

Delivering today for a
brighter tomorrow

PPL Investor Meetings

February 21, 2019



Cautionary Statements and Factors That May Affect Future Results



Statements made in this presentation about future operating results or other future events are forward-looking statements under the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the forward-looking statements. A discussion of factors that could cause actual results or events to vary is contained in the Appendix to this presentation and in the Company's SEC filings.

PPL Investment Proposition

7 High-performing utilities in premium regulatory jurisdictions

\$27 billion
Rate Base ⁽¹⁾

\$22 billion
Market Capitalization ⁽²⁾

5-6% EPS CAGR 2018-2020 ⁽³⁾

5-7% Rate Base CAGR 2018-2020

292 Consecutive Quarterly Dividends Paid

10-12% Annual Total Return ⁽⁴⁾

(1) Actual as of December 31, 2018. Represents Regulatory Asset Value (RAV) for the U.K. and utility capitalization for Kentucky. U.K. based on exchange rate of \$1.35/£.

(2) As of February 14, 2019. Does not reflect \$1.2 billion of equity to be issued under the previously announced equity forward agreement entered into May 2018.

(3) EPS growth rate based on the midpoint of the 2018 ongoing earnings guidance range of \$2.20 - \$2.40 per share.

(4) Annual total return is the combination of projected annual EPS growth and dividend yield as of February 14, 2019.

Premium Regulatory Jurisdictions

Pennsylvania



PPL Electric Utilities

- FERC Formula Transmission Rates for ~50% of rate base
 - 11.68% allowed ROE
- Constructive Distribution Regulatory Mechanisms
 - Smart Meter Rider, Storm Cost Recovery, DSIC⁽¹⁾
- Forward Test Year for Distribution rate cases
- Alternative Ratemaking⁽²⁾

Kentucky



Louisville Gas & Electric (LG&E) and Kentucky Utilities (KU)

- 9.7% allowed ROE
- Environmental Cost Recovery (ECR) Mechanism⁽³⁾
- Forward Test Year for base rate cases
- Fuel Adjustment Clause
- Gas Line Tracker

United Kingdom



WPD East and West Midlands, South West and South Wales

- Pre-approved plan with base revenues set for 8 years; through March 2023⁽⁴⁾
- Real-time recovery of capex
- Incentive revenues available for strong performance and innovation
- Mechanism to retain 70% of cost efficiencies

(1) DSIC - Distribution System Improvement Charge: automatic adjustment charge that enables PPL to recover certain infrastructure improvement costs between base rate cases.

(2) In June 2018, Pennsylvania passed Act 58, which allows for alternative ratemaking in the state.

(3) Kentucky ECR provides near real-time recovery for approved environmental projects on the coal fleet.

(4) RII0-ED1 Price Control extends through March 31, 2023.

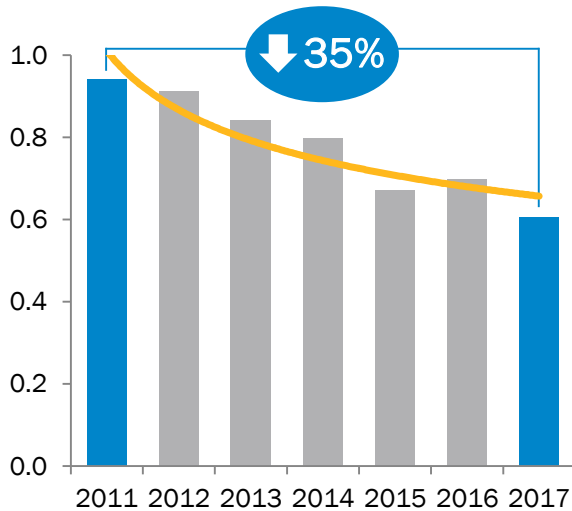
Continuous Operational Excellence

Fewer outages per customer

Investments delivering real value to customers

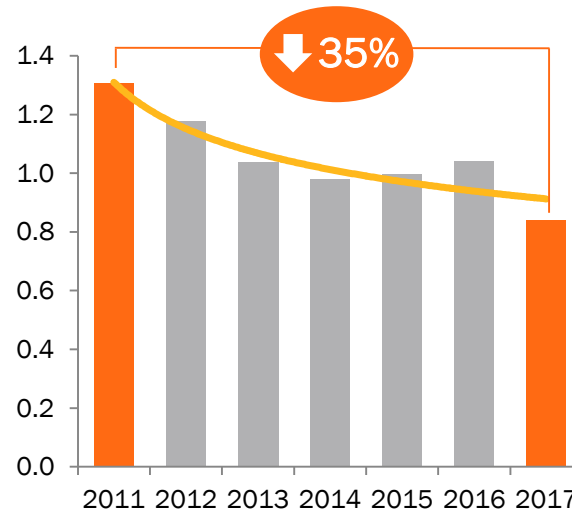
SAIFI: Pennsylvania Regulated ⁽¹⁾

(Avg. Outages per customer)



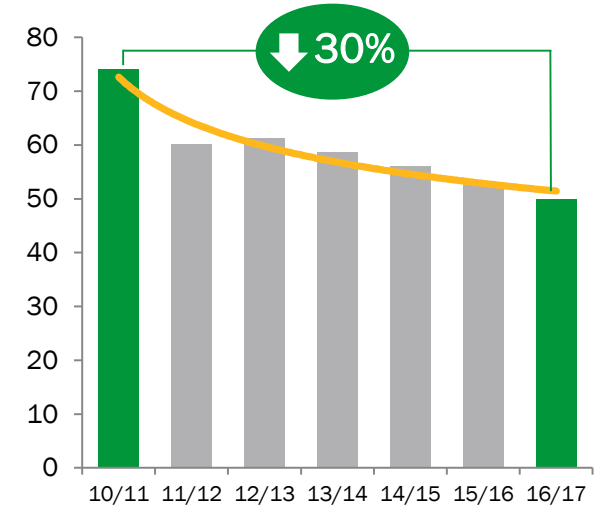
SAIFI: Kentucky Regulated ⁽¹⁾

(Avg. Outages per customer)



Interruptions: U.K. Regulated

(Outages per 100 customers)



(1) SAIFI - System Average Interruption Frequency Index: a measure which shows the average number of interruptions that a customer experiences over a specific period of time for each customer serviced.

Superior Customer Satisfaction

Top-tier rankings *Consistently recognized for premier level of service and customer satisfaction across all jurisdictions*

Pennsylvania Regulated

Kentucky Regulated

U.K. Regulated



26 J.D. Power Awards for Customer Satisfaction

21 J.D. Power Awards for Customer Satisfaction

Top 4 Ranked DNOs in BMCS ⁽¹⁾

- PPL Electric Utilities won seventh straight J.D. Power customer satisfaction award in July 2018
- Kentucky Utilities was recently named the top ranking mid-sized utility in Midwest residential customer satisfaction ⁽²⁾
- WPD has been awarded the Customer Service Excellence award since 1992 ⁽³⁾

(1) BMCS – Broad Measure of Customer Service; per Ofgem. Top 4 rankings in each year since acquiring the Midlands DNOs in April 2011.

(2) J.D. Power 2018 Electric Utility Residential Customer Satisfaction Study.

(3) Previously known as the Government’s Charter Mark, the standard assesses multiple criteria related to customer service.

We're Investing in the Future

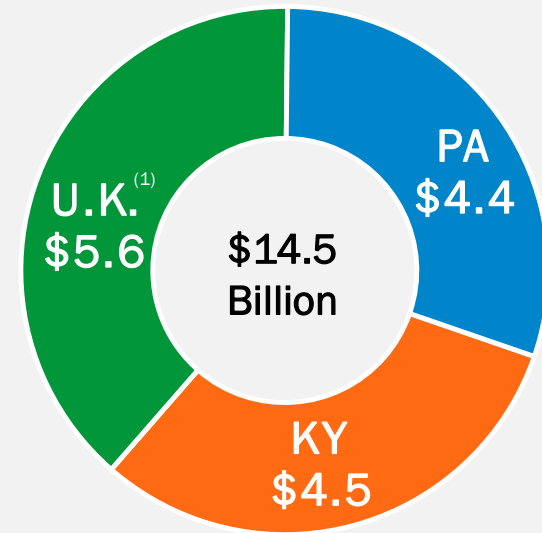
~\$3 billion annually

Investing capital to modernize and strengthen grid resilience

- Making the grid smarter and more resilient
- Strengthening physical and cyber security
- Connecting renewables
- Expanding solar
- Piloting new technology
- Minimizing impact of our KY coal fleet

Robust 5-Year Capital Plan (2019-2023)

(\$ in billions)



(1) U.K. capital plan is based on assumed exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

