

# WGL HOLDINGS NYSE-WGL

RECENT PRICE **30.77** P/E RATIO **14.4** (Trailing: 17.1; Median: 15.0) RELATIVE P/E RATIO **0.85** DIV'D YLD **4.5%** VALUE LINE

<b>TIMELINESS</b> 4 Raised 8/4/06 <b>SAFETY</b> 1 Raised 4/2/93 <b>TECHNICAL</b> 3 Raised 5/26/06 <b>BETA</b> .80 (1.00 = Market)	High: 22.4 25.0 31.4 30.8 29.4 31.5 30.5 29.5 28.8 31.4 34.8 31.5 Low: 16.1 19.1 20.9 23.1 21.0 21.8 25.3 19.3 23.2 26.7 28.8 27.0	<b>LEGENDS</b> 1.30 x Dividends p sh divided by Interest Rate .... Relative Price Strength 2-for-1 split 5/95 Options: No Shaded area indicates recession	<b>2009-11 PROJECTIONS</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Price</th> <th>Gain</th> <th>Ann'l Total Return</th> </tr> <tr> <td>High 35</td> <td>(+15%)</td> <td>7%</td> </tr> <tr> <td>Low 30</td> <td>(-5%)</td> <td>4%</td> </tr> </table>	Price	Gain	Ann'l Total Return	High 35	(+15%)	7%	Low 30	(-5%)	4%	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th>Target Price Range</th> <th>2009</th> <th>2010</th> <th>2011</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Target Price Range	2009	2010	2011																																																																	
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1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11
18.75	17.50	18.37	21.55	21.69	19.30	22.19	24.16	23.74	20.92	22.19	29.80	32.63	42.45	42.93	44.94	<b>53.80</b>	<b>55.40</b>	Revenues per sh <sup>A</sup>	<b>61.50</b>
2.17	2.04	2.17	2.25	2.43	2.51	2.93	3.02	2.79	2.74	3.20	3.24	2.63	4.00	3.87	3.97	<b>3.75</b>	<b>3.90</b>	"Cash Flow" per sh	<b>4.50</b>
1.26	1.14	1.27	1.31	1.42	1.45	1.85	1.85	1.54	1.47	1.79	1.88	1.14	2.30	1.98	2.11	<b>1.85</b>	<b>1.95</b>	Earnings per sh <sup>B</sup>	<b>2.35</b>
1.01	1.05	1.07	1.09	1.11	1.12	1.14	1.17	1.20	1.22	1.24	1.26	1.27	1.28	1.30	1.32	<b>1.35</b>	<b>1.38</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>1.48</b>
2.38	2.05	2.17	2.43	2.84	2.63	2.85	3.20	3.62	3.42	2.67	2.68	3.34	2.65	2.33	2.32	<b>3.40</b>	<b>3.30</b>	Cap'l Spending per sh	<b>4.00</b>
10.17	9.63	10.66	11.04	11.51	11.95	12.79	13.48	13.86	14.72	15.31	16.24	15.78	16.25	16.95	17.80	<b>17.85</b>	<b>18.60</b>	Book Value per sh <sup>D</sup>	<b>21.15</b>
39.23	39.89	40.62	41.50	42.19	42.93	43.70	43.70	43.84	46.47	46.47	48.54	48.56	48.63	48.67	48.65	<b>48.70</b>	<b>48.70</b>	Common Shs Outst'g <sup>E</sup>	<b>48.80</b>
11.7	12.8	13.6	15.6	14.0	12.7	11.5	12.7	17.2	17.3	14.6	14.7	23.1	11.1	14.2	14.7	<b>14.7</b>	<b>14.7</b>	Avg Ann'l P/E Ratio	<b>14.0</b>
.87	.82	.82	.92	.92	.85	.72	.73	.89	.99	.95	.75	1.26	.63	.75	.78	<b>.78</b>	<b>.78</b>	Relative P/E Ratio	<b>.90</b>
6.9%	7.2%	6.2%	5.3%	5.6%	6.1%	5.4%	5.0%	4.5%	4.8%	4.8%	4.6%	4.8%	5.0%	4.6%	4.2%	<b>4.2%</b>	<b>4.2%</b>	Avg Ann'l Div'd Yield	<b>4.3%</b>

