7 nominated by Progress Energy, including Bill Johnson▪ Lead Director to be designated by Duke Energy
Timing/Approvals	<ul style="list-style-type: none">▪ Following shareholder vote and regulatory approvals, targeting closing transaction by end of 2011

Duke Energy Transaction Rationale



Progress Energy at a Glance

Generation	21.8 GW ²
Rate base	~\$17 B (estimated as of 12/31/10)
Customers	3.1 M (electric)
Jurisdictions	North Carolina, South Carolina and Florida

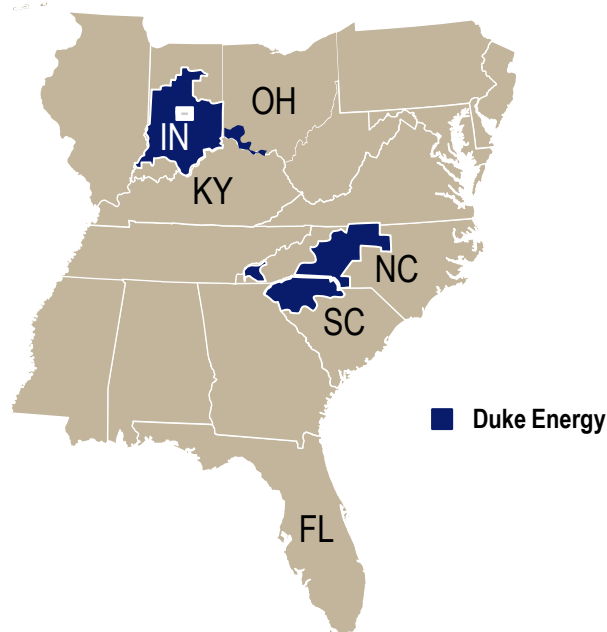
¹ Based on adjusted diluted EPS

² Generation capacity as of 09/30/2010; excludes purchased power

Transaction Rationale

- Investor and strategic benefits
 - EPS accretive in year one¹
 - Creates unmatched financial and operational scale, scope and strength
 - Poised for strong growth and economic recovery
 - Expanded U.S. regulated earnings base and cash flows
 - Operating in constructive regulatory environments
 - Improved business risk profile due to increased proportion of regulated earnings and cash flows
- Significant customer benefits
 - Fuel and joint dispatch savings in the Carolinas
 - Operational efficiencies through leveraging mutual “best-in-class” customer service capabilities

Progress Energy Transaction Rationale



Duke Energy at a Glance

Generation	35.4 GW ³
Rate base	~\$23 B (estimated as of 12/31/10)
Customers	4.0 M (electric); 0.5 M (gas)
Jurisdictions	North Carolina, South Carolina, Indiana, Ohio and Kentucky

Transaction Rationale

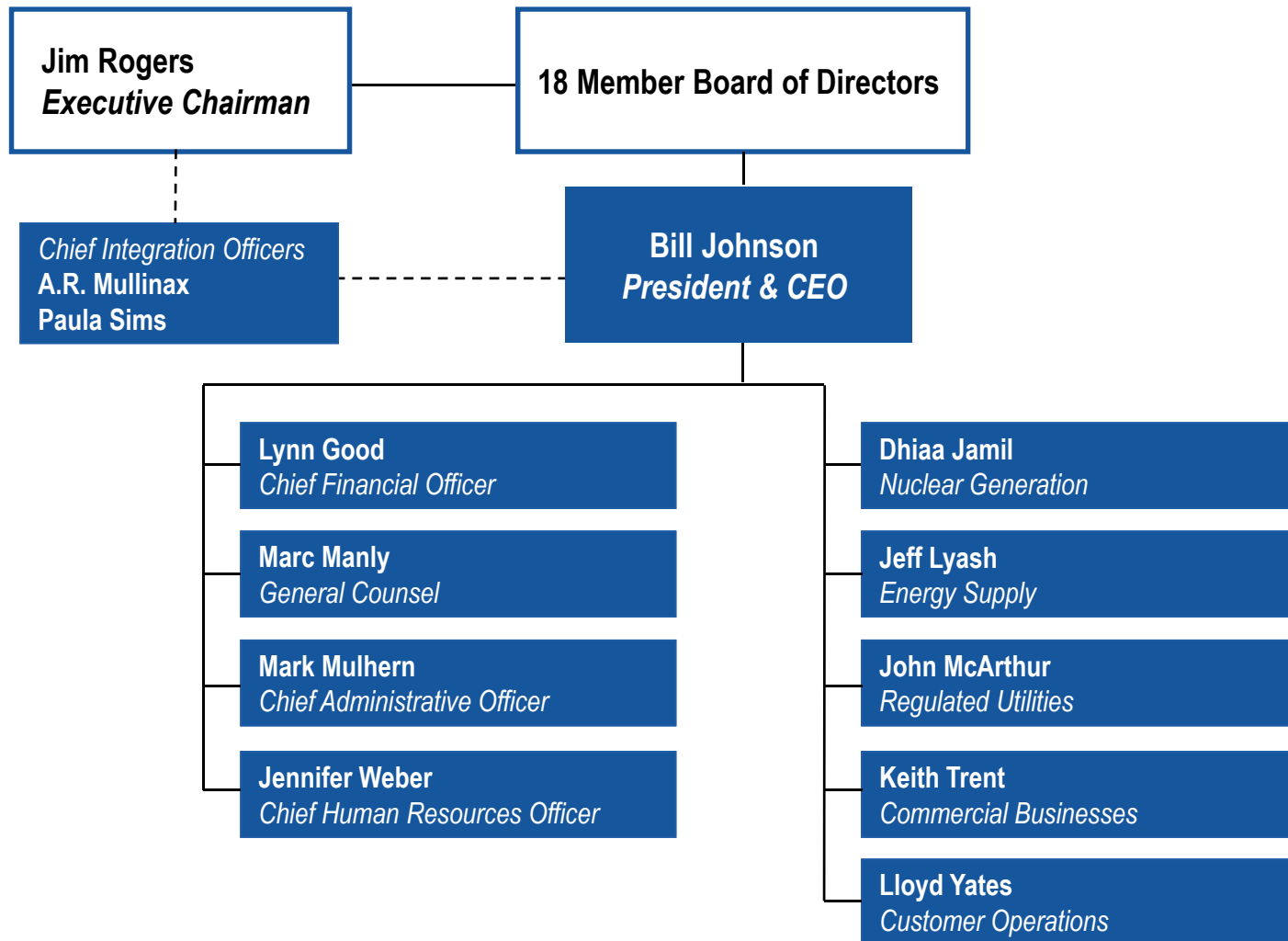
- Investor and strategic benefits
 - 7.1% premium to Progress Energy shareholders¹
 - Dividend and EPS accretive in year one²
 - Improved EPS & dividend growth
 - Increased regulatory and earnings diversity in six service territories
 - Improved business risk profile due to stronger balance sheet and credit metrics
 - Enhanced growth opportunities and strategic optionality
- Significant customer benefits
 - Fuel and joint dispatch savings in the Carolinas
 - Operational efficiencies through leveraging mutual “best-in-class” customer service capabilities

¹ Premium expressed relative to unaffected Progress Energy 1/05/2011 closing share price of \$43.39. The premium to the Progress Energy 1/07/2011 closing share price of \$44.72 is 3.9%.

