PPL Increases Common Stock Dividend by 12 Percent; Dividend Up More Than 70 Percent Since 2001

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Supported by sustained earnings growth, PPL Corporation (NYSE: PPL) has increased its common stock dividend. This increase is consistent with PPL's previously announced plan to more aggressively grow the dividend.

The company said today it will increase the quarterly dividend by 12 percent, bringing the annualized dividend to $1.84 per share. Since 2001, PPL has increased its common stock dividend by more than 70 percent.

PPL Corporation's quarterly dividend rate will increase from $0.41 per share to $0.46 per share, payable April 1, 2005, to shareowners of record March 10, 2005. This is the company's 237th consecutive quarterly dividend and the fourth consecutive year that PPL has increased the dividend.

Based on the company's closing stock price yesterday of $54.19 per share, the dividend increase will improve the current yield on PPL common stock to 3.4 percent.

"PPL's continued strong financial position and solid earnings are the foundation for this dividend growth," said William F. Hecht, PPL's chairman, president and chief executive officer.

In December 2004, PPL announced a policy for growing the common stock dividend at a rate that exceeds the projected rate of growth in earnings per share from ongoing operations. The company plans to pursue this policy until the dividend payout ratio reaches the 50 percent level. All dividend decisions, Hecht noted, are subject to the board of directors' quarterly dividend declarations based on the company's financial position and other relevant considerations at the time.

Based on the midpoint of the company's previously announced 2005 forecasted earnings from ongoing operations of $3.80 to $4.20 per share, today's 12 percent dividend increase would raise PPL's payout ratio to 46 percent. The 12 percent increase in the dividend also would exceed the 8 percent increase in projected per share earnings from ongoing operations for 2005, based on the midpoint of PPL's 2005 forecast.

PPL's continued strong results in 2004 came primarily from outstanding performance at its electricity distribution companies in the United Kingdom and the record output from its U.S. power plants. These results in 2004 helped PPL's common stock price to grow nearly 1.5 times faster than the Standard & Poor's® 500 Index. PPL also provided a 2004 total return of 26 percent to shareowners who reinvested their dividends.

Hecht said the company continues to project a compound annual growth rate in earnings per share in the range of 3 to 5 percent over the long term and expects to continue to strengthen its balance sheet and credit profile.

In developing PPL's dividend policy, Hecht said management and the board have closely analyzed how shareowner value can be enhanced in 2005 and beyond. "We believe strong earnings growth not only supports dividend growth but also provides the potential for the buy-back of our common stock in future years, while also sustaining overall credit quality," said Hecht.

In addition, PPL Electric Utilities Corporation, a subsidiary of PPL Corporation, today declared the following quarterly dividends on its preferred stock, payable April 1, 2005, to shareowners of record March 10, 2005.

Preferred	
4-1/2%	$1.125
3.35% Series	$0.8375
4.40% Series	$1.10
4.60% Series	$1.15
6.75% Series	$1.6875

PPL Corporation, headquartered in Allentown, Pa., controls more than 12,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets and delivers electricity to nearly 5 million customers in Pennsylvania, the United Kingdom and Latin America. More information is available at http://www.pplweb.com/.

Statements contained in this news release, including statements with respect to future earnings, dividends, stock buy-backs and credit profile, 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 conditions 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; asset acquisitions and dispositions; political, regulatory or economic conditions in states, regions and countries where PPL Corporation or its subsidiaries conduct business; receipt of necessary governmental permits, approvals and rate relief; the outcome of litigation against PPL Corporation and its subsidiaries; capital market conditions; stock price performance; the market prices of equity securities and the impact on pension income and resultant cash funding requirements for defined benefit pension plans; the securities and credit ratings of PPL Corporation and its subsidiaries; 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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