FIRSTENERGY NYSE-FE

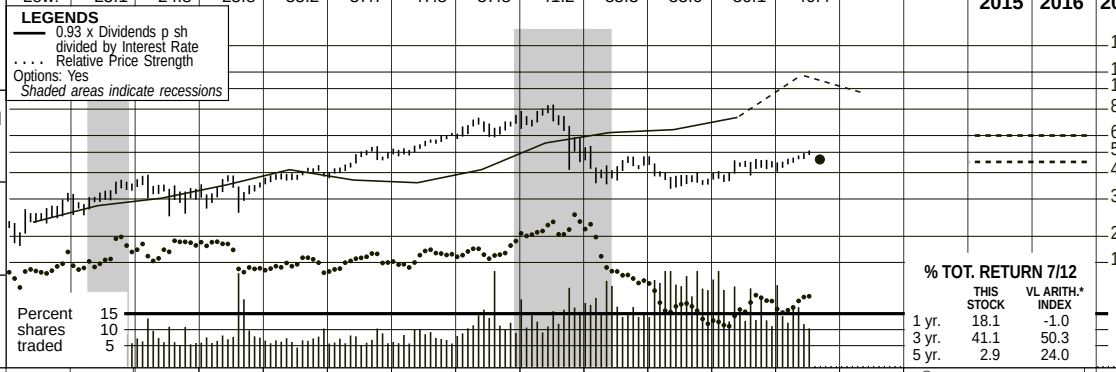
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
46.12	16.1	(Trailing: 19.5 Median: 15.0)	1.10	4.8%	VALUE LINE

TIMELINESS 3 Lowered 8/3/12
SAFETY 2 Raised 6/2/06
TECHNICAL 2 Raised 8/17/12
BETA .80 (1.00 = Market)

High:	37.0	39.1	38.9	43.4	53.4	61.7	75.0	84.0	53.6	47.8	46.5	51.1
Low:	25.1	24.8	25.8	35.2	37.7	47.8	57.8	41.2	35.3	33.6	36.1	40.4

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 0.93 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	60	(+30%)	11%
Low	45	(Nil)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	1	0	0
Options	0	0	0	0	1	0	10	0	1
to Sell	0	0	0	1	0	0	5	0	3

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	228	235	227
to Sell	208	214	240
Hld's(000)	298664	277853	291443

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	18.1	-1.0
3 yr.	41.1	50.3
5 yr.	2.9	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
16.19	12.26	24.72	27.19	31.31	26.88	40.83	37.31	37.76	36.35	36.03	42.00	44.70	41.70	43.76	38.87	*38.75*	*39.20*	Revenues per sh	*45.50*
4.83	3.66	5.33	6.89	7.28	5.48	6.45	4.79	7.60	7.55	7.22	8.34	9.04	8.80	8.50	5.75	*6.75*	*7.10*	"Cash Flow" per sh	*8.00*
2.10	1.94	1.95	2.50	2.69	2.84	2.54	1.47	2.77	2.84	3.82	4.22	4.38	3.32	3.25	1.88	*2.80*	*3.10*	Earnings per sh A	*3.75*
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.91	1.71	1.85	2.05	2.20	2.20	2.20	2.20	*2.20*	*2.20*	Div'd Decl'd per sh B ■	*2.40*
.97	.89	2.75	2.69	2.74	2.86	3.35	2.60	2.57	3.66	4.12	5.36	9.47	7.23	6.44	5.45	*5.80*	*6.40*	Cap'l Spending per sh	*6.00*
16.41	18.07	18.77	19.63	20.72	24.86	23.92	25.13	26.04	27.86	28.30	29.45	27.17	28.08	28.03	31.75	*32.35*	*33.30*	Book Value per sh C	*37.00*
152.57	230.21	237.07	232.45	224.53	297.64	297.64	329.84	329.84	329.84	319.21	304.84	304.84	304.84	304.84	418.22	*418.22*	*418.22*	Common Shs Outst'g D	*418.22*
10.4	11.8	15.4	11.3	9.2	10.9	13.0	22.5	14.1	16.1	14.2	15.6	15.6	13.0	11.7	22.4	*Bold figures are*		Avg Ann'l P/E Ratio	*13.5*
.65	.68	.80	.64	.60	.56	.71	1.28	.74	.86	.77	.83	.94	.87	.74	1.41	*Value Line*		Relative P/E Ratio	*.90*
6.9%	6.6%	5.0%	5.3%	6.1%	4.8%	4.6%	4.5%	4.9%	3.7%	3.4%	3.1%	3.2%	5.1%	5.8%	5.2%	*estimates*		Avg Ann'l Div'd Yield	*4.7%*

