

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

Condensed Consolidated Balance Sheet
(Millions of Dollars)

	Sept. 30, 2005	Dec. 31, 2004 (a)
Assets		
Cash	\$ 235	\$ 616
Other current assets	2,458	1,688
Investments	496	472
Property, plant and equipment		
Electric plant	17,880	18,010
Gas and oil plant	342	336
Other property	286	285
	18,508	18,631
Less: accumulated depreciation	7,628	7,482
	10,880	11,149
Recoverable transition costs	1,234	1,431
Goodwill and other intangibles	1,471	1,463
Regulatory and other assets	989	942
Total assets	\$ 17,763	\$ 17,761
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$ 910	\$ 908
Other current liabilities	2,164	1,387
Long-term debt (less current portion)	5,968	6,881
Deferred income taxes and investment tax credits	2,376	2,426
Other noncurrent liabilities	1,933	1,813
Minority interest	56	56
Preferred stock	51	51
Earnings reinvested	2,092	1,870
Other common equity	3,603	3,530
Accumulated other comprehensive loss	(552)	(323)
Treasury stock	(838)	(838)
Total liabilities and equity	\$ 17,763	\$ 17,761

(a) Certain amounts have been reclassified to conform to the current year presentation.

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

	3 Months Ended Sept. 30,		9 Months Ended Sept. 30,		12 Months Ended Sept. 30,	
	2005 (a)	2004 (b)	2005 (a)	2004 (a)(b)	2005 (a)	2004 (a)(b)
Operating Revenues						
Utility	\$ 1,068	\$ 923	\$ 3,234	\$ 2,916	\$ 4,218	\$ 3,848
Unregulated retail electric	25	27	73	87	100	120
Wholesale energy marketing	358	363	899	927	1,196	1,135
Net energy trading margins	20	6	35	18	39	19
Energy-related businesses	172	135	480	383	632	507
	<u>1,643</u>	<u>1,454</u>	<u>4,721</u>	<u>4,331</u>	<u>6,185</u>	<u>5,629</u>
Operating Expenses						
Fuel and purchased power	505	409	1,429	1,267	1,843	1,576
Other operation and maintenance	331	288	1,026	920	1,343	1,230
Amortization of recoverable transition costs	71	64	199	192	263	259
Depreciation	107	103	315	300	420	392
Taxes, other than income	73	67	214	186	277	253
Energy-related businesses	170	140	486	409	643	525
	<u>1,257</u>	<u>1,071</u>	<u>3,669</u>	<u>3,274</u>	<u>4,789</u>	<u>4,235</u>
Operating Income	386	383	1,052	1,057	1,396	1,394
Other Income – net	5	18	23	45	17	60
Interest Expense	127	128	387	382	518	503
Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Stock	264	273	688	720	895	951
Income Taxes	65	74	137	179	162	150
Minority Interest	1	2	5	6	7	8
Dividends on Preferred Stock	1	1	2	2	2	2
Income from Continuing Operations	197	196	544	533	724	791
Loss from Discontinued Operations (net of income taxes)	0	0	51	12	54	34
Income Before Cumulative Effect of a Change in Accounting Principle	197	196	493	521	670	757
Cumulative Effect of a Change in Accounting Principle (net of income taxes)	0	0	0	0	0	(28)
Net Income	<u>\$ 197</u>	<u>\$ 196</u>	<u>\$ 493</u>	<u>\$ 521</u>	<u>\$ 670</u>	<u>\$ 729</u>
Earnings per share of common stock – basic (c)						
Ongoing earnings	\$ 0.57	\$ 0.52	\$ 1.57	\$ 1.40	\$ 2.04	\$ 1.89
Unusual items	(0.05)	0	(0.27)	0.02	(0.27)	0.12
Net Income	<u>\$ 0.52</u>	<u>\$ 0.52</u>	<u>\$ 1.30</u>	<u>\$ 1.42</u>	<u>\$ 1.77</u>	<u>\$ 2.01</u>
Earnings per share of common stock – diluted (c)						
Ongoing earnings	\$ 0.56	\$ 0.52	\$ 1.56	\$ 1.40	\$ 2.02	\$ 1.88
Unusual items	(0.05)	0	(0.27)	0.02	(0.27)	0.12
Net Income	<u>\$ 0.51</u>	<u>\$ 0.52</u>	<u>\$ 1.29</u>	<u>\$ 1.42</u>	<u>\$ 1.75</u>	<u>\$ 2.00</u>
Average shares outstanding (thousands) (c)						
Basic	379,660	377,172	378,955	365,778	378,584	362,987
Diluted	385,509	378,657	383,349	367,053	382,454	364,231

