UIL HOLDINGS NYSE-UIL

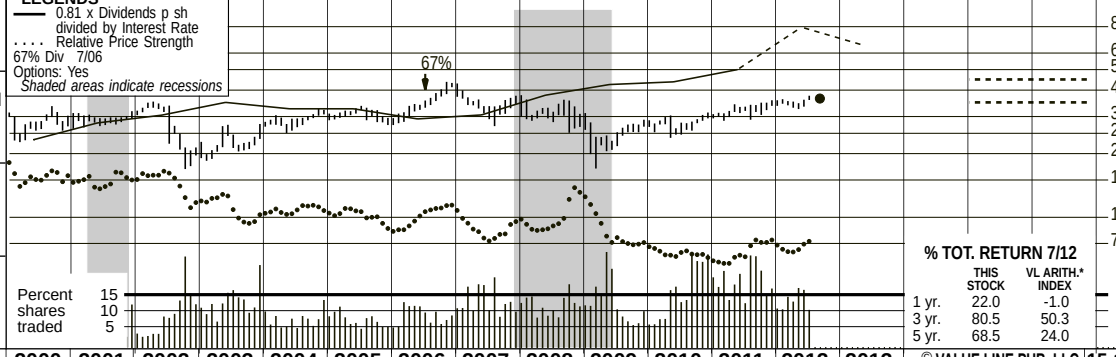
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
36.44	17.1	(Trailing: 20.2 Median: 17.0)	1.17	4.7%	VALUE LINE

TIMELINESS 3 Raised 5/14/10
SAFETY 2 Raised 2/29/08
TECHNICAL 3 Raised 7/27/12
BETA .70 (1.00 = Market)

High:	31.8	35.3	27.6	32.8	33.7	43.8	43.0	37.8	31.2	31.3	35.8	37.7
Low:	26.3	16.9	18.5	25.1	27.4	27.4	27.0	25.1	17.0	23.8	28.6	32.6

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 0.81 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
67% Div 7/06
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+25%)	10%
Low	35	(-5%)	4%

Insider Decisions

	S	O	N	D	J	F	M	A	M
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	0	1	3	1	0	0
to Sell	1	0	2	0	0	4	3	0	0

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	90	74	67
to Sell	53	67	81
Hld's(000)	32150	31887	33016

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	22.0	-1.0
3 yr.	80.5	50.3
5 yr.	68.5	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
30.89	30.64	29.34	29.01	37.54	46.15	47.55	40.39	45.87	49.88	34.03	39.23	37.69	29.91	19.75	31.01	*30.00*	*31.35*	Revenues per sh	*36.25*
4.81	5.40	5.34	4.67	5.53	6.61	5.89	4.69	4.37	4.13	4.65	5.48	5.93	5.09	3.65	5.33	*5.35*	*5.55*	"Cash Flow" per sh	*5.80*
1.90	1.96	1.80	2.23	2.56	2.53	1.85	1.24	1.54	1.30	1.86	1.87	1.89	1.94	1.99	1.95	*2.10*	*2.30*	Earnings per sh A	*2.45*
1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	*1.73*	*1.73*	Div'd Decl'd per sh B ■	*1.73*
2.01	1.44	1.63	1.48	2.31	2.01	2.41	2.19	2.04	2.25	3.09	9.92	8.57	4.12	4.03	6.48	*5.20*	*5.10*	Cap'l Spending per sh	*5.00*
18.72	18.94	19.05	19.55	20.42	21.25	20.28	20.65	22.84	22.39	18.53	18.55	18.85	19.15	21.31	21.61	*21.95*	*22.55*	Book Value per sh C	*25.50*
23.50	23.18	23.39	23.44	23.46	23.53	23.79	23.86	24.01	24.32	24.86	25.03	25.17	29.98	50.51	50.65	*51.00*	*51.00*	Common Shs Outst'g E	*51.00*
11.4	10.1	16.3	12.6	10.8	11.5	15.0	18.0	18.7	23.5	18.7	18.4	16.7	12.7	14.0	16.5	*Bold figures are*		Avg Ann'l P/E Ratio	*16.0*
.71	.58	.85	.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.04	*Value Line*		Relative P/E Ratio	*1.05*
8.0%	8.8%	5.9%	6.2%	6.2%	5.9%	6.2%	7.7%	6.0%	5.7%	5.0%	5.0%	5.5%	7.0%	6.2%	5.4%	*estimates*		Avg Ann'l Div'd Yield	*4.4%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $1754 mill. **Due in 5 Yrs.** $310.0 mill.
LT Debt $1645 mill. **LT Interest** $75.0 mill.
(LT interest earned: 3.0x)
Leases, Uncapitalized: Ann. rentals $10.6 mill.

