sustainable value

Exelon Corporation 07 Summary Annual Report

On the cover: View from Exelon's Conowingo hydro-electric plant in Darlington, Md. Built in 1928 and situated on the Susquehanna River, it was the second largest hydroelectric project in the United States. Conowingo is the chief PJM resource for restoration of service in the event of a major system loss of electricity. Two fish lifts operated by Exelon have helped more than 1.2 million American Shad fish over the dam to continue their migration up the Susquehanna.

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 2007 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 19; 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.

Exelon today has a market capitalization in excess of $50 billion. The next largest utilities have a capitalization of around $30 billion. That is because:

> We own about 17,000 megawatts of nuclear generation and about 8,600 megawatts of non-nuclear capacity operating in competitive markets.

> Our operating managers have an unparalleled commitment to rigorous processes and continuous improvement.

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

> We have established our corporate structures and mobilized our legal and political teams to protect those market-based rates.

> Our marketing people are suspicious of fads and hardheaded about risks in volatile markets.

> Our plants will become more valuable in a future economy that is constrained both by carbon regulation and capacity limitations.

> We are absolutely committed to the value of your investment with passion, with financial discipline and with our own personal commitment.

John W. Rowe / July 25, 2007


John W. Rowe
Chairman, President and CEO

To our shareholders

2007 was a truly remarkable year. Exelon delivered the substantial increases in both operating and GAAP earnings that the market expected – the latter while bearing the costs of the Illinois settlement. We remain one of the most profitable companies in the industry. Our operating performance improved in both our generation and delivery businesses, led as always by our world-class nuclear program. We successfully navigated a protracted and painful transition to competition in Illinois. In my 24 years as a CEO, I do not recall a better overall performance by a utility.

Through many challenges, we have protected and significantly increased the value with which you have entrusted us. Some of that value already has been returned to you in share repurchases and dividend increases. We remain confident in our ability to protect and grow that value in the years to come. We have the nation's best portfolio of generation assets, a strong record of financial discipline, and one of the most talented management teams in the industry. We are absolutely committed to delivering reliable and affordable service to our customers and superior value to you, our shareholders – in good economic times and bad, in high price environments and low, in favorable regulatory environments and unfavorable. For customers and shareholders alike, Exelon provides sustainable value.

SUSTAINABLE EARNINGS

For the seventh consecutive year, Exelon reported improved operating earnings. Thanks to the end of the market transition period in Illinois, a record year for nuclear output and continued strong wholesale margins, our 2007 adjusted (non-GAAP)* operating earnings totaled $4.32 per share, a 34 percent increase over comparable earnings in 2006. Over the past seven years, Exelon's operating earnings have grown more than 12 percent per year. Our 2007 GAAP earnings were $4.05 per share, a 72 percent increase over 2006.

Our sustained financial performance made Exelon the most highly valued company in the industry. Our year-end market capitalization was almost $54 billion, over $24 billion more than our next largest competitor. Our overall stock price rose by nearly 32 percent during the course of the year, from $61.89 on Dec. 29, 2006 to $81.64 on Dec. 31, 2007. Our total return for 2007, measured by stock appreciation plus dividend reinvestment, was 35 percent. From the completion of the Unicom/PECO merger in October 2000 to the end of 2007, our total return has been 243 percent, significantly outpacing the performance of both the Philadelphia Utility Index (105 percent) and the S&P 500 Index (19 percent).

Our sustained financial performance made Exelon the most highly valued company in the industry

Our accomplishments have again been recognized by a wide array of observers. *Fortune* magazine named Exelon one of America's "Most Admired Companies," and ranked Exelon second on the electric and gas utilities list. We were named to the Dow Jones Sustainability North America Index for the second consecutive year and to the Climate Disclosure Project's Climate Leadership Index for the third consecutive year. The U.S. Green Building Council certified our renovated Chicago headquarters as LEED®-Commercial Interiors Platinum, its highest environmental rating. Our delivery companies were likewise singled out; ComEd recently received the Emergency Recovery Award from the Edison Electric Institute for its response to the "storm of the decade" that hit northeast Illinois in August and PECO's Low-Income Usage Reduction Program was recognized by the American Council for an Energy-Efficient Economy as one of the nation's most exemplary energy efficiency programs. I am personally gratified that our performance led *Institutional Investor* magazine to name me as the industry's top CEO.

The value we have delivered to you is a result of the consistent and disciplined work of the Exelon management team and our employees. They have given us a real opportunity to realize the Exelon Vision: to be the best group of electric generation and electric and gas delivery companies in the United States. I thank all of them for these efforts.

*For a 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 Jan. 23, 2008 posted on the investor relations page at www.exeloncorp.com and included in the 8-K filed with the SEC on that date.

SUSTAINABLE OPERATIONS

Exelon's remarkable performance in 2007 was led by another great year for our generation business. Our world-class nuclear fleet, led by Chris Crane and Chip Pardee, set company records for production (132.3 million net MWh) and capacity factor (94.5 percent). We have achieved a nuclear capacity factor above 93 percent in each of the past five years, a consistent level of excellence unparalleled in our industry. Our renewable and fossil assets performed well under the leadership of Mark Schiavoni. Our hydro fleet maintained a near-record equivalent availability factor (94.7 percent), and our fossil fleet ended the year with a solid 91.2 percent commercial availability factor.

Our power marketing team completed another year of enhancing the value of our generation assets. Despite lower than expected load volume in the east, Ian McLean, Ken Cornew and our Power Team successfully bid into PJM's new Reliability Pricing Model (RPM), met or exceeded our publicly stated hedging goals and tirelessly worked to optimize our portfolio. These steps have helped to secure the value we promise to deliver to you each year.

The value we have delivered to you is a result of consistent and disciplined work of the Exelon management team and our employees

Our delivery companies likewise performed well, although we are still seeking consistent top quartile performance. Under Frank Clark and Barry Mitchell, ComEd achieved its best non-storm outage duration in 10 years and earned both industry recognition and regulatory praise for its response to August's "storm of the decade." PECO recorded better-than-target reliability numbers, including distinguished performance in interruption frequency and managed a very warm summer without significant incident. Denis O'Brien and his team have spent countless hours with Pennsylvania legislators addressing transition to market issues. I remain confident that they will deliver a reasonable solution on this front.

Under the leadership of John Young, our finance group continued to demonstrate the disciplined financial management that has been a hallmark of Exelon's performance. We executed a $1.25 billion accelerated share repurchase in September and announced an additional $500 million repurchase in December. We also have announced that our dividend will increase by 14 percent in 2008. John has left Exelon to assume a CEO position but Ian McLean, Matt Hilzinger and Michael Metzner are committed to maintaining the financial rigor and integrity that you have come to expect.

And last, but certainly not least, our Business Services Company again performed admirably in its role as a provider of low-cost, quality support services. Ruth Ann Gillis and her team continue to ensure that all of the Exelon companies operate with the best resources available.

SUSTAINABLE ENVIRONMENTAL PERFORMANCE

Last year, I wrote about the serious challenge we face as a nation and as a world community in responding to global climate change. The science behind climate change is now compelling – global average temperatures are rising and human activity is a major contributor. We must begin to address the problem now. Unfortunately, there are no easy regulatory or technological solutions.