Prudent Investments, Timely Recovery

Drive 5-6% EPS Growth Through 2020



Strong Rate Base Growth

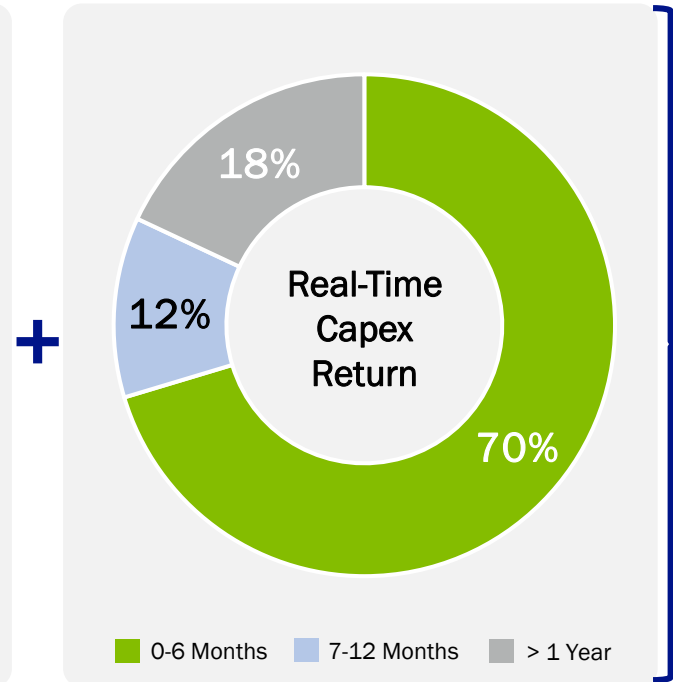
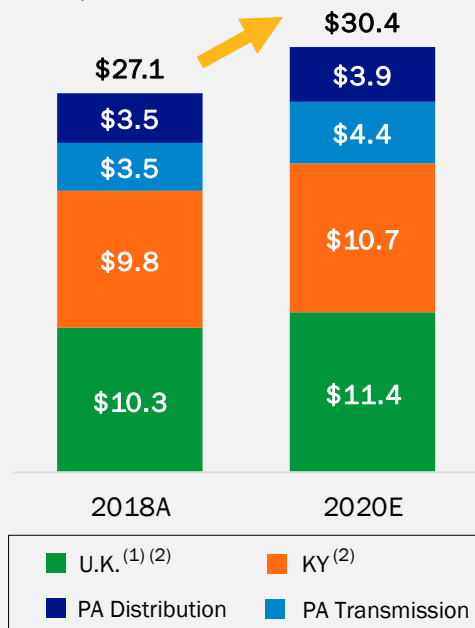
Supported by constructive regulatory recovery mechanisms

5-6% CAGR
Rate Base CAGR 2018-2020

~80% Capex
Earns Return within 1 year

EPS Growth
2018-2020

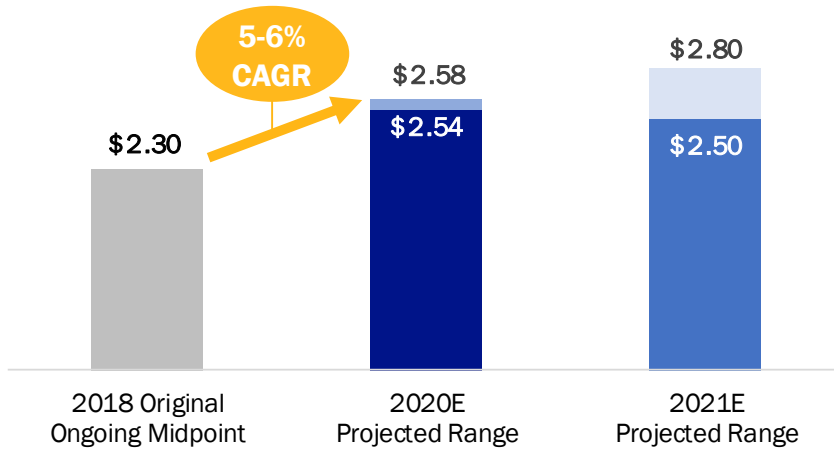
(\$ in billions)



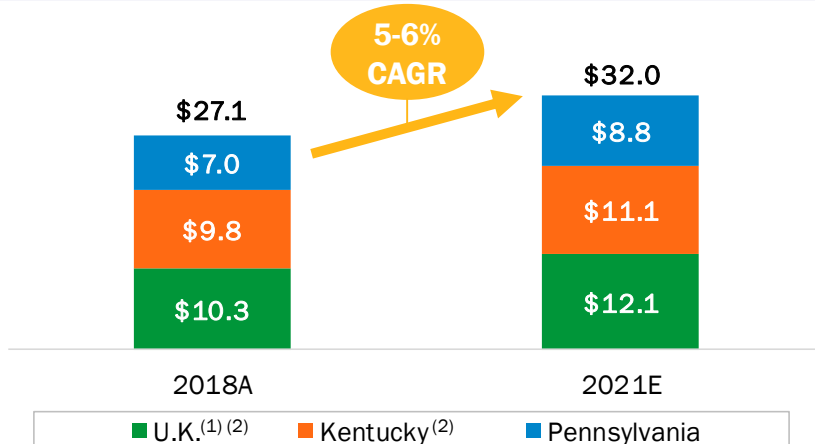
(1) Based on exchange rate of \$1.35/£ in all years for comparability purposes.
 (2) Represents Regulatory Asset Value (RAV) for U.K. and utility capitalization for KY.

2021 Financial Outlook

2021 Projected Ongoing EPS



Rate Base Growth



(1) Based on exchange rate of \$1.35/£ in all years for comparability purposes.

(2) Represents Regulatory Asset Value (RAV) for U.K. Represents utility capitalization for KY.

Key Assumptions to 2021E

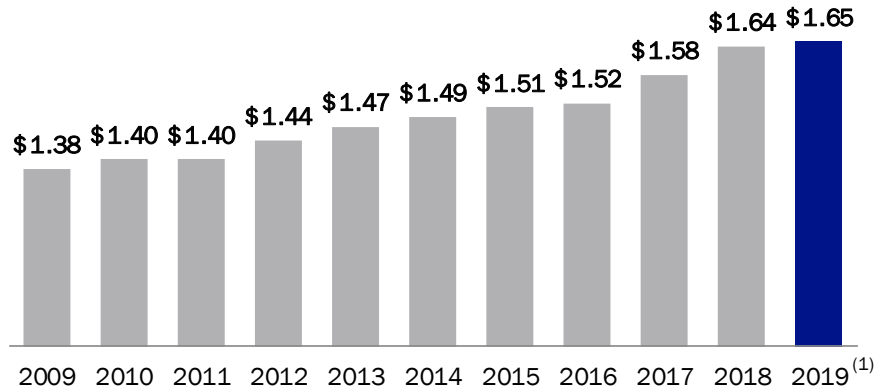
- **Rate base CAGR of 5-6%**
 - Minimal risk given scope of projects, benefits to customers and WPD's pre-approved business plan
- **Earned ROEs to track authorized levels**
- **Updated assumptions for U.K. pension, interest under-recovery, and other true-up mechanisms**
 - Estimated impact: Range of (\$0.05) – (\$0.10) on 2021E EPS compared to 2020E
- **Foreign currency rates**
 - \$1.60/£ at high end of range
 - \$1.35/£ at low end of range

Commitment to Dividend Growth

Delivers consistent dividend *Dividends are a key component to PPL's investment proposition*

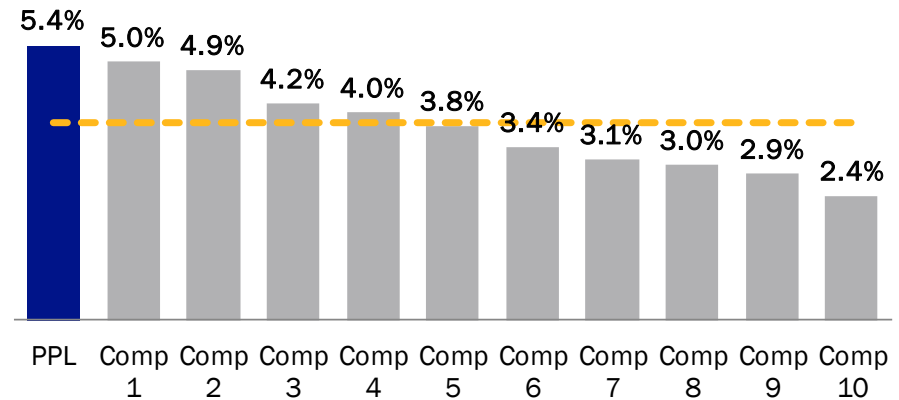
10-Year Dividend History

(\$ per share)



PPL Dividend Yield vs. Large Cap Utilities⁽²⁾

Large Cap Utility Average: 3.8%



- PPL has a long standing history of paying dividends to shareholders
 - January 2nd dividend represents the 292nd consecutive quarterly dividend paid

(1) Annualized dividend based on February 14, 2019 announced increase. Actual dividends to be determined by Board of Directors.

