

January 25, 2013

Industry Update

Utility 4Q12 Preview-Fundamentals Remain Under Pressure

Summary and Recommendation

The fourth quarter could mark yet another earnings season flush with disappointing news around electric utility fundamentals. Electricity volumes remained weak in the quarter, particularly around the industrial region, even as we take into account Hurricane Sandy. Also, power prices remain at very depressed levels and are down from the prior quarter. That said, we believe the utility group as a whole is far more reasonably valued after its November 2012 sell-off (see "Utilities Have Lost Their Strut, But Not Their Potential Spring" published on November 21), and EPS estimates appear to reflect a realistic assessment of fundamentals, at least for companies under our coverage. Also, the group underperformed the S&P by a staggering 18% in 2012, following a strong showing in 2011. As is typical, the fourth quarter will be important from a guidance perspective. We expect misses for DUK, PEG, and PPL and expect PCG to provide lackluster 2013 guidance. We are especially cautious on FE in the quarter since the company seems to be fending off credit rating agency downgrades and may be struggling to complete asset sales. We have a more positive bias for TE in the quarter because coal cost pressures are now well appreciated, and consensus estimates for 2013 seem too bearish. Other companies that will likely provide 2013 guidance include SO, SCG, and EIX. ETR and FE have already provided 2013 guidance.

Key Points

- **For the fourth quarter, electric output was down 1.2% on more favorable weather...What's up with that?** In the U.S., electric output was down 1.2%, yet heating degree days were up 4% year over year. Trouble is brewing. We believe industrial volumes may have been particularly weak in the Central Industrial region given that electric output was down 3.3% (more than any other region) on heating degree days that were up about 10%. Other explanations for the disconnect between weather patterns and electric output could be (1) the distribution of weather patterns over population centers; (2) erosion in electricity demand through demand-side management programs and other demand destructive initiatives; and (3) Hurricane Sandy, which affected the New England and Mid-Atlantic regions (although those regions actually fared better than some others with regard to overall electric output).
- **We are reducing our 2014 integrated estimates by 2% and lowering our FE and ETR price targets.** Since our last major update, average U.S. RTC power prices for 2014/2015 have fallen about 3%–5%, along with natural gas prices. As a result, we are revising our 2014 EPS estimates for ETR, PPL, PEG, and most notably FE, which has a large coal fleet. We are also lowering our ETR estimates to reflect the company's commentary on higher pension/post-retirement costs. We are reducing our 2013 EPS estimates for PCG because we are taking a more conservative stance on items that dilute earnings relative to the company's regulatory potential.
- **Utility stocks exposed to PJM could receive a boost through February if weather returns to normal.** A normal winter in February could lift spot and forward power prices in PJM and give a short-term boost to stocks such as FE, PEG and PPL. Here is our argument: The natural gas basis reflected in forward natural gas prices and forward power prices in the PJM area may have been artificially depressed this past year due to a mild winter. Since 2003, the spot basis from December through February averaged between \$1/MMBtu and \$3/MMBtu at Tetco M-3 and was merely \$0.37/MMBtu this past winter. As a normal winter presumably returns, we may see an uplift in natural gas prices regionally as "congestion" returns to the PJM area from high natural gas demand. This could work itself into forward natural gas and power prices (this is already starting to happen). Longer term, however, we see compression in the natural gas basis in the PJM area due to rising production of the Marcellus Shale. We describe this in detail in our industry piece on the outlook for PJM power prices. Power prices in PJM could be in a secular decline due to natural gas basis compression to Henry Hub, a lower cost generation mix, and demand response.

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4Q12 Earnings Preview in Pictures

Summary of Earnings and Price Target Revisions

Ticker	Stock Rating	Current Price	PT Old	PT New	4Q11 Actual	4Q12 EPS Estimates			'12 EPS Estimates			'13 EPS Estimates			'14 EPS Estimates		
						FBR Old	FBR New	Street	FBR Old	FBR New	Street	FBR Old	FBR New	Street	FBR Old	FBR New	Street
DUK	MP	\$67.59	\$66.50	\$66.50	\$0.72	\$0.67	\$0.67	\$0.64	\$4.29	\$4.29	\$4.26	\$4.30	\$4.30	\$4.36	\$4.59	\$4.59	\$4.63
EIX	OP	\$46.88	\$49.00	\$49.00	\$0.75	\$1.21	\$1.21	\$1.04	\$3.33	\$3.33	\$3.21	\$3.32	\$3.32	\$3.21	\$3.54	\$3.54	\$3.49
ETR	OP	\$63.83	\$69.00	\$68.00	\$0.94	\$1.14	\$1.72	\$0.96	\$5.65	\$6.23	\$5.47	\$5.03	\$4.98	\$4.97	\$5.25	\$5.18	\$5.02
FE	MP	\$39.65	\$43.00	\$41.00	\$0.77	\$0.81	\$0.81	\$0.83	\$3.33	\$3.33	\$3.34	\$2.98	\$2.90	\$2.99	\$3.10	\$3.01	\$3.07
PCG	OP	\$41.44	\$43.00	\$43.00	\$0.89	\$0.57	\$0.60	\$0.58	\$3.21	\$3.23	\$3.20	\$2.91	\$2.80	\$2.78	\$3.21	\$3.21	\$3.19
PEG	UP	\$30.20	\$28.00	\$28.00	\$0.47	\$0.36	\$0.40	\$0.38	\$2.39	\$2.43	\$2.39	\$2.22	\$2.27	\$2.33	\$2.14	\$2.13	\$2.31
PPL	MP	\$29.42	\$29.00	\$29.00	\$0.71	\$0.44	\$0.48	\$0.46	\$2.38	\$2.41	\$2.36	\$2.30	\$2.32	\$2.42	\$2.01	\$1.97	\$2.18
SCG	OP	\$46.58	\$48.00	\$48.00	\$0.75	\$0.84	\$0.81	\$0.79	\$3.21	\$3.18	\$3.16	\$3.31	\$3.31	\$3.32	\$3.42	\$3.42	\$3.42
SO	MP	\$44.14	\$44.50	\$44.50	\$0.30	\$0.39	\$0.38	\$0.40	\$2.62	\$2.61	\$2.62	\$2.75	\$2.75	\$2.78	\$2.88	\$2.88	\$2.95
TE	MP	\$17.11	\$17.00	\$17.00	\$0.25	\$0.20	\$0.20	\$0.21	\$1.19	\$1.19	\$1.17	\$1.21	\$1.21	\$1.12	\$1.17	\$1.17	\$1.19

OP = Outperform, MP = Market Perform, UP = Underperform. Consensus estimates as of January 24, 2013 (FactSet).

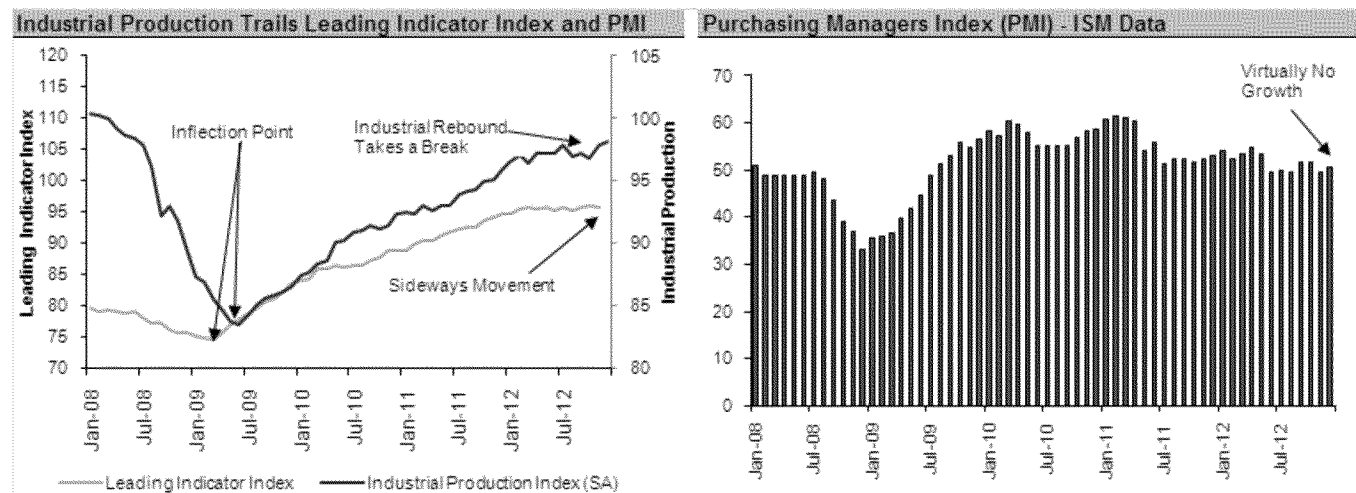
Source: FactSet and FBR Research

Earnings Schedule

Company	Ticker	Reporting	Conference			Access Code
		Date	Call Time	Dial-in Number		
Southern	SO	1/30/2013	1:00 PM	800-732-5617	NA	
TECO Energy	TE	2/5/2013	9:00 AM	877-427-4548	87246434	
Entergy	ETR	2/8/2013	11:00 AM	719-457-2080	6847131	
Duke Energy	DUK	2/13/2013	10:00 AM	800-695-0608	4249923	
PPL	PPL	2/14/2013	9:00 AM	NA	NA	
SCANA	SCG	2/21/2013	10:00 AM	800-860-2442	NA	
PG&E	PCG	2/21/2013	10:00 AM	800-971-1685	7412	
PSEG	PEG	2/21/2013	11:00 AM	800-374-2348	900007258	
FirstEnergy	FE	2/26/2013	1:00 PM	NA	NA	
Edison International	EIX	2/26/2013	5:00 PM	800-369-2198	Edison	

Source: SNL, FactSet, and company reports

Industrial Production and Leading Indicators Still Weak



Updated as of January 18, 2013.

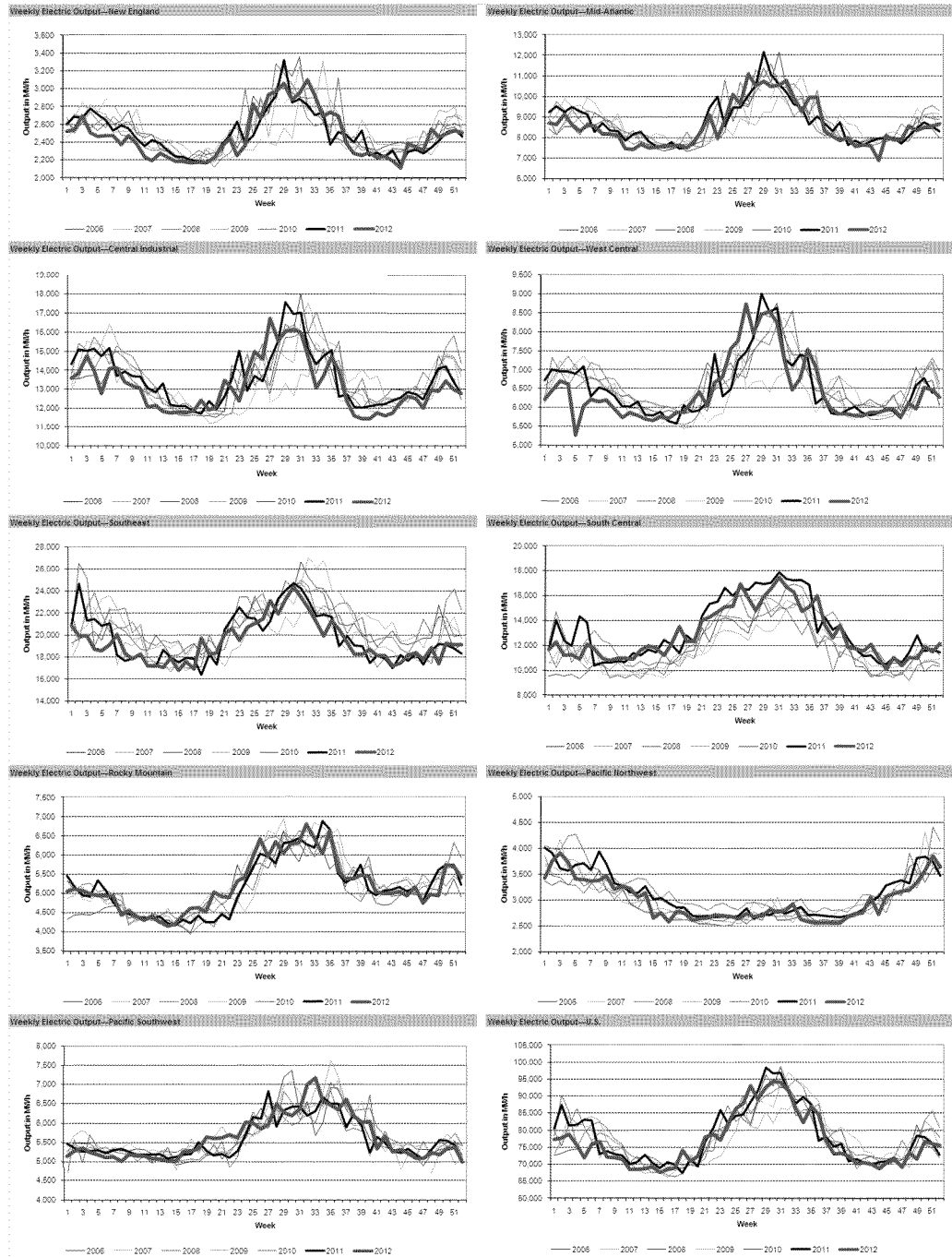
Source: ISM, Conference Board, Federal Reserve, and FBR Research