Exelon has been a leading industry voice for federal enactment of greenhouse gas regulation since 2002. We continue to actively advocate for a mandatory, economy-wide climate program that will begin to address the problem effectively without imposing an impossible financial burden on our customers or the economy as a whole. Betsy Moler and her Washington team press the issue daily, both individually and in cooperation with the National Commission on Energy Policy, the U.S. Climate Action Partnership and the Clean Air Group.

Exelon is well positioned to succeed in a carbon-constrained world

Exelon is well positioned to succeed in a carbon-constrained world by virtue of our world-class nuclear fleet. Yet our advantage poses challenges of its own. The value we derive from carbon regulation will inevitably result from higher electricity prices. Our regulators understand this, and they will demand value in return. They will expect us to lead the industry in building an affordable, reliable, low carbon energy future for our customers. Thus, we must be recognized not merely as a beneficiary of carbon regulation, but as an innovator and problem solver. We must find ways to address energy supply issues in a greener way. And we must do so in a manner that inflicts the least financial burden on our customers.

As a consequence, we have recently initiated a corporate-wide effort to develop a comprehensive sustainability strategy. Our goal must be ambitious – we must reduce, displace or offset a major portion of our carbon footprint by a certain date. First, we will further reduce our own green house gas (GHG) emissions. While we already have one of the lowest emission rates in the country, we are exploring every conceivable opportunity to further improve the efficiency of our buildings, our transportation fleet, our transmission and distribution operations and to make our supply chain a model of low carbon procurement.

Second, we will help our customers reduce their GHG emissions. ComEd already has begun implementing what will become one of the nation's largest energy efficiency programs; PECO currently is working with Pennsylvania legislators to craft similarly reasonable yet bold energy policy.

Third, we will reduce overall GHG emissions in the markets in which we operate. We are rigorously evaluating new low carbon supply sources, including capacity uprates at our existing nuclear plants, new natural gas-fired generation and renewable energy resources like wind. We also continue to pursue the possibility of building a new nuclear facility in Texas. The Board has agreed to fund additional exploration and we plan to submit a combined construction and operating licensing application to the Nuclear Regulatory Commission in 2008.

Our success will inevitably depend upon both economic and political developments. Rising prices for fuel and commodities complicate the industry's ability to deliver affordable electricity, particularly in a time of economic slowdown. We also need enactment of national and regional energy policies that foster, rather than frustrate, an affordable, reliable, low-carbon future. We must have an effective federal loan-guarantee program for the next generation of nuclear plants, a resolution to the nuclear waste storage issue, aggressive financial support of research and development, constructive regulatory partners and a strong commitment to competitive electricity markets.

This last piece – competitive markets and the prices they yield – is particularly critical. Competitive markets are essential to the value of your shares and the needs of our customers. Competition best provides the incentives necessary to build the lowest cost, most reliable, lowest carbon energy infrastructure. To ensure competition's success, we will continue to work with our regulators to develop the most acceptable competitive procurement processes, we will demonstrate that competitive markets best encourage conservation efforts, we will validate PJM's RPM structure by building new supply resources and we will increase our activity in competitive retail products.

"There is no security on this earth, there is only opportunity"

MOVING AHEAD

After a noteworthy year like 2007, I am reminded that General Douglas MacArthur once said, "There is no security on this earth, there is only opportunity." At Exelon, we see our situation in the same light. We have performed well, we have met your high expectations, but we move forward with the constant knowledge that you expect us to turn tomorrow's challenges and opportunities into real value.

We have the assets, skills and team to deliver sustainable value to you for years to come. Our assets have us prepared to excel in a carbon-constrained world. Our financial management skills will allow us to make difficult, yet well-informed decisions as we look to build a new generation of power plants and improve the performance of our delivery affiliates. Our management team will work tirelessly to protect and grow your value, whether through defending competitive markets, growing and sustaining superior performance, or hedging the many risks that face our businesses.

Our Vision is unwavering – we are determined to be the best.

John Rowe

John W. Rowe
Chairman, President and CEO
Exelon Corporation
March 10, 2008

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

> Advance competitive markets

> Protect the value of our generation

> Build healthy, self-sustaining delivery companies

grow long-term value

> Drive the organization to the next level of performance

> Set the industry standard for low carbon energy generation and delivery through reductions, displacement and offsets

> Pursue and rigorously evaluate new growth opportunities

"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

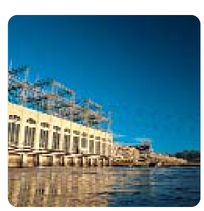
Sustainable portfolio

A low-carbon future requires low-carbon energy. No company is better positioned to meet this growing demand than Exelon. We are the fourth largest generation company in the country, yet we release carbon emissions at a fraction of any other company in the top 10.

It starts with Exelon's best-in-class nuclear fleet, the largest in the nation, producing enough energy to power 11.5 million homes with virtually no greenhouse gas emissions. We continue to extract more energy from these plants through operational improvements that have doubled the fleet's capacity factor in the last 10 years.

Exelon is also deeply invested in alternative energy. We are the largest marketer of wind-generated electricity east of the Mississippi River and own the second largest landfill gas facility in the country. Our hydroelectric facilities can generate more than 1,600 megawatts of electricity. We are investing in solar energy, as well, through a 20-year power purchase agreement with the fourth largest solar generation project in the U.S.

In short, Exelon has optimal generation assets for a carbon-constrained world. We are an energy company completely aligned for the coming low-carbon revolution.

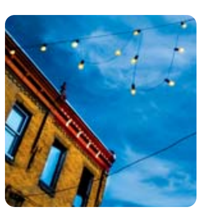



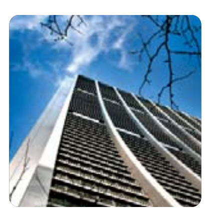

Sustainable products & services

Public concern about climate change is bringing new demand for environmentally friendly products and services - and Exelon is leading the way. Exelon Generation, for example, is now a key broker in the emerging market for renewable energy credits (RECs). Exelon's renewable energy portfolio includes wind, landfill, municipal solid waste and hydro-electric generation.

Empowering customers to make environmentally conscious choices is at the heart of the PECO Wind program, which enables customers to purchase renewable energy. And ComEd and PECO together make Exelon a national leader in implementing demand-side management, real-time pricing and advanced meters so customers can more strategically manage their energy use.

Innovation – above all else – is the key to solving the climate change problem. Exelon will continue to seek out new opportunities to put innovation to work for our climate, our customers and our shareholders. It's what we do best.



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Sustainable communities

Exelon is a valued corporate citizen in the communities we serve. Helping customers reduce their carbon footprint is an essential part of that role. ComEd and PECO are helping customers with everything from discounts on CFL bulbs to energy audits and real time pricing programs.

Exelon also leads by example. We are on pace to surpass the voluntary eight percent reduction in emissions we set for ourselves back in 2005 under the EPA's Climate Leader program. We intend to establish even more aggressive carbon reduction targets for the future. Our recently renovated headquarters in Chicago is the largest LEED Platinum certified renovation in the world and has reduced our electricity consumption in that building by 50 percent. We have done enormous work in restoring natural habitats on our utility rights of way and around our generation facilities. We are promoting efficiency in schools throughout our service communities and we've funded and designed the solar-powered Exelon Pavilion in Chicago's Millennium Park. Exelon has been named to the 2007-08 Dow Jones Sustainability North America Index for our economic, social and environmental performance. And for the third consecutive year, the Carbon Disclosure Project has named us to the Climate Leadership Index.

