

PPL Comments on Credit Rating Actions by Moody's and Standard & Poor's

PRNewswire-FirstCall
ALLENTOWN, Pa.

PPL Corporation (NYSE: PPL) today was notified by Moody's Investor Services that several of PPL's companies are being placed on credit review for possible future downgrade in the credit ratings on their debt and preferred securities. Moody's has stated that the short-term debt ratings of these companies are not under review.

This notification initiates an extensive review by Moody's that may or may not ultimately result in a change of the ratings on the securities outstanding at these companies.

John R. Biggar, PPL's executive vice president and chief financial officer, said the company will be actively working with Moody's to provide all the data it needs to expedite the credit-rating agency's review. "While we are disappointed that Moody's has found it necessary to take this action at the current time, we understand and appreciate the need for rating agencies to periodically conduct reviews like this one," said Biggar.

"Given the combination of our managed-risk business strategy based on long-term electricity sales and fuel contracts and our strengthening balance sheet, we remain confident that, while ratings adjustments are possible, the ratings at all of these companies will still be at investment-grade levels. "Furthermore, since Moody's has not put the commercial paper programs of PPL Energy Supply, LLC and PPL Electric Utilities Corporation under review, we consider it highly unlikely that there would be more than a 'one-notch' downgrade if current ratings are not re-affirmed," Biggar said.

In a separate action today, Standard & Poor's has reaffirmed its investment-grade credit ratings for PPL Corporation and its major operating subsidiaries. S&P also lowered the investment-grade rating of PPL Capital Funding's senior unsecured debt by one notch to "BBB-". PPL Capital Funding is a PPL Corporation subsidiary that has issued senior unsecured debt guaranteed by PPL Corporation. Although S&P has maintained a negative outlook for these PPL entities and has added a negative outlook to PPL Electric Utilities, it has indicated that these negative outlooks could be revised to stable if PPL meets its 2003 financial forecasts.

During 2002 and 2003, PPL Corporation has taken specific steps to strengthen its balance sheet and its credit quality. PPL Corporation has issued about \$1 billion in common stock and equity-linked securities over the past several years. Additionally, PPL announced today 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. PPL's cash flow from operations in 2003 is expected to be about \$1 billion.

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.

A security rating is not a recommendation to buy, sell or hold securities, may be subject to revision or withdrawal at any time by the assigning rating organization and should be evaluated independently of any other rating.

Certain statements contained in this news release, including statements with respect to cash flow, credit ratings, securities offerings 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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