

**Duke Energy Corporation**  
**Non-GAAP Reconciliations**  
**International Energy**  
**June 2010**

**International Energy's Adjusted Segment EBIT for 2009, 2008, 2007, and 2006 and Forecasted Adjusted Segment EBIT for 2010 for All Segments**

The materials for Duke Energy Corporation's ("Duke Energy") June 2010 International Energy presentation include a discussion of adjusted segment EBIT for International Energy for the years 2009, 2008, 2007, and 2006, and forecasted 2010 adjusted segment EBIT for International Energy as well as for all Duke Energy reportable segments as a percentage of forecasted adjusted total segment EBIT. Additionally, reference is made to International Energy's equity method investment in National Methanol Company (a component of the International Energy segment) and to adjusted EBIT of Latin American country-specific operations, and the respective earnings contributions of these components of International Energy as a percentage of International Energy's segment EBIT, on an adjusted basis.

The primary performance measure used by management to evaluate segment performance is segment EBIT from continuing operations, which at the segment level represents all profits from continuing operations (both operating and non-operating), including any equity in earnings of unconsolidated affiliates, before deducting interest and taxes, and is net of the income attributable to non-controlling interests. Management believes segment EBIT from continuing operations, which is the GAAP measure used to report segment results, is a good indicator of each segment's operating performance as it represents the results of Duke Energy's ownership interests in continuing operations without regard to financing methods or capital structures. Duke Energy also uses adjusted segment EBIT as a measure of historical and anticipated future segment performance. When used for future periods, adjusted segment EBIT may also include any amounts that may be reported as discontinued operations or extraordinary items.

Adjusted International Energy segment EBIT is a non-GAAP financial measure as it represents reported segment EBIT adjusted for the impact of special items. Special items represent certain charges and credits which management believes will not be recurring on a regular basis, although it is reasonably possible such charges and credits could recur. Management believes that the presentation of adjusted segment EBIT provides useful information to investors, as it provides them an additional relevant comparison of a segment's performance across periods. The most directly comparable GAAP measure for adjusted segment EBIT is reported segment EBIT, which represents segment results from continuing operations, including any special items. Reconciliations of adjusted segment EBIT for International Energy for 2009, 2008, 2007 and 2006 to reported segment EBIT are included below. Due to the forward-looking nature of this non-GAAP financial measure for 2010 and future periods, information to reconcile it to the most directly comparable GAAP financial measure is not available at this time, as management is unable to project special items for future periods.

**Latin American Portfolio Cash Flows**

The materials for Duke Energy's June 2010 International Energy presentation include a discussion of management's expectation that the Latin American portfolio of assets will have significant annual free cash flow of approximately \$200 million to \$300 million. These amounts represent non-GAAP financial measures. This forecast of cash generation primarily reflects expected cash to be provided by operating activities (a GAAP measure), but also reflects certain financing and investing activities. However, this forecast of cash generation specifically excludes capital and investment expenditures.

Duke Energy International  
 Reported to Adjusted EBIT Reconciliation  
 (Dollars in Millions)

	<u>Years ended Dec. 31,</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Reported Segment EBIT	\$ 365	\$ 411	\$ 388	\$ 163
Special Items:				
Other Impairment (a)	18	-	-	-
International Transmission Adjustment (b)	26	-	-	-
Settlement Reserves (c)	-	-	-	100
Impairment of Campeche Investment (d)	-	-	-	50
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Adjusted Segment EBIT	<u>\$ 409</u>	<u>\$ 411</u>	<u>\$ 388</u>	<u>\$ 313</u>

(a) Recorded in Losses on sales and impairments of unconsolidated affiliates with Other income and expenses on the Consolidated Statements of Operations

(b) \$30 million recorded in Operation, maintenance and other, \$2 million recorded as a reduction to fuel used in electric generation and purchased power - non-regulated, and \$2 million as a reduction in to Net income (loss) attributable to noncontrolling interests on the Consolidated Statements of Operations.

(c) Recorded in Operation, maintenance and other (Operating Expenses) on the Consolidated Statements of Operations

(d) \$33 million recorded in Operation, maintenance and other (Operating Expenses) and \$17 million recorded in Losses on sales and impairments of unconsolidated affiliates (Other Income and Expenses) on the Consolidated Statements of Operations.