

WESTAR ENERGY NYSE-WR				RECENT PRICE	P/E RATIO					RELATIVE P/E RATIO	DIV'D YLD	VALUE LINE	Target Price Range																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
				35.98	15.8 (Trailing: 15.7 Median: 14.0)					0.87	3.9%		2017	2018	2019																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
TIMELINESS	2	Raised 5/16/14	High: 20.5	22.9	25.0	27.2	28.6	25.9	22.3	25.9	29.0	33.0	35.0	38.2																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
SAFETY	2	Raised 4/1/05	Low: 9.8	18.1	21.1	20.1	22.8	16.0	14.9	20.6	22.6	26.8	28.6	31.7																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
TECHNICAL	3	Raised 9/12/14	<b>LEGENDS</b> 0.80 x Dividends p sh divided by Interest Rate Relative Price Strength Options: Yes Shaded area indicates recession																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
BETA	.75	(1.00 = Market)	<b>2017-19 PROJECTIONS</b> <table border="1"> <thead> <tr> <th></th> <th>Price</th> <th>Gain</th> <th>Ann'l Total Return</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>45</td> <td>(+25%)</td> <td>9%</td> </tr> <tr> <td>Low</td> <td>35</td> <td>(-5%)</td> <td>4%</td> </tr> </tbody> </table>														Price	Gain	Ann'l Total Return	High	45	(+25%)	9%	Low	35	(-5%)	4%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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LLC</th> <th>17-19</th> </tr> </thead> <tbody> <tr> <td>Revenues per sh</td> <td>30.86</td> <td>30.21</td> <td>33.80</td> <td>31.20</td> <td>24.77</td> <td>20.06</td> <td>17.02</td> <td>18.23</td> <td>18.37</td> <td>18.09</td> <td>16.98</td> <td>17.04</td> <td>18.34</td> <td>17.27</td> <td>17.88</td> <td>18.48</td> <td>19.55</td> <td>19.85</td> <td>20.75</td> </tr> <tr> <td>"Cash Flow" per sh</td> <td>6.35</td> <td>7.51</td> <td>6.96</td> <td>5.32</td> <td>4.77</td> <td>3.77</td> <td>3.12</td> <td>3.28</td> <td>3.94</td> <td>3.77</td> <td>3.14</td> <td>3.59</td> <td>4.24</td> <td>3.97</td> <td>4.30</td> <td>4.41</td> <td>4.55</td> <td>4.70</td> <td>5.10</td> </tr> <tr> <td>Earnings per sh A</td> <td>2.13</td> <td>1.48</td> <td>.89</td> <td>d.58</td> <td>1.00</td> <td>1.48</td> <td>1.17</td> <td>1.55</td> <td>1.88</td> <td>1.84</td> <td>1.31</td> <td>1.28</td> <td>1.80</td> <td>1.79</td> <td>2.15</td> <td>2.27</td> <td>2.30</td> <td>2.45</td> <td>2.90</td> </tr> <tr> <td>Div'd Decl'd per sh B=†</td> <td>2.14</td> <td>2.14</td> <td>1.44</td> <td>1.20</td> <td>1.20</td> <td>.87</td> <td>.80</td> <td>.92</td> <td>.98</td> <td>1.08</td> <td>1.16</td> <td>1.20</td> <td>1.24</td> <td>1.28</td> <td>1.32</td> <td>1.36</td> <td>1.40</td> <td>1.44</td> <td>1.60</td> </tr> <tr> <td>Cap'l Spending per sh</td> <td>2.77</td> <td>4.09</td> <td>4.40</td> <td>3.37</td> <td>1.89</td> <td>2.06</td> <td>2.19</td> <td>2.45</td> <td>3.95</td> <td>7.84</td> <td>8.65</td> <td>5.26</td> <td>4.82</td> <td>5.55</td> <td>6.40</td> <td>6.08</td> <td>6.50</td> <td>7.00</td> <td>8.15</td> </tr> <tr> <td>Book Value per sh C</td> <td>29.40</td> <td>27.83</td> <td>27.20</td> <td>25.97</td> <td>13.68</td> <td>14.23</td> <td>16.13</td> <td>16.31</td> <td>17.62</td> <td>19.14</td> <td>20.18</td> <td>20.59</td> <td>21.25</td> <td>22.03</td> <td>22.89</td> <td>23.88</td> <td>24.10</td> <td>25.60</td> <td>29.65</td> </tr> <tr> <td>Common Shs Outst'g E</td> <td>65.91</td> <td>67.40</td> <td>70.08</td> <td>70.08</td> <td>71.51</td> <td>72.84</td> <td>86.03</td> <td>86.84</td> <td>87.39</td> <td>95.46</td> <td>108.31</td> <td>109.07</td> <td>112.13</td> <td>125.70</td> <td>126.50</td> <td>128.25</td> <td>129.00</td> <td>130.00</td> <td>135.00</td> </tr> <tr> <td>Avg Ann'l P/E Ratio</td> <td>18.4</td> <td>17.2</td> <td>20.6</td> <td>--</td> <td>14.0</td> <td>10.8</td> <td>17.4</td> <td>14.8</td> <td>12.2</td> <td>14.1</td> <td>17.0</td> <td>14.9</td> <td>13.0</td> <td>14.8</td> <td>13.4</td> <td>14.0</td> <td>14.0</td> <td>13.5</td> <td></td> </tr> <tr> <td>Relative