WGL HOLDINGS NYSE-WGL

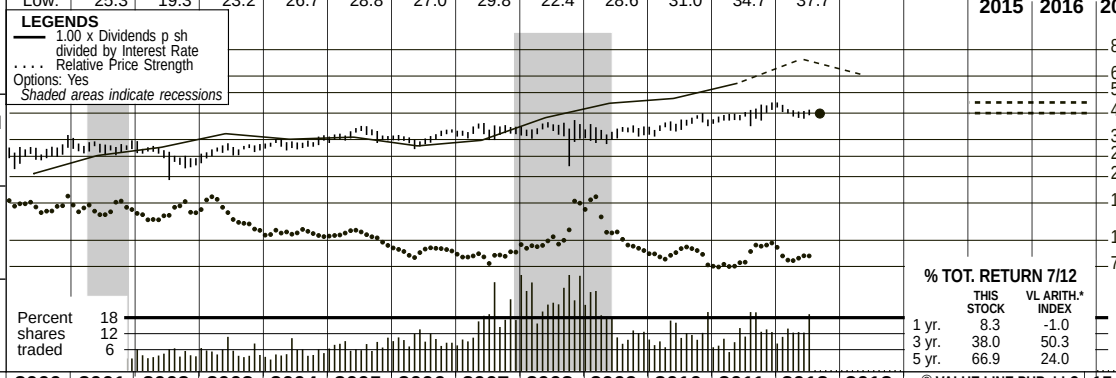
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
39.78	15.4	(Trailing: 15.7 Median: 15.0)	1.04	4.0%	VALUE LINE

TIMELINESS 3 Raised 9/9/11
SAFETY 1 Raised 4/2/93
TECHNICAL 2 Raised 8/31/12
BETA .65 (1.00 = Market)

High:	30.5	29.5	28.8	31.4	34.8	33.6	35.9	37.1	35.5	40.0	45.0	45.0
Low:	25.3	19.3	23.2	26.7	28.8	27.0	29.8	22.4	28.6	31.0	34.7	37.7

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.00 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	45	(+15%)	7%
Low	40	(Nil)	4%

Insider Decisions

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

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	85	88	81
to Sell	84	80	96
Hld's(000)	31165	31882	31569

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	8.3	-1.0
3 yr.	38.0	50.3
5 yr.	66.9	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
22.19	24.16	23.74	20.92	22.19	29.80	32.63	42.45	42.93	44.94	53.96	53.51	52.65	53.98	53.60	53.75	*48.35*	*53.15*	Revenues per sh A	*57.80*
2.93	3.02	2.79	2.74	3.20	3.24	2.63	4.00	3.87	3.97	3.84	3.89	4.34	4.44	4.11	4.01	*4.45*	*4.50*	"Cash Flow" per sh	*4.75*
1.85	1.85	1.54	1.47	1.79	1.88	1.14	2.30	1.98	2.13	1.94	2.09	2.44	2.53	2.27	2.25	*2.55*	*2.60*	Earnings per sh B	*2.85*
1.14	1.17	1.20	1.22	1.24	1.26	1.27	1.28	1.30	1.32	1.35	1.37	1.41	1.47	1.50	1.55	*1.59*	*1.63*	Div'ds Decl'd per sh C■	*1.75*
2.85	3.20	3.62	3.42	2.67	2.68	3.34	2.65	2.33	2.32	3.27	3.33	2.70	2.77	2.57	3.94	*5.85*	*4.85*	Cap'l Spending per sh	*4.80*
12.79	13.48	13.86	14.72	15.31	16.24	15.78	16.25	16.95	17.80	18.86	19.83	20.99	21.89	22.82	23.49	*24.55*	*25.60*	Book Value per sh D	*28.85*
43.70	43.70	43.84	46.47	46.47	48.54	48.56	48.63	48.67	48.65	48.89	49.45	49.92	50.14	50.54	51.20	*51.50*	*51.75*	Common Shs Outst'g E	*52.00*
11.5	12.7	17.2	17.3	14.6	14.7	23.1	11.1	14.2	14.7	15.5	15.6	13.7	12.6	15.1	17.0	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.72	.73	.89	.99	.95	.75	1.26	.63	.75	.78	.84	.83	.82	.84	.96	1.07	*Value Line*		Relative P/E Ratio	*1.00*
5.4%	5.0%	4.5%	4.8%	4.8%	4.6%	4.8%	5.0%	4.6%	4.2%	4.5%	4.2%	4.2%	4.6%	4.4%	4.1%	*estimates*		Avg Ann'l Div'd Yield	*4.1%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $648.6 mill. **Due in 5 Yrs** $189.2 mill.
LT Debt $588.1 mill. **LT Interest** $40.0 mill.
(LT interest earned: 6.2x; total interest coverage: 5.7x)
Pension Assets-9/11 $1,289.0 mill. **Oblig.** $896.5 mill.
Preferred Stock $28.2 mill. **Pfd. Div'd** $1.3 mill.