4Q12 Electric Output Was Down Despite More Favorable Weather

Electric Output by Region	4Q12				2011					2010	HDD/CDD**—4Q12 YOY Changes						
	YOY	3Q12	2Q12	1Q12	YOY	4Q11	3Q11	2Q11	1Q11		YOY	AL	AK	CA	FL	GA	
New England	0.6%	1.1%	-0.3%	-5.8%	-3.1%	-2.9%	-2.2%	-1.2%	3.1%	2.8%	CDD						
Mid-Atlantic	-0.8%	-0.2%	-0.4%	-6.1%	-1.1%	-2.0%	-1.2%	-0.9%	0.7%	3.4%	HDD	0%	3%	-11%	54%	2%	
Central Industrial	-3.3%	-3.0%	0.3%	-6.0%	-1.3%	-2.4%	-1.9%	-0.7%	0.2%	5.8%		IN	KY	LA	MD	MS	
West Central	-0.7%	-1.0%	3.7%	-7.3%	-0.5%	-1.0%	0.0%	-0.7%	0.0%	4.4%	CDD						
Southeast	0.5%	-2.5%	-0.2%	-5.8%	-4.3%	-5.3%	-2.7%	-1.4%	-5.2%	5.8%	HDD	13%	11%	-5%	13%	-1%	
South Central	-2.0%	-5.7%	1.3%	-5.1%	3.9%	3.9%	6.2%	5.2%	0.1%	4.5%		NJ	NY	NC	PA	SC	
Rocky Mountain	-1.8%	-0.4%	9.7%	-2.8%	1.0%	0.7%	1.0%	0.1%	2.5%	-0.5%	CDD						vs.
Pacific Northwest	-1.9%	-2.2%	-5.2%	-5.6%	5.0%	1.8%	2.7%	4.0%	9.0%	-0.9%	HDD	12%	10%	10%	10%	3%	nom
Pacific Southwest	-1.6%	1.6%	4.0%	-2.1%	0.4%	-2.2%	0.9%	0.3%	1.8%	-2.7%		TX	VT	VA	VW	U.S.	U.S.
Total U.S.*	-1.2%	-2.2%	1.2%	-5.4%	-0.6%	-1.7%	0.1%	0.4%	-0.5%	3.8%	CDD						

* Electric output excludes Hawaii and Alaska. ** Cooling/heating degree days.

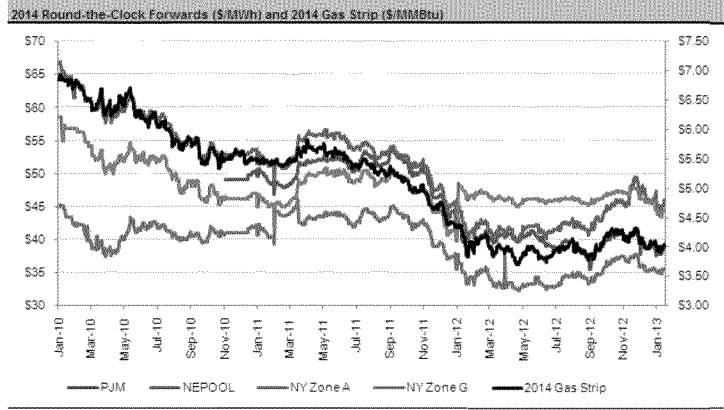
Source: Bloomberg, SNL, and FBR Research



Source: Bloomberg and FBR Research

Power Prices Are Down Since 3Q12 with Natural Gas

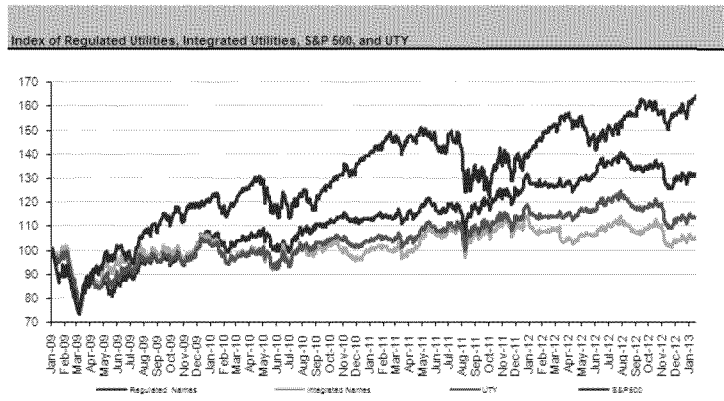
	% Change Since						
	End of '11		End of '12		End of '12		Last Update
	12/31/2011	12/31/2012	11/13/2012	1/16/2013	12/31/2011	12/31/2012	11/13/2012
2014 Fwd Power Prices:							
PJM West	\$41.98	\$37.85	\$40.92	\$38.80	-7.6%	3.0%	-5.2%
NEPOOL	\$44.15	\$47.35	\$48.03	\$45.98	4.1%	-2.9%	-4.3%
NY Zone A	\$35.48	\$35.18	\$37.38	\$35.60	0.4%	1.2%	-4.7%
NY Zone G	\$39.80	\$44.85	\$47.52	\$44.50	11.8%	-0.8%	-6.3%
NY Zone J	\$50.93	\$47.48	\$49.98	\$47.03	-7.7%	-0.9%	-5.9%
NIHub	\$31.71	\$30.59	\$32.90	\$31.62	-0.3%	3.4%	-3.9%
ERCOT North	\$42.78	\$37.84	\$44.48	\$39.58	-7.5%	4.5%	-11.1%
ERCOT South	\$39.10	\$37.68	\$40.39	\$39.24	0.3%	4.1%	-2.8%
ERCOT West	NA	NA	NA	\$36.69	NA	NA	NA
ERCOT Houston	NA	NA	NA	\$40.72	NA	NA	NA
Palo Verde	\$36.98	\$34.58	\$36.18	\$33.95	-8.2%	-1.8%	-6.2%
NP 15	\$41.75	\$40.68	\$41.80	\$40.00	-4.2%	-1.7%	-4.3%
SP 15	\$42.10	\$42.25	\$42.80	\$42.78	1.6%	1.2%	-0.1%
Mid-Columbia	\$34.78	\$31.58	\$33.85	\$31.35	-9.8%	-0.7%	-7.4%
Average (\$/MWh)	\$40.13	\$38.97	\$41.35	\$39.13	-2.3%	0.7%	-5.2%



	% Change Since						
	End of '11		End of '12		End of '12		Last Update
	12/31/2011	12/31/2012	11/13/2012	1/16/2013	12/31/2011	12/31/2012	11/13/2012
2015 Fwd Power Prices:							
PJM West	\$44.30	\$38.77	\$41.91	\$40.17	-9.3%	3.6%	-4.1%
NEPOOL	\$45.85	\$46.65	\$48.03	\$45.70	-0.3%	-2.0%	-4.8%
NY Zone A	\$37.68	\$35.70	\$37.83	\$36.65	-2.7%	2.7%	-3.1%
NY Zone G	\$49.28	\$44.98	\$48.45	\$45.65	-7.4%	1.5%	-5.8%
NY Zone J	\$53.98	\$47.55	\$51.18	\$46.53	-10.1%	2.1%	-5.2%
NIHub	\$33.45	\$31.75	\$33.70	\$33.08	-1.1%	4.2%	-1.9%
ERCOT North	NA	NA	NA	\$41.42	NA	NA	NA
ERCOT South	NA	NA	NA	\$40.88	NA	NA	NA
ERCOT West	NA	NA	NA	NA	NA	NA	NA
ERCOT Houston	NA	NA	NA	NA	NA	NA	NA
Palo Verde	\$39.78	\$37.33	\$37.83	\$36.60	-8.0%	-1.9%	-3.2%
NP 15	\$45.48	\$43.03	\$43.40	\$42.90	-5.7%	-0.3%	-1.2%
SP 15	\$45.78	\$44.33	\$44.25	\$44.78	-2.2%	1.0%	1.2%
Mid-Columbia	\$37.15	\$35.08	\$36.88	\$34.95	-5.9%	-0.4%	-5.2%
Average (\$/MWh)	\$43.27	\$40.51	\$42.34	\$40.94	-6.3%	1.0%	-3.3%

	% Change Since		
	End of '11	End of '12	Last Update
	12/31/2011	12/31/2012	11/13/2012
Performance Metrics			
Exelon	-31.8%	-0.2%	-0.9%
Dominion	-1.3%	1.2%	4.4%
NextEra Energy	17.1%	3.1%	6.3%
Entergy	-13.7%	-1.1%	-1.9%
FirstEnergy	-11.1%	-5.7%	-6.5%
PPL	-2.4%	0.3%	1.4%
Edison International	11.4%	2.1%	4.5%
PSEG	-9.8%	-2.7%	-0.2%
Integrated Group	-5.2%	-0.4%	0.9%
Regulated Group	0.7%	1.4%	2.7%
S&P500	17.1%	3.3%	7.1%
RTC 2014 Power Prices	-2.3%	0.7%	-5.2%
RTC 2015 Power Prices	-5.3%	1.0%	-3.3%
Natural Gas 2014 Strip	-7.7%	-0.7%	-5.5%
Dark Spreads 2014	-17.6%	-12.2%	-10.3%
Pain Spreads 2014	-17.0%	-20.7%	-10.8%
Corporate Bond Yields	-11.4%	2.2%	4.9%

	% Change Since						
	End of '11		End of '12		End of '12		Last Update
	12/31/2011	12/31/2012	11/13/2012	1/16/2013	12/31/2011	12/31/2012	11/13/2012
Commodity Indicators:							
2014 Natural Gas Future	\$4.34	\$4.03	\$4.24	\$4.00	-7.7%	-0.7%	-5.5%
2014 Coal Forward	\$3.11	\$2.74	\$3.09	\$2.98	-4.1%	8.7%	-3.5%
Pain Spread (\$/MMBtu)	\$1.23	\$1.29	\$1.14	\$1.02	-17.0%	-20.7%	-10.8%
Dark Spread (\$/MWh)	\$10.88	\$10.21	\$9.99	\$8.96	-17.6%	-12.2%	-10.3%
LT Average							
2014 Natural Gas Future	\$4.35	\$4.38	\$3.70	\$4.00	-8.0%	-8.7%	8.1%
2014 Coal Forward*	\$3.08	\$3.25	\$2.74	\$2.98	-3.3%	-8.1%	8.7%
Pain Spread (\$/MMBtu)**	\$0.91	\$1.34	\$0.52	\$1.02	12.6%	-23.8%	96.6%
Dark Spread (\$/MWh)***	\$8.85	\$12.67	\$5.32	\$8.96	1.2%	-29.3%	68.4%



* Converted from \$/ton to \$/MMBtu using a conversion factor of 24.

** Defined as the average of 2014 monthly gas futures less 2014 coal forward in \$/MMBtu.

*** Defined as 2014 PJM West RTC forwards less 2014 coal forwards in \$/MMBtu multiplied by a heat rate of 10.

Note: As of January 16, 2013. ERCOT data was spotty during this update.

Source: Bloomberg, FactSet, and FBR Research

Valuation

Duke Energy Corporation (DUK – Market Perform – \$66.50 price target). We base our \$66.50 price target on a 14.5x P/E multiple on estimated 2014 EPS of \$4.59. Our current target multiple is a modest discount to Southern Company's current implied P/E on 2014 and a reflection of our long-term constructive regulatory view.

Edison International (EIX – Outperform – \$49.00 price target – FBR Top Pick). We base our price target on a 13.8x P/E multiple on estimated 2014 regulated earnings less parent-level dilution.

Entergy Corporation (ETR – Outperform – \$68.00 price target). We are lowering our price target to \$68.00 from \$69.00. We base our price target on an 11x P/E multiple on 2014 Entergy Wholesale Commodities EPS of \$0.77, a 13.5x multiple on 2013 utility (excluding transmission) earnings of \$4.55, a 16.5x multiple on transmission earnings of \$0.80, and a 16.0x multiple on parent and eliminations of \$0.94.

FirstEnergy Corporation (FE – Market Perform – \$41.00 price target). We are lowering our price target to \$41.00 from \$43.00. Our price target is based on a 13.0x P/E multiple to 2014 estimated merchant earnings of roughly \$0.65/share, a 13.0x multiple to 2014 estimated regulated earnings of roughly \$1.81/share net of corporate dilution, and a 16.5x P/E multiple on regulated independent transmission earnings of \$0.55/share. Our previous price target of \$43.00 was based on a \$0.74 estimate for the merchant and on a 13.5x regulated multiple.

PG&E Corporation (PCG – Outperform – \$43.00 price target). Our price target is based on a 13.4x multiple on our 2014 EPS estimate of \$3.21.

PPL Corporation (PPL – Market Perform – \$29.00 price target). We base our price target on a 13.0x P/E multiple for Pennsylvania, a 14.0x P/E multiple for the Kentucky utilities' EPS, and a 15.0x multiple for international earnings (WPD + Central Networks). We also remove the impact of holding-company debt and the partial loss of synergies after 2014.

Public Service Enterprise Group Inc. (PEG – Underperform – \$28.00 price target). Our price target reflects a 14.0x multiple on estimated 2014 regulated earnings and a 12.6x multiple on estimated 2014 EPS for PSEG Power. We do not differentiate between generation revenues and capacity revenues, which is a limitation in our approach.

SCANA Corporation (SCG – Outperform – \$48.00 price target). Our price target is based on a 14.0x P/E multiple to our 2014 EPS estimate of \$3.42.

The Southern Company (SO – Market Perform – \$44.50 price target). We base our price target of \$44.50 on a 15.5x P/E multiple to our 2014 estimate of \$2.88. Our target multiple of 15.5x is a premium to the group because SO has commanded a premium to the group historically. Our target multiple also implicitly assumes the continuation of a very low interest rate environment.