(2) Dividend yield calculated based on share prices and annualized dividends as of February 14, 2019.

Current Objectives/Focus

Pennsylvania Regulated

➤ Alternative Ratemaking

- Opportunity to further enhance constructive regulation including decoupling, performance-based rates, and non-wires alternatives

Kentucky Regulated

➤ Rate case application

- Requesting new rates effective 5/1/2019
- “Green Tariff” supports renewables and economic development

U.K. Regulated

➤ RIIO-2 Framework

- Gas and Electric Transmission subsector feedback/comments (March 2019)
- Electric Distribution Framework (Mid-2020)



PPL Investment Summary

- Pure-play regulated business operating in premium jurisdictions
- Strong operational performance and history of prudent investments support constructive regulatory relationships
- Competitive projected earnings growth of 5-6% through 2020⁽¹⁾
- Solid, secure dividend with commitment to future growth and an attractive 5.4% dividend yield⁽²⁾
- Proven track record of delivering commitments to shareowners and customers

(1) EPS growth rate based on the midpoint of the 2018 ongoing earnings guidance range of \$2.20 - \$2.40 per share.

(2) Based on dividend yield as of February 14, 2019.



Appendix

PPL Fact Sheet

CORPORATE DATA

Ticker symbol and stock exchange PPL-NYSE

At February 14, 2019

Average daily trading volume (1 month) 4.7 million shares

Closing Price \$30.55

52-week price range \$25.30 - \$32.46

Annualized dividend per share \$1.65 (\$0.42/quarter)

Enterprise value \$43.4 billion

Market cap \$22.0 billion

At December 31, 2018

Total assets \$43.0 billion

Common shares outstanding 720.3 million

Book value per share \$16.24

Capitalization (\$ billions):

Total debt \$22.0 65%

Common equity \$11.7 35%

Total capitalization \$33.7 100%

Employees ~12,500

INVESTOR RELATIONS CONTACT INFORMATION

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Director – Investor Relations
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Sustainability: PPL Commitments



Our commitments also support U.N. Sustainable Development Goals identified for the utility industry

U.N. Sustainable Development Goals

PPL Commitments	U.N. Sustainable Development Goals				
	 6 CLEAN WATER AND SANITATION Clean Water and Sanitation	 7 AFFORDABLE AND CLEAN ENERGY Affordable and clean energy	 8 DECENT WORK AND ECONOMIC GROWTH Decent Work and Economic Growth	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE Industry, Innovation and Infrastructure	 13 CLIMATE ACTION Climate Action
Create extraordinary shareowner value			✓	✓	✓
Drive best-in-sector operational performance		✓		✓	
Advance a cleaner energy future	✓	✓			✓
Build tomorrow's energy infrastructure				✓	
Exceed customer expectations		✓		✓	
Foster an exceptional workplace			✓		
Strengthen communities		✓	✓	✓	

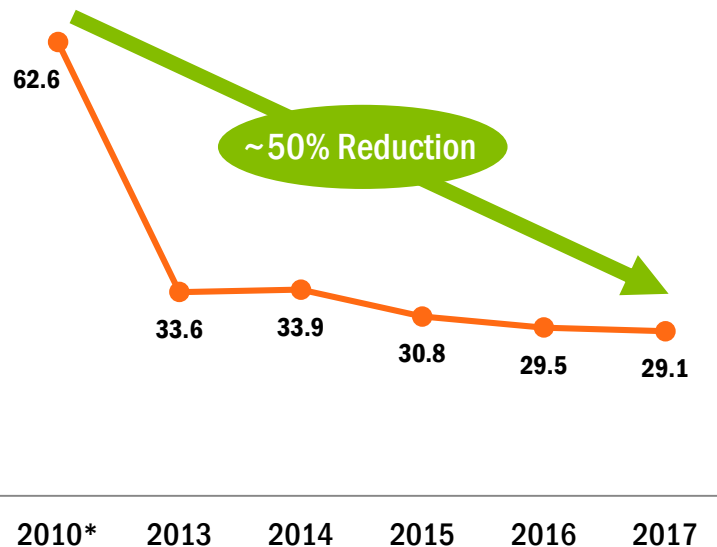
Sustainability: Reducing Carbon Emissions



PPL set goal in 2018 to cut carbon dioxide emissions by 70% from 2010 levels by 2050, building on progress we have made

PPL's CO₂ Emissions from 2010-2017

Metric Tonnes (in millions)

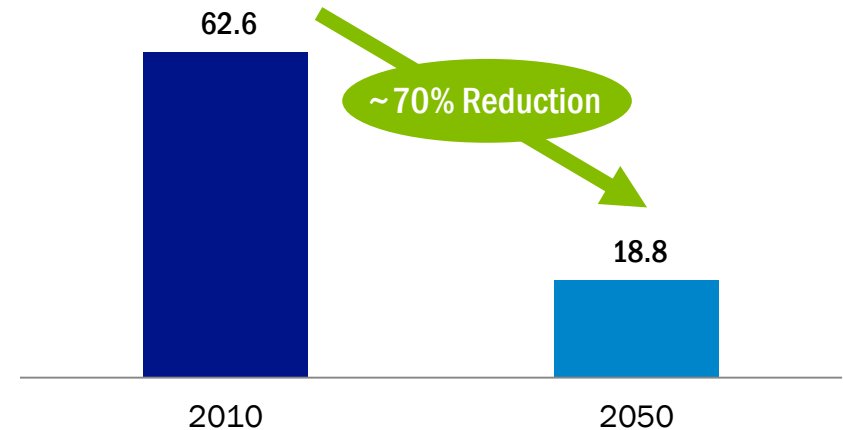


*2010 is the only data point that includes PPL Energy Supply, LLC.

Commitment to Carbon Reduction

Scope 1

Metric Tonnes (in millions)



Sustainability: Natural Resource Conservation



Protecting Water

75%

Less water used (2017 vs. 2013)

96%

Amount of water recycled and reused

0.17%

Impact (water withdrawn
compared to waterbody size)

Saving Energy

\$35.7M

In energy-efficiency rebates awarded

671M

Kilowatt-hours saved by customers

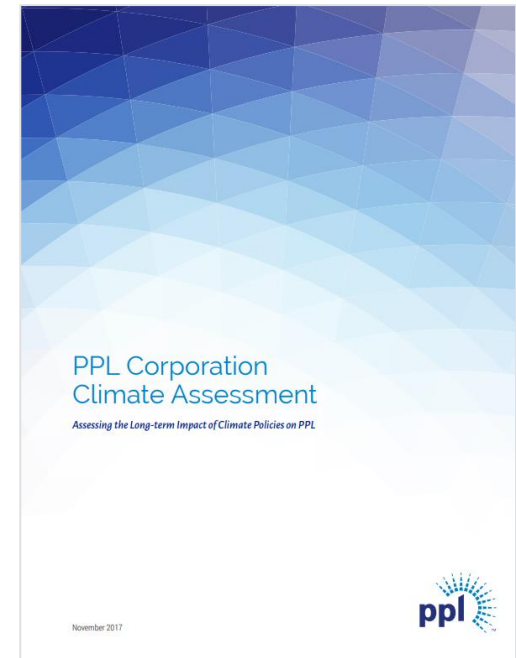
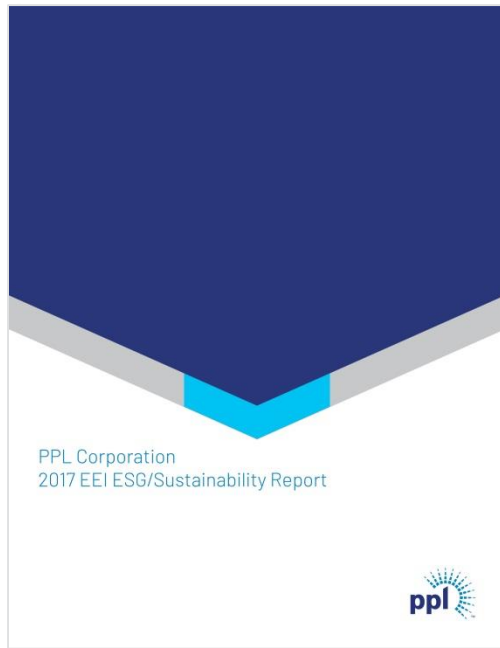
259

