PPL Reports Increased First-Quarter Results Compared to a Year Ago; Reaffirms Earnings Forecasts for 2003

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ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) today announced increases in both reported earnings and earnings from core operations for the first quarter of 2003 compared to a year ago.

Reported earnings for the first quarter of 2003 were $1.43 per share. A year ago, PPL reported a loss per share of $0.02 due primarily to a non-cash charge related to changes in accounting rules for goodwill that affected its Latin American investments. PPL's first-quarter 2003 earnings benefited from an unusual item of $0.37 per share due to the adoption of a new accounting rule addressing asset retirement obligations.

Income from core operations, which excludes unusual items, was $1.06 per share in the first quarter of 2003, an increase of about 3 percent over the $1.03 per share reported for the first quarter of 2002.

"The major ingredient in our continued success remains the effective operation of power plants in key U.S. markets with favorable long-term contracts for both the electricity produced and the fuel needed to run the plants," said William F. Hecht, PPL chairman, president and chief executive officer. "This managed-risk approach to electricity marketing is buttressed by the cost-effective performance of our electricity delivery businesses.

"Despite much higher natural gas and oil costs at some of our power plants, PPL's hedging strategy continued to work as designed during the first quarter," said Hecht. "As a result of our effective management of price and fuel risks, our first-quarter performance keeps us on track to achieve long- term, steady growth and profitability."

Hecht said PPL's strategic balancing of generation, marketing and delivery was instrumental in its first-quarter success. Although PPL's electricity sales margins in the Northeastern United States were lower than in the first quarter of 2002, that shortfall was more than overcome by strong performance in the company's electricity delivery businesses.

"Excellent results from our highly efficient electricity delivery businesses in the Northeastern United States and in the United Kingdom allowed us to improve our core earnings over last year," Hecht said. "In addition, we recognized increased margins from our operations in Montana, which resulted from higher average sales prices and an increase in the volume of wholesale energy sales."

Hecht said PPL's first-quarter earnings also benefited from reduced interest expense due primarily to the voluntary retirement of higher-cost debt. These benefits were offset by the dilutive effects of additional shares of common stock outstanding and lower pension income. In September of 2002, PPL issued $500 million of common stock in a public offering. During the fourth quarter of 2002, the company issued an additional $41 million through its structured equity shelf program.

PPL also announced that it has increased the amount of its planned 2003 common stock issuance from $300 million to $400 million. So far in 2003, PPL has issued about $100 million under its structured equity shelf and dividend reinvestment programs.

Hecht said PPL remains on track to meet previously stated 2003 earnings forecasts of $3.75 to $4.05 per share for reported earnings and $3.45 to $3.75 per share in income from core operations. The company also is reaffirming its long-term forecast of a 5 percent to 8 percent compound annual growth rate based on 2002 earnings from core operations of $3.54 per share.

The difference between the 2003 forecast for reported earnings and the forecast of earnings from core operations reflects two unusual items resulting from changes in accounting rules. These items are expected to provide a net benefit to earnings of about $0.30 per share in 2003. The adoption, in the first quarter, of a new accounting rule addressing asset retirement obligations (a credit to earnings of $0.37 per share) is expected to be partially offset in the third quarter by the addition to the company's balance sheet of power plant financing arrangements that were reflected as operating leases in prior years (a charge to earnings of about $0.07 per share).

PPL's reported earnings per share for the 12 months ended March 31, 2003, were $2.86, compared to a loss of $0.31 per share for the same period of 2002.

Income from core operations for the 12 months ended March 31, 2003, was $3.60 per share compared to $3.74 per share for the same period of 2002. Earnings drivers for the period included the positive operating performance of PPL's electricity distribution company in the United Kingdom and improved margins on wholesale energy sales from the company's generating assets in Montana. These earnings improvements were offset by lower energy margins in the Northeastern United States, the dilutive effects of additional common shares outstanding, lower pension income and additional operating and maintenance expenses on new generating facilities.

Reconciliation of Core Earnings & Reported Earnings

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2003	2002	2003	2002
Earnings per share - Core Operations	$1.06	$1.03	$3.60	$3.74
Unusual Items:				
Accounting method change - asset retirement obligations	0.37		0.40	
Goodwill impairment		(1.02)		(1.03)
CEMAR impairment		(.03)	(0.60)	(1.50)
CEMAR operating losses			(0.14)	
Writedown of generation equipment			(0.17)	
Workforce reduction			(0.28)	
Tax benefit - Teesside			0.05	
Cancellation of generation projects				(0.60)
WPD impairment				(0.80)
Impact of Enron bankruptcy				(0.19)
Accounting method change - pensions				0.07
Total Unusual Items	0.37	(1.05)	(0.74)	(4.05)
Earnings (loss) per share - Reported	$1.43	($.02)	$2.86	($0.31)

PPL's 2003 forecast excludes any positive or negative impact of exiting its Brazilian investment, CEMAR, and is based on the following key developments or assumptions: current forward wholesale electricity prices; common stock issuances of $400 million; the addition to the company's balance sheet, in the third quarter, of the variable interest entities related to power plants that currently are reflected as operating leases; and, effective January 2003, the adoption of a new accounting rule addressing asset retirement obligations.

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.

(Note: All references to earnings per share in the text and tables of this news release are stated in terms of diluted earnings per share.)

PPL invites interested parties to listen to the live Internet Webcast of management's teleconference with financial analysts about first-quarter financial results at 9 a.m. (EDT) on Tuesday, April 29. The teleconference is available online live, in audio format, on PPL's Internet Web site: www.pplweb.com. The Webcast will be available for replay on the PPL Web site for 30 days. Interested individuals also can access the live conference call via telephone at 719-457-2679.

