

PPL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL INFORMATION (a)

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

	June 30, 2010	December 31, 2009
Assets		
Cash and cash equivalents	\$ 4,505	\$ 801
Price risk management assets - current	2,118	2,157
Assets held for sale	12	127
Other current assets	1,964	1,667
Investments	597	613
Property, plant and equipment		
Electric plant	21,067	21,151
Gas and oil plant	68	68
Other property	158	166
Property, plant and equipment, gross	21,293	21,385
Less: accumulated depreciation	8,245	8,211
Property, plant and equipment, net	13,048	13,174
Regulatory assets	525	531
Goodwill and other intangibles	1,323	1,421
Price risk management assets - noncurrent	1,357	1,274
Other noncurrent assets	464	400
Total assets	\$ 25,913	\$ 22,165
Liabilities and Equity		
Short-term debt	\$ 466	\$ 639
Price risk management liabilities - current	1,528	1,502
Other current liabilities	2,201	2,041
Long-term debt	8,711	7,143
Deferred income taxes and investment tax credits	2,320	2,153
Price risk management liabilities - noncurrent	616	582
Accrued pension obligations	781	1,283
Other noncurrent liabilities	1,085	1,007
Common stock and capital in excess of par value	4,558	2,284
Earnings reinvested	3,818	3,749
Accumulated other comprehensive loss	(439)	(537)
Noncontrolling interests	268	319
Total liabilities and equity	\$ 25,913	\$ 22,165

(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.

PPL CORPORATION AND SUBSIDIARIES

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2010	2009 (a)	2010	2009 (a)
Operating Revenues				
Utility	\$ 692	\$ 881	\$ 1,706	\$ 1,946
Unregulated retail electric and gas (b)	101	32	205	74
Wholesale energy marketing				
Realized	1,261	758	2,647	1,556
Unrealized economic activity (b)	(666)	(112)	(242)	240
Net energy trading margins	5	7	16	(5)
Energy-related businesses	110	105	204	204
Total Operating Revenues	<u>1,503</u>	<u>1,671</u>	<u>4,536</u>	<u>4,015</u>
Operating Expenses				
Operation				
Fuel (b)	263	186	496	444
Energy purchases				
Realized	740	613	1,752	1,290
Unrealized economic activity (b)	(445)	65	118	334
Other operation and maintenance	423	354	868	726
Amortization of recoverable transition costs	-	70	-	154
Depreciation	130	114	258	223
Taxes, other than income	54	67	126	139
Energy-related businesses	100	98	188	189
Total Operating Expenses	<u>1,265</u>	<u>1,567</u>	<u>3,806</u>	<u>3,499</u>
Operating Income	238	104	730	516
Other Income (Expense) - net	1	(6)	9	29
Other-Than-Temporary Impairments	3	1	3	18
Interest Expense	132	99	246	188
Income (Loss) from Continuing Operations Before Income Taxes	104	(2)	490	339
Income Taxes	12	(31)	143	67
Income from Continuing Operations After Income Taxes	92	29	347	272
Loss from Discontinued Operations (net of income taxes)	-	(32)	-	(29)
Net Income (Loss)	92	(3)	347	243
Net Income Attributable to Noncontrolling Interests	7	4	12	9
Net Income (Loss) Attributable to PPL Corporation	<u>\$ 85</u>	<u>\$ (7)</u>	<u>\$ 335</u>	<u>\$ 234</u>
Amounts Attributable to PPL Corporation:				
Income from Continuing Operations After Income Taxes	\$ 85	\$ 25	\$ 335	\$ 263
Loss from Discontinued Operations (net of income taxes)	-	(32)	-	(29)
Net Income (Loss)	<u>\$ 85</u>	<u>\$ (7)</u>	<u>\$ 335</u>	<u>\$ 234</u>
Earnings Per Share of Common Stock - Basic (c)				
Earnings from Ongoing Operations	\$ 0.62	\$ 0.32	\$ 1.56	\$ 0.91
Special Items	(0.40)	(0.34)	(0.68)	(0.29)
Net Income (Loss) Available to PPL Corporation Common Shareowners	<u>\$ 0.22</u>	<u>\$ (0.02)</u>	<u>\$ 0.88</u>	<u>\$ 0.62</u>
Earnings Per Share of Common Stock - Diluted (c)				
Earnings from Ongoing Operations	\$ 0.62	\$ 0.32	\$ 1.56	\$ 0.91
Special Items	(0.40)	(0.34)	(0.68)	(0.29)
Net Income (Loss) Available to PPL Corporation Common Shareowners	<u>\$ 0.22</u>	<u>\$ (0.02)</u>	<u>\$ 0.88</u>	<u>\$ 0.62</u>
Weighted-Average Shares of Common Stock Outstanding (thousands)				
Basic	381,896	375,881	379,810	375,493
Diluted	382,075	376,206	380,034	375,805

(a) Certain amounts from 2009 have been reclassified to conform to the current year presentation.

