

PPL CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED FINANCIAL INFORMATION (a)

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

	December 31, 2009	December 31, 2008 (b)
Assets		
Cash and cash equivalents	\$801	\$1,100
Price risk management assets - current	2,157	1,224
Assets held for sale	127	
Other current assets	1,667	2,059
Investments	613	522
Property, plant and equipment		
Electric plant	21,151	20,033
Gas and oil plant	68	68
Other property	166	156
	21,385	20,257
Less: accumulated depreciation	8,211	7,882
	13,174	12,375
Regulatory assets	531	763
Goodwill and other intangibles	1,421	1,400
Price risk management assets - noncurrent	1,274	1,392
Other noncurrent assets	400	570
Total assets	\$22,165	\$21,405
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	\$639	\$1,375
Price risk management liabilities - current	1,502	1,324
Other current liabilities	2,041	1,625
Long-term debt (less current portion)	7,143	7,142
Deferred income taxes and investment tax credits	2,153	1,761
Price risk management liabilities - noncurrent	582	836
Accrued pension obligations	1,283	899
Other noncurrent liabilities	1,007	1,047
Common stock and capital in excess of par value	2,284	2,200
Earnings reinvested	3,749	3,862
Accumulated other comprehensive loss	(537)	(985)
Noncontrolling interests	319	319
Total liabilities and equity	\$22,165	\$21,405

(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.

(b) Certain amounts from 2008 have been reclassified to conform to the current year presentation.

PPL CORPORATION AND SUBSIDIARIES

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

	3 Months Ended December 31,		Year Ended December 31,	
	2009 (a)	2008 (a)(b)	2009 (a)	2008 (a)(b)
Operating Revenues				
Utility	\$1,001	\$1,006	\$3,902	\$4,114
Unregulated retail electric and gas	44	41	152	151
Wholesale energy marketing (c)				
Realized	727	678	3,291	2,288
Unrealized economic activity	(162)	695	(229)	1,056
Net energy trading margins	15	(39)	17	(121)
Energy-related businesses	102	125	423	519
Total Operating Revenues	<u>1,727</u>	<u>2,506</u>	<u>7,556</u>	<u>8,007</u>
Operating Expenses				
Operation				
Fuel	223	350	931	1,084
Energy purchases (c)				
Realized	587	508	2,636	1,634
Unrealized economic activity	(100)	396	155	553
Other operation and maintenance	381	328	1,424	1,423
Amortization of recoverable transition costs	77	76	304	293
Depreciation	126	113	469	458
Taxes, other than income	71	64	280	288
Energy-related businesses	98	120	396	481
Total Operating Expenses	<u>1,463</u>	<u>1,955</u>	<u>6,595</u>	<u>6,214</u>
Operating Income	264	551	961	1,793
Other Income - net	11	23	49	55
Other-Than-Temporary Impairments		20	18	36
Interest Expense	102	120	396	455
Income from Continuing Operations Before Income Taxes	173	434	596	1,357
Income Taxes	29	153	130	430
Income from Continuing Operations After Income Taxes	144	281	466	927
Income (Loss) from Discontinued Operations (net of income taxes)	13	1	(40)	23
Net Income	157	282	426	950
Net Income Attributable to Noncontrolling Interests	4	5	19	20
Net Income Attributable to PPL Corporation	<u>\$153</u>	<u>\$277</u>	<u>\$407</u>	<u>\$930</u>
Amounts Attributable to PPL Corporation:				
Income from Continuing Operations After Income Taxes	\$140	\$276	\$447	\$907
Income (Loss) from Discontinued Operations (net of income taxes)	13	1	(40)	23
Net Income	<u>\$153</u>	<u>\$277</u>	<u>\$407</u>	<u>\$930</u>
Earnings Per Share of Common Stock - Basic				
Earnings from Ongoing Operations	\$0.52	\$0.46	\$1.95	\$2.03
Special Items	(0.12)	0.28	(0.87)	0.45
Net Income Available to PPL Corporation Common Shareowners	<u>\$0.40</u>	<u>\$0.74</u>	<u>\$1.08</u>	<u>\$2.48</u>
Earnings Per Share of Common Stock - Diluted				
Earnings from Ongoing Operations	\$0.52	\$0.46	\$1.95	\$2.02
Special Items	(0.12)	0.28	(0.87)	0.45
Net Income Available to PPL Corporation Common Shareowners	<u>\$0.40</u>	<u>\$0.74</u>	<u>\$1.08</u>	<u>\$2.47</u>
Weighted-Average Shares of Common Stock Outstanding (thousands)				
Basic	376,910	374,388	376,082	373,626
Diluted	377,252	374,720	376,406	374,901