CARE

CUSTOMERS' RELIABLE AFFORDABLE ENERGY

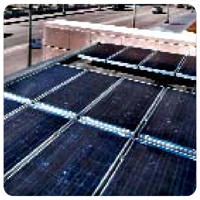
Sustainable future

Addressing climate change will be the next great global industry. Our low-carbon strategy is not only good for the planet, it's good for our business. It creates shareholder value by using our resources more efficiently, improving our relationship with regulators, responding to market demands and strengthening public goodwill.

Preparing for the future is also about strong advocacy for the right policy outcomes. If the country is serious about climate change, nuclear energy will need to be part of the solution. Exelon will aggressively advocate for national and regional policies to encourage the continued and extended operation of existing plants as well as the construction of new plants.

We will also continue to champion mandatory, economy-wide carbon regulation and competitive markets as the most effective tools to foster positive action on climate change. And we will continue to improve our own operations, setting ever more aggressive standards of efficiency for our customers and ourselves. Through a comprehensive low carbon strategy and results-driven leadership, Exelon will continue to deliver superior value to our customers, investors, employees and the communities we serve.






ComEd.
An Exelon Company
hybrid
DIESEL FUEL ONLY

Exelon at a Glance

COMED AND PECO

Midway through 2007, the political and regulatory environments in Illinois and Pennsylvania required a change to the way ComEd and PECO operated. Although a re-organization left the two companies operating separately, they continue to learn from each other to improve operations and common processes within each utility and across the companies in support of Exelon's corporate vision.

ComEd

In January 2007, electric rates increased for the first time since 1997, when residential rates were frozen and reduced by 20 percent as a result of a state restructuring law. The rate increase was primarily due to higher energy costs, which had risen substantially over the past decade. Six months later, legislation was passed in Illinois that reflects a settlement agreement between ComEd, Exelon Generation and other utilities and generators in the state for a comprehensive, multi-year $1 billion rate-relief package.

ComEd restored power to 630,000 customers in August following the worst storm in a decade. This series of storms was the most severe to hit the area since a March 1998 ice storm interrupted service to 865,000 customers. ComEd crews restored service to 90 percent of affected customers within 48 hours.

Construction on the West Loop Project - the largest and most complex project in ComEd's history - reached the 50 percent completion point in 2007. The 2008 in-service development, which will feature power lines running under the Chicago River, is an ambitious effort to improve reliability by expanding the transmission system in Chicago's central business district and transforming it from a radial to a state-of-the-art network system.

ComEd's CARE (Customers' Affordable Reliable Energy) Discount CFL Bulb Program, which distributed 1 million CFLs in 2007 to help the U.S. phase out incandescent bulbs, was the largest privately funded energy efficiency lighting promotion in the Midwest. This effort will save about 33 million pounds of carbon dioxide per year that would have otherwise been emitted by traditional bulbs, the equivalent annual emissions of about 2,850 cars.

PECO

Throughout much of 2006 and into 2007, PECO's entire operation underwent a Pennsylvania Public Utility Commission (PAPUC) management audit. Independent auditors conducted hundreds of interviews and reviewed thousands of pages of documents before issuing a favorable report in August. The auditors noted that they were impressed with many of the actions that PECO had undertaken over the last several years, such as automated meter reading implementation, outsourcing of fleet vehicle maintenance, and shifting to supplier-owned, just-in-time inventory and other efficiencies gained in its purchasing and materials management. PAPUC regulations require a comprehensive management audit of utilities every five to eight years.

In April, the U.S. Department of Energy's National Renewable Energy Laboratory announced that PECO WIND was once again one of the nation's top 10 green power programs for enrollment.

Another important project implemented in 2007 was an option that dramatically reduces wait times on the telephone for customers who need to speak with a customer service representative.

With the onset of cold weather, PECO's 480,000 natural gas customers enjoyed a nearly four percent rate cut in supply charges. In the meantime, PECO's rates for natural gas delivery remained unchanged for the twentieth year in a row.

In 2007, PECO made significant upgrades to its natural gas delivery system and expanded capacity to serve about 7,000 new customers each year – all without increasing delivery and service charges, and keeping costs below the rate of inflation.

By the Numbers

ComEd, with about 5,900 employees, serves approximately 3.8 million electric customers in Chicago and northern Illinois. PECO and its 2,300 employees serve about 1.6 million electric customers and approximately 480,000 natural gas customers in Philadelphia and southeastern Pennsylvania. In 2007, ComEd and PECO collectively distributed more than 133,000 gigawatt-hours of electricity to customers. PECO provided more than 86.5 million cubic feet of natural gas through approximately 12,000 miles of pipelines.

EXELON GENERATION

Exelon Nuclear

Exelon Nuclear, the nation's largest operator of commercial nuclear reactors, continued to perform at world-class levels in 2007. Exelon-operating fleet achieved an average capacity factor of 94.5 percent in 2007, its all-time record and the fifth consecutive year over 93 percent. During the summer months, when demand is the highest, Exelon Nuclear achieved a capacity factor of 97.4 percent.

The company's 6,700 nuclear professionals implemented industry-best practices to ensure safe, reliable operation throughout the fleet.

Exelon Nuclear operates 10 generating stations and 17 reactors in the Midwest and Mid-Atlantic regions, which produced 132.3 million megawatt-hours of electricity in 2007, the highest annual production ever for the Exelon-operated nuclear fleet. That's enough electricity to steadily supply more than 15 million American homes.

The company also announced its intention to file an application for a combined construction and operating license for a possible new nuclear plant in Victoria County, Texas. The application is to be filed with the Nuclear Regulatory Commission in September 2008, although Exelon has not decided to build the plant.

Exelon Power

Exelon Power's fleet of fossil and renewable fuel units in Illinois, Maryland, Massachusetts, Pennsylvania and Texas provided more than 13.6 million gross megawatt-hours of reliable generation in 2007. With 105 units at 23 different sites, Exelon Power can provide more than 7,500 megawatts of safe, efficient and environmentally responsible base load, intermediate load, 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

Exelon Power Team is the power marketing division of Exelon, whose role is to manage the risk and maximize the economic value associated with Exelon's electric generating facilities, power purchase agreements, 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 trading floor and headquarters are located in Kennett Square, Pennsylvania.

Exelon Energy markets electricity and natural gas to retail customers in the Midwest. Exelon Energy has offices in Illinois, Ohio and Pennsylvania.

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 lowest cost 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, and Commercial Operations such as accounts payable, payroll and business planning.

