WESTAR ENERGY NYSE-WR

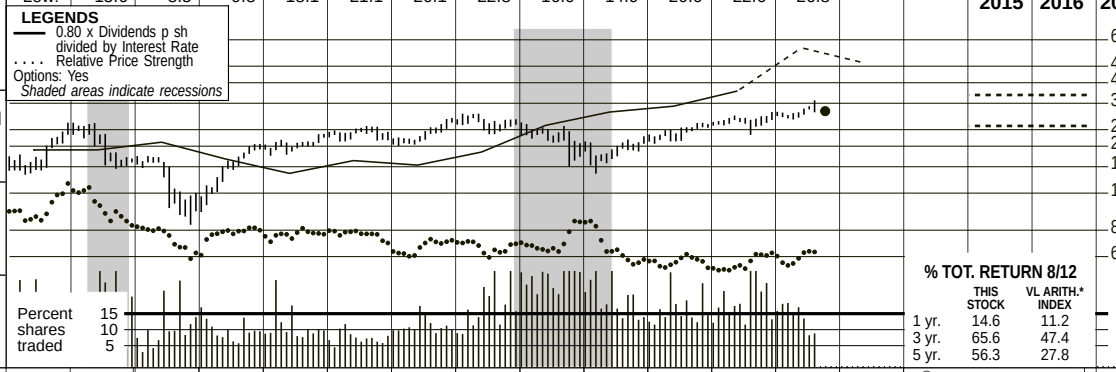
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
29.31	14.7	(Trailing: 16.0 Median: 14.0)	0.97	4.6%	VALUE LINE

TIMELINESS 2 Raised 8/24/12
SAFETY 2 Raised 4/1/05
TECHNICAL 3 Raised 8/10/12
BETA .75 (1.00 = Market)

High:	25.9	18.0	20.5	22.9	25.0	27.2	28.6	25.9	22.3	25.9	29.0	33.0
Low:	15.6	8.5	9.8	18.1	21.1	20.1	22.8	16.0	14.9	20.6	22.6	26.8

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 0.80 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	35	(+20%)	9%
Low	25	(-15%)	2%

Insider Decisions

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

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	118	129	126
to Sell	83	93	103
Hld's(000)	69839	69508	69803

% TOT. RETURN 8/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	14.6	11.2
3 yr.	65.6	47.4
5 yr.	56.3	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
31.67	32.90	30.86	30.21	33.80	31.20	24.77	20.06	17.02	18.23	18.37	18.09	16.98	17.04	18.34	17.27	**17.70**	**18.30**	Revenues per sh	**20.15**
5.52	3.47	6.35	7.51	6.96	5.32	4.77	3.77	3.12	3.28	3.94	3.77	3.14	3.59	4.24	3.97	**4.20**	**4.40**	"Cash Flow" per sh	**5.05**
2.60	d.46	2.13	1.48	.89	d.58	1.00	1.48	1.17	1.55	1.88	1.84	1.31	1.28	1.80	1.79	**1.95**	**2.05**	Earnings per sh A	**2.40**
2.07	2.10	2.14	2.14	1.44	1.20	1.20	.87	.80	.92	.98	1.08	1.16	1.20	1.24	1.28	**1.32**	**1.36**	Div'd Decl'd per sh B■†	**1.48**
3.09	3.22	2.77	4.09	4.40	3.37	1.89	2.06	2.19	2.45	3.95	7.84	8.65	5.26	4.82	5.55	**6.70**	**7.05**	Cap'l Spending per sh	**7.85**
25.14	30.79	29.40	27.83	27.20	25.97	13.68	14.23	16.13	16.31	17.62	19.14	20.18	20.59	21.25	22.20	**23.60**	**25.40**	Book Value per sh C	**28.35**
64.63	65.41	65.91	67.40	70.08	70.08	71.51	72.84	86.03	86.84	87.39	95.46	108.31	109.07	112.13	125.70	**127.00**	**128.00**	Common Shs Outst'g E	**134.00**
11.7	- -	18.4	17.2	20.6	- -	14.0	10.8	17.4	14.8	12.2	14.1	17.0	14.9	13.0	14.8	*Bold figures are*		Avg Ann'l P/E Ratio	**12.5**
.73	- -	.96	.98	1.34	- -	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.94	*Value Line*		Relative P/E Ratio	**.85**
6.8%	6.3%	5.5%	8.4%	7.9%	5.8%	8.6%	5.5%	3.9%	4.0%	4.3%	4.2%	5.2%	6.3%	5.3%	4.8%	*estimates*		Avg Ann'l Div'd Yield	**4.9%**

