

PROGRESS ENERGY, INC.
UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

STATEMENTS OF INCOME

(In thousands except per share amounts)	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2001	2000	2001	2000
Operating Revenues				
Electric	\$ 1,565,947	\$ 773,914	\$ 3,197,994	\$ 1,555,300
Natural gas	68,575	75,350	207,149	147,448
Diversified businesses	681,121	38,484	818,591	63,618
Total Operating Revenues	2,315,643	887,748	4,223,734	1,766,366
Operating Expenses				
Fuel used in electric generation	378,288	137,001	748,144	297,388
Purchased power	211,876	85,067	429,424	155,326
Gas purchased for resale	57,184	59,836	166,778	103,734
Other operation and maintenance	304,400	164,989	599,497	363,216
Depreciation and amortization	264,131	136,949	580,920	274,720
Taxes other than on income	93,945	35,511	193,592	72,845
Diversified businesses	721,744	58,767	911,447	102,922
Total Operating Expenses	2,031,568	678,120	3,629,802	1,370,151
Operating Income	284,075	209,628	593,932	396,215
Other Income (Expense)				
Interest income	7,172	2,048	17,114	5,311
Other, net	(13,102)	(975)	(10,180)	1,101
Total Other Income (Expense)	(5,930)	1,073	6,934	6,412
Income before Interest Charges and Income Taxes	278,145	210,701	600,866	402,627
Interest Charges				
Long-term debt	156,063	54,851	282,506	104,923
Other interest charges	37,950	4,279	74,652	9,280
Allowance for borrowed funds used during construction	(1,873)	(6,323)	(5,353)	(10,929)
Net Interest Charges	192,140	52,807	351,805	103,274
Income before Income Taxes	86,005	157,894	249,061	299,353
Income Taxes	(25,697)	50,434	(16,644)	106,632
Net Income	\$ 111,702	\$ 107,460	\$ 265,705	\$ 192,721
Average Common Shares Outstanding	200,043	153,311	199,922	153,183
Basic Earnings per Common Share	\$ 0.56	\$ 0.70	\$ 1.33	\$ 1.26
Diluted Earnings per Common Share	\$ 0.56	\$ 0.70	\$ 1.32	\$ 1.26
Dividends Declared per Common Share	\$ 0.530	\$ 0.515	\$ 1.060	\$ 1.030

This financial information should be read in conjunction with the Company's 2000 Annual Report to shareholders. These statements have been prepared for the purpose of providing information concerning the Company and not in connection with any sale, offer for sale, or solicitation of an offer to buy any securities.

Progress Energy, Inc.
BALANCE SHEETS

(In thousands)	June 30 2001	December 31 2000
ASSETS		
Utility Plant		
Electric utility plant in service	\$ 18,716,993	\$ 18,124,036
Gas utility plant in service	483,538	378,464
Accumulated depreciation	(9,761,687)	(9,350,172)
Utility plant in service, net	9,438,844	9,152,328
Held for future use	15,380	16,302
Construction work in progress	851,412	1,043,376
Nuclear fuel, net of amortization	243,816	224,692
Total Utility Plant, Net	10,549,452	10,436,698
Current Assets		
Cash and cash equivalents	73,667	101,296
Accounts receivable	992,059	925,911
Taxes receivable	13,220	-
Inventory	771,479	420,985
Deferred fuel cost	214,021	217,806
Prepayments	17,304	50,040
Assets Held for Sale, net	58,504	747,745
Other current assets	178,707	192,347
Total Current Assets	2,318,961	2,656,130
Deferred Debits and Other Assets		
Income taxes recoverable through future rates	238,876	228,686
Harris Plant deferred costs	38,796	44,813
Unamortized debt expense	39,597	38,771
Nuclear decommissioning trust funds	824,854	811,998
Diversified business property, net	1,074,653	720,231
Miscellaneous other property and investments	608,170	636,677
Deferred purchased power contract termination costs	148,757	226,656
Goodwill, net	3,723,868	3,652,429
Other assets and deferred debits	669,705	657,612
Total Deferred Debits and Other Assets	7,367,276	7,017,873
Total Assets	\$ 20,235,689	\$ 20,110,701
CAPITALIZATION AND LIABILITIES		
Capitalization		
Common stock equity	\$ 5,459,040	\$ 5,424,201
Preferred stock of subsidiary - redemption not required	92,831	92,831
Long-term debt, net	9,413,639	5,890,099
Total Capitalization	14,965,510	11,407,131
Current Liabilities		
Current portion of long-term debt	209,550	184,037
Accounts payable	618,098	828,568
Taxes accrued	-	932
Interest accrued	204,670	121,433
Dividends declared	107,886	107,645
Short-term Obligations	744,458	3,972,674
Other current liabilities	571,052	447,370
Total Current Liabilities	2,455,714	5,662,659
Deferred Credits and Other Liabilities		
Accumulated deferred income taxes	1,680,446	1,807,192
Accumulated deferred investment tax credits	236,051	261,255
Other liabilities and deferred credits	897,968	972,464
Total Deferred Credits and Other Liabilities	2,814,465	3,040,911
Total Capitalization and Liabilities	\$ 20,235,689	\$ 20,110,701
SCHEDULES OF COMMON STOCK EQUITY		
(In thousands)		
Common stock (without par value, authorized 500,000,000, issued and outstanding 206,089,274 and 206,089,047 shares, respectively)	\$ 3,614,279	\$ 3,608,902
Unearned ESOP common stock	(117,268)	(127,211)
Accumulated other comprehensive loss	(34,214)	-
Retained earnings	1,996,243	1,942,510
Total Common Stock Equity	\$ 5,459,040	\$ 5,424,201