(b) Includes energy-related contracts to hedge future cash flows that are not eligible for hedge accounting, or where hedge accounting is not elected.

(c) Earnings in 2010 and 2009 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.

PPL CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited)
(Millions of Dollars)

	Six Months Ended	
	June 30,	
	2010	2009
Cash Flows from Operating Activities		
Net Income	\$ 347	\$ 243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	258	225
Amortization	124	182
Defined benefit plans - expense	51	41
Defined benefit plans - funding	(345)	(52)
Deferred income taxes and investment tax credits	(63)	(86)
Gains related to the extinguishment of notes	-	(29)
Impairment of assets	14	104
Unrealized losses on derivatives, and other hedging activities	344	40
Provision for Montana hydroelectric litigation	59	-
Changes in current assets and current liabilities:		
Counterparty collateral	98	201
Other changes in current assets and current liabilities	(344)	(335)
Other operating activities	29	34
Net cash provided by operating activities	<u>572</u>	<u>568</u>
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(624)	(524)
Proceeds from the sale of the Long Island generation business	124	-
Expenditures for intangible assets	(42)	(48)
Proceeds from the sale of other investments	-	150
Net decrease in restricted cash and cash equivalents	80	189
Other investing activities	4	(7)
Net cash used in investing activities	<u>(458)</u>	<u>(240)</u>
Cash Flows from Financing Activities		
Issuance of long-term debt	1,747	298
Retirement of long-term debt	(1)	(430)
Issuance of equity, net of issuance costs	2,410	30
Payment of common stock dividends	(263)	(256)
Redemption of preferred stock of a subsidiary	(54)	-
Debt issuance costs	(76)	(9)
Net decrease in short-term debt	(158)	(77)
Other financing activities	(10)	(11)
Net cash provided by (used in) financing activities	<u>3,595</u>	<u>(455)</u>
Effect of Exchange Rates on Cash and Cash Equivalents	<u>(5)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,704	(127)
Cash and cash equivalents at beginning of period	801	1,100
Cash and cash equivalents at end of period	<u>\$ 4,505</u>	<u>\$ 973</u>

Key Indicators (Unaudited)

Financial	12 Months Ended	
	June 30,	
	2010	2009
Dividends declared per share	\$1.39	\$1.36
Book value per share (a)	\$16.46	\$14.67
Market price per share (a)	\$24.95	\$32.96
Dividend yield (a)	5.6%	4.1%
Dividend payout ratio (b)	104%	72%
Dividend payout ratio - earnings from ongoing operations (b)(c)	53%	75%
Price/earnings ratio (a)(b)	18.6	17.4
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	9.6	18.1
Return on average common equity	8.65%	13.25%
Return on average common equity - earnings from ongoing operations (c)	16.16%	13.15%

(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.

Operating - Domestic & International Electricity Sales (Unaudited)

(millions of kwh)	3 Months Ended June 30,			6 Months Ended June 30,		
	2010	2009	Percent Change	2010	2009	Percent Change
Domestic Retail						
Delivered (a)	8,384	8,352	0.4%	18,669	19,029	(1.9%)
Supplied (b)	2,165	8,895	(75.7%)	4,631	20,145	(77.0%)
International Delivered						
United Kingdom	6,594	6,377	3.4%	14,203	13,981	1.6%
Domestic Wholesale						
East	16,010	5,769	177.5%	33,203	12,532	164.9%
West	2,688	2,702	(0.5%)	5,449	5,636	(3.3%)

(a) Represents the kwh delivered and billed to retail customers within PPL Electric Utilities Corporation's service territory.

(b) Represents the kwh supplied by PPL EnergyPlus to PPL Electric Utilities as PLR, and to retail customers in Pennsylvania and Montana.

