

PROGRESS ENERGY, INC.
UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION

STATEMENTS OF INCOME

(In thousands except per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	2001	2000	2001	2000
Operating Revenues				
Electric	\$ 1,879,934	\$ 919,547	\$ 5,077,928	\$ 2,474,847
Natural gas	51,671	75,645	258,820	223,093
Diversified businesses	398,942	69,716	1,217,532	133,334
Total Operating Revenues	2,330,547	1,064,908	6,554,280	2,831,274
Operating Expenses				
Fuel used in electric generation	446,309	175,090	1,194,453	472,479
Purchased power	268,794	98,172	698,218	253,498
Gas purchased for resale	36,282	62,736	203,060	166,471
Other operation and maintenance	290,651	169,912	890,148	533,128
Depreciation and amortization	268,475	137,183	849,395	411,903
Taxes other than on income	105,125	39,884	298,716	112,729
Diversified businesses	461,393	104,630	1,372,840	207,551
Total Operating Expenses	1,877,029	787,607	5,506,830	2,157,759
Operating Income	453,518	277,301	1,047,450	673,515
Other Income (Expense)				
Interest income	3,018	2,686	20,132	7,997
Other, net	16,724	216,654	6,544	217,754
Total Other Income (Expense)	19,742	219,340	26,676	225,751
Income before Interest Charges and Income Taxes	473,260	496,641	1,074,126	899,266
Interest Charges				
Long-term debt	152,505	50,703	435,011	155,625
Other interest charges	15,061	5,092	89,713	14,373
Allowance for borrowed funds used during construction	(4,206)	(4,728)	(9,559)	(15,657)
Net Interest Charges	163,360	51,067	515,165	154,341
Income before Income Taxes	309,900	445,574	558,961	744,925
Income Taxes	(56,543)	148,493	(73,187)	255,124
Net Income	\$ 366,443	\$ 297,081	\$ 632,148	\$ 489,801
Average Common Shares Outstanding	205,866	153,324	201,925	153,230
Basic Earnings per Common Share	\$ 1.78	\$ 1.94	\$ 3.13	\$ 3.20
Diluted Earnings per Common Share	\$ 1.77	\$ 1.93	\$ 3.12	\$ 3.19
Dividends Declared per Common Share	\$ 0.530	\$ 0.515	\$ 1.590	\$ 1.545

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)

September 30

December 31

2001

2000

ASSETS

Utility Plant

Electric utility plant in service	\$ 18,955,425	\$ 18,124,036
Gas utility plant in service	487,700	378,464
Accumulated depreciation	(9,948,848)	(9,350,172)
Utility plant in service, net	9,494,277	9,152,328
Held for future use	15,380	16,302
Construction work in progress	917,158	1,043,376
Nuclear fuel, net of amortization	247,244	224,692
Total Utility Plant, Net	10,674,059	10,436,698

Current Assets

Cash and cash equivalents	103,863	101,296
Accounts receivable	1,139,800	925,911
Taxes receivable	14,444	-
Inventory	842,052	420,985
Deferred fuel cost	189,871	217,806
Prepayments	32,878	50,040
Assets Held for Sale, net	5,485	747,745
Other current assets	177,371	192,347
Total Current Assets	2,505,764	2,656,130

Deferred Debits and Other Assets

Income taxes recoverable through future rates	241,379	228,686
Harris Plant deferred costs	35,661	44,813
Unamortized debt expense	42,276	38,771
Nuclear decommissioning trust funds	811,055	811,998
Diversified business property, net	1,127,828	720,231
Miscellaneous other property and investments	589,560	636,677
Deferred purchased power contract termination costs	138,601	226,656
Goodwill, net	3,751,088	3,652,429
Other assets and deferred debits	755,718	657,612
Total Deferred Debits and Other Assets	7,493,166	7,017,873

Total Assets

\$ 20,672,989 \$ 20,110,701

CAPITALIZATION AND LIABILITIES

Capitalization

Common stock equity	\$ 6,203,097	\$ 5,424,201
Preferred stock of subsidiary - redemption not required	92,831	92,831
Long-term debt, net	8,627,029	5,890,099
Total Capitalization	14,922,957	11,407,131