Megawatts reduced
during peak demand

Sustainability: Enhanced Disclosures



PPL continues to enhance our disclosures to keep shareowners well informed



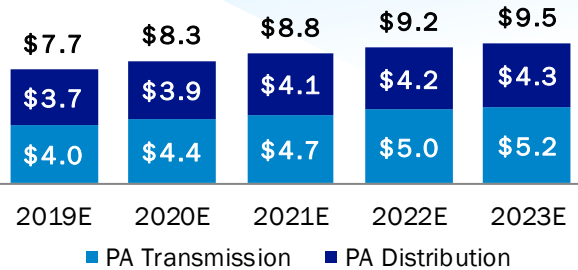
Pennsylvania Regulated Overview

\$7 billion

Rate Base ⁽¹⁾

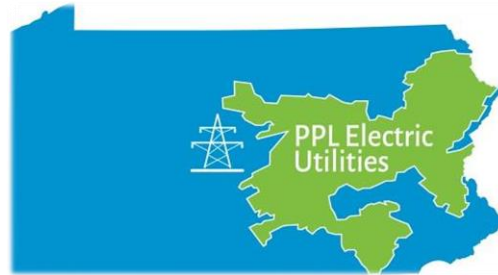
(\$ in billions)

6.3% CAGR
2018A-2023E



1.4 million

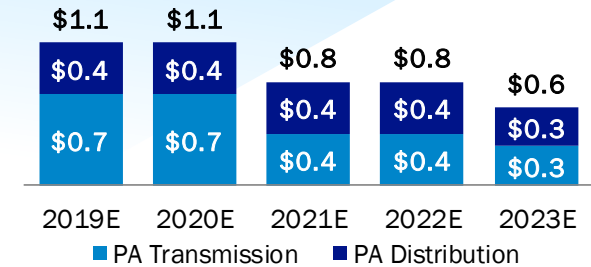
Customers



\$4.4 billion

Capex Plan

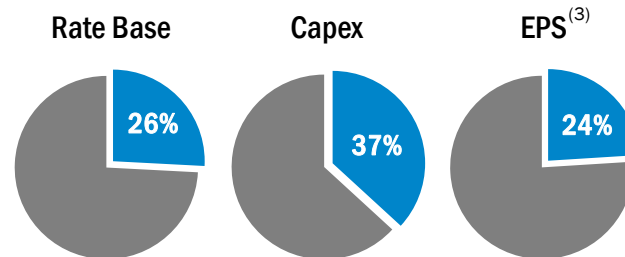
(\$ in billions)



PA Segment Highlights ⁽¹⁾

- Services provided:
 - Electric Distribution, Electric Transmission
- Service area: 10,000 square miles
- Electricity delivered: 37,497 GWh
- Operating revenues: \$2.3 billion
- Net income: \$431 million

PA Segment Proportion of PPL ⁽²⁾



Regulatory Attributes

- FERC Formula Rates
- DSIC Mechanism ⁽⁴⁾
- Smart Meter Rider
- Storm Cost Recovery
- Forward Test Year for Distribution rate cases
- Alternative Ratemaking
- Strong regulatory track record with PA PUC

(1) Actual as of December 31, 2018.

(2) Proportions based on 2018 year end actuals.

(3) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

(4) DSIC - Distribution System Improvement Charge: automatic adjustment charge that enables PPL to recover certain infrastructure improvement costs between base rate cases.

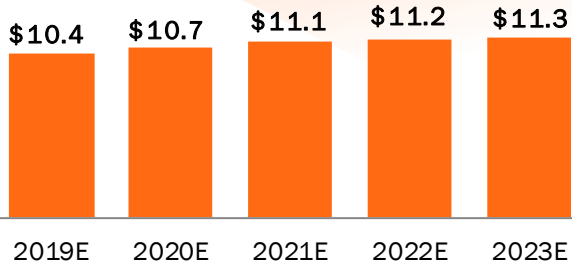
Kentucky Regulated Overview

\$9.8 billion

Rate Base ⁽¹⁾

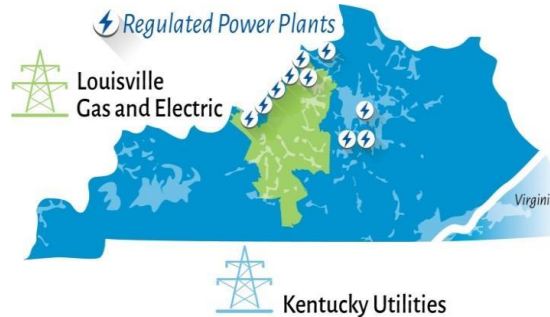
(\$ in billions)

2.9% CAGR
2018A-2023E



1.3 million

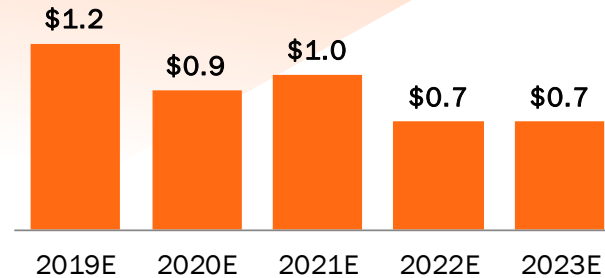
Customers



\$4.5 billion

Capex Plan

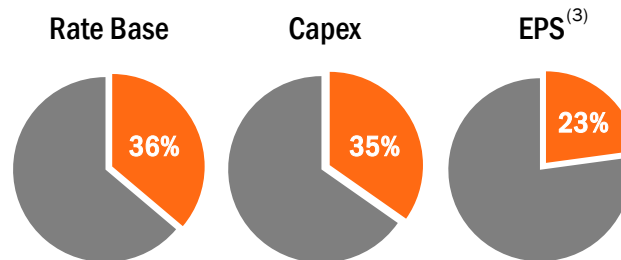
(\$ in billions)



KY Segment Highlights ⁽¹⁾

- Services provided:
 - Electric Distribution, Electric Transmission, Gas Distribution, Regulated Generation
- Service area: 9,400 square miles
- Electricity delivered: 33,650 GWh
- Operating revenues: \$3.2 billion
- Net income: \$411 million
- Operate approx. 8,000 MW of generation

KY Segment Proportion of PPL ⁽²⁾



Regulatory Attributes

- Environmental Cost Recovery (ECR) Mechanism ⁽⁴⁾
- Fuel Adjustment Clause
- Gas Line Tracker
- Forward Test Year for base rate cases
- Very competitive retail rates
- Strong regulatory track record with KPSC

(1) Actual as of December 31, 2018. Represents utility capitalization for Kentucky.

(2) Proportions based on 2018 year end actuals.

(3) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

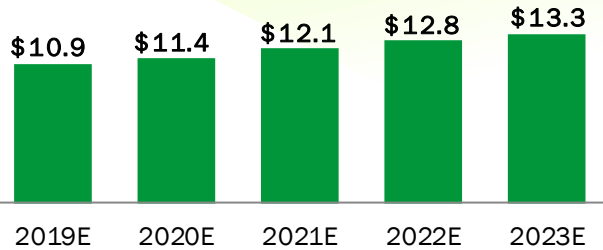
(4) Kentucky ECR provides near real-time recovery for approved environmental projects on the coal fleet.

U.K. Regulated Overview

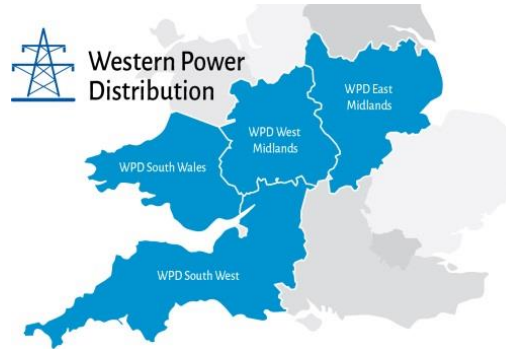
\$10.3 billion⁽¹⁾
Rate Base⁽²⁾

(\$ in billions)

5.2% CAGR
2018A-2023E

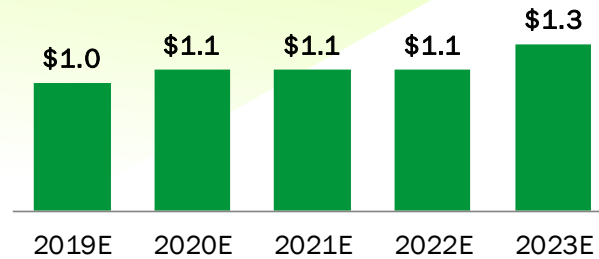


7.9 million
Customers



\$5.6 billion
Capex Plan⁽⁵⁾

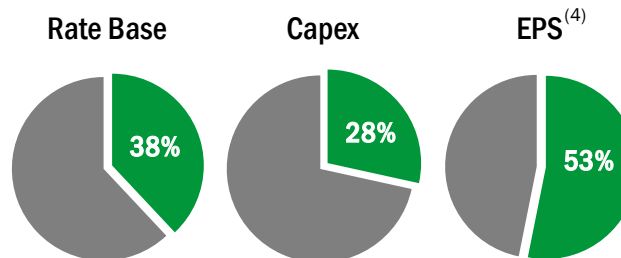
(\$ in billions)



U.K. Segment Highlights⁽¹⁾

- Services provided:
 - Electric Distribution
- Service area: 21,600 square miles
- Electricity delivered: 74,181 GWh
- Operating revenues: \$2.3 billion
- Net income: \$1,114 million
- U.K.'s largest distribution network operator

U.K. Segment Proportion of PPL⁽³⁾



Regulatory Attributes

- Pre-approved plan with base revenues set for 8 years; through March 2023
- Accelerated recovery of RAV
- Inflation indexed revenue model
- Real-time recovery of capex
- Performance incentives drive improvement
- 70% of cost efficiencies retained by company
- Strong regulatory track record with Ofgem

(1) Actual as of December 31, 2018.

