Exelon

value driven

Exelon Corporation 06 Summary Annual Report

01 Introduction
02 Letter to Shareholders
08 Exelon's Vision Statement and Strategic Direction
10 Value driven to keep the lights on and the gas flowing
12 Value driven to run our nuclear fleet at world-class levels
14 Value driven to capitalize on environmental leadership and clean nuclear energy
16 Value driven to create a challenging and rewarding workplace
18 Value driven to enhance the value of our generation
20 Value driven to build value through disciplined financial management
22 Exelon at a Glance
24 Strategy and Policy Committee
25 Board of Directors
26 Financial Section

"Despite many challenges, we at Exelon have kept our confidence in the future.

> We have an experienced management team, focused on delivering superior operating performance.

> We have a uniquely positioned generation business, one that we expect to drive strong earnings and cash flow.

> We are building healthy, self-sustaining delivery companies, while managing the transition to competitive procurement.

> We have announced a new value return policy that reflects a realignment of our financial policies with the changing composition of our earnings.

> We have announced a 10% dividend increase.

> We are redoubling our effort to promote and support competitive markets.

> We are advancing an environmental strategy that leverages our carbon advantage.

> And we are evaluating a variety of growth opportunities.

In short, I have no magic pills or potions – this is still an uncertain world.

But I do have proven judgment, absolute commitment, a talented team, and what I believe is the best business platform in the industry."

John W. Rowe / December 12, 2006


John W. Rowe
Chairman, President and CEO

To our shareholders

Much has changed this past year, most of it good, some not. In Illinois, Commonwealth Edison won the right to pass through its cost of purchased power to its retail customers, despite a last ditch effort to extend a ten-year rate freeze in the Illinois legislature. While the issue seems likely to arise again, ComEd's success to date is testament to the strength of the wholesale competitive market, the strength of its legal position and the tireless efforts of ComEd's regulatory and legislative teams. In New Jersey, however, we were obliged to walk away from our long-pending merger with PSEG, despite its continuing strategic value, when it became clear that we could not meet the significant financial demands of state regulators and other government officials.

Yet each of these outcomes, seemingly very different, demonstrates the one thing that hasn't changed here at Exelon. We are value driven. The same focus and dedication that gave us a successful resolution of the rate issue in Illinois compelled us to abandon the merger in New Jersey. And the same commitment and determination that resulted in a stellar operating year at Exelon Generation enabled PECO to install a new Common Customer IT system with few complications, while successfully dealing with record peak demands and a very demanding summer storm season. We have never lost sight of our commitment to deliver superior value to you, our shareholders.

And I am very grateful to both the Exelon management team, and our employees, for their dedication and tireless efforts on your behalf.

As evidence of that commitment, Exelon has again reported improved operating earnings for 2006. Thanks primarily to higher generation margins and continued strong operating performance, our 2006 adjusted (non-GAAP) operating earnings were nearly $2.2 billion, or $3.22 per diluted share, a 4 percent increase over comparable earnings in 2005. Over the past six years, our operating earnings have increased by almost 9 percent a year. Exelon's 2006 GAAP earnings were $1.6 billion, or $2.35 per diluted share, reflecting a further impairment charge to ComEd's goodwill, this time arising from an initial unfavorable ruling in last year's delivery service case.*

Our continuing success has again made us the most highly valued company in the industry, with a year-end market capitalization exceeding $41 billion. Our overall stock price rose by 16 percent over the course of the year, from $53.14 on December 30, 2005 to $61.89 on December 29, 2006. And our total return, measured by stock appreciation plus dividend reinvestment, was approximately 20 percent. All in all, our total return over the past five years has been 204 percent, far outstripping the performance of the Philadelphia Utility Index, the S&P 500 Utility Index, and the S&P 500.

And we continue to earn favorable recognition in the media and from industry and civic groups. *Fortune* magazine named Exelon one of America's "Most Admired Companies," and ranked Exelon number one on the electric and gas utilities industry list, for both 2004 and 2005. We were also recently named to the Dow Jones Sustainability North America Index and the Carbon Disclosure Project's Climate Leadership Index. And due to our diversity efforts, the Minority Supplier Development Council of Pennsylvania, New Jersey and Delaware recently named Exelon as the 2006 Corporation of the Year.

Thus, we have kept our commitment to deliver superior value to you, our shareholders, despite our many challenges. I am very proud of all that we have accomplished. And I am very grateful to both the Exelon management team, and our employees, for their dedication and tireless efforts on your behalf.

*The ICC initially granted only $8.3 million of a requested $317 million increase. On rehearing, the ICC increased the grant to nearly $83 million, still well short of our original request. For a complete reconciliation of adjusted (non GAAP) operating earnings to GAAP (accounting principles generally accepted in the United States) earnings, see Exelon's fourth quarter earnings release, issued January 24, 2007, posted on the Investor Relations page at www.exeloncorp.com and included in the 8-K filing with the SEC on that date.

VALUE DRIVEN OPERATIONS

As always, our success begins with superior operating performance, particularly in generation. Our world-class nuclear fleet achieved a 93.9 percent capacity factor for the year and a summer capacity factor record of 98.1 percent. No other nuclear fleet has achieved Exelon's consistent level of excellence in capacity factor over the past six years. Our fossil and hydro fleet likewise ended the year with commercial and equivalent availability factors of 93.5 percent and 95 percent, respectively. This represents the highest commercial availability ever achieved by our fossil units.

Our power marketing team again excelled in turning our operational prowess into commercial success. Despite somewhat lower gas and power prices, and lower load volume, Power Team hedged and optimized our portfolio to again deliver above budget growth and profitability.

Our delivery companies, ComEd and PECO, have kept the lights on and the gas flowing, even when confronted with record demands and abnormal storm activity. They have also continued to improve their overall safety performance, and reached second quartile in customer satisfaction for the first time ever.

Our finance group continues to ensure that Exelon exercises disciplined financial management, and has taken steps to align our financial management policies with the changing profile of the company. We have now adopted a new value return policy, with a base dividend of $1.76 per share (annualized) that will grow modestly over time. In the future, excess cash and/or balance sheet capacity will be returned to shareholders from time to time through share repurchases. Future dividends and share repurchases are subject to the approval of our board of directors.

And lastly, our Business Services Group again improved its overall performance and service levels, delivering quality products and services at the best cost to all Exelon companies.

CHALLENGES

Winston Churchill once observed, "Kites rise highest against the wind – not with it." Although the past year has presented us with a series of challenges, we have risen higher by squarely facing those challenges, squarely disclosing them, and squarely resolving them consistent with our fundamental commitment to shareholder value.

Competition

Last year, we faced serious regulatory and legislative challenges in Illinois as the transition period under the Illinois Restructuring Act came to an end. In January 2006, the Illinois Commerce Commission (ICC) unanimously approved a plan for ComEd to procure power on behalf of its customers through a reverse auction with the new power supply contracts beginning in 2007. The ICC showed great courage approving the auction in the face of vocal political opposition. In September 2006, the first Illinois auction was successfully conducted, resulting in a 22 percent increase in average residential rates. A rate increase was inevitable in the wake of a 20 percent rate reduction in 1997, a nine-year rate freeze and the recent increase in natural gas and oil prices. Even with the increase, customer rates remained lower than cost based rates that were approved in 1995. But not surprisingly, there was a legislative effort to freeze rates at the end of the year, even after ComEd had entered into ICC approved contracts to purchase the power from the auction winners.

Winston Churchill once observed, "Kites rise highest against the wind – not with it."

Fortunately, the effort to extend the freeze failed. But many continue to oppose the auction and the rate increase, and the issue will likely rise again. In the interim, ComEd has taken steps to help its customers manage the impact of the rate increase. The ICC has approved ComEd's residential rate stabilization plan, which allows residential customers the opportunity to phase-in rates, if they choose to do so. ComEd is also proactively taking steps to educate customers on energy efficiency and renewable energy programs and assistance for low-income customers through the ComEd CARE (Customers' Affordable Reliable Energy) program.

Illinois is not alone in revisiting its commitment to competition. Despite the demonstrated improvement in operating performance brought on by competition, and the documented savings to customers, many national advocacy groups are now calling for a return to cost-based regulation. The irony, of course, is that many of today's critics were in the forefront of efforts to inject competition into the industry years ago. And while the early transition to competitive markets was rocky, we have now seen steady progress throughout the Northeast, the Midwest, and particularly in Illinois. We at Exelon are deeply committed to wholesale competition, and in the coming months we intend to redouble our advocacy for the competitive model, at both the federal and state level.

Climate Change

We are also dealing with climate change. We believe that global climate change is real. The scientific evidence strongly suggests that human activity is warming the planet. And we believe that the time to act is now. Exelon has already taken voluntary action to reduce our own greenhouse gas emissions by 8 percent from 2001 levels under the Environmental Protection Agency's Climate Leaders Program. We are also actively advocating the passage of economy-wide mandatory limits at the federal level, both individually and through our association with the National Commission on Energy Policy and the Pew Center on Global Climate Change. We support federal legislation that will impose either a carbon tax or a cap-and-trade system with a safety valve to govern economic impact. With our current nuclear fleet, we are well positioned to provide environmental leadership into a low-carbon energy future. And in the future, we intend to expand our low-carbon resource portfolio around low or no carbon generation, energy efficiency, demand management and renewables.