Progress Energy, Inc.
SUPPLEMENTAL DATA

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2001	2000	2001	2000
Operating Revenues (in thousands)				
Electric				
Retail	\$ 1,295,650	\$ 597,702	2,622,453	\$ 1,232,471
Wholesale	214,908	133,725	475,555	265,600
Unbilled	15,099	25,029	(46,780)	24,221
Miscellaneous revenue	40,290	17,458	146,766	33,008
Total Electric	1,565,947	773,914	3,197,994	1,555,300
Natural gas	68,575	75,350	207,149	147,448
Diversified businesses	681,121	38,484	818,591	63,618
Total Operating Revenues	\$ 2,315,643	\$ 887,748	4,223,734	\$ 1,766,366
Energy Sales				
Electric (millions of kWh)				
Retail				
Residential	7,204	3,023	15,926	6,951
Commercial	5,682	2,803	10,956	5,359
Industrial	4,401	3,676	8,594	7,077
Other retail	1,007	323	1,970	663
Total Retail	18,294	9,825	37,446	20,050
Unbilled	624	425	(543)	361
Wholesale	4,080	3,287	8,859	7,004
Total Electric	22,998	13,537	45,762	27,415
Natural Gas (thousands of dt)	11,096	13,497	25,942	30,841
Energy Supply (millions of kWh)				
Generated - steam	11,877	6,885	23,791	14,345
nuclear	6,813	5,433	13,950	11,097
hydro	64	157	117	333
combustion turbines	1,672	282	2,809	316
Purchased	3,711	1,299	7,385	2,331
Total Energy Supply (Company Share)	24,137	14,056	48,052	28,422
Detail of Income Taxes (in thousands)				
Income tax expense (credit) - current	\$ (6,730)	\$ 73,099	28,475	\$ 162,936
deferred	(12,723)	(20,066)	(31,904)	(51,106)
investment tax credit	(6,244)	(2,599)	(13,215)	(5,198)
Total Income Tax Expense	\$ (25,697)	\$ 50,434	(16,644)	\$ 106,632
FINANCIAL STATISTICS				
Ratio of earnings to fixed charges			2.16	3.98
Return on average common stock equity			11.95 %	12.27
Book value per common share			\$ 27.28	\$ 22.57
Capitalization ratios				
Common stock equity			36.48 %	52.40
Preferred stock of subsidiary- redemption not required			0.62	0.90
Long-term debt, net			62.90	46.70
Total			100.00 %	100.00

Progress Energy, Inc.
Segment Earnings Variance Analysis
Year to Date June 2001 vs. 2000