(2) Represents Regulatory Asset Value (RAV) for the U.K. For comparability reflects exchange rate of \$1.35/£ for all years.

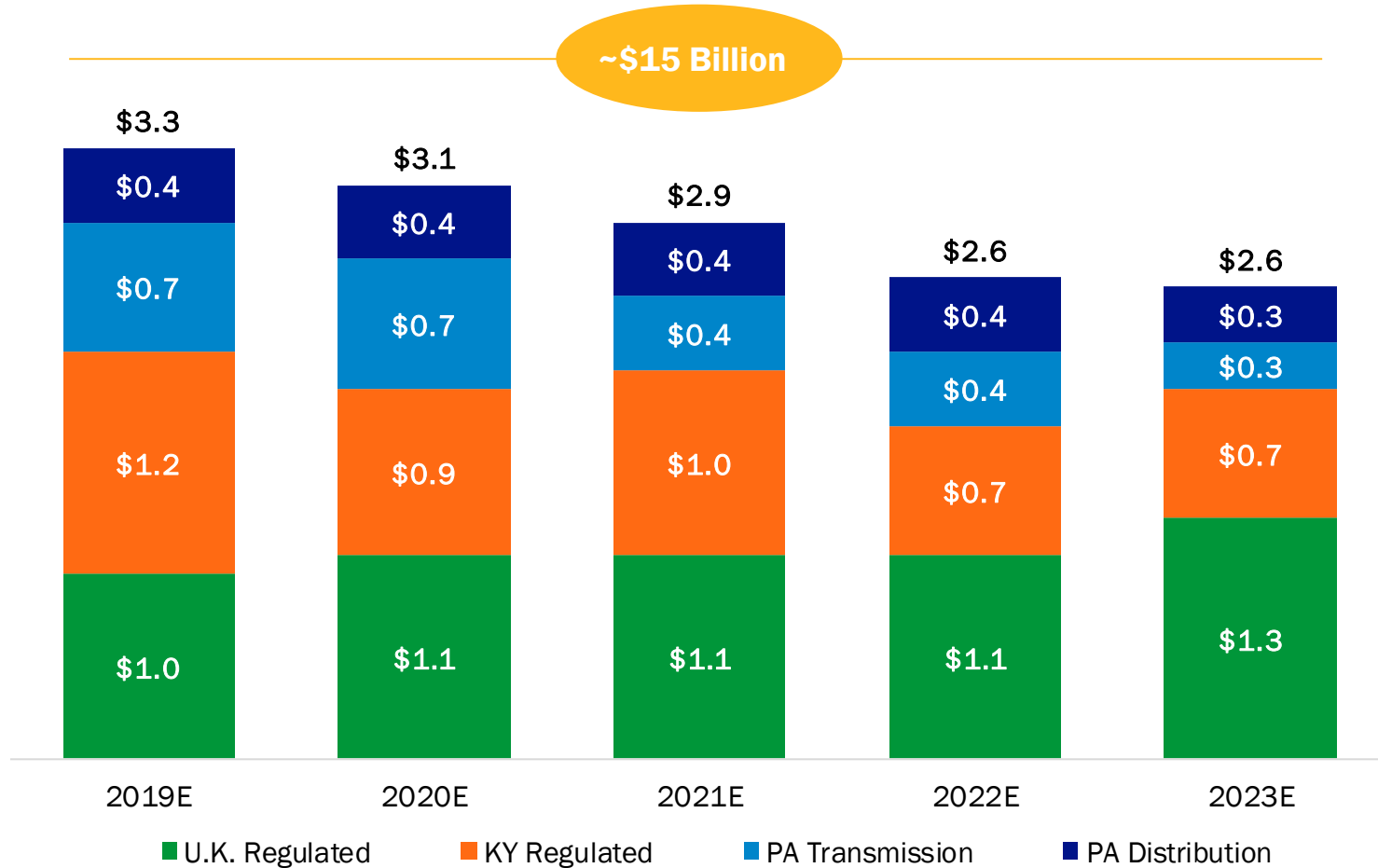
(3) Proportions based on 2018 year end actuals.

(4) Represents Earnings from Ongoing Operations, includes allocation from Corporate and Other for comparative purposes.

(5) Capital plan is based on assumed exchange rate of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

Capital Expenditure Plan

(\$ in billions)

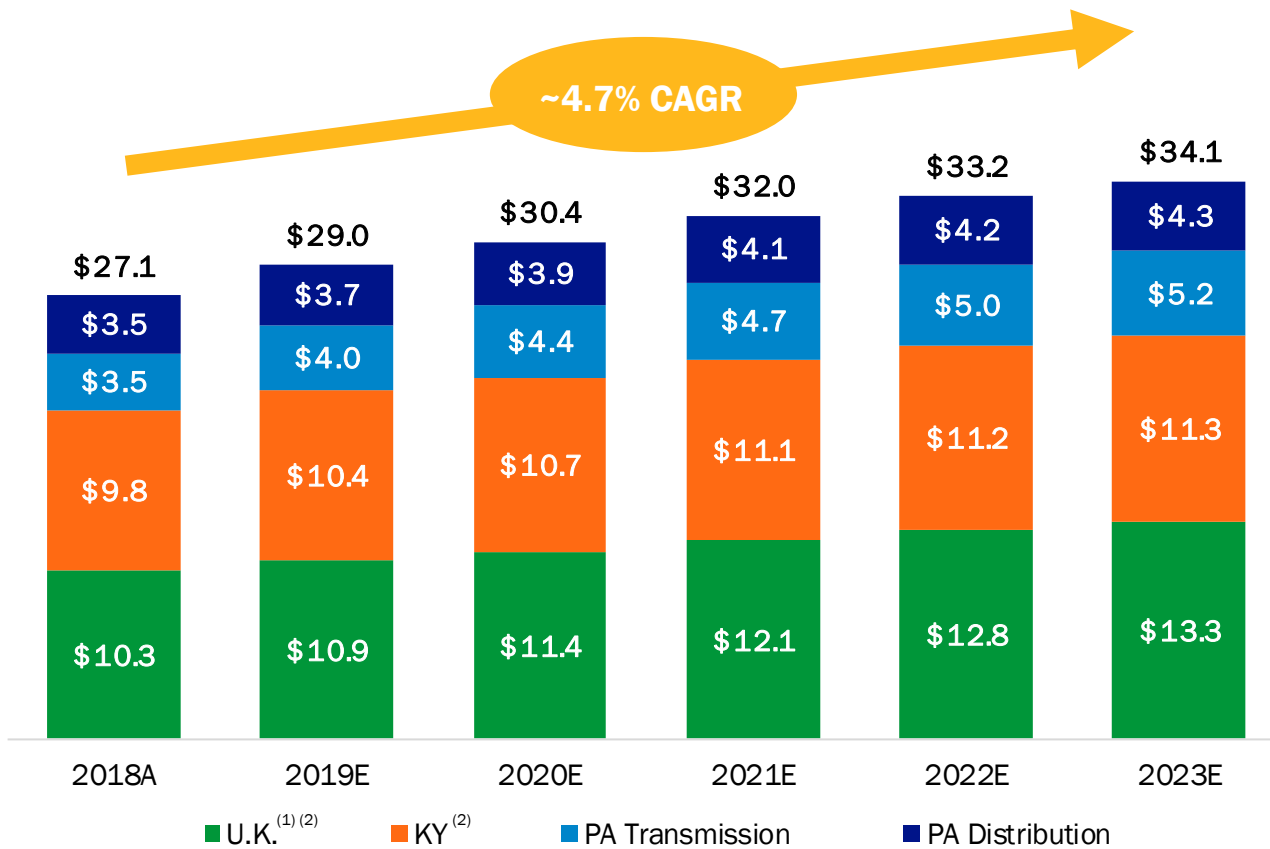


Note: U.K. capital plan is based on assumed exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020-2023.