P/E Ratio</td> <td>.96</td> <td>.98</td> <td>1.34</td> <td>--</td> <td>.76</td> <td>.62</td> <td>.92</td> <td>.79</td> <td>.66</td> <td>.75</td> <td>1.02</td> <td>.99</td> <td>.83</td> <td>.93</td> <td>.85</td> <td>.79</td> <td>.79</td> <td>.85</td> <td></td> </tr> <tr> <td>Avg Ann'l Div'd Yield</td> <td>5.5%</td> <td>8.4%</td> <td>7.9%</td> <td>5.8%</td> <td>8.6%</td> <td>5.5%</td> <td>3.9%</td> <td>4.0%</td> <td>4.3%</td> <td>4.2%</td> <td>5.2%</td> <td>6.3%</td> <td>5.3%</td> <td>4.8%</td> <td>4.6%</td> <td>4.3%</td> <td>4.3%</td> <td>4.4%</td> <td></td> </tr> <tr> <td colspan="17"> <b>CAPITAL STRUCTURE as of 6/30/14</b>                      Total Debt \$3575.9 mill. Due in 5 Yrs \$675.0 mill.                      LT Debt \$3163.8 mill. LT Interest \$160.0 mill.                      (LT interest earned: 3.4x)                      Pension Assets 12/13 \$548 mill. Oblig. \$929 mill.                      Pfd Stock None                      Common Stock 129,363,382 shs.                      MARKET CAP: \$4.7 billion (Mid Cap)                 </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>% Change Retail Sales (KWH)</td> <td>+1.0</td> <td>-1.5</td> <td>+3.6</td> </tr> <tr> <td>Avg. Indust. Use (MWH)</td> <td>5589</td> <td>5588</td> <td>5407</td> </tr> <tr> <td>Avg. Indust. Revs. per KWH (¢)</td> <td>6.22</td> <td>6.60</td> <td>6.47</td> </tr> <tr> <td>Capacity at Peak (Mw)</td> <td>6784</td> <td>6557</td> <td>6671</td> </tr> <tr> <td>Peak Load, Summer (Mw)</td> <td>5549</td> <td>5411</td> <td>5489</td> </tr> <tr> <td>Annual Load Factor (%)</td> <td>55.5</td> <td>56.0</td> <td>55.9</td> </tr> <tr> <td>% Change Customers (yr-end)</td> <td>+1</td> <td>+2</td> <td>+2</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>Fixed Charge Cov. (%)</td> <td>297</td> <td>319</td> <td>323</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th></th> <th>10 Yrs.</th> <th>5 Yrs.</th> <th>Est'd '11-'13 to '17-19</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>-3.5%</td> <td>--</td> <td>2.5%</td> </tr> <tr> <td>"Cash Flow"</td> <td>-1.0%</td> <td>3.0%</td> <td>4.5%</td> </tr> <tr> <td>Earnings</td> <td>12.5%</td> <td>4.5%</td> <td>6.0%</td> </tr> <tr> <td>Dividends</td> <td>2.0%</td> <td>4.0%</td> <td>3.0%</td> </tr> <tr> <td>Book Value</td> <td>2.5%</td> <td>4.0%</td> <td>5.0%</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th>Cal-endar</th> <th colspan="4">QUARTERLY REVENUES (\$ mill.)</th> <th>Full Year</th> </tr> <tr> <th></th> <th>Mar.31</th> <th>Jun.30</th> <th>Sep.30</th> <th>Dec.31</th> <th></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>481.7</td> <td>524.9</td> <td>678.2</td> <td>486.2</td> <td>2171.0</td> </tr> <tr> <td>2012</td> <td>475.7</td> <td>566.3</td> <td>695.8</td> <td>523.7</td> <td>2261.5</td> </tr> <tr> <td>2013</td> <td>546.2</td> <td>569.6</td> <td>695.0</td> <td>559.9</td> <td>2370.7</td> </tr> <tr> <td>2014</td> <td>628.6</td> <td>612.7</td> <td>730</td> <td>553.7</td> <td>2525</td> </tr> <tr> <td>2015</td> <td>630</td> <td>620</td> <td>750</td> <td>580</td> <td>2580</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th>Cal-endar</th> <th colspan="4">EARNINGS PER SHARE A</th> <th>Full Year</th> </tr> <tr> <th></th> <th>Mar.31</th> <th>Jun.30</th> <th>Sep.30</th> <th>Dec.31</th> <th></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>.27</td> <td>.38</td> <td>.98</td> <td>.16</td> <td>1.79</td> </tr> <tr> <td>2012</td> <td>.21</td> <td>.48</td> <td>1.09</td> <td>.37</td> <td>2.15</td> </tr> <tr> <td>2013</td> <td>.40</td> <td>.52</td> <td>1.04</td> <td>.31</td> <td>2.27</td> </tr> <tr> <td>2014</td> <td>.52</td> <td>.40</td> <td>1.06</td> <td>.32</td> <td>2.30</td> </tr> <tr> <td>2015</td> <td>.50</td> <td>.50</td> <td>1.10</td> <td>.35</td> <td>2.45</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th>Cal-endar</th> <th