CLECO CORPORATION NYSE-CNL

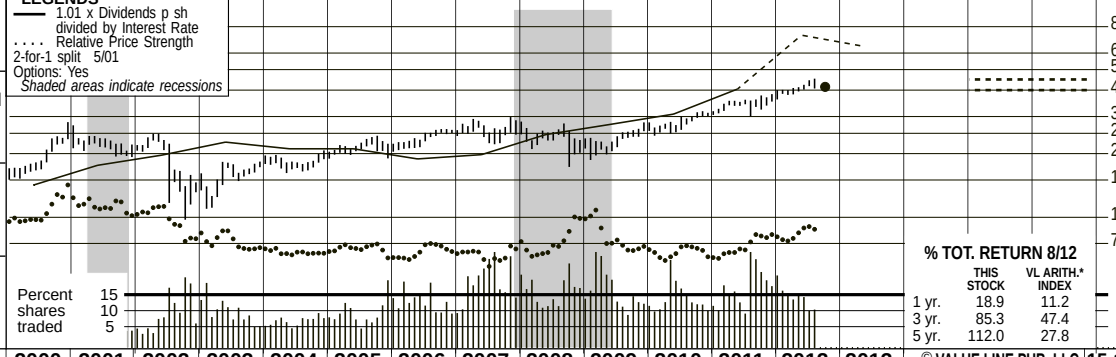
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
41.49	16.0	(Trailing: 14.5 Median: 14.0)	1.05	3.3%	VALUE LINE

TIMELINESS 3 Lowered 12/16/11
SAFETY 1 Raised 6/22/12
TECHNICAL 3 Raised 7/13/12
BETA .65 (1.00 = Market)

High:	27.3	24.9	18.4	20.8	24.4	26.2	29.8	28.4	28.1	31.8	38.3	45.3
Low:	19.2	9.7	11.0	16.2	18.9	20.5	22.1	17.3	18.7	24.3	30.1	36.2

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.01 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
2-for-1 split 5/01
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+10%)	6%
Low	40	(-5%)	3%

Insider Decisions

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

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	101	94	109
to Sell	91	108	74
Hld's(000)	42516	43902	43036

% TOT. RETURN 8/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.9	11.2
3 yr.	85.3	47.4
5 yr.	112.0	27.8

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
9.70	10.16	11.46	17.12	18.23	23.55	15.33	18.54	15.03	18.41	17.38	17.19	17.99	14.17	18.98	18.53	*16.40*	*17.20*	Revenues per sh	*21.25*
2.11	2.18	2.28	2.36	2.77	2.94	3.05	2.98	2.56	2.76	2.63	2.69	3.71	3.78	5.12	5.28	*5.20*	*5.30*	"Cash Flow" per sh	*6.50*
1.12	1.09	1.12	1.19	1.46	1.51	1.52	1.26	1.32	1.42	1.36	1.32	1.70	1.76	2.29	2.59	*2.60*	*2.55*	Earnings per sh A	*3.25*
.77	.79	.81	.83	.85	.87	.90	.90	.90	.90	.90	.90	.90	.90	.98	1.12	*1.30*	*1.40*	Div'd Decl'd per sh B ■ †	*1.90*
1.43	1.73	2.09	3.99	2.52	1.10	1.91	1.58	1.61	3.19	4.11	8.51	5.59	4.15	4.68	3.25	*3.95*	*2.15*	Cap'l Spending per sh	*2.25*
8.30	8.68	9.07	9.44	10.04	10.69	11.77	10.09	10.83	13.69	15.22	16.85	17.65	18.50	21.76	23.55	*24.60*	*25.80*	Book Value per sh C	*30.25*
44.91	44.93	44.97	44.88	44.99	44.96	47.04	47.18	49.62	49.99	57.57	59.94	60.04	60.26	60.53	60.29	*61.00*	*61.00*	Common Shs Outst'g D	*61.00*
11.9	12.5	14.4	13.4	13.2	14.6	12.2	12.4	13.8	15.0	17.3	19.6	14.1	13.2	12.3	13.3	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.75	.72	.75	.76	.86	.75	.67	.71	.73	.80	.93	1.04	.85	.88	.78	.84	*Value Line*		Relative P/E Ratio	*.85*
5.8%	5.8%	5.0%	5.2%	4.4%	3.9%	4.8%	5.8%	5.0%	4.2%	3.8%	3.5%	3.8%	3.9%	3.5%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*4.5%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $1332.9 mill. **Due in 5 Yrs** $209.9 mill.
LT Debt $1244.4 mill. **LT Interest** $75.9 mill.
Incl. $15.7 million capitalized leases.
(LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals $12.4 mill.
Pension Assets-12/11 $312.4 mill.
Oblig. $362.0 mill.
Pfd Stock None