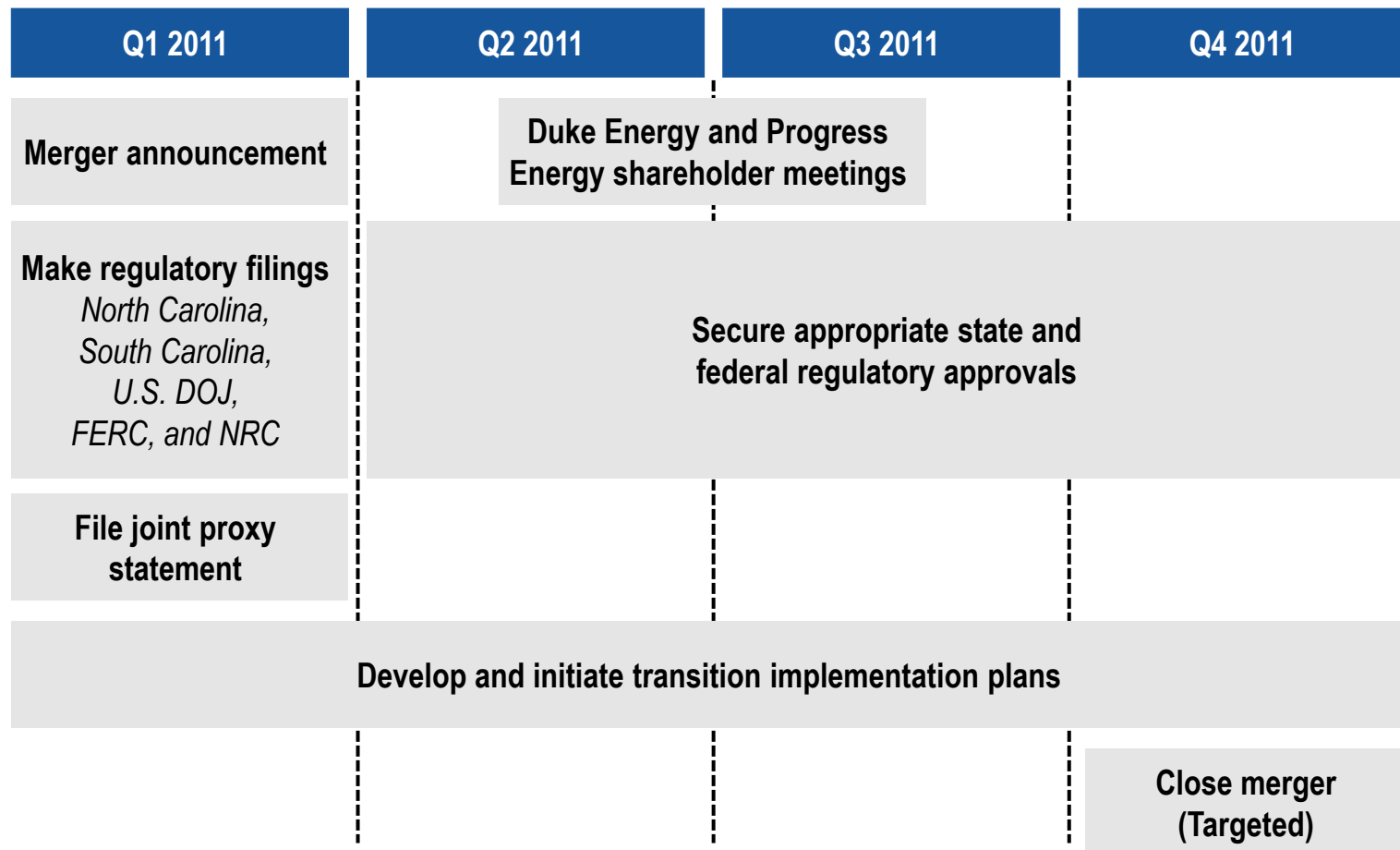
² Based on adjusted diluted EPS

³ Generation capacity as of 09/30/2010; excludes purchased power and approximately 4 GW of Duke Energy International assets

Highly Experienced Leadership Team



Indicative Timeline to Close and Regulatory Approvals



- We will work collaboratively with all of our state regulators

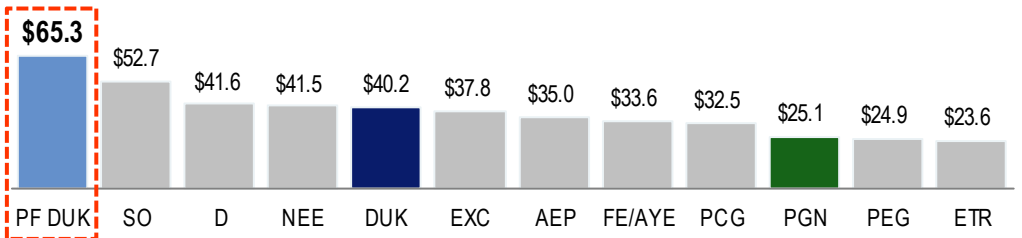
Company Highlights



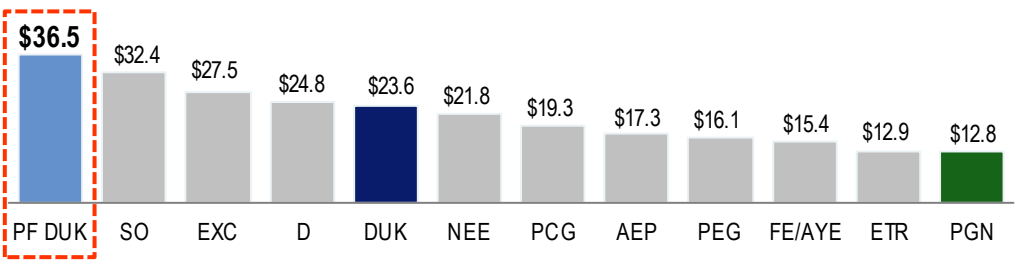
Creating the Leading U.S. Utility – January 10, 2011

The Leading U.S. Utility

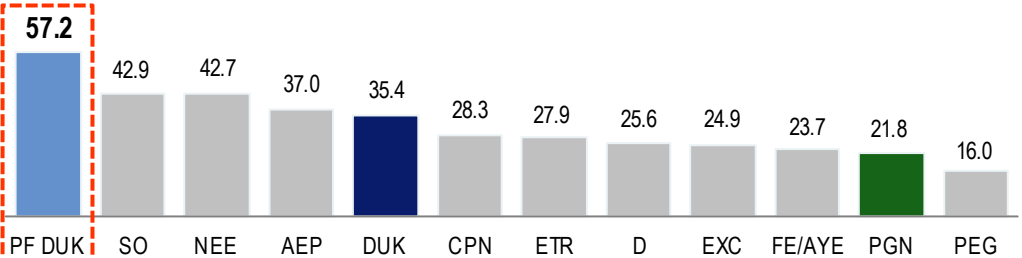
Enterprise Value (\$ B)



Market Capitalization (\$ B)



Capacity Owned (GW)



- #1 U.S. utility by enterprise value
- \$65.3 B enterprise value
- 24% larger than the #2 utility
- \$90.6 B in total assets¹

- #1 U.S. utility by market capitalization
- \$36.5 B equity value
- 13% larger than the #2 utility

- #1 U.S. utility by generation capacity
- 57.2 GW total capacity
- 33% larger than the #2 generator

