PPL Corp. 2000 Earnings Increase 40 Percent; Company Forecasts Continued Strong Growth in 2001, 2002

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Capping off the most successful year in its history, PPL Corp. (NYSE: PPL) Wednesday (1/24) announced record 2000 earnings that are 40 percent higher than a year ago. The company's adjusted earnings of $3.28 per share are 23 cents higher than analysts' consensus estimate.

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"The earnings that we are reporting today are 75 percent higher than we reported just two years ago," said William F. Hecht, PPL Corp. chairman, president and chief executive officer. "Our 2000 earnings results are more clear evidence that we not only have identified superior opportunities in the competitive energy marketplace, we also have successfully capitalized on those opportunities."

"The main driver for our dramatic earnings growth in 2000 was an increase in margins and volume in our wholesale energy transactions," said Hecht. The competitive generation market, he said, is even more advantageous than the company anticipated.

"We have made excellent progress in our generation expansion program and this effort is building value in a very direct way for our shareowners," said Hecht. "We have carefully focused our generation development efforts in regions where there is exceptional opportunity and a very high likelihood of success."

Hecht also noted that, unlike some other electric companies that have gone through deregulation, PPL does not have any deferred power costs for which regulatory approval would be required for future recovery.

Hecht said that the company is increasing both its 2001 and 2002 earnings forecasts by about 35 cents per share. The 2001 forecast now is $3.60 to $3.65 per share, and the 2002 forecast, $3.90 to $4.00 per share.

"Our forecast of continued strong earnings growth is bolstered by the fact that we have been able to capture the value associated with high forward electricity prices in both the Eastern and Western U.S. markets," said Hecht. In both the Eastern and Western markets, he said, the company has adequate generation to meet its projected retail load obligations and still sell into the wholesale market.

Hecht said the major drivers for PPL's 2001 and 2002 earnings forecast are: increased margins on wholesale energy transactions; increased supply of electricity to sell in the competitive wholesale markets in the West; new power plants in Arizona, Connecticut and Pennsylvania; higher earnings from the company's international businesses; and continued success in controlling costs.

The improved earnings performance and prospects for future growth resulted in "spectacular" total return for shareowners in 2000, Hecht said. "Our total return to shareowners, paced by the outstanding performance of our common stock in the market, was about 105 percent, a level higher than all but two of the 71 energy companies that are part of the Edison Electric Institute index."

Hecht pointed out that achievement of the company's 2002 earnings projection would mean that PPL would have more than doubled its earnings per share since 1998, when its adjusted earnings were $1.87 per share.

PPL's stock price, which increased from $22.875 per share at the beginning of 2000 to $45.188 per share at the end of the year, more than doubled the growth rate of the Dow Jones Utility Average.

Hecht said PPL's dramatic growth can be traced directly to its strategy to increase its earnings from non-regulated businesses. He said about 80 percent of the company's earnings now comes from its generation, marketing and international operations.

As the result of its integrated corporate strategy, PPL Corp. companies now:

- -- Own or operate about 10,000 megawatts of electricity generating capacity in Pennsylvania, Montana and Maine.
- -- Are developing an additional 4,000 megawatts of generating capacity in Connecticut, Pennsylvania, New York, Arizona and Washington.
- -- Market electricity in wholesale or retail markets in 42 states and Canada, maximizing the value of the company's growing deregulated generation portfolio.
- -- Provide high-quality electricity delivery services to more than 6 million customers in Pennsylvania, the United Kingdom and Latin America.

Hecht said record-setting performance at the company's generation facilities throughout 2000, optimized by PPL's wholesale trading and marketing activities, highlighted improved performance in all areas of the company. The company's power plants generated nearly 50 million megawatt-hours of electricity during 2000, a company record. And, PPL's trading and marketing organization is conservatively estimated to have added about $60 million in 2000 net income over and above the earnings from PPL's generating assets, Hecht said.

Also contributing to PPL's earnings growth during the year were positive results from the company's regulated energy delivery business in Pennsylvania and a 12 percent increase in the company's electricity sales to retail customers in Pennsylvania and other Mid-Atlantic states.

Actual earnings for 2000 were $3.44 per share, including a non-recurring benefit of 16 cents per share from settlements with various insurers for environmental and other liabilities and the 1-cent dilutive effect of unexercised stock options. Actual earnings for 1999 were $2.84 per share, including several non-recurring items related to securitization of PPL's transition costs, the sale of assets and the write-down of carrying values of certain investments.

The company's adjusted earnings of $3.28 per share for 2000 do not include $17.7 million, or about 7 cents per share, that is owed to the company by the California Independent System Operator. To the extent that the company does receive payment for these sales, there would be a benefit for 2001 earnings. The benefit of receiving this payment from the California ISO is not, however, included in the company's 2001 earnings forecast, Hecht said.

Because of credit risk, PPL is not making sales to California unless required to do so by the Department of Energy.

Earnings for the fourth quarter of 2000 included no non-recurring items and were $0.87 per diluted share, compared to 1999 fourth quarter adjusted earnings of $0.64 per share. This marks the eighth straight time that PPL earnings have topped analysts' consensus estimates. Actual earnings of $1.02 per share for the 1999 period reflected the net benefits of several non- recurring items, including the sale of assets and write-down of carrying values of certain investments.