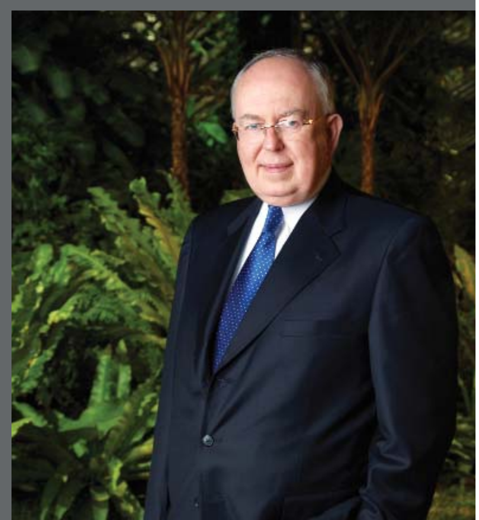
EBSC has approximately 1,600 employees in Northern Illinois, Pennsylvania and at virtually every Exelon business location, delivering value by providing cost and operating efficiencies, high-quality service, and developing enterprise-wide and organization-specific solutions.

In 2007, EBSC improved its overall performance and service levels. IT ranked very high for service reliability compared to industry benchmarks. Legal identified 35 outside firms as preferred service providers, negotiating significant fee discounts. A payroll system upgrade completed in 2007, laid the foundation for a multi-year human resources technology strategy aimed at improved data sharing and streamlining processes throughout Exelon.

The company enabled supply chain savings of $70 million, surpassing its aggressive target for the fourth consecutive year. Importantly, the Diverse Business Enablement program directed $475 million of Exelon's spending on materials and services to minority- and women-owned businesses.

EBSC supported Exelon's environmental leadership by achieving U.S. Green Building Council LEED-CI certification for Chase Tower in Chicago and achieving its highest LEED standard of Platinum LEED-CI. Exelon's space within Chase Tower is the largest Platinum LEED-CI space in the world.

Strategy and Policy Committee



TOP LEFT

William A. Von Hoene, Jr.
Executive Vice President and General Counsel

Andrea L. Zopp
Executive Vice President and Chief Human Resources Officer

TOP RIGHT

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

Denis P. O'Brien
Executive Vice President, President and CEO PECO, Energy

Ian P. McLean
Executive Vice President, Finance and Markets, Exelon

BOTTOM LEFT

Frank M. Clark
Chairman and CEO, ComEd

Ruth Ann M. Gillis
Executive Vice President, President, Exelon Business Services Company

Christopher M. Crane
Executive Vice President, COO, Exelon Generation

BOTTOM RIGHT

John W. Rowe
Chairman, President and Chief Executive Officer

Board of Directors

TOP LEFT

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

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

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

Stephen D. Steinour
President
Citizens Financial Group

TOP RIGHT

John W. Rowe
Chairman, President and
Chief Executive Officer

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

BOTTOM LEFT

Paul L. Joskow
President
Alfred P. Sloan Foundation

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

BOTTOM MIDDLE (TOP ROW)

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

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

BOTTOM MIDDLE (BOTTOM ROW)

Don Thompson
President
McDonald's USA

BOTTOM RIGHT

Bruce DeMars
Admiral (Retired),
United States Navy

Nelson A. Diaz
Of Counsel,
Cozen O'Connor

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

Not pictured
Edward A. Brennan
Retired Chairman and
Chief Executive Officer,
Sears, Roebuck and Co.
(Passed away December 27, 2007)

Financial Section

Summary of Earnings and Financial Condition

in millions, except for per share data	2007	2006	2005	2004	2003
					For the Years Ended December 31,
Statement of Operations data:					
Operating revenues	$18,916	$15,655	$15,357	$14,133	$15,148
Operating income	4,668	3,521	2,724	3,499	2,409
Income from continuing operations	$ 2,726	$ 1,590	$ 951	$ 1,870	$ 892
Income (loss) from discontinued operations	10	2	14	(29)	(99)
Income before cumulative effect of changes in accounting principles	2,736	1,592	965	1,841	793
Cumulative effect of changes in accounting principles (net of income taxes)	–	–	(42)	23	112
Net income [(a), (b)]	$ 2,736	$ 1,592	$ 923	$ 1,864	$ 905
Earnings per average common share (diluted):					
Income from continuing operations	$ 4.03	$ 2.35	$ 1.40	$ 2.79	$ 1.36
Income (loss) from discontinued operations	0.02	–	0.02	(0.04)	(0.15)
Cumulative effect of changes in accounting principles (net of income taxes)	–	–	(0.06)	0.03	0.17
Net income	$ 4.05	$ 2.35	$ 1.36	$ 2.78	$ 1.38
Dividends per common share	$ 1.76	$ 1.60	$ 1.60	$ 1.26	$ 0.96
Average shares of common stock outstanding – diluted	676	676	676	669	657

(a) The changes between 2007 and 2006; 2006 and 2005; and 2005 and 2004 were primarily due to the impact of 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	2007	2006	2005	2004	2003
					December 31,
Balance Sheet data:					
Current assets	$ 5,051	$ 4,992	$ 4,637	$ 3,880	$ 4,524
Property, plant and equipment, net	24,153	22,775	21,981	21,482	20,630
Noncurrent regulatory assets	5,133	5,808	4,734	5,076	5,564
Goodwill [(a)]	2,625	2,694	3,475	4,705	4,719
Other deferred debits and other assets	8,932	8,050	7,970	7,867	6,800
Total assets	$45,894	$44,319	$42,797	$43,010	$42,237
Current liabilities	$ 5,995	$ 5,795	$ 6,563	$ 4,836	$ 5,683
Long-term debt, including long-term debt to financing trusts	11,965	11,911	11,760	12,148	13,489
Noncurrent regulatory liabilities	3,301	3,025	2,518	2,490	2,229
Other deferred credits and other liabilities	14,409	13,494	12,743	13,918	12,246
Minority interest	–	–	1	42	–
Preferred securities of subsidiary	87	87	87	87	87
Shareholders' equity	10,137	10,007	9,125	9,489	8,503
Total liabilities and shareholders' equity	$45,894	$44,319	$42,797	$43,010	$42,237

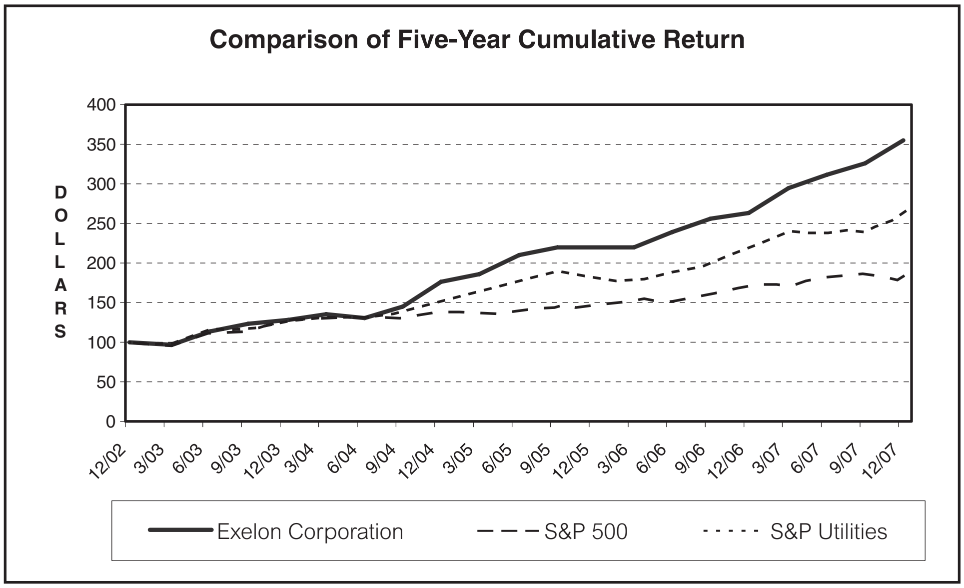
(a) The changes between 2006 and 2005 and between 2005 and 2004 were primarily due to the impact of the goodwill impairment charge of $776 million and $1.2 billion in 2006 and 2005, respectively

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 2002 through 2007.

