

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

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

	<b>Sept. 30, 2007</b>	<b>Dec. 31, 2006</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 439	\$ 794
Assets held for sale	979	0
Other current assets	2,539	2,836
Investments	612	564
Property, plant and equipment		
Electric plant	19,562	19,395
Gas and oil plant	66	373
Other property	191	311
	19,819	20,079
Less: accumulated depreciation	7,696	8,010
	12,123	12,069
Recoverable transition costs	654	884
Goodwill and other acquired intangibles	1,276	1,521
Regulatory and other noncurrent assets	1,203	1,079
Total assets	<b>\$ 19,825</b>	<b>\$ 19,747</b>
<b>Liabilities and Equity</b>		
Short-term debt (including current portion of long-term debt)	\$ 662	\$ 1,149
Liabilities held for sale and related minority interest	394	0
Other current liabilities	1,968	2,199
Long-term debt (less current portion)	7,171	6,728
Deferred income taxes and investment tax credits	2,059	2,331
Other noncurrent liabilities	2,084	1,857
Minority interest	26	60
Preferred securities of a subsidiary	301	301
Earnings reinvested	3,144	2,626
Common stock and capital in excess of par value	2,307	2,814
Accumulated other comprehensive loss	(291)	(318)
Total liabilities and equity	<b>\$ 19,825</b>	<b>\$ 19,747</b>

- (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)

	<b>3 Months Ended Sept. 30,</b>		<b>9 Months Ended Sept. 30,</b>	
	<b>2007(a)</b>	<b>2006(a)(b)</b>	<b>2007(a)</b>	<b>2006(a)(b)</b>
<b>Operating Revenues</b>				
Utility	\$ 1,016	\$ 972	\$ 3,074	\$ 2,892
Unregulated retail electric	28	23	73	68
Wholesale energy marketing	516	446	1,144	1,164
Net energy trading margins	10	15	23	26
Energy-related businesses	193	133	563	454
	<u>1,763</u>	<u>1,589</u>	<u>4,877</u>	<u>4,604</u>
<b>Operating Expenses</b>				
Fuel and energy purchases	481	520	1,226	1,326
Other operation and maintenance	324	299	996	914
Amortization of recoverable transition costs	78	75	229	210
Depreciation	108	105	334	308
Taxes, other than income	73	74	223	213
Energy-related businesses	178	156	581	453
	<u>1,242</u>	<u>1,229</u>	<u>3,589</u>	<u>3,424</u>
<b>Operating Income</b>	521	360	1,288	1,180
Other Income – net	23	19	71	55
Interest Expense	117	114	357	338
<b>Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Securities of a Subsidiary</b>	427	265	1,002	897
Income Taxes	88	44	188	214
Minority Interest	1	1	2	2
Dividends on Preferred Securities of a Subsidiary	5	5	14	10
<b>Income from Continuing Operations</b>	333	215	798	671
Income (Loss) from Discontinued Operations (net of income taxes)	(11)	11	72	16
<b>Net Income</b>	<u>\$ 322</u>	<u>\$ 226</u>	<u>\$ 870</u>	<u>\$ 687</u>
<b>Earnings per share of common stock – basic</b>				
Earnings from ongoing operations	\$ 0.73	\$ 0.59	\$ 2.03	\$ 1.82
Special items	0.12	0.00	0.24	(0.01)
<b>Net Income</b>	<u>\$ 0.85</u>	<u>\$ 0.59</u>	<u>\$ 2.27</u>	<u>\$ 1.81</u>
<b>Earnings per share of common stock – diluted</b>				
Earnings from ongoing operations	\$ 0.72	\$ 0.58	\$ 2.00	\$ 1.79
Special Items	0.12	0.00	0.25	(0.01)
<b>Net Income</b>	<u>\$ 0.84</u>	<u>\$ 0.58</u>	<u>\$ 2.25</u>	<u>\$ 1.78</u>
<b>Average shares outstanding (thousands)</b>				
Basic	379,896	380,806	383,036	380,269
Diluted	384,575	387,602	387,658	386,273

- (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 from 2006 have been reclassified to conform to the current year presentation, including the reclassification of Latin American and Gas Utilities accounts to Discontinued Operations.

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

	<b>9 Months Ended</b>	
	<b>Sept. 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 870	\$ 687
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	345	326
Amortizations - recoverable transition costs and other	327	234
Pre-tax gain from the sale of the El Salvadoran business	(94)	0
Pre-tax loss from the sale of interest in the Griffith plant	0	40
Deferred income taxes and investment tax credits	(95)	(81)
Pension and other postretirement benefits	31	(28)
Impairment of assets	97	0
Unrealized gains on derivatives and other hedging activities	(68)	(2)
Changes in working capital	(31)	62
Other	(130)	20
Net cash provided by operating activities	1,252	1,258
<b>Cash Flows from Investing Activities</b>		
Expenditures for property, plant and equipment	(1,121)	(859)
Proceeds from the sale of the El Salvadoran and Bolivian businesses	191	0
Proceeds from the sale of telecommunication operations	47	0
Net sales (purchases) of emission allowances	62	(26)
Net sales (purchases) of short-term investments	58	(60)
Proceeds from the sale of interest in the Griffith plant	0	115
Other investing activities	(34)	12
Net cash used in investing activities	(797)	(818)
<b>Cash Flows from Financing Activities</b>		
Net (retirements) issuances of long-term debt	(49)	43
Repurchase of common stock	(565)	0
Payment of common stock dividends	(343)	(304)
Net increase (decrease) in short-term debt	150	(172)
Issuance of preference stock, net of issuance costs	0	245
Other financing activities	8	(8)
Net cash used in financing activities	(799)	(196)
<b>Effect of Exchange Rates on Cash and Cash Equivalents</b>		
	2	1
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(342)	245
Cash and cash equivalents at beginning of period	794	555
Cash and cash equivalents included in assets held for sale	(13)	0
Cash and cash equivalents at end of period	\$ 439	\$ 800

