PPL CORPORATION NYSE-PPL

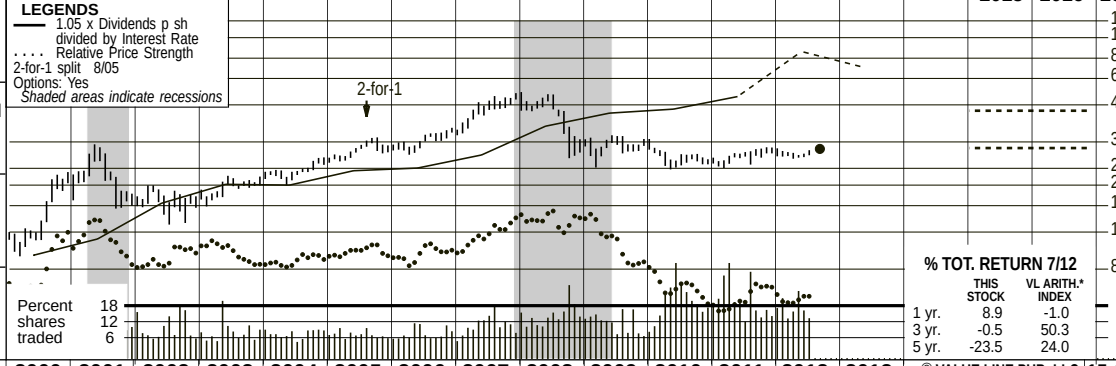
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
29.74	12.5	(Trailing: 10.4 Median: 13.0)	0.86	4.9%	VALUE LINE

TIMELINESS 3 Raised 11/12/10
SAFETY 3 Lowered 11/28/08
TECHNICAL 2 Raised 8/17/12
BETA .65 (1.00 = Market)

High:	31.2	20.0	22.2	27.1	33.7	37.3	54.6	55.2	34.4	33.1	30.3	30.0
Low:	15.5	13.0	15.8	19.9	25.5	27.8	34.4	26.8	24.3	23.8	24.1	26.7

Target Price Range 2015 | 2016 | 2017

LEGENDS
— 1.05 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 8/05
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+50%)	*14%*
Low	30	(Nil)	*5%*

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	9	0	1	0	0
to Sell	1	0	1	0	2	0	0	0	0

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	272	262	264
to Sell	178	194	212
Hld's(000)	416684	407121	406060

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	8.9	-1.0
3 yr.	-0.5	50.3
5 yr.	-23.5	24.0

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
8.94	9.17	12.03	15.97	19.59	19.53	16.38	15.75	15.37	16.36	17.92	17.41	21.47	20.03	17.63	22.02	*21.20*	*19.25*	Revenues per sh	*20.25*
2.14	2.11	2.43	2.56	3.32	3.51	3.20	3.60	3.59	3.84	4.26	5.10	4.71	3.47	3.66	4.59	*4.70*	*4.45*	"Cash Flow" per sh	*5.25*
1.03	.99	1.12	1.01	1.64	1.79	1.54	1.84	1.87	1.92	2.29	2.63	2.45	1.19	2.29	2.61	*2.55*	*2.40*	Earnings per sh A	*3.00*
.84	.84	.67	.50	.53	.53	.72	.77	.82	.96	1.10	1.22	1.34	1.38	1.40	1.40	*1.44*	*1.48*	Div'd Decl'd per sh B ■	*1.70*
1.11	.93	.97	1.11	1.59	2.99	2.74	2.17	1.94	2.13	3.62	4.51	3.79	3.25	3.30	4.30	*5.95*	*6.60*	Cap'l Spending per sh	*4.25*
8.44	8.45	5.69	5.61	6.94	6.33	6.71	9.19	11.21	11.62	13.30	14.88	13.55	14.57	16.98	18.72	*20.05*	*21.40*	Book Value per sh C	*25.50*
325.33	332.50	314.82	287.39	290.08	293.16	331.47	354.72	378.14	380.15	385.04	373.27	374.58	377.18	483.39	578.41	*590.00*	*637.00*	Common Shs Outst'g D	*695.00*
11.4	10.8	10.9	13.4	8.9	12.4	11.1	10.6	12.5	15.1	14.1	17.3	17.6	25.7	11.9	10.5	*Bold figures are*		Avg Ann'l P/E Ratio	*12.0*
.71	.62	.57	.76	.58	.64	.61	.60	.66	.80	.76	.92	1.06	1.71	.76	.66	*Value Line*		Relative P/E Ratio	*.80*
7.1%	7.8%	5.5%	3.7%	3.6%	2.4%	4.2%	4.0%	3.5%	3.3%	3.4%	2.7%	3.1%	4.5%	5.1%	5.1%	*estimates*		Avg Ann'l Div'd Yield	*4.7%*

