

A look back at 2009

Despite one of the toughest economic climates the company has ever faced, PPL was able to exceed its earnings forecasts for 2009.

PPL's reported earnings for 2009 were \$1.08 per share, compared with \$2.47 per share in 2008. Adjusting for special items, PPL's earnings from ongoing operations for 2009 were \$1.95 per share, compared with \$2.02 per share for 2008.

Dedicated employees, excellent assets and a forward-looking business model all played

a significant role in helping PPL withstand the challenges faced by the energy industry. PPL also credits the sound economic results of 2009 to higher wholesale energy margins, solid operating performance and early cost-reduction initiatives.

The corporation also celebrated significant accomplishments in 2009.

For reconciliation of reported earnings to earnings from ongoing operations, visit www.pplweb.com.

PPL's 2009 performance

In the two years leading up to 2009, PPL sold its natural gas distribution and propane businesses, its Latin American electricity delivery businesses and its telecommunications operations. In 2009, PPL sold generating assets in Maine. In 2010, PPL completed the sale of generating assets on Long Island, N.Y., and announced the sale of generating assets in Connecticut and Illinois, along with PPL's minority share of the Safe Harbor hydroelectric plant in Pennsylvania.

These steps allow us to focus on our core businesses: power generation in the PJM Interconnection market and northwestern United States; energy marketing in key U.S. markets; and electricity delivery in Pennsylvania and the United Kingdom.

As a diversified energy company, PPL understands there is no single solution to meeting our nation's energy needs. We continue to improve our traditional power plants in addition to exploring opportunities for renewable energy development.

Our electric delivery subsidiary, PPL Electric Utilities, has taken a proactive approach to educating our customers on wise energy use. By installing an advanced metering system and giving customers more choices for managing their electricity use, we can help them lower their electric bills. PPL Electric Utilities also has implemented programs to meet the requirements of Pennsylvania Act 129 of 2008, which requires electric distribution companies to reduce customers' annual energy use by 1 percent by mid-

FINANCIAL	2009
Operating revenues (millions)	\$7,556
Net income attributable to PPL (millions)	407
Earnings from ongoing operations (millions)	738
Total assets (millions)	22,165
Earnings per share – Basic	1.08
Earnings per share – Diluted	1.08
OPERATING	2009
Domestic - total retail electricity delivered (millions of kwh)	38,912
Domestic - total wholesale electricity supplied (millions of kwh)	38,988
Domestic - total electricity delivered (millions of kwh)	36,717
International – total electricity delivered (millions of kwh)	26,358
System capacity controlled or owned (megawatts)	11,719
Number of customers (millions)	4.0
Capital expenditures (millions)	1,265

As of Dec. 31, 2009

2011 and 3 percent by mid-2013. It also requires a reduction in customers' peak demand of 4.5 percent by mid-2013.

In the U.K., Western Power Distribution successfully completed a rate review. Western Power Distribution delivers electricity to customers at rates set by its regulator, permitting the company to earn a fair rate of return for its investments.

WPD is required to undergo a rate review process in the U.K. every five years. The U.K. regulator, Ofgem, reviews the rates of all 14 electric delivery companies there at the same time and compares company performance when setting rates.

For the latest five-year review period covering 2010 through 2015, WPD was one of only two electric distribution companies in the U.K. whose original rate request was not reduced in the final analysis by the regulator. WPD was rewarded in rates for outperforming all other U.K. electricity delivery businesses in the areas of forecasting accuracy, capital efficiency, and customer service and reliability. On top of that, WPD's future revenues were boosted by \$240 million in cash incentives awarded from the regulator for its industry-leading performance.

More information about WPD's performance is available at www.westernpower.co.uk.