



Delivering today for
a brighter tomorrow

First Quarter Earnings Call

Thursday, May 3, 2018



Cautionary Statements and Factors That May Affect Future Results

Any 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.

Agenda

- | | |
|---------------------------------|-------------|
| I. Executive Overview & Outlook | Bill Spence |
| II. Q1 2018 Financial Review | Vince Sorgi |
| III. Closing Remarks and Q&A | Bill Spence |

Executive Overview & Outlook

- Delivered strong growth in Q1 2018 earnings from ongoing operations of \$0.74 per share vs. \$0.62 per share in Q1 2017
- Reaffirmed 2018 earnings from ongoing operations guidance range of \$2.20 - \$2.40 per share and 5 – 6% EPS growth rate through 2020 ⁽¹⁾
- Targeting equity needs at low end of previously announced range

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

(1) Growth rate based off of midpoint of 2018 ongoing forecast range of \$2.20 - \$2.40 per share.



U.K. Regulatory & Political Update

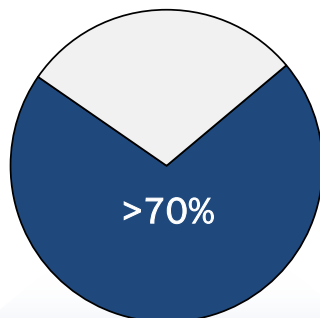
- **Ofgem determines no Mid-Period Review is warranted**
 - Recognizes importance of investor confidence on cost for networks/consumers
 - Supportive of our view that the U.K. is a premium regulatory jurisdiction
- **WPD to return rail electrification costs to customers**
- **RIIO-2 continues to progress**
 - Framework consultation in-line with expectations
 - PPL and WPD responses filed May 2nd
- **Improving political environment**

U.K. Incentive Revenue Performance

WPD had another successful year in achieving its performance outputs

Total 2017/18 Earned Incentive Revenue

■ % of Maximum Potential Reward



Incentive	Reward
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(\$ in millions)

Information Incentive Scheme (IIS)	\$62
Broad Measure of Customer Service	25
Time to Connect	10

Total 2017/18 Incentive Revenue	\$97
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Customer Satisfaction Survey Results

Rank	DNO	Score ⁽¹⁾
1	WPD South Wales	9.03
2	WPD East Midlands	8.91
3	WPD West Midlands	8.90
4	WPD South West	8.90

5 - 14	Average of all other DNOs	8.66
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Note: Based on assumed exchange rate of \$1.40/£ in 2019/20 prices. Rewards earned in 2017/18 are received in the 2019/20 regulatory year. Values are estimates and subject to Ofgem audit in November 2018.

(1) Based on ten point scale.



Q1 Financial Review

Earnings Results Overview

Quarterly Results Summary

	Q1 2018	Q1 2017	Change
PPL Reported Earnings	\$ 0.65	\$ 0.59	\$ 0.06
Less: Special Items	(0.09)	(0.03)	
PPL Ongoing Earnings	\$ 0.74	\$ 0.62	\$ 0.12
Pennsylvania Regulated	0.21	0.12	0.09
Kentucky Regulated	0.19	0.14	0.05
U.K. Regulated	0.37	0.45	(0.08)
Corporate and Other	(0.03)	(0.09)	0.06

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.



Pennsylvania Regulated Segment Earnings Drivers

	Ongoing EPS
Q1 2017 Pennsylvania Regulated Total	\$0.12
Quarter-over-quarter Drivers:	
Adjusted gross margins	0.05
Operation and maintenance	0.03
Depreciation	(0.01)
Income taxes & other	0.02
Total Ongoing Earnings Drivers	0.09
Q1 2018 Pennsylvania Regulated Total	\$0.21

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

Kentucky Regulated Segment Earnings Drivers

	Ongoing EPS
Q1 2017 Kentucky Regulated Total	\$0.14
Quarter-over-quarter Drivers:	
Adjusted gross margins	0.03
Depreciation	(0.01)
Income taxes & other	0.03
Total Ongoing Earnings Drivers	<u>0.05</u>
Q1 2018 Kentucky Regulated Total	<u>\$0.19</u>

Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

U.K. Regulated Segment Earnings Drivers

	Ongoing EPS
Q1 2017 U.K. Regulated Total	\$0.45
Quarter-over-quarter Drivers:	
Adjusted gross margins	(0.02)
Income taxes	(0.07)
Currency	0.02
Dilution	(0.01)
Total Ongoing Earnings Drivers	(0.08)
Q1 2018 U.K. Regulated Total	\$0.37

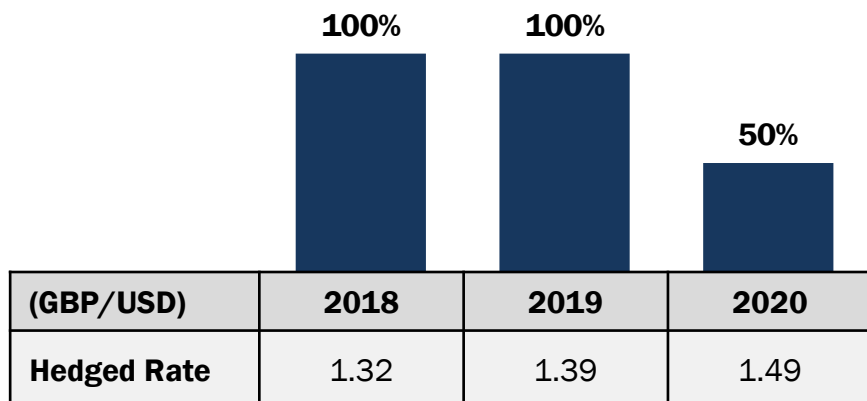
Note: See Appendix for the reconciliation of reported earnings to earnings from ongoing operations.