This performance chart assumes:

- $100 invested on December 31, 2002 in Exelon Corporation common stock, in the S&P 500 Stock Index and in the S&P Utility Index; and
- All dividends are reinvested.



	Value of Investment at December 31,					
	2002	2003	2004	2005	2006	2007
Exelon Corporation	$100.00	$129.85	$178.35	$221.91	$265.68	$358.84
S&P 500	100.00	128.63	142.58	149.57	173.14	182.63
S&P Utilities	100.00	126.00	156.42	182.55	220.82	263.52

Results of Operations

(Dollars in millions, except for per share data, unless otherwise noted)	2007	2006	Favorable (Unfavorable) Variance
Operating revenues	$18,916	$15,655	$ 3,261
Operating expenses			
Purchased power and fuel	7,642	5,232	(2,410)
Operating and maintenance	4,289	3,868	(421)
Impairment of goodwill	–	776	776
Depreciation and amortization	1,520	1,487	(33)
Taxes other than income	797	771	(26)
Total operating expenses	14,248	12,134	(2,114)
Operating income	4,668	3,521	1,147
Other income and deductions			
Interest expense	(647)	(616)	(31)
Interest expense to affiliates, net	(203)	(264)	61
Equity in losses of unconsolidated affiliates	(106)	(111)	5
Other, net	460	266	194
Total other income and deductions	(496)	(725)	229
Income from continuing operations before income taxes	4,172	2,796	1,376
Income taxes	1,446	1,206	(240)
Income from continuing operations	2,726	1,590	1,136
Income from discontinued operations, net of income taxes	10	2	8
Net income	$ 2,736	$ 1,592	$ 1,144
Diluted earnings per share	$ 4.05	$ 2.35	$ 1.70

Net Income. Exelon's net income for 2007 increased due to the impact of a $776 million impairment charge in 2006 associated with ComEd's goodwill; higher average margins on Generation's wholesale market sales primarily due to the end of the below-market price power purchase agreement (PPA) with ComEd at the end of 2006; increased nuclear output at Generation reflecting fewer outage days; increased transmission revenues at ComEd; increased rates for delivery services at ComEd; favorable weather conditions in the ComEd and PECO service territories; increased delivery volume, excluding the effects of weather, at ComEd and PECO; income associated with the termination of Generation's PPA with State Line; a favorable PJM Interconnection, LLC (PJM) billing settlement with PPL Electric (PPL); decreased nuclear refueling outage costs; incremental storm costs in 2006 associated with storm damage in the PECO service territory; gains realized on decommissioning trust fund investments related to changes in the investment strategy; favorable income tax benefit associated with Exelon's method of capitalizing overhead costs; increased earnings associated with synthetic fuel-producing facilities; the reduction in the reserve related to the successful Pennsylvania Public Utility Realty Tax Act of March 4, 1971, as amended (PURTA) tax appeal at PECO; and a charge in 2006 associated with the termination of the proposed merger with Public Service Enterprise Group Incorporated (PSEG). These increases were partially offset by decreased energy margins at ComEd due to the end of the regulatory transition period; unrealized mark-to-market losses on contracts not yet settled; the impact of the settlement agreement reached by Generation, ComEd, and other generators and utilities in Illinois (Settlement); a loss associated with Generation's tolling agreement with Georgia Power related to the contract with Tenaska Georgia Partners, LP (Tenaska); a greater reduction in 2006 compared to 2007 in Generation's nuclear decommissioning obligation related to the AmerGen Energy Company, LLC (AmerGen) nuclear plants; the impact of inflationary cost pressures; increased pension and non-pension postretirement benefits expense; increased uncollectible accounts expense at ComEd and PECO; incremental storm costs associated with storm damage in the ComEd service territory; a charitable contribution of $50 million to the Exelon Foundation; increased amortization expense related to scheduled competitive transition charges (CTC) amortization at PECO; costs associated with the possible construction of a new nuclear plant in Texas; benefits in 2006 of approximately $288 million to recover certain costs by the Illinois Commerce Commission (ICC) rate orders; and the impact of favorable tax settlements at PECO in 2006.

Operating Revenues. Operating revenues increased due to an increase in wholesale and retail electric sales at Generation resulting from higher volumes of generation sold to the market at higher prices as a result of the expiration of the ComEd PPA at the end of 2006; income associated with the termination of Generation's PPA with State Line; the impact of rate changes and mix at ComEd due to the end of the rate freeze and the implementation of market-based rates for electricity; increased transmission revenues at ComEd resulting from the 2007 transmission rate case; increased rates for delivery services at ComEd; favorable weather conditions in the ComEd and PECO service territories; higher delivery volumes, excluding the effects of weather, at ComEd and PECO; and authorized electric generation rate increases under the 1998 restructuring agreement at PECO. These increases were partially offset by the impact of the Settlement; more non-residential customers at ComEd electing to purchase electricity from a competitive electric generation supplier; costs associated with ComEd's settlement agreement with the City of Chicago; and the expiration of certain wholesale contracts at ComEd.

Purchased Power and Fuel Expense. Purchased power and fuel expense increased due to higher market energy prices; unrealized mark-to-market losses on contracts not yet settled; a loss associated with Generation's tolling agreement with Georgia Power related to a contract with Tenaska; higher prices for electricity purchased by ComEd; and favorable weather conditions in the ComEd and PECO service territories. Purchased power represented 20% of Generation's total supply for 2007 and 2006. The increases in purchase power and fuel expense were partially offset by a favorable PJM billing settlement with PPL; more non-residential customers at ComEd electing to purchase electricity from a competitive electric generation supplier; and the expiration of certain wholesale contracts at ComEd. In 2007, as a result of the ICC-approved reverse-auction process, ComEd began procuring electricity, including ancillary services, under its supplier forward contracts from PJM-administered wholesale electricity markets.

Operating and Maintenance Expense. Operating and maintenance expense increased primarily due to increased pension and non-pension postretirement benefits expense; the impact of inflationary cost pressures; a greater reduction in 2006 compared to 2007 in Generation's nuclear decommissioning obligation related to the AmerGen nuclear plants; increased uncollectible accounts expense at ComEd and PECO; incremental storm costs associated with storm damage in the ComEd service territory; a charitable contribution of $50 million to the Exelon Foundation; new nuclear site development costs for the evaluation and development of a new nuclear generating facility in Texas; increased tax consulting fees; and benefits of $201 million recorded at ComEd in 2006 as a result of the 2006 ICC rate orders. These increases were partially offset by a decrease in nuclear refueling outage costs associated with the fewer planned refueling outage days during 2007 compared to 2006; incremental storm costs in 2006 associated with storm damage in the PECO service territory; and a charge recorded in 2006 of approximately $55 million for the write-off of capitalized costs associated with the now terminated proposed merger with PSEG.

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.