Source: Market data as of 12/31/2010, company filings; capacity owned as of 09/30/2010 for Duke Energy and Progress Energy; as of 12/31/2009 for other companies

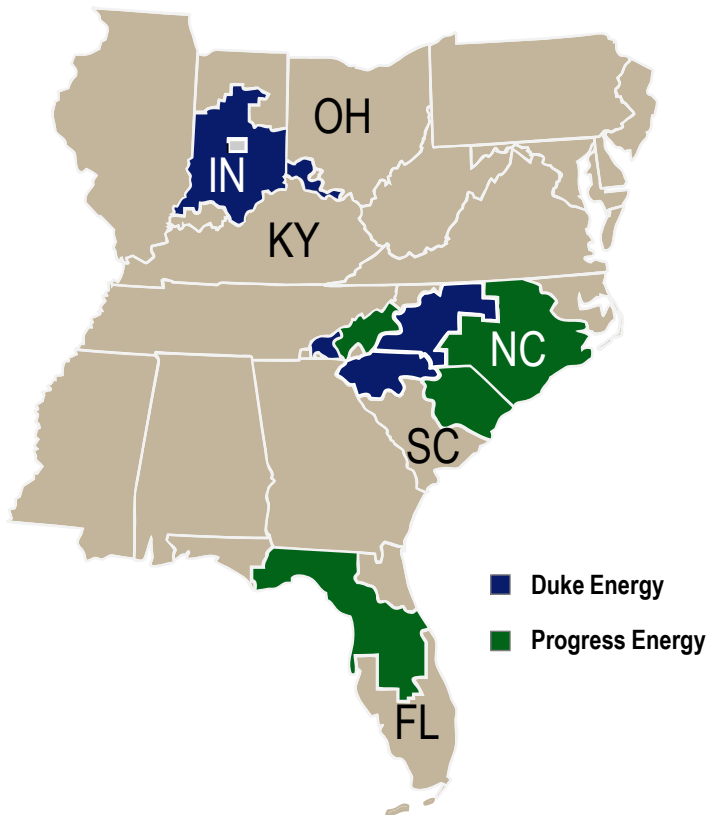
¹ Total assets are as of 9/30/2010 and are a summation of the two stand-alone companies and do not include any purchase accounting adjustments from this transaction.



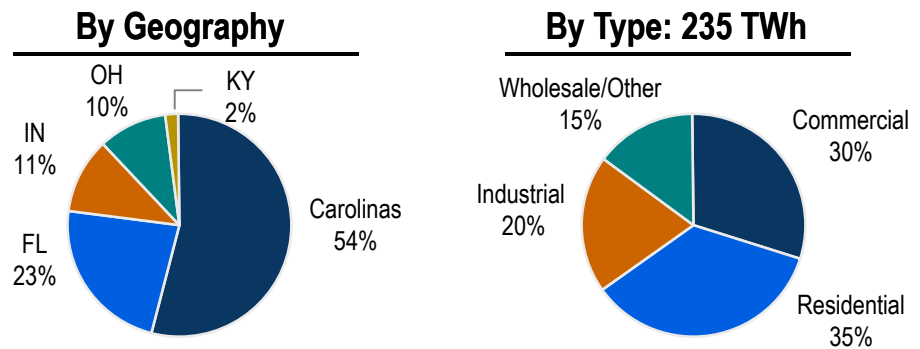
Attractive, Diversified Operations

- Presence in six attractive growth service territories with constructive regulatory traditions
- More electric customers than any other U.S. utility, serving 7.1 M domestic regulated electric customers

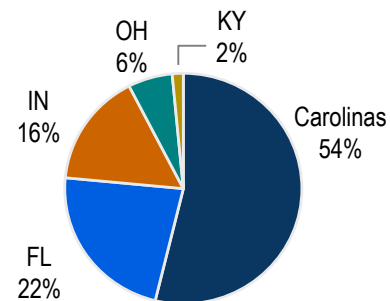
Diverse Service Territories



Customer Diversity: 7.1 M regulated customers



Rate Base Diversity: \$40 B

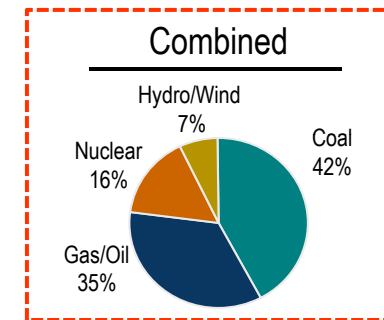
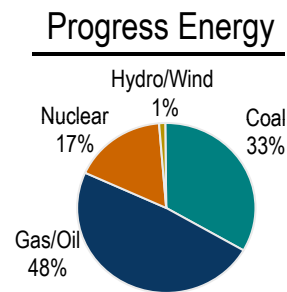
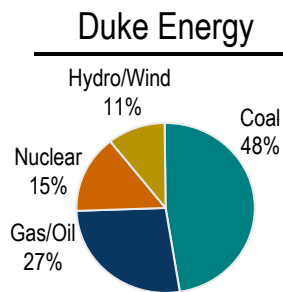


Note: Customer data as of 12/31/2009; rate base data estimated as of 12/31/2010 (see Note on slide 24); customer data only includes regulated customers

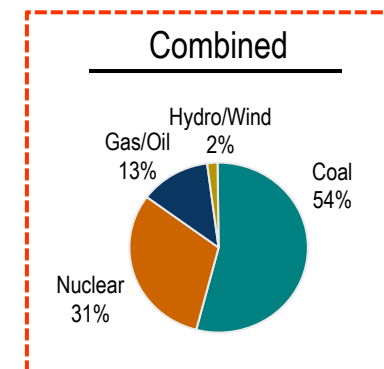
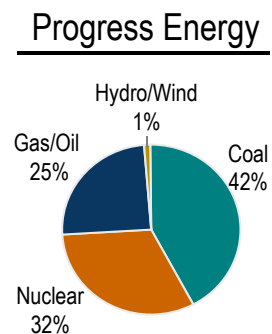
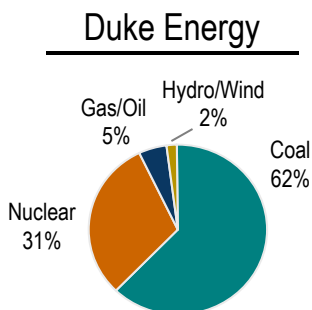
U.S. Generation Diversity

- Highly diversified generation capacity and fuel profile
- Capacity and fuel diversity projected to increase, migrating the combined fleet to greater gas and less coal exposure