colspan="4">QUARTERLY DIVIDENDS PAID B=†</th> <th>Full Year</th> </tr> <tr> <th></th> <th>Mar.31</th> <th>Jun.30</th> <th>Sep.30</th> <th>Dec.31</th> <th></th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>.30</td> <td>.31</td> <td>.31</td> <td>.31</td> <td>1.23</td> </tr> <tr> <td>2011</td> <td>.31</td> <td>.32</td> <td>.32</td> <td>.32</td> <td>1.27</td> </tr> <tr> <td>2012</td> <td>.32</td> <td>.33</td> <td>.33</td> <td>.33</td> <td>1.31</td> </tr> <tr> <td>2013</td> <td>.33</td> <td>.34</td> <td>.34</td> <td>.34</td> <td>1.35</td> </tr> <tr> <td>2014</td> <td>.34</td> <td>.35</td> <td>.35</td> <td></td> <td></td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="17"> <p><b>BUSINESS:</b> Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas &amp; Electric Company. Westar supplies electricity to 700,000 customers in Kansas. Electric revenue sources: residential and rural, 34%; commercial, 38%; industrial, 28%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2013 depreciation rate: 3.8%. Estimated plant age: 15 years. Fuels: coal, 52%; nuclear, 8%; gas, 40%. Has 2,302 employees. BlackRock Inc owns 7.0% of common; The Vanguard Group owns 5.8%; JP Morgan owns 5.2% (3/14 proxy). CEO and Pres.: Mark A. Ruelle. Inc.: Kansas. Addr.: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.</p> </td> </tr> <tr> <td colspan="17"> <p><b>Westar Energy was hit by rising expenses during the June term.</b> The company reported second-quarter earnings that were below our estimates, marking a 21% decline versus the same period last year. The drop was largely due to lower Corporate-Owned life insurance proceeds and higher maintenance costs for the company's electricity-generating power plants. On the bright side, revenues of \$613 million were better than anticipated, thanks to increased energy sales and elevated prices resulting from investments in air quality controls and transmission infrastructure.</p> <p><b>Retail sales continue to trend higher.</b> Led by industrial customers, retail sales were up 3.5% during the first six months of the year. Higher demand seems to be driven by an improving business environment, which is being buttressed by a burgeoning Kansas economy. In fact, unemployment in the state was last seen at 4.8%, signifying strength in an otherwise weak economic recovery.</p> <p><b>New rules designated by the Environmental Protection Agency could produce significant hurdles down the road.</b> Management has its eyes on the shaping of the EPA's new carbon rule that could significantly limit the amount of gas emissions that utilities are allowed to emit. As these regulations are implemented, the company may be forced to convert some of its coal power plants into natural gas-generating units that transmit less carbon emissions.</p> <p><b>We have reduced our expectations modestly as a result of higher costs relating to environmental regulations as well as general uncertainty surrounding the industry.</b> Our share-net call for full-year 2014 stands at \$2.30, down from \$2.45, while our 2015 earnings projection is down a quarter, to \$2.45. While we don't believe the new rules will hurt Westar significantly, there is always a chance of stricter-than-anticipated regulation being passed. In addition, rising costs that involve complying with existing rules are cutting into the bottom line and are likely to persist over the long term.</p> <p><b>This timely, good-quality issue offers a solid dividend yield, but long-term total return potential is unexciting.