LOOKING FORWARD

I am often asked what our strategy is. The answer is quite simple. Our strategy is to execute our Vision, in good times and in bad, to protect today's value, and to grow long-term value for the future. In the pages that follow we provide a more detailed look at the Vision, and how its goals drive value, now and in the future.

In sum, I continue to believe that Exelon has the best platform for confronting an uncertain future. We have an exceptional generation business, one well positioned to respond to increasing environmental challenges, and with a demonstrated ability to make money when markets are up, or when they are down. We have a stable and improving delivery business, with a strong commitment to our customers and the communities we serve. And we have the balance sheet and the financial discipline to sustain us.

We also have the Vision and the talent to guide that platform. We know what it takes to be the very best, and we have the proven judgment and the absolute commitment of a seasoned management team to get us there.

And even more fundamentally, we have a bedrock commitment to value, one that will see us through our current and future challenges. We are value driven.

John Rowe

John W. Rowe
Chairman, President and CEO
Exelon Corporation
March 9, 2007

our vision

Exelon will be the best group of electric generation and electric and gas delivery companies in the United States – providing superior value for our customers, employees, investors and the communities we serve.

our goals

- Keep the lights on and the gas flowing
- Run the nuclear fleet at world-class levels
- Capitalize on environmental leadership and clean nuclear energy
- Create a challenging and rewarding workplace
- Enhance the value of our generation
- Build value through disciplined financial management

our values

Safety – for our employees, our customers and our communities

Integrity – the highest ethical standards in what we say and what we do

Diversity – in ethnicity, gender, experience and thought

Respect – trust and teamwork through open and honest communication

Accountability – for our commitments, actions and results

Continuous improvement – stretch goals and measured results

our strategic direction

protect today's value + grow long-term value

protect today's value

- Deliver superior operating performance
- Support competitive markets
- Protect the value of our generation
- Build healthy, self-sustaining delivery companies

grow long-term value

- Take the organization to the next level of performance
- Align our financial management policies with the changing profile of our company
- Rigorously evaluate new growth opportunities
- Advance an environmental strategy that leverages our carbon position

"Our strategy is to execute our Vision, in good times and in bad, to protect today's value, and to grow long-term value for the future."

John W. Rowe

Value driven to keep the lights on and the gas flowing

Protect today's value

First and foremost, we must live up to our commitment to keep the lights on and the gas flowing. Our delivery companies must continue to operate safely, reliably and efficiently, and provide superior service to our customers. They must also secure power supplies for those customers at the best price available in the marketplace.

Grow long-term value

Each of our delivery companies must stand on its own feet. For ComEd, this means opposing rate freeze legislation, seeking regulatory and political solutions that enable it to recover prudently incurred purchased power and delivery service costs, and putting itself on a path to financial health. For PECO, this means maintaining its strong operating and financial performance while preparing for its transition to market in 2011.

Value driven to run our nuclear fleet at world-class levels

Protect today's value

In 2006, Exelon Nuclear performed at world-class levels. We achieved a record summer capacity factor of 98.1 percent, and our fleet-wide annual capacity factor was 93.9 percent, the sixth consecutive year that it has exceeded 92 percent. Our fossil and hydro units also excelled, with commercial availability factors of 93.5 percent and 95 percent, respectively.

Grow long-term value

To assure the continued growth of the nuclear industry, we must sustain and improve our current level of performance, while at the same time taking concrete steps to bolster public confidence in nuclear power through greater disclosure and applying the lessons learned from the tritium incidents. We must also continue to press for the safe and effective storage of spent fuel, and the development of next generation passive designs.

Value driven to capitalize on environmental leadership and clean nuclear energy

Protect today's value

In 2006, Exelon was named to both the Dow Jones Sustainability North American Index and the Carbon Disclosure Project's Leadership Index. We further demonstrated our commitment to environmental leadership through the design and construction of our new corporate headquarters in downtown Chicago. Utilizing existing space, the new facility uses the latest in environmental and sustainable design to provide employees with an inviting space in which they can feel positive about their work environment.

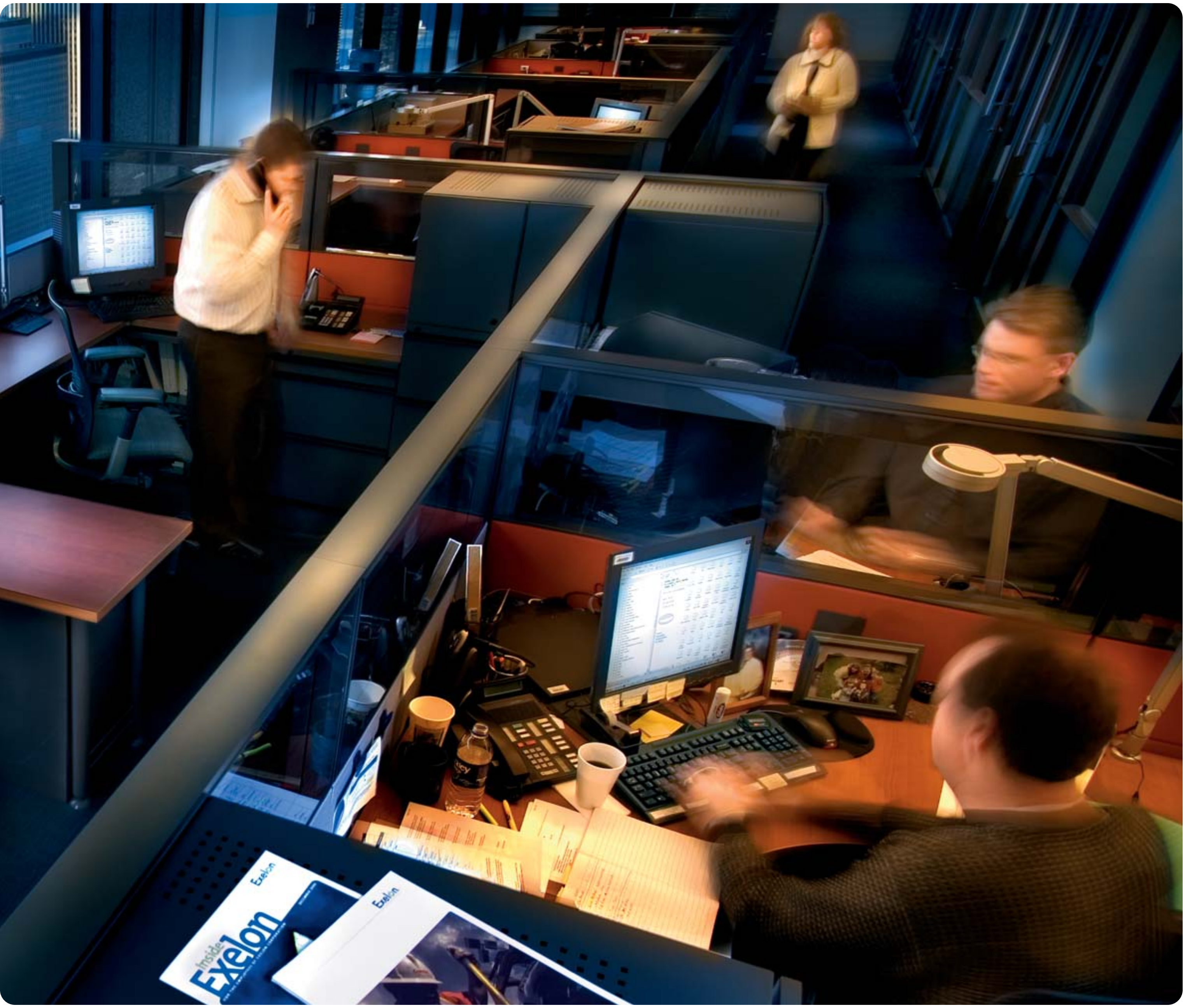
Grow long-term value

As the nation's largest nuclear generator, Exelon is well positioned to provide environmental leadership in a low-carbon energy future. We must leverage that advantage by providing real and measurable environmental benefits that also make good business sense. We have already taken voluntary action to reduce our greenhouse gas emissions, and we are active advocates of mandatory federal greenhouse gas regulation. In the future, we will expand our low-carbon resource portfolio around clean nuclear energy, natural gas, energy efficiency, demand management and renewables.