By Owned Capacity: 57 GW¹



By Actual Generation: 231 TWh¹

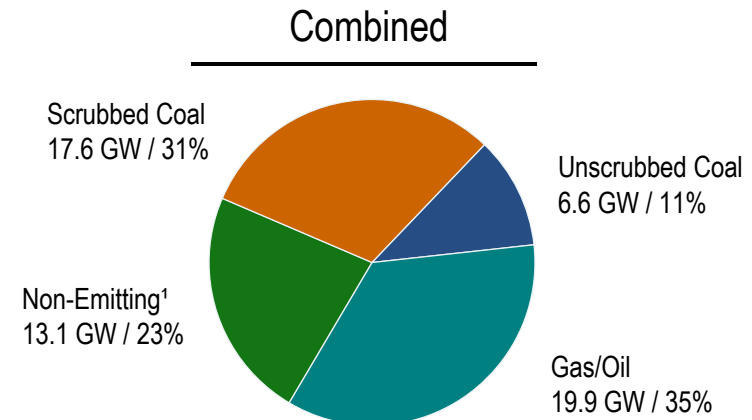
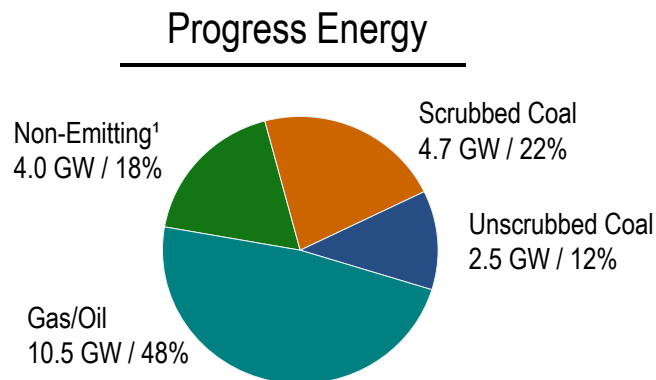
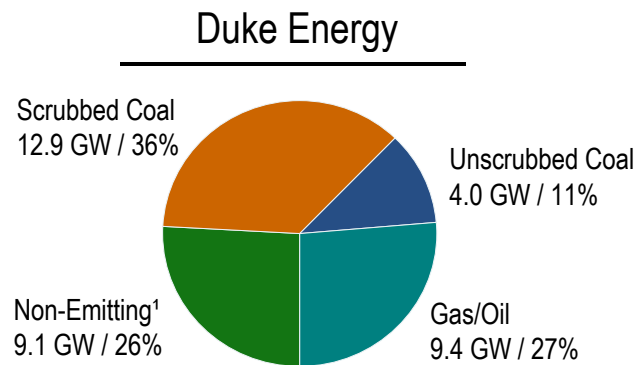


Source: SNL Energy, Ventyx, company filings

¹ Note: Capacity owned as of 09/30/2010 excludes approximately 4 GW of Duke Energy International assets. Actual generation includes twelve-months ended 12/31/2009 and excludes purchased power

U.S. Generation Well Positioned for Pending Environmental Regulations

Generation Capacity by Technology (GW / %)



Unscrubbed Coal Capacity (GW)

Announced Retirements

Duke Energy	1.9
Progress Energy	1.5
Subtotal	3.4

Potential Additional Retirements/Investments

Duke Energy	2.2
Progress Energy	1.0
Subtotal	3.2

Total Unscrubbed Coal 6.6

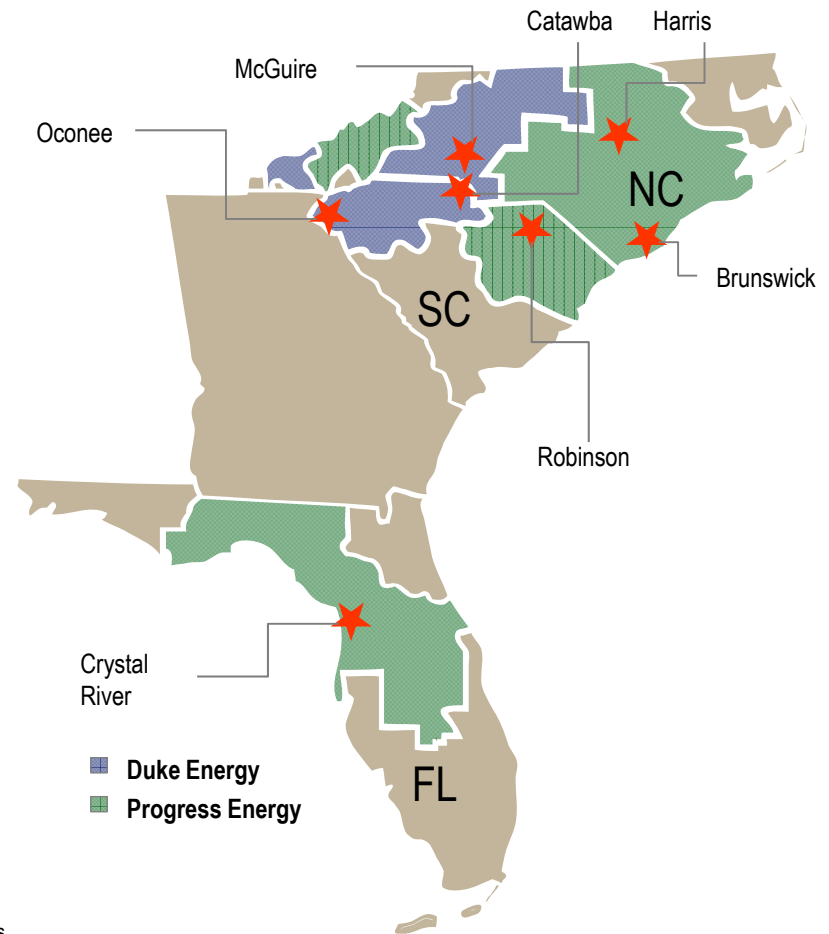
¹ Duke Energy: Nuclear (15%), Hydro (9%), Renewables (2%); Progress Energy: Nuclear (17%), Hydro (1%); Combined: Nuclear (16%), Hydro (6%), Renewables (1%)

Note: Generation capacity as of 09/30/2010 excludes approximately 4 GW of Duke Energy International assets

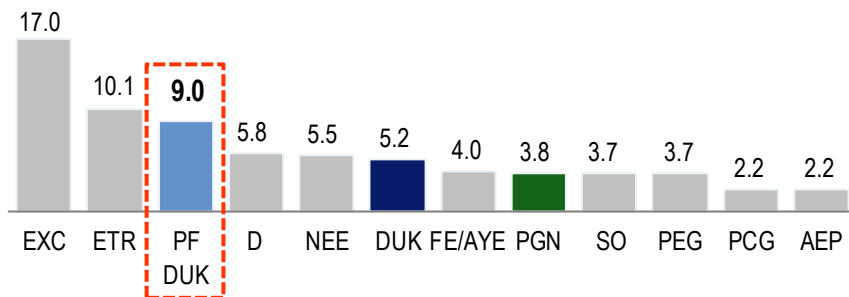
Nuclear Generation Overview

- Combination creates the largest U.S. regulated nuclear fleet
 - 7 stations and 12 units with ~9 GW of owned generation
- Commitment to top quartile operational performance for nuclear fleet
 - Combination of nuclear fleets to drive best practices and achieve operating efficiencies
- Size and scale better positions combined company for the continued pursuit of new nuclear development opportunities
 - COLs have been filed with the NRC for three potential sites
 - New nuclear will only be pursued with the appropriate regulatory recovery mechanisms in place

Combined Nuclear Generation Fleet



Nuclear Generation Capacity Owned (GW)



Source: SNL Energy, Ventyx, company filings
 Note: Capacity owned as of 09/30/2010 for Duke Energy and Progress Energy; as of 12/31/2009 for other companies

Financial Summary



Pro Forma Earnings Profile

- Accretive to earnings¹ in the first year after close
 - Joint dispatch and fuel savings will immediately benefit Carolinas' customers (\$600 - 800 M from 2012 - 2016)
 - Non-fuel merger benefits help achieve first year earnings accretion
 - No equity issuance requirements assumed
- Long-term adjusted diluted EPS CAGR target: 4 – 6%²
 - Principally driven by significant regulated capital investment opportunities
- Duke Energy reverse stock split at transaction close
 - Split ratio to be determined prior to closing
 - Exchange ratio in the merger will be appropriately adjusted to reflect the reverse split