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

Consolidated Balance Sheet
(Millions of Dollars)

	March 31, 2003	Dec. 31, 2002 (a)
Assets		
Cash	$397	$245
Other current assets	1,778	1,615
Investments	645	656
Property, plant and equipment -- net		
Electric plant	9,244	9,110
Gas and oil plant	202	201
Other property	253	252
	9,699	9,563
Recoverable transition costs	1,875	1,946
Regulatory and other assets	1,579	1,545
Total assets	$15,973	$15,570
Liabilities and Equity		
Short-term debt (including current portion of long-term debt)	$1,279	$1,309
Other current liabilities	1,373	1,327
Long-term debt (less current portion)	6,116	5,901
Deferred income taxes and investment tax credits	2,393	2,371
Other noncurrent liabilities	1,567	1,659
Minority interest	34	36
Company-obligated mandatorily redeemable securities	661	661
Preferred stock	82	82
Earnings reinvested	1,187	1,013
Other common equity	2,556	2,493
Accumulated other comprehensive loss	(439)	(446)
Treasury stock	(836)	(836)
Total liabilities and equity	$15,973	$15,570

(a) Certain amounts have been reclassified to conform to the current year presentation.

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

	3 Months Ended March 31, 2003	3 Months Ended March 31, 2002(a)	12 Months Ended March 31, 2003	12 Months Ended March 31, 2002(a)
Operating Revenues				
Utility	$1,020	$951	$3,745	$3,158
Unregulated retail electric and gas	52	49	185	266
Wholesale energy marketing	298	193	1,141	930
Net energy trading margins	(7)	14	(2)	26
Energy-related businesses	124	147	536	666
	1,487	1,354	5,605	5,046
Operating Expenses				
Fuel and purchased power	499	345	1,654	1,419
Other operation and maintenance	278	274	1,136	1,084
Amortization of recoverable transition costs	71	53	244	233
Depreciation	96	86	377	285
Energy-related businesses	121	129	535	563
Taxes, other than income	65	61	236	175
Other charges				
Write-down of international energy projects	0	6	107	342
Workforce reduction	0	0	75	0
Cancellation of generation projects	0	0	44	150
	1,130	954	4,408	4,251
Operating Income	357	400	1,197	795

Other income - net	10	7	35	18
Interest expense	108	130	537	412
Income Before Income Taxes and Minority Interest	259	277	695	401
Income taxes	69	86	193	221
Minority interest	1	26	53	22
Income Before Cumulative Effect of a Change in Accounting Principles	189	165	449	158
Cumulative effect of a change in accounting principles (net of tax)	63	(150)	63	(140)
Income Before Dividends and Distributions on Preferred Securities	252	15	512	18
Dividends and distributions on preferred securities	13	18	62	64
Net Income (Loss)	$239	($3)	$450	($46)
Earnings per share of common stock - basic				
Income from core operations (b)	$1.06	$1.03	$3.61	$3.75
Unusual items	0.37	(1.05)	(0.74)	(4.06)
Net Income (loss)	$1.43	($0.02)	$2.87	($0.31)
Earnings per share of common stock - diluted				
Income from core operations (b)	$1.06	$1.03	$3.60	$3.74
Unusual items	0.37	(1.05)	(0.74)	(4.05)
Net Income (loss)	$1.43	($0.02)	$2.86	($0.31)
Average shares outstanding (thousands)				
Basic	166,506	146,753	156,679	146,342
Diluted	167,016	147,091	157,225	146,835

(a) Certain amounts have been reclassified to conform to the current year presentation.
(b) Income in the 2003 and 2002 periods was impacted by several unusual items, as described in the text and tables of this news release. Income from core operations excludes the impact of these unusual items.

Key Indicators

Financial

	12 Months Ended March 31, 2003	12 Months Ended March 31, 2002
Dividends declared per share	$1.465	$1.155
Book value per share (a)	$14.71	$12.33
Market price per share (a)	$35.61	$39.61
Dividend yield (a)	4.1%	2.9%
Dividend payout ratio (b)	51%	(d)
Dividend payout ratio - core operations (b)(c)	41%	31%
Price/earnings ratio (a)(b)	12.5	(d)
Price/earnings ratio - core operations (a)(b)(c)	9.9	10.6
Return on average common equity	20.93%	-2.17%
Return on average common equity - core operations (c)	20.91%	24.34%

(a) End of period.
(b) Based on diluted earnings per share.
(c) Calculated using income from core operations, which excludes the impact of unusual items, as described in the text and tables of this news release.
(d) Calculation not meaningful due to net loss for the 12 months ended

March 31, 2002.

Operating - Domestic Electricity Sales

(millions of kwh)	3 Months Ended March 31, 2003	2002	Percent Change	12 Months Ended March 31, 2003	2002	Percent Change
Retail						
Delivered (a)	10,002	9,107	9.8%	36,003	33,869	6.3%
Supplied	10,256	9,632	6.5%	37,445	36,508	2.6%
Wholesale						
East	7,031	4,619	52.2%	27,328	18,500	47.7%
West						
NorthWestern / Montana Power (b)	827	1,366	(39.5%)	3,820	4,885	(21.8%)
Other	2,189	1,664	31.6%	8,420	4,756	77.0%

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

(b) NorthWestern Corporation purchased The Montana Power Company's electric delivery business in February 2002, including Montana Power's rights under a power supply agreement with PPL Montana that expired on June 30, 2002. In July 2002, PPL EnergyPlus, on behalf of PPL Montana, began selling energy to NorthWestern Corporation under a new five-year agreement.

Income from core operations excludes the impact of unusual items. Income from core operations should not be considered as an alternative to net income, which is an indicator of operating performance determined in accordance with GAAP. PPL believes that income from core 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 income from core 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, energy prices, securities offerings, accounting treatment, and corporate strategy, 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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