

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

Condensed Consolidated Balance Sheet
(Millions of Dollars)

	<u>Sept. 30, 2002 (a)</u>	<u>Dec. 31, 2001 (b)</u>
Assets		
Cash	\$339	\$933
Other current assets	1,532	1,397
Investments	725	999
Property, plant and equipment -- net		
Electric plant	8,868	5,648
Gas and oil plant	202	196
Other property	<u>200</u>	<u>103</u>
	9,270	5,947
Recoverable transition costs	2,007	2,172
Regulatory and other assets	<u>1,807</u>	<u>1,118</u>
Total assets	<u>\$15,680</u>	<u>\$12,566</u>
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$1,085	\$616
Other current liabilities	1,210	1,214
Long-term debt (less current portion)	6,301	5,081
Deferred income taxes and investment tax credits	2,438	1,449
Other noncurrent liabilities	1,433	1,404
Minority interest	35	38
Company-obligated mandatorily redeemable securities	661	825
Preferred stock	82	82
Earnings reinvested	956	1,023
Other common equity	2,315	1,670
Treasury stock	<u>(836)</u>	<u>(836)</u>
Total liabilities and equity	<u>\$15,680</u>	<u>\$12,566</u>

- (a) The Sept. 30, 2002 balance sheet includes a preliminary consolidation of the accounts of Western Power Distribution (WPD), of which PPL Global achieved operational control on Sept. 6, 2002, when it purchased Mirant Corporation's interest in WPD. The balance sheet presentation may change when reflected in the Form 10-Q for the third quarter of 2002, as additional purchase accounting adjustments and other reclassifications may be recorded.
- (b) Certain amounts have been reclassified to conform to the current year presentation.

Condensed Consolidated Income Statement
(Millions of Dollars)

	<u>3 Months Ended Sept. 30,</u>		<u>9 Months Ended Sept. 30,</u>		<u>12 Months Ended Sept. 30,</u>	
	<u>2002(a)(b)</u>	<u>2001(b)(c)</u>	<u>2002(a)(b)</u>	<u>2001(b)(c)</u>	<u>2002(a)(b)</u>	<u>2001(b)(c)</u>
Operating Revenues						
Utility	\$1,227	\$767	\$2,774	\$2,288	\$3,520	\$3,255
Unregulated retail electric and gas	46	59	137	302	191	199
Wholesale energy marketing	344	195	693	645	850	912
Net energy trading margins	0	37	21	70	32	82
Energy-related businesses	<u>111</u>	<u>167</u>	<u>430</u>	<u>491</u>	<u>600</u>	<u>629</u>
	<u>1,728</u>	<u>1,225</u>	<u>4,055</u>	<u>3,796</u>	<u>5,193</u>	<u>5,077</u>
Operating Expenses						
Fuel and purchased power	428	315	1,054	1,045	1,341	1,390
Other operation and maintenance	297	258	812	777	1,052	1,091
Amortization of recoverable transition costs	61	65	165	191	225	259
Depreciation	144	67	269	200	335	191
Energy-related businesses	161	143	439	424	593	622
Taxes, other than income	74	40	172	120	207	164
Other charges						
Write-down of international energy projects	0	0	100	0	436	0
Cancellation of generation projects	0	0	0	0	150	0
Workforce reduction	<u>1</u>	<u>0</u>	<u>75</u>	<u>0</u>	<u>75</u>	<u>0</u>
	<u>1,166</u>	<u>888</u>	<u>3,086</u>	<u>2,757</u>	<u>4,414</u>	<u>3,717</u>
Operating Income	<u>562</u>	<u>337</u>	<u>969</u>	<u>1,039</u>	<u>779</u>	<u>1,360</u>
Other income – net	7	9	18	21	14	6
Interest expense	<u>231</u>	<u>91</u>	<u>428</u>	<u>283</u>	<u>531</u>	<u>385</u>
Income Before Income Taxes and Minority Interest						
Minority interest	338	255	559	777	262	981
Income taxes	127	86	194	247	208	328
Minority interest	<u>74</u>	<u>1</u>	<u>76</u>	<u>4</u>	<u>70</u>	<u>4</u>
Income (Loss) Before Extraordinary Items	137	168	289	526	(16)	649
Extraordinary item (net of tax)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11</u>
Income (Loss) Before Cumulative Effect of a Change in Accounting Principles						
Cumulative effect of a change in accounting principles (net of tax)	<u>0</u>	<u>0</u>	<u>(150)</u>	<u>0</u>	<u>(140)</u>	<u>0</u>
Income (Loss) Before Dividends and Distributions on Preferred Securities						
Dividends and distributions on preferred securities	<u>15</u>	<u>16</u>	<u>47</u>	<u>35</u>	<u>64</u>	<u>42</u>
Net Income (Loss)	<u>\$122</u>	<u>\$152</u>	<u>\$92</u>	<u>\$491</u>	<u>(\$220)</u>	<u>\$618</u>
Earnings per share of common stock – basic						
Income from core operations	\$0.96	\$1.04	\$2.73	\$3.37	\$3.61	\$4.25
Unusual items	<u>(0.15)</u>	<u>0</u>	<u>(2.11)</u>	<u>0</u>	<u>(5.09)</u>	<u>0</u>
Net Income (loss)	<u>\$0.81</u>	<u>\$1.04</u>	<u>\$0.62</u>	<u>\$3.37</u>	<u>(\$1.48)</u>	<u>\$4.25</u>
Earnings per share of common stock – diluted						
Income from core operations	\$0.95	\$1.04	\$2.72	\$3.35	\$3.60	\$4.22
Unusual items	<u>(0.15)</u>	<u>0</u>	<u>(2.10)</u>	<u>0</u>	<u>(5.08)</u>	<u>0</u>
Net Income (loss)	<u>\$0.80</u>	<u>\$1.04</u>	<u>\$0.62</u>	<u>\$3.35</u>	<u>(\$1.48)</u>	<u>\$4.22</u>
Average number of shares outstanding (thousands)						
Basic	151,565	146,241	148,758	145,818	148,226	145,597
Diluted	151,848	146,753	149,084	146,564	148,551	146,386