CAPITAL STRUCTURE as of 3/31/12
Total Debt $18374 mill. **Due in 5 Yrs** $7641.0 mill.
LT Debt $15527 mill. **LT Interest** $916.0 mill.
Incl. $284.8 mill. 9% ($25 par) cumulative mandatorily redeemable preferred securities.
(LT interest earned: 2.8x)
Leases, Uncapitalized Annual rentals $258.0 mill.
Pension Assets-12/11 $5.87 bill. **Oblig.** $7.98 bill.
Pfd Stock None

Common Stock 418,216,437 shs.
as of 4/30/12
MARKET CAP: $19 billion (Large Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
12152	12307	12453	11989	11501	12802	13627	12712	13339	16258	*16200*	*16400*	Revenues ($mill)	*19000*
827.6	490.8	932.6	951.0	1265.0	1309.0	1342.0	1015.0	991.0	752.0	*1180*	*1305*	Net Profit ($mill)	*1580*
41.5%	43.9%	42.2%	42.1%	38.6%	40.3%	36.7%	19.6%	38.6%	41.3%	*42.0%*	*42.0%*	Income Tax Rate	*42.0%*
3.0%	6.5%	2.7%	2.0%	2.1%	2.4%	3.9%	12.8%	16.6%	9.3%	*6.0%*	*5.0%*	AFUDC % to Net Profit	*6.0%*
60.2%	53.1%	52.8%	46.5%	48.6%	49.7%	52.4%	58.2%	59.5%	54.2%	*54.5%*	*55.0%*	Long-Term Debt Ratio	*55.0%*
38.0%	45.0%	45.4%	52.4%	51.4%	50.3%	47.7%	41.8%	40.5%	45.8%	*45.5%*	*45.0%*	Common Equity Ratio	*45.0%*
18756	18414	18938	17527	17570	17846	17383	20467	21124	28996	*29800*	*30800*	Total Capital ($mill)	*34400*
12680	13269	13478	13998	14667	15383	17723	19164	19788	30337	*31175*	*32250*	Net Plant ($mill)	*34800*
6.3%	4.6%	6.5%	7.1%	9.0%	9.0%	9.7%	6.9%	6.3%	4.0%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
11.1%	5.7%	10.4%	10.1%	14.0%	14.6%	16.2%	11.9%	11.6%	5.7%	*8.5%*	*9.5%*	Return on Shr. Equity	*10.0%*
10.5%	5.4%	10.6%	10.2%	13.9%	14.6%	16.2%	11.9%	11.6%	5.7%	*8.5%*	*9.5%*	Return on Com Equity E	*10.0%*
4.3%	NMF	4.9%	4.2%	7.4%	7.7%	8.1%	4.0%	3.8%	NMF	*2.0%*	*3.0%*	Retained to Com Eq	*3.5%*
63%	101%	55%	59%	47%	47%	50%	66%	68%	NMF	*78%*	*71%*	All Div'ds to Net Prof	*64%*

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-8.3	+5.6	+.1
Avg. Indust. Use (MWH)	NMF	NMF	NMF
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	- -	NA	NA
Fixed Charge Cov. (%)	193	253	206

