

PPL Completes Sale of CGE Shares in Chile

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PPL Corporation (NYSE: PPL) has completed the sale of its minority interest in shares of Compania General de Electricidad, CGE, for approximately \$123 million. PPL originally acquired its 8.7 percent minority interest in CGE in October 2000.

CGE provides electricity delivery services to 1.4 million customers in Chile and 600,000 customers in Argentina. In addition, CGE distributes more than 1 billion cubic meters of natural gas and approximately 260,000 tons of liquefied gas in Chile.

John R. Biggar, executive vice president and chief financial officer of PPL, said the cash proceeds from the sale will be repatriated to the United States, further strengthening PPL's cash and credit positions. The sale is expected to result in a non-cash, unusual charge of approximately \$15 million, or 8 cents per share, to the corporation's earnings in the first quarter of 2004. This unusual charge is due primarily to a currency translation adjustment tied to the devaluation of the Chilean peso since the time of the original acquisition.

Biggar reaffirmed PPL's previously announced 2004 forecast of earnings from ongoing operations of \$3.45 to \$3.75 per share, since unusual items are not included in earnings from ongoing operations. This forecast also excludes the positive effect of ultimately exiting PPL's CEMAR investment in Brazil.

Biggar said, "The sale of these shares was made to allow our international segment to continue to focus its efforts on improving the operating efficiencies of its majority-owned electric distribution companies, including the EMEL Group, with 526,000 customers in northern and central Chile." He said PPL's minority ownership stake in CGE did not advance this strategy.

PPL Corporation, headquartered in Allentown, Pa., controls about 11,500 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to customers in Pennsylvania, the United Kingdom and Latin America.

"Earnings from ongoing operations" excludes the impact of unusual items. Earnings from ongoing operations should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with generally accepted accounting principles (GAAP). PPL believes that earnings from ongoing operations, although a non-GAAP measure, is also useful and meaningful to investors because it provides them with PPL's underlying earnings performance as another criterion in making their investment decisions. PPL's management also uses earnings from ongoing operations in measuring certain corporate performance goals. Other companies may use different measures to present financial performance.

Certain statements contained in this news release, including statements with respect to future earnings, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corporation believes that the expectations and assumptions reflected in these forward-looking statements are reasonable, these statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: market demand and prices for energy, capacity and fuel; competition; accounting requirements; operating performance and costs of plants and other facilities; political, regulatory or economic developments and conditions; the liquidity of PPL Corporation and its subsidiaries; capital markets; and foreign exchange rates. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

SOURCE: PPL Corporation

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