

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

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

	<u>March 31, 2008</u>	<u>Dec. 31, 2007</u>
Assets		
Cash and cash equivalents	\$ 495	\$ 430
Assets held for sale	315	318
Other current assets	3,179	2,420
Investments	612	608
Property, plant and equipment		
Electric plant	20,244	20,109
Gas and oil plant	67	66
Other property	197	202
	<u>20,508</u>	<u>20,377</u>
Less: accumulated depreciation	7,850	7,772
	<u>12,658</u>	<u>12,605</u>
Recoverable transition costs	497	574
Goodwill and other intangibles	1,313	1,326
Regulatory and other noncurrent assets	1,986	1,691
Total assets	<u>\$ 21,055</u>	<u>\$ 19,972</u>
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$ 838	\$ 770
Liabilities held for sale	58	68
Other current liabilities	2,660	2,044
Long-term debt (less current portion)	7,067	6,890
Deferred income taxes and investment tax credits	2,113	2,192
Other noncurrent liabilities	2,415	2,132
Minority interest	19	19
Preferred securities of a subsidiary	301	301
Earnings reinvested	3,583	3,448
Common stock and capital in excess of par value	2,161	2,176
Accumulated other comprehensive loss	(160)	(68)
Total liabilities and equity	<u>\$ 21,055</u>	<u>\$ 19,972</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.

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

	3 Months Ended March 31,		12 Months Ended March 31,	
	2008(a)	2007(a)(b)	2008(a)	2007(a)(b)
Operating Revenues				
Utility	\$ 1,120	\$ 1,081	\$ 4,153	\$ 3,921
Unregulated retail electric	34	22	114	88
Wholesale energy marketing	258	249	1,481	1,446
Net energy trading margins	(2)	9	30	34
Energy-related businesses	116	185	700	635
	1,526	1,546	6,478	6,124
Operating Expenses				
Fuel and energy purchases	298	355	1,569	1,700
Other operation and maintenance	377	325	1,425	1,291
Amortization of recoverable transition costs	76	81	305	291
Depreciation	112	116	442	435
Taxes, other than income	75	78	295	289
Energy-related businesses	108	202	668	682
	1,046	1,157	4,704	4,688
Operating Income	480	389	1,774	1,436
Other Income - net	8	27	76	82
Interest Expense	108	120	462	455
Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Securities of a Subsidiary				
	380	296	1,388	1,063
Income Taxes	129	69	330	246
Minority Interest	0	1	2	4
Dividends on Preferred Securities of a Subsidiary	5	5	18	18
Income from Continuing Operations	246	221	1,038	795
Income (Loss) from Discontinued Operations (net of income taxes)	14	(18)	307	(7)
Net Income	<u>\$ 260</u>	<u>\$ 203</u>	<u>\$ 1,345</u>	<u>\$ 788</u>
Earnings per share of common stock – basic				
Earnings from ongoing operations	\$ 0.61	\$ 0.66	\$ 2.58	\$ 2.25
Special items	0.09	(0.13)	0.99	(0.19)
Net Income	<u>\$ 0.70</u>	<u>\$ 0.53</u>	<u>\$ 3.57</u>	<u>\$ 2.06</u>
Earnings per share of common stock – diluted				
Earnings from ongoing operations	\$ 0.61	\$ 0.65	\$ 2.56	\$ 2.22
Special items	0.08	(0.13)	0.97	(0.19)
Net Income	<u>\$ 0.69</u>	<u>\$ 0.52</u>	<u>\$ 3.53</u>	<u>\$ 2.03</u>
Average shares outstanding (thousands)				
Basic	372,782	384,793	377,795	381,923
Diluted	376,602	389,168	382,204	387,590

- (a) Earnings in the 2008 and 2007 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 2007 have been reclassified to conform to the current year presentation. This includes the reclassification of PPL Gas Utilities Corporation accounts to Discontinued Operations.