Pension Assets-12/11 $548 mill. **Oblig.** $792 mill.

Pfd Stock None

Common Stock 50,665,114 shs.
as of 7/31/12

MARKET CAP: $1.8 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
1131.0	963.7	1101.3	1213.1	846.0	982.0	948.7	896.6	997.7	1570.4	*1530*	*1600*	Revenues ($mill)	*1850*
44.0	29.5	36.9	31.4	45.4	46.7	48.1	54.3	70.3	99.7	*105*	*115*	Net Profit ($mill)	*125*
45.2%	53.1%	45.4%	44.1%	31.2%	39.5%	42.2%	38.0%	38.6%	38.5%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
5.1%	8.5%	1.1%	9.0%	8.0%	8.3%	8.3%	10.0%	26.3%	12.1%	*10.0%*	*10.0%*	AFUDC % to Net Profit	*10.0%*
45.0%	50.1%	47.2%	47.2%	47.0%	50.8%	53.6%	54.0%	58.4%	58.6%	*58.0%*	*57.0%*	Long-Term Debt Ratio	*54.0%*
55.0%	49.9%	52.8%	52.8%	53.0%	49.2%	46.4%	46.0%	41.6%	41.4%	*42.0%*	*43.0%*	Common Equity Ratio	*46.0%*
877.8	988.2	1039.6	1031.5	869.2	943.6	1023.6	1247.7	2587.9	2642.7	*2670*	*2700*	Total Capital ($mill)	*2800*
517.1	548.8	563.9	592.1	647.0	878.4	1073.6	1153.0	2327.5	2570.4	*2700*	*2800*	Net Plant ($mill)	*3100*
7.3%	4.3%	4.5%	4.1%	6.5%	6.2%	6.1%	5.8%	3.7%	5.2%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
9.1%	6.0%	6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	*9.5%*	*10.0%*	Return on Shr. Equity	*9.5%*
9.1%	6.0%	6.7%	5.8%	9.9%	10.1%	10.1%	9.5%	6.5%	9.1%	*9.5%*	*10.0%*	Return on Com Equity D	*9.5%*
.6%	NMF	NMF	NMF	NMF	3.1%	1.0%	1.2%	1.7%	1.1%	*1.5%*	*2.0%*	Retained to Com Eq	*3.0%*
93%	NMF	112%	NMF	117%	70%	90%	88%	74%	88%	*84%*	*77%*	All Div'ds to Net Prof	*71%*

ELECTRIC OPERATING STATISTICS

	2009	2010	2011
% Change Retail Sales (KWH)	-4.1	+4.4	-2.8
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	6.7	6.3	6.4
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.1	-.1	Nil
Fixed Charge Cov. (%)	303	281	230

