

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

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

	<u>Dec. 31, 2007</u>	<u>Dec. 31, 2006</u>
Assets		
Cash and cash equivalents	\$ 430	\$ 794
Assets held for sale	366	0
Other current assets	2,574	2,836
Investments	608	564
Property, plant and equipment		
Electric plant	20,109	19,395
Gas and oil plant	66	373
Other property	202	311
	<u>20,377</u>	<u>20,079</u>
Less: accumulated depreciation and amortization	<u>7,772</u>	<u>8,010</u>
	12,605	12,069
Recoverable transition costs	574	884
Goodwill and other acquired intangibles	1,326	1,521
Regulatory and other noncurrent assets	1,508	1,079
Total assets	<u>\$ 19,991</u>	<u>\$ 19,747</u>
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$ 770	\$ 1,149
Liabilities held for sale	68	0
Other current liabilities	2,122	2,199
Long-term debt (less current portion)	6,890	6,728
Deferred income taxes and investment tax credits	2,184	2,331
Other noncurrent liabilities	2,051	1,857
Minority interest	19	60
Preferred securities of a subsidiary	301	301
Earnings reinvested	3,471	2,626
Common stock and capital in excess of par value	2,176	2,814
Accumulated other comprehensive loss	<u>(61)</u>	<u>(318)</u>
Total liabilities and equity	<u>\$ 19,991</u>	<u>\$ 19,747</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 Dec. 31,		12 Months Ended Dec. 31,	
	2007(a)	2006(a)(b)	2007(a)	2006(a)(b)
Operating Revenues				
Utility	\$ 1,040	\$ 963	\$ 4,114	\$ 3,855
Unregulated retail electric	29	23	102	91
Wholesale energy marketing	327	368	1,472	1,532
Net energy trading margins	4	9	42	35
Energy-related businesses	206	164	769	618
	<u>1,606</u>	<u>1,527</u>	<u>6,499</u>	<u>6,131</u>
Operating Expenses				
Fuel and energy purchases	382	410	1,624	1,736
Other operation and maintenance	377	352	1,373	1,266
Amortization of recoverable transition costs	81	72	310	282
Depreciation	112	111	446	419
Taxes, other than income	75	68	298	281
Energy-related businesses	181	185	762	638
	<u>1,208</u>	<u>1,198</u>	<u>4,813</u>	<u>4,622</u>
Operating Income	<u>398</u>	<u>329</u>	<u>1,686</u>	<u>1,509</u>
Other Income - net	24	7	95	62
Interest Expense	<u>117</u>	<u>109</u>	<u>474</u>	<u>447</u>
Income from Continuing Operations Before Income Taxes, Minority Interest and Dividends on Preferred Securities of a Subsidiary	<u>305</u>	<u>227</u>	<u>1,307</u>	<u>1,124</u>
Income Taxes	83	54	271	268
Minority Interest	1	1	3	3
Dividends on Preferred Securities of a Subsidiary	<u>4</u>	<u>4</u>	<u>18</u>	<u>14</u>
Income from Continuing Operations	<u>217</u>	<u>168</u>	<u>1,015</u>	<u>839</u>
Income from Discontinued Operations (net of income taxes)	<u>222</u>	<u>10</u>	<u>294</u>	<u>26</u>
Net Income	<u>\$ 439</u>	<u>\$ 178</u>	<u>\$ 1,309</u>	<u>\$ 865</u>
Earnings per share of common stock – basic				
Earnings from ongoing operations	\$ 0.61	\$ 0.47	\$ 2.63	\$ 2.28
Special items	<u>0.57</u>	<u>0.00</u>	<u>0.81</u>	<u>(0.01)</u>
Net Income	<u>\$ 1.18</u>	<u>\$ 0.47</u>	<u>\$ 3.44</u>	<u>\$ 2.27</u>
Earnings per share of common stock – diluted				
Earnings from ongoing operations	\$ 0.60	\$ 0.46	\$ 2.60	\$ 2.25
Special items	<u>0.57</u>	<u>0.00</u>	<u>0.80</u>	<u>(0.01)</u>
Net Income	<u>\$ 1.17</u>	<u>\$ 0.46</u>	<u>\$ 3.40</u>	<u>\$ 2.24</u>
Average shares outstanding (thousands)				
Basic	372,943	382,060	380,563	380,754
Diluted	377,270	388,110	385,111	386,769

- (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. This includes the reclassification of Latin American and PPL Gas Utilities Corporation accounts to Discontinued Operations.