TECO Energy, Inc. (TE – Market Perform – \$17.00 price target). We value the regulated utilities at \$15.32/share based on a 13.5x P/E multiple on estimated 2014 earnings. We ascribe \$1.58/share to net operating losses (NOLs), \$1.27/share for TECO Coal, and \$1.11/share in dilution from unallocated parent-level debt. We base our TECO Coal valuation on a 5.0 x EBITDA multiple to our 2014 EBITDA estimate of \$77 million.

Industry Risks

Level of interest rates affects valuation. There is a strong correlation between the trading multiples of regulated electric utilities and long-term interest rates. If long-term rates were to increase sharply, we would expect the trading multiples to contract.

Capital plan execution risk. Regulated utilities may not complete their capital budgets or obtain timely recovery for them. This could have an adverse effect on earnings growth, cash flows, and valuation.

Sufficient regulatory recovery is not guaranteed. Most of the regulated utilities operate on a rate-of-return/cost-of-service basis. If adequate recovery on invested capital is not achieved in a timely fashion, earnings and cash flows could be pressured. This could lead to dilutive equity issuances.

Economic downturns reduce demand for electricity. Poor economic conditions typically result in weaker electricity sales and cash flows and affect the rate of delinquent customer accounts receivable. When industrial customers reduce production, there is a particularly large negative impact on electricity consumption.

Potentially high environmental compliance costs associated with coal or carbon. Many utilities rely heavily on coal for electricity production and could face higher environmental compliance costs for carbon emissions or coal. While these costs will likely be passed through to customers for regulated utilities, we are not certain how much would be recovered. Such costs could force electricity rates up, resulting in regulatory “pushback.” Merchant utilities relying heavily on coal or natural gas could incur higher compliance costs, and not all of these costs would necessarily be recovered through market pricing dynamics.

Natural gas prices, which are volatile, can have an impact on the valuation of integrated names. Changes in the price of natural gas can affect the valuation of integrated electric utilities, both to the upside and to the downside. Such volatility appears inherent to the sector.

Increases in the cost of fuel can squeeze merchant margins. Coal, uranium, and natural gas are some of the fuel resources on which competitive businesses rely. Increases in the cost of these commodities, without offsetting power price increases, can adversely affect profit margins.

Income Statement—Duke Energy Corporation (DUK)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$10,607	\$12,720	\$13,207	\$12,733	\$14,272	\$3,663	\$3,534	\$3,964	\$3,368	\$14,529	\$19,827	\$24,752	\$25,400
Fuel and Purchased Power	\$3,711	\$4,503	\$4,945	\$4,388	\$4,925	\$1,339	\$1,285	\$1,388	\$1,133	\$5,145	\$7,412	\$9,499	\$9,850
Depreciation and Amortization	\$1,545	\$1,746	\$1,670	\$1,656	\$1,786	\$454	\$437	\$455	\$460	\$1,806	\$2,444	\$2,911	\$2,905
Operating and Maintenance and Other	\$3,420	\$3,258	\$3,351	\$3,325	\$3,825	\$880	\$959	\$866	\$997	\$3,702	\$4,761	\$5,714	\$5,792
Taxes Other Than Income Taxes	\$534	\$649	\$639	\$685	\$702	\$186	\$169	\$183	\$166	\$704	\$1,023	\$1,364	\$1,388
Total Operating Expenses	\$9,210	\$10,156	\$10,605	\$10,054	\$11,238	\$2,859	\$2,859	\$2,892	\$2,781	\$11,391	\$15,641	\$19,488	\$19,935
EBIT	\$1,397	\$2,564	\$2,602	\$2,679	\$3,034	\$804	\$675	\$1,072	\$587	\$3,138	\$4,186	\$5,264	\$5,465
Interest Expense (Including Debt AFUDC)	(\$632)	(\$685)	(\$741)	(\$643)	(\$840)	(\$219)	(\$203)	(\$213)	(\$224)	(\$859)	(\$1,314)	(\$1,694)	(\$1,669)
Other Income (Including Equity AFUDC)	\$765	\$412	\$441	\$359	\$617	\$161	\$164	\$126	\$97	\$548	\$704	\$866	\$961
EBT	\$1,530	\$2,291	\$2,302	\$2,395	\$2,811	\$746	\$636	\$985	\$460	\$2,827	\$3,576	\$4,435	\$4,757
Taxes	(\$450)	(\$712)	(\$773)	(\$818)	(\$929)	(\$233)	(\$192)	(\$323)	(\$136)	(\$884)	(\$1,109)	(\$1,375)	(\$1,475)
Net Income	\$1,080	\$1,579	\$1,529	\$1,577	\$1,882	\$513	\$444	\$662	\$324	\$1,943	\$2,468	\$3,060	\$3,283
S/O	396	1,266	423	431	440	444	444	444	448	444	575	712	716
EPS	\$2.73	\$1.25	\$3.62	\$3.66	\$4.28	\$1.16	\$1.00	\$1.49	\$0.72	\$4.38	\$4.29	\$4.30	\$4.59
% EPS Growth	-1.3%	-54.3%		1.1%	17.1%	7.7%	-3.4%	-1.7%	9.6%	2.2%	-1.9%	0.2%	6.7%

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—Duke Energy Corporation (DUK)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$1,863	\$1,500	\$1,362	\$1,085	\$1,323	\$513	\$441	\$470	\$290	\$1,714	\$1,822	\$3,060	\$3,283
Depreciation	\$2,049	\$1,446	\$1,665	\$1,797	\$1,994	\$504	\$487	\$517	\$518	\$2,026	\$2,673	\$2,846	\$2,905
Amortization of Regulatory Assets	\$166	\$442	\$169	\$49	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Operating Assets & Liabilities	(\$489)	\$76	\$293	\$56	\$684	(\$113)	(\$282)	(\$10)	\$111	(\$294)	(\$67)	\$135	\$41
Other	\$159	(\$256)	(\$161)	\$476	\$510	\$57	\$110	\$333	(\$274)	\$226	\$386	\$0	\$0
Total Cash Flow from Operations	\$3,748	\$3,208	\$3,328	\$3,463	\$4,511	\$961	\$756	\$1,310	\$645	\$3,672	\$4,814	\$6,041	\$6,229
Cash Flow from Investing													
Property Additions	(\$3,381)	(\$3,125)	(\$4,386)	(\$4,296)	(\$4,803)	(\$1,006)	(\$932)	(\$1,052)	(\$1,373)	(\$4,363)	(\$5,463)	(\$5,423)	(\$5,116)
Proceeds from Asset Sales	\$1,957	\$1,011	(\$154)	(\$149)	\$0	\$65	(\$50)	\$0	(\$15)	\$0	(\$183)	\$0	\$0
Other	\$96	(\$37)	(\$71)	(\$47)	\$380	\$23	\$62	(\$180)	\$24	(\$71)	\$39	\$0	\$0
Total Cash Flow from Investing	(\$1,328)	(\$2,151)	(\$4,611)	(\$4,492)	(\$4,423)	(\$918)	(\$920)	(\$1,232)	(\$1,364)	(\$4,434)	(\$5,607)	(\$5,423)	(\$5,116)
Cash Flow from Financing													
Short-Term Borrowings	(\$412)	\$617	(\$73)	(\$548)	(\$55)	\$58	\$5	\$474	(\$329)	\$208	\$598	\$800	\$1,000
Long-Term Borrowings	\$271	(\$535)	\$2,664	\$2,876	\$1,091	(\$18)	\$445	\$588	\$1,277	\$2,292	\$708	\$0	\$0
Dividends	(\$1,488)	(\$1,089)	(\$1,143)	(\$1,222)	(\$1,284)	(\$331)	(\$326)	(\$337)	(\$335)	(\$1,329)	(\$1,746)	(\$2,175)	(\$2,273)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$0	\$302	\$6	\$4	\$3	\$54	\$67	\$592	\$14	\$0
Other	(\$354)	(\$320)	\$143	\$479	(\$14)	(\$9)	(\$21)	(\$136)	\$130	(\$36)	\$50	\$0	\$0
Total Cash Flow from Financing	(\$1,983)	(\$1,327)	\$1,591	\$1,585	\$40	(\$294)	\$107	\$592	\$797	\$1,202	\$202	(\$1,361)	(\$1,273)
Starting Cash	\$511	\$948	\$678	\$986	\$1,542	\$1,670	\$1,419	\$1,362	\$2,032	\$1,670	\$2,110	\$1,520	\$776
Change in Cash	\$437	(\$270)	\$308	\$556	\$128	(\$251)	(\$57)	\$670	\$78	\$440	(\$590)	(\$743)	(\$160)
Ending Cash	\$948	\$678	\$986	\$1,542	\$1,670	\$1,419	\$1,362	\$2,032	\$2,110	\$2,110	\$1,520	\$776	\$617

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—Duke Energy Corporation (DUK)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$948	\$678	\$986	\$1,542	\$1,670	\$1,419	\$1,362	\$2,032	\$2,110	\$2,110	\$1,520	\$776	\$617
Accounts Receivable	\$2,256	\$1,767	\$1,293	\$1,741	\$2,157	\$1,925	\$1,969	\$1,916	\$1,941	\$1,941	\$3,296	\$3,161	\$3,120
Inventory and Materials	\$1,358	\$1,012	\$1,135	\$1,515	\$1,318	\$1,347	\$1,415	\$1,421	\$1,588	\$1,588	\$3,041	\$3,041	\$3,041
Other	\$2,485	\$1,459	\$1,859	\$968	\$1,078	\$854	\$888	\$904	\$1,241	\$1,241	\$2,458	\$2,458	\$2,458
Total Current Assets	\$7,047	\$4,916	\$5,273	\$5,766	\$6,223	\$5,545	\$5,634	\$6,273	\$6,880	\$6,880	\$10,315	\$9,437	\$9,236
Gross PPE	\$55,183	\$42,480	\$44,959	\$50,026	\$51,524	\$59,435	\$60,217	\$60,782	\$61,450	\$61,450	\$102,967	\$108,390	\$113,506
Less: Accumulated Depreciation	(\$16,883)	(\$14,461)	(\$15,784)	(\$17,412)	(\$18,195)	(\$18,491)	(\$18,607)	(\$18,905)	(\$18,789)	(\$18,789)	(\$33,126)	(\$35,972)	(\$38,877)
CWIP	\$2,257	\$2,712	\$4,379	\$5,336	\$7,015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net PPE	\$40,557	\$30,731	\$33,554	\$37,950	\$40,344	\$40,944	\$41,610	\$41,877	\$42,661	\$42,661	\$69,840	\$72,418	\$74,629
Goodwill	\$9,080	\$5,362	\$5,400	\$4,943	\$4,325	\$3,862	\$3,868	\$3,847	\$3,849	\$3,849	\$16,180	\$16,180	\$16,180
Regulatory Assets	\$1,361	\$552	\$625	\$557	\$780	\$806	\$818	\$843	\$892	\$892	\$892	\$892	\$892
Other	\$10,655	\$8,125	\$8,225	\$7,824	\$7,418	\$7,829	\$7,862	\$7,936	\$8,244	\$8,244	\$15,799	\$15,799	\$15,799
Total Assets	\$68,700	\$49,686	\$53,077	\$57,040	\$59,090	\$58,986	\$59,792	\$60,776	\$62,526	\$62,526	\$113,026	\$114,726	\$116,736
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$1,605	\$1,526	\$646	\$902	\$275	\$1,029	\$1,008	\$1,527	\$1,894	\$1,894	\$2,488	\$2,488	\$2,488
Short-Term Borrowings	\$450	\$742	\$543	\$0	\$216	\$275	\$280	\$480	\$273	\$273	\$1,375	\$2,175	\$3,175
Accounts Payable	\$1,686	\$1,585	\$1,477	\$1,390	\$1,587	\$1,305	\$1,189	\$1,080	\$1,433	\$1,433	\$1,912	\$1,912	\$1,912
Other	\$2,872	\$1,845	\$1,679	\$1,796	\$1,819	\$1,588	\$3,157	\$2,028	\$1,928	\$1,928	\$3,281	\$3,281	\$3,281
Total Current Liabilities	\$6,613	\$5,698	\$4,345	\$4,088	\$3,897	\$4,197	\$5,634	\$5,115	\$5,528	\$5,528	\$9,056	\$9,856	\$10,856
Long-Term Debt	\$18,118	\$9,498	\$13,250	\$16,113	\$17,935	\$17,226	\$17,687	\$17,584	\$18,679	\$18,679	\$36,109	\$36,109	\$36,109
Other	\$17,062	\$13,110	\$14,331	\$14,953	\$14,605	\$14,707	\$15,012	\$15,178	\$15,454	\$15,454	\$26,255	\$26,255	\$26,255
Total Liabilities	\$41,793	\$28,306	\$31,926	\$35,154	\$36,437	\$36,130	\$38,333	\$37,877	\$39,661	\$39,661	\$71,420	\$72,220	\$73,220
Preferred Stock	\$805	\$181	\$163	\$136	\$131	\$122	\$119	\$105	\$93	\$93	\$93	\$93	\$93
Shareholders' Equity	\$26,102	\$21,199	\$20,988	\$21,750	\$22,522	\$22,734	\$21,340	\$22,794	\$22,772	\$22,772	\$41,513	\$42,413	\$43,423
Total Liabilities and OE	\$68,700	\$49,686	\$53,077	\$57,040	\$59,090	\$58,986	\$59,792	\$60,776	\$62,526	\$62,526	\$113,026	\$114,726	\$116,736