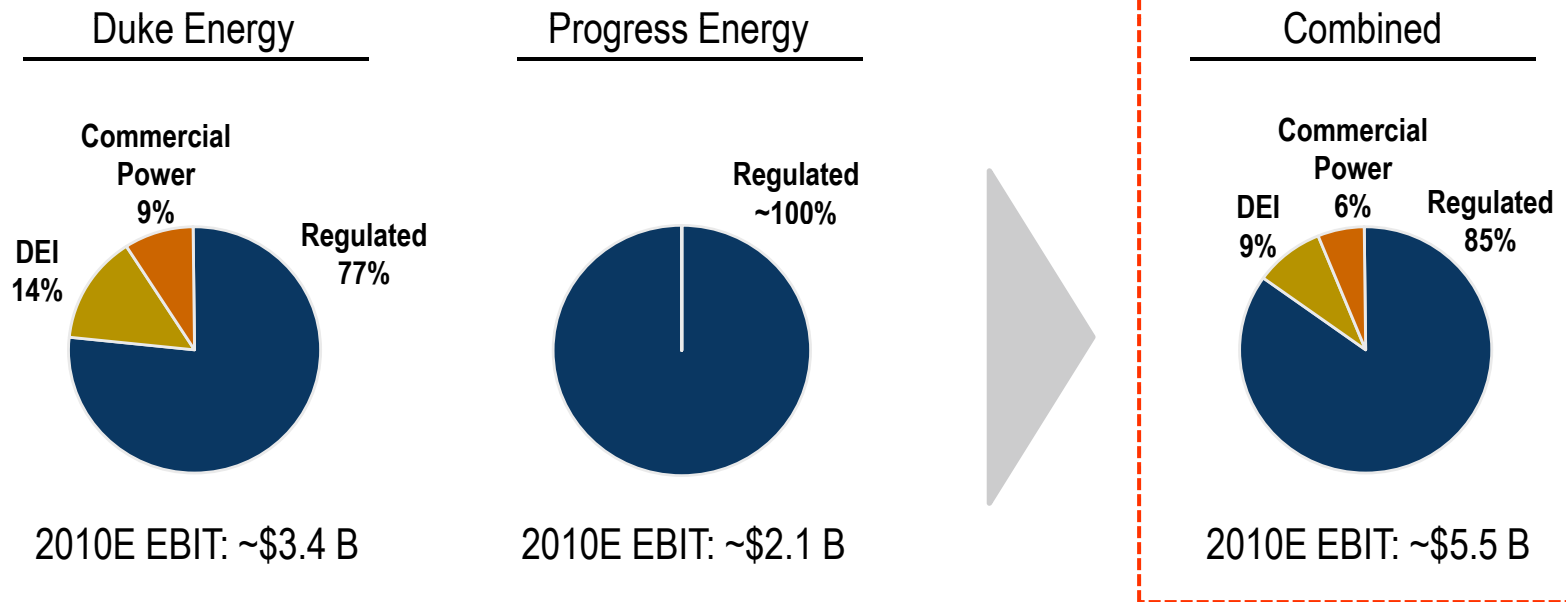
¹ Based upon adjusted diluted earnings (excludes costs to achieve)

² Based upon base year of 2011

Predominantly Regulated Earnings Base and Cash Flows

- Regulated EBIT contribution of the combined operations will be approximately 85%
- Duke Energy is committed to growing its strong regulated earnings base

Business Mix

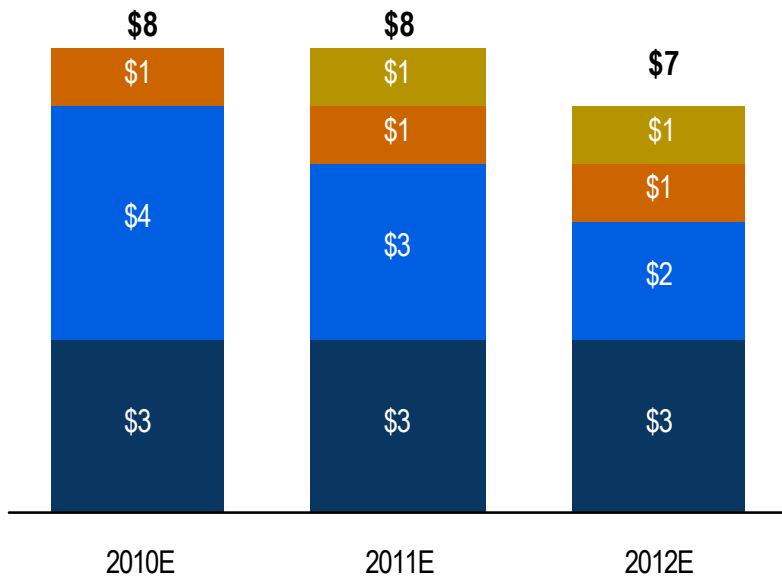


Note: Duke Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 adjusted diluted EPS range of \$1.25 - \$1.30; excludes operations labeled as 'Other'
 Progress Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 ongoing EPS range of \$2.85 - \$3.05

Attractive Rate Base Growth

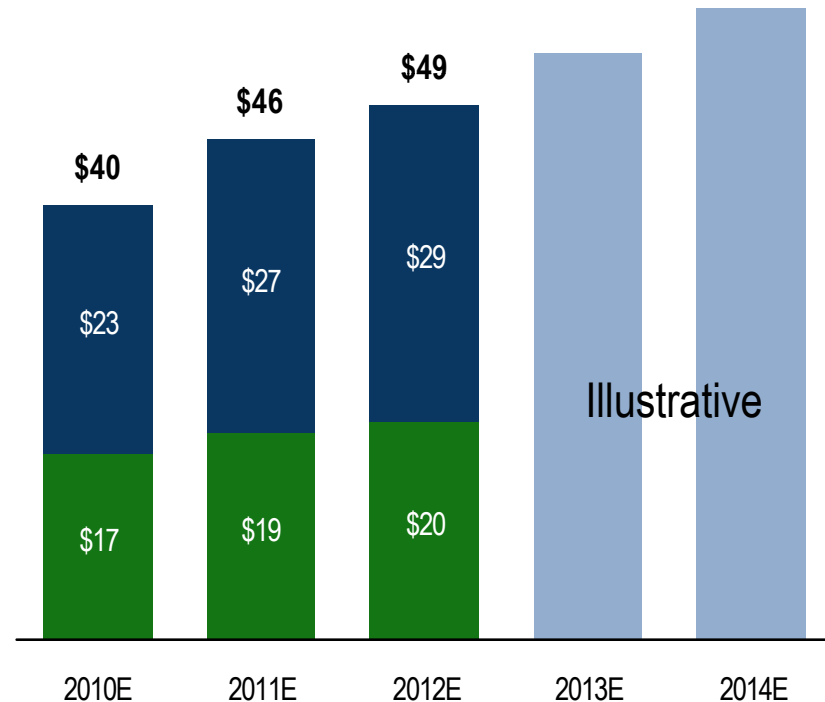
Projected Capital Expenditures (\$ B)