- (a) Earnings in the 2005 and 2004 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 two-for-one stock split.

Key Indicators

Financial

	<u>12 Months Ended Sept. 30, 2005</u>	<u>12 Months Ended Sept. 30, 2004</u>
Dividends declared per share (d)	\$0.9150	\$0.8075
Book value per share (a)(d)	\$11.33	\$11.02
Market price per share (a)(d)	\$32.33	\$23.59
Dividend yield (a)	2.8%	3.4%
Dividend payout ratio (b)	52%	40%
Dividend payout ratio - earnings from ongoing operations (b)(c)	45%	43%
Price/earnings ratio (a)(b)	18.5	11.8
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	16.0	12.5
Return on average common equity	15.63%	20.33%
Return on average common equity - earnings from ongoing operations (c)	17.91%	19.42%

(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 ratios have been adjusted to reflect the August 2005 two-for-one stock split.

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

2005

3rd 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	\$ 131	\$ 49	\$ 36	\$ 216	\$ 0.34	\$ 0.13	\$ 0.09	\$ 0.56
Unusual Items								
Off-site remediation of ash basin leak (Q3, '05)	(19)			(19)	(0.05)			(0.05)
Total unusual items	(19)			(19)	(0.05)			(0.05)
Reported earnings	\$ 112	\$ 49	\$ 36	\$ 197	\$ 0.29	\$ 0.13	\$ 0.09	\$ 0.51

Year to date Sept. 30, 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	\$ 313	\$ 132	\$ 152	\$ 597	\$ 0.82	\$ 0.34	\$ 0.40	\$ 1.56
Unusual Items								
PJM billing dispute (Q1, '05)		(27)		(27)		(0.07)		(0.07)
NorthWestern litigation (Q1, '05)	(6)			(6)	(0.02)			(0.02)
Sale of Sundance (Q2, '05)	(47)			(47)	(0.12)			(0.12)
Stock-based compensation Adjustment (Q1, '05)	(3)	(2)		(5)	(0.01)			(0.01)
Off-site remediation of ash basin leak (Q3, '05)	(19)			(19)	(0.05)			(0.05)
Total unusual items	(75)	(29)		(104)	(0.20)	(0.07)		(0.27)
Reported earnings	\$ 238	\$ 103	\$ 152	\$ 493	\$ 0.62	\$ 0.27	\$ 0.40	\$ 1.29

12 Months Ended Sept. 30, 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	\$ 420	\$ 157	\$ 197	\$ 774	\$ 1.10	\$ 0.41	\$ 0.51	\$ 2.02
Unusual Items								
PJM billing dispute (Q1, '05)		(27)		(27)		(0.07)		(0.07)
NorthWestern litigation (Q1, '05)	(6)			(6)	(0.02)			(0.02)
Sale of Sundance (Q2, '05)	(47)			(47)	(0.12)			(0.12)
Stock-based compensation Adjustment (Q1, '05)	(3)	(2)		(5)	(0.01)			(0.01)
Off-site remediation of ash basin leak (Q3, '05)	(19)			(19)	(0.05)			(0.05)
Total unusual items	(75)	(29)		(104)	(0.20)	(0.07)		(0.27)
Reported earnings	\$ 345	\$ 128	\$ 197	\$ 670	\$ 0.90	\$ 0.34	\$ 0.51	\$ 1.75