Foreign Currency Update

Currency hedging strategy positions PPL to achieve 5-6% EPS growth target

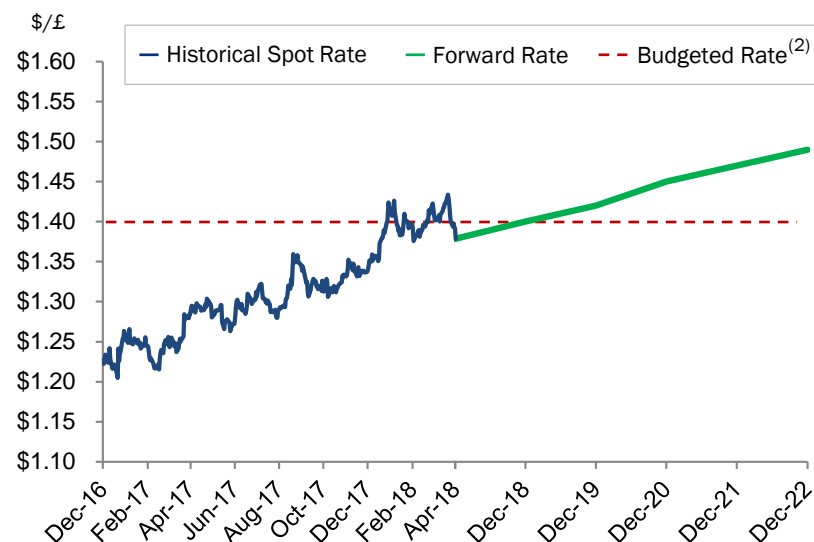
Managing Foreign Currency Risk ⁽¹⁾

EPS substantially hedged through 2020



Historical & Forward Foreign Currency Rates

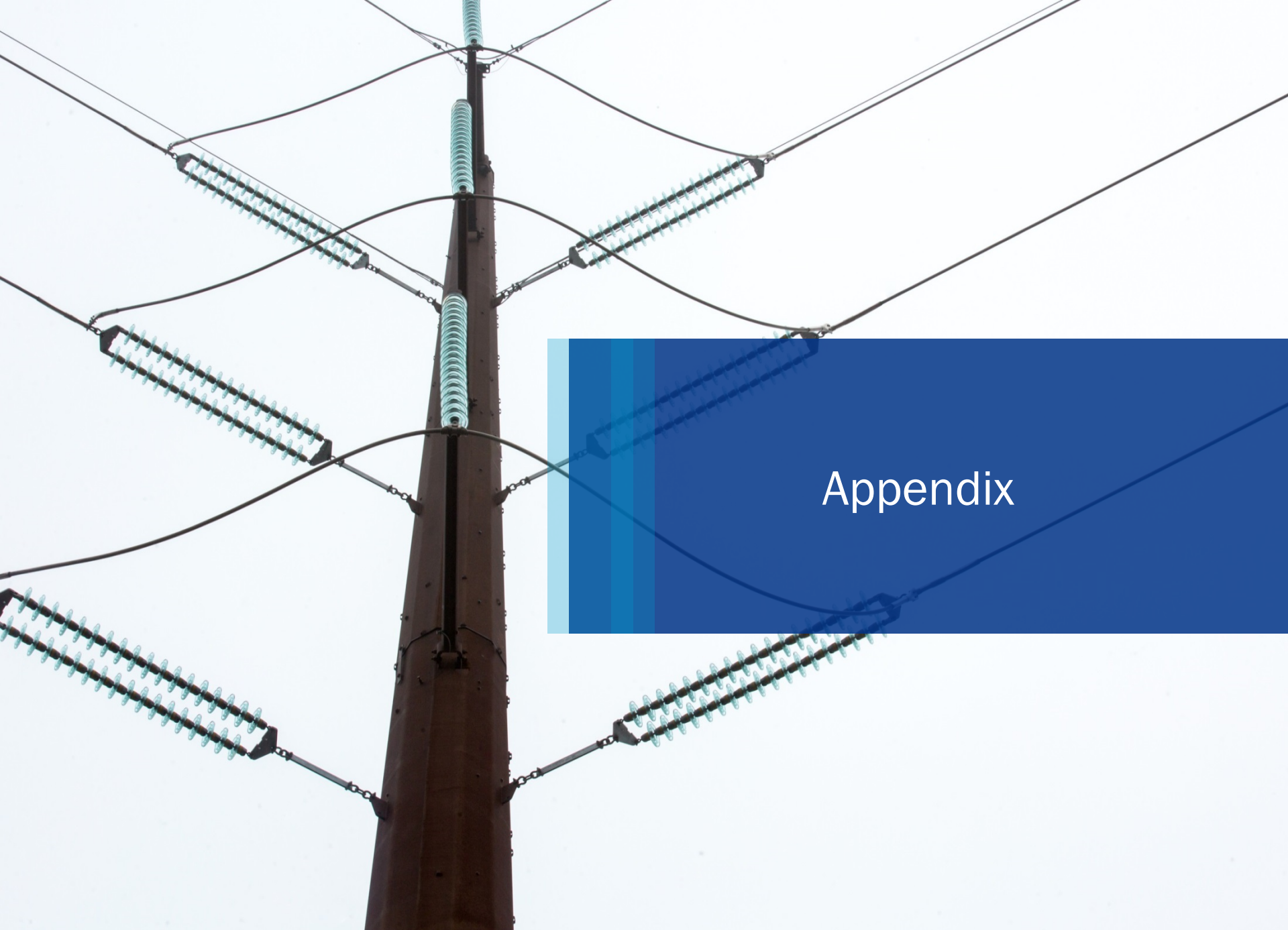
Long-term forwards well above budgeted rate



Note: Historical and Forward FX rates sourced from Bloomberg as of 4/27/2018.

(1) PPL's foreign currency hedge status as of 4/27/2018.