CAPITAL STRUCTURE as of 3/31/12
Total Debt $18750 mill. **Due in 5 Yrs** $3831.0 mill.
LT Debt $18076 mill. **LT Interest** $904.0 mill.
Incl. 23 mill. units 7.75%, $25 liq. value; 82,000 units 8.23%, $1000 face value; 23 mill. units 4.625%, $50 stated value, conv. into com. in 2013. (LT interest earned: 3.7x)
Leases, Uncapitalized Annual rentals $125.0 mill.
Pension Assets-12/11 $9.82 bill. **Oblig.** $11.0 bill.
Pfd Stock $250.0 mill. **Pfd Div'd** $16.0 mill.
2,500,000 shs. 6.25%, $100 liq. preference, will be redeemed on 6/18/12.
Common Stock 580,021,834 shs. **as of 4/30/12**
MARKET CAP: $17 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
5429.0	5587.0	5812.0	6219.0	6899.0	6498.0	8044.0	7556.0	8521.0	12737	*12500*	*12250*	Revenues ($mill)	*14000*
536.0	667.0	692.0	739.0	899.0	1031.0	940.0	465.0	1009.0	1456.0	*1495*	*1465*	Net Profit ($mill)	*2020*
25.7%	27.1%	22.8%	14.0%	23.2%	20.7%	31.8%	21.8%	22.0%	31.0%	*30.0%*	*30.0%*	Income Tax Rate	*30.0%*
3.4%	1.2%	.7%	- -	- -	- -	.1%	.2%	.5%	.5%	*Nil*	*Nil*	AFUDC % to Net Profit	*Nil*
66.5%	71.1%	61.6%	57.5%	55.4%	54.1%	57.1%	55.2%	59.0%	61.9%	*59.5%*	*56.0%*	Long-Term Debt Ratio	*49.0%*
25.1%	28.5%	37.9%	42.0%	42.2%	43.6%	40.5%	42.5%	39.8%	37.2%	*40.5%*	*44.0%*	Common Equity Ratio	*51.0%*
8868.0	11455	11171	10513	12151	12747	12529	12940	20621	29071	*29350*	*30875*	Total Capital ($mill)	*34700*
9566.0	10446	11209	10916	12069	12605	12416	13174	20858	27266	*29475*	*32325*	Net Plant ($mill)	*38400*
8.8%	7.6%	8.4%	9.3%	9.3%	9.8%	9.2%	5.0%	6.1%	6.4%	*6.5%*	*6.0%*	Return on Total Cap'l	*7.0%*
18.1%	20.2%	16.1%	16.5%	16.6%	17.6%	17.5%	8.0%	11.9%	13.1%	*12.5%*	*10.5%*	Return on Shr. Equity	*11.5%*
21.1%	19.6%	16.3%	16.7%	17.3%	18.2%	18.2%	8.1%	12.0%	13.3%	*12.5%*	*10.5%*	Return on Com Equity E	*11.5%*
12.4%	11.7%	9.3%	8.8%	9.3%	10.0%	8.5%	NMF	5.2%	6.4%	*5.5%*	*4.0%*	Retained to Com Eq	*5.0%*
49%	43%	43%	47%	47%	46%	54%	115%	58%	52%	*57%*	*62%*	All Div'ds to Net Prof	*58%*

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-3.5	+15.3	+60.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.3	+22.5	NA
Fixed Charge Cov. (%)	222	304	321

