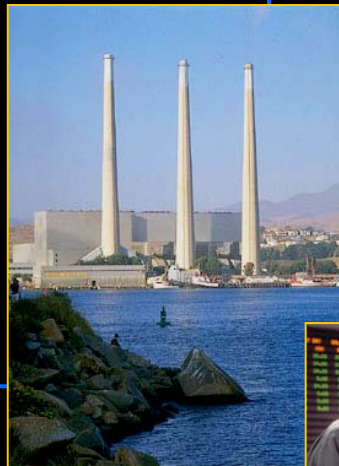




Fourth Quarter Earnings 2002



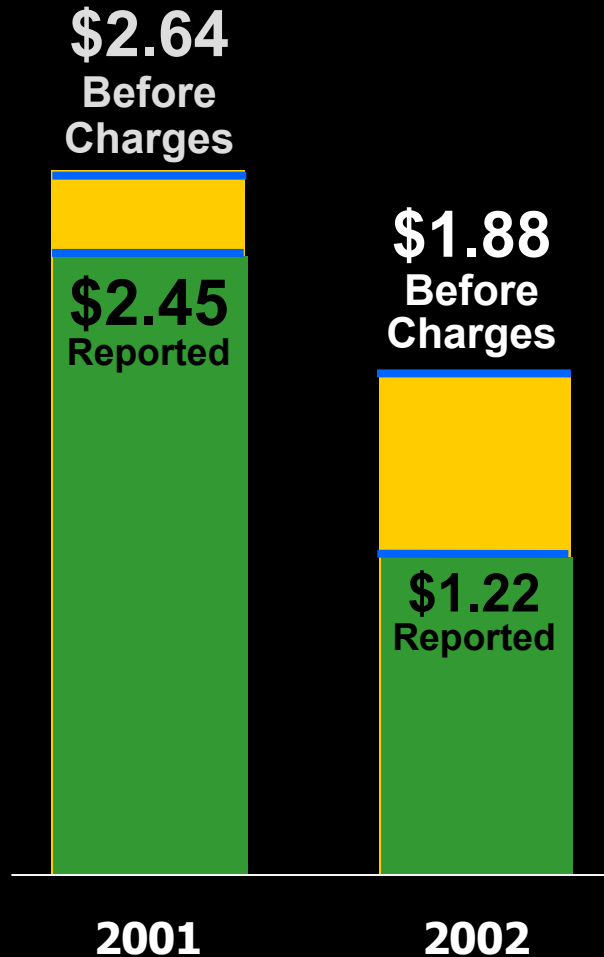
Rick Priory
Chairman and Chief Executive Officer

Robert Brace
Executive Vice President and
Chief Financial Officer

Fred Fowler
President and Chief Operating Officer

January 28, 2003

2002 Earnings per Share



Primary drivers for 2002

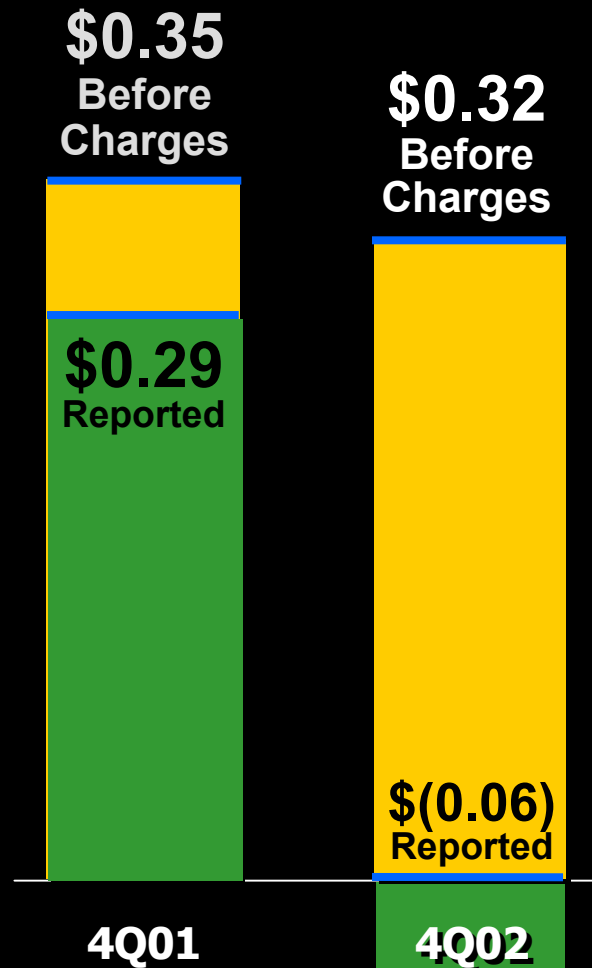
Significantly lower earnings at DENA due to depressed market conditions, lower pricing and volatility