Common Stock 60,714,810 shs.
as of 7/26/12
MARKET CAP: $2.5 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
721.2	874.6	745.8	920.2	1000.7	1030.6	1080.2	853.8	1148.7	1117.3	*1000*	*1050*	Revenues ($mill)	*1300*
74.2	61.2	66.1	75.0	74.7	79.6	102.1	106.3	139.5	157.8	*160*	*160*	Net Profit ($mill)	*205*
36.9%	37.2%	35.2%	39.2%	36.0%	24.3%	15.3%	8.3%	44.1%	30.6%	*30.5%*	*30.5%*	Income Tax Rate	*30.5%*
12.6%	5.8%	7.5%	4.3%	14.2%	57.9%	82.8%	93.5%	12.2%	4.3%	*5.0%*	*3.0%*	AFUDC % to Net Profit	*2.0%*
60.0%	64.4%	44.5%	46.3%	40.9%	43.2%	51.1%	54.2%	51.5%	48.5%	*47.0%*	*46.0%*	Long-Term Debt Ratio	*42.0%*
38.2%	33.8%	53.1%	52.0%	57.8%	56.7%	48.9%	45.8%	48.5%	51.5%	*53.0%*	*54.0%*	Common Equity Ratio	*58.0%*
1448.7	1408.5	1011.6	1315.9	1515.6	1780.5	2167.7	2436.4	2717.9	2756.9	*2835*	*2910*	Total Capital ($mill)	*3175*
1566.2	1417.1	1060.0	1188.7	1304.9	1725.9	2045.3	2247.0	2784.2	2893.9	*2980*	*2945*	Net Plant ($mill)	*2775*
7.1%	6.7%	8.9%	7.1%	6.3%	5.6%	6.1%	5.9%	6.6%	7.0%	*7.0%*	*7.0%*	Return on Total Cap'l	*8.0%*
12.8%	12.2%	11.8%	10.6%	8.3%	7.9%	9.6%	9.5%	10.6%	11.1%	*10.5%*	*10.0%*	Return on Shr. Equity	*11.5%*
13.1%	12.5%	11.9%	10.7%	8.3%	7.8%	9.6%	9.5%	10.6%	11.1%	*10.5%*	*10.0%*	Return on Com Equity E	*11.5%*
5.6%	3.5%	3.9%	4.1%	3.0%	2.6%	4.5%	4.7%	6.1%	6.3%	*5.5%*	*4.5%*	Retained to Com Eq	*5.0%*
58%	72%	68%	62%	65%	68%	53%	51%	42%	43%	*50%*	*54%*	All Div'ds to Net Prof	*56%*

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-6.0	+5.9	+.4
Avg. Indust. Use (MWH)	3532	3657	3904
Avg. Indust. Revs. per KWH (¢)	6.48	7.68	7.58
Capacity at Peak (Mw)	2355	2559	2544
Peak Load, Summer (Mw)	2242	2348	2355
Annual Load Factor (%)	53.5	55.8	56.2
% Change Customers (avg.)	+.7	+.7	+.6
Fixed Charge Cov. (%)	138	294	415