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	-3.5%	-9.0%	*5.0%*
"Cash Flow"	-2.0%	1.5%	*3.5%*
Earnings	-2.0%	4.5%	*4.0%*
Dividends	- -	- -	*Nil*
Book Value	- -	-.5%	*3.5%*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	235.5	200.2	255.2	205.7	896.6
2010	220.3	207.1	236.3	334.0	997.7
2011	561.1	314.0	321.4	373.9	1570.4
2012	458.3	283.5	*360*	*428.2*	*1530*
2013	*470*	*300*	*380*	*450*	*1600*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.48	.51	.73	.22	1.94
2010	.53	.48	.63	.35	1.99
2011	1.02	.28	.24	.41	1.95
2012	.92	.23	*.35*	*.60*	*2.10*
2013	*.95*	*.30*	*.40*	*.65*	*2.30*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.432	.432	.432	.432	1.73
2009	.432	.432	.432	.432	1.73
2010	.432	.432	.432	.432	1.73
2011	.432	.432	.432	.432	1.73
2012	.432	.432			

BUSINESS: UIL Holdings, through its subsidiaries, operates as one of the largest regulated utility companies in Connecticut. Business consists of electric distribution/transmission operations of The United Illuminating Company and natural gas transportation/distribution operations of The Southern Connecticut Gas Company, The Connecticut Natural Gas Company, and The Berkshire Gas Company. Revenue distribution by class: residential, 48%; commercial, 28%; industrial, 5%; other, 19%. Fuel costs: 39% of revenues; O&M costs, 24%. Has 1,868 employees as of 12/11. President & Chief Executive Officer: James P. Torgerson. Inc.: CT. Address: 157 Church Street, P.O. Box 1564, New Haven, CT. 06506-0901. Telephone: 203-499-2000. Internet: www.uil.com.

UIL Holdings reported weaker-than-expected second-quarter results. The Connecticut-based utility posted earnings of $0.23 a share during the period, significantly below our $0.33 estimate. The miss was primarily driven by unfavorable weather conditions, which has seemed to be a recurring theme among several utilities this earnings season. Despite the soft quarterly showing, management reaffirmed its full-year earnings guidance range of $2.00-$2.15 a share. We have lowered our 2012 share-net estimate by a nickel, to $2.10.

Given recent regulatory uncertainty, UIL is still considering when to file its electric distribution rate case. Since the restructuring last year of Connecticut's utility regulatory body (PURA), UIL has been reluctant to file its electric rate case due to a lack of visibility. Now that the composition of the board has been settled, we anticipate the company will make the filing sometime in the first half of 2013. However, nothing has been officially stated at this juncture. Based on our current estimates, we assume UIL's electric business will earn its allowed ROE in 2012 and 2013.

Continued progress in gas conversions is a positive. UIL has converted nearly 4,700 customers through the first half of 2012, roughly a 46% increase over the comparable period of 2011. Management noted it remains on pace to hit its goal of 10,200 by year's end, as well as its 30,000-35,000 target by the end of 2013. We look for gas conversions and other cost savings to help the gas utilities earn their allowed ROEs by 2014.

The stock maintains a neutral ranking for Timeliness (3). In our view, the equity remains an attractive selection for investors seeking to add some stability to their portfolios. With Above-Average rankings for Safety (2) and Financial Strength (B++), UIL represents a solid low-risk play within the utility sector. Indeed, its dividend yield also ranks among the best in the industry, offering shareholders a nice income component, as well.

Based on our current projections, total return potential for UIL to 2015-2017 is right around the utility industry average.

Michael Ratty *August 24, 2012*

(A) EPS basic. Excl. nonrecur. gains (losses): '96, 17¢; '00, 4¢; '03, (26¢); '04, $2.14; '06, ($5.07); '10, (47¢). Next egs. report due early Nov. (B) Div'ds historically paid in early Jan., early April, early July, and early Oct. ■ Div'd reinvest. plan avail. (C) Incl. deferred charges. In '11: $370.2 mill. or $7.32/sh. (D) Rate base: orig. cost. Rate allowed on common equity in '09: 8.75%. Earned on average common equity in '11: 9.1%. Regul. Clim.: Below Average. (E) In millions. Adjust for stock dividend.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	80

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