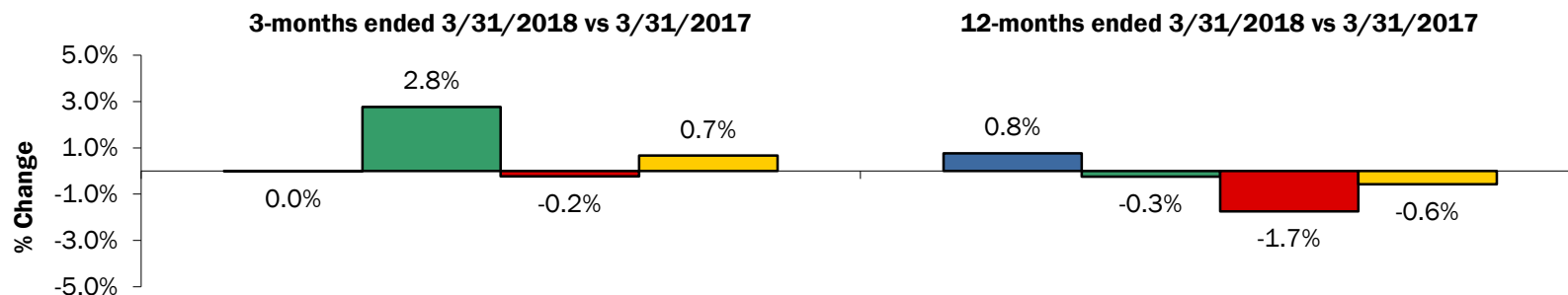
(2) Budgeted rate of \$1.40/£ on open positions for 2020.



Appendix

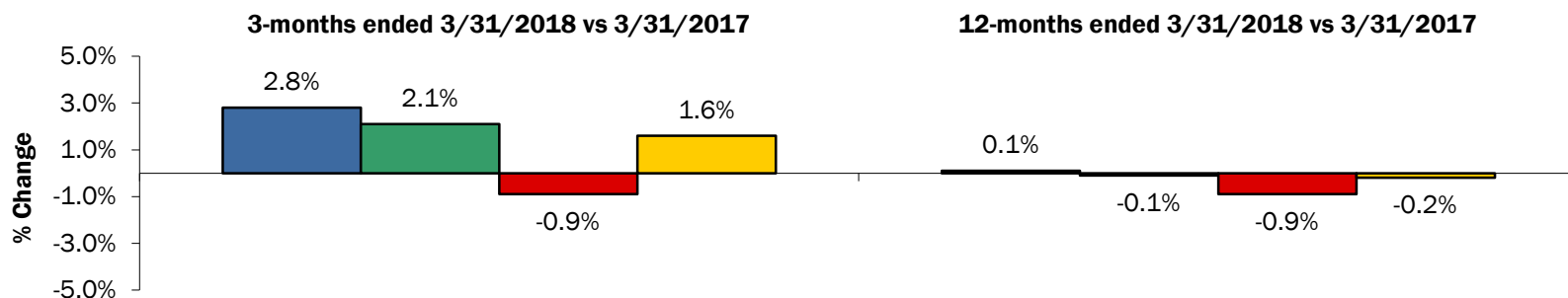
U.S. Regulated Volume Variances

Kentucky Regulated Weather-Normalized Retail Sales



	Residential	Commercial	Industrial	Total		Residential	Commercial	Industrial	Total
Weather-Normalized (charted)	0.0%	2.8%	-0.2%	0.7%		0.8%	-0.3%	-1.7%	-0.6%
Actual	18.1%	5.1%	-0.2%	7.9%		2.0%	-0.4%	-1.7%	-0.2%

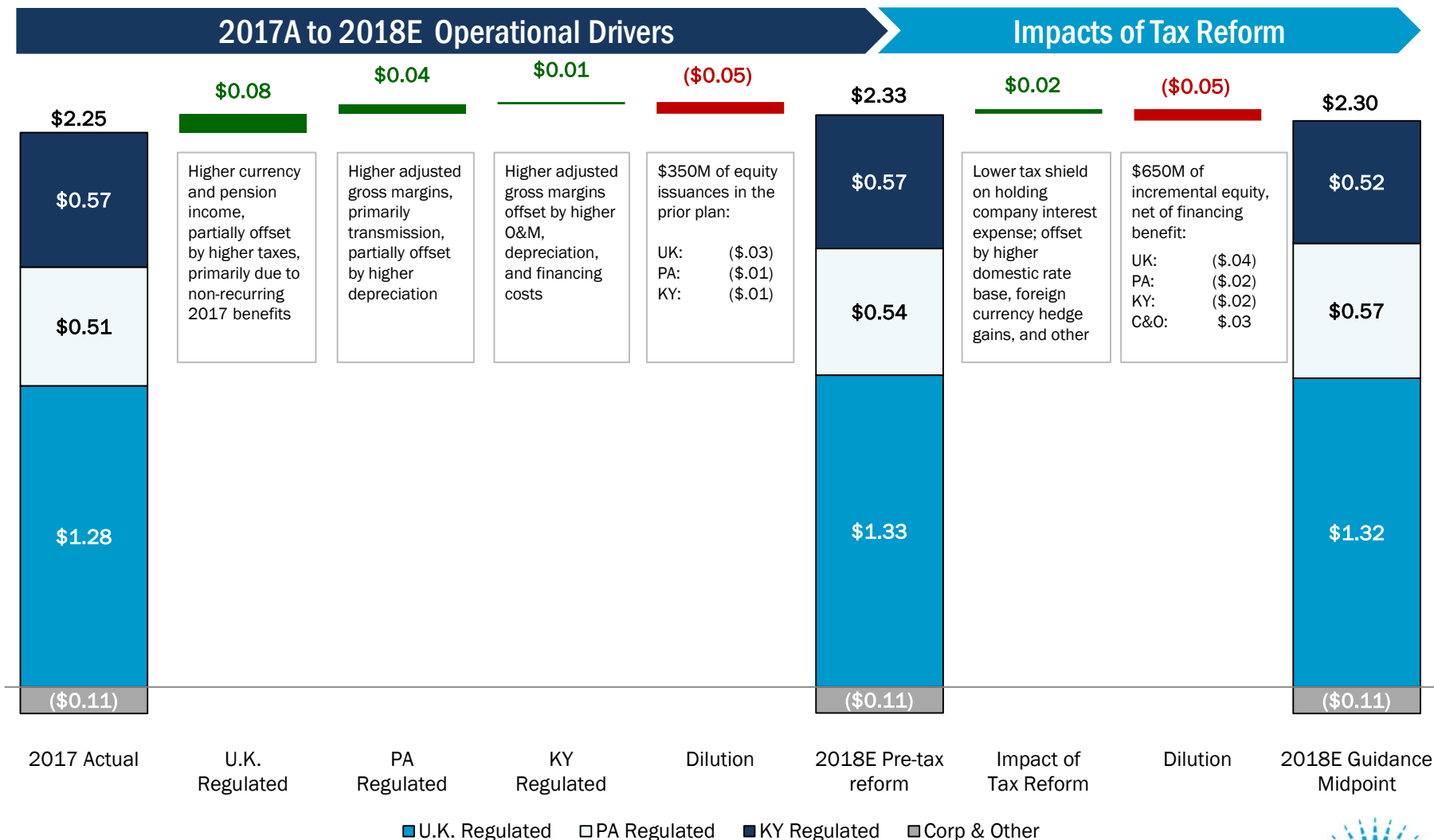
Pennsylvania Regulated Weather-Normalized Retail Sales



