

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

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

	<u>June 30,</u> <u>2009</u>	<u>December 31,</u> <u>2008 (b)</u>
Assets		
Cash and cash equivalents	\$973	\$1,100
Price risk management assets - current	1,966	1,224
Assets held for sale	182	
Other current assets	1,674	2,059
Investments	522	522
Property, plant and equipment		
Electric plant	20,444	20,033
Gas and oil plant	68	68
Other property	161	156
	<u>20,673</u>	<u>20,257</u>
Less: accumulated depreciation	7,991	7,882
	<u>12,682</u>	<u>12,375</u>
Regulatory assets	571	737
Goodwill and other intangibles	1,413	1,400
Price risk management assets - noncurrent	1,986	1,392
Other noncurrent assets	441	596
Total assets	<u><u>\$22,410</u></u>	<u><u>\$21,405</u></u>
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$1,097	\$1,375
Price risk management liabilities - current	1,768	1,324
Other current liabilities	1,651	1,603
Long-term debt (less current portion)	7,224	7,142
Deferred income taxes and investment tax credits	1,940	1,764
Price risk management liabilities - noncurrent	1,072	836
Accrued pension obligations	873	899
Other noncurrent liabilities	947	1,066
Common stock and capital in excess of par value	2,250	2,200
Earnings reinvested	3,837	3,862
Accumulated other comprehensive loss	(568)	(985)
Noncontrolling interests	319	319
Total liabilities and equity	<u><u>\$22,410</u></u>	<u><u>\$21,405</u></u>

(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.

(b) Certain amounts from 2008 have been reclassified to conform to the current year presentation.

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

	3 Months Ended June 30,		6 Months Ended June 30,	
	2009 (a)	2008 (a)(b)	2009 (a)	2008 (a)(b)
Operating Revenues				
Utility	\$881	\$981	\$1,946	\$2,101
Unregulated retail electric and gas	32	33	74	67
Wholesale energy marketing (c)				
Realized	760	434	1,565	862
Unrealized economic activity	(112)	(616)	240	(796)
Net energy trading margins	7	52	(5)	50
Energy-related businesses	105	130	204	246
Total Operating Revenues	<u>1,673</u>	<u>1,014</u>	<u>4,024</u>	<u>2,530</u>
Operating Expenses				
Operation				
Fuel	186	189	444	429
Energy purchases (c)				
Realized	615	309	1,299	626
Unrealized economic activity	65	(604)	334	(863)
Other operation and maintenance	354	358	726	734
Amortization of recoverable transition costs	70	68	154	144
Depreciation	114	117	223	228
Taxes, other than income	67	72	139	147
Energy-related businesses	98	120	189	227
Total Operating Expenses	<u>1,569</u>	<u>629</u>	<u>3,508</u>	<u>1,672</u>
Operating Income	104	385	516	858
Other Income (Expense) - net	(6)	13	29	24
Other-Than-Temporary Impairments	1	7	18	10
Interest Expense	99	108	188	216
Income (Loss) from Continuing Operations Before Income Taxes	(2)	283	339	656
Income Taxes	(31)	94	67	220
Income from Continuing Operations After Income Taxes	29	189	272	436
Income (Loss) from Discontinued Operations (net of income taxes)	(32)	6	(29)	24
Net Income (Loss)	(3)	195	243	460
Net Income Attributable to Noncontrolling Interests	4	5	9	10
Net Income (Loss) Attributable to PPL Corporation	<u>(\$7)</u>	<u>\$190</u>	<u>\$234</u>	<u>\$450</u>
Amounts Attributable to PPL Corporation:				
Income from Continuing Operations After Income Taxes	\$25	\$184	\$263	\$426
Income (Loss) from Discontinued Operations (net of income taxes)	(32)	6	(29)	24
Net Income (Loss)	<u>(\$7)</u>	<u>\$190</u>	<u>\$234</u>	<u>\$450</u>
Earnings Per Share of Common Stock - Basic				
Earnings from Ongoing Operations	\$0.32	\$0.50	\$0.91	\$1.11
Special Items	(0.34)	0.00	(0.29)	0.09
Net Income (Loss)	<u>(\$0.02)</u>	<u>\$0.50</u>	<u>\$0.62</u>	<u>\$1.20</u>
Earnings Per Share of Common Stock - Diluted				
Earnings from Ongoing Operations	\$0.32	\$0.50	\$0.91	\$1.11
Special Items	(0.34)	0.00	(0.29)	0.08
Net Income (Loss)	<u>(\$0.02)</u>	<u>\$0.50</u>	<u>\$0.62</u>	<u>\$1.19</u>
Weighted-Average Shares of Common Stock Outstanding (thousands)				
Basic	375,881	373,158	375,493	373,009
Diluted	376,206	374,902	375,805	374,990

(a) Earnings in the 2009 and 2008 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 from 2008 have been reclassified to conform to the current year presentation.