Value driven to create a challenging and rewarding workplace

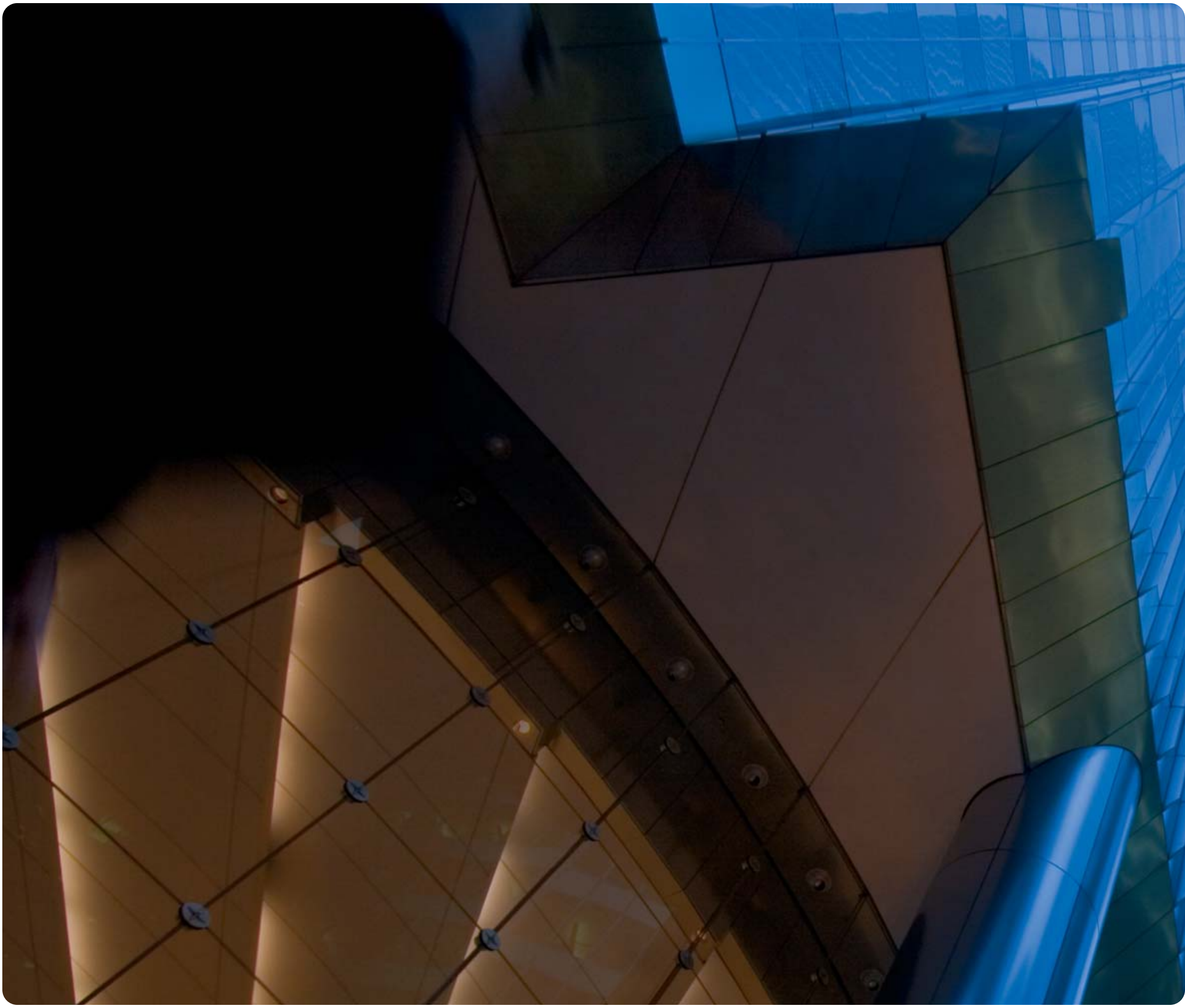
Protect today's value

Exelon is striving to become a high-performance organization with a strong culture of continuous improvement – where each employee strives to do his or her best each day, and the organization provides support and opportunity for diversity and growth. In recognition of our effort, *BusinessWeek* recently named Exelon one of the 50 Best Places to Launch a Career.



Grow long-term value

We must continue our efforts to create an environment that brings out the best in our employees, while attracting, developing and retaining top-notch talent. We will do this by focusing on integrating our values of safety, integrity, diversity, respect, accountability and continuous improvement into a workplace where employees understand how the work they do links to the Vision and to Exelon's strategic direction.



Value driven to enhance the value of our generation

Protect today's value

A significant portion of Exelon's current stock value depends on sustaining market prices for the output of Exelon Generation's unregulated nuclear fleet. To protect the value of that fleet, Exelon Generation must continue to optimize the generation portfolio and appropriately hedge market risk. It must also oppose regulatory or political efforts to regulate generation prices, "claw back" unregulated generation profits, or otherwise hinder its ability to obtain market prices for its power.

Grow long-term value

We are ardent supporters of competitive wholesale markets. We believe that competitive market forces ensure the best value for both customers and investors. As the debate over restructuring and competition continues, we are stepping up our advocacy efforts on a range of issues, including organized markets like PJM and ERCOT and competitive procurement approaches like the Illinois auction.

Value driven to build value through disciplined financial management

Protect today's value

Exelon is transitioning from a more traditional, stable utility to a more cyclical commodity-driven merchant generator with a sizable utility presence. As our business profile changes, its financial characteristics and value proposition to investors also change. We have recently adopted a new value return policy, with a base dividend that will grow modestly over time. In the future, excess cash and/or balance sheet capacity will be returned to shareholders from time to time through share repurchases. Future dividends and share repurchases are subject to the approval of our board of directors.

Grow long-term value

As we look forward, we are dedicated to growing future value by taking the organization to the next level of performance, aligning our financial policies, evaluating new growth opportunities, and advancing our environmental strategy. We must find growth opportunities without sacrificing financial discipline, without getting hung up in protracted approval proceedings and without trading too much of today's earnings for promised future returns. We are open to a variety of opportunities that meet these criteria.

Exelon at a Glance

COMED AND PECO – ENERGY DELIVERY OPERATIONS

In 2006, ComEd and PECO continued sharing best practices in support of Exelon's corporate vision of fulfilling commitments, performing at world-class levels, and building value through disciplined financial management. In this effort, the utilities improved upon their distinguished 2005 safety performance, reached second quartile in customer satisfaction for the first time ever, and performed well during record heat waves and powerful storms.

ComEd

Regulatory activities highlighted ComEd's year, as a nine-year rate freeze ended in January 2007 as part of Illinois' transition to a competitive electric industry. While Illinois' first ever electricity auction resulted in the lowest available market price for electricity, there will be a 24 percent increase on residential customer bills in 2007 due to higher energy and delivery service costs. Still, ComEd rates will remain lower than they were in 1995.

To help customers prepare for new rates, ComEd established the ComEd CARE (Customers' Affordable Reliable Energy) program. This initiative includes an optional residential rate phase in program to pay for the rate increase over time, special programs to assist low-income customers, and an energy efficiency campaign to help customers reduce their energy use and lower their bills. One of this year's highlights was CARE's compact fluorescent light bulb program, which provided ComEd customers deep discounts on more than 1 million energy efficient light bulbs. An additional 200,000 bulbs were distributed free to low-income customers.

Extreme summer weather in ComEd's territory, including two straight days of record demand, stressed the distribution system. ComEd received positive comments from Chicago Mayor Richard M. Daley for its overall performance and response to outages during the heat wave. ComEd also received praise from many customers and area leaders for the utility's restoration efforts following especially destructive storms.

PECO

On Jan. 1, 2006, PECO instituted changes to its electric distribution, competitive transition and generation charges, which increased the bundled residential rate by about 1 cent per kilowatt-hour, or 7.6 percent. The rate changes were part of a 12-year rate plan approved by the Pennsylvania Public Utility Commission in 1997. The competitive transition charge (CTC) and generation charges rose again on Jan. 1, 2007 with no other changes scheduled through 2010 at which time PECO's CTC, which provides a dedicated funding stream for securitization bonds, expires.

For gas customers, lower wholesale costs allowed PECO to reduce its purchased gas cost portion of its overall gas rate in four consecutive quarters. The rate decreases rolled back sharp increases that took effect in 2005 following the Gulf of Mexico hurricanes.

Customer outages associated with storms were more than three times the previous year, and storm-related outages accounted for roughly half of all customer interruptions. PECO's response to the storms was commendable.

One of PECO's most important strategic projects was the completion of a new Customer Information Management System (CIMS), which went live Oct. 16. PECO and ComEd now operate a common platform for account management, billing, and other customer service functions. The implementation involved 350 employees from across PECO, ComEd and Information Technology, and more than 18 months of planning and transfer of data from 70 interfacing systems.

Early in 2006, the U.S. Department of Energy's National Renewable Energy Laboratory recognized the PECO WIND program as the 7th largest utility-sponsored renewable energy program in the country. PECO WIND enrollments grew 55 percent, to more than 34,000 customers over the year, including several municipalities in southeastern Pennsylvania. Purchases through PECO WIND in 2006 had an environmental benefit equal to taking 6,500 cars off the road or planting 7.6 million trees.