(\$ Per share)	CP&L (Electric)	Florida Power (Electric)	Regulated Natural Gas	Energy Ventures	Other Diversified Businesses	Corporate	Consolidated
2000 earnings	1.10	-	0.06	0.27	(0.17)		1.26
Weather	-						-
Customer growth and usage	-						-
Other margin	-		(0.03)				(0.03)
Addition of FPC operations		0.72 (C)		0.38	(0.07)	(0.15) (E)	0.88
O&M	0.07 (A)		(0.02)				0.05
Interest charges	(0.05)					(0.36)	(0.41)
Goodwill amortization						(0.21)	(0.21)
Diversified businesses				0.10	0.13		0.23
Share dilution	(0.26) (B)			(0.06) (B)	0.03 (B)		(0.29) (B)
Eliminations/other	0.01					(0.16) (E)	(0.15)
2001 earnings	0.87	0.72 (C)	0.01	0.69 (D)	(0.08)	(0.88)	1.33

Regulated Natural Gas includes NCNG

Energy Ventures includes Electric Fuels (less Rail & Barge), Progress Energy Ventures, Monroe Power, and Energy Marketing & Trading

Other Diversified Businesses includes SRS, Progress Telecom and Progress Rail

Corporate includes eliminations, interest expense, goodwill and intra-period tax allocations

(A) Establishment of service company reduced CP&L share of costs, \$.04 related to Jan 2000 ice storm, offset by planned nuclear outage costs in 2001.

(B) Related to issuance of 46.5 million common shares in connection with FPC acquisition in Dec 2000

(C) See Table 1

(D) Approximately \$.14 per share in CP&L and \$.06 per share in Florida Power related to functions managed by Energy Ventures.

(E) Includes \$.23 for intra-period tax allocation adjustment which will vary each quarter. These adjustments will reverse for the year 2001.

Table 1

**Florida Power
Segment Earnings Variance Analysis
June 2001 vs 2000**

		YTD
2000 earnings	\$	1.45
Weather		-
Customer growth and us:		0.08
Other margin		0.02
O&M		0.02
Share dilution		(0.73)
Depreciation		(0.02)
Other taxes		(0.03)
Interest expense		0.02
Trading and marketing		(0.06)
Eliminations/other		<u>(0.03)</u>
2001 earnings	\$	<u><u>0.72</u></u>

Progress Energy, Inc.
Segment Earnings Variance Analysis
Second Quarter 2001 vs. 2000

(\$ Per share)	CP&L (Electric)	Florida Power (Electric)	Regulated Natural Gas	Energy Ventures	Other Diversified Businesses	Corporate	Consolidated
2000 earnings	0.61	-	-	0.17	(0.08)	-	0.70
Weather	-						-
Customer growth and usage	(0.07)						(0.07)
Other margin	-		(0.02)				(0.02)
Addition of FPC operations		0.40 (C)		0.20	(0.07)	(0.02) (E)	0.51
O&M	(0.03) (A)		(0.01)				(0.04)
Interest charges	(0.02)					(0.18)	(0.20)
Goodwill amortization						(0.11)	(0.11)
Diversified businesses				0.04	0.06		0.10
Share dilution	(0.14) (B)			(0.04) (B)	0.02 (B)		(0.16) (B)
Eliminations/other						(0.15) (E)	(0.15)
2001 earnings	0.35	0.40 (C)	(0.03)	0.37 (D)	(0.07)	(0.46)	0.56

Regulated Natural Gas includes NCNG

Energy Ventures includes Electric Fuels (less Rail & Barge), Progress Energy Ventures, Monroe Power, and Energy Marketing & Trading

Other Diversified Businesses includes SRS, Progress Telecom and Progress Rail

Corporate includes eliminations, interest expense, goodwill and intra-period tax allocations

(A) Costs related to planned nuclear outage.

(B) Related to issuance of 46.5 million common shares in connection with FPC acquisition in Dec 2000

(C) See Table 1

(D) Approximately \$.07 per share in CP&L and \$.02 per share in Florida Power is related to functions managed by Energy Ventures.

(E) Includes \$.13 intra-period tax allocation adjustment which will vary each quarter. These adjustments will reverse for the year 2001.

Table 1

**Florida Power
Segment Earnings Variance Analysis
Second Quarter 2001 vs. 2000**

2000 earnings	\$	0.81
Weather		(0.04)
Customer growth and use		0.06
Other margin		0.01
O&M		0.02
Share dilution		(0.41)
Depreciation		(0.01)
Other taxes		(0.01)
Interest expense		0.02
Trading and marketing		(0.02)
Eliminations/other		<u>(0.03)</u>
2001 earnings	\$	<u><u>0.40</u></u>