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Income Statement—Entergy Corporation (ETR)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$10,932	\$11,484	\$13,094	\$10,746	\$11,488	\$2,541	\$2,803	\$3,396	\$2,489	\$11,229	\$11,149	\$11,124	\$11,304
Fuel and Purchased Power	\$5,452	\$5,103	\$6,291	\$3,946	\$4,434	\$934	\$1,078	\$1,390	\$912	\$4,313	\$4,246	\$4,285	\$4,336
Depreciation	\$888	\$964	\$1,031	\$1,083	\$1,070	\$265	\$264	\$284	\$290	\$1,102	\$1,111	\$1,169	\$1,203
Operating and Maintenance and Other	\$2,359	\$2,873	\$2,901	\$2,810	\$3,086	\$706	\$774	\$969	\$816	\$3,264	\$3,417	\$3,472	\$3,565
Taxes Other Than Income Taxes	\$429	\$489	\$497	\$504	\$534	\$125	\$129	\$152	\$130	\$536	\$509	\$510	\$517
Total Operating Expenses	\$9,127	\$9,428	\$10,719	\$8,343	\$9,124	\$2,030	\$2,245	\$2,795	\$2,146	\$9,216	\$9,282	\$9,435	\$9,622
Gross Margin	\$5,480	\$6,382	\$6,803	\$6,799	\$7,053	\$1,607	\$1,726	\$2,006	\$1,577	\$6,916	\$6,904	\$6,839	\$6,968
EBIT	\$1,805	\$2,056	\$2,375	\$2,403	\$2,363	\$511	\$559	\$601	\$343	\$2,013	\$1,867	\$1,689	\$1,682
EBITDA	\$2,693	\$3,020	\$3,405	\$3,485	\$3,433	\$776	\$823	\$884	\$632	\$3,115	\$2,978	\$2,858	\$2,885
Interest Income	\$199	\$234	\$198	\$237	\$230	\$27	\$36	\$33	\$33	\$129	\$129	\$129	\$129
Interest Expense (Including Debt AFUDC)	(\$550)	(\$637)	(\$609)	(\$570)	(\$575)	(\$128)	(\$127)	(\$128)	(\$132)	(\$514)	(\$552)	(\$556)	(\$540)
Other Income (Including Equity AFUDC)	\$122	(\$4)	(\$49)	(\$87)	(\$10)	\$3	(\$1)	\$2	(\$0)	\$4	\$61	\$144	\$193
EBT	\$1,576	\$1,649	\$1,915	\$1,982	\$2,007	\$413	\$467	\$509	\$244	\$1,633	\$1,505	\$1,407	\$1,464
Taxes	(\$578)	(\$482)	(\$640)	(\$676)	(\$673)	(\$164)	(\$151)	\$119	(\$77)	(\$273)	(\$397)	(\$520)	(\$542)
Net Income	\$998	\$1,167	\$1,275	\$1,305	\$1,334	\$249	\$316	\$628	\$167	\$1,359	\$1,108	\$886	\$923
S/O	211	203	196	196	188	180	180	178	177	178	178	178	178
EPS	\$4.72	\$5.76	\$6.51	\$6.67	\$7.10	\$1.38	\$1.76	\$3.53	\$0.94	\$7.62	\$6.23	\$4.98	\$5.18
% EPS Growth		22.0%	13.1%	2.4%	6.6%	4.1%	2.7%	28.1%	-27.5%	7.3%	-18.2%	-20.1%	4.1%

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Statement of Cash Flows—Entergy Corporation (ETR)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$1,133	\$1,135	\$1,221	\$1,251	\$1,270	\$254	\$321	\$633	\$160	\$1,367	\$873	\$886	\$923
Depreciation	\$888	\$964	\$1,031	\$1,282	\$1,494	\$367	\$430	\$464	\$485	\$1,745	\$1,111	\$1,169	\$1,203
Amortization of Regulatory assets	\$147	\$168	\$189	\$0	\$212	\$55	\$55	\$56	\$23	\$191	\$230	\$249	\$252
Amortization of Nuclear fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Cash AFUDC	(\$448)	\$241	\$538	(\$105)	(\$144)	(\$365)	(\$238)	\$366	\$670	\$434	\$0	\$0	\$0
Other & Working Capital	\$1,728	\$52	\$346	\$505	\$1,095	\$12	\$87	(\$367)	(\$340)	(\$608)	\$573	\$573	\$573
Total Cash Flow from Operations	\$3,448	\$2,560	\$3,324	\$2,933	\$3,926	\$323	\$654	\$1,153	\$999	\$3,129	\$2,786	\$2,877	\$2,951
Cash Flow from Investing													
Property Additions	(\$1,633)	(\$1,578)	(\$2,212)	(\$1,931)	(\$1,974)	(\$487)	(\$505)	(\$469)	(\$579)	(\$2,040)	(\$2,943)	(\$2,106)	(\$2,051)
Nuclear Fuel Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Asset Sales	(\$202)	(\$563)	(\$363)	\$0	\$104	(\$301)	(\$25)	(\$26)	\$238	(\$115)	(\$223)	\$0	\$0
Other	(\$92)	\$23	(\$15)	(\$163)	(\$704)	(\$109)	(\$401)	(\$72)	(\$710)	(\$1,292)	(\$242)	\$0	\$0
Total Cash Flow from Investing	(\$1,928)	(\$2,118)	(\$2,590)	(\$2,094)	(\$2,574)	(\$897)	(\$931)	(\$568)	(\$1,051)	(\$3,447)	(\$3,408)	(\$2,106)	(\$2,051)
Cash Flow from Financing													
Short-Term Borrowings	(\$15)	\$0	\$30	\$0	(\$9)	\$68	(\$52)	\$14	(\$37)	(\$7)	\$248	\$180	\$0
Long-Term Borrowings	\$30	\$1,486	\$970	\$160	(\$307)	\$411	\$386	\$69	\$2,125	\$2,991	\$260	\$0	\$0
Dividends	(\$449)	(\$507)	(\$573)	(\$577)	(\$604)	(\$149)	(\$148)	(\$148)	(\$146)	(\$590)	(\$589)	(\$591)	(\$591)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$0	(\$879)	\$12	(\$101)	(\$75)	(\$25)	(\$188)	\$5	\$0	\$0
Other	(\$653)	(\$1,200)	(\$494)	(\$633)	\$31	(\$338)	(\$5)	\$12	(\$2,157)	(\$2,488)	\$89	\$0	\$0
Total Cash Flow from Financing	(\$1,087)	(\$222)	(\$67)	(\$1,050)	(\$1,767)	\$5	\$80	(\$128)	(\$240)	(\$282)	\$13	(\$411)	(\$591)
Starting Cash	\$583	\$1,033	\$1,254	\$1,920	\$1,710	\$1,294	\$726	\$530	\$987	\$1,294	\$694	\$303	\$663
Change in Cash	\$433	\$220	\$667	(\$211)	(\$415)	(\$568)	(\$196)	\$457	(\$292)	(\$600)	(\$391)	\$360	\$309
Ending Cash	\$1,016	\$1,254	\$1,920	\$1,710	\$1,294	\$726	\$530	\$987	\$694	\$694	\$303	\$663	\$972

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—Entergy Corporation (ETR)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$1,016	\$1,254	\$1,920	\$1,710	\$1,294	\$726	\$530	\$987	\$694	\$694	\$303	\$663	\$972
Accounts Receivable	\$931	\$888	\$915	\$981	\$1,036	\$932	\$1,203	\$1,248	\$1,002	\$1,002	\$1,147	\$1,147	\$1,147
Inventory and Materials	\$798	\$901	\$992	\$1,051	\$1,085	\$1,087	\$1,082	\$1,075	\$1,097	\$1,097	\$1,136	\$1,136	\$1,136
Other	\$580	\$916	\$1,332	\$793	\$1,314	\$1,033	\$1,048	\$687	\$817	\$817	\$774	\$774	\$774
Total Current Assets	\$3,325	\$3,958	\$5,160	\$4,534	\$4,729	\$3,778	\$3,863	\$3,997	\$3,610	\$3,610	\$3,361	\$3,720	\$4,029
Gross PPE	\$31,536	\$34,000	\$35,545	\$38,956	\$39,919	\$40,113	\$40,758	\$41,019	\$42,085	\$42,085	\$44,282	\$46,388	\$48,439
Less: Accumulated Depreciation	(\$13,715)	(\$15,108)	(\$15,931)	(\$16,866)	(\$17,475)	(\$17,682)	(\$17,919)	(\$18,124)	(\$18,255)	(\$18,255)	(\$19,005)	(\$20,174)	(\$21,376)
CWIP	\$786	\$1,055	\$1,713	\$1,547	\$1,662	\$1,764	\$1,800	\$1,904	\$1,780	\$1,780	\$1,966	\$1,966	\$1,966
Net PPE	\$18,607	\$19,947	\$21,327	\$23,637	\$24,106	\$24,196	\$24,639	\$24,799	\$25,609	\$25,609	\$27,242	\$28,179	\$29,028
Goodwill	\$383	\$0	\$0	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$377	\$377
Regulatory Assets	\$3,677	\$3,735	\$4,365	\$4,259	\$4,635	\$5,157	\$4,750	\$4,611	\$4,637	\$4,637	\$4,484	\$4,235	\$3,983
Other	\$5,091	\$6,002	\$5,765	\$4,557	\$5,240	\$5,091	\$5,500	\$5,220	\$6,456	\$6,456	\$6,720	\$6,147	\$5,574
Total Assets	\$31,083	\$33,643	\$36,617	\$37,365	\$39,087	\$38,599	\$39,130	\$39,004	\$40,689	\$40,689	\$42,184	\$42,659	\$42,991
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$335	\$1,149	\$707	\$712	\$300	\$209	\$128	\$2,022	\$2,193	\$2,193	\$788	\$788	\$788
Short-Term Borrowings	\$25	\$25	\$55	\$30	\$30	\$183	\$131	\$145	\$108	\$108	\$356	\$536	\$536
Accounts Payable	\$1,123	\$1,031	\$1,476	\$998	\$1,181	\$986	\$1,044	\$883	\$1,069	\$1,069	\$1,363	\$1,363	\$1,363
Other	\$983	\$1,051	\$1,528	\$1,454	\$1,133	\$933	\$939	\$954	\$1,568	\$1,568	\$1,418	\$1,418	\$1,418
Total Current Liabilities	\$2,465	\$3,257	\$3,766	\$3,194	\$2,644	\$2,311	\$2,242	\$4,004	\$4,938	\$4,938	\$3,924	\$4,104	\$4,104
Long-Term Debt	\$8,997	\$9,949	\$11,517	\$10,706	\$11,441	\$11,581	\$12,057	\$10,242	\$10,044	\$10,044	\$11,748	\$11,748	\$11,748
Other	\$11,078	\$12,264	\$13,056	\$14,540	\$16,195	\$15,861	\$15,922	\$15,482	\$16,466	\$16,466	\$16,880	\$16,880	\$16,880
Total Liabilities	\$22,540	\$25,469	\$28,339	\$28,440	\$30,280	\$29,753	\$30,221	\$29,728	\$31,447	\$31,447	\$32,553	\$32,733	\$32,733
Preferred Stock	\$345	\$311	\$311	\$311	\$217	\$217	\$217	\$217	\$187	\$187	\$281	\$281	\$281
Shareholders' Equity	\$8,198	\$7,863	\$7,967	\$8,613	\$8,590	\$8,629	\$8,692	\$9,059	\$9,055	\$9,055	\$9,351	\$9,646	\$9,978
Total Liabilities and OE	\$31,083	\$33,643	\$36,617	\$37,365	\$39,087	\$38,599	\$39,130	\$39,004	\$40,689	\$40,689	\$42,184	\$42,659	\$42,991

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Income Statement—Edison International (EIX)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$12,169	\$12,868	\$14,112	\$12,361	\$12,409	\$2,782	\$2,983	\$3,981	\$3,014	\$12,760	\$10,741	\$10,682	\$10,765
Fuel and Purchased Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$185)	(\$185)	(\$185)
Depreciation	\$1,105	\$1,181	\$1,313	\$1,418	\$1,522	\$417	\$435	\$436	\$449	\$1,737	\$1,524	\$1,587	\$1,642
Operating and Maintenance and Other	\$3,721	\$4,065	\$4,288	\$4,387	\$4,612	\$1,149	\$1,263	\$1,119	\$1,245	\$4,776	\$4,137	\$4,210	\$4,321
Taxes Other Than Income Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Expenses	\$4,826	\$5,246	\$5,601	\$5,805	\$6,134	\$1,566	\$1,698	\$1,555	\$1,694	\$6,513	\$5,476	\$5,612	\$5,778
Gross Margin (excluding AFUDC)	\$7,313	\$7,758	\$8,120	\$8,093	\$8,307	\$2,016	\$2,078	\$2,365	\$2,146	\$8,605	\$7,369	\$7,293	\$7,358
EBIT (Excluding AFUDC)	\$2,487	\$2,512	\$2,519	\$2,288	\$2,173	\$450	\$380	\$810	\$3,014	\$4,654	\$2,291	\$2,417	\$2,604
EBITDA (Excluding AFUDC)	\$3,592	\$3,693	\$3,832	\$3,706	\$3,695	\$867	\$815	\$1,246	\$3,463	\$6,391	\$3,816	\$4,004	\$4,246
Interest Expense (Including Debt AFUDC)	(\$806)	(\$752)	(\$700)	(\$732)	(\$703)	(\$196)	(\$203)	(\$203)	(\$206)	(\$808)	(\$543)	(\$620)	(\$693)
Other Income (Including Equity AFUDC)	\$302	\$249	\$175	\$203	\$179	\$16	\$45	\$31	\$101	\$193	\$397	\$734	\$1,022
Operating Earnings	\$1,013	\$1,221	\$1,263	\$1,063	\$1,145	\$203	\$178	\$428	\$247	\$1,048	\$1,090	\$1,110	\$1,187
S/O	330	331	329	327	329	328	329	329	329	326	328	335	335
EPS	\$3.07	\$3.69	\$3.84	\$3.25	\$3.48	\$0.62	\$0.54	\$1.30	\$0.75	\$3.22	\$3.33	\$3.32	\$3.54
% EPS Growth		20.2%	4.1%	-15.4%	7.1%	-24.4%	-12.9%	-11.0%	29.3%	-7.6%	3.5%	-0.3%	6.8%