(a) Earnings in the 2009 and 2008 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 2008 have been reclassified to conform to the current year presentation.

(c) Includes energy-related contracts to hedge future cash flows that are not eligible for hedge accounting, or where hedge accounting is not elected.

PPL CORPORATION AND SUBSIDIARIES

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

	Year Ended	
	December 31,	
	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Net Income	\$426	\$950
Adjustments to reconcile net income to net cash provided by operating activities:		
Pre-tax gain from the sale of Maine hydroelectric generation business	(38)	
Depreciation	471	461
Amortization of recoverable transition costs and other	389	383
Defined benefits	(115)	(100)
Impairment of assets	127	105
Gain on the sale of emission allowances	(2)	(6)
Deferred income taxes and investment tax credits	104	43
Unrealized (gains) losses on derivatives, and other hedging activities	329	(279)
Changes in current assets and current liabilities	106	(9)
Other operating activities	55	41
Net cash provided by operating activities	<u>1,852</u>	<u>1,589</u>
Cash Flows from Investing Activities		
Expenditures for property, plant and equipment	(1,225)	(1,418)
Proceeds from the sale of Maine hydroelectric generation business	81	
Proceeds from the sale of gas and propane businesses		303
Net expenditures for intangible assets	(72)	(313)
Net proceeds from (purchases of) other investments	154	(95)
Net (increase) decrease in restricted cash and cash equivalents	218	(71)
Other investing activities	(36)	(33)
Net cash used in investing activities	<u>(880)</u>	<u>(1,627)</u>
Cash Flows from Financing Activities		
Net issuances (retirements) of long-term debt	(718)	667
Repurchase of common stock		(38)
Payment of common stock dividends	(517)	(491)
Net increase (decrease) in short-term debt	(52)	588
Other financing activities	16	(5)
Net cash provided by (used in) financing activities	<u>(1,271)</u>	<u>721</u>
Effect of Exchange Rates on Cash and Cash Equivalents		<u>(13)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(299)	670
Cash and cash equivalents at beginning of period	<u>1,100</u>	<u>430</u>
Cash and cash equivalents at end of period	<u><u>\$801</u></u>	<u><u>\$1,100</u></u>

Key Indicators

Financial	Year Ended December 31,	
	2009	2008
Dividends declared per share	\$1.38	\$1.34
Book value per share (a)	\$14.57	\$13.55
Market price per share (a)	\$32.31	\$30.69
Dividend yield (a)	4.3%	4.4%
Dividend payout ratio (b)	128%	54%
Dividend payout ratio - earnings from ongoing operations (b)(c)	71%	66%
Price/earnings ratio (a)(b)	29.9	12.4
Price/earnings ratio - earnings from ongoing operations (a)(b)(c)	16.6	15.2
Return on average common equity	7.48%	16.88%
Return on average common equity - earnings from ongoing operations (c)	13.61%	14.46%

(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.