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	4.0%	2.5%	*1.5%*
"Cash Flow"	1.5%	.5%	*.5%*
Earnings	.5%	-2.0%	*5.0%*
Dividends	4.0%	4.0%	*1.5%*
Book Value	3.0%	1.5%	*4.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3334	3017	3408	2953	12712
2010	3299	3128	3693	3219	13339
2011	3576	4060	4719	3903	16258
2012	4078	3869	*4400*	*3853*	*16200*
2013	*4200*	*3950*	*4300*	*3950*	*16400*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.94	.84	.77	.77	3.32
2010	.59	.87	1.19	.61	3.25
2011	.15	.48	1.27	d.09	1.88
2012	.73	.45	*.82*	*.80*	*2.80*
2013	*.80*	*.65*	*.85*	*.80*	*3.10*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.55	.55	.55	.55	2.20
2009	.55	.55	.55	.55	2.20
2010	.55	.55	.55	.55	2.20
2011	.55	.55	.55	.55	2.20
2012	.55	.55			

BUSINESS: FirstEnergy Corp. is a holding company for Ohio Edison, Pennsylvania Power, Cleveland Electric, Toledo Edison, Metropolitan Edison, Penelec, Jersey Central Power & Light, West Penn Power, Potomac Edison, & Mon Power. Provides electric service to over 6 million customers in OH, PA, NJ, WV, MD, & NY. Acq'd Allegheny Energy 2/11. Electric revenue breakdown by customer class not available. Generating sources: coal, 44%; nuclear, 26%; purchased, 30%. Fuel costs: 45% of revs. '11 reported depr. rates: 2.2%-3.4%. Has 17,000 employees. Chairman: George M. Smart. President & CEO: Anthony J. Alexander. COO: Richard R. Grigg. Inc.: OH. Address: 76 South Main Street, Akron, OH 44308-1890. Tel.: 800-736-3402. Internet: www.firstenergycorp.com.

Unfavorable conditions in the power markets continue to hurt FirstEnergy. That's partly why the company's share earnings have fallen significantly since 2008. Low power prices are squeezing margins from its nonregulated generating assets. June-period profits fell short of our expectation, and we have lowered our 2012 earnings estimate by $0.50 a share, to $2.80. This figure is still well above the depressed 2011 tally, but mainly because the company incurred sizable merger-related expenses, stemming from its takeover of Allegheny Energy, last year.

Various uncertainties prompted management to withdraw its earnings guidance for 2013. (The company's targeted range for 2012, on a GAAP basis, is $2.80-$3.10 a share.) The aforementioned conditions in the power markets, as well as the state of the economy, have raised uncertainty for FirstEnergy. Withdrawal of guidance usually concerns Wall Street, and the stock price is down 6% since the company reported second-quarter results in early August. We've trimmed our 2013 share-net forecast from $3.25 to $3.10.

FirstEnergy received some good news in Ohio. The company was disappointed with American Electric Power's initial plan for transition to competitive markets in the state, which FirstEnergy believed was anticompetitive. (FirstEnergy has a retail energy-supply operation that competes in Ohio and other states that allow customers to choose their provider.) AEP's revised plan, which the state regulators approved, is more competitive. In addition, FirstEnergy's own regulatory plan was extended by two years, through May of 2016.

Jersey Central Power & Light must file a rate case by November 1st. After the state's Rate Counsel complained that JCP&L was overearning its allowed return on equity of 9.75%, the Board of Public Utilities ordered the utility to file a rate case. We assume no change in rates in our estimates and projections, but this doesn't mean that we are ruling out the possibility of an unfavorable regulatory outcome.

We have a neutral stance on this equity. Its dividend yield is above average for a utility, but subpar dividend growth to 2015-2017 will likely produce a total return that is only average for the industry.

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

(A) Dil. EPS. Excl. nonrec. gain (losses): '04, (11¢); '05, (28¢); '09, (3¢); '10, (68¢); '11, 33¢; gain (loss) from disc. ops.: '03, (33¢); '05, 5¢. '10 EPS don't add due to rounding, '11 due to chg. in shs. Next egs. report due early Nov. (B) Div'ds paid early Mar., June, Sept. & Dec. Five div'ds declared in '04. ■ Div'd reinvest. plan avail. (C) Incl. intang.: In '11: $20.25/sh. (D) In mill. (E) Rate base: Deprec. orig. cost. Rates all'd on com. eq.: 9.75%-12.9%; earn. on avg. com. eq., '11: 11.4%. Regulatory Climate: OH Above Avg.; PA, NJ Avg.; MD, WV Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	55
Earnings Predictability	75

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