

PPL CORPORATION AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED FINANCIAL INFORMATION (a)

Condensed Consolidated Balance Sheet (Unaudited)
(Millions of Dollars)

	March 31, 2007	Dec. 31, 2006
Assets		
Cash and cash equivalents	\$ 965	\$ 794
Assets held for sale	849	0
Other current assets	2,792	2,836
Investments	571	564
Property, plant and equipment		
Electric plant	19,034	19,395
Gas and oil plant	377	373
Other property	189	311
	19,600	20,079
Less: accumulated depreciation	7,885	8,010
	11,715	12,069
Recoverable transition costs	803	884
Goodwill and other acquired intangibles	1,328	1,521
Regulatory and other assets	1,084	1,079
	\$ 20,107	\$ 19,747
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$ 1,086	\$ 1,149
Liabilities held for sale and related minority interest	394	0
Other current liabilities	1,778	2,199
Long-term debt (less current portion)	6,933	6,728
Deferred income taxes and investment tax credits	2,271	2,331
Other noncurrent liabilities	2,045	1,857
Minority interest	26	60
Preferred securities of a subsidiary	301	301
Earnings reinvested	2,711	2,626
Common stock and capital in excess of par value	2,833	2,814
Accumulated other comprehensive loss	(271)	(318)
	\$ 20,107	\$ 19,747

(a) The Financial Statements in this news release have been condensed and summarized for purposes of this presentation. Please refer to PPL Corporation's periodic filings with the Securities and Exchange Commission for full financial statements, including note disclosure.

Condensed Consolidated Income Statement (Unaudited)
(Millions of Dollars, Except per Share Data)

	3 Months Ended March 31,		12 Months Ended March 31,	
	2007(a)	2006(a)(b)	2007(a)	2006(a)(b)
Operating Revenues				
Utility	\$ 1,175	\$ 1,112	\$ 4,132	\$ 3,975
Unregulated retail electric	22	25	88	101
Wholesale energy marketing	249	335	1,446	1,160
Net energy trading margins	7	10	32	26
Energy-related businesses	185	168	635	624
	1,638	1,650	6,333	5,886
Operating Expenses				
Fuel and energy purchases	419	464	1,838	1,563
Other operation and maintenance	336	311	1,337	1,284
Amortization of recoverable transition costs	81	72	291	271
Depreciation	118	102	443	401
Taxes, other than income	79	70	290	275
Energy-related businesses	202	158	682	651
	1,235	1,177	4,881	4,445
Operating Income	403	473	1,452	1,441
Other Income – net	26	8	80	28
Interest Expense	121	114	459	465
Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Securities of a Subsidiary	308	367	1,073	1,004
Income Taxes	74	95	247	193
Minority Interest	1	0	4	1
Dividends on Preferred Securities of a Subsidiary	5	1	18	2
	228	271	804	808
Income from Continuing Operations	228	271	804	808
(Loss) Income from Discontinued Operations (net of income taxes)	(25)	9	(16)	(10)
	(25)	9	(16)	(10)
Income Before Cumulative Effect of a Change in Accounting Principle	203	280	788	798
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	0	0	0	(8)
	0	0	0	(8)
Net Income	\$ 203	\$ 280	\$ 788	\$ 790
Earnings per share of common stock – basic				
Earnings from ongoing operations	\$ 0.66	\$ 0.69	\$ 2.25	\$ 2.25
Special items	(0.13)	0.05	(0.19)	(0.17)
	\$ 0.53	\$ 0.74	\$ 2.06	\$ 2.08
Earnings per share of common stock – diluted				
Earnings from ongoing operations	\$ 0.65	\$ 0.68	\$ 2.22	\$ 2.21
Special items	(0.13)	0.05	(0.19)	(0.16)
	\$ 0.52	\$ 0.73	\$ 2.03	\$ 2.05
Average shares outstanding (thousands)				
Basic	384,793	379,838	381,923	379,609
Diluted	389,168	385,605	387,590	384,847

- (a) Earnings in the 2007 and 2006 periods were impacted by several special items, as described in the text and tables of this news release. Earnings from ongoing operations excludes the impact of these special items.
- (b) Certain amounts have been reclassified to conform to the current year presentation.