Partially offset by 10 months of earnings from Westcoast businesses

66¢ in certain charges related to:

Goodwill impairment	23¢
Asset impairments and write-offs	13¢
Termination obligation on certain turbines and write-down of uninstalled turbines	13¢
Severance costs	7¢
Storm expenses	7¢
Demobilization costs	2¢
NCUC and PSCSC settlement	1¢

Fourth Quarter Earnings per Share



Primary drivers for 4Q02

Lower earnings at DENA due to continued depressed market conditions, lower pricing and volatility

38¢ in certain charges related to:

Goodwill impairment	22¢
Storm expenses	6¢
Severance costs	4¢
Asset impairments	2¢
Write-off IT system costs	2¢
NCUC and PSCSC settlement	1¢
Demobilization costs	1¢

Partially offset by full quarter of earnings from Westcoast businesses and higher earnings related to favorable weather at Franchised Electric

Natural Gas Transmission

Fourth Quarter 2002

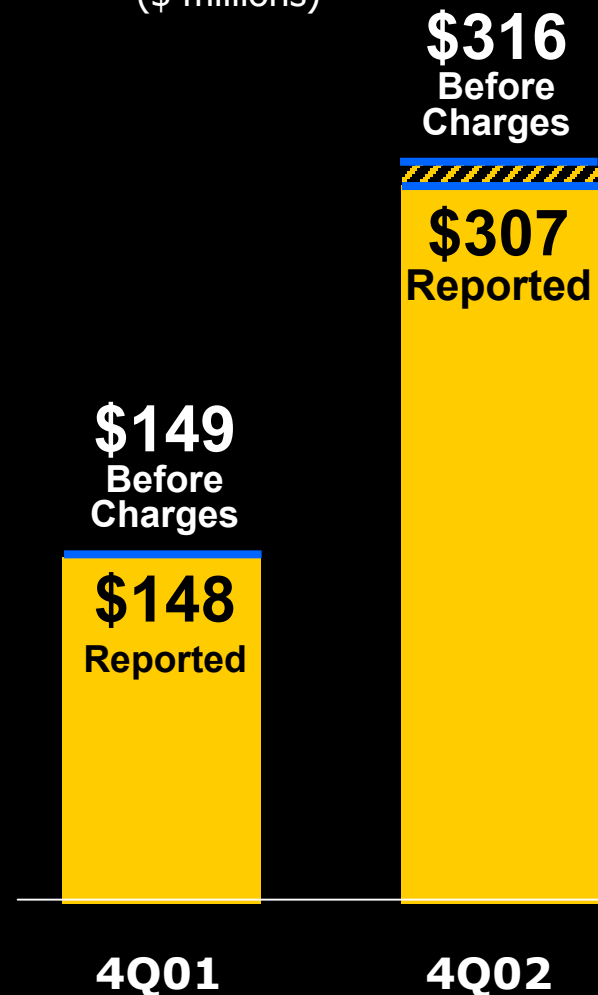
Full quarter of earnings from Westcoast of approximately \$154 million

Incremental earnings from business expansion projects

Severance costs of \$9 million

Fourth Quarter 2001 results included a \$1 million charge related to the Enron bankruptcy

Segment EBIT
(\$ millions)