	Residential	Commercial	Industrial	Total		Residential	Commercial	Industrial	Total
Weather-Normalized (charted)	2.8%	2.1%	-0.9%	1.6%		0.1%	-0.1%	-0.9%	-0.2%
Actual	9.7%	3.4%	-0.9%	5.2%		0.4%	-0.1%	-0.9%	-0.1%

Note: Total includes Residential, Commercial and Industrial customer classes as well as "Other," which is not depicted on the charts above.

2017A to 2018E Ongoing Earnings Walk

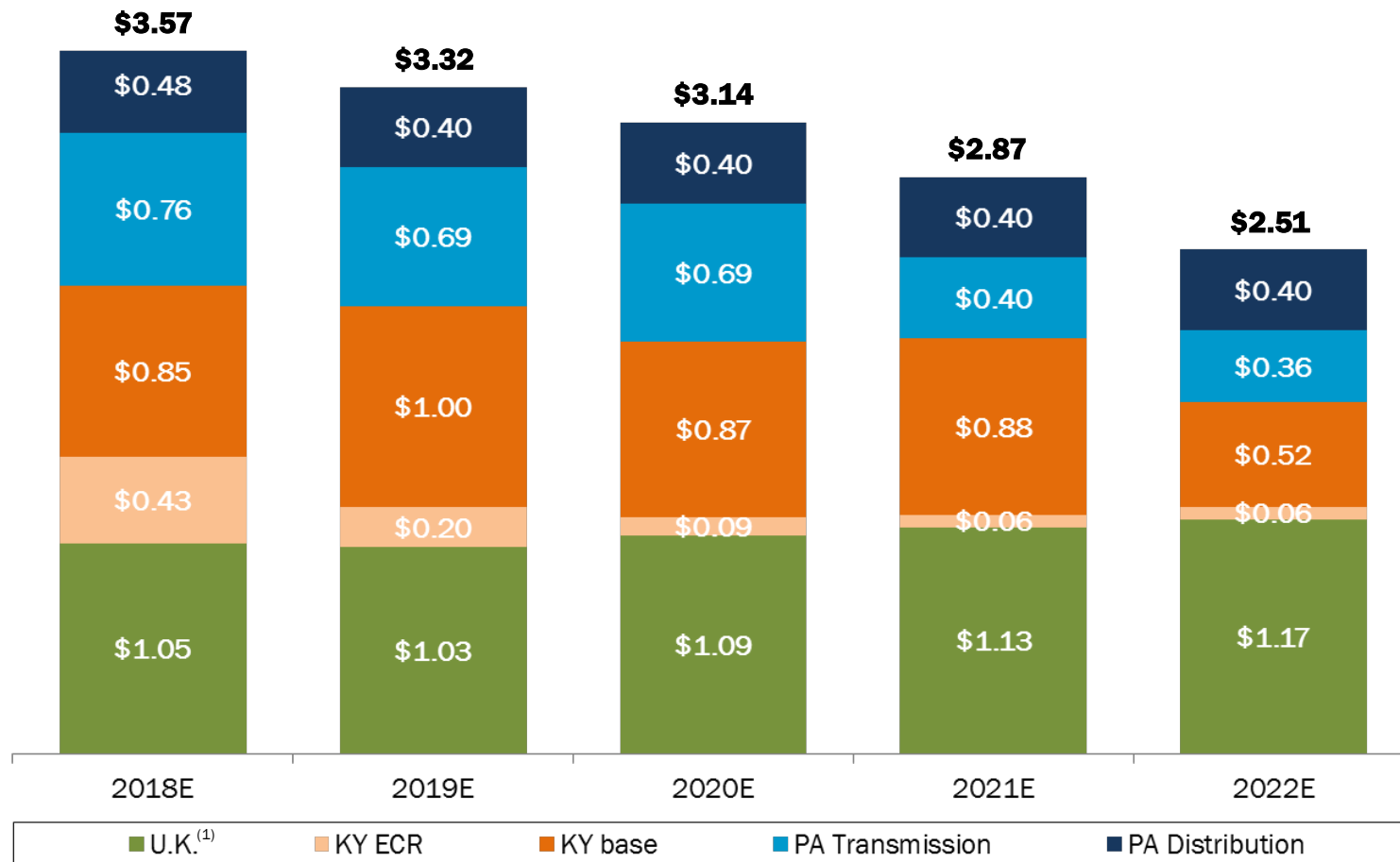


Note: See reconciliation of reported earnings to earnings from ongoing operations.