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

	12 Months Ended	
	Dec. 31,	
	2007	2006
Cash Flows from Operating Activities		
Net income	\$ 1,309	\$ 865
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	458	446
Amortizations - recoverable transition costs and other	433	309
Pre-tax gain from the sale of Latin American businesses	(398)	0
Pre-tax loss from the sale of interest in Griffith plant	0	39
Deferred income taxes and investment tax credits	43	(25)
Pension and other postretirement benefits	(39)	(115)
Impairment of assets	99	0
Changes in working capital	(180)	161
Other	(154)	78
Net cash provided by operating activities	<u>1,571</u>	<u>1,758</u>
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(1,685)	(1,394)
Proceeds from the sale of the Latin American businesses	851	0
Proceeds from the sale of telecommunication operations	47	0
Proceeds from the sale of interest in the Griffith plant	0	110
Net sales (purchases) of emission allowances	74	(30)
Net sales (purchases) of short-term investments	259	(296)
Other investing activities	(160)	(7)
Net cash used in investing activities	<u>(614)</u>	<u>(1,617)</u>
Cash Flows from Financing Activities		
Net (retirements) issuances of long-term debt	(231)	450
Repurchase of common stock	(712)	0
Payment of common stock dividends	(459)	(409)
Net increase (decrease) in short-term debt	61	(173)
Issuance of preference stock, net of issuance costs	0	245
Other financing activities	15	(18)
Net cash (used in) provided by financing activities	<u>(1,326)</u>	<u>95</u>
Effect of Exchange Rates on Cash and Cash Equivalents	<u>5</u>	<u>3</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(364)	239
Cash and cash equivalents at beginning of period	794	555
Cash and cash equivalents at end of period	<u>\$ 430</u>	<u>\$ 794</u>

Key Indicators

Financial

	12 Months Ended <u>Dec. 31, 2007</u>	12 Months Ended <u>Dec. 31, 2006</u>
Dividends declared per share	\$1.22	\$1.10
Book value per share (a)	\$14.96	\$13.30
Market price per share (a)	\$52.09	\$35.84
Dividend yield (a)	2.3%	3.1%
Dividend payout ratio (b)	36%	49%
Dividend payout ratio - earnings from ongoing operations (b)(c)	47%	49%
Price/earnings ratio (a)(b)	15.3	16.0
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	20.0	15.9
Return on average common equity	24.85%	17.81%
Return on average common equity - earnings from ongoing operations (c)	19.25%	17.69%

(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)

4th 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	\$ 109	\$ 35	\$ 82	\$ 226	\$ 0.29	\$ 0.09	\$ 0.22	\$ 0.60
Special Items								
MTM adj's from energy-related, non-trading economic hedges	12			12	0.03			0.03
Divestiture of Latin American businesses			211	211			0.56	0.56
Impairment of certain transmission rights	(1)			(1)				
Workforce reductions	(4)	(1)	(4)	(9)	(0.01)		(0.01)	(0.02)
Total special items	7	(1)	207	213	0.02		0.55	0.57
Reported earnings	\$ 116	\$ 34	\$ 289	\$ 439	\$ 0.31	\$ 0.09	\$ 0.77	\$ 1.17