## Key Indicators

### Financial

	<b>12 Months Ended Sept. 30, 2007</b>	<b>12 Months Ended Sept. 30, 2006</b>
Dividends declared per share	\$1.19	\$1.075
Book value per share (a)	\$13.75	\$13.34
Market price per share (a)	\$46.30	\$32.90
Dividend yield (a)	2.6%	3.3%
Dividend payout ratio (b)	44%	48%
Dividend payout ratio - earnings from ongoing operations (b)(c)	48%	47%
Price/earnings ratio (a)(b)	17.1	14.6
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	18.8	14.2
Return on average common equity	20.09%	18.60%
Return on average common equity - earnings from ongoing operations (c)	18.30%	18.75%

(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.

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

### 3rd 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
	<b>Earnings from Ongoing Operations</b>	\$ 193	\$ 32	\$ 51	\$ 276	\$ 0.50	\$ 0.09	\$ 0.13
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(6)			(6)	(0.02)			(0.02)
Divestiture of Latin American businesses			3	3			0.01	0.01
Sale of telecommunication operations	(3)			(3)	(0.01)			(0.01)
Sale of gas and propane operations		(23)		(23)		(0.06)		(0.06)
Settlement of Wallingford cost-based rates	33			33	0.09			0.09
Impairment of certain transmission rights	(12)			(12)	(0.03)			(0.03)
Change in U.K. tax rate			54	54			0.14	0.14
Total special items	12	(23)	57	46	0.03	(0.06)	0.15	0.12
<b>Reported earnings</b>	<b>\$ 205</b>	<b>\$ 9</b>	<b>\$ 108</b>	<b>\$ 322</b>	<b>\$ 0.53</b>	<b>\$ 0.03</b>	<b>\$ 0.28</b>	<b>\$ 0.84</b>

### Year-to-Date Sept. 30, 2007

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
	<b>Earnings from Ongoing Operations</b>	\$ 437	\$ 120	\$ 219	\$ 776	\$ 1.12	\$ 0.31	\$ 0.57
Special Items								
MTM adj's from energy-related, non-trading economic hedges	20			20	0.05			0.05
PJM billing dispute (Q1, '07)	(1)			(1)				
Divestiture of Latin American businesses (Q1, '07; Q2, '07; Q3, '07)			46	46			0.12	0.12
Sale of telecommunication operations (Q1, '07; Q2, '07; Q3, '07)	(23)			(23)	(0.06)			(0.06)
Sale of gas and propane operations (Q3, '07)		(23)		(23)		(0.06)		(0.06)
Settlement of Wallingford cost-based rates (Q3, '07)	33			33	0.09			0.09
Impairment of certain transmission rights (Q3, '07)	(12)			(12)	(0.03)			(0.03)
Change in U.K. tax rate (Q3, '07)			54	54			0.14	0.14
Total special items	17	(23)	100	94	0.05	(0.06)	0.26	0.25
<b>Reported earnings</b>	<b>\$ 454</b>	<b>\$ 97</b>	<b>\$ 319</b>	<b>\$ 870</b>	<b>\$ 1.17</b>	<b>\$ 0.25</b>	<b>\$ 0.83</b>	<b>\$ 2.25</b>

### 12 Months Ended Sept. 30, 2007

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
	<b>Earnings from Ongoing Operations</b>	\$ 536	\$ 150	\$ 268	\$ 954	\$ 1.38	\$ 0.39	\$ 0.69
Special Items								
MTM adj's from energy-related, non-trading economic hedges	23			23	0.06			0.06
PJM billing dispute (Q4, '06; Q1, '07)	(18)	20		2	(0.04)	0.05		0.01
Sale of interest in Griffith (Q4, '06)	1			1				
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; Q2, '07; Q3, '07)			46	46			0.12	0.12
Sale of telecommunication operations (Q1, '07; Q2, '07; Q3, '07)	(23)			(23)	(0.06)			(0.06)
Sale of gas and propane operations (Q3, '07)		(23)		(23)		(0.06)		(0.06)
Settlement of Wallingford cost-based rates (Q3, '07)	33			33	0.09			0.09
Impairment of certain transmission rights (Q3, '07)	(12)			(12)	(0.03)			(0.03)
Change in U.K. tax rate (Q3, '07)			54	54			0.14	0.14
Total special items	(2)	(3)	100	95		(0.01)	0.26	0.25
<b>Reported earnings</b>	<b>\$ 534</b>	<b>\$ 147</b>	<b>\$ 368</b>	<b>\$ 1,049</b>	<b>\$ 1.38</b>	<b>\$ 0.38</b>	<b>\$ 0.95</b>	<b>\$ 2.71</b>