**Reconciliation of Business Segment Earnings from Ongoing Operations to Reported Earnings (Diluted)
(Unaudited)**

2nd Quarter 2010

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 164	\$ 16	\$ 59	\$ -	\$ 239	\$ 0.43	\$ 0.04	\$ 0.15	\$ -	\$ 0.62
Special Items										
Energy-related economic activity	(54)				(54)	(0.14)				(0.14)
Foreign currency-related economic hedges - unrealized impacts			(1)		(1)					-
Sales of assets:										
Sundance indemnification	1				1					-
Impairments:										
Impacts from emission allowances	(5)				(5)	(0.01)				(0.01)
Pending E.ON U.S. acquisition-related costs:										
Monetization of certain full-requirement sales contracts	(75)				(75)	(0.20)				(0.20)
Deferred Bridge Facility financing costs				(13)	(13)				(0.03)	(0.03)
Other pending acquisition-related costs				(6)	(6)				(0.02)	(0.02)
Other:										
Montana hydroelectric litigation	(1)				(1)					-
Total Special Items	(134)	-	(1)	(19)	(154)	(0.35)	-	-	(0.05)	(0.40)
Reported Earnings	\$ 30	\$ 16	\$ 58	\$ (19)	\$ 85	\$ 0.08	\$ 0.04	\$ 0.15	\$ (0.05)	\$ 0.22

Year-to-Date June 30, 2010

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 408	\$ 53	\$ 135	\$ -	\$ 596	\$ 1.07	\$ 0.14	\$ 0.35	\$ -	\$ 1.56
Special Items										
Energy-related economic activity	(119)				(119)	(0.30)				(0.30)
Foreign currency-related economic hedges - unrealized impacts			(1)		(1)					-
Sales of assets:										
Sundance indemnification (Q2, '10)	1				1					-
Impairments:										
Impacts from emission allowances (Q1, '10; Q2, '10)	(7)				(7)	(0.02)				(0.02)
Pending E.ON U.S. acquisition-related costs:										
Monetization of certain full-requirement sales contracts (Q2, '10)	(75)				(75)	(0.20)				(0.20)
Deferred Bridge Facility financing costs (Q2, '10)				(13)	(13)				(0.03)	(0.03)
Other pending acquisition-related costs (Q2, '10)				(6)	(6)				(0.02)	(0.02)
Other:										
Montana hydroelectric litigation (Q1, '10; Q2, '10)	(33)				(33)	(0.09)				(0.09)
Health Care Reform - tax impact (Q1, '10)	(8)				(8)	(0.02)				(0.02)
Total Special Items	(241)	-	(1)	(19)	(261)	(0.63)	-	-	(0.05)	(0.68)
Reported Earnings	\$ 167	\$ 53	\$ 134	\$ (19)	\$ 335	\$ 0.44	\$ 0.14	\$ 0.35	\$ (0.05)	\$ 0.88

12 Months Ended June 30, 2010

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 626	\$ 114	\$ 249	\$ -	\$ 989	\$ 1.65	\$ 0.30	\$ 0.65	\$ -	\$ 2.60
Special Items										
Energy-related economic activity	(306)				(306)	(0.79)				(0.79)
Foreign currency-related economic hedges - unrealized impacts			6		6			0.02		0.02
Sales of assets:										
Majority of Maine hydroelectric generation business (Q4, '09)	22				22	0.06				0.06
Latin American businesses (Q3, '09; Q4, '09)			(27)		(27)			(0.07)		(0.07)
Interest in Wyman Unit 4 (Q4, '09)	(4)				(4)	(0.01)				(0.01)
Long Island generation business (Q4, '09)	1				1					-
Sundance indemnification (Q2, '10)	1				1					-
Impairments:										
Impacts from emission allowances (Q4, '09; Q1, '10; Q2, '10)	(11)				(11)	(0.03)				(0.03)
Adjustments - NDT investments (Q3, '09; Q4, '09; Q1, '10; Q2, '10)	1				1					-
Other asset impairments (Q4, '09)	(2)				(2)					-
Pending E.ON U.S. acquisition-related costs:										
Monetization of certain full-requirement sales contracts (Q2, '10)	(75)				(75)	(0.20)				(0.20)
Deferred Bridge Facility financing costs (Q2, '10)				(13)	(13)				(0.03)	(0.03)
Other pending acquisition-related costs (Q2, '10)				(6)	(6)				(0.02)	(0.02)
Other:										
Montana hydroelectric litigation (Q4, '09; Q1, '10; Q2, '10)	(36)				(36)	(0.10)				(0.10)
Change in tax accounting method related to repairs (Q3, '09; Q4, '09)	(21)	(3)			(24)	(0.06)	(0.01)			(0.07)
Health Care Reform - tax impact (Q1, '10)	(8)				(8)	(0.02)				(0.02)
Total Special Items	(438)	(3)	(21)	(19)	(481)	(1.15)	(0.01)	(0.05)	(0.05)	(1.26)
Reported Earnings	\$ 188	\$ 111	\$ 228	\$ (19)	\$ 508	\$ 0.50	\$ 0.29	\$ 0.60	\$ (0.05)	\$ 1.34