Year to date Dec. 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	\$ 546	\$ 155	\$ 301	\$ 1,002	\$ 1.42	\$ 0.40	\$ 0.78	\$ 2.60
Special Items								
MTM adj's from energy-related, non-trading economic hedges	32			32	0.08			0.08
PJM billing dispute (Q1, '07)	(1)			(1)				
Divestiture of Latin American businesses (Q1, '07; Q2, '07; Q3, '07; Q4, '07)			257	257			0.67	0.67
Sale of telecommunication operations (Q1, '07; Q2, '07; Q3, '07; Q4, '07)	(23)			(23)	(0.06)			(0.06)
Sale of gas and propane businesses (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; Q4, '07)	(13)			(13)	(0.04)			(0.04)
Change in U.K. tax rate (Q3, '07)			54	54			0.14	0.14
Workforce reductions (Q4, '07)	(4)	(1)	(4)	(9)	(0.01)		(0.01)	(0.02)
Total special items	24	(24)	307	307	0.06	(0.06)	0.80	0.80
Reported earnings	\$ 570	\$ 131	\$ 608	\$ 1,309	\$ 1.48	\$ 0.34	\$ 1.58	\$ 3.40

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

4th Quarter 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	PA		Int'l	Total	PA		Int'l	Total
	Supply	Delivery	Delivery		Supply	Delivery	Delivery	
Earnings from Ongoing Operations	\$ 99	\$ 29	\$ 49	\$ 177	\$ 0.26	\$ 0.07	\$ 0.13	\$ 0.46
Special Items								
MTM adj's from energy-related, non-trading economic hedges	3			3	0.01			0.01
PJM billing dispute	(18)	21		3	(0.05)	0.06		0.01
Sale of interest in Griffith	1			1				
Susquehanna workforce reduction	(3)			(3)	(0.01)			(0.01)
Impairment of nuclear decom. trust investments	(3)			(3)	(0.01)			(0.01)
Total special items	(20)	21		1	(0.06)	0.06		
Reported earnings	\$ 79	\$ 50	\$ 49	\$ 178	\$ 0.20	\$ 0.13	\$ 0.13	\$ 0.46

Year to date Dec. 31, 2006

	<i>(millions of dollars)</i>				<i>(per share)</i>			
	PA		Int'l	Total	PA		Int'l	Total
	Supply	Delivery	Delivery		Supply	Delivery	Delivery	
Earnings from Ongoing Operations	\$ 456	\$ 146	\$ 267	\$ 869	\$ 1.18	\$ 0.38	\$ 0.69	\$ 2.25
Special Items								
MTM adj's from energy-related, non-trading economic hedges	(11)			(11)	(0.03)			(0.03)
PJM billing dispute (Q4, '06)	(18)	21		3	(0.05)	0.06		0.01
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; Q4, '06)	(16)			(16)	(0.04)			(0.04)
Synfuels impairment (Q2, '06)	(6)			(6)	(0.01)			(0.01)
Write-off of Hurricane Isabel regulatory assets (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
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)
Total special items	(40)	35	1	(4)	(0.10)	0.09		(0.01)
Reported earnings	\$ 416	\$ 181	\$ 268	\$ 865	\$ 1.08	\$ 0.47	\$ 0.69	\$ 2.24

Operating - Domestic and International Electricity Sales

(millions of kwh)

	3 Months Ended Dec. 31			12 Months Ended Dec. 31		
	2007	2006	Percent Change	2007	2006	Percent Change
Domestic Retail						
Delivered (a)	9,071	8,607	5.4%	37,950	36,683	3.5%
Supplied	9,590	9,111	5.3%	40,074	38,810	3.3%
International Delivered						
United Kingdom	6,997	7,001	(0.1%)	27,888	28,776	(3.1%)
Latin America (c)	534	1,153	N/A	3,764	4,576	N/A
Domestic Wholesale						
East	5,179	4,374	18.4%	20,816	19,399	7.3%
West						
NorthWestern Energy	571	838	(31.9%)	2,809	3,356	(16.3%)
Other West (b)	3,354	2,414	38.9%	12,050	9,847	22.4%

- (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, Bolivia and Chile were sold on May 24, 2007, July 12, 2007, and November 6, 2007, respectively, and electricity deliveries were made up until the dates of sale.