

## Building Stronger Communities *Continued from page 1*

### Environment

Protecting the environment is a top priority for both Progress Energy and its foundation. Over the past several years, we've invested in projects that protect and improve water quality. Not only is water a precious natural resource, it's a necessary element in the production of electricity – so protecting it helps ensure reliable power for our customers. The foundation also funds programs that restore, enhance and preserve riparian wetlands.

"Acting in a way that preserves the water, land and air resources we all share is vital part of our overall commitment to customers, employees and neighbors," said Tammy Brown, manager of corporate community relations.

### Economic development

Whether it is attracting new industry, providing business training or improving technology resources for entrepreneurs, Progress Energy is committed to promoting economic growth. Economic growth means new jobs and strong local economies, which, in turn, benefit customers and employees alike.

"Economic growth also means that the commercial, industrial and governmental customers we support will be even more successful in their enterprises," Habermeyer said.

### Employee involvement

Progress Energy employees volunteer their time and donate their money to nonprofits in their local communities, so we honor their efforts through "Imagine the Progress," our annual workplace giving program that provides a 50 percent match of charitable funds donated by employees.

"Each year, our employees pledge millions of their own dollars to support the charitable causes most meaningful to them," Brown said. "A signature feature of our 'Imagine the Progress' campaign is our Day of Caring, where employees take time off work to assist our nonprofit agency partners and their clients."

### The 4Es – a foundation of community support

Together, education, the environment, economic development and employee involvement provide a strategic framework for how we direct our charitable giving. With a deliberate focus on these initiatives, Progress Energy has significantly increased its giving to achieve the greatest positive impact in our communities.

The vitality of the communities Progress Energy serves is important – not simply as places to work, but as places to live with our families. Great communities have great schools and universities, which lead to stronger economies, better-skilled employees and thriving job markets. Businesses

benefit, and people benefit. As corporate and private citizens, Progress Energy and its employees have served our neighbors for decades, and will continue to do so.

For more information about Progress Energy's community service efforts, visit [progress-energy.com/community](http://progress-energy.com/community).

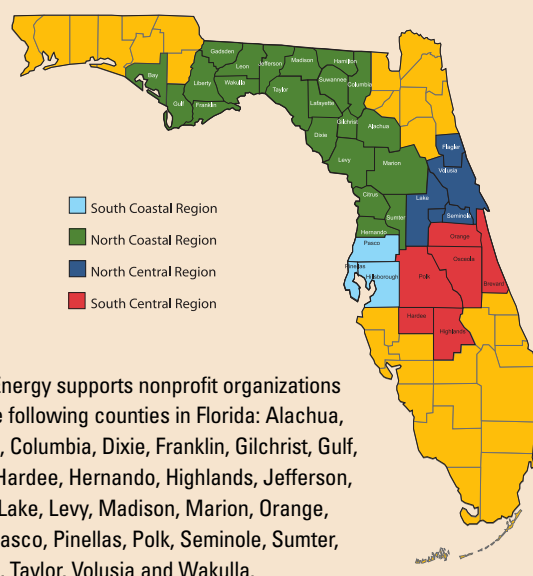
## Wire Reports Current News from Progress Energy

For more information about these stories, visit us online at [progress-energy.com](http://progress-energy.com).

▲ For the third year in a row, Site Selection magazine named Progress Energy among its "Top Utilities for Economic Development." The September issue highlighted Progress Energy as one of the nation's top 11 utilities based on jobs created and new capital investments in its service area in 2003.

▲ Progress Energy's board of directors voted to declare a dividend on the company's common stock. The quarterly dividend was declared at 57.5 cents per share, payable on Nov. 1, 2004, to shareholders of record as of Oct. 11, 2004. This represents a total dividend of \$2.30 per share.

## There for You: Investing in Our Communities



Building Stronger Communities

Feature story



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## Lessons from the Hurricanes: The Meaning of Community

The 2004 hurricane season is one that none of us living in Florida will soon forget. From now on, when we hear the words "Charley," "Frances," "Ivan" or "Jeanne," certain images will pop up in our minds – damaged homes and businesses, downed trees and power lines, piles of yard debris, shortages of water and ice, and long lines at gas stations and grocery stores.