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	1.0%	4.0%	*.5%*
"Cash Flow"	2.0%	- -	*5.0%*
Earnings	3.0%	- -	*6.5%*
Dividends	10.5%	7.5%	*3.5%*
Book Value	10.5%	7.0%	*7.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	2351	1673	1805	1727	7556.0
2010	3006	1473	2179	1863	8521.0
2011	2910	2489	3120	4218	12737
2012	4112	2549	*3100*	*2739*	*12500*
2013	*3550*	*2700*	*3200*	*2800*	*12250*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.64	.07	.12	.37	1.19
2010	.74	.22	.62	.69	2.29
2011	.82	.35	.76	.69	2.61
2012	.93	.48	*.65*	*.49*	*2.55*
2013	*.75*	*.45*	*.68*	*.52*	*2.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.305	.335	.335	.335	1.31
2009	.335	.345	.345	.345	1.37
2010	.345	.35	.35	.35	1.40
2011	.35	.35	.35	.35	1.40
2012	.35	.36	.36		

BUSINESS: PPL Corporation (formerly PP&L Resources, Inc.) is a holding company for PPL Electric Utilities (formerly Pennsylvania Power & Light Company), which distributes electricity to 1.4 mill. customers in eastern & central PA. Acq'd Kentucky Utilities and Louisville Gas and Electric (1.2 mill. customers) 11/10. Has subs. in power generation & marketing, electricity distribution in U.K. (7.6 million customers). Sold gas distribution sub. in '08. Electric rev. breakdown: res'l, 50%; comm'l & ind'l, 37%; other, 13%. Generating sources unavailable. Fuel costs: 44% of revs. '10 reported depr. rates: 2.3%-3.3%. Has 13,800 empls. Chairman, Pres. & CEO: William H. Spence. Inc.: PA. Address: Two North Ninth St., Allentown, PA 18101-1179. Tel.: 800-345-3085. Internet: www.pplweb.com.

PPL Corporation's utility subsidiaries in Pennsylvania and Kentucky have rate cases pending. In Pennsylvania, PPL Electric Utilities filed for a rate hike of $104.6 million, based on a return of 11.25% on a common-equity ratio of 51.03%. In Kentucky, Louisville Gas and Electric requested electric and gas increases of $62.1 million and $17.2 million, respectively, based on an 11% return on a 55.64% common-equity ratio. Kentucky Utilities filed for an electric hike of $82.1 million, based on an 11% return on a 53.74% common-equity ratio. Orders in each state are expected in December, with new tariffs taking effect in January.

Profits from the company's utilities in the United Kingdom are up significantly. These businesses contributed $0.62 a share in the first half of 2012, compared with $0.18 a year earlier. Part of the improvement is due to an acquisition that PPL made there in 2011, but the utilities are also faring well on their own. With income from PPL's nonregulated business under pressure (see below) and the company's domestic utilities needing rate relief because they aren't earning adequate returns on equity, the U.K. operations have become even more important for PPL.

Declining margins from the nonregulated side of the business will probably lead to lower earnings in 2012 and 2013. The combination of weak power prices and higher coal costs is problematic for PPL. Management is looking for ways to cut costs. Note that mark-to-market gains or losses, which we include in our presentation but not in our estimates (because they are impossible to predict), will skew reported earnings.

Despite the profit squeeze, the board of directors boosted the dividend earlier this year, and we look for another increase in 2013. Although *overall* earnings are down, *utility* income is up—and is likely to keep rising as the company's rate base expands.

We think this stock is worthy of consideration by income-oriented investors. Compared with the average electric utility, the dividend yield is above average. Projected total returns to 2015-2017 also compare favorably with those of most other utility issues.

Paul E. Debbas, CFA *August 24, 2012*

(A) Dil. EPS. Excl. nonrec. gain (losses): '07, (12¢); '10, (8¢); '11, 8¢; gains (losses) on disc. ops.: '05, (12¢); '07, 19¢; '08, 3¢; '09, (10¢); '10, (4¢); '12, (1¢). '09 & '11 EPS don't add due to rounding, '10 due to chg. in shs. Next egs. due early Nov. (B) Div'ds historically paid in early Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. (C) Incl. intang. In '11: $11.29/sh. (D) In mill., adj. for split. (E) Rate base: Fair val. Rate all'd on com. eq. in PA in '08: none spec.; in KY in '10: 9.75%-10.75%; earned on avg. com. eq., '11: 14.4%. Regul. Climate: Avg.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	60

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