Common Stock 51,573,871 shs. **as of 7/31/12**

MARKET CAP: $2.1 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
1584.8	2064.2	2089.6	2186.3	2637.9	2646.0	2628.2	2706.9	2708.9	2751.5	*2490*	*2750*	Revenues ($mill) A	*3005*
55.7	112.3	98.0	104.8	96.0	102.9	122.9	128.7	115.0	115.5	*130*	*135*	Net Profit ($mill)	*150*
34.0%	38.0%	38.2%	37.4%	39.0%	39.1%	37.1%	39.1%	38.7%	42.4%	*39.0%*	*39.0%*	Income Tax Rate	*39.0%*
3.5%	5.4%	4.7%	4.8%	3.6%	3.9%	4.7%	4.8%	4.2%	4.2%	*5.3%*	*4.9%*	Net Profit Margin	*5.0%*
45.7%	43.8%	40.9%	39.5%	37.8%	37.9%	35.9%	33.3%	33.4%	32.3%	*31.0%*	*30.0%*	Long-Term Debt Ratio	*28.0%*
52.4%	54.3%	57.2%	58.6%	60.4%	60.3%	62.4%	65.0%	65.0%	66.2%	*67.5%*	*68.5%*	Common Equity Ratio	*70.5%*
1462.5	1454.9	1443.6	1478.1	1526.1	1625.4	1679.5	1687.7	1774.4	1818.1	*1875*	*1940*	Total Capital ($mill)	*2130*
1606.8	1874.9	1915.6	1969.7	2067.9	2150.4	2208.3	2269.1	2346.2	2489.9	*2640*	*2805*	Net Plant ($mill)	*3350*
5.3%	9.1%	8.2%	8.5%	7.6%	7.6%	8.5%	8.8%	7.6%	7.5%	*8.0%*	*8.0%*	Return on Total Cap'l	*8.0%*
7.0%	13.7%	11.5%	11.7%	10.1%	10.2%	11.4%	11.4%	9.7%	9.4%	*10.5%*	*10.0%*	Return on Shr. Equity	*10.0%*
7.2%	14.0%	11.7%	12.0%	10.3%	10.4%	11.6%	11.6%	9.9%	9.5%	*10.5%*	*10.0%*	Return on Com Equity	*10.0%*
NMF	6.2%	4.1%	4.6%	3.2%	3.5%	5.0%	5.0%	3.3%	3.4%	*4.0%*	*4.0%*	Retained to Com Eq	*4.0%*
112%	56%	65%	62%	69%	66%	57%	57%	67%	64%	*62%*	*63%*	All Div'ds to Net Prof	*61%*

CURRENT POSITION ($MILL.)	2010	2011	6/30/12
Cash Assets	8.9	4.3	51.5
Other	708.4	720.4	724.8
Current Assets	717.3	724.7	776.3
Accts Payable	225.4	279.4	234.2
Debt Due	130.5	116.5	60.5
Other	188.2	180.8	251.9
Current Liab.	544.1	576.7	576.6
Fix. Chg. Cov.	536%	535%	535%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	8.5%	2.5%	*1.0%*
"Cash Flow"	3.0%	1.5%	*2.0%*
Earnings	3.0%	3.0%	*3.5%*
Dividends	2.0%	2.5%	*2.5%*
Book Value	4.0%	5.0%	*4.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	826.2	1040.9	427.0	412.8	2706.9
2010	727.4	1056.6	459.7	465.2	2708.9
2011	795.9	1017.2	490.3	448.1	2751.5
2012	727.8	839.4	438.3	*484.5*	*2490*
2013	*790*	*905*	*505*	*550*	*2750*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	1.03	1.65	.11	d.25	2.53
2010	1.01	1.64	d.07	d.29	2.27
2011	1.02	1.53	d.03	d.26	2.25
2012	1.13	1.58	.08	*d.24*	*2.55*
2013	*1.15*	*1.60*	*.10*	*d.25*	*2.60*