But another image will pop up, too – that of neighbors helping neighbors. These terrible storms reminded us just how important our communities become during times of crisis. Hopefully, it's a lesson we won't forget as our lives return to normal.

For those of us at Progress Energy, the communities we serve aren't just places to work – they are places in which we live, raise our families and volunteer our time. So we have a vested interest in making sure they're strong and viable. In this issue of CurrentLines, we discuss our company's investments in Florida's communities in four key areas: education, environment, economic development and employee involvement.

As we all recover from the damage inflicted by this year's hurricanes, those of us at Progress Energy want to thank you for the patience and flexibility you demonstrated following the storms. Generation plants, transmission lines and substations may be considered company assets, but an even bigger asset is the relationship we have with our customers. Please know it is a relationship we value tremendously and don't take for granted.

CIG Account Management Team

## Building Stronger Communities

For more than 100 years, Progress Energy has been dedicated to improving the communities in which we live and work, not only through core business offerings, but also through an unyielding commitment to philanthropy and public service.

Our Progress Energy Foundation is an excellent example of philanthropy and public service in action. Formed to improve the quality of life for our 2.9 million customers and 16,000 employees, the foundation offers financial support to educational, environmental, economic development and employee volunteer initiatives. These areas of focus are known as our "Four Es." By partnering with nonprofit organizations in Florida and the Carolinas, the Progress Energy Foundation awarded nearly \$9 million in grants in these four focus areas in 2003.

### Education

High-performing public schools with exceptional teachers and administrators have a tremendous impact on the strength and quality of any community – which is why education is one of Progress Energy's most important initiatives. Within education, our efforts are aimed at K-12 math and science programs, teacher training and recruitment initiatives, school leadership programs and post-secondary grants to community colleges and universities from which Progress Energy recruits new employees.

"Great schools help communities by attracting new families and new businesses, which ultimately strengthens the economic engines that drive communities," said Bill Habermeyer, president and CEO of Progress Energy Florida, Inc.

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## In Your World: Maddox Foundry

Principles in business

In 1892, a penniless young man named Hitup Maddox hopped a train to Florida, seeking work in the phosphate mines for 90 cents a day. Thirteen years later, he opened Maddox Foundry, where he produced parts for those same mining companies and forged traditions that have lasted a century.

"He was a great American success story," said Monte Marchant, granddaughter of Hitup Maddox and president of Maddox Foundry. "Not just because he came from nothing and built a successful business, but because he had the values and principles to make something of himself and to set an example that still guides the company today."

Among those principles is a commitment to serving clients' needs, even when those needs keep changing.

"Through the years, the industry has changed and we've changed to keep pace," Marchant said. "That flexibility is one of our greatest strengths."

Maddox also left behind a tradition of loyalty to family and friends. The company is still owned and operated by his descendants; many of the company's 75 workers are children or grandchildren of the company's first employees.

"My grandfather never forgot a friend," Marchant said. "Back in 1905, a wealthy entrepreneur, C.W. Chase, loaned him the \$600 he needed to start the foundry. Since then, four members of our family, including Hitup's son, have been named Chase in his memory."

The history of Maddox Foundry essentially parallels the history of the town of Archer in Alachua County. For generations, the railroad, mining and citrus industries have brought sweeping changes to the region. Yet for the people of Archer, the foundry and its relationship with those industries has been a reliable constant.

In the beginning, the foundry was no more than a small machine shop dedicated to repairing mining equipment. Soon, however, Maddox realized that his business could fulfill larger needs and for a wider range of customers. He established a Cupola iron foundry to create cast-metal products and added a boiler repair facility to serve the needs of the locomotive, sawmill and citrus industries.

During WWII, the foundry took on another important job: creating machined mortar shells for the U.S. troops. "In fact, we were one of



"Through the years, the industry has changed and we've changed to keep pace. That flexibility is one of our greatest strengths."

the few places in the whole country able to provide the government with the exact size and specifications they needed," Marchant said.

Today, the company is one of Florida's few manufacturers of heavy metal parts. Their operations can be divided into two main components. The first is the machine shop where lathes, drills and welders are used to fabricate and repair metal parts for large industries.

The second is the foundry itself. Here, molten metals such as steel, iron, brass and aluminum are poured into molds to create virtually any part a company may need.