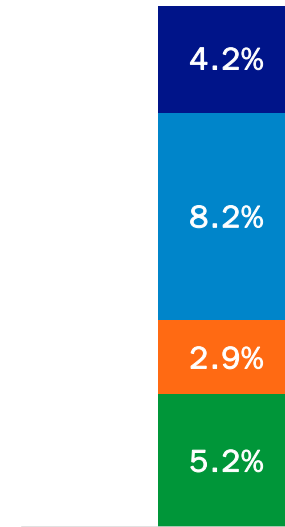
Projected Rate Base Growth

(\$ in billions)

~4.7% CAGR



2018A-2023E CAGR Breakdown



2018A-2023E Rate Base CAGR

(1) Based on exchange rate of \$1.35/£ in all years for comparability purposes.

(2) Represents Regulatory Asset Value (RAV) for U.K. Represents utility capitalization for KY.

Kentucky Regulated: Rate Case

Rate Case Overview

	KU	LG&E	
	Electric	Electric	Gas
Revenue Increase Requested	\$112 million	\$35 million	\$25 million
Test Year	12-months ended 4/30/2020	12-months ended 4/30/2020	12-months ended 4/30/2020
Requested ROE	10.42%	10.42%	10.42%
Jurisdictional Capitalization ⁽¹⁾	\$4.1 billion	\$2.6 billion	\$0.8 billion

Rate Case Review Schedule

Timing	Milestone	Status
09/28/2018	KU and LG&E filed its application to adjust rates	✓
10/12/2018	KU and LGE filed its responses to the KY PSC initial data requests	✓
11/13/2018	1 st Request for information from all intervenors received	✓
11/29/2018	LG&E and KU responses filed	✓
12/13/2018	Supplemental request for information received	✓
01/02/2019	LG&E and KU responses filed	✓
01/16/2019	Intervenor testimony filed	✓
01/31/2019	Requests to intervenors submitted	✓
02/14/2019	Intervenor responses filed	
02/26/2019	LG&E/KU Rebuttal testimony filed	
03/05/2019	Public hearing in Frankfort	
05/01/2019	New rates effective	

✓ Completed

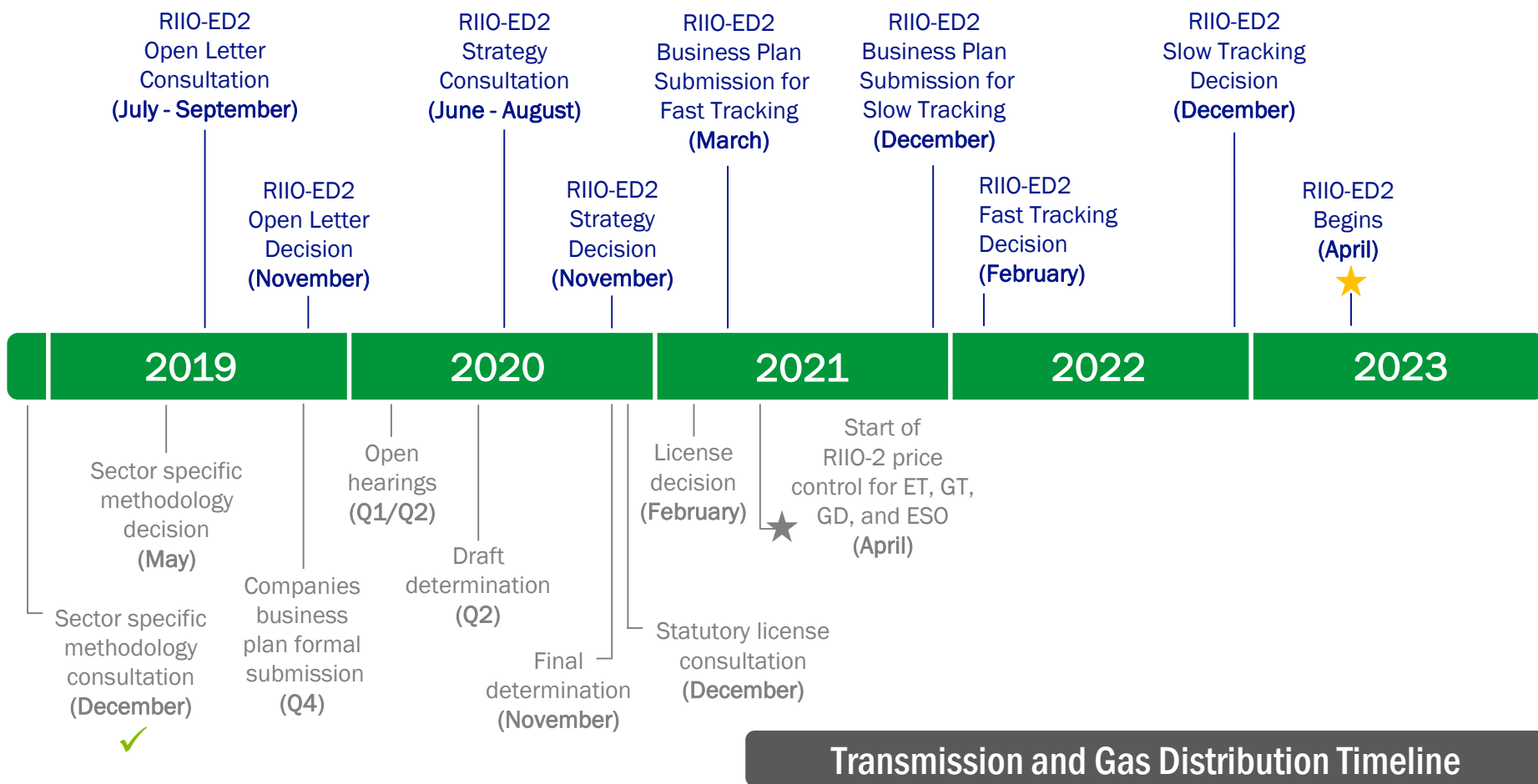
Note: The case numbers are 2018-00294 for KU and 2018-00295 for LG&E. Complete filings are available at www.lge-ku.com/regulatory.asp.

(1) Does not include capitalization recovered via other rate mechanisms or other jurisdictions.

U.K. Regulated: RIIO-2 Projected Timelines



Electric Distribution Timeline⁽¹⁾



Transmission and Gas Distribution Timeline

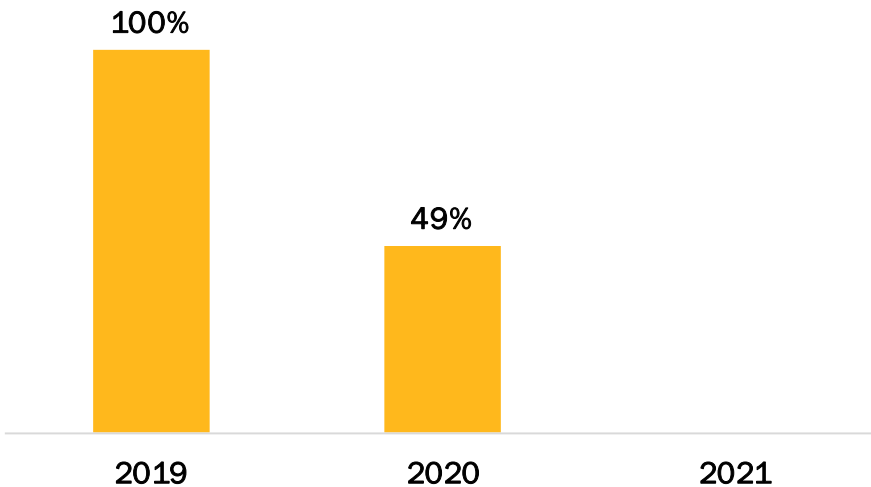
(1) Ofgem will consult on the need for Fast Tracking in RIIO-ED2 as part of the strategy consultation in June 2020. The electric distribution timeline shown here represents the events following an Ofgem decision that allows Fast Tracking.

U.K. Regulated: Managing Foreign Currency Risk

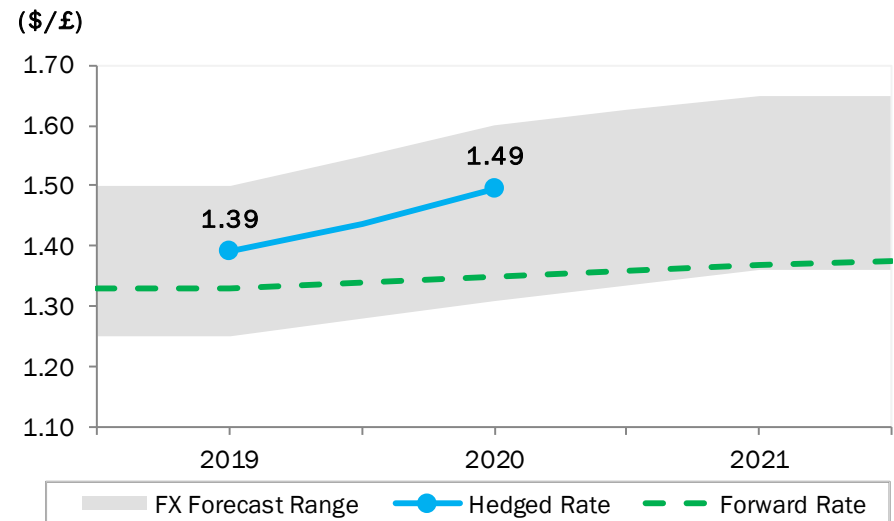


PPL uses a disciplined approach to hedging foreign currency risk

Target Foreign Currency Hedge Ranges⁽¹⁾



Forward Foreign Currency Rates



Note: Forward FX rates sourced from Bloomberg as of February 6, 2019. Forecast range reflects views from up to 14 financial institutions and does not represent PPL's internal forecast. Not all institutions provide forecasts for all periods.