**Reconciliation of Business Segment Earnings from Ongoing Operations to Reported Earnings (Diluted)
(Unaudited)**

2nd Quarter 2009

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 34	\$ 17	\$ 68	\$ -	\$ 119	\$ 0.09	\$ 0.05	\$ 0.18	\$ -	\$ 0.32
Special Items										
Energy-related economic activity	(88)				(88)	(0.23)				(0.23)
Foreign currency-related economic hedges - unrealized impacts			(6)		(6)			(0.02)		(0.02)
Sales of assets:										
Long Island generation business	(34)				(34)	(0.09)				(0.09)
Impairments:										
Adjustments - NDT investments	2				2					-
Total Special Items	(120)	-	(6)	-	(126)	(0.32)	-	(0.02)	-	(0.34)
Reported Earnings	\$ (86)	\$ 17	\$ 62	\$ -	\$ (7)	\$ (0.23)	\$ 0.05	\$ 0.16	\$ -	\$ (0.02)

Year-to-Date June 30, 2009

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 115	\$ 72	\$ 158	\$ -	\$ 345	\$ 0.30	\$ 0.19	\$ 0.42	\$ -	\$ 0.91
Special Items										
Energy-related economic activity	(38)				(38)	(0.10)				(0.10)
Foreign currency-related economic hedges - unrealized impacts			(6)		(6)			(0.02)		(0.02)
Sales of assets:										
Long Island generation business (Q2, '09)	(34)				(34)	(0.09)				(0.09)
Impairments:										
Impacts from emission allowances (Q1, '09)	(15)				(15)	(0.04)				(0.04)
Adjustments - NDT investments (Q1, '09; Q2, '09)	(1)				(1)					-
Other asset impairments (Q1, '09)	(2)	(1)	(1)		(4)	(0.01)				(0.01)
Workforce reduction (Q1, '09)	(6)	(5)	(2)		(13)	(0.01)	(0.01)	(0.01)		(0.03)
Total Special Items	(96)	(6)	(9)	-	(111)	(0.25)	(0.01)	(0.03)	-	(0.29)
Reported Earnings	\$ 19	\$ 66	\$ 149	\$ -	\$ 234	\$ 0.05	\$ 0.18	\$ 0.39	\$ -	\$ 0.62

12 Months Ended June 30, 2009

	<i>(millions of dollars)</i>					<i>(per share)</i>				
	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total	Supply	PA Delivery	Int'l Delivery	Unallocated Costs	Total
Earnings from Ongoing Operations	\$ 252	\$ 147	\$ 289	\$ -	\$ 688	\$ 0.66	\$ 0.39	\$ 0.77	\$ -	\$ 1.82
Special Items										
Energy-related economic activity	159				159	0.43				0.43
Foreign currency-related economic hedges - unrealized impacts			(6)		(6)			(0.02)		(0.02)
Sales of assets:										
Long Island generation business (Q4, '08; Q1, '09; Q2, '09)	(34)				(34)	(0.09)				(0.09)
Gas and propane businesses (Q3, '08; Q4, '08; Q1, '09)		(5)			(5)		(0.01)			(0.01)
Impairments:										
Impacts from emission allowances (Q3, '08; Q4, '08; Q1, '09)	(40)				(40)	(0.11)				(0.11)
Adjustments - NDT investments (Q3, '08; Q4, '08; Q1, '09; Q2, '09)	(14)				(14)	(0.04)				(0.04)
Holtwood hydroelectric plant (Q4, '08)	(13)				(13)	(0.03)				(0.03)
Other asset impairments (Q4, '08; Q1, '09)	(5)	(1)	(2)		(8)	(0.02)	(0.01)			(0.03)
Workforce reduction (Q1, '09)	(6)	(5)	(2)		(13)	(0.01)	(0.01)	(0.01)		(0.03)
Total Special Items	47	(11)	(10)	-	26	0.13	(0.03)	(0.03)	-	0.07
Reported Earnings	\$ 299	\$ 136	\$ 279	\$ -	\$ 714	\$ 0.79	\$ 0.36	\$ 0.74	\$ -	\$ 1.89