CAPITAL STRUCTURE as of 6/30/12
Total Debt $3436.7 mill. **Due in 5 Yrs** $753.9 mill.
LT Debt $3042.5 mill. **LT Interest** $160.0 mill.
(LT interest earned: 3.1x)

Pension Assets-12/11 $481 mill. **Oblig.** $876 mill.

Pfd Stock None

Common Stock 126,315,391 shs.
as of 7/31/12
MARKET CAP: $3.7 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
1771.1	1461.1	1464.5	1583.3	1605.7	1726.8	1839.0	1858.2	2056.2	2171.0	**2250**	**2340**	Revenues ($mill)	**2700**
72.0	108.1	100.1	134.9	165.3	168.4	136.8	141.3	203.9	214.0	**250**	**265**	Net Profit ($mill)	**325**
53.4%	43.1%	25.0%	31.0%	25.4%	27.5%	24.8%	29.4%	29.0%	30.4%	**30.0%**	**30.0%**	Income Tax Rate	**30.0%**
- -	5.0%	- -	- -	- -	10.4%	- -	- -	10.4%	10.0%	**10.0%**	**10.0%**	AFUDC % to Net Profit	**10.0%**
71.6%	66.2%	53.8%	52.1%	50.0%	50.6%	49.8%	53.4%	53.6%	49.5%	**49.0%**	**49.5%**	Long-Term Debt Ratio	**50.0%**
22.9%	33.2%	45.5%	47.2%	49.3%	48.9%	49.7%	46.1%	46.0%	50.0%	**51.0%**	**50.5%**	Common Equity Ratio	**50.0%**
4272.4	3127.3	3049.2	3000.4	3124.2	3738.3	4400.1	4866.8	5180.9	5531.0	**5900**	**6450**	Total Capital ($mill)	**7600**
3995.4	3909.5	3911.0	3947.7	4071.6	4803.7	5533.5	5771.7	6309.5	6745.4	**7200**	**7500**	Net Plant ($mill)	**8500**
4.4%	7.0%	5.5%	6.2%	6.7%	5.8%	4.2%	4.4%	5.5%	5.2%	**5.5%**	**5.5%**	Return on Total Cap'l	**5.5%**
5.9%	10.2%	7.1%	9.4%	10.6%	9.1%	6.2%	6.2%	8.5%	7.6%	**8.5%**	**8.0%**	Return on Shr. Equity	**8.5%**
7.3%	10.3%	7.1%	9.5%	10.7%	9.2%	6.2%	6.3%	8.5%	7.7%	**8.5%**	**8.0%**	Return on Com Equity D	**8.5%**
NMF	4.9%	3.2%	4.3%	5.5%	4.3%	1.2%	.8%	3.1%	2.2%	**2.5%**	**3.0%**	Retained to Com Eq	**3.5%**
120%	53%	56%	55%	49%	53%	80%	87%	63%	72%	**67%**	**66%**	All Div'ds to Net Prof	**60%**

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-2.0	+6.2	+1.0
Avg. Indust. Use (MWH)	5145	5468	5589
Avg. Indust. Revs. per KWH (¢)	5.67	5.82	6.22
Capacity at Peak (Mw)	6807	6756	6784
Peak Load, Summer (Mw)	4545	5485	5549
Annual Load Factor (%)	54.5	55.0	55.5
% Change Customers (yr-end)	+.9	+.3	+.1
Fixed Charge Cov. (%)	226	267	297