</b></p> <p>Daniel Henigson September 19, 2014</p> </td> </tr> <tr> <td colspan="17"> <table border="1"> <thead> <tr> <th></th> <th>B++</th> </tr> </thead> <tbody> <tr> <td>Company's Financial Strength</td> <td>B++</td> </tr> <tr> <td>Stock's Price Stability</td> <td>100</td> </tr> <tr> <td>Price Growth Persistence</td> <td>65</td> </tr> <tr> <td>Earnings Predictability</td> <td>80</td> </tr> </tbody> </table> </td> </tr> </tbody> </table>																		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19	Revenues per sh	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	17.88	18.48	19.55	19.85	20.75	"Cash Flow" per sh	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	4.30	4.41	4.55	4.70	5.10	Earnings per sh A	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	2.15	2.27	2.30	2.45	2.90	Div'd Decl'd per sh B=†	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	1.40	1.44	1.60	Cap'l Spending per sh	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	6.40	6.08	6.50	7.00	8.15	Book Value per sh C	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	22.03	22.89	23.88	24.10	25.60	29.65	Common Shs Outst'g E	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	126.50	128.25	129.00	130.00	135.00	Avg Ann'l P/E Ratio	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	13.4	14.0	14.0	13.5		Relative P/E Ratio	.96	.98	1.34	--	.76	.62	.92	.79	.66	.75	1.02	.99	.83	.93	.85	.79	.79	.85		Avg Ann'l Div'd Yield	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%	4.6%	4.3%	4.3%	4.4%		<b>CAPITAL STRUCTURE as of 6/30/14</b> Total Debt \$3575.9 mill. 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Westar supplies electricity to 700,000 customers in Kansas. Electric revenue sources: residential and rural, 34%; commercial, 38%; industrial, 28%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2013 depreciation rate: 3.8%. Estimated plant age: 15 years. Fuels: coal, 52%; nuclear, 8%; gas, 40%. Has 2,302 employees. BlackRock Inc owns 7.0% of common; The Vanguard Group owns 5.8%; JP Morgan owns 5.2% (3/14 proxy). CEO and Pres.: Mark A. Ruelle. Inc.: Kansas. Addr.: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.</p>																	<p><b>Westar Energy was hit by rising expenses during the June term.</b> The company reported second-quarter earnings that were below our estimates, marking a 21% decline versus the same period last year. The drop was largely due to lower Corporate-Owned life insurance proceeds and higher maintenance costs for the company's electricity-generating power plants. On the bright side, revenues of \$613 million were better than anticipated, thanks to increased energy sales and elevated prices resulting from investments in air quality controls and transmission infrastructure.</p> <p><b>Retail sales continue to trend higher.</b> Led by industrial customers, retail sales were up 3.5% during the first six months of the year. Higher demand seems to be driven by an improving business environment, which is being buttressed by a burgeoning Kansas economy. In fact, unemployment in the state was last seen at 4.8%, signifying strength in an otherwise weak economic recovery.</p> <p><b>New rules designated by the Environmental Protection Agency could produce significant hurdles down the road.</b> Management has its eyes on the shaping of the EPA's new carbon rule that could significantly limit the amount of gas emissions that utilities are allowed to emit. As these regulations are implemented, the company may be forced to convert some of its coal power plants into natural gas-generating units that transmit less carbon emissions.</p> <p><b>We have reduced our expectations modestly as a result of higher costs relating to environmental regulations as well as general uncertainty surrounding the industry.</b> Our share-net call for full-year 2014 stands at \$2.30, down from \$2.45, while our 2015 earnings projection is down a quarter, to \$2.45. While we don't believe the new rules will hurt Westar significantly, there is always a chance of stricter-than-anticipated regulation being passed. 