Franchised Electric

Fourth Quarter 2002

Higher residential and commercial sales driven by colder weather

Industrial sales continued to decline

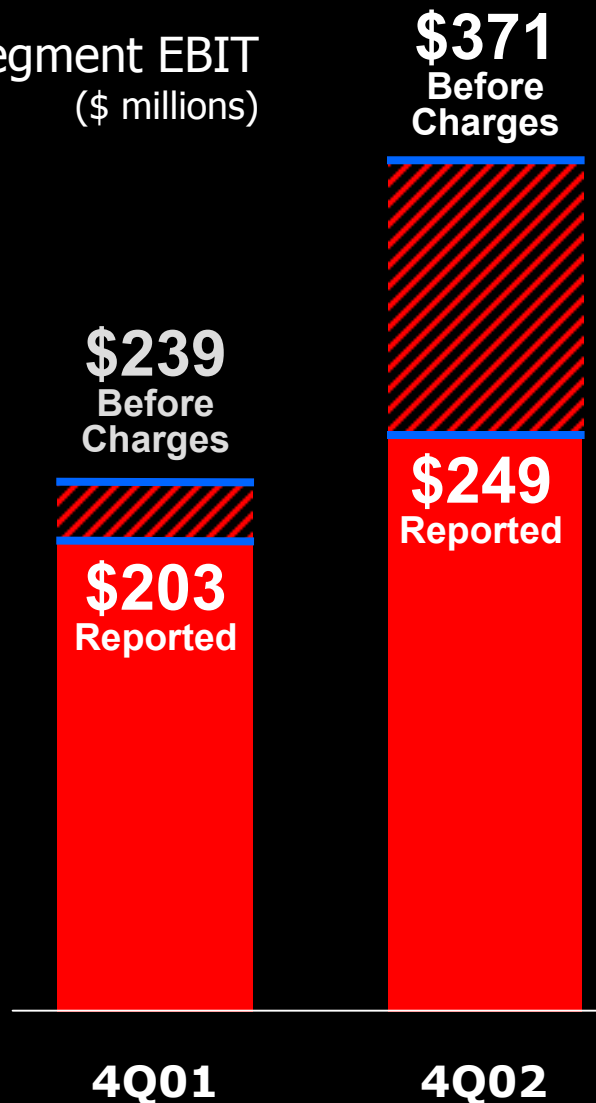
Storm expenses of \$89 million

Settlement with NCUC and PSCSC of \$19 million

Severance costs of \$14 million

Fourth Quarter 2001 results included \$36 million charge for a change in methodology for calculating unbilled revenue

Segment EBIT
(\$ millions)



Field Services

Fourth Quarter 2002

Asset impairments of \$28 million on certain regional gathering and pipeline systems

Higher NGL pricing for the quarter of 45¢ compared with 31¢ last year, partially offset by higher natural gas prices and higher O&M expenses

Completed audit and balance sheet review, expect no additional charges in 2003

Fourth Quarter 2001 results included a \$3 million charge related to Enron's bankruptcy

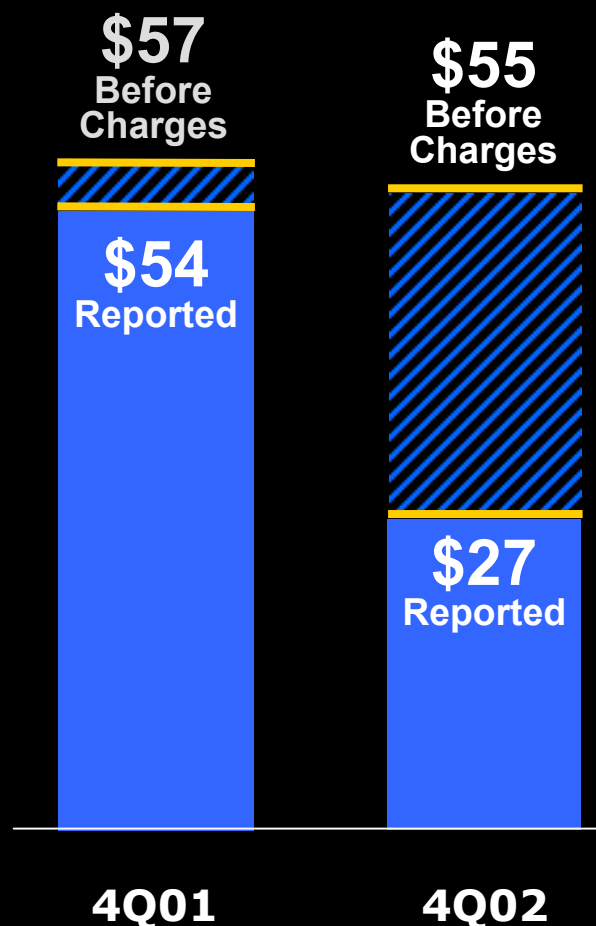
EBIT sensitivities

NGL: + - 1¢/gal = + - \$9 million EBIT

Natural gas:

+ - 10¢/MMBtu = - + \$5 million EBIT

Segment EBIT
(\$ millions)

