

2004 EPS compensation target

The accompanying Insight & Outlook publication contains a discussion of the 2004 earnings per share (EPS) compensation target of \$1.20 as well as the minimum amount for incentive payout of \$1.10, which are non-GAAP financial measures as they exclude any "special items," as defined by the Company, occurring during the year. The most directly comparable GAAP measure is EPS based upon reported net income for 2004. Due to the forward-looking nature of these non-GAAP financial measures, information to reconcile such non-GAAP financial measures to the most directly comparable GAAP financial measures is not available at this time as the Company is unable to forecast any "special items" for the remainder of 2004.

Reconciliation of Reported EPS to Ongoing EPS

<i>(\$ in millions, except per share amounts)</i>	Pre-tax Amount	Tax Effect	2004 EPS Impact
First Quarter 2004			
Gain on sale of Australian assets	\$ 256	\$ (18)	\$ 0.26
Net loss on sale of DENA assets, primarily anticipated sale of SE plants	(359)	134	(0.25)
Gains on sale of other assets, including Caribbean Nitrogen Company	14	(5)	0.01
Charge related to planned sale of Cantarell investment	(13)	5	(0.01)
First Quarter 2004 Total EPS Impact			\$ 0.01
Second Quarter 2004			
Enron settlement, net of \$5 million of minority interest	\$ 130	\$ (46)	\$ 0.09
True-up on net gain on sale of International Energy assets	38	(9)	0.03
California and western energy markets settlement	(105)	37	(0.07)
Net losses on asset sales, net of \$6 million of minority interest	(5)	2	-
Interest related to litigation reserve	(12)	4	(0.01)
Second Quarter 2004 Total EPS Impact			\$ 0.04
Third Quarter 2004			
Tax benefit from restructuring	\$ -	\$ 48	\$ 0.05
Asset impairments, losses on asset sales and write-down of equity investments at DEFS (net of \$26 million of minority interest)	(42)	16	(0.03)
Net gains on asset sales	4	(2)	-
Tax true-up on sale of Australian assets	-	5	0.01
Third Quarter 2004 Total EPS Impact			\$ 0.03
YTD Reported Earnings per Share			\$ 1.22
Less:			
First Quarter items			0.01
Second Quarter items			0.04
Third Quarter items			0.03
Impact of change in shares outstanding			(0.01)
YTD Ongoing Earnings per Share *			\$ 1.15

* Includes results from operations in International Energy, DENA, Field Services and Crescent Resources that have been discontinued.

Year 2004 Estimated Capital Spending

(\$ in millions)

Capital and investment expenditures, net of refund (investing cash flow)	\$ 2,254
Capital expenditures for Crescent's residential real estate (operating cash flow)	242
	\$ 2,496

Rounded \$2.5 billion

Duke Energy Corporation
 Reconciliation of Total Segment and Other EBIT to Consolidated Earnings (Loss) from Continuing Operations before Income Taxes
 September 30, 2004

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2004	2003	2004	2003
EBIT BY BUSINESS SEGMENT				
Franchised Electric	\$ 453	\$ 436	\$ 1,215	\$ 1,206
Natural Gas Transmission	265	280	974	1,009
Field Services	67	51	253	136
Duke Energy North America	(17)	(411)	(612)	(177)
International Energy	64	44	161	175
Crescent Resources	43	39	190	61
Total Reportable Segment EBIT	<u>875</u>	<u>439</u>	<u>2,181</u>	<u>2,410</u>
Other	(25)	(88)	(56)	(205)
Total Reportable Segment and Other EBIT	<u>850</u>	<u>351</u>	<u>2,125</u>	<u>2,205</u>
Interest Expense	(342)	(375)	(1,035)	(1,027)
Minority Interest Expense and Other (a)	22	7	78	(11)
Total Consolidated Earnings (Loss) from Continuing Operations before Income Taxes	<u>\$ 530</u>	<u>\$ (17)</u>	<u>\$ 1,168</u>	<u>\$ 1,167</u>

- (a) Includes interest income, foreign currency remeasurement gains and losses, and additional minority interest expense not allocated to the segment results.