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<p><b>BUSINESS:</b> Westar Energy, Inc., formerly Western Resources, is the parent of Kansas Gas &amp; Electric Company. Westar supplies electricity to 700,000 customers in Kansas. Electric revenue sources: residential and rural, 34%; commercial, 38%; industrial, 28%. Sold investment in ONEOK in 2003 and 85% ownership in Protection One in 2004. 2013 depreciation rate: 3.8%. Estimated plant age: 15 years. Fuels: coal, 52%; nuclear, 8%; gas, 40%. Has 2,302 employees. BlackRock Inc owns 7.0% of common; The Vanguard Group owns 5.8%; JP Morgan owns 5.2% (3/14 proxy). CEO and Pres.: Mark A. Ruelle. Inc.: Kansas. Addr.: 818 South Kansas Avenue, Topeka, Kansas 66612. Telephone: 785-575-6300. Internet: www.westarenergy.com.</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
<p><b>Westar Energy was hit by rising expenses during the June term.</b> The company reported second-quarter earnings that were below our estimates, marking a 21% decline versus the same period last year. The drop was largely due to lower Corporate-Owned life insurance proceeds and higher maintenance costs for the company's electricity-generating power plants. On the bright side, revenues of \$613 million were better than anticipated, thanks to increased energy sales and elevated prices resulting from investments in air quality controls and transmission infrastructure.</p> <p><b>Retail sales continue to trend higher.</b> Led by industrial customers, retail sales were up 3.5% during the first six months of the year. Higher demand seems to be driven by an improving business environment, which is being buttressed by a burgeoning Kansas economy. In fact, unemployment in the state was last seen at 4.8%, signifying strength in an otherwise weak economic recovery.</p> <p><b>New rules designated by the Environmental Protection Agency could produce significant hurdles down the road.</b> Management has its eyes on the shaping of the EPA's new carbon rule that could significantly limit the amount of gas emissions that utilities are allowed to emit. As these regulations are implemented, the company may be forced to convert some of its coal power plants into natural gas-generating units that transmit less carbon emissions.</p> <p><b>We have reduced our expectations modestly as a result of higher costs relating to environmental regulations as well as general uncertainty surrounding the industry.</b> Our share-net call for full-year 2014 stands at \$2.30, down from \$2.45, while our 2015 earnings projection is down a quarter, to \$2.45. While we don't believe the new rules will hurt Westar significantly, there is always a chance of stricter-than-anticipated regulation being passed. In addition, rising costs that involve complying with existing rules are cutting into the bottom line and are likely to persist over the long term.</p> <p><b>This timely, good-quality issue offers a solid dividend yield, but long-term total return potential is unexciting.</b></p> <p>Daniel Henigson September 19, 2014</p>																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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(A) EPS diluted from 2010 onward. Excl. non-recur. gains (losses): '98, (\$1.45); '99, (\$1.31); '00, \$1.07; '01, 27¢; '02, (\$12.06); '03, 77¢; '08, 39¢; '11, 14¢. Earnings may not sum due to rounding. Next egs. rep't due early November. (B) Div's paid in early Jan., April, July, and Oct. ■ Div'd reinvest. plan avail. † Shareholder invest. plan avail. (C) Incl. reg. assets. In 2013: \$4.92/sh. (D) Rate base determined: fair value; Rate allowed on common equity in '13: 10.0%; earned on avg. com. eq., '13: 9.5%. Regul. Cilm.: Avg. (E) In mill.

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