- Regulated Maintenance
- Non-Regulated
- Regulated Growth
- Discretionary Range



Projected Rate Base (\$ B)

- Progress Energy
- Duke Energy



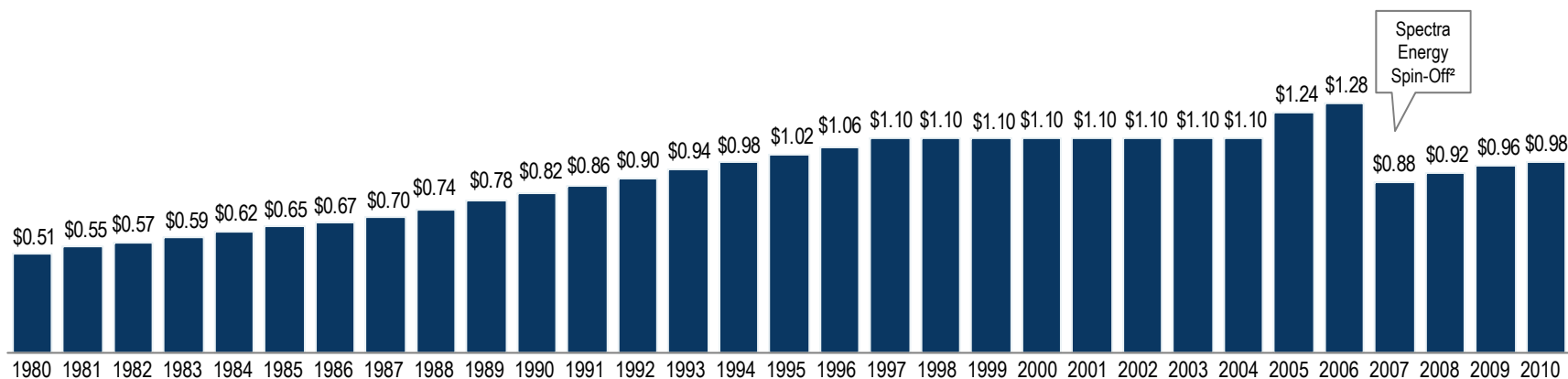
Note: Forecasted capital expenditures are based on the original 2010-2012E standalone forecasts of Duke Energy and Progress Energy, as disclosed in February 2010, respectively, as well as the midpoint of Duke Energy's expected discretionary capital expenditure range; Projected rate base includes both retail and wholesale; Duke Energy's projected rate base is based upon estimated amounts which would be expected to qualify for rate base treatment at each period and is not based upon actual expected timing of rate base changes resulting from rate cases.



Attractive Dividend Policy

- Duke Energy dividend and policy to be maintained
 - Continued growth in dividend at a rate slower than growth of adjusted diluted EPS
 - Targeting a long-term payout range of 65% to 70%¹
- Attractive payout and yield underscores compelling shareholder value proposition
- Dividend quality supported by strong pro forma regulated earnings base
- Duke Energy and Progress Energy have 84 and 65-year histories, respectively, of consecutive quarterly cash dividend payments

DUK Annual Dividend Per Share History



Source: FactSet

¹ Based upon adjusted diluted EPS

² 2007 decrease due to the spin-off of Spectra Energy to shareholders on 1/2/2007 as dividends subsequent to the spin-off were split proportionately between Duke Energy and Spectra Energy such that the sum of the dividends of the two stand-alone companies approximated the former total dividend prior to the spin-off

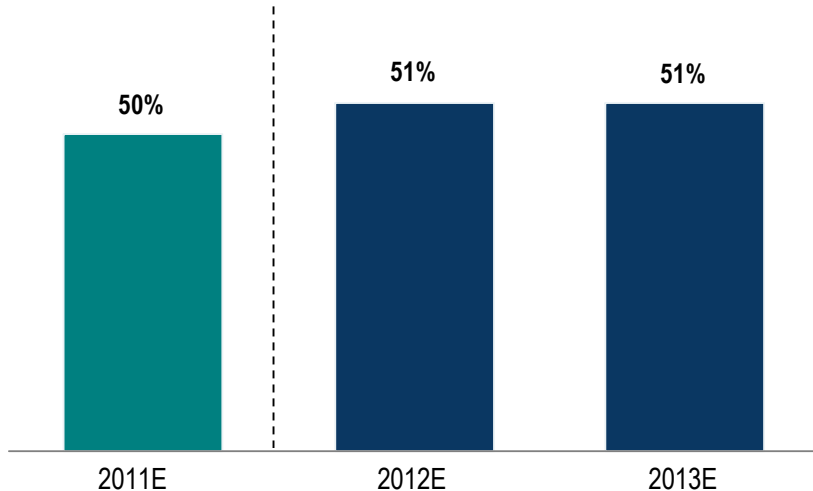
Note: Annual dividends are split-adjusted and reflect annualized Q4 dividend per share for each year



Strong Credit Quality and Liquidity

- Highly committed to Duke Energy's current strong credit ratings
- Lower overall risk profile resulting from increased regulated earnings base and cash flows
- Strong balance sheet strength with \$91 B in total assets¹
- Increased regulatory diversity with presence in six traditionally constructive regulatory jurisdictions
- Broad and reliable access to capital markets and liquidity

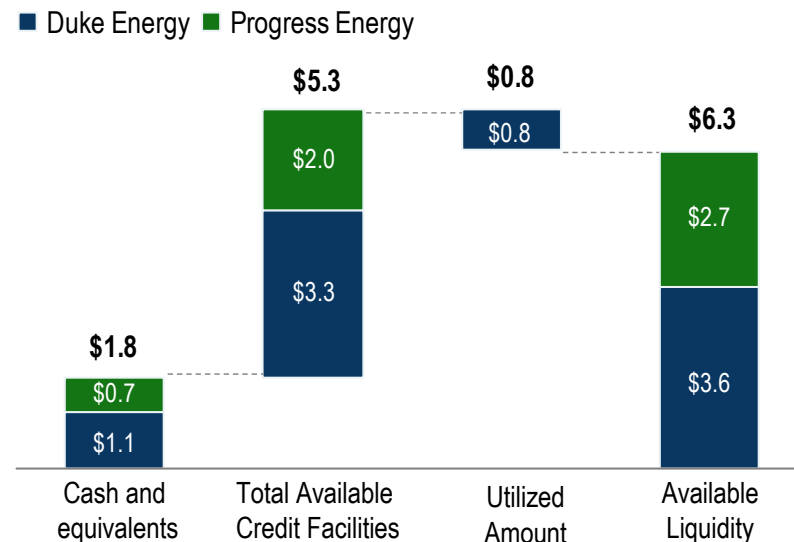
Projected Debt/Total Capitalization



Note: Debt/Total Capitalization is unadjusted; 2011E is estimated as transaction is not targeted to close until end of 2011

¹ Total assets are as of 9/30/2010 and are a summation of the two stand-alone companies and do not include any purchase accounting adjustments from this transaction.