Condensed Consolidated Statements of Cash Flows
(Millions of Dollars)

	3 Months Ended March 31,	
	2007	2006
Cash Flows from Operating Activities		
Net income	\$ 203	\$ 280
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	124	108
Amortizations-recoverable transition costs and other	108	77
Deferred income taxes and investment tax credits	(32)	(48)
Pension and other postretirement benefits	22	(3)
Impairment of assets held for sale	65	0
Changes in working capital	(175)	(82)
Other	(29)	(35)
Net cash provided by operating activities	286	297
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(341)	(198)
Net sales (purchases) of emission allowances	26	(24)
Net sales of short-term investments	5	58
Other investing activities	11	5
Net cash used in investing activities	(299)	(159)
Cash Flows from Financing Activities		
Net issuances (retirements) of long-term debt	304	(225)
Payment of common stock dividends	(105)	(95)
Net increase (decrease) in short-term debt	29	(36)
Other financing activities	(7)	1
Net cash provided by (used in) financing activities	221	(355)
Effect of Exchange Rates on Cash and Cash Equivalents	(1)	0
Net Increase (Decrease) in Cash and Cash Equivalents	207	(217)
Cash and cash equivalents at beginning of period	794	555
Less: Reclassification of cash to "Assets held for sale"	(36)	0
Cash and cash equivalents at end of period	\$ 965	\$ 338
Free Cash Flow Before Dividends: (a)		
Cash Flows from Operating Activities	\$ 286	\$ 297
(Decrease) Increase in cash due to:		
Transition bond repayments	(81)	(73)
Capital expenditures	(341)	(198)
Other investing activities	27	(13)
	\$ (109)	\$ 13

(a) "Free Cash Flow Before Dividends" is a non-GAAP financial measure and its use is discussed in the text at the end of this news release.

Key Indicators

Financial

	<u>12 Months Ended March 31, 2007</u>	<u>12 Months Ended March 31, 2006</u>
Dividends declared per share	\$1.13	\$1.005
Book value per share (a)	\$13.68	\$12.41
Market price per share (a)	\$40.90	\$29.40
Dividend yield (a)	2.8%	3.4%
Dividend payout ratio (b)	56%	49%
Dividend payout ratio - earnings from ongoing operations (b)(c)	51%	45%
Price/earnings ratio (a)(b)	20.1	14.3
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	18.4	13.3
Return on average common equity	15.72%	17.86%
Return on average common equity - earnings from ongoing operations (c)	17.03%	18.93%

(a) End of period.

(b) Based on diluted earnings per share.

(c) Calculated using earnings from ongoing operations, which excludes the impact of special items, as described in the text and tables of this news release.

2007 Reconciliation of Business Segment Earnings from Ongoing Operations and Reported Earnings (Diluted)

1st Quarter 2007

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
Earnings from Ongoing Operations	\$ 126	\$ 58	\$ 68	\$ 252	\$ 0.32	\$ 0.15	\$ 0.18	\$ 0.65
Special Items								
MTM adj's from energy-related, non-trading economic hedges	10			10	0.03			0.03
PJM billing dispute	(1)			(1)				
Divestiture of Latin American businesses			(40)	(40)			(0.11)	(0.11)
Impairment of telecommunication assets	(18)			(18)	(0.05)			(0.05)
Total special items	(9)		(40)	(49)	(0.02)		(0.11)	(0.13)
Reported earnings	<u>\$ 117</u>	<u>\$ 58</u>	<u>\$ 28</u>	<u>\$ 203</u>	<u>\$ 0.30</u>	<u>\$ 0.15</u>	<u>\$ 0.07</u>	<u>\$ 0.52</u>