PPL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

Consolidated Balance Sheet
(Millions of Dollars)

	Dec. 31, 2000	Dec. 31, 1999(a)
Assets		
Current Assets	$1,955	$1,293
Investments	1,161	695
Property, plant and equipment		
Transmission and distribution - net	2,841	2,462
Generation - net	2,177	2,352
General and intangible - net	294	259
Construction work in progress	261	181
Nuclear fuel and other leased property	123	139
Electric utility plant - net	5,696	5,393
Gas and oil utility plant - net	177	171
Other property - net	75	60
	5,948	5,624
Recoverable transition costs	2,425	2,647
Regulatory and other assets	881	915
Total assets	$12,370	$11,174

Liabilities		
Current liabilities	$2,511	$2,280
Long-term debt (less current portion)	4,467	3,689
Deferred income taxes and ITC	1,412	1,548
Liability for above market NUG purchases	581	674
Other noncurrent liabilities	986	959
Minority interest	54	64
Company-obligated mandatorily redeemable securities	250	250
Preferred stock	97	97
Earnings reinvested	999	654
Other common equity	1,849	1,795
Treasury stock	(836)	(836)
Total liabilities	$12,370	$11,174

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

Consolidated Income Statement
(Millions of Dollars)

	3 Months Ended Dec. 31		12 Months Ended Dec. 31	
	2000	1999(a)	2000	1999(a)
Operating Revenues				
Electric	$797	$696	$2,984	$2,758
Natural gas and propane	63	30	183	115
Wholesale energy marketing and trading	507	313	2,080	1,440
Energy-related businesses	138	94	436	277
	1,505	1,133	5,683	4,590
Operating Expenses				
Fuel and purchased power	570	464	2,461	2,031
Other operation and maintenance	314	235	951	858
Amortization of recoverable transition costs	68	59	227	194
Depreciation and amortization	65	64	261	257
Other	160	104	581	378
	1,177	926	4,481	3,718
Operating income	328	207	1,202	872
Other income	(23)	90	(15)	97
Income before interest, income taxes and minority interest	305	297	1,187	969
Interest expense	102	74	376	277
Income taxes	79	82	294	174
Minority interest	0	1	4	14
Income before extraordinary items	124	140	513	504
Extraordinary items (net of taxes)	11	13	11	(46)
Income before dividends on preferred stock	135	153	524	458
Preferred stock dividend requirements	7	7	26	26
Net income	$128	$146	$498	$432
Earnings per share of common stock - basic				
Income before nonrecurring items	$0.88	$0.64	$3.29	$2.35
Nonrecurring items (net of tax)	0.00	0.38	0.16	0.49
Net income	$0.88	$1.02	$3.45	$2.84
Earnings per share of common stock - diluted				

Income before nonrecurring items	$0.87	$0.64	$3.28	$2.35
Nonrecurring items (net of tax)	0.00	0.38	0.16	0.49
Net income	$0.87	$1.02	$3.44	$2.84
Average number of shares outstanding (thousands)	144,906	143,695	144,350	152,287

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

Key Indicators

Financial

	12 Months Ended Dec. 31, 2000	12 Months Ended Dec. 31, 1999
Dividends declared per share	$1.06	$1.00
Book value per share (a)	$13.87	$11.23
Market price per share (a)	$45.188	$22.875
Dividend yield	2.4%	4.4%
Dividend payout ratio - basic and diluted (b)	32%	43%
Price/earnings ratio - basic (b)	13.7	9.7
Price/earnings ratio - diluted (b)	13.8	9.7
Return on average common equity (b)	27.14%	16.89%

(a) End of period
(b) Based on adjusted earnings

Operating - Domestic Energy

	3 Months Ended Dec. 31			12 Months Ended Dec. 31		
			Percent			Percent
PPL Corp.	2000	1999	Change	2000	1999	Change
(millions of kwh)						
Retail						
Delivered (a)	8,281	7,959	4.0	33,907	33,045	2.6
Supplied	9,370	8,463	10.7	37,758	33,695	12.1
Wholesale						
East	6,228	7,745	-19.6	31,544	32,045	-1.6
West						
Montana Power (b)	1,253	0	n/a	5,096	0	n/a
Other	1,069	0	n/a	4,244	0	n/a

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

(b) Energy sold to Montana Power for retail customers under a power sale agreement that expires June 30, 2002.

PPL invites interested parties to listen to the live Internet Webcast of management's fourth quarter earnings teleconference with financial analysts at 9 a.m. today. The teleconference is available online live, in audio format, on PPL's Internet Web site: http://www.pplweb.com/. The webcast will be available for replay on the PPL Website for 30 days. Interested individuals also can access the live conference call via telephone at 913-981-4900.

Certain statements contained in this news release, including statements with respect to future earnings, energy prices, supply, sales, margins and deliveries, operating costs, subsidiary performance, growth, project development, and generating capacity and performance, are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Corp. 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 Corp. 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 countries where PPL Corp. or its subsidiaries conduct business; receipt of necessary governmental approvals; capital market conditions; stock price performance; foreign exchange rates; and the commitments and liabilities of PPL Corp. and its subsidiaries. Any such forward-looking statements should be considered in light of such factors and in conjunction with PPL Corp.'s Form 10-K and other reports on file with the Securities and Exchange Commission.

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