PPL Increases Common Stock Dividend by 6.9 Percent

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ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) today increased its common stock dividend level by 6.9 percent, or $0.10 per share, to $1.54 per share, on an annualized basis.

PPL Corporation's quarterly dividend rate will increase from $0.36 per share to $0.385 per share, payable April 1, 2003, to shareowners of record March 10, 2003.

"This dividend increase is made possible by the high quality of PPL's earnings, its strong cash and credit positions and our solid foundation for future growth," said William F. Hecht, PPL chairman, president and chief executive officer. "Based on the company's closing stock price yesterday of $34.73 per share, this dividend increase will improve the current yield on our common stock to 4.43 percent.

"Our business strategy of capturing margins in electricity markets while limiting our exposure to volatile energy prices has significantly reduced our business risk and has produced solid returns from core operations," Hecht said. These factors, in turn, permit PPL to increase its dividend, according to Hecht.

"Recognizing our forecast for continuing improvement both in cash flow and in earnings," Hecht said, "we would anticipate being able to grow the dividend in the future." He said the company projects compound annual growth in core earnings per share of 5 to 8 percent.

For 2003, PPL has forecast reported earnings of $3.75 to $4.05 per share and earnings from core operations, which exclude unusual items, of $3.45 to $3.75 per share. Based on the midpoint of its core earnings forecast for 2003, the company would be paying shareowners 43 percent of its earnings in the form of a dividend, Hecht said.

"We believe that this new dividend level maintains the appropriate balance between near-term shareowner benefits and the company's efforts to grow value over the long term," said Hecht.

All of the funding necessary to complete the construction of the remaining 690 megawatts of planned generation capacity by early 2004 is in place. PPL's credit and liquidity positions will benefit from the previously announced, planned issuance of $300 million of common stock in 2003. PPL's 2003 earnings forecast includes the effect of the common stock that the company expects to issue in 2003. Through Feb. 27, the company has issued about $58 million of common stock under its structured equity shelf program and its dividend reinvestment plan.

Cash flow from operations in 2003 is expected to be about $1 billion, and PPL anticipates having positive free cash flow after the completion of its generation construction. In addition to strong cash flow, PPL has access to bank-borrowing capacity of $1.5 billion in the United States and $400 million in the United Kingdom for its electricity distribution company there.

The difference between the forecast for reported earnings compared to the forecast of earnings from core operations in 2003 reflects two unusual items that should provide a net benefit to earnings of $0.30 per share: the adoption of a new accounting rule addressing asset retirement obligations, effective January 2003; and the addition to the company's balance sheet, in the third quarter of 2003, of the variable interest entities related to the Sundance (Arizona), University Park (Illinois) and Lower Mount Bethel (Pennsylvania) power plants, which currently are reflected as operating leases.

PPL Corporation's annualized dividend level was last increased in April 2002 by 36 percent -- from $1.06 to $1.44 per share, or from $0.265 per share to $0.36 per share on a quarterly basis.

PPL Electric Utilities Corporation, a subsidiary of PPL Corporation, today declared the following quarterly dividends on its preferred stock, payable April 1, 2003, to shareowners of record March 10, 2003.

Preferred		Preferred (cont.)	
4-1/2%	$1.125	6.125% Series	$1.53125
3.35% Series	$0.8375	6.15% Series	$1.5375
4.40% Series	$1.10	6.33% Series	$1.5825
4.60% Series	$1.15	6.75% Series	$1.6875

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.

Certain statements contained in this news release, including statements with respect to future earnings, dividends, liquidity, credit and cash positions, securities offerings, accounting treatment, corporate strategy, growth and generating capacity, 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; weather variations affecting customer energy usage; competition in retail and wholesale power markets; the effect of any business or industry restructuring; the profitability and liquidity of PPL Corporation and its subsidiaries; new accounting requirements or new interpretations or applications of existing requirements; operating performance of plants and other facilities; environmental conditions and requirements; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; political, regulatory or economic conditions in states, regions and countries where PPL Corporation or its subsidiaries conduct business; receipt of necessary governmental permits and approvals; capital market conditions; stock price performance; foreign exchange rates; and the commitments and liabilities of PPL Corporation and its subsidiaries. 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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