Current Liabilities

Current portion of long-term debt	719,483	184,037
Accounts payable	715,925	828,568
Taxes accrued	-	932
Interest accrued	124,895	121,433
Dividends declared	114,650	107,645
Short-term Obligations	664,045	3,972,674
Other current liabilities	613,308	447,370
Total Current Liabilities	2,952,306	5,662,659

Deferred Credits and Other Liabilities

Accumulated deferred income taxes	1,615,144	1,807,192
Accumulated deferred investment tax credits	230,782	261,255
Other liabilities and deferred credits	951,800	972,464
Total Deferred Credits and Other Liabilities	2,797,726	3,040,911

Total Capitalization and Liabilities

\$ 20,672,989 \$ 20,110,701

SCHEDULES OF COMMON STOCK EQUITY

(In thousands)

Common stock (without par value, authorized 500,000,000, issued and outstanding 218,739,274 and 206,089,047 shares, respectively)	\$ 4,106,101	\$ 3,608,902
Unearned ESOP common stock	(114,914)	(127,211)
Accumulated other comprehensive loss	(37,609)	-
Retained earnings	2,249,519	1,942,510
Total Common Stock Equity	\$ 6,203,097	\$ 5,424,201

Progress Energy, Inc.

SUPPLEMENTAL DATA

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2001	2000	2001	2000
Operating Revenues (in thousands)				
Electric				
Retail	\$ 1,591,713	\$ 758,104	\$ 4,214,165	\$ 1,990,575
Wholesale	256,113	150,902	731,642	416,503
Unbilled	(7,493)	(9,606)	(54,272)	14,615
Miscellaneous revenue	39,601	20,147	186,393	53,154
Total Electric	1,879,934	919,547	5,077,928	2,474,847
Natural gas	51,671	75,645	258,820	223,093
Diversified businesses	398,942	69,716	1,217,532	133,334
Total Operating Revenues	\$ 2,330,547	\$ 1,064,908	\$ 6,554,280	\$ 2,831,274
Energy Sales				
Electric (millions of kWh)				
Retail				
Residential	9,385	3,924	25,310	10,876
Commercial	6,597	3,353	17,553	8,713
Industrial	4,473	3,892	13,068	10,969
Other retail	1,164	416	3,135	1,079
Total Retail	21,619	11,585	59,066	31,637
Unbilled	(350)	(371)	(893)	(11)
Wholesale	5,087	3,569	13,946	10,572
Total Electric	26,356	14,783	72,119	42,198
Natural Gas (thousands of dt)	13,080	12,119	39,022	42,960
Energy Supply (millions of kWh)				
Generated - steam	13,451	7,674	37,242	22,019
nuclear	7,553	5,975	21,503	17,072
hydro	83	71	200	404
combustion turbines	2,461	309	5,270	624
Purchased	3,945	1,447	11,330	3,778
Total Energy Supply (Company Share)	27,493	15,476	75,545	43,897
Detail of Income Taxes (in thousands)				
Income tax expense (credit) - current	\$ (4,197)	\$ 174,747	\$ 24,279	\$ 337,681
deferred	(47,082)	(23,655)	(78,987)	(74,760)
investment tax credit	(5,264)	(2,599)	(18,479)	(7,797)
Total Income Tax Expense	\$ (56,543)	\$ 148,493	\$ (73,187)	\$ 255,124
FINANCIAL STATISTICS				
Ratio of earnings to fixed charges			1.74	4.71
Return on average common stock equity			11.98 %	16.33 %
Book value per common share			\$ 29.14	\$ 23.99
Capitalization ratios				
Common stock equity			41.57 %	50.89 %
Preferred stock of subsidiary- redemption not required			0.62	0.82
Long-term debt, net			57.81	48.29
Total			100.00 %	100.00 %

