

PPL's Earnings Surge by 47 Percent for Third Quarter; Company Forecasts Double-Digit Growth in 2002

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For the third time this year, PPL Corp. (NYSE: PPL) Wednesday (10/25) reported record quarterly earnings. This marks the seventh consecutive quarter in which PPL has met or exceeded the consensus earnings estimate of financial analysts.

(Photo: <http://www.newscom.com/cgi-bin/prnh/19981015/PHTH025>)

When adjusted to exclude the benefit of nonrecurring items, the company's third quarter 2000 earnings were \$0.81 per share, 47 percent higher than similarly adjusted earnings of \$0.55 per share reported a year ago.

PPL also announced its 2002 earnings forecast of between \$3.55 and \$3.65 per share, a range that reflects an approximate 11 percent increase over its 2001 forecast of \$3.20 to \$3.30 per share. William F. Hecht, PPL's chairman, president and chief executive officer, said these earnings forecasts are based on conservative assumptions about future business conditions. Hecht also confirmed the company's previously announced 2000 forecast of \$3.00 per share, which also excludes the benefits of nonrecurring items.

Hecht said the record-setting earnings performance in recent quarters can be directly attributed to the company's success, over the last several years, in capitalizing on opportunities offered by the competitive energy marketplace.

"The most dramatic example of our success is in the electricity generation and marketing businesses," said Hecht. "Our company achieved excellent operating performance at our generation facilities throughout 2000, and we optimized the value of this performance through our wholesale trading and marketing activities in energy and related commodities. Through September 30, our trading and marketing organization is conservatively estimated to have added about \$30 million of net income over and above the earnings from PPL's generating assets."

Also contributing to PPL's earnings growth during the third quarter and the first nine months of 2000 were positive results from the company's regulated energy delivery business in Pennsylvania and from the company's international operations.

Actual earnings for the third quarter of 2000 were \$0.94 per share, including a nonrecurring benefit of 13 cents per share from a settlement with various insurers for environmental and other liabilities. Actual earnings for the third quarter of 1999 were \$0.68 per share, including a nonrecurring benefit of 13 cents per share resulting from a series of transactions related to the securitization of PPL's transition costs.

Actual earnings per share for the first nine months of 2000 were \$2.57, compared to actual earnings per share of \$1.85 reported for the same period of last year. Excluding nonrecurring items during these periods, earnings per share of \$2.41 for the first nine months of 2000 reflect an increase of 40 per cent over adjusted earnings per share of \$1.72 for the same period of 1999.

Actual earnings per share for the 12 months ended September 30, 2000, were \$3.59, compared to actual earnings per share of \$2.41 reported in the same period last year. Excluding nonrecurring items during these periods, earnings per share of \$3.04 for the 12 months ended Sept. 30, 2000, reflect an increase of 43 percent over adjusted earnings per share of \$2.13 for the same period last year. This growth underscores the company's success from continuing operations.

"Our achievements of the past year and our expectation of sustained earnings improvement over the next two years are the result of a solid set of business fundamentals and a time-proven dedication on the part of our employees to continually improve our operations," said Hecht.

Hecht said PPL's corporate strategy of concentrating on the generation and sale of competitively priced energy in key U.S. markets while operating high-quality energy delivery businesses in selected regions around the world has led to record-breaking, sustainable growth.

The major drivers of PPL's 2002 earnings forecast are:

- Increased margins on energy transactions;
- Increased supply of electricity to sell in the competitive wholesale markets in the West;
- New natural gas-powered plants in Arizona, Connecticut and Pennsylvania;
- Strong growth in the electricity delivery business in Pennsylvania;
- Higher earnings from the company's international businesses; and
- Success in continuing to reduce costs.

PPL invites interested parties to listen to the live Internet webcast of management's third quarter earnings teleconference with financial analysts at 9 a.m. today. The teleconference is available online live, in audio format, on PPL's main Internet web site, <http://www.pplweb.com/>. Interested individuals also can access the live conference call via telephone at 913-981-4900.

Based in Allentown, Pa., PPL Corp. is a FORTUNE 500® company that delivers electricity and natural gas to more than 1.3 million customers in Pennsylvania; markets wholesale or retail energy in 42 U.S. states and Canada; provides energy services for businesses in the Mid-Atlantic and Northeastern U.S.; generates electricity at power plants in Pennsylvania, Maine and Montana; delivers electricity to 2.4 million customers in southwest Great Britain; and delivers electricity to nearly 1.8 million customers in Chile, Bolivia, El Salvador and Brazil.

PPL CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

Consolidated Balance Sheet
(Millions of Dollars)

	Sept. 30, 2000	Dec. 31, 1999 (a)
Assets		
Current Assets	\$1,742	\$1,293
Investments	1,021	695
Property, plant and equipment		
Transmission and distribution - net	2,804	2,462
Generation - net	2,143	2,352
General and intangible - net	265	259
Construction work in progress	225	181
Nuclear fuel and other leased property	108	139
Electric utility plant - net	5,545	5,393
Gas and oil utility plant - net	171	171
Other property - net	79	60
	5,795	5,624
Recoverable transition costs	2,487	2,647
Regulatory and other assets	927	915
Total assets	\$11,972	\$11,174
Liabilities		
Current liabilities	\$2,043	\$2,280
Long-term debt		
(less current portion)	4,564	3,689
Deferred income taxes and ITC	1,474	1,548
Liability for above market NUG purchases	604	674
Other noncurrent liabilities	966	959
Minority interest	75	64
Company-obligated mandatorily redeemable securities	250	250
Preferred stock	97	97
Earnings reinvested	910	654
Other common equity	1,825	1,795
Treasury stock	(836)	(836)

Total liabilities	\$11,972	\$11,174
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(a) Certain amounts have been reclassified to conform to the current year presentation.

