

Buy/Sell Rating: 3 – Neutral
 S&P 500: 952

Exelon Corporation
Revise to Neutral from Buy to Stop Loss

Symbol	Price	Shares	Market Cap	Net		McDep Ratio	EV/	EV/	P/E	Div'd	PV/
	(\$/sh)			Value	Present Value		Sales	Ebitda		NTM	NTM
	9-Jul 2002	(mm)	(\$mm)	(\$/sh)	Value		NTM	NTM	NTM	(%)	NTM
EXC	48.25	323	15,600	70.76	0.45	0.82	0.6	7.4	10.6	3.6	9.0

McDep Ratio = Market cap and Debt to present value of oil and gas and other businesses

EV = Enterprise Value = Market Cap and Debt:

\$mm 34,100

Ebitda = Earnings before interest, tax, depreciation and amortization:

\$mm 4,590

NTM = Next Twelve Months Ended June 30, 2003; P/E = Stock Price to Earnings

PV = Present Value of energy businesses:

\$mm 41,316

Summary and Recommendation

We no longer recommend current purchase of the common shares of Exelon Corporation because we wish to limit possible further losses beyond the total return of negative 21% from the point at which we recommended the company a year ago. Moreover the current price has fallen below its 200 day moving average thereby defining a downward trend by a popular measure. Though the recommendation was not successful in recording an absolute gain, it is small consolation that the performance matched the S&P 500 market average over the same time. We had better success with the recommended pair trade, long Exelon/short Calpine. As the largest owner of nuclear power plants, Exelon continues to be positioned to gain from the increasing economic value of existing plants with higher prices for competing fuel, natural gas. A low McDep Ratio implies appreciation potential. Debt is high absolutely, but low compared to peers in the over-leveraged energy infrastructure industry. We are concerned that stock price may be telling us that there are risks somewhere, perhaps in the debt or in the two thirds of the business downstream from generation, that we may not have given due weight last year.

Kurt H. Wulff, CFA

McDep Associates

Stock Idea

July 9, 2002

Exelon Corporation Quarterly Results

	<i>Q1</i>	<i>Q2E</i>	<i>Q3E</i>	<i>Q4E</i>	<i>Year</i>	<i>Q1E</i>	<i>Q2E</i>	<i>Next</i>
	<i>3/31/02</i>	<i>6/30/02</i>	<i>9/30/02</i>	<i>12/31/02</i>	<i>2001E</i>	<i>3/31/02</i>	<i>6/30/03</i>	<i>Twelve</i>
								<i>Months</i>
								<i>12/31/03</i>
Generation	1,975							
Energy Delivery	2,335							
Other	(440)							
Total Revenue	3,870	3,651	4,285	3,381	15,187	3,870	3,651	15,187
Expense	2,903	2,577	2,921	2,196	10,596	2,903	2,577	10,596
Ebitda								
Total Ebitda	967	1,074	1,364	1,185	4,591	967	1,074	4,591
Deprec., Deplet., & Amort.								
Total D.D.&A.	335	335	335	335	1,340	335	335	1,340
Ebit								
Generation	128							
Energy Delivery	562							
Other	(58)							
Total Ebit	632	739	1,029	850	3,251	632	739	3,251
Interest	249	249	249	249	996	249	249	996
Ebt	383	490	780	601	2,255	383	490	2,255
Income Tax	134	172	273	211	789	134	172	789
Net Income (\$mm)	249	319	507	391	1,466	249	319	1,466
Shares (millions)	323	323	323	323	323	323	323	323
Per Share (\$)	0.77	0.99	1.57	1.21	4.54	0.77	0.99	4.54
Ebitda Margin	25%	29%	32%	35%	30%	25%	29%	30%
Tax Rate	35%	35%	35%	35%	35%	35%	35%	35%

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