By the Numbers

ComEd, with about 5,500 employees, serves 3.8 million electric customers in Chicago and northern Illinois. PECO and its 2,100 employees serve about 1.6 million electric customers and more than 475,000 natural gas customers in Philadelphia and southeastern Pennsylvania. In 2006, ComEd and PECO collectively distributed more than 128,000 gigawatt-hours of electricity to customers. PECO provided more than 76 billion cubic feet of natural gas through approximately 12,000 miles of pipelines.

EXELON GENERATION

Exelon Nuclear, the nation's largest operator of commercial nuclear reactors, continued to perform at world-class levels in 2006. Exelon Nuclear's owned generation produced 131,385,409 megawatt-hours of electricity in 2006, an all-time company record. There are 6,800 nuclear professionals working at Exelon Nuclear. Whether serving at a site or at Exelon Nuclear's headquarters in Warrenville, Ill., these professionals implement industry best practices to ensure safe, reliable operation throughout the fleet. With 10 generating stations and 17 reactors in the Midwest and Mid-Atlantic regions, Exelon Nuclear also achieved a record summer capacity factor of 98.1 percent and an overall capacity factor of 93.9 percent, both well above the industry average. Exelon Nuclear continued its industry leadership in well-executed planned outages, completing 10 refueling outages in an average of 24 days, versus an industry average of 39 days. Exelon Nuclear generation performance was enhanced by continued focus on equipment reliability, resulting in the fleet's best-ever forced loss rate.

Exelon Power's fleet of fossil and hydroelectric units in Illinois, Maryland, Massachusetts, Pennsylvania and Texas provided more than 14,966,280 megawatt-hours of reliable generation in 2006. With 113 units at 23 different sites, Exelon Power can provide more than 8,000 megawatts of safe, efficient and environmentally responsible base load, intermediate, and peak power generation. Over the past few years, Exelon Power has made great strides in optimizing the performance of its units and maintenance programs while continuing to perform safely to provide the company with the right power, at the right time, and at the right price.

Exelon Power Team is the power marketing division of Exelon, whose role it is to manage the risk and maximize the economic value associated with Exelon's electric generating facilities, fuel requirements, emission credits, transmission contracts and load obligations. Power Team's wholesale marketing and transaction efforts are focused on the electricity markets in several regions of the United States: the Mid-Atlantic, the Midwest, the Northeast, the Southwest and Texas. Power Team's retail electric and gas marketing, sales and operations are focused in the Midwest. Power Team's trade floor and headquarters are located in Kennett Square, Pennsylvania, with retail offices in Ohio and Illinois.

EXELON BUSINESS SERVICES COMPANY

Exelon Business Services Company (EBSC) is a direct, wholly owned subsidiary of Exelon Corporation that serves as a strategic partner to provide quality products and services at the best costs for all Exelon companies. EBSC practice areas include Communications, Corporate Governance, Corporate Strategy, Finance, Government & Environmental Affairs and Public Policy, Human Resources, IT, Legal, Real Estate, Supply, Commercial Operations such as accounts payable, payroll and business planning, and Energy Delivery Shared Services.

EBSC has approximately 1,900 employees in Northern Illinois, Pennsylvania and at virtually every Exelon business location, delivering value by providing cost and operating efficiencies, high-quality service, and developing enterprise-wide and organization-specific solutions. EBSC partners closely with Exelon affiliates and external suppliers to leverage technology and economies of scale to improve managing costs, quality and efficiencies.

In 2006, EBSC improved its overall performance and service levels, ranking above industry benchmarks in most areas, including IT service reliability, legal client satisfaction and payroll accuracy, while exceeding demanding cost-savings targets. The company enabled supply chain savings of $70 million, surpassing its aggressive target for the third consecutive year. Importantly, the Diverse Business Enablement program directed $341 million of Exelon's spending on materials and services to minority- and women-owned businesses.

EBSC also implemented a Common Customer System across Exelon Energy Delivery for billing and managing customer information, replacing a legacy application at PECO, and providing more automated controls and processes in accordance with Sarbanes-Oxley requirements. Other highlights include the financial and legal support of Illinois' first auction for procuring wholesale electricity for ComEd.

To continue to provide exceptional service and unparalleled value in 2007, EBSC will focus on providing greater cost transparency and broadening its benchmarking to demonstrate the value of its products and services. It also will support Exelon's environmental leadership by pursuing LEED certification for the corporate headquarters.

Strategy and Policy Committee

John W. Rowe
Chairman, President
and Chief Executive Officer

Frank M. Clark
Chairman and CEO, ComEd

Ian P. McLean
Executive Vice President, Exelon
and President, Power Team

Randall E. Mehrberg
Executive Vice President,
Chief Administrative Officer,
and Chief Legal Officer

Elizabeth A. Moler
Executive Vice President,
Government and Environmental
Affairs and Public Policy

John L. Skolds
Executive Vice President, Exelon
and President, Exelon Energy
Delivery and President, Exelon
Generation

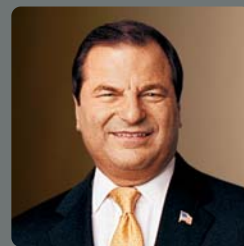
S. Gary Snodgrass
Executive Vice President
and Chief Human
Resources Officer

John F. Young
Executive Vice President,
Finance and Markets,
and Chief Financial Officer

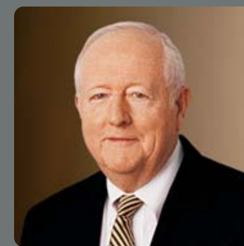
Board of Directors

Edward A. Brennan
Retired Chairman
and Chief Executive Officer,
Sears, Roebuck and Co.

M. Walter D'Alessio
Vice Chairman,
NorthMarq Capital, Inc.



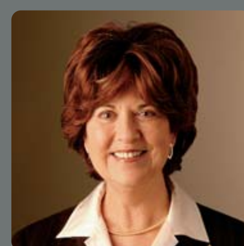
Nicholas DeBenedictis
Chairman, President
and Chief Executive Officer,
Aqua America, Inc.



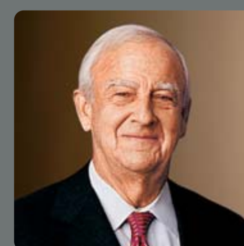
Bruce DeMars
Admiral (Retired),
United States Navy

Nelson A. Diaz
Partner,
Blank Rome LLP

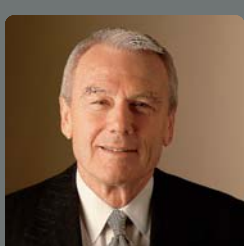
Sue L. Gin
Chairman and
Chief Executive Officer,
Flying Food Group, LLC



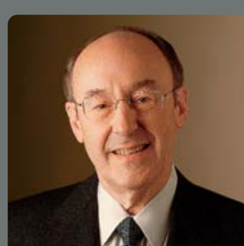
Rosemarie B. Greco
Director,
Office of Health Care Reform,
Commonwealth of Pennsylvania



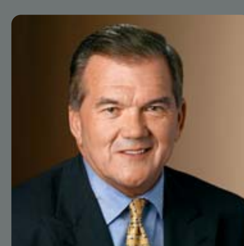
Edgar D. Jannotta
Chairman,
William Blair & Company, LLC



John M. Palms, Ph.D.
Distinguished
President Emeritus,
University of South Carolina

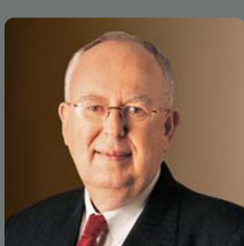


William C. Richardson, Ph.D.
President and
Chief Executive Officer Emeritus,
W. K. Kellogg Foundation



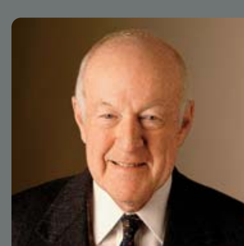
Thomas J. Ridge
Former Secretary,
Department of Homeland
Security, Former Governor
of Pennsylvania

John W. Rogers, Jr.
Chairman and
Chief Executive Officer,
Ariel Capital Management LLC



John W. Rowe
Chairman, President and
Chief Executive Officer,
Exelon Corporation

Ronald Rubin
Chairman and
Chief Executive Officer,
Pennsylvania Real Estate
Investment Trust



Richard L. Thomas
Retired Chairman,
First Chicago NBD Corporation

Financial Section

27 Summary of Earnings and Financial Condition
28 Stock Performance Graph
29 Discussion of Financial Results – Exelon
32 Discussion of Financial Results – by Business Segment

36 Condensed Consolidated Financial Statements:
> Consolidated Statements of Operations
> Consolidated Statements of Cash Flows
> Consolidated Balance Sheets
> Consolidated Statements of Changes in Shareholders’ Equity
> Consolidated Statements of Comprehensive Income