Capital Expenditure Plan

(\$ in billions)

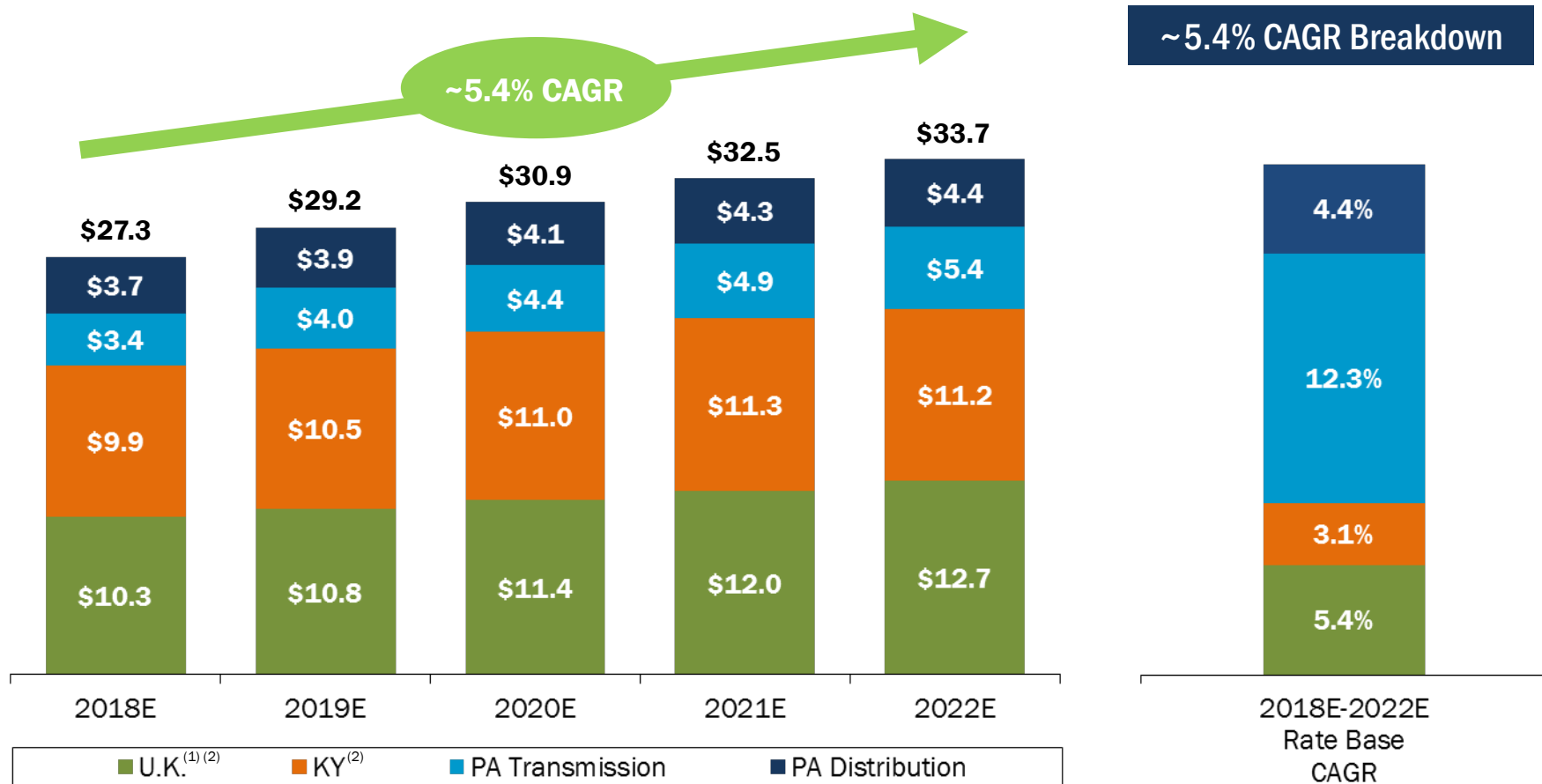


(1) Capital plans are based on assumed exchange rate of \$1.35/£ for 2018-2019 and \$1.40/£ for 2020-2022.



Projected Rate Base Growth

(\$ in billions)



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



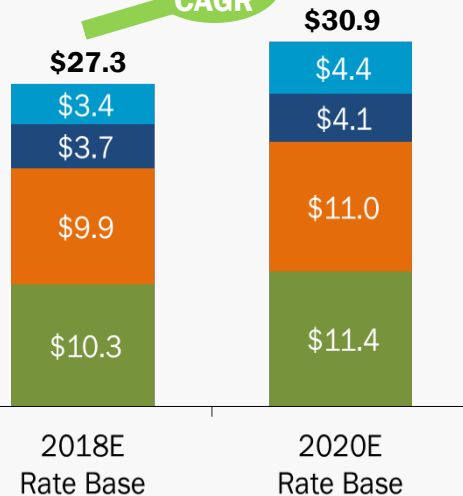
Prudent Investments, Timely Recovery Drive Growth Opportunity

Significant investment opportunities and constructive regulatory recovery mechanisms support 5-6% annual EPS growth target through 2020

Strong Regulated Rate Base Growth

(\$ in billions)

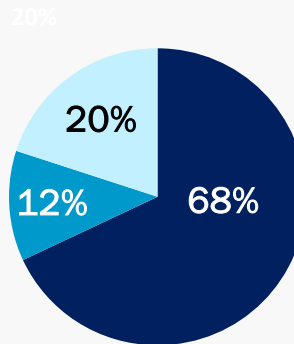
6.4%
CAGR



■ U.K. (1) (2) ■ KY (2)
■ PA Distribution ■ PA Transmission

Timely Real-time CAPEX Recovery

~80% CAPEX recovery within one year



■ 0-6 Months ■ 7-12 Months ■ > 1 Year

Support 5-6% EPS CAGR

5-6%
EPS Growth



(1) For comparability based on assumed exchange rate of \$1.35/£ for all years.