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

(\$ per share)	CP&L (Electric)	Florida Power (Electric)	Regulated Natural Gas	Progress Ventures	Other Diversified Businesses	Corporate	Consolidated
2000 earnings	2.11	-	0.05	0.50	0.54		3.20
Weather	0.04						0.04
Customer growth and usage	(0.03)	(A)					(0.03)
Other margin	0.03						0.03
Addition of FPC operations		1.25	(C)	0.59	(0.10)	(0.11)	1.63
Operating expenses	0.04	(E)	(0.04)				-
Interest charges	(0.12)					(0.56)	(0.68)
Goodwill amortization						(0.33)	(0.33)
Diversified businesses				0.11	(0.41)	(G)	(0.30)
CVO mark-to-market						0.04	0.04
Intraperiod tax adjustment						0.13	0.13
Share dilution	(0.50)	(B)	(0.01)	(0.12)	(B)		(0.74)
Eliminations/other	0.05					0.09	0.14
2001 earnings	1.62	1.25	(C)	1.08	(0.08)	(0.74)	3.13

Regulated Natural Gas includes NCNG

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

Other Diversified Businesses includes SRS, Progress Telecom and Progress Rail

Corporate includes eliminations, interest expense, goodwill, CVO mark-to-market, and intra-period tax allocations

(A) Residential and commercial increase \$.11, offset by industrial decrease of \$.14.

(B) Related to issuance of 46.5 million common shares in connection with FPC acquisition in Dec 2000, and issuance of 12.65 million shares in Aug 2001

(C) See Table 1

(D) Approximately \$.20 per share in CP&L and \$.09 per share in Florida Power related to functions managed by Progress Ventures.

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

(G) Includes sale of Bellsouth PCS assets in 2000

Table 1	
Florida Power	
Segment Earnings Variance Analysis	
September 2001 vs 2000	
	YTD
2000 earnings	\$ 2.69
Weather	(0.05)
Customer growth and usage	0.03
Other margin	0.02
Operating expenses	(0.05)
Share dilution	(1.35)
Interest expense	0.03
Trading and marketing	(0.09)
Eliminations/other	0.02
2001 earnings	<u>\$ 1.25</u>

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

(\$ per share)	CP&L (Electric)	Florida Power (Electric)	Regulated Natural Gas	Progress Ventures	Other Diversified Businesses	Corporate	Consolidated
2000 earnings	1.01	-	-	0.23	0.70	-	1.94
Weather	0.04						0.04
Customer growth and usage	0.01 (A)						0.01
Other margin	0.03		0.01				0.04
Addition of FPC operations		0.52 (C)		0.20	(0.02)	(0.01)	0.69
Operating expenses	(0.09) (E)		(0.02)				(0.11)
Interest charges	(0.03)					(0.18)	(0.21)
Goodwill amortization						(0.11)	(0.11)
Diversified businesses				0.02	(0.51) (G)		(0.49)
CVO mark-to-market						0.08	0.08
Intraperiod tax adjustment						0.36	0.36
Share dilution	(0.26) (B)			(0.06) (B)	(0.19) (B)		(0.51) (B)
Eliminations/other	0.03					0.02	0.05
2001 earnings	0.74	0.52 (C)	(0.01)	0.39 (D)	(0.02)	0.16	1.78

Regulated Natural Gas includes NCNG

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

Other Diversified Businesses includes SRS, Progress Telecom and Progress Rail

Corporate includes eliminations, interest expense, goodwill, CVO mark-to-market, and intra-period tax allocations

(A) Residential and commercial increase of \$.05, industrial decrease of \$.04

(B) Related to issuance of 46.5 million common shares in connection with FPC acquisition in Dec 2000, and issuance of 12.65 million shares in Aug 2001

(C) See Table 1

(D) Approximately \$.06 per share in CP&L and \$.03 per share in Florida Power are related to functions managed by Progress Ventures.

(E) Primarily costs related to planned nuclear outages, increased transmission expenses.

(G) Includes sale of Bellsouth PCS assets in 2000

Table 1	
Florida Power	
Segment Earnings Variance Analysis	
Third Quarter 2001 vs. 2000	
2000 earnings	\$ 1.24
Weather	(0.05)
Customer growth and usage	0.04
Other margin	(0.01)
Operating expenses	(0.01)
Share dilution	(0.65)
Interest expense	0.01
Trading and marketing	(0.03)
Eliminations/other	(0.02)
2001 earnings	<u>\$ 0.52</u>