42 Management’s Report on Internal Control Over Financial Reporting

in millions, except for per share data	2006	2005	2004	2003	2002
					For the Years Ended December 31,
Statement of Operations data:					
Operating revenues	$15,655	$15,357	$14,133	$15,148	$14,060
Operating income	3,521	2,724	3,499	2,409	3,280
Income from continuing operations	$ 1,590	$ 951	$ 1,870	$ 892	$ 1,690
Income (loss) from discontinued operations	2	14	(29)	(99)	(20)
Income before cumulative effect of changes in accounting principles	1,592	965	1,841	793	1,670
Cumulative effect of changes in accounting principles (net of income taxes)	–	(42)	23	112	(230)
Net income (a), (b)	$ 1,592	$ 923	$ 1,864	$ 905	$ 1,440
Earnings per average common share (diluted):					
Income from continuing operations	$ 2.35	$ 1.40	$ 2.79	$ 1.36	$ 2.60
Income (loss) from discontinued operations	–	0.02	(0.04)	(0.15)	(0.03)
Cumulative effect of changes in accounting principles (net of income taxes)	–	(0.06)	0.03	0.17	(0.35)
Net income	$ 2.35	$ 1.36	$ 2.78	$ 1.38	$ 2.22
Dividends per common share	$ 1.60	$ 1.60	$ 1.26	$ 0.96	$ 0.88
Average shares of common stock outstanding – diluted	676	676	669	657	649

(a) The changes between 2006 and 2005 and between 2005 and 2004 were primarily due to the goodwill impairment charges of $776 million and $1.2 billion in 2006 and 2005, respectively.
(b) Change between 2004 and 2003 was primarily due to the impairment of Boston Generating, LLC long-lived assets of $945 million in 2003.

in millions	2006	2005	2004	2003	2002
					December 31,
Balance Sheet data:					
Current assets	$ 4,992	$ 4,637	$ 3,880	$ 4,524	$ 4,096
Property, plant and equipment, net	22,775	21,981	21,482	20,630	17,957
Noncurrent regulatory assets	5,808	4,734	5,076	5,564	6,061
Goodwill (a)	2,694	3,475	4,705	4,719	4,992
Other deferred debits and other assets	8,050	7,970	7,867	6,800	5,249
Total assets	$44,319	$42,797	$43,010	$42,237	$38,355
Current liabilities	$ 5,795	$ 6,563	$ 4,836	$ 5,683	$ 5,845
Long-term debt, including long-term debt to financing trusts (c)	11,911	11,760	12,148	13,489	13,127
Noncurrent regulatory liabilities	2,975	2,518	2,490	2,229	1,001
Other deferred credits and other liabilities (b)	13,578	12,743	13,918	12,246	9,968
Minority interest	–	1	42	–	77
Preferred securities of subsidiaries (c)	87	87	87	87	595
Shareholders' equity	9,973	9,125	9,489	8,503	7,742
Total liabilities and shareholders' equity	$44,319	$42,797	$43,010	$42,237	$38,355

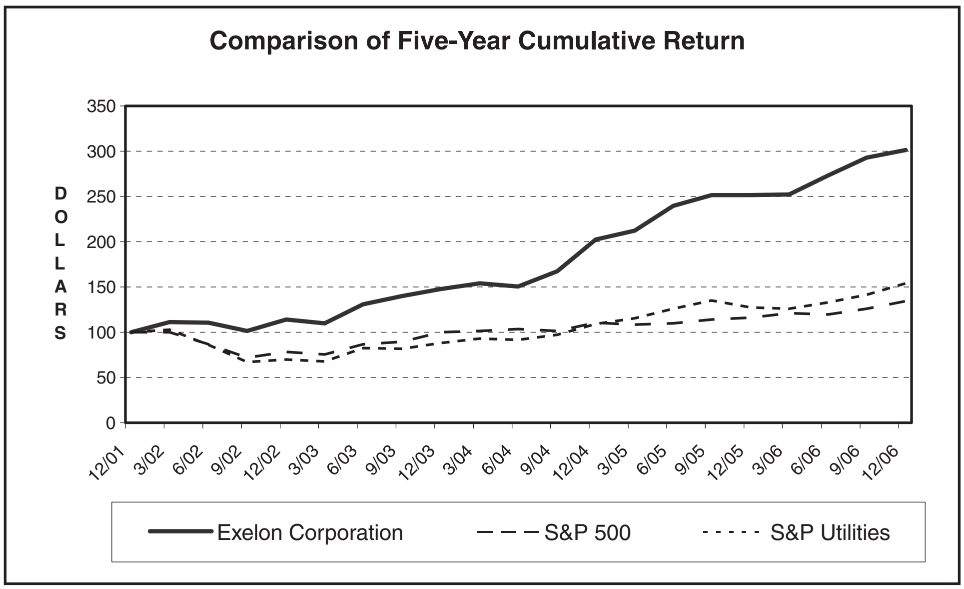
(a) The changes between 2006 and 2005 and between 2005 and 2004 were primarily due to the goodwill impairment charge of $776 million and $1.2 billion in 2006 and 2005, respectively.
(b) Change between 2006 and 2005 was primarily due to the impact of adopting SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)" (SFAS No. 158).
(c) Due to the adoption of Financial Accounting Standards Board (FASB) Interpretation No. (FIN) 46 and FIN 46-R in 2003, the mandatorily redeemable preferred securities of ComEd and PECO were reclassified as long-term debt to financing trusts in 2003.

Stock Performance Graph

The performance graph below illustrates a five year comparison of cumulative total returns based on an initial investment of $100 in Exelon Corporation common stock, as compared with the Standard & Poor's (S&P) 500 Stock Index and the S&P Utility Index for the period 2001 through 2006.

This performance chart assumes:

- $100 invested on December 31, 2001 in Exelon Corporation common stock, in the S&P 500 Stock Index and in the S&P Utility Index; and
- All dividends are reinvested.



	2006	2005	2004	2003	2002	2001
Exelon Corporation	$302.99	$253.08	$203.40	$148.09	$114.04	$100.00
S&P 500	134.96	116.59	111.15	100.27	77.95	100.00
S&P Utilities	154.70	127.89	109.58	88.27	70.06	100.00

Results of Operations

(Dollars in millions, except for per share data, unless otherwise noted)	2006	2005	Favorable (Unfavorable) Variance
Operating revenues	$15,655	$15,357	$ 298
Operating expenses			
Purchased power and fuel	5,232	5,670	438
Operating and maintenance	3,868	3,694	(174)
Impairment of goodwill	776	1,207	431
Depreciation and amortization	1,487	1,334	(153)
Taxes other than income	771	728	(43)
Total operating expenses	12,134	12,633	499
Operating income	3,521	2,724	797
Other income and deductions			
Interest expense	(616)	(513)	(103)
Interest expense to affiliates, net	(264)	(316)	52
Equity in losses of unconsolidated affiliates	(111)	(134)	23
Other, net	266	134	132
Total other income and deductions	(725)	(829)	104
Income from continuing operations before income taxes	2,796	1,895	901
Income taxes	1,206	944	(262)
Income from continuing operations	1,590	951	639
Income from discontinued operations, net of income taxes	2	14	(12)
Income before cumulative effect of a change in accounting principle	1,592	965	627
Cumulative effect of changes in accounting principles	–	(42)	42
Net income	$ 1,592	$ 923	$ 669
Diluted earnings per share	$ 2.35	$ 1.36	$0.99

Net Income. Exelon's net income for 2006 reflects higher realized prices on market sales and increased nuclear output at Generation; a one-time benefit of approximately $158 million to recover previously incurred severance costs approved by the December 2006 amended Illinois Commerce Commission (ICC) rate order; a one-time benefit of approximately $130 million to recover certain costs approved by the July 2006 ICC rate order; a decrease in Generation's nuclear asset retirement obligation resulting from changes in management's assessment of the probabilities associated with the anticipated timing of cash flows to decommission primarily AmerGen Energy Company, LLC (AmerGen) nuclear plants; unrealized mark-to-market gains; increased electric revenues at PECO associated with certain authorized rate increases; and increased kWh deliveries, excluding the effects of weather, reflecting load growth at ComEd and PECO. These increases were partially offset by a $776 million impairment charge associated with ComEd's goodwill; unfavorable weather conditions in both the ComEd and PECO service territories; a charge of approximately $55 million for the write-off of capitalized costs associated with the terminated proposed merger with Public Service Enterprise Group Incorporated (PSEG); increased severance and severance-related charges; losses from investments in synthetic fuel-producing facilities; increased depreciation and amortization expense, including competitive transition charges (CTC) amortization at PECO; and higher operating and maintenance expenses including increased costs associated with storm damage in the PECO service territory, increased nuclear refueling outage costs, increased stock-based compensation expense as a result of adopting FASB Statement No. 123 (revised 2004), “Share-Based Payment” (SFAS No. 123-R), and the impacts of inflation. Exelon’s net income for 2005 reflects an impairment charge of $1.2 billion associated with ComEd’s goodwill; unrealized mark-to-market losses; losses of $42 million for the cumulative effect of adopting FIN 47 “Accounting for Conditional Asset Retirement Obligations” (FIN 47); favorable tax settlements at Generation and PECO; and gains realized on AmerGen’s decommissioning trust fund investments related to changes in the investment strategy.

