



## PROGRESS ENERGY, INC. (PGN) - ANTICIPATED ADJUSTMENT

### DESCRIPTION:

On August 23, 2011, Shareholders of Progress Energy, Inc. (PGN) approved the proposed merger with Duke Energy Corporation (DUK). It is anticipated that Duke Energy Corporation will effect a 1-for-3 reverse stock split immediately prior to the consummation of the merger. As a result, the pre-split merger consideration of 2.6125 DUK Common Shares per each existing PGN Common Share will become .87083 (new) DUK Common Shares to reflect the reverse stock split ratio. Consequently, upon consummation of the merger, each existing PGN Common Share will be converted into the right to receive .87083 (new) DUK Common Shares.

NOTE: It is anticipated that Duke Energy Corporation (DUK) will complete a 1-for-3 reverse stock split immediately prior to the completion of the merger with Progressive Energy, Inc. Consequently, the pre-reverse split merger consideration ratio of 2.6125 DUK Common Shares will be converted into .87083 (new) DUK Common Shares upon effectiveness of the reverse split.

### Pending Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below Progress Energy, Inc. options will be adjusted as follows.

<b>Adjustment Date:</b>	<b>Tuesday, July 3, 2012</b>
<b>Option Symbol:</b>	<b>PGN becomes DUK2</b>
<b>Underlying Security:</b>	PGN becomes DUK2
<b>CUSIP:</b>	26441C204
<b>Contract Multiplier:</b>	1
<b>Strike Prices:</b>	unchanged
<b>New Multiplier:</b>	100 (e.g. Premium of 1.00 = \$100)
<b>New Deliverable:</b>	<ol style="list-style-type: none"> <li>1) <b>87 (New) Duke Energy Corporation (DUK) Common Shares (post-reverse split - see note above)</b></li> <li>2) <b>Cash in lieu of .083 fractional DUK Common Shares</b></li> </ol>

#### GTC Order Cancellation:

On Monday, July 2, 2012, immediately after the BOX close, all resting orders for PGN in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted DUK2 series, the BOX Participant will need to reenter the orders before the open on Tuesday, July 3, 2012.

**Pricing Considerations:** Until the cash in lieu amount is determined, the underlying price for DUK2 will be determined as follows:  
DUK2 = .87083 (DUK)

### Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
PGN	C/P	30.00	07/21/2012	DUK2	C/P	30.00	07/21/2012
PGN	C/P	35.00	07/21/2012	DUK2	C/P	35.00	07/21/2012
PGN	C/P	40.00	07/21/2012	DUK2	C/P	40.00	07/21/2012
PGN	C/P	45.00	07/21/2012	DUK2	C/P	45.00	07/21/2012
PGN	C/P	50.00	07/21/2012	DUK2	C/P	50.00	07/21/2012
PGN	C/P	55.00	07/21/2012	DUK2	C/P	55.00	07/21/2012
PGN	C/P	60.00	07/21/2012	DUK2	C/P	60.00	07/21/2012
PGN	C/P	65.00	07/21/2012	DUK2	C/P	65.00	07/21/2012
PGN	C/P	70.00	07/21/2012	DUK2	C/P	70.00	07/21/2012
PGN	C/P	75.00	07/21/2012	DUK2	C/P	75.00	07/21/2012
PGN	C/P	80.00	07/21/2012	DUK2	C/P	80.00	07/21/2012
PGN	C/P	45.00	08/18/2012	DUK2	C/P	45.00	08/18/2012
PGN	C/P	50.00	08/18/2012	DUK2	C/P	50.00	08/18/2012
PGN	C/P	55.00	08/18/2012	DUK2	C/P	55.00	08/18/2012
PGN	C/P	60.00	08/18/2012	DUK2	C/P	60.00	08/18/2012
PGN	C/P	65.00	08/18/2012	DUK2	C/P	65.00	08/18/2012
PGN	C/P	70.00	08/18/2012	DUK2	C/P	70.00	08/18/2012
PGN	C/P	75.00	08/18/2012	DUK2	C/P	75.00	08/18/2012
PGN	C/P	80.00	08/18/2012	DUK2	C/P	80.00	08/18/2012
PGN	C/P	85.00	08/18/2012	DUK2	C/P	85.00	08/18/2012
PGN	C/P	45.00	10/20/2012	DUK2	C/P	45.00	10/20/2012
PGN	C/P	50.00	10/20/2012	DUK2	C/P	50.00	10/20/2012
PGN	C/P	55.00	10/20/2012	DUK2	C/P	55.00	10/20/2012
PGN	C/P	60.00	10/20/2012	DUK2	C/P	60.00	10/20/2012
PGN	C/P	65.00	10/20/2012	DUK2	C/P	65.00	10/20/2012
PGN	C/P	70.00	10/20/2012	DUK2	C/P	70.00	10/20/2012
PGN	C/P	75.00	10/20/2012	DUK2	C/P	75.00	10/20/2012
PGN	C/P	80.00	10/20/2012	DUK2	C/P	80.00	10/20/2012
PGN	C/P	30.00	01/19/2013	DUK2	C/P	30.00	01/19/2013
PGN	C/P	35.00	01/19/2013	DUK2	C/P	35.00	01/19/2013
PGN	C/P	38.00	01/19/2013	DUK2	C/P	38.00	01/19/2013
PGN	C/P	40.00	01/19/2013	DUK2	C/P	40.00	01/19/2013
PGN	C/P	42.00	01/19/2013	DUK2	C/P	42.00	01/19/2013
PGN	C/P	45.00	01/19/2013	DUK2	C/P	45.00	01/19/2013
PGN	C/P	47.00	01/19/2013	DUK2	C/P	47.00	01/19/2013
PGN	C/P	50.00	01/19/2013	DUK2	C/P	50.00	01/19/2013
PGN	C/P	55.00	01/19/2013	DUK2	C/P	55.00	01/19/2013
PGN	C/P	60.00	01/19/2013	DUK2	C/P	60.00	01/19/2013
PGN	C/P	65.00	01/19/2013	DUK2	C/P	65.00	01/19/2013
PGN	C/P	70.00	01/19/2013	DUK2	C/P	70.00	01/19/2013
PGN	C/P	75.00	01/19/2013	DUK2	C/P	75.00	01/19/2013
PGN	C/P	80.00	01/19/2013	DUK2	C/P	80.00	01/19/2013
PGN	C/P	25.00	01/18/2014	DUK2	C/P	25.00	01/18/2014
PGN	C/P	30.00	01/18/2014	DUK2	C/P	30.00	01/18/2014
PGN	C/P	35.00	01/18/2014	DUK2	C/P	35.00	01/18/2014

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
PGN	C/P	40.00	01/18/2014	DUK2	C/P	40.00	01/18/2014
PGN	C/P	45.00	01/18/2014	DUK2	C/P	45.00	01/18/2014
PGN	C/P	50.00	01/18/2014	DUK2	C/P	50.00	01/18/2014
PGN	C/P	55.00	01/18/2014	DUK2	C/P	55.00	01/18/2014
PGN	C/P	60.00	01/18/2014	DUK2	C/P	60.00	01/18/2014
PGN	C/P	65.00	01/18/2014	DUK2	C/P	65.00	01/18/2014
PGN	C/P	70.00	01/18/2014	DUK2	C/P	70.00	01/18/2014

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.