

## Progress Energy board increases dividend for 21st straight year

**RALEIGH, N.C. (Dec. 10, 2008)** -- Progress Energy's [NYSE: PGN] board of directors today increased the dividend on the company's common stock for the 21<sup>st</sup> straight year. The quarterly dividend, raised to 62 cents per share from 61.5 cents per share, is payable on Feb. 2, 2009, to shareholders of record as of Jan. 12, 2009. This represents an expected total annual dividend for 2009 of \$2.48 per share, an increase of \$0.02 over the 2008 dividend.

"We are pleased with the board's action to increase the dividend to our shareholders," said Bill Johnson, chairman, president and CEO of Progress Energy. "Despite the challenging economy, Progress Energy has a strong long-term future. This dividend growth will continue to increase the current cash return for our shareholders while supporting our future growth by improving our ability to attract capital. In addition, we remain focused on reducing our dividend payout ratio toward a long-term target range of 70-75 percent of ongoing earnings."

Progress Energy, headquartered in Raleigh, N.C., is a Fortune 250 energy company with more than 21,000 megawatts of generation capacity and \$9 billion in annual revenues. The company is observing its 100<sup>th</sup> anniversary in 2008. Progress Energy includes two major utilities that serve 3.1 million customers in the Carolinas and Florida. The company is the 2006 recipient of the Edison Electric Institute's Edison Award, the industry's highest honor, in recognition of its operational excellence. The company also is the first utility to receive the prestigious J.D. Power and Associates Founder's Award for customer service. Progress Energy serves two growing areas of the country, and the company is pursuing a balanced strategy for a secure energy future. That balance includes aggressive energy efficiency programs, investments in renewable energy technologies and a state-of-the-art electricity system. For more information about Progress Energy, visit the company's Web site at [www.progress-energy.com](http://www.progress-energy.com).

*This release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements involve estimates, projections, goals, forecasts, assumptions, risk and uncertainties that could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Any forward-looking statement is based on information current as of the date of this report and speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made.*

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