Proprietary to FBR Capital Markets & Co. January 25, 2013
 Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company documents and FBR Research

Statement of Cash Flows—Edison International (EIX)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$1,181	\$1,098	\$1,348	\$945	\$1,307	\$214	\$191	\$440	(\$824)	\$21	\$834	\$1,110	\$1,187
Depreciation and Amortization	\$1,204	\$1,292	\$1,419	\$1,538	\$1,640	\$454	\$473	\$361	\$601	\$1,889	\$1,727	\$1,587	\$1,642
Amortization of Nuclear Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Working Capital	\$73	\$12	\$88	\$44	(\$647)	(\$279)	\$3	\$39	\$465	\$228	\$610	\$145	\$145
Other & Synfuel Tax Credits	\$1,110	\$791	(\$594)	\$518	\$1,177	\$329	(\$163)	\$762	\$840	\$1,768	\$249	\$249	\$249
Total CFFO	\$3,568	\$3,193	\$2,261	\$3,045	\$3,477	\$718	\$504	\$1,602	\$1,082	\$3,906	\$3,420	\$3,091	\$3,223
Cash Flow from Investing													
Property additions	(\$2,536)	(\$2,826)	(\$2,824)	(\$3,282)	(\$4,543)	(\$1,133)	(\$1,123)	(\$1,235)	(\$1,317)	(\$4,808)	(\$5,338)	(\$4,694)	(\$4,130)
Nuclear Decommissioning Trust	(\$140)	(\$133)	(\$7)	(\$199)	(\$219)	(\$47)	(\$37)	(\$62)	(\$21)	(\$167)	(\$310)	(\$310)	(\$310)
Other	(\$287)	\$289	(\$114)	\$1,122	(\$52)	\$6	\$2	(\$5)	\$39	\$42	\$187	\$0	\$0
Total CFFI	(\$2,963)	(\$2,670)	(\$2,945)	(\$2,359)	(\$4,814)	(\$1,174)	(\$1,158)	(\$1,302)	(\$1,299)	(\$4,933)	(\$5,461)	(\$5,004)	(\$4,440)
Cash Flow from Financing													
Short-Term Borrowings	\$0	\$500	\$1,643	(\$2,058)	\$30	\$294	(\$2)	\$281	(\$184)	\$389	\$890	\$1,400	\$1,250
Long-Term Borrowings	(\$187)	(\$809)	\$2,104	(\$349)	\$1,502	\$72	\$429	(\$22)	\$709	\$1,188	\$501	\$0	\$150
Dividends	(\$352)	(\$378)	(\$397)	(\$404)	(\$411)	(\$104)	(\$105)	(\$104)	(\$104)	(\$417)	(\$425)	(\$440)	(\$449)
Shares Issued/(Repurchased)	\$66	\$86	\$30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$241	\$45
Other	(\$230)	(\$276)	(\$221)	(\$118)	(\$68)	\$103	(\$21)	(\$16)	(\$119)	(\$53)	\$847	\$847	\$847
Total Cash Flow from Financing	(\$703)	(\$877)	\$3,159	(\$2,929)	\$1,053	\$365	\$301	\$139	\$302	\$1,107	\$1,813	\$2,048	\$1,843
Starting Cash	\$1,893	\$1,795	\$1,441	\$3,916	\$1,673	\$1,389	\$1,298	\$945	\$1,384	\$1,389	\$692	\$488	\$624
Change in Cash	(\$98)	(\$354)	\$2,475	(\$2,243)	(\$284)	(\$91)	(\$353)	\$439	\$85	\$80	(\$204)	\$135	\$627
Ending Cash	\$1,795	\$1,441	\$3,916	\$1,673	\$1,389	\$1,298	\$945	\$1,384	\$1,469	\$1,469	\$488	\$624	\$1,250

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company documents and FBR Research

Balance Sheet—Edison International (EIX)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$1,795	\$1,441	\$3,916	\$1,673	\$1,389	\$1,298	\$945	\$1,384	\$1,469	\$1,469	\$488	\$624	\$1,250
Accounts Receivable	\$1,220	\$1,014	\$1,033	\$1,006	\$1,017	\$843	\$880	\$1,075	\$931	\$931	\$615	\$470	\$325
Inventory and Materials	\$392	\$432	\$553	\$533	\$568	\$586	\$589	\$592	\$624	\$624	\$36	\$36	\$36
Other	\$2,075	\$1,357	\$1,851	\$1,218	\$1,448	\$1,609	\$1,923	\$1,700	\$1,460	\$1,460	\$1,848	\$1,848	\$1,848
Total Current Assets	\$5,482	\$4,244	\$7,353	\$4,430	\$4,422	\$4,336	\$4,337	\$4,751	\$4,484	\$4,484	\$2,987	\$2,978	\$3,459
Gross PPE	\$24,687	\$26,787	\$28,674	\$31,640	\$33,672	\$39,141	\$39,955	\$40,897	\$35,639	\$35,639	\$34,178	\$38,872	\$43,002
Less: Accumulated Depreciation	(\$6,448)	(\$6,939)	(\$7,589)	(\$8,152)	(\$8,184)	(\$8,428)	(\$8,495)	(\$8,828)	(\$8,302)	(\$8,302)	(\$7,716)	(\$9,303)	(\$10,945)
CWIP	\$1,853	\$2,284	\$2,998	\$3,320	\$4,327	\$0	\$0	\$0	\$4,299	\$4,299	\$4,544	\$4,544	\$4,544
Net PPE	\$20,269	\$22,309	\$24,343	\$27,113	\$30,184	\$30,713	\$31,460	\$32,069	\$32,116	\$32,116	\$31,486	\$34,593	\$37,081
Goodwill	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Assets	\$2,818	\$2,721	\$5,414	\$4,139	\$4,347	\$4,450	\$4,690	\$4,486	\$5,466	\$5,466	\$6,050	\$6,360	\$6,670
Other	\$7,692	\$8,249	\$7,505	\$5,762	\$6,577	\$6,662	\$6,588	\$6,366	\$5,973	\$5,973	\$4,433	\$4,184	\$3,935
Total Assets	\$36,261	\$37,523	\$44,615	\$41,444	\$45,530	\$46,161	\$47,075	\$47,672	\$48,039	\$48,039	\$44,956	\$48,115	\$51,146
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$488	\$18	\$174	\$377	\$48	\$53	\$53	\$51	\$57	\$57	\$0	\$0	\$0
Short-Term Borrowings	\$0	\$500	\$2,143	\$85	\$115	\$334	\$388	\$560	\$429	\$429	\$1,309	\$2,709	\$3,959
Accounts Payable	\$1,475	\$1,407	\$2,036	\$1,743	\$1,836	\$1,545	\$1,576	\$1,762	\$1,875	\$1,875	\$1,408	\$1,408	\$1,408
Other	\$2,340	\$2,331	\$2,344	\$1,582	\$1,953	\$1,761	\$1,865	\$1,788	\$1,987	\$1,987	\$1,781	\$2,628	\$3,475
Total Current Liabilities	\$4,303	\$4,256	\$6,697	\$3,787	\$3,952	\$3,693	\$3,882	\$4,161	\$4,348	\$4,348	\$4,498	\$6,745	\$8,842
Long-Term Debt	\$9,187	\$9,117	\$11,726	\$10,966	\$12,839	\$12,998	\$13,536	\$13,010	\$14,236	\$14,236	\$9,230	\$9,230	\$9,380
Other	\$13,876	\$14,496	\$15,483	\$15,685	\$17,245	\$17,761	\$17,900	\$18,455	\$18,369	\$18,369	\$20,601	\$20,601	\$20,601
Total Liabilities	\$27,366	\$27,869	\$33,906	\$30,438	\$34,036	\$34,452	\$35,318	\$35,626	\$36,953	\$36,953	\$34,329	\$36,576	\$38,823
Shareholders' Equity	\$7,709	\$8,444	\$10,709	\$11,006	\$11,494	\$11,709	\$11,757	\$12,046	\$11,086	\$11,086	\$10,627	\$11,539	\$12,323
Total Liabilities and OE	\$36,261	\$37,523	\$44,615	\$41,444	\$45,530	\$46,161	\$47,075	\$47,672	\$48,039	\$48,039	\$44,956	\$48,115	\$51,146

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company documents and FBR Research

Income Statement—FirstEnergy Corporation (FE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$11,501	\$12,802	\$13,627	\$12,967	\$13,240	\$3,576	\$4,060	\$4,719	\$3,903	\$16,258	\$18,637	\$18,749	\$19,178
Fuel and Purchased Power	\$4,253	\$5,014	\$5,631	\$5,883	\$6,013	\$1,639	\$1,714	\$1,981	\$1,969	\$7,303	\$10,230	\$10,763	\$11,030
Depreciation and Amortization	\$957	\$1,133	\$1,414	\$1,755	\$1,426	\$352	\$372	\$414	\$312	\$1,450	\$1,453	\$1,475	\$1,497
Operating and Maintenance	\$2,965	\$3,086	\$3,042	\$2,698	\$2,775	\$1,033	\$1,105	\$949	\$822	\$3,909	\$2,950	\$2,828	\$2,842
Taxes Other Than Income Taxes	\$720	\$754	\$778	\$753	\$776	\$237	\$242	\$269	\$230	\$978	\$956	\$954	\$957
Total Operating Expenses	\$8,895	\$9,987	\$10,865	\$11,089	\$10,990	\$3,261	\$3,433	\$3,613	\$3,333	\$13,640	\$15,588	\$16,020	\$16,327
Gross Margin	\$7,248	\$7,788	\$7,996	\$7,084	\$7,227	\$1,937	\$2,346	\$2,738	\$1,934	\$8,955	\$8,408	\$7,986	\$8,148
EBIT	\$2,606	\$2,815	\$2,762	\$1,878	\$2,250	\$315	\$627	\$1,106	\$570	\$2,618	\$3,049	\$2,729	\$2,851
EBITDA	\$3,563	\$3,948	\$4,176	\$3,633	\$3,676	\$667	\$999	\$1,520	\$882	\$4,068	\$4,502	\$4,204	\$4,348
Investment Income	\$149	\$120	\$59	\$204	\$149	\$21	\$31	\$48	\$14	\$114	\$114	\$114	\$114
Interest Expense (Including Capitalized Interest)	-\$695	-\$743	-\$702	-\$695	-\$680	-\$213	-\$245	-\$250	-\$230	-\$938	-\$910	-\$867	-\$892
Other Income	-\$7	\$2	\$0	-\$4	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
EBT	\$2,053	\$2,194	\$2,119	\$1,383	\$1,719	\$123	\$413	\$904	\$354	\$1,794	\$2,253	\$1,975	\$2,073
Taxes	\$795	\$883	\$716	\$235	\$616	-\$130	\$120	\$320	\$25	\$335	\$856	\$751	\$788
Net Income	\$1,258	\$1,311	\$1,403	\$1,148	\$1,103	\$253	\$293	\$584	\$329	\$1,459	\$1,397	\$1,225	\$1,285
S/O	327	310	307	306	305	343	420	420	420	401	420	423	427
EPS	\$3.85	\$4.23	\$4.57	\$3.75	\$3.62	\$0.74	\$0.70	\$1.39	\$0.78	\$3.64	\$3.33	\$2.90	\$3.01
% EPS Growth	44.4%	9.9%	8.1%	-17.9%	-3.6%	-9.4%	-14.9%	8.7%	12.0%	0.6%	-8.5%	-12.9%	4.0%

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—FirstEnergy Corporation (FE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$1,254	\$1,309	\$1,342	\$990	\$760	\$45	\$171	\$509	\$144	\$869	\$1,259	\$1,225	\$1,285
Depreciation	\$596	\$638	\$677	\$736	\$781	\$220	\$282	\$292	\$327	\$1,121	\$1,074	\$1,097	\$1,119
Amortization of Regulatory Assets	\$951	\$1,120	\$1,165	\$1,155	\$687	\$132	\$90	\$122	(\$15)	\$329	\$378	\$378	\$378
Change in Operating Assets & Liabilities	(\$1,035)	(\$1,431)	(\$974)	\$12	\$330	\$141	(\$241)	\$282	\$148	\$330	(\$36)	\$105	\$105
Other	\$173	\$58	\$9	(\$428)	\$518	(\$47)	\$238	(\$7)	\$230	\$414	(\$241)	\$0	\$0
Total Cash Flow from Operations	\$1,939	\$1,694	\$2,219	\$2,465	\$3,076	\$491	\$540	\$1,198	\$834	\$3,063	\$2,434	\$2,805	\$2,888
Cash Flow from Investing													
Property Additions	(\$1,315)	(\$1,633)	(\$2,888)	(\$2,203)	(\$1,963)	(\$449)	(\$569)	(\$511)	(\$749)	(\$2,278)	(\$2,326)	(\$1,940)	(\$2,250)
Proceeds from Asset Sales	\$162	\$1,371	\$72	\$21	\$117	\$0	\$0	\$519	\$321	\$840	(\$97)	\$0	\$0
Other	\$44	(\$51)	(\$167)	(\$3)	(\$102)	\$590	(\$107)	(\$28)	\$27	\$482	(\$199)	(\$450)	(\$450)
Total Cash Flow from Investing	(\$1,109)	(\$313)	(\$2,983)	(\$2,185)	(\$1,948)	\$141	(\$676)	(\$20)	(\$401)	(\$956)	(\$2,622)	(\$2,390)	(\$2,700)
Cash Flow from Financing													
Short-Term Borrowings	\$386	(\$205)	\$1,494	\$0	\$0	(\$214)	\$170	(\$656)	\$700	\$0	\$1,604	(\$100)	\$700
Long-Term Borrowings	\$203	\$429	\$333	\$4,632	\$84	(\$142)	(\$357)	(\$479)	(\$1,027)	(\$2,005)	(\$210)	\$500	\$0
Dividends	(\$586)	(\$616)	(\$671)	(\$670)	(\$670)	(\$190)	(\$230)	(\$231)	(\$230)	(\$881)	(\$921)	(\$930)	(\$938)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	(\$807)	(\$950)	\$24	(\$3,913)	(\$397)	(\$4)	(\$72)	\$3	\$35	(\$38)	(\$42)	\$0	\$0
Total Cash Flow from Financing	(\$804)	(\$1,342)	\$1,180	\$49	(\$983)	(\$550)	(\$489)	(\$1,363)	(\$522)	(\$2,924)	\$431	(\$530)	(\$238)
Starting Cash	\$64	\$90	\$129	\$545	\$874	\$1,019	\$1,101	\$476	\$291	\$1,019	\$202	\$445	\$330
Change in Cash	\$26	\$39	\$416	\$329	\$145	\$82	(\$625)	(\$185)	(\$89)	(\$817)	\$243	(\$115)	(\$51)
Ending Cash	\$90	\$129	\$545	\$874	\$1,019	\$1,101	\$476	\$291	\$202	\$202	\$445	\$330	\$279