Operating Revenues. Operating revenues increased primarily due to an increase in wholesale and retail electric sales at Generation due to an increase in market prices; higher nuclear output; electric rate increases at PECO; and higher kWh deliveries at ComEd and PECO, excluding the effects of weather. These increases were partially offset by unfavorable weather conditions in the ComEd and PECO service territories.

Purchased Power and Fuel Expense. Purchased power and fuel expense decreased due to lower volumes of power purchased in the market and decreased fossil generation, partially offset by overall higher market energy prices and higher natural gas and oil prices. Purchased power represented 20% of Generation’s total supply in 2006 compared to 22% for 2005.

Operating and Maintenance Expense. Operating and maintenance expense increased primarily due to a charge of approximately $55 million for the write-off of capitalized costs associated with the terminated proposed merger with PSEG; increased nuclear refueling outage costs; increased severance and severance-related charges; increased stock-based compensation expense as a result of adopting SFAS No. 123-R; and the impacts from inflation. These increases were partially offset by a one-time benefit of $201 million to recover certain costs approved by the ICC’s July 2006 rate order and the ICC’s December 2006 amended rate order; the impact of the reduction in Generation’s estimated nuclear asset retirement obligation; mark-to-market gains associated with Exelon’s investment in synthetic fuel-producing facilities; and a charge for a reserve recorded by Generation in 2005 for estimated future asbestos-related bodily injury claims.

Impairment of Goodwill. During 2006, ComEd recorded a $776 million impairment charge associated with its goodwill primarily due to the impacts of the ICC’s July 2006 rate order. During 2005, in connection with the annually required assessment of goodwill for impairment, ComEd recorded a $1.2 billion charge.

Depreciation and Amortization Expense. Depreciation and amortization expense increased primarily due to additional CTC amortization at PECO and additional plant placed in service.

Taxes Other Than Income. Taxes other than income increased primarily due to a reduction in 2005 of previously established real estate tax reserves at PECO and Generation and a net increase in utility revenue taxes at ComEd and PECO in 2006, partially offset by favorable state franchise tax settlements at PECO in 2006.

Other Income and Deductions. The change in other income and deductions reflects increased interest expense associated with the debt issued in 2005 to fund Exelon’s voluntary pension contribution; higher interest rates on variable rate debt outstanding; higher interest expense on Generation’s one-time fee for pre-1983 spent nuclear fuel obligations to the Department of Energy; an interest payment to the Internal Revenue Service associated with the settlement of a tax matter at Generation; and a one-time benefit of $87 million approved by the ICC’s July 2006 rate order to recover previously incurred debt expenses to retire debt early .

Effective Income Tax Rate. The effective income tax rate from continuing operations was 43.1% for 2006 compared to 49.8% for 2005. The goodwill impairment charges increased the effective income tax rate from continuing operations by 9.7% and 22.3% for 2006 and 2005, respectively. See Note 12 of the Combined Notes to the Consolidated Financial Statements within Exelon’s 2006 Form 10-K for further discussion of the change in the effective income tax rate.

Discontinued Operations. On January 31, 2005, subsidiaries of Generation completed a series of transactions that resulted in Generation's sale of its investment in Sithe. In addition, Exelon has sold or wound down substantially all components of Enterprises. Accordingly, the results of operations and any gain or loss on the sale of these entities have been presented as discontinued operations within Exelon's (for Sithe Energies, Inc. (Sithe) and Exelon Enterprises Company, LLC (Enterprises)) and Generation's (for Sithe) Consolidated Statements of Operations and Comprehensive Income. See Notes 2 and 3 of the Combined Notes to Consolidated Financial Statements within Exelon's 2006 Form 10-K for further information regarding the presentation of Sithe and certain Enterprises businesses as discontinued operations.

The income from discontinued operations decreased by $12 million for 2006 compared to 2005 primarily due to the gain on the sale of Sithe in 2005 partially offset by an adjustment to the gain on the sale of Sithe in 2006 as a result of the expiration of certain tax indemnifications.

Cumulative Effect of Changes in Accounting Principles. The cumulative effect of changes in accounting principles reflects the impact of adopting FIN 47 as of December 31, 2005. See Note 13 of the Combined Notes to Consolidated Financial Statements within Exelon's 2006 Form 10-K for further discussion of the adoption of FIN 47.

Results of Operations by Business Segment

The comparisons of 2006 and 2005 operating results and other statistical information set forth below include intercompany transactions, which are eliminated in Exelon's consolidated financial statements.

Net Income (Loss) from Continuing Operations by Business Segment

	2006	2005	Favorable (Unfavorable) Variance
Generation	$1,403	$1,109	$ 294
ComEd	(112)	(676)	564
PECO	441	520	(79)
Other [(a)]	(142)	(2)	(140)
Total	$1,590	$ 951	$ 639

(a) Other includes corporate operations, shared service entities, including Exelon Business Services Company (BSC), Enterprises, investments in synthetic fuel-producing facilities and intersegment eliminations.

Net Income (Loss) Before Cumulative Effect of Changes in Accounting Principles by Business Segment

	2006	2005	Favorable (Unfavorable) Variance
Generation	$1,407	$1,128	$ 279
ComEd	(112)	(676)	564
PECO	441	520	(79)
Other [(a)]	(144)	(7)	(137)
Total	$1,592	$ 965	$ 627

(a) Other includes corporate operations, shared service entities, including BSC, Enterprises, investments in synthetic fuel-producing facilities and intersegment eliminations.

Net Income (Loss) by Business Segment

	2006	2005	Favorable (Unfavorable) Variance
Generation	$1,407	$1,098	$ 309
ComEd	(112)	(685)	573
PECO	441	517	(76)
Other [(a)]	(144)	(7)	(137)
Total	$1,592	$ 923	$ 669

(a) Other includes corporate operations, shared service entities, including BSC, Enterprises, investments in synthetic fuel-producing facilities and intersegment eliminations.

Results of Operations – Generation

	2006	2005	Favorable (Unfavorable) Variance
Operating revenues	$9,143	$9,046	$ 97
Operating expenses			
Purchased power and fuel	3,978	4,482	504
Operating and maintenance	2,305	2,288	(17)
Depreciation and amortization	279	254	(25)
Taxes other than income	185	170	(15)
Total operating expenses	6,747	7,194	447
Operating income	2,396	1,852	544
Other income and deductions			
Interest expense	(159)	(128)	(31)
Equity in losses of unconsolidated affiliates	(9)	(1)	(8)
Other, net	41	95	(54)
Total other income and deductions	(127)	(34)	(93)
Income from continuing operations before income taxes	2,269	1,818	451
Income taxes	866	709	(157)
Income from continuing operations	1,403	1,109	294
Discontinued operations			
Gain on disposal of discontinued operations	4	19	(15)
Income from discontinued operations	4	19	(15)
Income before cumulative effect of changes in accounting principles	1,407	1,128	279
Cumulative effect of changes in accounting principles	–	(30)	30
Net income	$1,407	$1,098	$ 309

Generation's net income for 2006 compared to 2005 increased due to higher revenue, net of purchased power and fuel expense partially offset by higher operating and maintenance expense, higher depreciation expense, higher interest expense and lower other income. The increase in Generation's revenue, net of purchased power and fuel expense was due to realized revenues associated with forward sales contracts entered into in prior periods which were recognized at higher prices, combined with lower purchased power and fuel expense due to the impact of higher nuclear output. Unlike the energy delivery business, the effects of unusually warm or cold weather on Generation depend on the nature of its market position at the time of the unusual weather. Generation's net income for 2006 and 2005 reflects income from discontinued operations of $4 million and $19 million (after tax), respectively.

Results of Operations – ComEd

.	2006	2005	Favorable (Unfavorable) Variance
Operating revenues	$6,101	$6,264	$(163)
Operating expenses			
Purchased power	3,292	3,520	228
Operating and maintenance	745	833	88
Impairment of goodwill	776	1,207	431
Depreciation and amortization	430	413	(17)
Taxes other than income	303	303	–
Total operating expense	5,546	6,276	730
Operating income (loss)	555	(12)	567
Other income and deductions			
Interest expense, net	(308)	(291)	(17)
Equity in losses of unconsolidated affiliates	(10)	(14)	4
Other, net	96	4	92
Total other income and deductions	(222)	(301)	79
Income (loss) before income taxes and cumulative effect of a change in accounting principle	333	(313)	646
Income taxes	445	363	(82)
Loss before cumulative effect of a change in accounting principles	(112)	(676)	564
Cumulative effect of change in accounting principle	–	(9)	9
Net loss	$ (112)	$ (685)	$ 573

ComEd's decreased net loss in 2006 compared to 2005 was driven by a smaller impairment of goodwill in 2006, lower purchased power expense and one-time benefits associated with reversing previously incurred expenses as a result of the July 2006 and December 2006 ICC rate orders, partially offset by lower operating revenues.