CAPITAL STRUCTURE as of 6/30/06																										
Total Debt \$726.8 mill. Due in 5 Yrs \$520.0 mill.																		Revenues (Smill) <sup>A</sup>		<b>3000</b>						
LT Debt \$581.8 mill. LT Interest \$40.0 mill.																		Net Profit (Smill)		<b>115</b>						
(LT interest earned: 4.6%; total interest coverage: 4.2x)																		Income Tax Rate		<b>38.0%</b>						
Pension Assets-9/05 \$691.7 mill.																		Net Profit Margin		<b>3.8%</b>						
Oblig. \$691.2 mill.																		Long-Term Debt Ratio		<b>39.0%</b>						
Preferred Stock \$28.2 mill. Pfd Div'd \$1.3 mill.																		Common Equity Ratio		<b>59.0%</b>						
Common Stock 48,773,729 shs. as of 7/31/06																		Total Capital (Smill)		<b>1780</b>						
MARKET CAP: \$1.5 billion (Mid Cap)																		Net Plant (Smill)		<b>2550</b>						
CURRENT POSITION				2004		2005		6/30/06																Return on Total Cap'l		<b>6.5%</b>
Cash Assets				6.6		4.8		88.1																Return on Shr. Equity		<b>10.5%</b>
Other				426.3		476.2		454.3																Return on Com Equity		<b>11.0%</b>
Current Assets				432.9		481.0		542.4																Retained to Com Eq		<b>4.0%</b>
Accts Payable				179.0		204.9		172.4																All Div'ds to Net Prof		<b>64%</b>
Debt Due				156.3		91.0		145.0																		
Other				77.6		115.5		147.8																		
Current Liab.				412.9		411.4		465.2																		
Fix. Chg. Cov.				449%		460%		450%																		

**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 and comm'l users (1,032,198 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. American Century Inv. own 9.3% of common stock; Off/dir. less than 1% (1/06 proxy). Chrmn. & CEO: J.H. DeGraffenreid, Inc.: D.C. and VA. Addr.: 1100 H St., N.W., Washington, D.C. 20080. Tel.: 202-624-6410. Internet: www.wglholdings.com.

ANNUAL RATES						Past 10 Yrs.		Past 5 Yrs.		Est'd '03-'05 to '09-'11	
of change (per sh)						7.5%		14.5%		6.0%	
Revenues						5.0%		6.5%		2.0%	
"Cash Flow"						4.5%		6.0%		1.5%	
Earnings						1.5%		1.5%		2.0%	
Dividends						4.0%		3.0%		3.5%	
Book Value											

  

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2003	560.0	851.1	373.2	279.9	2064.2
2004	585.3	862.2	356.9	285.2	2089.6
2005	623.4	929.8	349.0	284.1	2186.3
2006	909.3	1070.4	346.9	<b>293.4</b>	<b>2620</b>
2007	<b>960</b>	<b>1010</b>	<b>380</b>	<b>350</b>	<b>2700</b>

  

Fiscal Year Ends	EARNINGS PER SHARE <sup>A B</sup>				Full Fiscal Year
	Dec.31	Mar.31	Jun.30	Sep.30	
2003	1.10	1.61	d.05	d.36	2.30
2004	.81	1.62	d.08	d.37	1.98
2005	.88	1.63	d.17	d.23	2.11
2006	.91	1.16	d.01	<b>d.21</b>	<b>1.85</b>
2007	<b>.95</b>	<b>1.40</b>	<b>d.15</b>	<b>d.25</b>	<b>1.95</b>

  

Calendar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2002	.315	.318	.318	.318	1.27
2003	.318	.32	.32	.32	1.28
2004	.32	.325	.325	.325	1.30
2005	.325	.333	.333	.333	1.32
2006	.333	.338	.338		

(A) Fiscal years end Sept. 30th. (B) Based on diluted shares. Excludes non-recurring losses: '01, (13c); '02, (34c); discontinued operations: '06, (3c). (C) Dividends historically paid early February, May, August, and November. (D) Includes deferred charges and intangibles. (E) In millions, adjusted for stock split.

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Company's Financial Strength **A**  
 Stock's Price Stability **100**  
 Price Growth Persistence **70**  
 Earnings Predictability **60**

Evan I. Blatter September 15, 2006