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—FirstEnergy Corporation (FE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets:													
Cash	\$90	\$129	\$545	\$874	\$1,019	\$1,101	\$476	\$291	\$202	\$202	\$445	\$330	\$279
Accounts Receivable	\$782	\$897	\$919	\$1,244	\$1,568	\$1,865	\$1,834	\$1,910	\$1,794	\$1,794	\$1,182	\$1,077	\$972
Inventory and Materials	\$577	\$521	\$605	\$647	\$638	\$852	\$866	\$822	\$811	\$811	\$875	\$875	\$875
Other	\$634	\$683	\$984	\$555	\$473	\$828	\$942	\$568	\$548	\$548	\$1,080	\$1,080	\$1,080
Total Current Assets	\$2,083	\$2,230	\$3,053	\$3,320	\$3,698	\$4,646	\$4,118	\$3,591	\$3,355	\$3,355	\$3,582	\$3,362	\$3,206
Gross PPE	\$24,105	\$24,619	\$26,482	\$27,826	\$29,451	\$38,168	\$39,568	\$39,350	\$40,122	\$40,122	\$42,388	\$44,778	\$47,478
Less: Accumulated Depreciation	(\$10,055)	(\$10,348)	(\$10,821)	(\$11,397)	(\$11,180)	(\$11,345)	(\$11,593)	(\$11,803)	(\$11,839)	(\$11,839)	(\$12,650)	(\$13,746)	(\$14,865)
CWIP	\$617	\$1,112	\$2,062	\$2,735	\$1,517	\$2,812	\$1,967	\$1,720	\$2,054	\$2,054	\$2,119	\$2,119	\$2,119
Net PPE	\$14,667	\$15,383	\$17,723	\$19,164	\$19,788	\$29,635	\$29,942	\$29,267	\$30,337	\$30,337	\$31,857	\$33,151	\$34,732
Goodwill	\$5,898	\$5,607	\$5,575	\$5,575	\$5,575	\$6,527	\$6,456	\$6,448	\$6,441	\$6,441	\$6,444	\$6,444	\$6,444
Regulatory Assets	\$4,441	\$3,945	\$3,140	\$2,356	\$1,826	\$2,084	\$2,182	\$2,160	\$2,030	\$2,030	\$1,933	\$1,554	\$1,176
Other	\$4,107	\$4,903	\$4,030	\$3,889	\$3,918	\$4,974	\$4,898	\$5,195	\$5,163	\$5,163	\$5,031	\$5,031	\$5,031
Total Assets	\$31,196	\$32,068	\$33,521	\$34,304	\$34,805	\$47,866	\$47,596	\$46,661	\$47,326	\$47,326	\$48,847	\$49,542	\$50,589
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	1,867	2,014	2,476	1,834	1,486	1,385	2,058	1,840	1,621	1,621	1,473	1,473	1,473
Short-Term Borrowings	1,108	903	2,397	1,181	700	486	656	0	0	0	1,604	1,504	2,204
Accounts Payable	726	777	794	829	872	1,080	1,122	1,009	1,174	1,174	925	925	925
Other	1,554	1,454	1,431	1,444	1,640	2,211	1,708	2,014	2,060	2,060	1,918	1,918	1,918
Total Current Liabilities	5,255	5,148	7,098	5,288	4,698	5,162	5,544	4,863	4,855	4,855	5,920	5,820	6,520
Long-Term Debt	8,535	8,869	9,100	11,908	12,579	17,535	16,491	15,823	15,716	15,716	15,627	16,127	16,127
Other	8,371	9,074	9,040	8,551	9,015	12,480	12,611	10,152	13,475	13,475	13,742	13,742	13,742
Total Liabilities	22,161	23,091	25,238	25,747	26,292	35,177	34,646	30,838	34,046	34,046	35,289	35,689	36,389
Preferred Stock	0	0	0	0	0	0	0	0	0	0	0	0	0
Shareholders' Equity	9,035	8,977	8,283	8,557	8,513	12,689	12,950	15,823	13,280	13,280	13,558	13,853	14,200
Total Liabilities and OE	\$31,196	\$32,068	\$33,521	\$34,304	\$34,805	\$47,866	\$47,596	\$46,661	\$47,326	\$47,326	\$48,847	\$49,542	\$50,589

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Income Statement—PG&E Corporation (PCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$12,539	\$13,237	\$14,628	\$13,399	\$13,841	\$3,597	\$3,684	\$3,860	\$3,815	\$14,956	\$14,982	\$14,397	\$14,723
Fuel and Purchased Power	\$5,019	\$5,472	\$6,515	\$5,002	\$5,189	\$1,396	\$1,164	\$1,394	\$1,379	\$5,333	\$5,333	\$5,333	\$5,333
Depreciation and Amortization	\$1,709	\$1,770	\$1,651	\$1,752	\$1,905	\$491	\$592	\$566	\$566	\$2,215	\$2,245	\$1,894	\$1,976
Operating and Maintenance	\$3,703	\$3,881	\$4,201	\$4,247	\$4,181	\$1,174	\$1,162	\$1,155	\$1,091	\$4,582	\$4,931	\$5,035	\$5,035
Total Operating Expenses	\$10,431	\$11,123	\$12,367	\$11,001	\$11,275	\$3,061	\$2,918	\$3,115	\$3,036	\$12,130	\$12,509	\$12,262	\$12,344
Gross Margin	\$7,520	\$7,765	\$8,113	\$8,397	\$8,652	\$2,201	\$2,520	\$2,466	\$2,436	\$9,623	\$9,649	\$9,064	\$9,390
EBIT	\$2,108	\$2,114	\$2,261	\$2,398	\$2,566	\$536	\$766	\$745	\$779	\$2,826	\$2,473	\$2,135	\$2,378
EBITDA	\$3,817	\$3,884	\$3,912	\$4,150	\$4,471	\$1,027	\$1,358	\$1,311	\$1,345	\$5,041	\$4,717	\$4,029	\$4,354
Interest Income	\$188	\$164	\$94	\$33	\$9	\$2	\$3	\$2	\$0	\$7	\$7	\$7	\$7
Interest Expense (Including Debt AFUDC)	(\$738)	(\$762)	(\$728)	(\$705)	(\$684)	(\$177)	(\$175)	(\$176)	(\$172)	(\$700)	(\$660)	(\$697)	(\$736)
Other Income (Including Equity AFUDC)	(\$13)	\$29	(\$18)	\$53	\$27	\$17	\$21	\$15	(\$4)	\$49	\$267	\$441	\$582
EBT	\$1,545	\$1,545	\$1,609	\$1,779	\$1,918	\$378	\$615	\$586	\$603	\$2,182	\$2,087	\$1,886	\$2,231
Taxes	(\$554)	(\$539)	(\$528)	(\$556)	(\$583)	(\$146)	(\$206)	(\$150)	(\$242)	(\$744)	(\$712)	(\$643)	(\$761)
Net Income	\$991	\$1,006	\$1,081	\$1,223	\$1,335	\$232	\$409	\$436	\$361	\$1,438	\$1,376	\$1,243	\$1,470
S/O	362	353	358	386	392	397	400	404	410	402	425	444	458
EPS	\$2.57	\$2.78	\$2.95	\$3.21	\$3.42	\$0.58	\$1.02	\$1.08	\$0.88	\$3.58	\$3.23	\$2.80	\$3.21
% EPS Growth		8.0%	6.1%	9.0%	6.6%	-26.5%	11.8%	6.0%	25.4%	4.4%	-9.6%	-13.5%	14.8%

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—PG&E Corporation (PCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$991	\$1,006	\$1,352	\$1,234	\$1,113	\$202	\$366	\$203	\$87	\$858	\$1,098	\$1,243	\$1,470
Depreciation	\$1,709	\$1,770	\$1,297	\$1,577	\$1,765	\$550	\$648	\$450	\$87	\$1,735	\$1,822	\$1,894	\$1,976
Amortization of Regulatory Assets	\$47	\$125	\$354	\$370	\$386	\$0	\$0	\$0	\$480	\$480	\$423	\$0	\$0
Amortization of Nuclear Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Change in Operating Assets & Liabilities	\$126	\$146	(\$840)	(\$840)	(\$6)	\$0	\$0	\$0	(\$117)	(\$117)	(\$442)	(\$191)	(\$247)
Other & Synfuel Tax Credits	(\$159)	(\$501)	\$600	\$698	(\$52)	\$336	(\$197)	\$674	(\$30)	\$783	\$1,136	(\$200)	\$0
Total Cash Flow from Operations	\$2,714	\$2,546	\$2,763	\$3,039	\$3,206	\$1,088	\$817	\$1,327	\$507	\$3,739	\$4,036	\$2,745	\$3,199
Cash Flow from Investing													
Property Additions	(\$2,402)	(\$2,769)	(\$3,628)	(\$3,958)	(\$3,802)	(\$945)	(\$952)	(\$1,071)	(\$1,070)	(\$4,038)	(\$4,768)	(\$4,013)	(\$4,054)
Nuclear Fuel Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Asset Sales	\$17	\$21	\$26	\$0	(\$51)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	(\$42)	\$82	(\$50)	\$622	(\$4)	\$62	\$130	(\$154)	\$14	\$52	\$2	\$0	\$0
Total Cash Flow from Investing	(\$2,427)	(\$2,666)	(\$3,652)	(\$3,336)	(\$3,857)	(\$883)	(\$822)	(\$1,225)	(\$1,056)	(\$3,986)	(\$4,766)	(\$4,013)	(\$4,054)
Cash Flow from Financing													
Short-Term Borrowings	\$498	(\$259)	(\$244)	\$542	\$16	\$415	(\$150)	\$6	\$511	\$782	(\$747)	\$800	\$1,400
Long-Term Borrowings	(\$606)	\$554	\$1,377	\$451	\$846	(\$597)	\$273	(\$131)	\$143	(\$312)	\$977	\$800	\$0
Dividends	(\$456)	(\$496)	(\$546)	(\$590)	(\$662)	(\$174)	(\$175)	(\$176)	(\$179)	(\$704)	(\$753)	(\$817)	(\$864)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$219	\$303	\$82	\$175	\$134	\$271	\$662	\$800	\$900	\$700
Other	\$20	\$210	\$176	(\$17)	(\$88)	\$18	(\$8)	(\$8)	\$39	\$41	\$14	\$0	\$0
Total Cash Flow from Financing	(\$544)	\$9	\$763	\$605	\$415	(\$256)	\$115	(\$175)	\$785	\$469	\$291	\$1,683	\$1,236
Starting Cash	\$713	\$456	\$345	\$219	\$527	\$291	\$240	\$350	\$277	\$291	\$513	\$58	\$473
Change in Cash	(\$257)	(\$111)	(\$126)	\$308	(\$236)	(\$51)	\$110	(\$73)	\$236	\$222	(\$455)	\$415	\$382
Ending Cash	\$456	\$345	\$219	\$527	\$291	\$240	\$350	\$277	\$513	\$513	\$58	\$473	\$855

Proprietary to FBR Capital Markets & Co. January 25, 2013
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Source: Company reports and FBR Research