Results of Operations – PECO

	2006	2005	Favorable (Unfavorable) Variance
Operating revenues	$5,168	$4,910	$ 258
Operating expenses			
Purchased power and fuel	2,702	2,515	(187)
Operating and maintenance	628	549	(79)
Depreciation and amortization	710	566	(144)
Taxes other than income	262	231	(31)
Total operating expense	4,302	3,861	(441)
Operating income	866	1,049	(183)
Other income and deductions			
Interest expense, net	(266)	(279)	13
Equity in losses of unconsolidated affiliates	(9)	(16)	7
Other, net	30	13	17
Total other income and deductions	(245)	(282)	37
Income before income taxes and cumulative effect of a change in accounting principle	621	767	(146)
Income taxes	180	247	67
Income before cumulative effect of a change in accounting principle	441	520	(79)
Cumulative effect of a change in accounting principle	–	(3)	3
Net income	441	517	(76)
Preferred stock dividends	4	4	–
Net income on common stock	$ 437	$ 513	$ (76)

PECO's net income in 2006 decreased primarily due to higher CTC amortization and higher operating and maintenance expense, which reflected higher storm costs. Partially offsetting these factors were higher revenues, net of purchased power and fuel expense. Higher net revenues reflected certain authorized electric rate increases, including a scheduled CTC rate increase, partially offset by lower net electric and gas revenues as a result of unfavorable weather relative to the prior year. The increases in CTC amortization expense and CTC rates were in accordance with PECO's 1998 restructuring settlement with the Pennsylvania Public Utility Commission. The increase in CTC amortization expense exceeded the increase in CTC revenues.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Operations

(in millions, except per share data)	For the Years Ended December 31, 2006	2005	2004
Operating revenues	$15,655	$15,357	$14,133
Operating expenses			
Purchased power	2,683	3,162	2,709
Fuel	2,549	2,508	2,220
Operating and maintenance	3,868	3,694	3,700
Impairment of goodwill	776	1,207	–
Depreciation and amortization	1,487	1,334	1,295
Taxes other than income	771	728	710
Total operating expenses	12,134	12,633	10,634
Operating income	3,521	2,724	3,499
Other income and deductions			
Interest expense	(616)	(513)	(471)
Interest expense to affiliates, net	(264)	(316)	(357)
Equity in losses of unconsolidated affiliates	(111)	(134)	(154)
Other, net	266	134	60
Total other income and deductions	(725)	(829)	(922)
Income from continuing operations before income taxes and minority interest	2,796	1,895	2,577
Income taxes	1,206	944	713
Income from continuing operations before minority interest	1,590	951	1,864
Minority interest	–	–	6
Income from continuing operations	1,590	951	1,870
Discontinued operations			
Loss from discontinued operations (net of taxes of $0, $(3) and $(40), respectively)	(2)	(4)	(61)
Gain on disposal of discontinued operations (net of taxes of $2, $6 and $19, respectively)	4	18	32
Income (loss) from discontinued operations	2	14	(29)
Income before cumulative effect of changes in accounting principles	1,592	965	1,841
Cumulative effect of changes in accounting principles (net of income taxes of $0, $(27) and $17, respectively)	–	(42)	23
Net income	$ 1,592	$ 923	$ 1,864
Average shares of common stock outstanding			
Basic	670	669	661
Diluted	676	676	669
Earnings per average common share – basic:			
Income from continuing operations	$ 2.37	$ 1.42	$ 2.83
Income (loss) from discontinued operations	–	0.02	(0.04)
Cumulative effect of changes in accounting principles	–	(0.06)	0.03
Net income	$ 2.37	$ 1.38	$ 2.82
Earnings per average common share – diluted:			
Income from continuing operations	$ 2.35	$ 1.40	$ 2.79
Income (loss) from discontinued operations	–	0.02	(0.04)
Cumulative effect of changes in accounting principles	–	(0.06)	0.03
Net income	$ 2.35	$ 1.36	$ 2.78
Dividends per common share	$ 1.60	$ 1.60	$ 1.26

The information in the Consolidated Statements of Operations shown above is a replication of the information in the Consolidated Statements of Operations in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the Securities and Exchange Commission (SEC). See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Cash Flows

	For the Years Ended December 31,		
(in millions)	2006	2005	2004
Cash flows from operating activities			
Net income	$ 1,592	$ 923	$ 1,864
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion, including nuclear fuel	2,132	1,967	1,933
Cumulative effect of changes in accounting principles (net of income taxes)	–	42	(23)
Impairment charges	894	1,207	11
Deferred income taxes and amortization of investment tax credits	73	493	202
Net realized and unrealized mark-to-market and hedging transactions	(83)	(30)	49
Other non-cash operating activities	197	423	461
Changes in assets and liabilities:			
Accounts receivable	(62)	(279)	(123)
Inventories	(59)	(118)	(60)
Accounts payable, accrued expenses and other current liabilities	67	172	133
Counterparty collateral asset	259	(244)	42
Counterparty collateral liability	172	57	31
Income taxes	69	138	293
Pension and non-pension postretirement benefit contributions	(180)	(2,225)	(580)
Other assets and liabilities	(236)	(379)	165
Net cash flows provided by operating activities	4,835	2,147	4,398
Cash flows from investing activities			
Capital expenditures	(2,418)	(2,165)	(1,921)
Proceeds from nuclear decommissioning trust fund sales	4,793	5,274	2,320
Investment in nuclear decommissioning trust funds	(5,081)	(5,501)	(2,587)
Acquisitions of businesses, net of cash acquired	–	(97)	–
Proceeds from sales of investments, long-lived assets and wholly owned subsidiaries, net of $32 of cash sold during 2005	2	107	381
Change in restricted cash	(9)	21	52
Other investing activities	(49)	(126)	16
Net cash flows used in investing activities	(2,762)	(2,487)	(1,739)
Cash flows from financing activities			
Issuance of long-term debt	1,370	1,788	232
Retirement of long-term debt	(402)	(508)	(1,629)
Retirement of long-term debt to financing affiliates	(910)	(835)	(728)
Issuance of short-term debt	–	2,500	–
Retirement of short-term debt	(300)	(2,200)	–
Change in short-term debt	(685)	500	164
Dividends paid on common stock	(1,071)	(1,070)	(831)
Proceeds from employee stock plans	184	222	240
Purchase of treasury stock	(186)	(362)	(82)
Other financing activities	11	(54)	7
Net cash flows used in financing activities	(1,989)	(19)	(2,627)
Increase (decrease) in cash and cash equivalents	84	(359)	32
Cash and cash equivalents at beginning of period	140	499	467
Cash and cash equivalents at end of period	$ 224	$ 140	$ 499

The information in the Consolidated Statements of Cash Flows shown above is a replication of the information in the Consolidated Statements of Cash Flows in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the SEC. See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Balance Sheets

(in millions)	December 31, 2006	2005
Assets		
Current assets		
Cash and cash equivalents	$ 224	$ 140
Restricted cash and investments	58	49
Accounts receivable, net		
Customer	1,747	1,858
Other	462	337
Mark-to-market derivative assets	1,418	916
Inventories, net, at average cost		
Fossil fuel	300	311
Materials and supplies	431	351
Deferred income taxes	–	80
Other	352	595
Total current assets	4,992	4,637
Property, plant and equipment, net	22,775	21,981
Deferred debits and other assets		
Regulatory assets	5,808	4,734
Nuclear decommissioning trust funds	6,415	5,585
Investments	643	613
Investments in affiliates	167	200
Goodwill	2,694	3,475
Mark-to-market derivative assets	171	371
Other	654	1,201
Total deferred debits and other assets	16,552	16,179
Total assets	$44,319	$42,797

The information in the Consolidated Balance Sheets shown above is a replication of the information in the Consolidated Balance Sheets in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the SEC. See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Consolidated Balance Sheets

(in millions)	December 31, 2006	2005
Liabilities and shareholders' equity		
Current liabilities		
Commercial paper and notes payable	$ 305	$ 1,290
Long-term debt due within one year	248	407
Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust due within one year	581	507
Accounts payable	1,382	1,467
Mark-to-market derivative liabilities	1,015	1,282
Accrued expenses	1,180	1,005
Other	1,084	605
Total current liabilities	5,795	6,563
Long-term debt	8,896	7,759
Long-term debt due to ComEd Transitional Funding Trust and PECO Energy Transition Trust	2,470	3,456
Long-term debt to other financing trusts	545	545
Deferred credits and other liabilities		
Deferred income taxes and unamortized tax credits	5,424	5,078
Asset retirement obligations	3,780	4,157
Pension obligations	747	268
Non-pension postretirement benefits obligations	1,817	1,014
Spent nuclear fuel obligation	950	906
Regulatory liabilities	2,975	2,518
Mark-to-market derivative liabilities	78	522
Other	782	798
Total deferred credits and other liabilities	16,553	15,261
Total liabilities	34,259	33,584
Commitments and contingencies		
Minority interest of consolidated subsidiaries	–	1
Preferred securities of subsidiaries	87	87
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 670 and 666 shares outstanding at December 31, 2006 and 2005, respectively)	8,314	7,987
Treasury stock, at cost (13 and 9 shares held at December 31, 2006 and 2005, respectively)	(630)	(444)
Retained earnings	3,426	3,206
Accumulated other comprehensive loss, net	(1,137)	(1,624)
Total shareholders' equity	9,973	9,125
Total liabilities and shareholders' equity	$44,319	$42,797