Cal-endar	QUARTERLY DIVIDENDS PAID C ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.34	.36	.36	.36	1.42
2009	.36	.37	.37	.37	1.47
2010	.37	.378	.378	.378	1.50
2011	.378	.39	.39	.39	1.55
2012	.39	.40	.40		

BUSINESS: WGL Holdings, Inc. is the parent of Washington Gas Light, a natural gas distributor in Washington, D.C. and adjacent areas of VA and MD to resident'l and comm'l users (1,082,983 meters). Hampshire Gas, a federally regulated sub., operates an underground gas-storage facility in WV. Non-regulated subs.: Wash. Gas Energy Svcs. sells and delivers natural gas and provides energy related products in the D.C. metro area; Wash. Gas Energy Sys. designs/installs comm'l heating, ventilating, and air cond. systems. Black Rock Inc. owns 7.4% of common stock; Off./dir. less than 1% (1/12 proxy). Chrmn. & CEO: Terry D. McCallister. Inc.: D.C. and VA. Addr.: 101 Const. Ave., N.W., Washington, D.C. 20080. Tel.: 202-624-6410. Internet: www.wglholdings.com.

WGL Holdings posted a better-than-expected bottom line for the June period. This happened despite the company registering an almost 11% decline in revenues, reflecting lower natural gas prices on a year-to-year basis. Indeed, this trend impacted both the regulated utility operations as well as the nonutility unit. On the profitability front, overall expenses declined 160 basis points as a function of the top line. On balance, the wider margins were able to offset the weaker revenues, and WGL's third-quarter earnings catapulted back into positive territory, at $0.08 a share. Consequently,

We have increased our 2012 and 2013 share-net estimates by a nickel each, to $2.55 and $2.60, respectively. The Regulated Utility division should continue to post solid gains as that unit was able to implement rate increases in Virginia and Maryland earlier this year. Additional gains will likely stem from an ever-increasing number of active customer accounts. Elsewhere, the Retail Energy-Marketing segment will likely get a boost from higher realized electric margins as a result of volume increases, customer growth, and favorable price conditions. At the Commercial Energy Systems unit, solar projects and previously delayed government contracts that are now beginning to pick up steam, augur well for prospects. Finally, the Wholesale Energy Solutions portion of WGL's business mix has been a bit of a detractor of late, as higher operation and maintenance expenses and costs related to the Commonwealth Pipeline project weigh on margins there. Still, advances at the company's other operations should contribute to a nice double-digit earnings advance this year.

The balance sheet is in good shape and continues to improve. Indeed, the cash and equivalents have increased almost twelvefold so far this year. That financial cushion now sits at more than $50 million. Meanwhile, the total debt load has declined almost 8%, and is well within manageable levels.

These shares may appeal to income-oriented investors. However, the stock is trading near the low end of our Target Price Range, thus limiting appreciation potential for the 3- to 5-year pull.

Bryan J. Fong *September 7, 2012*

(A) Fiscal years end Sept. 30th.
(B) Based on diluted shares. Excludes nonrecurring losses: '01, (13¢); '02, (34¢); '07, (4¢); '08, (14¢) discontinued operations: '06, (15¢). Qtly egs. may not sum to total, due to change in shares outstanding. Next earnings report due late Oct. (C) Dividends historically paid early February, May, August, and November. ■ Dividend reinvestment plan available.
(D) Includes deferred charges and intangibles. '11: $594.4 million, $11.56/sh.
(E) In millions, adjusted for stock split.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	60
Earnings Predictability	95

© 2012, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-833-0046.