Balance Sheet—PG&E Corporation (PCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$456	\$345	\$219	\$527	\$291	\$240	\$350	\$277	\$513	\$513	\$58	\$473	\$855
Accounts Receivable	\$2,221	\$2,431	\$3,068	\$2,369	\$2,096	\$2,250	\$2,559	\$2,222	\$2,257	\$2,257	\$2,224	\$2,415	\$2,663
Inventory and Materials	\$330	\$371	\$423	\$314	\$357	\$292	\$356	\$219	\$420	\$420	\$454	\$454	\$454
Other	\$2,860	\$2,302	\$2,693	\$2,447	\$2,798	\$2,689	\$2,857	\$3,159	\$3,290	\$3,290	\$2,731	\$2,731	\$2,731
Total Current Assets	\$5,867	\$5,449	\$6,403	\$5,657	\$5,542	\$5,471	\$6,122	\$5,877	\$6,480	\$6,480	\$5,467	\$6,074	\$6,703
Gross PPE	\$33,167	\$35,236	\$37,793	\$41,178	\$44,890	\$45,564	\$46,129	\$46,820	\$47,782	\$47,782	\$51,322	\$55,335	\$59,389
Less: Accumulated Depreciation	(\$12,429)	(\$12,928)	(\$13,572)	(\$14,188)	(\$14,840)	(\$15,061)	(\$15,564)	(\$15,626)	(\$15,912)	(\$15,912)	(\$16,376)	(\$18,269)	(\$20,245)
CWIP	\$1,047	\$1,348	\$2,023	\$1,888	\$1,384	\$1,369	\$1,547	\$1,623	\$1,770	\$1,770	\$2,095	\$2,095	\$2,095
Net PPE	\$21,785	\$23,656	\$26,244	\$28,878	\$31,434	\$31,872	\$32,112	\$32,817	\$33,640	\$33,640	\$37,041	\$39,160	\$41,238
Goodwill	\$45	\$65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Assets	\$4,902	\$4,459	\$5,996	\$5,522	\$5,846	\$5,665	\$5,905	\$5,714	\$6,506	\$6,506	\$6,120	\$6,120	\$6,120
Other	\$2,204	\$3,003	\$2,217	\$2,888	\$3,203	\$3,251	\$3,179	\$3,109	\$3,124	\$3,124	\$3,099	\$3,299	\$3,299
Total Assets	\$34,803	\$36,632	\$40,860	\$42,945	\$46,025	\$46,259	\$47,318	\$47,517	\$49,750	\$49,750	\$51,728	\$54,653	\$57,360
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$911	\$354	\$970	\$728	\$1,213	\$1,331	\$463	\$59	\$473	\$473	\$110	\$110	\$110
Short-Term Borrowings	\$759	\$519	\$287	\$833	\$853	\$1,288	\$1,210	\$1,137	\$1,647	\$1,647	\$897	\$1,697	\$3,097
Accounts Payable	\$4,234	\$3,763	\$3,749	\$2,387	\$2,509	\$2,716	\$2,732	\$2,628	\$2,644	\$2,644	\$2,100	\$2,100	\$2,100
Other	\$2,346	\$2,071	\$2,620	\$2,865	\$2,610	\$2,437	\$2,617	\$2,994	\$2,985	\$2,985	\$2,829	\$2,829	\$2,829
Total Current Liabilities	\$8,250	\$6,707	\$7,626	\$6,813	\$7,185	\$7,772	\$7,022	\$6,818	\$7,749	\$7,749	\$5,936	\$6,736	\$8,136
Long-Term Debt	\$8,633	\$9,753	\$10,534	\$11,208	\$11,329	\$10,615	\$11,689	\$11,626	\$11,766	\$11,766	\$13,115	\$13,915	\$13,915
Other	\$9,857	\$11,367	\$13,071	\$14,339	\$15,977	\$16,206	\$16,566	\$16,862	\$17,882	\$17,882	\$19,132	\$19,132	\$19,132
Total Liabilities	\$26,740	\$27,827	\$31,231	\$32,360	\$34,491	\$34,593	\$35,277	\$35,306	\$37,397	\$37,397	\$38,183	\$39,783	\$41,183
Preferred Stock	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252	\$252
Shareholders' Equity	\$7,811	\$8,553	\$9,377	\$10,333	\$11,282	\$11,414	\$11,789	\$11,959	\$12,101	\$12,101	\$13,293	\$14,618	\$15,925
Total Liabilities and OE	\$34,803	\$36,632	\$40,860	\$42,945	\$46,025	\$46,259	\$47,318	\$47,517	\$49,750	\$49,750	\$51,728	\$54,653	\$57,360

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Income Statement—PPL Corporation (PPL)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$6,131	\$6,354	\$7,589	\$7,929	\$8,721	\$2,884	\$2,489	\$3,120	\$2,792	\$11,285	\$10,700	\$10,848	\$10,576
Fuel and Purchased Power	\$1,736	\$1,626	\$3,271	\$3,722	\$3,722	\$1,128	\$739	\$1,141	\$1,131	\$4,139	\$4,202	\$4,256	\$4,296
Depreciation and Amortization	\$701	\$752	\$751	\$773	\$556	\$208	\$237	\$252	\$263	\$960	\$981	\$1,058	\$1,132
Operating and Maintenance and Other	\$1,904	\$1,977	\$1,776	\$1,693	\$1,724	\$661	\$755	\$870	\$458	\$2,744	\$3,113	\$3,171	\$3,140
Taxes Other Than Income Taxes	\$281	\$298	\$288	\$280	\$238	\$73	\$75	\$90	\$88	\$326	\$271	\$275	\$275
Total Operating Expenses	\$4,622	\$4,653	\$6,086	\$6,468	\$6,240	\$2,070	\$1,806	\$2,353	\$1,940	\$8,169	\$8,567	\$8,761	\$8,843
Gross Margin	\$4,395	\$4,728	\$4,318	\$4,207	\$4,999	\$1,756	\$1,750	\$1,979	\$1,661	\$7,146	\$6,497	\$6,592	\$6,280
EBIT	\$1,509	\$1,701	\$1,503	\$1,461	\$2,480	\$814	\$683	\$767	\$852	\$3,115	\$2,132	\$2,086	\$1,732
EBITDA	\$2,210	\$2,453	\$2,254	\$2,234	\$3,036	\$1,022	\$920	\$1,019	\$1,115	\$4,075	\$3,112	\$3,145	\$2,864
Interest Expense (Including Debt AFUDC)	(\$447)	(\$472)	(\$455)	(\$396)	(\$593)	(\$174)	(\$264)	(\$240)	(\$220)	(\$898)	(\$970)	(\$1,017)	(\$1,101)
Other Income (Including Equity AFUDC)	\$47	\$90	\$61	\$46	(\$31)	(\$5)	(\$34)	\$37	\$6	\$4	\$97	\$166	\$230
Operating Earnings	\$861	\$1,000	\$761	\$738	\$1,349	\$407	\$253	\$439	\$408	\$1,506	\$1,405	\$1,436	\$1,289
S/O	387	383	375	376	432	485	562	578	579	551	582	619	655
EPS	\$2.23	\$2.61	\$2.03	\$1.96	\$3.13	\$0.84	\$0.45	\$0.76	\$0.70	\$2.73	\$2.41	\$2.32	\$1.97
% EPS Growth		17.1%	-22.2%	-3.4%	59.4%	-11.1%	-27.7%	3.1%	-14.8%	-12.6%	-11.7%	-3.8%	-15.2%

Proprietary to FBR Capital Markets & Co. January 25, 2013
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Source: Company reports and FBR Research

Statement of Cash Flows—PPL Corporation (PPL)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$865	\$1,315	\$950	\$426	\$959	\$405	\$200	\$449	\$458	\$1,512	\$1,451	\$1,436	\$1,289
Depreciation and Amortization	\$446	\$458	\$461	\$471	\$567	\$208	\$238	(\$101)	\$616	\$961	\$981	\$1,058	\$1,132
Change in Working Capital	\$161	(\$178)	(\$9)	\$106	(\$356)	(\$183)	\$98	\$170	\$75	\$160	\$54	\$15	\$15
Other	\$286	(\$24)	\$187	\$849	\$864	(\$234)	\$82	\$514	(\$488)	(\$126)	\$134	\$134	\$134
Total CFO	\$1,758	\$1,571	\$1,589	\$1,852	\$2,034	\$196	\$618	\$1,032	\$661	\$2,507	\$2,619	\$2,643	\$2,569
Cash Flow from Investing													
Property additions	(\$1,474)	(\$1,722)	(\$1,750)	(\$1,313)	(\$1,689)	(\$428)	(\$575)	(\$682)	(\$802)	(\$2,487)	(\$3,529)	(\$4,068)	(\$3,921)
Nuclear Decommissioning Trust	(\$16)	(\$15)	(\$27)	(\$26)	(\$14)	\$95	\$95	\$95	(\$299)	(\$13)	(\$13)	(\$13)	(\$13)
Other	(\$127)	\$1,123	\$150	\$459	(\$6,527)	\$431	(\$5,917)	(\$153)	\$188	(\$5,452)	(\$235)	\$0	\$0
Total CFI	(\$1,617)	(\$614)	(\$1,627)	(\$880)	(\$8,230)	\$98	(\$6,397)	(\$740)	(\$913)	(\$7,952)	(\$3,777)	(\$4,081)	(\$3,934)
Cash Flow from Financing													
Short-Term Borrowings	(\$173)	\$61	\$588	(\$52)	\$70	\$187	\$0	(\$509)	\$197	(\$125)	\$549	\$2,750	\$2,600
Long-Term Borrowings	\$450	(\$231)	\$667	(\$718)	\$4,622	\$0	\$4,343	\$194	(\$2)	\$4,535	\$719	(\$1,100)	(\$900)
Dividends	(\$411)	(\$459)	(\$491)	(\$517)	(\$566)	(\$170)	(\$170)	(\$203)	(\$203)	(\$746)	(\$830)	(\$875)	(\$944)
Shares Issued/(Repurchased)	\$21	\$32	\$19	\$60	\$2,441	\$16	\$1,910	\$355	\$16	\$2,297	\$153	\$1,206	\$991
Other	\$208	(\$729)	(\$62)	(\$44)	(\$260)	(\$20)	(\$249)	\$120	(\$45)	(\$194)	(\$384)	(\$384)	(\$384)
Total Cash Flow from Financing	\$95	(\$1,326)	\$721	(\$1,271)	\$6,307	\$13	\$5,834	(\$43)	(\$37)	\$5,767	\$207	\$1,597	\$1,363
Starting Cash	\$555	\$794	\$430	\$1,100	\$801	\$925	\$1,245	\$1,269	\$1,511	\$925	\$1,202	\$169	\$328
Change in Cash	\$239	(\$364)	\$670	(\$299)	\$124	\$320	\$24	\$242	(\$309)	\$277	(\$1,033)	\$159	(\$1)
Ending Cash	\$794	\$430	\$1,100	\$801	\$925	\$1,245	\$1,269	\$1,511	\$1,202	\$1,202	\$169	\$328	\$327

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Balance Sheet—PPL Corporation (PPL)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$794	\$430	\$1,100	\$801	\$925	\$1,245	\$1,269	\$1,511	\$1,202	\$1,202	\$169	\$328	\$327
Accounts Receivable	\$591	\$661	\$533	\$468	\$742	\$802	\$704	\$875	\$827	\$827	\$814	\$799	\$784
Inventory and Materials	\$378	\$316	\$337	\$357	\$643	\$621	\$621	\$633	\$654	\$654	\$663	\$663	\$663
Other	\$1,867	\$1,761	\$2,413	\$3,126	\$4,571	\$3,079	\$2,770	\$2,393	\$3,743	\$3,743	\$2,804	\$2,804	\$2,804
Total Current Assets	\$3,630	\$3,168	\$4,383	\$4,752	\$6,881	\$5,747	\$5,364	\$5,412	\$6,426	\$6,426	\$4,450	\$4,594	\$4,578
Gross PPE	\$19,397	\$19,090	\$19,126	\$20,818	\$27,140	\$27,423	\$34,018	\$33,260	\$34,803	\$34,803	\$38,278	\$42,346	\$46,267
Less: Accumulated Depreciation	(\$8,010)	(\$7,772)	(\$7,882)	(\$8,211)	(\$8,442)	(\$8,655)	(\$8,825)	(\$9,028)	(\$9,210)	(\$9,210)	(\$10,054)	(\$11,112)	(\$12,244)
CWIP	\$682	\$1,287	\$1,131	\$567	\$2,160	\$1,331	\$1,415	\$1,549	\$1,673	\$1,673	\$2,106	\$2,106	\$2,106
Net PPE	\$12,069	\$12,605	\$12,375	\$13,174	\$20,858	\$20,099	\$26,608	\$25,781	\$27,266	\$27,266	\$30,330	\$33,340	\$36,129
Goodwill	\$1,521	\$1,326	\$1,400	\$1,421	\$2,727	\$2,755	\$5,268	\$5,270	\$5,179	\$5,179	\$4,130	\$4,130	\$4,130
Regulatory Assets	\$0	\$843	\$763	\$531	\$1,145	\$1,154	\$1,200	\$1,277	\$1,349	\$1,349	\$1,622	\$1,635	\$1,648
Other	\$2,527	\$2,030	\$2,484	\$2,287	\$1,226	\$2,986	\$2,097	\$3,216	\$2,428	\$2,428	\$3,435	\$3,301	\$3,168
Total Assets	\$19,747	\$19,972	\$21,405	\$22,165	\$32,837	\$32,741	\$40,537	\$40,956	\$42,648	\$42,648	\$43,967	\$47,000	\$49,652
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$1,108	\$678	\$696	\$0	\$0	\$0	\$0	\$502	\$0	\$0	\$0	\$0	\$0
Short-Term Borrowings	\$42	\$92	\$679	\$639	\$694	\$881	\$431	\$428	\$578	\$578	\$1,126	\$3,876	\$6,476
Accounts Payable	\$1,081	\$1,065	\$1,104	\$959	\$1,028	\$941	\$941	\$1,120	\$1,214	\$1,214	\$1,071	\$1,071	\$1,071
Other	\$1,117	\$1,047	\$1,845	\$2,584	\$3,492	\$3,080	\$3,221	\$2,490	\$3,463	\$3,463	\$3,245	\$2,861	\$2,477
Total Current Liabilities	\$3,348	\$2,882	\$4,324	\$4,182	\$5,214	\$4,902	\$4,593	\$4,540	\$5,255	\$5,255	\$5,442	\$7,808	\$10,024
Long-Term Debt	\$7,196	\$7,806	\$7,978	\$7,725	\$12,161	\$12,247	\$17,975	\$17,675	\$17,993	\$17,993	\$18,711	\$17,611	\$16,711
Other	\$3,720	\$3,408	\$3,707	\$4,443	\$6,984	\$6,794	\$7,050	\$7,625	\$8,304	\$8,304	\$8,410	\$8,410	\$8,410
Total Liabilities	\$14,264	\$14,096	\$16,009	\$16,350	\$24,359	\$23,943	\$29,618	\$29,840	\$31,552	\$31,552	\$32,563	\$33,829	\$35,145
Shareholders' Equity	\$5,122	\$5,556	\$5,077	\$5,496	\$8,210	\$8,530	\$10,651	\$10,848	\$10,828	\$10,828	\$11,386	\$13,153	\$14,489
Total Liabilities and OE	\$19,747	\$19,972	\$21,405	\$22,165	\$32,837	\$32,741	\$40,537	\$40,956	\$42,648	\$42,648	\$43,967	\$47,000	\$49,652

