

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

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

	<u>March 31, 2006</u>	<u>Dec. 31, 2005</u>
Assets		
Cash and cash equivalents	\$ 338	\$ 555
Other current assets	2,490	2,355
Investments	518	508
Property, plant and equipment		
Electric plant	18,191	17,977
Gas and oil plant	353	349
Other property	<u>295</u>	<u>289</u>
	18,839	18,615
Less: accumulated depreciation	<u>7,805</u>	<u>7,699</u>
	11,034	10,916
Recoverable transition costs	1,093	1,165
Goodwill and other intangibles	1,411	1,482
Regulatory and other assets	<u>1,008</u>	<u>945</u>
Total assets	<u>\$ 17,892</u>	<u>\$ 17,926</u>
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$ 1,164	\$ 1,340
Other current liabilities	2,015	2,000
Long-term debt (less current portion)	5,954	6,044
Deferred income taxes and investment tax credits	2,227	2,197
Other noncurrent liabilities	1,702	1,820
Minority interest	57	56
Preferred stock	51	51
Earnings reinvested	2,357	2,182
Common stock and capital in excess of par value	3,626	3,606
Accumulated other comprehensive loss	(422)	(532)
Treasury stock	<u>(839)</u>	<u>(838)</u>
Total liabilities and equity	<u>\$ 17,892</u>	<u>\$ 17,926</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 disclosures.

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

	3 Months Ended March 31,		12 Months Ended March 31,	
	2006(a)	2005(a)(b)	2006(a)	2005(a)(b)
Operating Revenues				
Utility	\$ 1,232	\$ 1,151	\$ 4,410	\$ 3,966
Unregulated retail electric	25	25	101	108
Wholesale energy marketing	337	268	1,197	1,217
Net energy trading margins	10	16	29	32
Energy-related businesses	179	140	665	554
	1,783	1,600	6,402	5,877
Operating Expenses				
Fuel and energy purchases	549	510	1,895	1,721
Other operation and maintenance	332	364	1,369	1,287
Amortization of recoverable transition costs	72	69	271	255
Depreciation	108	103	425	410
Taxes, other than income	71	73	277	266
Energy-related businesses	163	146	666	575
	1,295	1,265	4,903	4,514
Operating Income	488	335	1,499	1,363
Other Income - net	9	7	31	37
Interest Expense	119	135	492	527
	488	335	1,499	1,363
Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Stock	378	207	1,038	873
Income Taxes	95	34	182	162
Minority Interest	2	2	7	8
Dividends on Preferred Stock	1	1	2	2
	280	170	847	701
Income from Continuing Operations	280	170	847	701
Loss from Discontinued Operations (net of income taxes)	0	2	49	12
	280	170	847	701
Income Before Cumulative Effect of a Change in Accounting Principle	280	168	798	689
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	0	0	(8)	0
	280	168	790	689
Net Income	\$ 280	\$ 168	\$ 790	\$ 689
Earnings per share of common stock – basic (c)				
Earnings from ongoing operations	\$ 0.71	\$ 0.55	\$ 2.26	\$ 1.90
Unusual items	0.03	(0.10)	(0.18)	(0.06)
	\$ 0.74	\$ 0.45	\$ 2.08	\$ 1.84
Earnings per share of common stock – diluted (c)				
Earnings from ongoing operations	\$ 0.70	\$ 0.54	\$ 2.23	\$ 1.89
Unusual items	0.03	(0.10)	(0.18)	(0.06)
	\$ 0.73	\$ 0.44	\$ 2.05	\$ 1.83
Average shares outstanding (thousands) (c)				
Basic	379,838	378,119	379,609	374,044
Diluted	385,605	381,350	384,847	376,007

- (a) Earnings in the 2006 and 2005 periods were impacted by several unusual items, as described in the text and tables of this news release. Earnings from ongoing operations excludes the impact of these unusual items.
- (b) Certain amounts have been reclassified to conform to the current year presentation.
- (c) Per share data and shares outstanding for prior periods have been adjusted to reflect the August 2005 2-for-1 stock split.

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

	Three Months Ended March 31,	
	2006	2005
Cash Flows from Operating Activities		
Net income	\$ 280	\$ 168
Depreciation	108	105
Amortizations-recoverable transition costs and other	77	69
Deferred income tax benefits and investment tax credits	(48)	(22)
Pension funding	(22)	(10)
Changes in working capital	(82)	(52)
Other adjustments to reconcile net income to net cash provided by operating activities	(16)	49
Net cash provided by operating activities	297	307
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(198)	(169)
Net (purchase) sales of emission allowances	(24)	5
Other investing activities	63	71
Net cash used in investing activities	(159)	(93)
Cash Flows from Financing Activities		
Net retirements of long-term debt	(225)	(280)
Payment of common dividends	(95)	(77)
Net (decrease) increase in short-term debt	(36)	265
Other financing activities	1	14
Net cash used in financing activities	(355)	(78)
Effect of Exchange Rates on Cash and Cash Equivalents		
	0	2
Net (Decrease) Increase in Cash and Cash Equivalents		
	(217)	138
Cash and cash equivalents at beginning of period	555	616
Cash and cash equivalents at end of period	\$ 338	\$ 754
 Free Cash Flow Before Dividends: (a)		
Cash Flows from Operating Activities	\$ 297	\$ 307
(Decrease)/Increase in cash due to:		
Transition bond repayments	(73)	(71)
Capital expenditures	(198)	(169)
Other investing activities-net	39	76
	\$ 65	\$ 143