Depreciation and Amortization Expense. Depreciation and amortization expense increased primarily due to scheduled CTC amortization at PECO and additional plant placed in service across Exelon. These increases were partially offset by lower amortization related to investments in synthetic fuel-producing facilities.

Taxes Other Than Income. Taxes other than income increased primarily due to an increase in utility taxes resulting from higher utility revenues at PECO and the impact of favorable tax settlements at PECO in 2006. These increases were partially offset by a reduction in the reserve related to the successful PURTA tax appeal at PECO.

Other Income and Deductions. The change in other income and deductions reflects interest income related to the favorable PJM billing settlement with PPL; a gain related to the sale of investments by Generation; income and gains associated with nuclear decommissioning trust funds, net of other than temporary impairments, primarily associated with changes in Generation's investment strategy; benefits of $87 million recorded by ComEd in 2006 as a result of the 2006 ICC rate order; and earnings associated with investments in synthetic fuel-producing facilities.

Effective Income Tax Rate. The effective income tax rate was 34.7% for 2007 compared to 43.1% for 2006. The 2007 rate decreased, as compared with 2006, primarily due to ComEd's non-deductible goodwill impairment charge in 2006 which increased the rate by 9.7% and a decrease of state tax expense in 2007 of 1.5% due to a tax restructuring to allow utilization of separate company losses for state income tax purposes, partially offset by a reduction in synthetic fuel credits of 1.7% in 2007 caused by an increase in the phase-out due to higher oil prices, and other changes amounting to 1.1%. See Note 12 of the Combined Notes to Consolidated Financial Statements within Exelon's 2007 Form 10-K for further details of the components of the effective income tax rates and discussion on the investments in synthetic fuel-producing facilities.

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 Energies, Inc (Sithe). In addition, Exelon has sold or wound down substantially all components of Exelon Enterprises Company, LLC (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 and Enterprises) and Generation's (for Sithe) Consolidated Statements of Operations. See Notes 2 and 3 of the Combined Notes to Consolidated Financial Statements within Exelon's 2007 Form 10-K for further information regarding the presentation of Sithe and certain Enterprises businesses as discontinued operations.

Results of Operations by Business Segment

The comparisons of 2007 and 2006 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

	2007	2006	Favorable (Unfavorable) Variance
Generation	$2,025	$1,403	$ 622
ComEd	165	(112)	277
PECO	507	441	66
Other [(a)]	29	(142)	171
Total	$2,726	$1,590	$1,136

(a) Other primarily includes corporate operations, Exelon Business Service Company, LLC (BSC), investments in synthetic fuel-producing facilities and intersegment eliminations.

Net Income (Loss) by Business Segment

	2007	2006	Favorable (Unfavorable) Variance
Generation	$2,029	$1,407	$ 622
ComEd	165	(112)	277
PECO	507	441	66
Other [(a)]	35	(144)	179
Total	$2,736	$1,592	$1,144

(a) Other primarily includes corporate operations, BSC, investments in synthetic fuel-producing facilities and intersegment eliminations.

Results of Operations – Generation

	2007	2006	Favorable (Unfavorable) Variance
Operating revenues	$10,749	$9,143	$1,606
Operating expenses			
Purchased power and fuel	4,451	3,978	(473)
Operating and maintenance	2,454	2,305	(149)
Depreciation and amortization	267	279	12
Taxes other than income	185	185	–
Total operating expenses	7,357	6,747	(610)
Operating income	3,392	2,396	996
Other income and deductions			
Interest expense	(161)	(159)	(2)
Equity in losses of unconsolidated affiliates	1	(9)	10
Other, net	155	41	114
Total other income and deductions	(5)	(127)	122
Income from continuing operations before income taxes	3,387	2,269	1,118
Income taxes	1,362	866	(496)
Income from continuing operations	2,025	1,403	622
Discontinued operations			
Gain on disposal of discontinued operations	4	4	–
Income from discontinued operations	4	4	–
Net income	$ 2,029	$1,407	$ 622

Generation's net income for 2007 compared to 2006 increased primarily due to higher revenue, net of purchased power and fuel expense, more than offsetting inflationary and other cost pressures, a greater reduction in 2006 compared to 2007 in the nuclear decommissioning obligation related to the AmerGen nuclear plants and costs associated with the new nuclear plant Construction and Operating License application. Generation's revenue, net of purchased power and fuel expense, increased due to higher average margins primarily due to the end of the below-market price PPA with ComEd at the end of 2006, the contractual increase in the prices associated with Generation's PPA with PECO, the termination of the State Line PPA and a favorable PJM billing settlement with PPL in 2007, partially offset by amounts incurred in conjunction with the Settlement, net mark-to-market losses on derivative activities and the execution of the Georgia Power PPA. In addition to these impacts, Generation's net income for 2007 included (all after tax) gains of $38 million related to changes in Generation's investment strategy with the decommissioning trust fund investments, a gain on the sale of investments of $11 million and earnings of $4 million associated with the settlement of a tax matter related to Generation's previous investment in Sithe.

Results of Operations – ComEd

	2007	2006	Favorable (Unfavorable) Variance
Operating revenues	$6,104	$6,101	$ 3
Purchased power expense	3,747	3,292	(455)
Revenue net of purchased power expense	2,357	2,809	(452)
Other operating expenses			
Operating and maintenance	1,091	745	(346)
Impairment of goodwill	–	776	776
Depreciation and amortization	440	430	(10)
Taxes other than income	314	303	(11)
Total other operating expenses	1,845	2,254	409
Operating income	512	555	(43)
Other income and deductions			
Interest expense, net	(318)	(308)	(10)
Equity in losses of unconsolidated affiliates	(7)	(10)	3
Other, net	58	96	(38)
Total other income and deductions	(267)	(222)	(45)
Income before income taxes	245	333	(88)
Income taxes	80	445	365
Net income (loss)	$ 165	$ (112)	$ 277

As more fully described below, ComEd's net income (loss) for 2007 compared to 2006 reflected the impact of a goodwill impairment charge in 2006 partially offset by higher purchased power expense, higher operating and maintenance expense, and the impacts of the 2006 benefits associated with reversing previously incurred expenses as a result of the July 2006 ICC rate order. Since January 2007, a substantial portion of ComEd's revenues represents the recovery of its costs of procuring energy, which it is allowed to pass-along to its customers without mark-up. While ComEd's 2007 results reflect an $83 million annual revenue requirement increase as allowed by the ICC, this revenue requirement increase was based generally on 2004 costs and does not include the impacts of increased operating expenses since 2004 or additional net capital investment since the end of 2005. ComEd filed a new delivery service rate case with the ICC in October 2007 based on a 2006 test year and also filed a transmission rate case with the Federal Energy Regulatory Commission during the first quarter of 2007. Resolution of the transmission rate case in 2007 resulted in an increase in first year annual transmission network service revenue requirement of approximately $93 million. The rate increases were requested to help reduce the regulatory lag related to recovery of ComEd's costs and returns on its investments. See Note 4 of the Combined Notes to Consolidated Financial Statements within Exelon's 2007 Form 10-K for further discussion. In 2007, ComEd incurred increased costs associated with transitioning from the rate freeze period, including implementing the rate relief programs.