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

(3) Range reflective of 5-6% CAGR from 2018E midpoint. Does not represent earnings forecast or guidance for 2020. Based on assumed exchange rate of \$1.40/£ on open positions for 2020.



Assumptions to Achieve 5-6% EPS Growth 2018 Through 2020⁽¹⁾

➤ Key Corporate-Level Assumptions:

- Continued dividend growth through 2020 with 4% increase from 2017 to 2018⁽²⁾
- Equity issuances of about \$1.0B in 2018; Equity issuances beyond 2018 will be dependent on a number of factors with an objective of maintaining current credit ratings

➤ Domestic Growth Assumptions:⁽¹⁾

- Net income growth of 8-10%⁽¹⁾
- Domestic rate base CAGR of 7.1%
- PA transmission CAPEX of \$1.4B at 11.68% base ROE; Project Compass not in plan
- KY investment of \$2.2B at 9.7% ROE

➤ U.K. Growth Assumptions:⁽¹⁾

- Net income growth of 7-9%⁽¹⁾
- Budgeted GBP foreign currency rate: \$1.34/£(2018); \$1.39/£(2019); \$1.42/£(2020); 2020 open positions budgeted at \$1.40/£
- Expected rate base (RAV) CAGR of 5.2%
- Higher pension income from annual contributions to pension plans
- Incentive revenue assumptions: \$100M (2018); \$90-\$110M (2019); \$100-\$120M (2020)
- RPI (inflation rate): 3.3% (2018); 3.0% (2019 and 2020)
- Annual cash repatriation between \$300 – \$500M

(1) Growth rates off of midpoint of 2018 ongoing earnings forecast of \$2.30 per share.

(2) Subject to approval by the Board of Directors.

Funding Growth

(\$ in millions)

	2017A	2018E ⁽¹⁾
Domestic Cash from Operations	\$1,826	\$1,690
Domestic Maintenance Capex ⁽²⁾	(777)	(860)
Dividend From U.K. Regulated	125	400
Cash Available for Distribution	\$1,174	\$1,230
Common Dividend	(1,072)	(1,165)
Cash Available for Reinvestment	\$102	\$65
Domestic Growth Capex	(\$1,379)	(\$1,585)
Debt Maturities	(\$70)	(\$250)
Debt Issuances and Change in Cash ⁽³⁾	987	835
Equity Issuances	432	970
Other Investing and Financing Activities	(72)	(35)
Additional Funding Sources for Domestic Growth Capex	\$1,277	\$1,520

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 2018 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)	2018	2019	2020	2021	2022	2023 and Beyond	Total
PPL Capital Funding	\$250	\$0	\$0	\$0	\$800	\$3,730	\$4,780
PPL Electric Utilities ⁽¹⁾	0	0	100	400	474	2,365	3,339
LG&E and KU Energy	0	0	475	250	0	0	725
Louisville Gas & Electric ⁽¹⁾	70	434	0	28	0	1,293	1,824
Kentucky Utilities ⁽¹⁾	0	96	500	0	0	1,755	2,351
WPD plc	0	0	0	500	0	890	1,390
WPD Operating Companies ⁽²⁾	0	0	206	0	0	5,890	6,097
Total	\$320	\$530	\$1,281	\$1,178	\$1,274	\$15,923	\$20,506

Note: As of March 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	Nov-2018	\$300	\$0	\$0	\$300
	Syndicated Credit Facility	Jan-2023	950	0	345	605
	Bilateral Credit Facility	Mar-2019	100	0	24	76
			\$1,350	\$0	\$369	\$981
PPL Electric Utilities	Syndicated Credit Facility	Jan-2023	\$650	\$0	\$214	\$436
LG&E and KU Energy (LKE)	Syndicated Credit Facility	Oct-2018	\$75	\$0	\$0	\$75
Louisville Gas & Electric	Syndicated Credit Facility	Jan-2023	\$500	\$0	\$137	\$363
	Term Loan Facility	Oct-2019	200	200	0	0
			\$700	\$200	\$137	\$363
Kentucky Utilities	Syndicated Credit Facility	Jan-2023	\$400	\$0	\$78	\$322
	Letter of Credit Facility	Oct-2020	198	0	198	0
			\$598	\$0	\$276	\$322
WPD	WPD plc Syndicated Credit Facility	Jan-2022	£210	£145	£0	£67 ⁽¹⁾
	WPD plc Term Loan Facility	Dec-2018	130	130	0	0
	WPD (South West) Syndicated Credit Facility	Jul-2021	245	0	0	245
	WPD (East Midlands) Syndicated Credit Facility	Jul-2021	300	157	0	143
	WPD (West Midlands) Syndicated Credit Facility	Jul-2021	300	65	0	235
	Uncommitted Credit Facilities		130	0	4	126
			£1,315	£497	£4	£816

Note: As of March 31, 2018.