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

Key Indicators

Financial

	<u>12 Months Ended March 31, 2006</u>	<u>12 Months Ended March 31, 2005</u>
Dividends declared per share (d)	\$1.005	\$0.845
Book value per share (a)(d)	\$12.41	\$11.38
Market price per share (a)(d)	\$29.40	\$27.00
Dividend yield (a)	3.4%	3.1%
Dividend payout ratio (b)	49%	46%
Dividend payout ratio - earnings from ongoing operations (b)(c)	45%	45%
Price/earnings ratio (a)(b)	14.3	14.8
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	13.2	14.3
Return on average common equity	17.86%	16.94%
Return on average common equity - earnings from ongoing operations (c)	19.09%	17.57%

(a) End of period.

(b) Based on diluted earnings per share.

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

(d) Prior period amounts have been adjusted to reflect the August 2005 2-for-1 stock split.

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	\$ 133	\$ 56	\$ 80	\$ 269	\$ 0.34	\$ 0.15	\$ 0.21	\$ 0.70
Unusual Items								
Off-site remediation of ash basin leak (Q1, '06)	1			1				
Enron reserve adjustment (Q1, '06)	9		1	10	0.03			0.03
Total unusual items	10		1	11	0.03			0.03
Reported Earnings	\$ 143	\$ 56	\$ 81	\$ 280	\$ 0.37	\$ 0.15	\$ 0.21	\$ 0.73

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	\$ 440	\$ 188	\$ 233	\$ 861	\$ 1.14	\$ 0.49	\$ 0.60	\$ 2.23
Unusual Items								
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 unusual items	(72)		1	(71)	(0.18)			(0.18)
Reported Earnings	\$ 368	\$ 188	\$ 234	\$ 790	\$ 0.96	\$ 0.49	\$ 0.60	\$ 2.05

1st Quarter 2005

	<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	\$ 95	\$ 49	\$ 62	\$ 206	\$ 0.26	\$ 0.12	\$ 0.16	\$ 0.54
Unusual Items								
PJM billing dispute (Q1, '05)		(27)		(27)		(0.07)		(0.07)
NorthWestern litigation (Q1, '05)	(6)			(6)	(0.02)			(0.02)
Stock-based compensation adjustment (Q1, '05)	(3)	(2)		(5)	(0.01)			(0.01)
Total unusual items	(9)	(29)		(38)	(0.03)	(0.07)		(0.10)
Reported Earnings	\$ 86	\$ 20	\$ 62	\$ 168	\$ 0.23	\$ 0.05	\$ 0.16	\$ 0.44

12 Months Ended March 31, 2005

	<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	\$ 89	\$ 189	\$ 711	\$ 1.16	\$ 0.23	\$ 0.50	\$ 1.89
Unusual Items								
PJM billing dispute (Q1, '05)		(27)		(27)		(0.07)		(0.07)
NorthWestern litigation (Q1, '05)	(6)			(6)	(0.02)			(0.02)
Stock-based compensation adjustment (Q1, '05)	(3)	(2)		(5)	(0.01)			(0.01)
Impairment of investment in technology supplier (Q2, '04)	(6)			(6)	(0.02)			(0.02)
Sale of CGE (Q1, '04)			1	1				
Sale of CEMAR (Q2, '04)			23	23			0.06	0.06
Discontinued operations (Q2, '04)			(2)	(2)				
Total unusual items	(15)	(29)	22	(22)	(0.05)	(0.07)	0.06	(0.06)
Reported Earnings	\$ 418	\$ 60	\$ 211	\$ 689	\$ 1.11	\$ 0.16	\$ 0.56	\$ 1.83

Operating - Domestic & International Electricity Sales

(millions of kwh)

	3 Months Ended March 31,			12 Months Ended March 31,		
	2006	2005	Percent Change	2006	2005	Percent Change
Domestic Retail						
Delivered (a)(b)	9,934	10,303	(3.6%)	36,991	36,320	1.8%
Supplied (b)	10,478	10,800	(3.0%)	39,089	38,211	2.3%
International delivered						
United Kingdom	8,077	7,849	2.9%	29,113	28,736	1.3%
Latin America	1,153	1,077	7.1%	4,338	4,068	6.6%
Domestic Wholesale						
East	4,732	4,812	(1.7%)	20,972	24,163	(13.2%)
West						
NorthWestern Energy	824	816	0.9%	3,334	3,322	0.4%
Other Montana	2,577	2,069	24.6%	8,657	7,607	13.8%
PPL EnergyPlus	152	184	(17.1%)	1,210	1,257	(3.7%)

(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.