Results of Operations – PECO

	2007	2006	Favorable (Unfavorable) Variance
Operating revenues	$5,613	$5,168	$ 445
Purchased power expense and fuel expense	2,983	2,702	(281)
Revenue net of purchased power expense and fuel expense	2,630	2,466	164
Other operating expenses			
Operating and maintenance	630	628	(2)
Depreciation and amortization	773	710	(63)
Taxes other than income	280	262	(18)
Total other operating expenses	1,683	1,600	(83)
Operating income	947	866	81
Other income and deductions			
Interest expense, net	(248)	(266)	18
Equity in losses of unconsolidated affiliates	(7)	(9)	2
Other, net	45	30	15
Total other income and deductions	(210)	(245)	35
Income before income taxes	737	621	116
Income taxes	230	180	(50)
Net income	507	441	66
Preferred stock dividends	4	4	–
Net income on common stock	$ 503	$ 437	$ 66

PECO's net income for 2007 compared to 2006 increased primarily due to higher operating revenues net of purchased power and fuel expense, which reflected increased sales from favorable weather conditions, increased usage across all customer classes for both electric and gas, the completion of certain authorized rate increases that began in 2006 and the favorable settlement of a PJM billing dispute, as well as the recognition of income resulting from a reduction in the reserve after the successful PURTA tax appeal. Partially offsetting these factors was higher scheduled CTC amortization, which was in accordance with the 1998 restructuring settlement mandated by the Competition Act.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Operations

(in millions, except per share data)	For the Years Ended December 31, 2007	2006	2005
Operating revenues	$18,916	$15,655	$15,357
Operating expenses			
Purchased power	5,282	2,683	3,162
Fuel	2,360	2,549	2,508
Operating and maintenance	4,289	3,868	3,694
Impairment of goodwill	–	776	1,207
Depreciation and amortization	1,520	1,487	1,334
Taxes other than income	797	771	728
Total operating expenses	14,248	12,134	12,633
Operating income	4,668	3,521	2,724
Other income and deductions			
Interest expense	(647)	(616)	(513)
Interest expense to affiliates, net	(203)	(264)	(316)
Equity in losses of unconsolidated affiliates	(106)	(111)	(134)
Other, net	460	266	134
Total other income and deductions	(496)	(725)	(829)
Income from continuing operations before income taxes	4,172	2,796	1,895
Income taxes	1,446	1,206	944
Income from continuing operations	2,726	1,590	951
Discontinued operations			
Income (loss) from discontinued operations (net of taxes of $3, $0 and $(3), respectively)	6	(2)	(4)
Gain on disposal of discontinued operations (net of taxes of $2, $2 and $6, respectively)	4	4	18
Income from discontinued operations	10	2	14
Income before a cumulative effect of change in accounting principle	2,736	1,592	965
Cumulative effect of a change in accounting principle (net of income taxes of $0, $0, and $(27), respectively)	–	–	(42)
Net income	$ 2,736	$ 1,592	$ 923
Average shares of common stock outstanding			
Basic	670	670	669
Diluted	676	676	676
Earnings per average common share – basic:			
Income from continuing operations	$ 4.06	$ 2.37	$ 1.42
Income from discontinued operations	0.02	–	0.02
Cumulative effect of a change in accounting principle	–	–	(0.06)
Net income	$ 4.08	$ 2.37	$ 1.38
Earnings per average common share – diluted:			
Income from continuing operations	$ 4.03	$ 2.35	$ 1.40
Income from discontinued operations	0.02	–	0.02
Cumulative effect of a change in accounting principle	–	–	(0.06)
Net income	$ 4.05	$ 2.35	$ 1.36
Dividends per common share	$ 1.76	$ 1.60	$ 1.60

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 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Statements of Cash Flows

(in millions)	For the Years Ended December 31, 2007	2006	2005
Cash flows from operating activities			
Net income	$ 2,736	$ 1,592	$ 923
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation, amortization and accretion, including nuclear fuel	2,183	2,132	1,967
Cumulative effect of a change in accounting principle (net of income taxes)	–	–	42
Impairment charges	–	894	1,207
Deferred income taxes and amortization of investment tax credits	(104)	73	493
Net realized and unrealized mark-to-market transactions	102	(83)	(30)
Other non-cash operating activities	664	197	423
Changes in assets and liabilities:			
Accounts receivable	(585)	(62)	(279)
Inventories	9	(59)	(118)
Accounts payable, accrued expenses and other current liabilities	330	67	172
Counterparty collateral asset	(246)	259	(244)
Counterparty collateral liability	(270)	172	57
Income taxes	160	69	138
Restricted cash	(15)	–	–
Pension and non-pension postretirement benefit contributions	(204)	(180)	(2,225)
Other assets and liabilities	(264)	(236)	(379)
Net cash flows provided by operating activities	4,496	4,835	2,147
Cash flows from investing activities			
Capital expenditures	(2,674)	(2,418)	(2,165)
Proceeds from nuclear decommissioning trust fund sales	7,312	4,793	5,274
Investment in nuclear decommissioning trust funds	(7,527)	(5,081)	(5,501)
Acquisitions of business, 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	95	2	107
Change in restricted cash	(45)	(9)	21
Other investing activities	(70)	(49)	(126)
Net cash flows used in investing activities	(2,909)	(2,762)	(2,487)
Cash flows from financing activities			
Issuance of long-term debt	1,621	1,370	1,788
Retirement of long-term debt	(262)	(402)	(508)
Retirement of long-term debt to financing affiliates	(1,020)	(910)	(835)
Issuance of short-term debt	–	–	2,500
Retirement of short-term debt	–	(300)	(2,200)
Change in short-term debt	311	(685)	500
Dividends paid on common stock	(1,180)	(1,071)	(1,070)
Proceeds from employee stock plans	215	184	222
Purchase of treasury stock	(1,208)	(186)	(362)
Purchase of forward contract in relation to certain treasury stock	(79)	–	–
Other financing activities	102	11	(54)
Net cash flows used in financing activities	(1,500)	(1,989)	(19)
Increase (decrease) in cash and cash equivalents	87	84	(359)
Cash and cash equivalents at beginning of period	224	140	499
Cash and cash equivalents at end of period	$ 311	$ 224	$ 140

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 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Balance Sheets

(in millions)	December 31, 2007	2006
Assets		
Current assets		
Cash and cash equivalents	$ 311	$ 224
Restricted cash and investments	118	58
Accounts receivable, net		
Customer	2,041	1,747
Other	611	462
Mark-to-market derivative assets	445	1,418
Inventories, net, at average cost		
Fossil fuel	252	300
Materials and supplies	471	431
Other	802	352
Total current assets	5,051	4,992
Property, plant and equipment, net	24,153	22,775
Deferred debits and other assets		
Regulatory assets	5,133	5,808
Nuclear decommissioning trust funds	6,823	6,415
Investments	668	725
Investments in affiliates	63	85
Goodwill	2,625	2,694
Mark-to-market derivative assets	117	171
Other	1,261	654
Total deferred debits and other assets	16,690	16,552
Total assets	$45,894	$44,319

The information in the Consolidated Balance Sheets shown above is a replication of the information in the Consolidated Balance Sheets in Exelon's 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 Form 10-K filed with the SEC.