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	-6.0%	-1.0%	2.5%
"Cash Flow"	-6.0%	1.5%	4.5%
Earnings	- -	1.0%	6.5%
Dividends	-4.5%	7.0%	3.0%
Book Value	-3.0%	6.0%	5.0%

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	421.8	467.8	528.5	440.1	1858.2
2010	459.8	495.2	644.4	456.8	2056.2
2011	481.7	524.9	678.2	486.2	2171.0
2012	475.7	566.3	**690**	**518**	**2250**
2013	**520**	**575**	**710**	**535**	**2340**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.10	.35	.73	.10	1.28
2010	.27	.47	1.01	.05	1.80
2011	.27	.38	.98	.16	1.79
2012	.21	.48	**1.02**	**.24**	**1.95**
2013	**.25**	**.46**	**1.08**	**.26**	**2.05**

Cal-endar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.27	.29	.29	.29	1.14
2009	.29	.30	.30	.30	1.19
2010	.30	.31	.31	.31	1.23
2011	.31	.32	.32	.32	1.27
2012	.32	.33	.33		

BUSINESS: Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas & Electric Company. Westar supplies electricity to 688,000 customers in Kansas. Electric revenue sources: residential and rural, 42%; commercial, 37%; industrial, 21%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2011 depreciation rate: 4.2%. Estimated plant age: 14 years. Fuels: coal, 51%; nuclear, 8%; gas, 41%. Has 2,424 employees. BlackRock, Inc. owns 5.9% of common; off. & dir., less than 1% (3/12 proxy). Chairman: Charles Q. Chandler IV. Chief Executive Officer and President: Mark A. Ruelle. Inc.: Kansas. Address: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.

Westar Energy reported strong results for the second quarter. The top line advanced at a moderate clip. The company benefited from healthy demand resulting from warmer weather during the period. Solid growth from the Retail businesses and an impressive advance in Transmission revenue more than offset a decline in Wholesale revenue. Healthy top-line results were partly offset by greater operating costs, however. Even so, share net of $0.48 compared favorably with the prior-year tally.

Favorable comparisons ought to continue in the coming quarters. A rate increase of $50 million was approved and implemented earlier in the year. This ought give retail sales a boost. Healthy growth should continue in the Transmission business, though weakness may well persist in the Wholesale line. Overall, we expect higher revenues and share earnings for the company for full-year 2012. Growth ought to continue in 2013.

Investment in operations ought to pay off going forward. All of the company's large projects remain on schedule and within budget. Westar has finished an upgrade of air quality equipment at its Lawrence Energy Center, and an additional improvement is slated for completion by the end of the year. Major environmental projects at the Jeffrey and LaCygne energy centers are also progressing well. The Prairie Wind joint venture is also coming along nicely. Westar has acquired the majority of the rights of way, and has begun clearing. The project is expected to be completed in late 2014.

This stock is favorably ranked for year-ahead performance. Looking further out, we anticipate higher revenues and share earnings for the company by 2015-2017. Moreover, Westar earns good marks for Safety, Price Stability, and Earnings Predictability. In addition, the stock has below-average volatility (Beta: 0.75). Overall, Westar has unimpressive, but fairly well-defined, total return potential for the pull to 2015-2017. Conservative, income-seeking investors may find this issue attractive, considering the healthy dividend yield. Subscribers looking for strong capital appreciation can probably find better choices elsewhere.

Michael Napoli, CFA *September 21, 2012*

(A) EPS diluted from 2010 onward. Excl. nonrecur gains (losses): '96, ($0.19); '97, $7.97; '98, ($1.45); '99, ($1.31); '00, $1.07; '01, 27¢; '02, ($12.06); '03, 77¢; '08, 39¢; '11, 14¢. Next egs. rep't due in November. (B) Div'ds paid in early Jan., April, July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2011: $8.32/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '12: 10.0%; earned on avg. com. eq., '11: 8.2%. Regul. Clim.: Avg. (E) In mill.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	75
Earnings Predictability	80

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