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

	3 Months Ended	
	March 31,	
	2008	2007
Cash Flows from Operating Activities		
Net income	\$ 260	\$ 203
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	112	124
Amortizations - recoverable transition costs and other	94	108
Unrealized gain on derivatives and other hedging activities	(63)	(22)
Deferred income taxes and investment tax credits	(38)	(32)
Impairment of assets	0	65
Changes in working capital	39	(175)
Other	20	15
Net cash provided by operating activities	<u>424</u>	<u>286</u>
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(330)	(341)
Net (purchases) sales of emission allowances	(18)	26
Net (purchases) sales of other investments	(25)	5
Other investing activities	(89)	11
Net cash used in investing activities	<u>(462)</u>	<u>(299)</u>
Cash Flows from Financing Activities		
Net issuances of long-term debt	308	304
Repurchase of common stock	(38)	0
Payment of common stock dividends	(113)	(105)
Net (decrease) increase in short-term debt	(50)	29
Other financing activities	1	(7)
Net cash provided by financing activities	<u>108</u>	<u>221</u>
Effect of Exchange Rates on Cash and Cash Equivalents	<u>(2)</u>	<u>(1)</u>
Net Increase in Cash and Cash Equivalents	68	207
Cash and cash equivalents at beginning of period	430	794
Cash and cash equivalents included in assets held for sale	(3)	(36)
Cash and cash equivalents at end of period	<u>\$ 495</u>	<u>\$ 965</u>

Key Indicators

Financial

	<u>12 Months Ended March 31, 2008</u>	<u>12 Months Ended March 31, 2007</u>
Dividends declared per share	\$1.25	\$1.13
Book value per share (a)	\$14.97	\$13.68
Market price per share (a)	\$45.92	\$40.90
Dividend yield (a)	2.7%	2.8%
Dividend payout ratio (b)	35%	56%
Dividend payout ratio - earnings from ongoing operations (b)(c)	49%	51%
Price/earnings ratio (a)(b)	13.0	20.1
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	17.9	18.4
Return on average common equity	25.13%	15.72%
Return on average common equity - earnings from ongoing operations (c)	18.71%	17.03%

(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)

1st Quarter 2008

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA	Int'l	Total	Supply	PA	Int'l	Total
		Delivery	Delivery			Delivery	Delivery	
Earnings from Ongoing Operations	\$ 70	\$ 60	\$ 98	\$ 228	\$ 0.19	\$ 0.16	\$ 0.26	\$ 0.61
Special Items								
MTM adj's from energy-related, non-trading economic hedges	50			50	0.13			0.13
Synfuel tax adjustment	(13)			(13)	(0.04)			(0.04)
Colstrip groundwater litigation	(5)			(5)	(0.01)			(0.01)
Total special items	32			32	0.08			0.08
Reported earnings	\$ 102	\$ 60	\$ 98	\$ 260	\$ 0.27	\$ 0.16	\$ 0.26	\$ 0.69

12 Months Ended March 31, 2008

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	Supply	PA	Int'l	Total	Supply	PA	Int'l	Total
		Delivery	Delivery			Delivery	Delivery	
Earnings from Ongoing Operations	\$ 489	\$ 157	\$ 331	\$ 977	\$ 1.28	\$ 0.41	\$ 0.87	\$ 2.56
Special Items								
MTM adj's from energy-related, non-trading economic hedges	71			71	0.19			0.19
Workforce reduction (Q4, '07)	(4)	(1)	(4)	(9)	(0.01)		(0.01)	(0.02)
Sale of Latin American businesses (Q2, '07; Q3, '07; Q4, '07)			299	299			0.78	0.78
Sale of domestic telecommunication operations (Q2, '07; Q3, '07; Q4, '07)	(5)			(5)	(0.01)			(0.01)
Colstrip groundwater litigation (Q1, '08)	(5)			(5)	(0.01)			(0.01)
Sale of gas and propane businesses (Q3, '07; Q4, '07)		(44)		(44)		(0.11)		(0.11)
Settlement of Wallingford cost-based rates (Q3, '07)	33			33	0.09			0.09
Impairment of certain 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
Synfuel tax adjustment (Q1, '08)	(13)			(13)	(0.04)			(0.04)
Total special items	64	(45)	349	368	0.17	(0.11)	0.91	0.97
Reported earnings	\$ 553	\$ 112	\$ 680	\$ 1,345	\$ 1.45	\$ 0.30	\$ 1.78	\$ 3.53