Pro Forma Liquidity (\$ B)

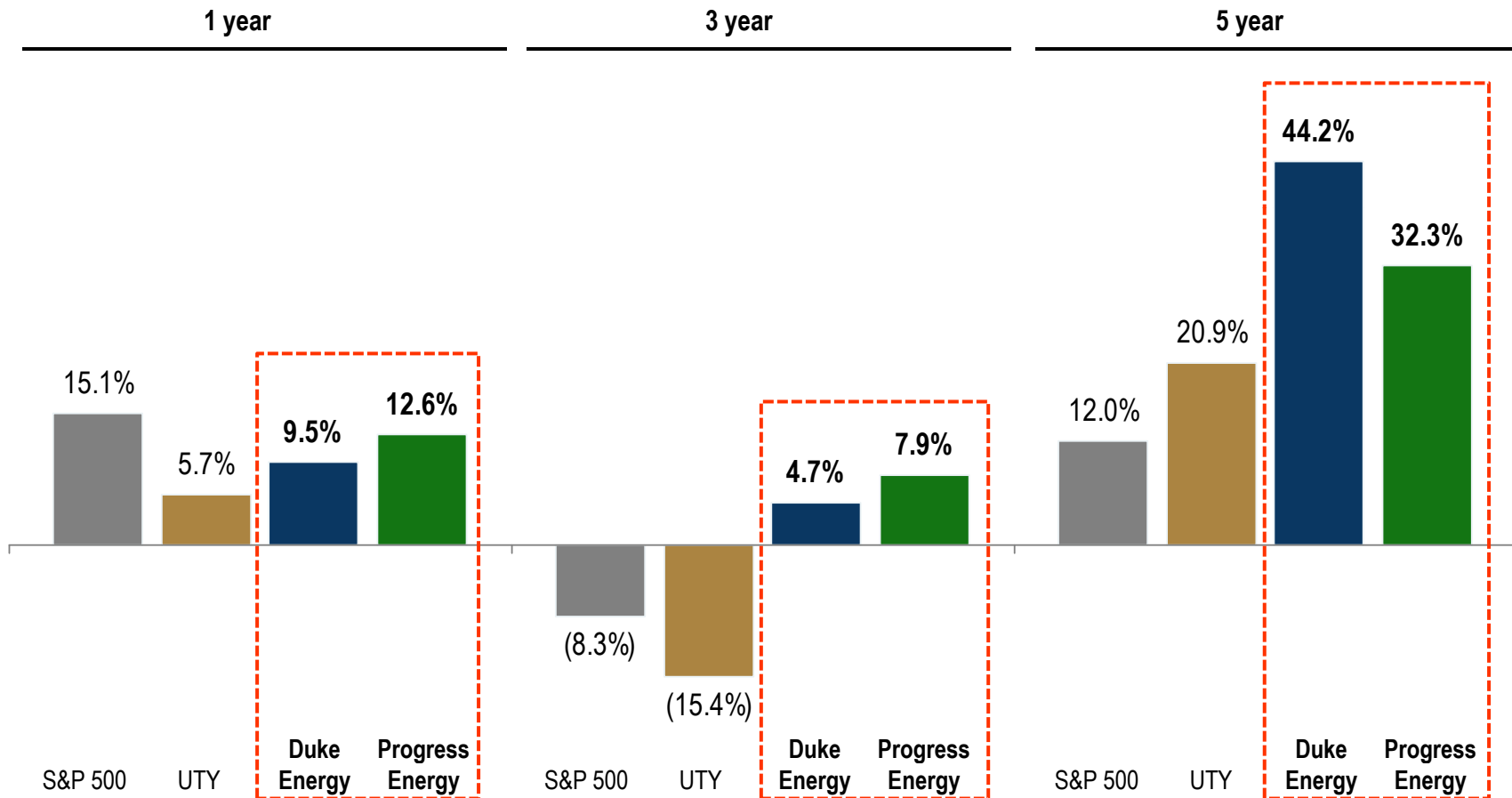


Note: Pro forma liquidity is as of 09/30/2010; Duke Energy cash and equivalents excludes certain cash and short-term investments in foreign jurisdictions of approximately \$675 M



Shareholder Value Track Record

Total Shareholder Return (%)



Source: Bloomberg as of 12/31/2010



Closing



Creating the Leading U.S. Utility – January 10, 2011

Summary Highlights

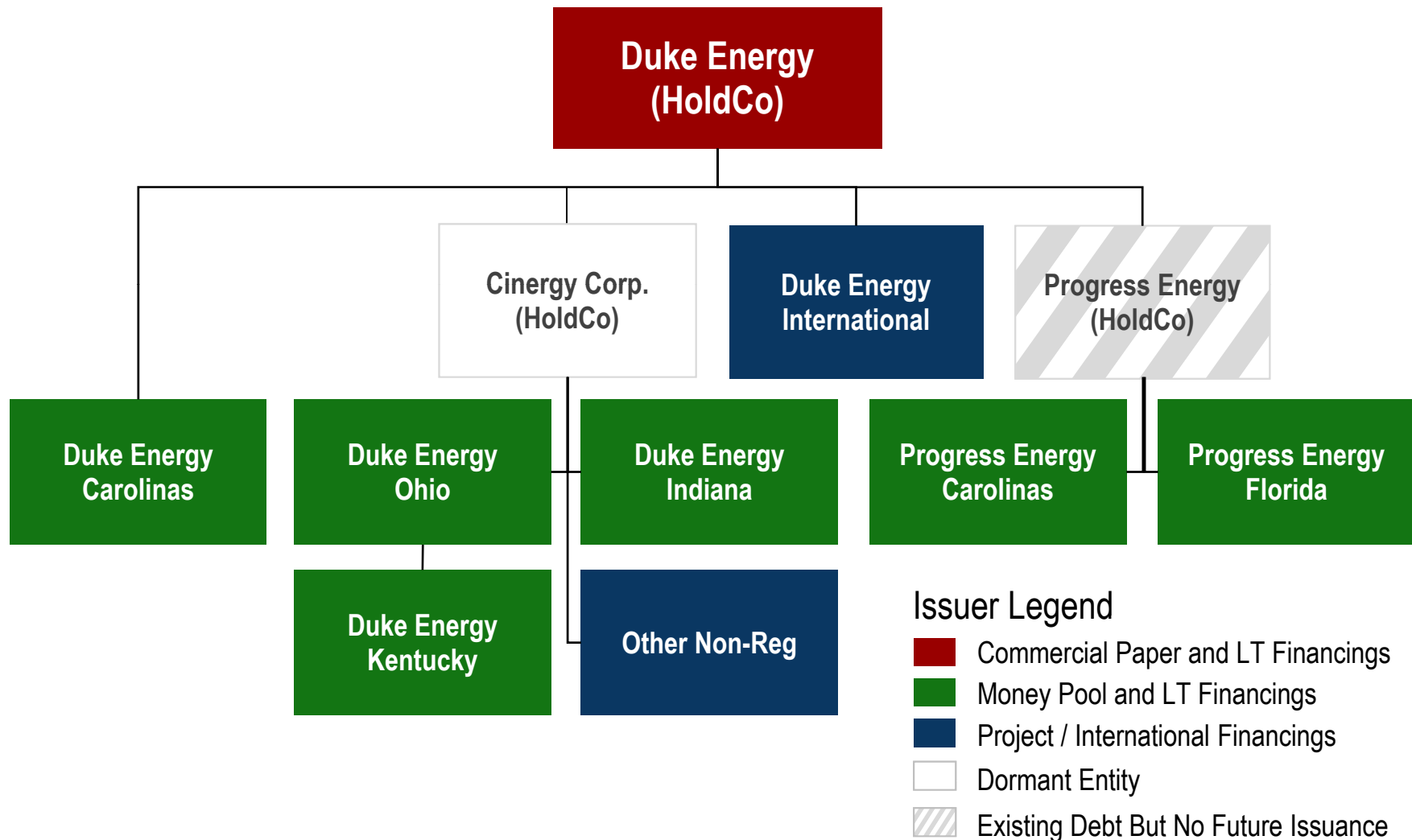
- Creates largest U.S. utility, supported by substantial, diversified regulated earnings and cash flows
 - Unmatched financial and operational scale, scope and strength
 - Principally regulated earnings base supports dividend
 - Significant scale of operating cash flows
- Leverages “best-in-class” operational and customer service practices
- Enhances industry leadership position to shape federal and state energy policies
- Highly-regulated business mix
 - Regulated: comprises approximately 85% of combined company adjusted segment EBIT¹
 - Non-regulated: comprises approximately 15% of combined company adjusted segment EBIT¹