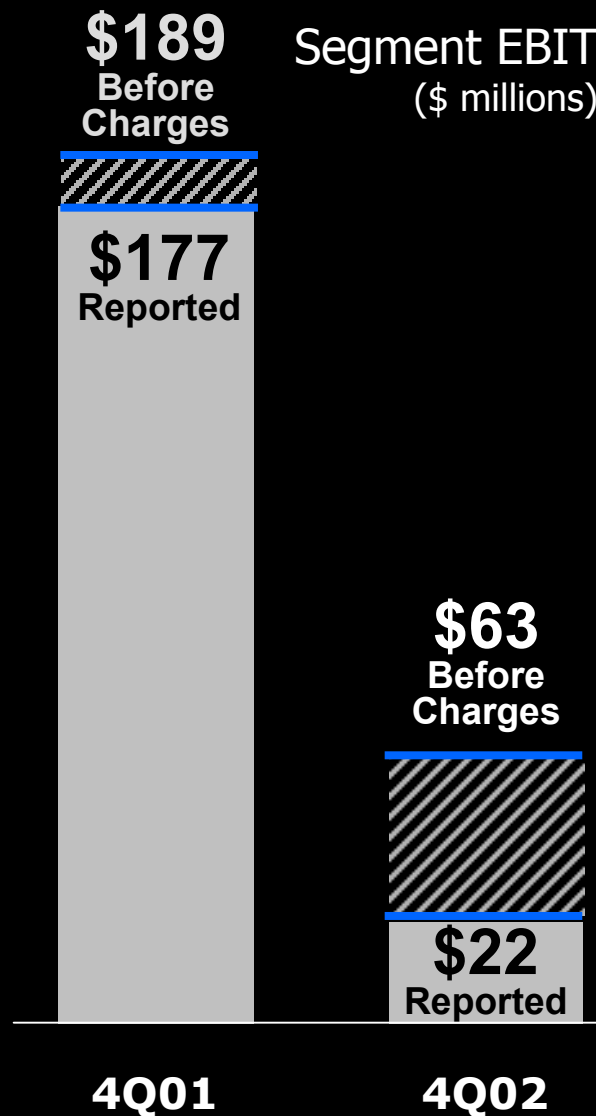


Duke Energy North America

Fourth Quarter 2002

- Lower earnings from proprietary trading and origination activity
- Increased depreciation due to new plants added during 2002
- \$24 million write-off of IM system
- Demobilization costs of \$10 million
- Severance costs of \$7 million

Fourth Quarter 2001 results included a \$12 million charge related to Enron's bankruptcy



International Energy

Fourth Quarter 2002

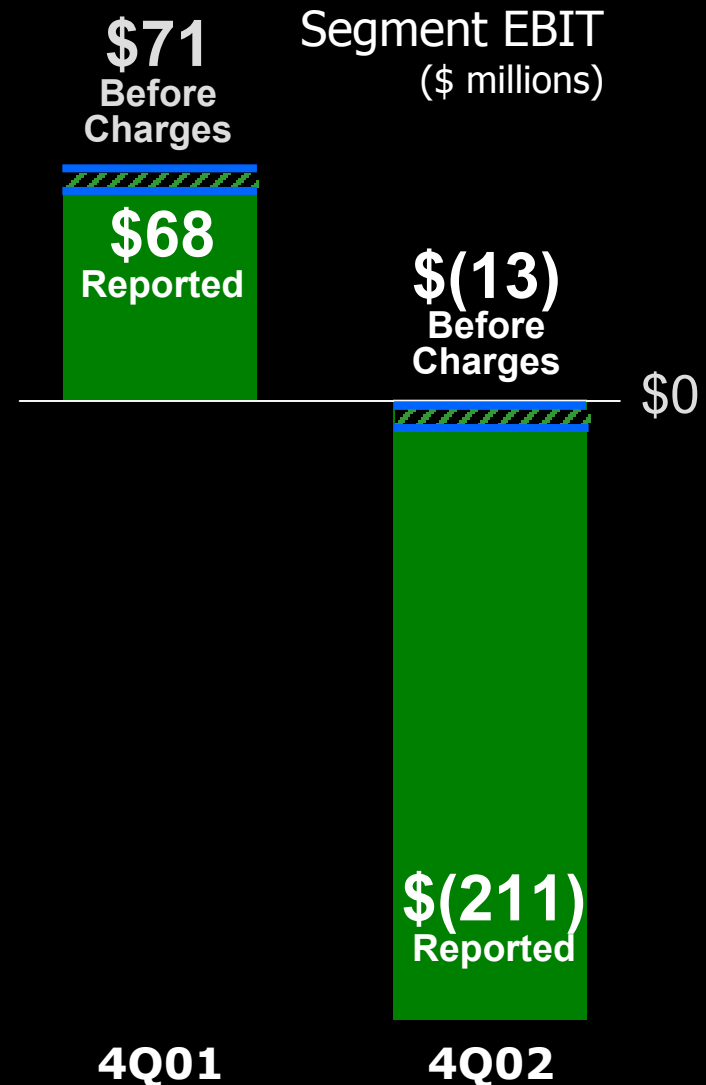
Goodwill impairment of \$194 million due to change in market outlook for MEGAS business