(1) The unused capacity reflects the amount borrowed in GBP of £143 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

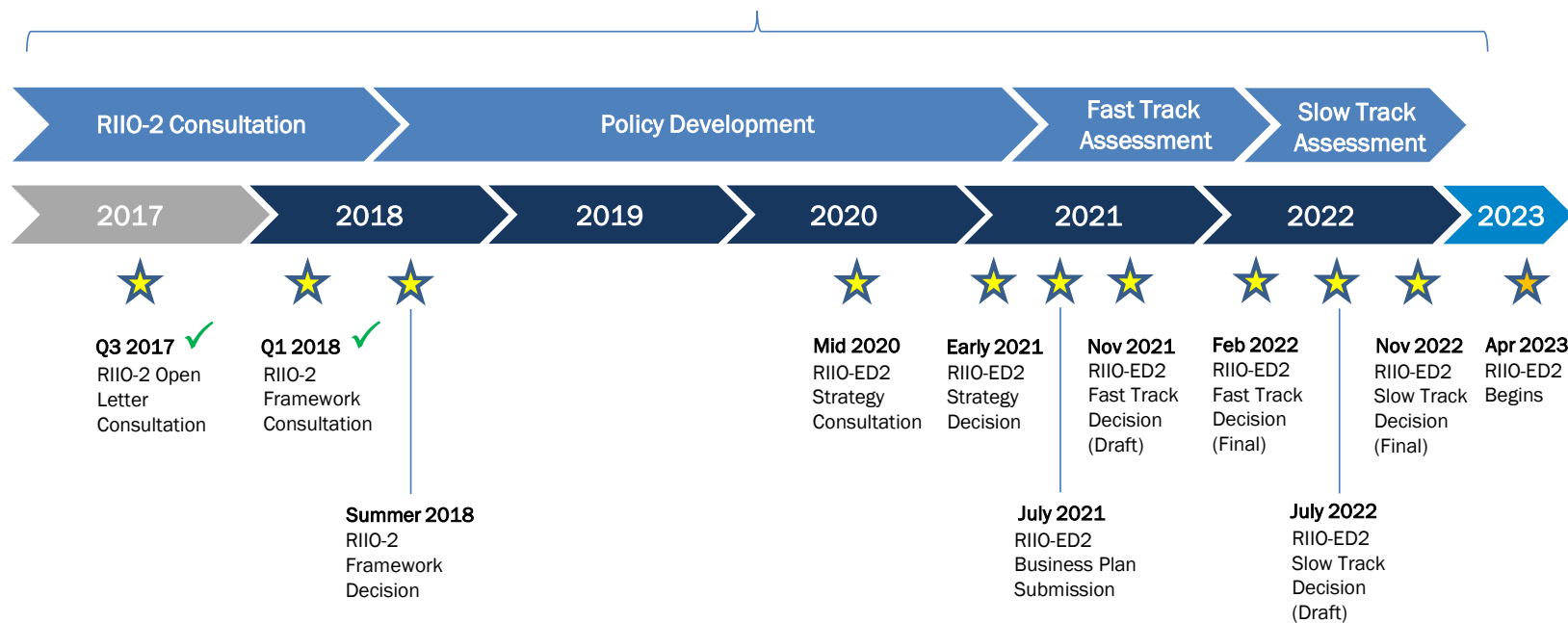
Note: As of March 31, 2018.



U.K. Regulated: Expected Ofgem RII0 Timelines

RIIO-ED2 Indicative Timetable

RIIO-ED2 Preparation and Implementation



U.K. Regulated: TRU and MOD 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 demand 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 RIIO-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

Adjustments included in current forecast			
(\$ in millions, pre-tax)	2018	2019	2020
TRU	(\$20)	\$0	\$0
MOD	(\$40)	(\$60)	(\$90)
Total	(\$60)	(\$60)	(\$90)

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (millions of dollars)	1st Quarter March 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 197	\$ 133	\$ 148	\$ (26)	\$ 452
Less: Special Items (expense) benefit:					
Foreign currency economic hedges, net of tax of \$17	(65)				(65)
Total Special Items	(65)	-	-	-	(65)
Earnings from Ongoing Operations	<u>\$ 262</u>	<u>\$ 133</u>	<u>\$ 148</u>	<u>\$ (26)</u>	<u>\$ 517</u>

After-Tax (Unaudited) (per share - diluted)	1st Quarter March 31, 2018				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 0.28	\$ 0.19	\$ 0.21	\$ (0.03)	\$ 0.65
Less: Special Items (expense) benefit:					
Foreign currency economic hedges	(0.09)				(0.09)
Total Special Items	(0.09)	-	-	-	(0.09)
Earnings from Ongoing Operations	<u>\$ 0.37</u>	<u>\$ 0.19</u>	<u>\$ 0.21</u>	<u>\$ (0.03)</u>	<u>\$ 0.74</u>

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (millions of dollars)	1st Quarter March 31, 2017				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 286	\$ 95	\$ 79	\$ (57)	\$ 403
Less: Special Items (expense) benefit:					
Foreign currency economic hedges, net of tax of \$12	(21)				(21)
Adjustment to investment, net of tax of \$0		(1)			(1)
Total Special Items	<u>(21)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(22)</u>
Earnings from Ongoing Operations	<u>\$ 307</u>	<u>\$ 96</u>	<u>\$ 79</u>	<u>\$ (57)</u>	<u>\$ 425</u>

After-Tax (Unaudited) (per share - diluted)	1st Quarter March 31, 2017				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
Reported Earnings	\$ 0.42	\$ 0.14	\$ 0.12	\$ (0.09)	\$ 0.59
Less: Special Items (expense) benefit:					
Foreign currency economic hedges	(0.03)				(0.03)
Total Special Items	<u>(0.03)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.03)</u>
Earnings from Ongoing Operations	<u>\$ 0.45</u>	<u>\$ 0.14</u>	<u>\$ 0.12</u>	<u>\$ (0.09)</u>	<u>\$ 0.62</u>