(1) PPL's foreign currency hedge status as of February 6, 2019.

U.K. Regulated: Incentive Revenues



Incentive Revenue Summary⁽¹⁾

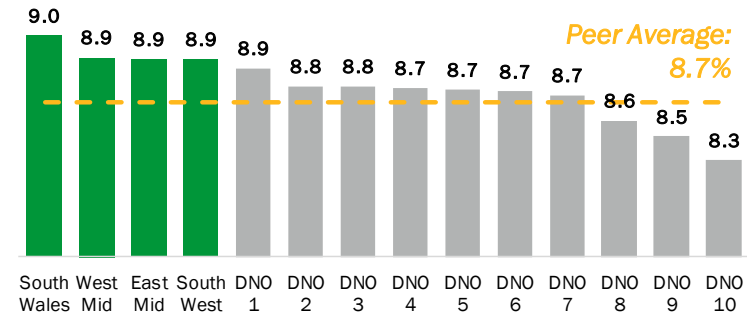
	2018A	2019E	2020E	2021E
Customer Interruptions/CML	\$70	\$65	\$70	\$70
Customer Satisfaction	\$24	\$30	\$30	\$30
Time to Connect	\$6	\$5	\$5	\$5
Total Incentive Revenues	\$100	\$100	\$100-110	\$100-110

- WPD has the ability to earn annual incentive revenues for strong operational performance.
- Customer Interruptions/Minutes Lost rewards or penalizes DNOs for managing and reducing power outage frequency and duration.
- The Broad Measure of Customer Service rewards or penalizes DNOs based on supply interruptions, connections and general inquiries, complaints, stakeholder engagement, and delivery of social obligations.
- Time to Connect incentive rewards DNOs for reducing connection times against Ofgem targets.

(1) 2018 shown at hedged rate of \$1.31/£, 2019 at \$1.39/£, 2020 and 2021 at \$1.40/£.

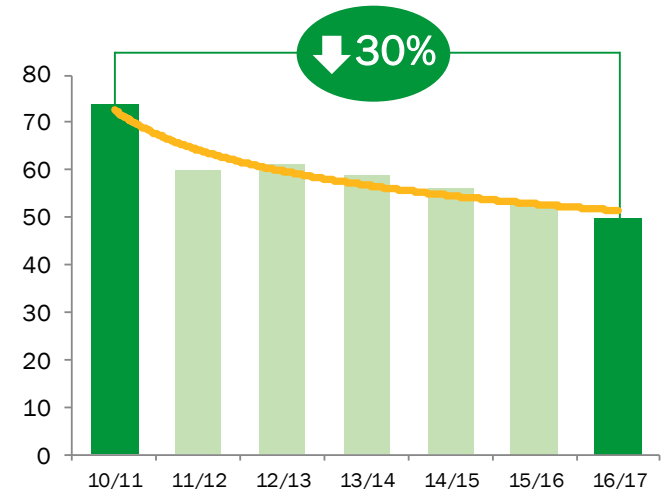
Excellent Customer Satisfaction Ratings

Customer Service Rating (10 point scale)



Reducing Customer Interruptions

(Outages per 100 customers)



U.K. Regulated: True-up Mechanisms



➤ TRU Adjustment

- Tariffs are set using a forecasted RPI as determined by HM Treasury
- Forecasted RPI is trued up to actuals and the corresponding revenue adjustment is collected from or returned to customers two regulatory years later

➤ MOD Adjustment

- On an annual basis, certain components of base revenue are updated for financial adjustments including tax, pension, cost of debt and legacy price control adjustments
- MOD adjustment also includes the Totex Incentive Mechanism which allows WPD to retain 70% of any cost savings against the RII0-ED1 business plan and bear 70% of any cost over-runs
- Similar to TRU, most MOD components result in a revenue adjustment two regulatory years later

➤ Correction Factor (K-factor) Adjustment

- A K-factor is created if set tariffs or delivered volumes do not recover allowed revenue for a regulatory year
- Over and under-recoveries are included in allowed revenues two regulatory years later

Adjustments included in current forecast			
(\$ in millions, pre-tax)	2019	2020	2021
TRU	\$0	\$0	
MOD	(\$50)	(\$100)	
K-factor	(\$10)	(\$30)	
Total	(\$60)	(\$130)	(\$190) - (\$240)

Note: Based on exchange rates of \$1.35/£ for 2019 and \$1.40/£ for 2020 and 2021.

Funding Growth

	2018A	2019E ⁽¹⁾
Domestic Cash from Operations	\$1,905	\$1,800
Domestic Maintenance Capex ⁽²⁾	(844)	(950)
Dividend From U.K. Regulated	399	400
Cash Available for Distribution	\$1,460	\$1,250
Common Dividend	(1,133)	(1,200)
Cash Available for Reinvestment	\$327	\$50
Domestic Growth Capex	(\$1,470)	(\$1,250)
Debt Maturities	(\$277)	(\$200)
Debt Issuances, Change in Short Term Debt, and Change in Cash ⁽³⁾	1,028	350
Equity Issuances	689	1,150
Other Investing and Financing Activities	(297)	(100)
Additional Funding Sources for Domestic Growth Capex	\$1,143	\$1,200

Note: Information provided on slide to be updated on an annual basis. See Appendix for the reconciliation of Domestic Cash Flows.

(1) Based on midpoint of projected 2019 earnings guidance and related assumptions.

(2) Represents book depreciation.

(3) Includes domestic issuances (short and long term), net of issue costs.

Debt Maturities

(\$ in Millions)	2019	2020	2021	2022	2023	2024 and Beyond	Total
PPL Capital Funding	\$0	\$0	\$0	\$800	\$600	\$3,130	\$4,530
PPL Electric Utilities ⁽¹⁾	0	100	400	474	90	2,675	3,739
LG&E and KU Energy	0	475	250	0	0	0	725
Louisville Gas & Electric ⁽¹⁾	434	0	98	0	0	1,293	1,824
Kentucky Utilities ⁽¹⁾	96	500	0	0	13	1,733	2,342
WPD plc	0	0	500	0	638	648	1,786
WPD Operating Companies ⁽²⁾	0	191	0	0	893	4,665	5,748
Total	\$530	\$1,266	\$1,248	\$1,274	\$2,233	\$14,143	\$20,694

Note: As of December 31, 2018.

(1) Amounts reflect the timing of any put option on municipal bonds that may be put by the holders before the bonds' final maturities.

(2) Includes WPD (East Midlands) plc, WPD (West Midlands) plc, WPD (South Wales) plc and WPD (South West) plc.

Liquidity Profile

Entity	Facility	Expiration Date	Capacity (Millions)	Borrowed (Millions)	Letters of Credit & Commercial Paper Issued (Millions)	Unused Capacity (Millions)
PPL Capital Funding	Syndicated Credit Facility	Jan-2023	\$950	\$0	\$669	\$281
	Bilateral Credit Facility	Mar-2019	100	0	15	85
			<u>\$1,050</u>	<u>\$0</u>	<u>\$684</u>	<u>\$366</u>
PPL Electric Utilities	Syndicated Credit Facility	Jan-2023	\$650	\$0	\$1	\$649
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2023	\$500	\$0	\$279	\$221
	Term Loan Facility	Oct-2019	200	200	0	0
			<u>\$700</u>	<u>\$200</u>	<u>\$279</u>	<u>\$221</u>
Kentucky Utilities	Syndicated Credit Facility	Jan-2023	\$400	\$0	\$235	\$165
	Letter of Credit Facility	Oct-2020	198	0	198	0
			<u>\$598</u>	<u>\$0</u>	<u>\$433</u>	<u>\$165</u>
WPD	WPD plc Syndicated Credit Facility	Jan-2023	£210	£157	£0	£54 ⁽¹⁾
	WPD (South West) Syndicated Credit Facility	Jul-2021	245	0	0	245
	WPD (East Midlands) Syndicated Credit Facility	Jul-2021	300	38	0	262
	WPD (West Midlands) Syndicated Credit Facility	Jul-2021	300	0	0	300
	Uncommitted Credit Facilities		130	0	4	126
			<u>£1,185</u>	<u>£195</u>	<u>£4</u>	<u>£987</u>

Note: As of December 31, 2018.

