

PPL Compiling Impressive Growth Record, Outperforming S&P 500, Hecht Tells Shareowners

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PPL Corporation's (NYSE: PPL) impressive growth over the past five years confirms that shareowners' confidence in the company is well-placed, the company's chairman said Friday (4/25) during PPL's annual meeting.

"The people of PPL are confident, but not complacent. We know that success is not earned on paper. It is earned in the marketplace and in serving customers," said William F. Hecht, PPL chairman, president and chief executive officer. "This success must be earned year after year."

He said the company has been doing just that.

"Over the past five years, PPL's total return has outperformed the S&P 500 by 80 percent," said Hecht. "We also have increased our annual dividend by 45 percent over the past two years."

Hecht said that PPL's success results from a strategy that focuses on long-term, steady growth and profitability in both the regulated electricity delivery business and the deregulated electricity generation and marketing business.

Another key reason for PPL's success, Hecht said, was the approach the company took to the newly deregulated generation and marketing business. "We devised and implemented a strategy that allowed us to produce strong returns while also reducing volatility. This plan involved the procuring of favorable multi-year contracts for both the sale of electricity produced by PPL plants and for the purchase of fuel needed to operate those plants," Hecht said.

He also said that PPL's success in executing its strategy is dependent on the ability and dedication of the company's employees.

"The 12,000 employees of PPL remain totally focused on the fundamentals: superior customer service, excellent operation of power plants and other physical assets, and attention to quality," said Hecht.

The company's strategy and superior execution of the strategy, Hecht said, results in a projection for annual long-term compound earnings per share growth of 5 to 8 percent, based on 2002 earnings from core operations.

John Biggar, executive vice president and chief financial officer, said PPL's strong performance in 2002 was the result of the successful execution of the company's commodity strategy, as well as improved results from the company's international operations and increased deliveries to residential and commercial customers in Pennsylvania.

Based on the company's current stock price, Biggar told the shareowners that the current \$1.54 per share annualized dividend level represents a yield of 4.1 percent. "Recognizing our forecast for continuing improvement both in cash flow and in earnings, we would anticipate being able to increase the dividend in the future," Biggar said.

During the meeting, which was held at Stabler Arena on the campus of Lehigh University in Bethlehem, Pa., shareowners ratified the appointment of PricewaterhouseCoopers LLP as the company's independent auditor for 2003, approved an incentive compensation plan for non-executive employees and re-elected three directors to three-year terms.

Re-elected to the board were John W. Conway, chairman, president and chief executive officer of Crown Holdings, Inc.; E. Allen Deaver, former executive vice president and director, Armstrong World Industries; and

Susan M. Stalnecker, vice president-government and consumer markets, DuPont Safety and Protection, E.I. duPont de Nemours and Company.

Continuing to serve on the board are (current term expiration in parentheses): Frederick M. Bernthal, president, Universities Research Association (2005); Biggar (2005); Louise K. Goesser, vice president of quality for Ford Motor Company (2005); Hecht (2004); Stuart Heydt, retired chief executive of Geisinger Health System (2004); and W. Keith Smith, former vice chairman, Mellon Financial Corporation (2004).

Shareowners voted down two of three proposals that were offered by individual shareowners. The company had recommended a vote against all three proposals. Defeated were proposals involving the pricing of stock options and the use of audit firms to do non-audit work.

Shareowners approved a proposal that recommends shareowner approval of any future adoption of a shareowner rights plan. Such plans are sometimes used in the case of a hostile takeover attempt. "While the board would have preferred to retain flexibility in fulfilling its fiduciary responsibility, PPL has no shareowner rights plan in place and no plans to implement one. Therefore, the adoption of this proposal has no immediate effect on the company," said Hecht.

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, growth, corporate strategy, cash flows and dividends, 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 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 or countries where PPL Corporation or its subsidiaries conduct business; receipt and renewals of necessary government permits and approvals; capital market conditions and decisions regarding capital structure; the impact of state or federal investigations applicable to PPL Corporation and its subsidiaries and the energy industry; the outcome of litigation against PPL Corporation and its subsidiaries; stock price performance; the securities and credit ratings of PPL Corporation and its subsidiaries; national or regional economic conditions, including any potential effects arising from the Sept. 11, 2001 terrorist attacks in New York City, Washington, D.C., and western Pennsylvania, and any consequential hostilities or other hostilities; foreign exchange rates; new state or federal legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. Any such forward-looking statements should be considered in light of such important 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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