(c) PPL enters into certain non-trading energy or energy-related contracts to hedge future cash flows that are not eligible for hedge accounting, or where hedge accounting is not elected. Consistent with the treatment of the hedged item, unrealized and realized gains and losses on these transactions are reflected in "Wholesale energy marketing" or "Energy purchases."

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

	6 Months Ended	
	June 30,	
	2009	2008
Cash Flows from Operating Activities		
Net Income	\$243	\$460
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	225	230
Amortization of recoverable transition costs and other	182	178
Deferred income taxes and investment tax credits	(86)	(38)
Gains related to the extinguishment of notes	(29)	
Impairment of assets	104	11
Unrealized (gains) losses on derivatives and other hedging activities	40	(84)
Changes in working capital	(134)	164
Other operating activities	23	12
Net cash provided by operating activities	568	933
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(524)	(661)
Net expenditures for intangible assets	(40)	(256)
Net proceeds from (purchases of) other investments	150	(14)
Net (increase) decrease in restricted cash and cash equivalents	189	(281)
Other investing activities	(15)	(4)
Net cash used in investing activities	(240)	(1,216)
Cash Flows from Financing Activities		
Net issuances (retirements) of long-term debt	(132)	182
Repurchase of common stock due to the repurchase program		(38)
Payment of common stock dividends	(256)	(239)
Net increase (decrease) in short-term debt	(77)	400
Other financing activities	10	18
Net cash provided by (used in) financing activities	(455)	323
Effect of Exchange Rates on Cash and Cash Equivalents		(2)
Net Increase (Decrease) in Cash and Cash Equivalents	(127)	38
Cash and cash equivalents at beginning of period	1,100	430
Cash and cash equivalents included in assets held for sale		(2)
Cash and cash equivalents at end of period	\$973	\$466

Key Indicators

Financial	12 Months Ended June 30,	
	2009	2008
Dividends declared per share	\$1.36	\$1.28
Book value per share (a)	\$14.67	\$13.84
Market price per share (a)	\$32.96	\$52.27
Dividend yield (a)	4.1%	2.4%
Dividend payout ratio (b)	72%	41%
Dividend payout ratio - earnings from ongoing operations (b)(c)	75%	53%
Price/earnings ratio (a)(b)	17.4	16.6
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	18.1	21.6
Return on average common equity	13.25%	22.16%
Return on average common equity - earnings from ongoing operations (c)	13.15%	17.81%

(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

(millions of kwh)	3 Months Ended June 30,			6 Months Ended June 30,		
	2009	2008	Percent Change	2009	2008	Percent Change
Domestic Retail						
Delivered (a)	8,349	8,832	(5.5%)	19,029	19,401	(1.9%)
Supplied	8,893	9,404	(5.4%)	20,145	20,526	(1.9%)
International Delivered						
United Kingdom	6,377	6,949	(8.2%)	13,981	14,703	(4.9%)
Domestic Wholesale						
East	5,769	6,535	(11.7%)	12,532	12,463	0.6%
West						
NorthWestern Energy	567	669	(15.2%)	1,127	1,236	(8.8%)
Other West	2,135	2,655	(19.6%)	4,509	5,749	(21.6%)

(a) Electricity delivered to retail customers represents the kwh delivered to customers within PPL Electric Utilities Corporation's service territory.