Severance costs of \$4 million

Lower earnings from Latin America and Europe

\$22 million reserve taken for non-performance of its supplier under a LNG gas supply contract

Fourth Quarter 2001 results included a \$3 million charge related to Enron's bankruptcy



2002 Segment Earnings Before Interest and Taxes



Primary Drivers

Ten months of earnings from acquisition of Westcoast Energy

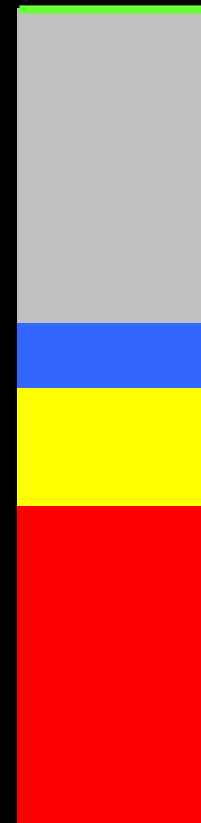
Significantly reduced earnings at DENA

Continued market downturn

Low spark spreads and volatility

Third and fourth quarter charges totaled \$753 million for goodwill and asset impairments, write-offs, termination obligation on turbines, severance costs, and plant demobilization costs, etc.

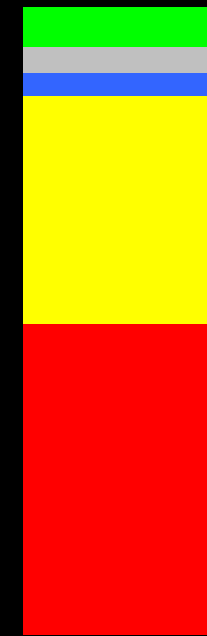
\$4,025



2001

Segment EBIT
(\$ millions)

\$2,832



2002

- Duke Ventures
- DENA, DEI, Other Energy Services
- Field Services
- Gas Transmission
- Franchised Electric

Liquidity Position

December 31, 2002

	Duke Energy	Duke Capital	Other *
Credit Facilities	\$950 million	\$1.9 billion	\$1.7 billion
LOC Facility	n/a	\$1.0 billion	n/a
TOTAL CAPACITY		\$5.6 billion	
CP Outstanding	\$900 million	\$600 million	\$600 million
LOC Facility	n/a	\$500 million	n/a
Other Borrowings	n/a	n/a	\$100 million
TOTAL OUTSTANDING		\$2.7 billion	
TOTAL UNUSED CAPACITY		\$2.9 billion	
Cash		\$850 million	

* Includes Westcoast, Union Gas and Field Services

Trading Disclosures

as of December 31, 2002

Portfolio Valuation – Gross Margin

Merchant generation portfolio (accrual) \$5.2 billion

Realization Period (cumulative %)

2003 10% 2004 19% 2005 30%

Duke Energy mark-to-market portfolio \$0.4 billion

Average Daily Earnings at Risk: Favorable or unfavorable impact of one day's price movement on the existing portfolio

4Q02 \$11 million

4Q01 \$12 million

Trading Disclosures

as of December 31, 2002

Owned Assets – Merchant Plant Production and Hedging Information

	2003	2004	2005
Total Estimated Available Capacity (GWh)	89	99	108
Estimated Production (GWh)			
Combined Cycle	27	32	39
Peaker	1	2	3
Total Estimated Production	28	34	42
Estimated Production Hedged	102%	79%	64%
Average Price Hedged (\$/MWh)	\$51	\$44	\$39

2003 Earnings Guidance

Earnings per Share \$1.35 to \$1.60
*(excluding accounting charges for
implementation of EITF 02-03 and FAS 143)*

Earnings before Interest and Taxes

Franchised Electric	\$ 1.6 billion
Natural Gas Transmission	1.2 billion
Field Services	200 million
Duke Energy North America	200 million
International Energy	250 million
Interest Expense	1.4 billion

Plans for 2003 and Beyond

Duke Energy is focused on reducing risks and restructuring for future success:

Focus on positive net cash generation

Invest in our strongest business sectors

Right-size businesses to market realities

Address merchant energy issues

Strengthen relationships with customers

Reduce regulatory and legal risk and uncertainty

Q&A