Consolidated Income Statement
(Millions of Dollars)

	3 Months		9 Months		12 Months	
	Ended Sept. 30		Ended Sept. 30		Ended Sept. 30	
	2000	1999(a)	2000	1999(a)	2000	1999(a)
Operating Revenues						
Electric	\$729	\$811	\$2,201	\$2,062	\$2,897	\$2,650
Natural gas and propane	26	15	120	85	151	114
Wholesale energy marketing and trading	616	495	1,559	1,127	\$1,871	\$1,363
Energy-related businesses	87	65	288	183	382	232
	1,458	1,386	4,168	3,457	5,301	4,359

Operating Expenses						
Fuel and purchased power	690	701	1,891	1,567	2,355	1,899
Other operation and maintenance	213	253	637	645	872	872
Amortization of recoverable transition costs	50	27	159	113	218	113
Depreciation and amortization	58	73	196	193	260	265
Other	134	94	411	274	515	365
	1,145	1,148	3,294	2,792	4,220	3,514
Operating income	313	238	874	665	1,081	845
Other income	1	0	8	7	98	47
Income before interest, income taxes and minority interest	314	238	882	672	1,179	892
Interest expense	94	80	274	203	348	269
Income taxes	75	(22)	215	92	297	151
Minority interest	3	13	4	13	5	13
Income before extraordinary items	142	167	389	364	529	459
Extraordinary items (net of taxes)	0	(59)	0	(59)	13	(59)
Income before dividends on preferred stock	142	108	389	305	542	400
Preferred stock dividend requirements	6	6	19	19	26	25
Net Income	\$136	\$102	\$370	\$286	\$516	\$375

Earnings per share of common stock -
basic and diluted

Adjusted earnings	\$0.81	\$0.55	\$2.41	\$1.72	\$3.04	\$2.13
Nonrecurring items	.13	.13	.16	.13	.55	.24
Other restructuring impacts	.00	.00	.00	.00	.00	.04
Actual Earnings	\$0.94	\$0.68	\$2.57	\$1.85	\$3.59	\$2.41

Average number of shares outstanding (thousands)	144,578	150,694	144,165	154,865	144,056	155,373
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(a) Certain amounts have been reclassified to conform to the current year presentation.

Key Indicators

Financial

	12 Months Ended Sept. 30, 2000	12 Months Ended Sept. 30, 1999
Dividends declared per share	\$1.045	\$1.00
Book value per share (a)	\$13.12	\$10.51
Market price per share (a)	\$41.7500	\$27.0625
Dividend yield	2.5%	3.7%
Dividend payout ratio (b)	34%	47%
Price/earnings ratio (b)	13.7	12.7
Return on average common equity (b)	26.50%	13.90%

(a) End of period

(b) Based on adjusted earnings

Operating

PPL Electric Utilities Corp./ 3 Months Ended Sept. 30

PPL EnergyPlus

	2000	Percent 1999	Change
(millions of kwh)			
Electricity delivered			
to retail customers (a)	8,321	8,221	1.2%
Electricity supplied to			
retail customers (a)	9,340	8,480	10.1%

PPL Electric Utilities Corp./

PPL EnergyPlus

Wholesale energy sales	6,998	7,801	-10.3%
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Operating

PPL Electric Utilities Corp./ 9 Months Ended Sept. 30

PPL EnergyPlus

	2000	Percent 1999	Change
(millions of kwh)			
Electricity delivered			
to retail customers (a)	25,624	25,086	2.1%
Electricity supplied to			
retail customers (a)	28,386	25,232	12.5%

PPL Electric Utilities Corp./

PPL EnergyPlus

Wholesale energy sales	23,721	24,061	-1.4%
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Operating

PPL Electric Utilities Corp./ 12 Months Ended Sept. 30

PPL EnergyPlus

	2000	Percent 1999	Change
(millions of kwh)			
Electricity delivered			
to retail customers (a)	33,582	33,029	1.7%
Electricity supplied to			
retail customers (a)	36,848	33,037	11.5%

PPL Electric Utilities Corp./

PPL EnergyPlus

Wholesale energy sales	31,375	31,466	-0.3%
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(a) Electricity delivered to retail customers represents the kwh delivered to customers within PPL Electric Utilities Corp.'s service territory. Electricity supplied represents the kwh supplied to customers within and outside PPL Electric Utilities Corp.'s service territory (including sales of PPL EnergyPlus). Customers within PPL Electric Utilities Corp.'s service territory will have their energy delivered

by PPL Electric Utilities Corp.

Certain statements contained in this news release, including statements with respect to future earnings, energy supply, sales, margins and deliveries, operating costs, subsidiary performance and generating capacity, 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; performance of new ventures; political, regulatory or economic conditions in countries where PPL Corp. or its subsidiaries conduct business; capital market conditions; 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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