Operating - Domestic & International Electricity Sales

(millions of kwh)	3 Months Ended December 31,			Year Ended December 31,		
	2009	2008	Percent Change	2009	2008	Percent Change
Domestic Retail						
Delivered (a)	8,630	9,032	(4.5%)	36,717	38,058	(3.5%)
Supplied	9,164	9,631	(4.8%)	38,912	40,374	(3.6%)
International Delivered						
United Kingdom	6,552	6,835	(4.1%)	26,358	27,724	(4.9%)
Domestic Wholesale						
East	7,076	7,367	(4.0%)	27,522	28,614	(3.8%)
West						
NorthWestern Energy	571	622	(8.2%)	2,270	2,491	(8.9%)
Other West	2,414	2,848	(15.2%)	9,196	11,607	(20.8%)

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

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

4th Quarter 2009

	<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	\$94	\$34	\$70	\$198	\$0.25	\$0.09	\$0.18	\$0.52
Special Items								
Energy-related economic activity	(57)			(57)	(0.15)			(0.15)
Foreign currency-related economic hedges - unrealized impacts			3	3			0.01	0.01
Sales of assets	19		(3)	16	0.05		(0.01)	0.04
Impairments	(5)			(5)	(0.01)			(0.01)
Other:								
Change in tax accounting method related to repairs	4	(3)		1	0.01	(0.01)		
Montana streambed litigation	(3)			(3)	(0.01)			(0.01)
Total Special Items	(42)	(3)		(45)	(0.11)	(0.01)		(0.12)
Reported Earnings	\$52	\$31	\$70	\$153	\$0.14	\$0.08	\$0.18	\$0.40

Year-to-Date December 31, 2009

	<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	\$333	\$133	\$272	\$738	\$0.88	\$0.35	\$0.72	\$1.95
Special Items								
Energy-related economic activity	(225)			(225)	(0.59)			(0.59)
Foreign currency-related economic hedges - unrealized impacts			1	1				
Sales of assets	(15)		(27)	(42)	(0.04)		(0.07)	(0.11)
Impairments	(23)	(1)	(1)	(25)	(0.06)			(0.06)
Workforce reduction	(6)	(5)	(2)	(13)	(0.01)	(0.01)	(0.01)	(0.03)
Other:								
Change in tax accounting method related to repairs	(21)	(3)		(24)	(0.06)	(0.01)		(0.07)
Montana streambed litigation	(3)			(3)	(0.01)			(0.01)
Total Special Items	(293)	(9)	(29)	(331)	(0.77)	(0.02)	(0.08)	(0.87)
Reported Earnings	\$40	\$124	\$243	\$407	\$0.11	\$0.33	\$0.64	\$1.08

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

4th Quarter 2008

	<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	\$78	\$39	\$58	\$175	\$0.21	\$0.10	\$0.15	\$0.46
Special Items								
Energy-related economic activity	130			130	0.35			0.35
Sales of assets		(1)		(1)				
Impairments	(25)			(25)	(0.07)			(0.07)
Workforce reduction	(1)		(1)	(2)				
Total Special Items	104	(1)	(1)	102	0.28			0.28
Reported Earnings	\$182	\$38	\$57	\$277	\$0.49	\$0.10	\$0.15	\$0.74

Year-to-Date December 31, 2008

	<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	\$303	\$167	\$291	\$761	\$0.81	\$0.44	\$0.77	\$2.02
Special Items								
Energy-related economic activity	251			251	0.67			0.67
Sales of assets		(6)		(6)		(0.01)		(0.01)
Impairments	(57)			(57)	(0.16)			(0.16)
Workforce reduction	(1)		(1)	(2)				
Other:								
Synfuel tax adjustment	(13)			(13)	(0.04)			(0.04)
Off-site remediation of ash basin leak	1			1				
Montana basin seepage litigation	(5)			(5)	(0.01)			(0.01)
Total Special Items	176	(6)	(1)	169	0.46	(0.01)		0.45
Reported Earnings	\$479	\$161	\$290	\$930	\$1.27	\$0.43	\$0.77	\$2.47