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

### 3rd 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
<b>Earnings from Ongoing Operations</b>	\$ 133	\$ 33	\$ 59	\$ 225	\$ 0.34	\$ 0.09	\$ 0.15	\$ 0.58
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(13)			(13)	(0.03)			(0.03)
Write-off of Hurricane Isabel regulatory asset		(7)		(7)		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets		21		21		0.05		0.05
Total special items	(13)	14		1	(0.03)	0.03		
<b>Reported earnings</b>	<b>\$ 120</b>	<b>\$ 47</b>	<b>\$ 59</b>	<b>\$ 226</b>	<b>\$ 0.31</b>	<b>\$ 0.12</b>	<b>\$ 0.15</b>	<b>\$ 0.58</b>

### Year-to-Date Sept. 30, 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
<b>Earnings from Ongoing Operations</b>	\$ 357	\$ 117	\$ 218	\$ 692	\$ 0.91	\$ 0.31	\$ 0.57	\$ 1.79
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(14)			(14)	(0.03)			(0.03)
Off-site remediation of ash basin leak (Q1, '06; Q2, '06)	6			6	0.02			0.02
Enron reserve adjustment (Q1, '06; Q2, '06)	11		1	12	0.03			0.03
Sale of interest in Griffith (Q2, '06)	(17)			(17)	(0.05)			(0.05)
Synfuels impairment (Q2, '06)	(6)			(6)	(0.01)			(0.01)
Write-off of Hurricane Isabel regulatory asset (Q3, '06)		(7)		(7)		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets (Q3, '06)		21		21		0.05		0.05
Total special items	(20)	14	1	(5)	(0.04)	0.03		(0.01)
<b>Reported earnings</b>	<b>\$ 337</b>	<b>\$ 131</b>	<b>\$ 219</b>	<b>\$ 687</b>	<b>\$ 0.87</b>	<b>\$ 0.34</b>	<b>\$ 0.57</b>	<b>\$ 1.78</b>

### 12 Months Ended Sept. 30, 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA Delivery	Int'l Delivery	Total	Supply	PA Delivery	Int'l Delivery	Total
<b>Earnings from Ongoing Operations</b>	\$ 446	\$ 165	\$ 282	\$ 893	\$ 1.14	\$ 0.44	\$ 0.73	\$ 2.31
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(14)			(14)	(0.03)			(0.03)
Off-site remediation of ash basin leak (Q4, '05; Q1, '06; Q2, '06)	(2)			(2)				
Conditional asset retirement obligation (Q4, '05)	(8)			(8)	(0.02)			(0.02)
Enron reserve adjustment (Q1, '06; Q2, '06)	11		1	12	0.03			0.03
Sale of interest in Griffith (Q2, '06)	(17)			(17)	(0.05)			(0.05)
Synfuels impairment (Q2, '06)	(6)			(6)	(0.01)			(0.01)
Write-off of Hurricane Isabel regulatory asset (Q3, '06)		(7)		(7)		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets (Q3, '06)		21		21		0.05		0.05
Total special items	(36)	14	1	(21)	(0.08)	0.03		(0.05)
<b>Reported earnings</b>	<b>\$ 410</b>	<b>\$ 179</b>	<b>\$ 283</b>	<b>\$ 872</b>	<b>\$ 1.06</b>	<b>\$ 0.47</b>	<b>\$ 0.73</b>	<b>\$ 2.26</b>

## Operating – Domestic & International Electricity Sales

(millions of kwh)

	3 Months Ended Sept. 30			9 Months Ended Sept. 30		
	2007	2006	Percent Change	2007	2006	Percent Change
Domestic Retail						
Delivered (a)	9,699	9,735	(0.4%)	28,880	28,076	2.9%
Supplied	10,249	10,275	(0.3%)	30,486	29,700	2.6%
International Delivered						
United Kingdom	6,326	6,345	(0.3%)	20,891	21,774	(4.1%)
Chile	703	666	5.6%	2,241	2,102	6.6%
El Salvador and Bolivia (c)	82	450	(81.8%)	989	1,322	(25.2%)
Domestic Wholesale						
East	6,826	5,145	32.7%	15,637	15,013	4.2%
West						
NorthWestern Energy	569	850	(33.1%)	2,238	2,518	(11.1%)
Other West (b)	3,251	2,251	44.4%	8,696	7,684	13.2%

- (a) Electricity delivered to retail customers represents the kwh delivered to customers within PPL Electric Utilities Corporation's service territory.
- (b) Certain amounts have been reclassified to conform to the current year presentation.
- (c) PPL's businesses in El Salvador and Bolivia were sold on May 24, 2007, and July 12, 2007, respectively, and electricity deliveries were made to the dates of sale.