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	-1.5%	.5%	*3.5%*
"Cash Flow"	6.0%	12.5%	*5.5%*
Earnings	5.0%	10.0%	*6.5%*
Dividends	1.5%	2.0%	*11.5%*
Book Value	8.0%	10.0%	*6.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	213.0	207.2	241.5	192.1	853.8
2010	272.3	275.9	343.9	256.6	1148.7
2011	253.7	272.9	351.6	239.1	1117.3
2012	222.8	240.1	*312.1*	*225*	*1000*
2013	*235*	*255*	*330*	*230*	*1050*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.11	.45	.99	.21	1.76
2010	.56	.58	.82	.33	2.29
2011	.48	.52	1.08	.51	2.59
2012	.50	.77	*.98*	*.35*	*2.60*
2013	*.50*	*.60*	*1.10*	*.35*	*2.55*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.225	.225	.225	.225	.90
2009	.225	.225	.225	.225	.90
2010	.225	.25	.25	.25	.98
2011	.25	.28	.28	.3125	1.12
2012	.3125	.3125	.3375		

BUSINESS: Cleco Corporation is a holding company for Cleco Power, which supplies electricity to about 281,000 customers in central Louisiana. Through a subsidiary, has 775 megawatts of wholesale capacity. Electric revenue breakdown: residential, 47%; commercial, 29%; industrial, 14%; other, 10%. Largest industrial customers are paper mills and other wood-product industries. Generating sources: coal & lignite, 34%; gas & oil, 29%; petroleum coke, 23%; purchased, 14%. Fuel costs: 40% of revenues. '11 reported deprec. rate (utility): 2.8%. Has 1,200 employees. Chairman: J. Patrick Garrett. President & CEO: Bruce A. Williamson. Inc.: Louisiana. Address: 2030 Donahue Ferry Road, P.O. Box 5000, Pineville, LA 71361-5000. Tel.: 318-484-7400. Internet: www.cleco.com.

Cleco's board of directors has raised the dividend again. This was the fourth increase since 2010, after a span of several years without a boost. The latest dividend hike was $0.025 a share (8%) quarterly. Cleco is targeting a payout ratio of 50%-60%. The company's cash flow is very healthy, giving the board the ability to continue raising the disbursement.

The utility is awaiting the outcome of a request for proposals (RFP). Most notably, the RFP includes a proposal to transfer Cleco's last nonregulated generating asset, the Coughlin gas-fired plant, to Cleco Power, its regulated utility subsidiary. (Cleco Power is now buying electricity from Coughlin under a three-year contract that began earlier this year.) The winning bidders, selected by an independent monitor, will probably be announced in late 2012. If the asset transfer is one of the winners, the Louisiana Public Service Commission and the Federal Energy Regulatory Commission would still have to approve it. This would probably occur in 2014.

We estimate that earnings will be about flat in 2012 and decline slightly in 2013. In the first half of 2012, Cleco booked $0.19 a share of income from the contractual expiration of indemnifications related to nonregulated generating units that were sold in 2010 and 2011. We *include* this income in our presentation, even though the company is excluding it from its earnings guidance of $2.34-$2.44 a share. We figure that, without any such income in 2013, profits will fall a bit. Beyond 2013, we aren't assuming that the aforementioned asset transfer will occur.

By utility standards, top-quality Cleco stock has a high valuation. The stock has outperformed most utility equities so far this year. Its dividend yield is about a percentage point below the industry average, and its price-earnings ratio is above the market multiple. The quotation is within our 2015-2017 Target Price Range, making total return potential low. In our view, the valuation reflects not only Cleco's strong dividend growth prospects, but some takeover speculation, as well. We don't advise investors to purchase this stock based on the possibility of an acquisition.

Paul E. Debbas, CFA *September 21, 2012*

(A) Diluted earnings. Excl. nonrec. gains (losses): '00, 5¢; '02, (5¢), '03, ($2.05); '05, $2.11; '07, $1.22; '10, $1.91; '11, 63¢; losses from discont. ops.: '00, 14¢; '01, 4¢. Next earnings report due early Nov. (B) Div'ds historically paid in mid-Feb., May, Aug. and Nov. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. (C) Incl. deferred charges. In '11: $10.61/sh. (D) In mill., adj. for split. (E) Rate base: Net orig. cost. Rate allowed on com. eq. in '09: 11.7%; earned on avg. com. eq., '11: 11.7%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	95
Earnings Predictability	75

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