- (a) The income statements for the 2002 periods reflect the consolidation of the accounts of WPD, retroactive to Jan. 1, 2002. Minority interest was adjusted to include the pre-acquisition earnings associated with Mirant's previous 49 percent ownership of WPD. PPL Global purchased Mirant's interest in WPD on Sept. 6, 2002.
- (b) All income statement periods reflect the reclassification of energy trading activities to a "net" basis, in accordance with new accounting regulations. Previously, energy trading revenues and energy trading purchases were reported "gross" in "Wholesale energy marketing and trading" revenue and "Fuel and purchased power," respectively. The net energy trading margins are now separately presented in the income statement. Operating income and net income were not affected by these reclassifications.
- (c) Certain amounts have been reclassified to conform to the current year presentation.

Key Indicators

Financial

	12 Months Ended Sept. 30, 2002	12 Months Ended Sept. 30, 2001
Dividends declared per share	\$1.35	\$1.06
Book value per share (a)	\$14.83	\$15.90
Market price per share (a)	\$32.54	\$32.60
Dividend yield (a)	4.1%	3.3%
Dividend payout ratio – diluted (b)	37%	25%
Price/earnings ratio – diluted (a)(b)	9.0	7.7
Return on average common equity (b)	21.49%	30.18%

(a) End of period

(b) Based on earnings from core operations

Operating – Domestic Electricity Sales

(millions of kwh)	<u>3 Months Ended Sept. 30,</u>			<u>9 Months Ended Sept. 30,</u>			<u>12 Months Ended Sept. 30,</u>		
	<u>2002</u>	<u>2001</u>	<u>Percent Change</u>	<u>2002</u>	<u>2001</u>	<u>Percent Change</u>	<u>2002</u>	<u>2001</u>	<u>Percent Change</u>
Retail									
Delivered (a)	9,107	8,712	4.5%	26,478	26,677	(0.7%)	34,412	34,957	(1.6%)
Supplied	9,603	9,386	2.3%	27,918	28,867	(3.3%)	36,446	38,236	(4.7%)
Wholesale									
East	8,897	4,853	83.3%	18,804	14,356	31.0%	23,571	20,603	14.4%
West									
Northwestern Energy/ Montana Power (b)	846	1,268	(33.3%)	3,413	3,516	(2.9%)	4,614	4,769	(3.3%)
Other	2,240	960	133.3%	5,715	2,729	109.4%	6,827	3,798	79.8%

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

(b) Northwestern Energy purchased Montana Power's electric delivery business in February 2002. PPL Montana's power agreement with Montana Power expired June 30, 2002. PPL EnergyPlus, on behalf of PPL Montana, began selling energy to Northwestern Energy on July 1, 2002.