"This is a tremendous competitive edge for us," Marchant said. "Very few other places can offer this degree of customization."

As the foundry's capabilities have grown, so has the number of customers it serves. In addition to its core relationship with the phosphate industry, the company now works with sand and rock mining, dredging, sugar, utilities and other industries. The company also offers highly specialized services like stress relieving for metal amusement park rides.

Right now, much of this work is performed manually. However, the company is currently upgrading machinery and installing computers to enlarge capacity and speed production. But though equipment and capabilities may change, some things will always be set in steel at Maddox Foundry.



PHOTO: JAMES E. DAVIS

"This place is my passion," Marchant said. "I believe in it; I believe in the people here. We are all passionate about our work and our customers. That's a value we're happy to have inherited, and one we definitely plan to pass on to future generations."

## Staying Current

Answers your questions



**Bill Habermeyer**  
President and Chief Executive Officer  
Progress Energy Florida, Inc.

Bill Habermeyer joined Progress Energy in 1993 after a 28-year career in the U.S. Navy, during which he achieved the rank of rear admiral. Since joining Progress Energy, Habermeyer has served as vice president of nuclear services and environmental support, vice president of nuclear engineering and vice president of the company's Western Region. In 2000, Habermeyer was named president and CEO of Progress Energy Florida, which is headquartered in St. Petersburg.

### How does Progress Energy's commitment to the "Four Es" help communities in Florida?

Our company's commitment to Florida continues to grow with grants supporting programs in our four key focus areas: education, the environment, economic development and employee involvement. Last year, Progress Energy awarded \$14 million worth of grants, much of which went to nonprofit charities and initiatives in Florida. These contributions represent the largest annual philanthropic investment our company has ever made in Florida.

### What are some of Progress Energy's key philanthropic efforts in Florida?

One of the hallmarks of our education initiative is the new Progress Energy-University of Central Florida Leadership Institute. The Progress Energy Foundation contributed \$1 million to this effort dedicated to enriching the skills of K-12 administrators with the ultimate goal focused on improving student performance. During the two-year program, institute participants are trained in best practices in education and the private sector. The curriculum – including financial planning, school performance, student achievement, closing the performance gap and legislative issues – helps school administrators make informed decisions based on sound education and business practices. The Leadership Institute is a model for forward-thinking programs that bring together the public and private sectors, and represents a significant investment in the future of Florida schools.

### What are Progress Energy employees doing to support their communities?

Perhaps our most popular employee involvement initiative involves our work with the American Cancer Society. This organization was chosen specifically by our employees as the national charity they most wanted to support through our "Imagine the Progress" workplace giving campaign. Since 2002, our employees have pledged more than \$1 million of their own money to American Cancer Society chapters in our service areas in Florida and the Carolinas.

Additionally, Progress Energy employees are enthusiastic participants in the Relay For Life, the signature fundraising event for the American Cancer Society. Last year, Progress Energy Florida was honored by the organization with its Corporate Philanthropy Award. Our employees take pride in knowing that money they donate to or raise on behalf of the American Cancer Society is being used to find a cure for cancer and to provide wellness and educational programs in our communities.

### What are your future plans for Progress Energy Florida's philanthropic efforts?

We plan to direct financial support and employee volunteerism toward several large-scale programs. Our partnership with the University of Central Florida on behalf of the Leadership Institute is certainly one of our primary initiatives through 2005. We also will continue to build relationships with community partners for the purpose of identifying a strategic, signature environmental project. We know from first-hand experience that strategically focused efforts have the most profound impact on the community.

### Can Progress Energy customers play a role?

We always welcome and appreciate support from our customers, which we often direct to our Energy Neighbor Fund. This fund offers financial assistance to families who need help paying their energy bills, and is vitally important for many Florida residents struggling with winter heating bills. Last year, our Energy Neighbor Fund collected nearly \$600,000 through voluntary contributions from customers and employees of Progress Energy Florida. This included a \$300,000 contribution from the Progress Energy Foundation. Since 1988, Progress Energy and its customers have raised more than \$6.5 million to help nearly 60,000 families who could not afford electricity, gas, oil or wood. We work with the United Way to identify appropriate social service agencies to distribute 100 percent of all donated funds. For more information about the tax-deductible Energy Neighbor Fund, contact your account executive.

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