(1) The unused capacity reflects the amount borrowed in GBP of £156 million as of the date borrowed.

PPL's Credit Ratings

PPL Corporation		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	NR	NR
Long-term Issuer	A-	Baa2
Outlook	Stable	Stable

PPL Capital Funding		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa2
Long-term Issuer	A-	NR
Outlook	Stable	Stable

WPD Holding Company		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa3
Long-term Issuer	A-	Baa3
Outlook	Stable	Stable

LKE Holding Company		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	BBB+	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

WPD Operating Companies		
Credit Rating	S&P	Moody's
Secured	NR	NR
Unsecured	A-	Baa1
Long-term Issuer	A-	Baa1
Outlook	Stable	Stable

LKE Operating Companies		
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

PPL Electric Utilities		
Credit Rating	S&P	Moody's
Secured	A	A1
Unsecured	NR	NR
Long-term Issuer	A-	A3
Outlook	Stable	Stable

Note: As of December 31, 2018.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations



After-Tax (Unaudited) (millions of dollars)	4th Quarter December 31, 2018					Year-to-Date December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
	Reported Earnings	\$ 278	\$ 79	\$ 96	\$ (38)	\$ 415	\$ 1,114	\$ 411	\$ 431	\$ (129)
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of (\$12), (\$39)	45				45	148				148
U.S. tax reform						3	2		(5)	-
Kentucky state tax reform							(9)			(9)
IT transformation, net of tax of \$0, \$2								(5)		(5)
Talen litigation costs, net of tax of \$2, \$2				(7)	(7)				(7)	(7)
Death benefit, net of tax of \$1, \$1	(5)				(5)	(5)				(5)
Total Special Items	<u>40</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>33</u>	<u>146</u>	<u>(7)</u>	<u>(5)</u>	<u>(12)</u>	<u>122</u>
Earnings from Ongoing Operations	<u>\$ 238</u>	<u>\$ 79</u>	<u>\$ 96</u>	<u>\$ (31)</u>	<u>\$ 382</u>	<u>\$ 968</u>	<u>\$ 418</u>	<u>\$ 436</u>	<u>\$ (117)</u>	<u>\$ 1,705</u>

After-Tax (Unaudited) (per share - diluted)	4th Quarter December 31, 2018					Year-to-Date December 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
	Reported Earnings	\$ 0.38	\$ 0.11	\$ 0.13	\$ (0.05)	\$ 0.57	\$ 1.57	\$ 0.58	\$ 0.61	\$ (0.18)
Less: Special Items (expense) benefit:										
Foreign currency economic hedges	0.07				0.07	0.21				0.21
U.S. tax reform						0.01				0.01
Kentucky state tax reform							(0.01)			(0.01)
IT transformation								(0.01)		(0.01)
Talen litigation costs				(0.01)	(0.01)				(0.01)	(0.01)
Death benefit	(0.01)				(0.01)	(0.01)				(0.01)
Total Special Items	<u>0.06</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>	<u>0.05</u>	<u>0.21</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>0.18</u>
Earnings from Ongoing Operations	<u>\$ 0.32</u>	<u>\$ 0.11</u>	<u>\$ 0.13</u>	<u>\$ (0.04)</u>	<u>\$ 0.52</u>	<u>\$ 1.36</u>	<u>\$ 0.59</u>	<u>\$ 0.62</u>	<u>\$ (0.17)</u>	<u>\$ 2.40</u>

Forward-Looking Information Statement

Statements contained in this presentation, including statements with respect to future earnings, cash flows, dividends, financing, regulation 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 are subject to 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 for energy in our service territories, weather conditions affecting customer energy usage and operating costs; 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 our facilities; the length of scheduled and unscheduled outages at our generating plants; environmental conditions and requirements and the related costs of compliance; system conditions and operating costs; development of new projects, markets and technologies; performance of new ventures; asset or business acquisitions and dispositions; any impact of hurricanes or other severe weather on our business; receipt of necessary government permits, approvals, rate relief and regulatory cost recovery; capital market conditions and decisions regarding capital structure; the impact of state, federal or foreign investigations applicable to PPL Corporation and its subsidiaries; the outcome of litigation against PPL Corporation and its subsidiaries; 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; political, regulatory or economic conditions in states, regions or countries where PPL Corporation or its subsidiaries conduct business, including any potential effects of threatened or actual cyber attack, terrorism or war or other hostilities; British pound sterling to U.S. dollar exchange rates; new state, federal or foreign legislation, including new tax legislation; and the commitments and liabilities of PPL Corporation and its subsidiaries. All forward-looking statements should be considered in light of these important factors and in conjunction with the factors and other matters in PPL Corporation's Form 10-K and other reports on file with the Securities and Exchange Commission.

Definitions of non-GAAP Financial Measures

Management utilizes "Earnings from Ongoing Operations" as a non-GAAP financial measure that should not be considered as an alternative to reported earnings, or net income, an indicator of operating performance determined in accordance with GAAP. PPL believes that Earnings from Ongoing Operations is useful and meaningful to investors because it provides management's view of PPL's earnings performance as another criterion in making investment decisions. In addition, PPL's management uses Earnings from Ongoing Operations in measuring achievement of certain corporate performance goals, including targets for certain executive incentive compensation. Other companies may use different measures to present financial performance.

Earnings from Ongoing Operations is adjusted for the impact of special items. Special items are presented in the financial tables on an after-tax basis with the related income taxes on special items separately disclosed. Income taxes on special items, when applicable, are calculated based on the effective tax rate of the entity where the activity is recorded. Special items include:

- Unrealized gains or losses on foreign currency economic hedges (as discussed below).
- Gains and losses on sales of assets not in the ordinary course of business.
- Impairment charges.
- Significant workforce reduction and other restructuring effects.
- Acquisition and divestiture-related adjustments.
- Other charges or credits that are, in management's view, non-recurring or otherwise not reflective of the company's ongoing operations.

Unrealized gains or losses on foreign currency economic hedges include the changes in fair value of foreign currency contracts used to hedge GBP-denominated anticipated earnings. The changes in fair value of these contracts are recognized immediately within GAAP earnings. Management believes that excluding these amounts from Earnings from Ongoing Operations until settlement of the contracts provides a better matching of the financial impacts of those contracts with the economic value of PPL's underlying hedged earnings.

Definitions of non-GAAP Financial Measures

Management also utilizes the following non-GAAP financial measures as indicators of performance for its businesses:

"U.K. Adjusted Gross Margins" is a single financial performance measure of the electricity distribution operations of the U.K. Regulated segment. In calculating this measure, direct costs such as connection charges from National Grid, which owns and manages the electricity transmission network in England and Wales, and Ofgem license fees (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues, as they are costs passed through to customers. As a result, this measure represents the net revenues from the delivery of electricity across WPD's distribution network in the U.K. and directly related activities.

"Kentucky Adjusted Gross Margins" is a single financial performance measure of the electricity generation, transmission and distribution operations of the Kentucky Regulated segment, LKE, LG&E and KU, as well as the Kentucky Regulated segment's, LKE's and LG&E's distribution and sale of natural gas. In calculating this measure, fuel, energy purchases and certain variable costs of production (recorded in "Other operation and maintenance" on the Statements of Income) are deducted from operating revenues. In addition, certain other expenses, recorded in "Other operation and maintenance", "Depreciation" and "Taxes, other than income" on the Statements of Income, associated with approved cost recovery mechanisms are offset against the recovery of those expenses, which are included in revenues. These mechanisms allow for direct recovery of these expenses and, in some cases, returns on capital investments and performance incentives. As a result, this measure represents the net revenues from electricity and gas operations.

"Pennsylvania Adjusted Gross Margins" is a single financial performance measure of the electricity transmission and distribution operations of the Pennsylvania Regulated segment and PPL Electric. In calculating this measure, utility revenues and expenses associated with approved recovery mechanisms, including energy provided as a PLR, are offset with minimal impact on earnings. Costs associated with these mechanisms are recorded in "Energy purchases," "Other operation and maintenance," (which are primarily Act 129 and Universal Service program costs), "Depreciation" (which is primarily related to the Act 129 Smart Meter program) and "Taxes, other than income," (which is primarily gross receipts tax) on the Statements of Income. This measure represents the net revenues from the Pennsylvania Regulated segment's and PPL Electric's electricity delivery operations.

These measures are not intended to replace "Operating Income," which is determined in accordance with GAAP, as an indicator of overall operating performance. Other companies may use different measures to analyze and report their results of operations. Management believes these measures provide additional useful criteria to make investment decisions. These performance measures are used, in conjunction with other information, by senior management and PPL's Board of Directors to manage operations and analyze actual results compared with budget.

Reconciliations of adjusted gross margins for future periods are not provided as certain items excluded from Operating Income are inherently subject to change and are not significant.