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

2nd Quarter 2009

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	PA		Int'l	Total	PA		Int'l	Total
	Supply	Delivery	Delivery		Supply	Delivery	Delivery	
Earnings from Ongoing Operations	\$34	\$17	\$68	\$119	\$0.09	\$0.05	\$0.18	\$0.32
Special Items								
Unrealized losses from energy-related, non-trading economic hedges	(88)			(88)	(0.23)			(0.23)
Unrealized losses from foreign currency economic hedges			(6)	(6)			(0.02)	(0.02)
Adjustments - nuclear decom. trust investments	2			2				
Impairments - assets held for sale & other	(34)			(34)	(0.09)			(0.09)
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>			
	PA		Int'l	Total	PA		Int'l	Total
	Supply	Delivery	Delivery		Supply	Delivery	Delivery	
Earnings from Ongoing Operations	\$115	\$72	\$158	\$345	\$0.30	\$0.19	\$0.42	\$0.91
Special Items								
Unrealized losses from energy-related, non-trading economic hedges	(38)			(38)	(0.10)			(0.10)
Unrealized losses from foreign currency economic hedges			(6)	(6)			(0.02)	(0.02)
Adjustments - nuclear decom. trust investments (Q1, '09; Q2, '09)	(1)			(1)				
Impairments & other impacts - emission allowances (Q1, '09)	(15)			(15)	(0.04)			(0.04)
Impairments - assets held for sale & other (Q1, '09; Q2, '09)	(36)	(1)	(1)	(38)	(0.10)			(0.10)
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>			
	PA		Int'l	Total	PA		Int'l	Total
	Supply	Delivery	Delivery		Supply	Delivery	Delivery	
Earnings from Ongoing Operations	\$252	\$147	\$289	\$688	\$0.66	\$0.39	\$0.77	\$1.82
Special Items								
Unrealized gains from energy-related, non-trading economic hedges	159			159	0.43			0.43
Unrealized losses from foreign currency economic hedges			(6)	(6)			(0.02)	(0.02)
Sale of gas and propane businesses (Q3, '08; Q4, '08; Q1, '09)		(5)		(5)		(0.01)		(0.01)
Adjustments - nuclear decom. trust investments (Q3, '08; Q4, '08; Q1, '09; Q2, '09)	(14)			(14)	(0.04)			(0.04)
Impairments & other impacts - emission allowances (Q3, '08; Q4, '08; Q1, '09)	(40)			(40)	(0.11)			(0.11)
Impairments - assets held for sale & other (Q4, '08; Q1, '09; Q2, '09)	(52)	(1)	(2)	(55)	(0.14)	(0.01)		(0.15)
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

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

2nd Quarter 2008

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>
Earnings from Ongoing Operations	\$96	\$32	\$62	\$190	\$0.26	\$0.08	\$0.16	\$0.50
Special Items								
Unrealized gains from energy-related, non-trading economic hedges	4			4	0.01			0.01
Adjustments - nuclear decom. trust investments	(4)			(4)	(0.01)			(0.01)
Off-site remediation of ash basin leak	1			1				
Sale of gas and propane businesses		(1)		(1)				
Total special items	1	(1)						
Reported Earnings	\$97	\$31	\$62	\$190	\$0.26	\$0.08	\$0.16	\$0.50

Year-to-Date June 30, 2008

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>
Earnings from Ongoing Operations	\$166	\$92	\$160	\$418	\$0.45	\$0.24	\$0.42	\$1.11
Special Items								
Unrealized gains from energy-related, non-trading economic hedges	54			54	0.14			0.14
Adjustments - nuclear decom. trust investments (Q2, '08)	(4)			(4)	(0.01)			(0.01)
Off-site remediation of ash basin leak (Q2, '08)	1			1				
Sale of gas and propane businesses (Q2, '08)		(1)		(1)				
Montana basin seepage litigation (Q1, '08; Q2, '08)	(5)			(5)	(0.01)			(0.01)
Synfuel tax adjustment (Q1, '08)	(13)			(13)	(0.04)			(0.04)
Total special items	33	(1)		32	0.08			0.08
Reported Earnings	\$199	\$91	\$160	\$450	\$0.53	\$0.24	\$0.42	\$1.19

12 Months Ended June 30, 2008

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>	<u>Supply</u>	<u>PA Delivery</u>	<u>Int'l Delivery</u>	<u>Total</u>
Earnings from Ongoing Operations	\$466	\$159	\$293	\$918	\$1.23	\$0.42	\$0.77	\$2.42
Special Items								
Unrealized gains from energy-related, non-trading economic hedges	60			60	0.17			0.17
Adjustments - nuclear decom. trust investments (Q2, '08)	(4)			(4)	(0.01)			(0.01)
Off-site remediation of ash basin leak (Q2, '08)	1			1				
Sale of gas and propane businesses (Q3, '07; Q4, '07; Q2, '08)		(45)		(45)		(0.12)		(0.12)
Montana basin seepage litigation (Q1, '08; Q2, '08)	(5)			(5)	(0.01)			(0.01)
Synfuel tax adjustment (Q1, '08)	(13)			(13)	(0.04)			(0.04)
Workforce reduction (Q4, '07)	(4)	(1)	(4)	(9)	(0.01)		(0.01)	(0.02)
Sale of Latin American businesses (Q3, '07; Q4, '07)			216	216			0.57	0.57
Sale of domestic telecommunication operations (Q3, '07; Q4, '07)	(3)			(3)	(0.01)			(0.01)
Settlement of Wallingford cost-based rates (Q3, '07)	33			33	0.09			0.09
Impairment of transmission rights (Q3, '07; Q4, '07)	(13)			(13)	(0.04)			(0.04)
Change in U.K. tax rate (Q3, '07; Q4, '07)			54	54			0.14	0.14
Total special items	52	(46)	266	272	0.14	(0.12)	0.70	0.72
Reported Earnings	\$518	\$113	\$559	\$1,190	\$1.37	\$0.30	\$1.47	\$3.14