12 Months Ended March 31, 2007

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
Earnings from Ongoing Operations	\$ 455	\$ 149	\$ 255	\$ 859	\$ 1.18	\$ 0.38	\$ 0.66	\$ 2.22
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(8)			(8)	(0.02)			(0.02)
PJM billing dispute (Q4, '06)	(18)	20		2	(0.05)	0.06		0.01
Off-site remediation of ash basin leak (Q2, '06)	5			5	0.01			0.01
Enron reserve adjustment (Q2, '06)	2			2	0.01			0.01
Sale of interest in Griffith (Q2, '06; Q4, '06)	(17)			(17)	(0.04)			(0.04)
Synfuels impairment (Q2, '06)	(6)			(6)	(0.01)			(0.01)
Write-off of Hurricane Isabel regulatory asset (Q3, '06)		(6)		(6)		(0.02)		(0.02)
Benefits related to Black Lung Trust assets (Q3, '06)		21		21		0.05		0.05
Susquehanna workforce reduction (Q4, '06)	(3)			(3)	(0.01)			(0.01)
Impairment of nuclear decom. trust investments (Q4, '06)	(3)			(3)	(0.01)			(0.01)
Divestiture of Latin American businesses (Q1, '07)			(40)	(40)			(0.11)	(0.11)
Impairment of telecommunication assets (Q1, '07)	(18)			(18)	(0.05)			(0.05)
Total special items	(66)	35	(40)	(71)	(0.17)	0.09	(0.11)	(0.19)
Reported earnings	<u>\$ 389</u>	<u>\$ 184</u>	<u>\$ 215</u>	<u>\$ 788</u>	<u>\$ 1.01</u>	<u>\$ 0.47</u>	<u>\$ 0.55</u>	<u>\$ 2.03</u>

2006 Reconciliation of Business Segment Earnings from Ongoing Operations and Reported Earnings (Diluted)

1st Quarter 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
Earnings from Ongoing Operations	\$ 126	\$ 56	\$ 80	\$ 262	\$ 0.32	\$ 0.15	\$ 0.21	\$ 0.68
Special Items								
MTM adj's from energy-related, non-trading economic hedges	7			7	0.02			0.02
Off-site remediation of ash basin leak	1			1				
Enron reserve adjustment	9		1	10	0.03			0.03
Total special items	17		1	18	0.05			0.05
Reported earnings	<u>\$ 143</u>	<u>\$ 56</u>	<u>\$ 81</u>	<u>\$ 280</u>	<u>\$ 0.37</u>	<u>\$ 0.15</u>	<u>\$ 0.21</u>	<u>\$ 0.73</u>

12 Months Ended March 31, 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
Earnings from Ongoing Operations	\$ 433	\$ 188	\$ 233	\$ 854	\$ 1.12	\$ 0.49	\$ 0.60	\$ 2.21
Special Items								
MTM adj's from energy-related, non-trading economic hedges	7			7	0.02			0.02
Sale of Sundance (Q2, '05)	(47)			(47)	(0.12)			(0.12)
Off-site remediation of ash basin leak (Q3, '05; Q4, '05; Q1, '06)	(26)			(26)	(0.07)			(0.07)
Conditional asset retirement obligation (Q4, '05)	(8)			(8)	(0.02)			(0.02)
Enron reserve adjustment (Q1, '06)	9		1	10	0.03			0.03
Total special items	(65)		1	(64)	(0.16)			(0.16)
Reported earnings	<u>\$ 368</u>	<u>\$ 188</u>	<u>\$ 234</u>	<u>\$ 790</u>	<u>\$ 0.96</u>	<u>\$ 0.49</u>	<u>\$ 0.60</u>	<u>\$ 2.05</u>

Operating - Domestic and International Electricity Sales

(millions of kwh)

	3 Months Ended March 31			12 Months Ended March 31		
	2007	2006	Percent Change	2007	2006	Percent Change
Domestic Retail						
Delivered (a)	10,308	9,934	3.8%	37,056	36,990	0.2%
Supplied	10,842	10,477	3.5%	39,175	39,088	0.2%
International delivered						
United Kingdom	7,724	8,077	(4.4%)	28,423	29,113	(2.4%)
Latin America	1,229	1,153	6.6%	4,653	4,338	7.3%
Domestic Wholesale						
East	4,248	4,732	(10.2%)	18,899	20,972	(9.9%)
West						
NorthWestern Energy	834	824	1.2%	3,366	3,334	1.0%
Other (b)	2,794	2,733	2.2%	10,159	9,871	2.9%

- (a) Electricity delivered to retail customers represents the kilowatt-hours delivered to customers within PPL Electric Utilities Corporation's service territory.
- (b) Certain amounts have been reclassified to conform to the current year presentation.