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

2004

3rd Quarter 2004

	<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	\$ 145	\$ 13	\$ 38	\$ 196	\$ 0.39	\$ 0.03	\$ 0.10	\$ 0.52
Unusual Items								
Total unusual items								
Reported earnings	<u>\$ 145</u>	<u>\$ 13</u>	<u>\$ 38</u>	<u>\$ 196</u>	<u>\$ 0.39</u>	<u>\$ 0.03</u>	<u>\$ 0.10</u>	<u>\$ 0.52</u>

Year to date Sept. 30, 2004

	<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	\$ 320	\$ 55	\$ 138	\$ 513	0.88	\$ 0.15	\$ 0.37	\$ 1.40
Unusual Items								
Impairment of investment in technology supplier (Q2, '04)	(6)			(6)	(0.02)			(0.02)
Sale of CGE (Q1, '04)			(7)	(7)			(0.02)	(0.02)
Sale of CEMAR (Q2, '04)			23	23			0.06	0.06
Discontinued operations (Q2, '04)			(2)	(2)				
Total unusual items	<u>(6)</u>		<u>14</u>	<u>8</u>	<u>(0.02)</u>		<u>0.04</u>	<u>0.02</u>
Reported earnings	<u>\$ 314</u>	<u>\$ 55</u>	<u>\$ 152</u>	<u>\$ 521</u>	<u>\$ 0.86</u>	<u>\$ 0.15</u>	<u>\$ 0.41</u>	<u>\$ 1.42</u>

12 Months Ended Sept. 30, 2004

	<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	\$ 448	\$ 62	\$ 177	\$ 687	\$ 1.23	\$ 0.17	\$ 0.48	\$ 1.88
Unusual Items								
Consolidation of variable interest entities (Q4, '03)	(27)			(27)	(0.07)			(0.07)
Impairment of investment in technology supplier (Q2, '04)	(6)			(6)	(0.02)			(0.02)
Sale of CGE (Q1, '04)			(7)	(7)			(0.02)	(0.02)
Sale of CEMAR (Q2, '04)			23	23			0.06	0.06
CEMAR-related tax benefit (Q4, '03)			81	81			0.23	0.23
Discontinued operations (Q4, '03; Q2, '04)			(22)	(22)			(0.06)	(0.06)
Total unusual items	<u>(33)</u>		<u>75</u>	<u>42</u>	<u>(0.09)</u>		<u>0.21</u>	<u>0.12</u>
Reported earnings	<u>\$ 415</u>	<u>\$ 62</u>	<u>\$ 252</u>	<u>\$ 729</u>	<u>\$ 1.14</u>	<u>\$ 0.17</u>	<u>\$ 0.69</u>	<u>\$ 2.00</u>

Operating - Domestic & International 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>2005</u>	<u>2004</u>	<u>Percent Change</u>	<u>2005</u>	<u>2004</u>	<u>Percent Change</u>	<u>2005</u>	<u>2004</u>	<u>Percent Change</u>
Domestic retail									
Delivered (a)(b)	9,685	9,016	7.4%	28,391	27,321	3.9%	36,974	35,749	3.4%
Supplied (b)	10,223	9,478	7.9%	29,938	28,689	4.4%	38,991	37,515	3.9%
International delivered									
United Kingdom	6,507	6,426	1.3%	21,666	21,700	(0.2%)	28,813	28,746	0.2%
Latin America	1,038	972	6.8%	3,196	2,984	7.1%	4,211	3,952	6.6%
Domestic wholesale									
East	6,282	6,972	(9.9%)	15,862	18,662	(15.0%)	22,239	24,810	(10.4%)
West									
NorthWestern Energy	836	839	(0.4%)	2,491	2,501	(0.4%)	3,331	3,342	(0.3%)
Other Montana	2,041	1,785	14.3%	5,909	5,722	3.3%	7,934	7,949	(0.2%)
PPL EnergyPlus	480	584	(17.8%)	936	1,064	(12.0%)	1,138	1,311	(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.