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

1st 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
Earnings from Ongoing Operations	\$ 126	\$ 58	\$ 68	\$ 252	\$ 0.32	\$ 0.15	\$ 0.18	\$ 0.65
Special Items								
MTM adj's from energy-related, non-trading economic hedges	10			10	0.03			0.03
PJM billing dispute	(1)			(1)				(0.01)
Sale of Latin American businesses			(40)	(40)			(0.11)	(0.11)
Sale of domestic telecommunication operations	(18)			(18)	(0.05)			(0.05)
Total special items	(9)		(40)	(49)	(0.02)		(0.11)	(0.13)
Reported earnings	<u>\$ 117</u>	<u>\$ 58</u>	<u>\$ 28</u>	<u>\$ 203</u>	<u>\$ 0.30</u>	<u>\$ 0.15</u>	<u>\$ 0.07</u>	<u>\$ 0.52</u>

12 Months Ended March 31, 2007

	<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	\$ 455	\$ 149	\$ 255	\$ 859	\$ 1.18	\$ 0.38	\$ 0.66	\$ 2.22
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(8)			(8)	(0.02)			(0.02)
PJM billing dispute (Q4, '06; Q1, '07)	(18)	20		2	(0.05)	0.06		0.01
Off-site remediation of ash basin leak (Q2, '06)	5			5	0.01			0.01
Reduction in Enron reserve (Q2, '06)	2			2	0.01			0.01
Sale of interest in Griffith (Q2, '06; Q4, '06)	(17)			(17)	(0.04)			(0.04)
Impairment of synfuel-related assets (Q2, '06)	(6)			(6)	(0.01)			(0.01)
Reversal of cost recovery – Hurricane Isabel (Q3, '06)		(6)		(6)		(0.02)		(0.02)
Realization of benefits related to Black Lung Trust assets (Q3, '06)		21		21		0.05		0.05
Workforce reduction (Q4, '06)	(3)			(3)	(0.01)			(0.01)
Impairment of nuclear decom. trust investments (Q4, '06)	(3)			(3)	(0.01)			(0.01)
Sale of Latin American businesses (Q1, '07)			(40)	(40)			(0.11)	(0.11)
Sale of domestic telecommunication operations (Q1, '07)	(18)			(18)	(0.05)			(0.05)
Total special items	(66)	35	(40)	(71)	(0.17)	0.09	(0.11)	(0.19)
Reported earnings	<u>\$ 389</u>	<u>\$ 184</u>	<u>\$ 215</u>	<u>\$ 788</u>	<u>\$ 1.01</u>	<u>\$ 0.47</u>	<u>\$ 0.55</u>	<u>\$ 2.03</u>

Operating - Domestic and International Electricity Sales

(millions of kwh)

	3 Months Ended March 31			12 Months Ended March 31		
	2008	2007	Percent Change	2008	2007	Percent Change
Domestic Retail						
Delivered (a)	10,569	10,307	2.5%	38,211	37,057	3.1%
Supplied	11,123	10,842	2.6%	40,356	39,175	3.0%
International Delivered						
United Kingdom	7,754	7,724	0.4%	27,917	28,423	(1.8%)
Domestic Wholesale						
East	5,929	4,248	39.6%	22,497	18,899	19.0%
West						
NorthWestern Energy	567	834	(32.0%)	2,542	3,366	(24.5%)
Other West	3,530	2,731	29.3%	14,625	9,541	53.3%

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