¹ Duke Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 adjusted diluted EPS range of \$1.25 - \$1.30; excludes operations labeled as 'Other'; Progress Energy's forecasted 2010 adjusted EBIT based upon midpoint of original 2010 ongoing EPS range of \$2.85 - \$3.05

Appendix



Simplified Financing Structure by Legal Entity



Duke Energy – Summary of Major Capital Projects

Edwardsport – Indiana

- 618 MW IGCC facility expected in-service in 2012
- Project status (as of 09/30/10)
 - Overall project: 74% complete
 - Final engineering: over 90% complete
 - Construction: 52% complete

Cliffside – Carolinas

- 825 MW advanced clean-coal unit expected in-service in 2012
- Project is 72% complete and on budget (as of 09/30/10)

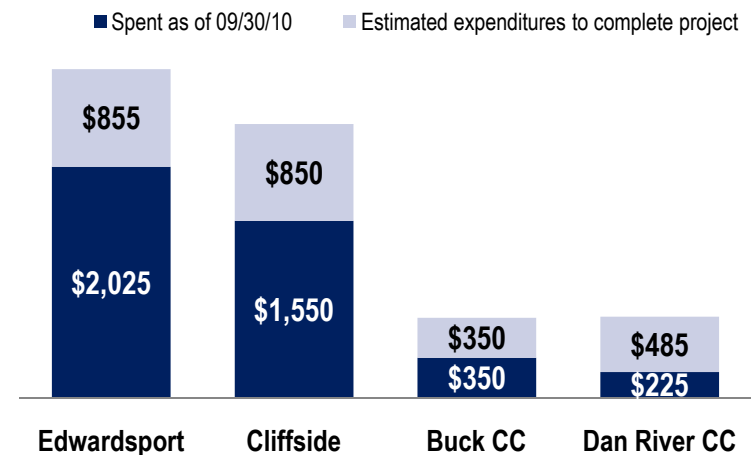
Buck – Carolinas

- 620 MW combined-cycle gas-fired plant expected in-service in 2011
- Project is 15% complete (as of 09/30/10)

Dan River – Carolinas

- 620 MW combined-cycle gas-fired plant expected in-service in 2012
- Project broke ground Q4-2010

US FE&G Major Construction Projects¹ (\$ M)



Renewables Projects

- Top of the World – 200 MW
 - In-service ahead of schedule and under budget
- Kit Carson – 51 MW
 - In-service ahead of schedule and under budget
- Blue Wing – 14 MW
 - In-service ahead of schedule and on budget

¹ Project costs include direct capital and AFUDC

Progress Energy – Summary of Major Capital Projects

Richmond County CCGT – North Carolina

- 635 MW combined-cycle gas-fired plant
- Expected in-service in June 2011

Lee CCGT – North Carolina

- 920 MW combined-cycle gas-fired plant
- Project broke ground in September 2010
- Expected in-service in January 2013

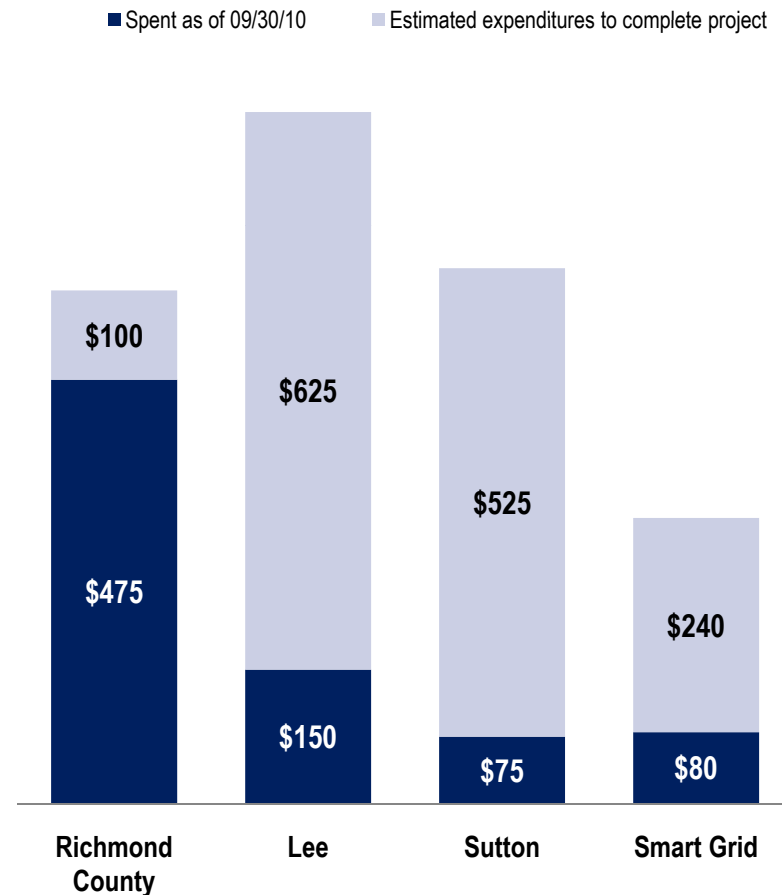
Sutton CCGT – North Carolina

- 625 MW combined-cycle gas-fired plant
- Construction is expected to begin in 2H-2011
- Expected in-service in January 2014

Smart Grid – Carolinas & Florida

- Received \$200M grant from the DOE in August 2009 (\$100M each for PEC and PEF)
- Leverages already-planned investments of \$320M (\$200M for PEC and \$120M for PEF)

Progress Energy Major Construction Projects¹ (\$ M)



¹ Project costs include direct capital, AFUDC and the cost of all transmission additions and upgrades necessary to integrate the generator into the system.

Dividend Accretion to Progress Energy – Illustrative Example

Example calculation of Progress Energy dividend based on Duke Energy's current annual dividend per share

	<u>Current</u>	<u>Pro Forma 1-for-2 Stock Split¹</u>
Duke Energy annual dividend	\$0.98	\$1.96
Multiplied by: exchange ratio	<u>2.6125x</u>	<u>1.30625x</u>
Progress Energy exchange-ratio adjusted dividend	\$2.56	\$2.56
Progress Energy current annual dividend	\$2.48	\$2.48
Progress Energy expected dividend accretion	\$0.08 or 3.2%	\$0.08 or 3.2%

- Dividend accretion to Progress Energy is expected to increase over time given Duke Energy's historical dividend per share growth rate of ~2%

¹ Stock split ratio to be determined subsequently; 1-for-2 used for illustrative purposes only