The information in the Consolidated Balance Sheets shown above is a replication of the information in the Consolidated Balance Sheets in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the SEC. See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Changes in Shareholders' Equity

(Dollars in millions, shares in thousands)	Issued Shares	Common Stock	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
Balance, December 31, 2003	656,366	$7,347	$ –	$ 2,320	$(1,109)	$ 8,558
Net income	–	–	–	1,864	–	1,864
Long-term incentive plan activity	10,013	307	–	–	–	307
Employee stock purchase plan issuances	309	10	–	–	–	10
Common stock purchases	–	–	(82)	–	–	(82)
Common stock dividends declared	–	–	–	(831)	–	(831)
Adjustments to accumulated other comprehensive loss due to the consolidation of Sithe	–	–	`–	–	(6)	(6)
Other comprehensive loss, net of income taxes of $(190)	–	–	–	–	(331)	(331)
Balance, December 31, 2004	666,688	7,664	(82)	3,353	(1,446)	9,489
Net income	–	–	–	923	–	923
Long-term incentive plan activity	8,862	311	–	–	–	311
Employee stock purchase plan issuances	259	12	–	–	–	12
Common stock purchases	–	–	(362)	–	–	(362)
Common stock dividends declared	–	–	–	(1,070)	–	(1,070)
Other comprehensive loss, net of income taxes of $(127)	–	–	–	–	(178)	(178)
Balance, December 31, 2005	675,809	7,987	(444)	3,206	(1,624)	9,125
Net income	–	–	–	1,592	–	1,592
Long-term incentive plan activity	6,385	313	–	–	–	313
Employee stock purchase plan issuances	280	14	–	–	–	14
Common stock purchases	–	–	(186)	–	–	(186)
Common stock dividends declared	–	–	–	(1,372)	–	(1,372)
Adjustment to initially apply SFAS No. 158, net of income taxes of $773	–	–	–	–	(1,302)	(1,302)
Other comprehensive income, net of income taxes of $1,179	–	–	–	–	1,789	1,789
Balance, December 31, 2006	682,474	$8,314	$(630)	$ 3,426	$(1,137)	$ 9,973

The information in the Consolidated Statements of Changes in Shareholders' Equity shown above is a replication of the information in the Consolidated Statements of Changes in Shareholders' Equity in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the SEC. See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Comprehensive Income

(in millions)	For the Years Ended December 31, 2006	2005	2004
Net income	$1,592	$ 923	$1,864
Other comprehensive income (loss)			
Minimum pension liability, net of income taxes of $674, $3, and $(228), respectively	1,138	10	(392)
Net unrealized gain (loss) on cash-flow hedges, net of income taxes of $368, $(133), and $6, respectively	561	(199)	8
Foreign currency translation adjustment, net of income taxes of $0, $(1), and $1, respectively	–	(3)	1
Unrealized gain on marketable securities, net of income taxes of $137, $4, and $31, respectively	92	14	52
State income tax rate alignment	(2)	–	–
Other comprehensive income (loss)	1,789	(178)	(331)
Comprehensive income	$3,381	$ 745	$1,533

The information in the Consolidated Statements of Comprehensive Income shown above is a replication of the information in the Consolidated Statements of Comprehensive Income in Exelon's 2006 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 149 through 324 of Exelon's 2006 Form 10-K filed with the SEC. See also management's discussion and analysis of financial condition and results of operation, which includes a discussion of critical accounting policies and estimates, on pages 62 through 133 of Exelon's 2006 Form 10-K filed with the SEC.

Management's Report on Internal Control Over Financial Reporting

The management of Exelon Corporation (Exelon) is responsible for establishing and maintaining adequate internal control over financial reporting. Exelon's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Exelon's management conducted an assessment of the effectiveness of Exelon's internal control over financial reporting as of December 31, 2006. In making this assessment, management used the criteria in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, Exelon's management concluded that, as of December 31, 2006, Exelon's internal control over financial reporting was effective.

February 13, 2007

Information Derived from 2006 Form 10-K

We have presented a condensed discussion of financial results, excerpts from our consolidated financial statements and a copy of our Management's Report on Internal Control Over Financial Reporting in this summary annual report. A complete discussion of our financial results and our complete consolidated financial statements, including notes, appears on pages 62 through 324 of our Form 10-K annual report for the year ended December 31, 2006. That annual report was filed with the Securities and Exchange Commission on February 13, 2007 and can be viewed and retrieved through the Commission's web site at *www.sec.gov* or our web site at *www.exeloncorp.com*.

Our independent registered public accounting firm, PricewaterhouseCoopers LLP, issued a report dated February 13, 2007 on their integrated audit of our consolidated financial statements and our internal controls over financial reporting. In their report they expressed an unqualified opinion that those consolidated financial statements present fairly, in all material respects, the financial position of Exelon Corporation and its subsidiaries at December 31, 2006 and 2005 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America. They also expressed an unqualified opinion that Exelon's assessment, included in Management's Report on Internal Controls Over Financial Reporting, that Exelon maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control – Integrated Framework* issued by COSO, is fairly stated, in all material respects. Furthermore, they expressed an unqualified opinion that Exelon maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control – Integrated Framework* issued by the COSO. The full text of PricewaterhouseCoopers LLP's report can be found on pages 150 and 151 of our 2006 Form 10-K.

Certifications

The CEO of Exelon has made the required annual certifications for 2006 to the New York Stock Exchange and the Philadelphia Stock Exchange that Exelon is in compliance with the listing standards of those exchanges. The CEO and CFO have filed with the SEC all required certifications under section 302 of the Sarbanes-Oxley Act of 2002. These certifications are filed as Exhibits 31-1 and 31-2 to Exelon's 2006 Form 10-K.

CORPORATE PROFILE

Exelon Corporation is one of the nation's largest electric utilities with approximately 5.8 million customers and more than $15 billion in annual revenues. The company has one of the industry's largest portfolios of electricity generation capacity, with a nationwide reach and strong positions in the Midwest and Mid-Atlantic. Exelon distributes electricity to approximately 5.4 million customers in Northern Illinois and Pennsylvania and gas to more than 475,000 customers in Southeastern Pennsylvania. Exelon is headquartered in Chicago and trades on the NYSE under the ticker symbol EXC.

INVESTOR AND GENERAL INFORMATION

Corporate Headquarters
Exelon Corporation
P.O. Box 805398
Chicago, IL 60680-5398

Investor Relations
312.394.2345

Independent Public Accountants
PricewaterhouseCoopers LLP

Website
www.exeloncorp.com

New York Stock Exchange Listing
EXC

Shareholder Inquiries
Computershare Trust Company, N.A., is Dividend Disbursing Agent, Dividend Reinvestment Agent and Transfer Agent for all classes of Exelon Corporation Stock.

Should you have questions or requests concerning your account, payment of dividends, the dividend reinvestment plan or transfer of stock, you may call toll-free, 1.800.626.8729. You may also mail your inquiry to Exelon Corporation c/o Computershare Trust Company, N.A., Post Office Box 43069, Providence, RI 02940-3069, www.computershare.com.

The Company had approximately 161,000 holders of record of its common stock as of December 31, 2006.

The 2006 Form 10-K Annual Report to the Securities and Exchange Commission was filed on February 13, 2007. To obtain a copy without charge, write to Katherine K. Combs, Senior Vice President, Corporate Governance, Deputy General Counsel and Corporate Secretary, Exelon Corporation, Post Office Box 805398, Chicago, Illinois 60680-5398.

The Company maintains a telephone information service, which enables shareholders to obtain currently available information on financial performance, company news and shareholder services. To use this service, please call our toll-free number, 1.866.530.8108.

Forward Looking Statements
This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. The factors that could cause actual results to differ materially from these forward-looking statements include those discussed herein as well as those discussed in (1) Exelon Corporation's 2006 Annual Report on Form 10-K in (a) ITEM 1A. Risk Factors, (b) ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and (c) ITEM 8. Financial Statements and Supplementary Data: Note 18; and (2) other factors discussed in filings with the Securities and Exchange Commission (SEC) by Exelon Corporation, Commonwealth Edison Company, PECO Energy Company and Exelon Generation Company, LLC (Companies). Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this presentation. None of the Companies undertakes any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this presentation.

design: Paragraphs Design, Chicago / editor and writer: Jamelyn M. Turano, Exelon Corp. / writers: Ralph E. Loomis and Donna Massey, Exelon Corp. / photos: ©Dimitre Photography / printing: Cenveo/Anderson Lithograph

Exelon Corporation
P.O. Box 805398
Chicago, IL 60680-5398
www.exeloncorp.com

Exelon®