Adjusted Gross Margin Summary

(Unaudited) (millions of dollars, except share data)	Three Months Ended March 31,			Per Share Diluted (after-tax)
	2018	2017	Change	
U.K. Adjusted Gross Margins	\$ 572	\$ 536	\$ 36	\$ 0.04
Impact of changes in foreign currency exchange rates			53	0.06
U.K. Adjusted Gross Margins excluding impact of foreign currency exchange rates			\$ (17)	\$ (0.02)
KY Adjusted Gross Margins	\$ 535	\$ 507	\$ 28	\$ 0.03
PA Adjusted Gross Margins				
Distribution	\$ 278	\$ 258	\$ 20	\$ 0.02
Transmission	136	108	28	0.03
Total PA Adjusted Gross Margins	\$ 414	\$ 366	\$ 48	\$ 0.05

Reconciliation of First Quarter Adjusted Gross Margins to Operating Income

(Unaudited) (millions of dollars)	Three Months Ended March 31, 2018					Three Months Ended March 31, 2017				
	U.K. Adjusted Gross Margins	Kentucky Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income	U.K. Adjusted Gross Margins	Kentucky Adjusted Gross Margins	PA Adjusted Gross Margins	Other	Operating Income
Operating Revenues	\$ 604	\$ 872	\$ 639	\$ 11	\$ 2,126	\$ 559	\$ 809	\$ 573	\$ 10	\$ 1,951
Operating Expenses										
Fuel		214			214		191			191
Energy purchases		80	161		241		69	146		215
Other operation and maintenance	32	25	26	385	468	23	26	29	392	470
Depreciation		17	8	244	269		16	4	222	242
Taxes, other than income		1	30	52	83			28	47	75
Total Operating Expenses	<u>32</u>	<u>337</u>	<u>225</u>	<u>681</u>	<u>1,275</u>	<u>23</u>	<u>302</u>	<u>207</u>	<u>661</u>	<u>1,193</u>
Total	<u>\$ 572</u>	<u>\$ 535</u>	<u>\$ 414</u>	<u>\$ (670)</u>	<u>\$ 851</u>	<u>\$ 536</u>	<u>\$ 507</u>	<u>\$ 366</u>	<u>\$ (651)</u>	<u>\$ 758</u>

Reconciliation of PPL's Forecast of Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) (per share - diluted)	2018 Forecast						
	Midpoint					Forecast Range	
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	High 2018	Low 2018
Reported Earnings	\$ 1.23	\$ 0.52	\$ 0.57	\$ (0.11)	\$ 2.21	\$ 2.31	\$ 2.11
Less: Special Items (expense) benefit:							
Foreign currency economic hedges	(0.09)				(0.09)	(0.09)	(0.09)
Total Special Items	<u>(0.09)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.09)</u>
Earnings from Ongoing Operations	<u>\$ 1.32</u>	<u>\$ 0.52</u>	<u>\$ 0.57</u>	<u>\$ (0.11)</u>	<u>\$ 2.30</u>	<u>\$ 2.40</u>	<u>\$ 2.20</u>

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations

After-Tax (Unaudited) Year-to-Date December 31, 2017	(millions of dollars)					(per share - diluted)				
	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total	U.K. Reg.	KY Reg.	PA Reg.	Corp. & Other	Total
	Reported Earnings	\$ 652	\$ 286	\$ 359	\$ (169)	\$ 1,128	\$ 0.95	\$ 0.42	\$ 0.52	\$ (0.25)
Less: Special Items (expense) benefit:										
Foreign currency economic hedges, net of tax of \$59	(111)				(111)	(0.15)				(0.15)
Spinoff of the Supply segment, net of tax of (\$1)				4	4					
Other:										
U.S. tax reform	(122)	(112)	10	(97)	(321)	(0.18)	(0.16)	0.01	(0.14)	(0.47)
Settlement of Indemnification agreement, net of tax of (\$2)		4			4		0.01			0.01
Adjustment to Investment, net of tax of \$0		(1)			(1)					
Total Special Items	<u>(233)</u>	<u>(109)</u>	<u>10</u>	<u>(93)</u>	<u>(425)</u>	<u>(0.33)</u>	<u>(0.15)</u>	<u>0.01</u>	<u>(0.14)</u>	<u>(0.61)</u>
Earnings from Ongoing Operations	<u>\$ 885</u>	<u>\$ 395</u>	<u>\$ 349</u>	<u>\$ (76)</u>	<u>\$ 1,553</u>	<u>\$ 1.28</u>	<u>\$ 0.57</u>	<u>\$ 0.51</u>	<u>\$ (0.11)</u>	<u>\$ 2.25</u>

Reconciliation of Domestic Cash Flows

Year Ended December 2017 (millions of dollars)									
Presentation of Funding Growth		Reclassifications				Adjustments	PPL Global, LLC	PPL Consolidated Statement of Cash Flows	
Description	non-GAAP Amount	Domestic Maint. Capex	Dividend From U.K. Regulated	Common Dividend	Other Investing	Domestic Change in Cash	Statement of Cash Flows	GAAP Amount	Description
Domestic Cash from Operations	1,826								
Domestic Maintenance Capex	(777)								
Dividend From U.K. Regulated	125								
Cash Available for Distribution	\$1,174								
Common Dividend	(1,072)								
Cash Available for Reinvestment	\$102	\$777	(\$125)	\$1,072		(\$1)	\$636	\$2,461	Net cash provided by operating activities
Domestic Growth Capex	(\$1,379)	(\$777)			\$9		(\$1,009)	(\$3,156)	Net cash used in investing activities
Debt Maturities	(70)								
Debt Issuances and Change in Cash	987								
Equity Issuances	432								
Other Investing & Financing Activities	(72)								
Additional Funding Sources for Domestic Growth Capex	\$1,277		\$125	(\$1,072)	(\$9)	\$98	\$405	\$824	Net cash provided by financing activities
							15	15	Effect of exchange rates on cash and cash equivalents
						\$97	\$47	\$144	Net increase in cash and cash equivalents

Note: For 2018, due to the generalized and forward-looking nature of this information, the Company has not reconciled the presented non-GAAP financial measures to the most directly comparable GAAP financial measures.



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.