Exelon Corporation and Subsidiary Companies

Consolidated Balance Sheets

(in millions)	December 31, 2007	2006
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings	$ 616	$ 305
Long-term debt due within one year	605	248
Long-term debt to ComEd Transitional Funding Trust and PECO Energy Transition Trust due within one year	501	581
Accounts payable	1,450	1,382
Mark-to-market derivative liabilities	599	1,015
Accrued expenses	1,240	1,180
Other	984	1,084
Total current liabilities	5,995	5,795
Long-term debt	9,915	8,896
Long-term debt due to ComEd Transitional Funding Trust and PECO Energy Transition Trust	1,505	2,470
Long-term debt to other financing trusts	545	545
Deferred credits and other liabilities		
Deferred income taxes and unamortized tax credits	5,081	5,340
Asset retirement obligations	3,812	3,780
Pension obligations	777	747
Non-pension postretirement benefits obligations	1,717	1,817
Spent nuclear fuel obligation	997	950
Regulatory liabilities	3,301	3,025
Mark-to-market derivative liabilities	465	78
Other	1,560	782
Total deferred credits and other liabilities	17,710	16,519
Total liabilities	35,670	34,225
Commitments and contingencies		
Preferred securities of subsidiary	87	87
Shareholders' equity		
Common stock (No par value, 2,000 shares authorized, 661 and 670 shares outstanding at December 31, 2007 and 2006, respectively)	8,579	8,314
Treasury stock, at cost (28 and 13 shares held at December 31, 2007 and 2006, respectively)	(1,838)	(630)
Retained earnings	4,930	3,426
Accumulated other comprehensive loss, net	(1,534)	(1,103)
Total shareholders' equity	10,137	10,007
Total liabilities and shareholders' equity	$45,894	$44,319

The information in the Consolidated Balance Sheets shown above is a replication of the information in the Consolidated Balance Sheets in Exelon's 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 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 Loss	Total Shareholders' Equity
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 Statement of Financial Accounting Standards No. 158 (SFAS No. 158), net of income taxes of $804	–	–	–	–	(1,268)	(1,268)
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	(1,103)	10,007
Net income	–	–	–	2,736	–	2,736
Long-term incentive plan activity	6,455	328	–	–	–	328
Employee stock purchase plan issuances	254	16	–	–	–	16
Common stock purchases	–	(79)	(1,208)	–	–	(1,287)
Common stock dividends declared	–	–	–	(1,219)	–	(1,219)
Adoption of Financial Accounting Standards Board Interpretation No. 48 (FIN 48)	–	–	–	(13)	–	(13)
Other comprehensive income, net of income taxes of $(290)	–	–	–	–	(431)	(431)
Balance, December 31, 2007	689,183	$8,579	$(1,838)	$ 4,930	$(1,534)	$10,137

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 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 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, 2007	2006	2005
Net income	$2,736	$1,592	$ 923
Other comprehensive income (loss)			
Pension and non-pension postretirement benefit plans:			
Prior service (benefit) reclassified to periodic benefit cost, net of income taxes of $(4)	(9)	–	–
Actuarial loss reclassified to periodic cost, net of income taxes of $57	74	–	–
Transition obligation reclassified to periodic cost, net of income taxes of $2	3	–	–
Finalization of pension and non-pension postretirement benefit plans valuation, net of income taxes of $1	19	–	–
Minimum pension liability, net of income taxes of $0, $674, and $3, respectively	–	1,138	10
Net unrealized (loss) gain on cash-flow hedges, net of income taxes of $(345), $368 and $(133), respectively	(513)	559	(199)
Foreign currency translation adjustment, net of income taxes of $0, $0, and $(1), respectively	–	–	(3)
Unrealized (loss) gain on marketable securities, net of income taxes of $(1), $137, and $4, respectively	(5)	92	14
Other comprehensive (loss) income	(431)	1,789	(178)
Comprehensive income	$2,305	$3,381	$ 745

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 2007 Form 10-K. For complete consolidated financial statements, including notes, please refer to pages 172 through 346 of Exelon's 2007 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 71 through 155 of Exelon's 2007 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, 2007. 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, 2007, Exelon's internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2007, has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report.

February 7, 2008

Information Derived from 2007 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 71 through 346 of our Form 10-K annual report for the year ended December 31, 2007. That annual report was filed with the Securities and Exchange Commission on February 7, 2008 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 7, 2008 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, 2007 and 2006 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2007 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, 2007, 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, 2007, 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 page 176 of our 2007 Form 10-K.

Certifications

The CEO of Exelon has made the required annual certifications for 2007 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 2007 Form 10-K.

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CORPORATE PROFILE

Exelon Corporation is one of the nation's largest electric utilities with approximately 5.8 million customers and more than $18.9 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, PHLX and CHX exchanges under the ticker symbol EXC.

INVESTOR AND GENERAL INFORMATION

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P.O. Box 805398
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Shareholder Services
800.626.8729

Employee Plan Services
888.396.7865

Investor Relations Voice Mailbox
312.394.2345

Independent Public Accountants
PricewaterhouseCoopers LLP

Website
www.exeloncorp.com

Stock Ticker
EXC

Shareholder Inquiries
Exelon Corporation has appointed BNY Mellon Shareowner Services as its transfer agent, stock registrar, dividend disbursing agent and dividend reinvestment agent. Should you have questions concerning your registered shareholder account or the payment or reinvestment of your dividends, or if you wish to make a stock transaction or stock transfer, you may call shareholder services at BNY Mellon at the toll-free number shown to the left or access their website at www.bnymellon.com/shareowner/isd.

Computershare Trust Company N.A. administers the Employee Stock Purchase Plan (ESPP), the Employee Stock Purchase Plan for Unincorporated Subsidiaries (ESPPUS), and employee stock options. Should you have any questions concerning your employee plan shares or wish to make a transaction, you may call the toll-free number for Employee Plan Services shown to the left or access their website at www-us.computershare.com/employee.

The Company had approximately 144,000 holders of record of its common stock as of December 31, 2007.

The 2007 Form 10-K Annual Report to the Securities and Exchange Commission was filed on February 7, 2008. 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 investors to obtain currently available information on financial performance, company news and to access shareholder services at BNY Mellon. To use this service, please call our toll-free number, 1.866.530.8108.

77% of the paper utilized for the printing of this report is certified by the Forest Stewardship Council, which promotes environmentally appropriate, socially beneficial and economically viable management of the world's forests. All the paper utilized in the production of this annual report is manufactured by Mohawk Paper and the FSC certified portion of the paper contains 30% pulp derived from post-consumer recycled fiber. The paper for this report was manufactured entirely with wind-generated electricity. Mohawk has provided the calculations below based on use of 121,000 pounds of Mohawk Options paper.

The savings derived from using this paper in lieu of virgin fiber paper is equivalent to:

348.48 trees
preserved for the future

1006.27 lbs.
waterborne waste not created

148,026 gallons
wastewater flow saved

16,379 lbs.
solid waste not generated

32,249 lbs.
net greenhouse gases prevented

246,840,000 BTUs
energy not consumed

The savings derived from choosing a paper manufactured using wind-generated electricity:

55,854 lbs.
air emissions not generated

23
barrels crude oil unused

This amount of wind-generated electricity is equivalent to:

5
cars off the road for one year

3,775
trees planted

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