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Income Statement—Public Service Enterprise Group Inc. (PEG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$11,762	\$12,677	\$13,322	\$12,406	\$11,793	\$3,354	\$2,469	\$2,620	\$2,636	\$11,079	\$10,537	\$10,732	\$10,812
Fuel and Purchased Power	\$6,553	\$6,512	\$7,295	\$5,711	\$5,261	\$1,563	\$1,010	\$1,167	\$1,007	\$4,747	\$4,549	\$4,775	\$4,957
Depreciation	\$811	\$774	\$792	\$838	\$955	\$241	\$235	\$263	\$237	\$976	\$1,004	\$1,076	\$1,132
Operating and Maintenance and Other	\$2,221	\$2,406	\$2,486	\$2,603	\$2,504	\$651	\$575	\$603	\$652	\$2,481	\$2,568	\$2,629	\$2,689
Taxes Other Than Income Taxes	\$133	\$139	\$136	\$133	\$136	\$43	\$28	\$31	\$31	\$133	\$133	\$133	\$133
Total Operating Expenses	\$9,718	\$9,831	\$10,709	\$9,285	\$8,856	\$2,498	\$1,848	\$2,064	\$1,927	\$8,337	\$8,254	\$8,612	\$8,911
Gross Margin	\$5,209	\$6,165	\$6,027	\$6,695	\$6,532	\$1,791	\$1,459	\$1,453	\$1,629	\$6,332	\$5,988	\$5,957	\$5,855
EBIT	\$2,044	\$2,846	\$2,613	\$3,121	\$2,937	\$856	\$621	\$556	\$709	\$2,742	\$2,284	\$2,120	\$1,901
EBITDA	\$2,855	\$3,620	\$3,405	\$3,959	\$3,892	\$1,097	\$856	\$819	\$946	\$3,718	\$3,288	\$3,195	\$3,033
Interest Expense (Including Debt AFUDC)	(\$791)	(\$727)	(\$594)	(\$527)	(\$472)	(\$127)	(\$117)	(\$117)	(\$114)	(\$475)	(\$421)	(\$437)	(\$454)
Other Income (Including Equity AFUDC)	\$195	\$279	\$436	\$247	\$158	\$76	\$40	\$37	(\$18)	\$135	\$262	\$384	\$505
Operating Earnings	\$1,352	\$1,385	\$1,479	\$1,579	\$1,584	\$431	\$301	\$420	\$237	\$1,389	\$1,233	\$1,149	\$1,080
S/O	505	509	508	507	507	507	507	507	507	507	507	507	507
EPS	\$2.68	\$2.72	\$2.91	\$3.11	\$3.12	\$0.85	\$0.59	\$0.83	\$0.47	\$2.74	\$2.43	\$2.27	\$2.13
% EPS Growth		1.6%	6.9%	7.0%	0.3%	1.4%	-9.0%	-21.9%	-18.3%	-12.3%	-11.2%	-6.8%	-6.1%

Proprietary to FBR Capital Markets & Co. January 25, 2013
 Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—Public Service Enterprise Group Inc. (PEG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$739	\$1,335	\$1,188	\$1,592	\$1,564	\$526	\$323	\$294	\$360	\$1,503	\$1,254	\$1,149	\$1,080
Depreciation and Amortization	\$850	\$802	\$793	\$838	\$974	\$245	\$238	\$262	\$237	\$982	\$1,004	\$1,076	\$1,132
Amortization of Nuclear Fuel	\$97	\$95	\$101	\$121	\$136	\$39	\$36	\$39	\$39	\$153	\$0	\$0	\$0
Change in Working Capital	\$146	(\$198)	\$74	\$221	(\$221)	\$455	(\$2)	(\$497)	\$291	\$247	\$305	\$305	\$305
Other & Synfuel Tax Credits	\$99	(\$113)	\$189	(\$917)	(\$289)	(\$223)	(\$242)	\$916	\$221	\$672	\$196	\$196	\$196
Total CFFO	\$1,931	\$1,921	\$2,345	\$1,855	\$2,164	\$1,042	\$353	\$1,014	\$1,148	\$3,557	\$2,759	\$2,725	\$2,713
Cash Flow from Investing													
Property additions	(\$1,015)	(\$1,348)	(\$1,771)	(\$1,794)	(\$2,160)	(\$497)	(\$505)	(\$477)	\$83	(\$1,396)	(\$2,565)	(\$2,230)	(\$2,065)
Nuclear Decommissioning Trust	\$18	\$17	\$15	\$10	\$10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$754	\$1,340	\$981	\$992	\$481	\$342	(\$13)	\$323	(\$525)	\$127	(\$59)	\$0	\$0
Total CFFI	(\$243)	\$9	(\$775)	(\$792)	(\$1,669)	(\$155)	(\$518)	(\$154)	(\$442)	(\$1,269)	(\$2,624)	(\$2,230)	(\$2,065)
Cash Flow from Financing													
Short-Term Borrowings	\$281	(\$317)	(\$46)	\$511	(\$466)	(\$43)	\$277	(\$298)	\$0	(\$64)	\$216	\$350	\$400
Long-Term Borrowings	(\$1,598)	(\$841)	(\$821)	(\$870)	\$724	(\$47)	(\$656)	\$699	(\$923)	(\$927)	\$256	\$0	\$0
Dividends	(\$574)	(\$594)	(\$655)	(\$673)	(\$693)	(\$173)	(\$174)	(\$173)	(\$173)	(\$693)	(\$718)	(\$730)	(\$740)
Shares Issued/(Repurchased)	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36
Other	(\$26)	\$19	(\$107)	(\$2)	(\$130)	(\$4)	(\$23)	(\$5)	(\$18)	(\$50)	(\$25)	(\$25)	(\$25)
Total Cash Flow from Financing	(\$1,834)	(\$1,650)	(\$1,629)	(\$1,034)	(\$565)	(\$267)	(\$576)	\$223	(\$1,114)	(\$1,734)	(\$271)	(\$405)	(\$329)
Starting Cash	\$253	\$100	\$380	\$321	\$350	\$280	\$900	\$159	\$1,242	\$280	\$834	\$606	\$696
Change in Cash	(\$147)	\$280	(\$59)	\$29	(\$70)	\$620	(\$741)	\$1,083	(\$408)	\$554	(\$228)	\$90	\$318
Ending Cash	\$106	\$380	\$321	\$350	\$280	\$900	\$159	\$1,242	\$834	\$834	\$606	\$696	\$1,015

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—Public Service Enterprise Group Inc. (PEG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$106	\$380	\$321	\$350	\$280	\$900	\$159	\$1,242	\$834	\$834	\$606	\$696	\$1,015
Accounts Receivable	\$1,936	\$1,257	\$1,537	\$1,398	\$1,229	\$1,492	\$1,251	\$1,211	\$1,387	\$1,387	\$967	\$1,044	\$434
Inventory and Materials	\$1,123	\$1,084	\$1,255	\$1,167	\$1,025	\$365	\$924	\$1,105	\$1,052	\$1,052	\$1,073	\$1,073	\$1,073
Other	\$1,612	\$2,253	\$886	\$731	\$2,517	\$1,709	\$1,452	\$1,412	\$638	\$638	\$1,158	\$776	\$1,081
Total Current Assets	\$4,777	\$4,974	\$3,999	\$3,646	\$5,051	\$4,466	\$3,786	\$4,970	\$3,911	\$3,911	\$3,804	\$3,589	\$3,603
Gross PPE	\$16,571	\$16,499	\$18,329	\$19,373	\$23,272	\$23,698	\$24,056	\$24,618	\$25,080	\$25,080	\$27,519	\$29,749	\$31,814
Less: Accumulated Depreciation	(\$5,676)	(\$5,994)	(\$6,385)	(\$6,629)	(\$6,882)	(\$7,050)	(\$7,162)	(\$7,336)	(\$7,231)	(\$7,231)	(\$7,835)	(\$8,911)	(\$10,043)
CWIP	\$419	\$821	\$952	\$1,232	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net PPE	\$12,418	\$13,196	\$14,433	\$15,440	\$16,390	\$16,648	\$16,894	\$17,282	\$17,849	\$17,849	\$19,684	\$20,839	\$21,772
Goodwill	\$62	\$51	\$69	\$139	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16
Regulatory Assets	\$5,694	\$5,165	\$6,352	\$5,769	\$5,000	\$4,805	\$4,545	\$4,322	\$3,805	\$3,805	\$3,336	\$3,336	\$3,336
Other	\$5,601	\$4,913	\$4,196	\$3,736	\$3,452	\$3,435	\$3,548	\$3,321	\$4,240	\$4,240	\$4,089	\$3,893	\$3,698
Total Assets	\$28,552	\$28,299	\$29,049	\$28,730	\$29,909	\$29,370	\$28,789	\$29,911	\$29,821	\$29,821	\$30,929	\$31,673	\$32,424
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$836	\$1,123	\$1,041	\$529	\$1,121	\$1,190	\$1,187	\$1,489	\$633	\$633	\$975	\$975	\$975
Short-Term Borrowings	\$381	\$65	\$19	\$530	\$64	\$21	\$298	\$0	\$0	\$0	\$200	\$550	\$950
Accounts Payable	\$1,185	\$1,503	\$1,334	\$1,273	\$1,333	\$1,322	\$1,141	\$1,305	\$1,311	\$1,311	\$1,347	\$1,347	\$1,347
Other	\$1,314	\$1,584	\$1,016	\$882	\$967	\$950	\$904	\$898	\$1,013	\$1,013	\$717	\$692	\$667
Total Current Liabilities	\$3,716	\$4,275	\$3,410	\$3,214	\$3,485	\$3,483	\$3,530	\$3,692	\$2,957	\$2,957	\$3,239	\$3,564	\$3,939
Long-Term Debt	\$10,304	\$8,902	\$8,204	\$7,715	\$7,819	\$7,697	\$7,201	\$7,480	\$7,461	\$7,461	\$7,334	\$7,334	\$7,334
Other	\$7,705	\$7,743	\$9,573	\$8,923	\$8,964	\$8,231	\$7,947	\$8,578	\$9,131	\$9,131	\$9,525	\$9,525	\$9,525
Total Liabilities	\$21,725	\$20,920	\$21,187	\$19,852	\$20,268	\$19,411	\$18,678	\$19,750	\$19,549	\$19,549	\$20,098	\$20,423	\$20,798
Shareholders' Equity	\$6,747	\$7,299	\$7,771	\$8,788	\$9,633	\$9,957	\$10,109	\$10,159	\$10,270	\$10,270	\$10,829	\$11,248	\$11,624
Total Liabilities and OE	\$28,552	\$28,299	\$29,049	\$28,730	\$29,909	\$29,370	\$28,789	\$29,911	\$29,821	\$29,821	\$30,929	\$31,673	\$32,424

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Income Statement—SCANA Corporation (SCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$4,563	\$4,621	\$5,319	\$4,237	\$4,601	\$1,281	\$1,000	\$1,092	\$1,036	\$4,409	\$4,310	\$4,643	\$4,701
Fuel and Purchased Power	\$643	\$695	\$900	\$835	\$959	\$213	\$259	\$283	\$181	\$936	\$950	\$967	\$985
Gas Purchased for Resale	\$2,213	\$2,161	\$2,547	\$1,570	\$1,679	\$512	\$297	\$291	\$355	\$1,455	\$1,329	\$1,508	\$1,525
Depreciation and Amortization	\$333	\$324	\$319	\$316	\$335	\$86	\$86	\$87	\$87	\$346	\$356	\$431	\$443
Operating and Maintenance	\$619	\$648	\$675	\$640	\$670	\$170	\$165	\$166	\$157	\$658	\$773	\$816	\$849
Taxes Other Than Income Taxes	\$152	\$160	\$168	\$177	\$190	\$52	\$51	\$50	\$48	\$201	\$202	\$204	\$205
Total Operating Expenses	\$3,960	\$3,988	\$4,609	\$3,538	\$3,833	\$1,033	\$858	\$877	\$828	\$3,596	\$3,610	\$3,927	\$4,007
Gross Margin	\$1,707	\$1,765	\$1,872	\$1,832	\$1,963	\$556	\$444	\$518	\$500	\$2,018	\$2,030	\$2,167	\$2,191
EBIT	\$603	\$633	\$710	\$699	\$768	\$248	\$142	\$215	\$208	\$813	\$700	\$717	\$693
EBITDA	\$936	\$957	\$1,029	\$997	\$1,067	\$334	\$228	\$302	\$255	\$1,119	\$1,011	\$1,038	\$1,024
Interest Expense (Including Debt AFUDC)	(\$209)	(\$206)	(\$227)	(\$233)	(\$266)	(\$70)	(\$70)	(\$73)	(\$71)	(\$284)	(\$242)	(\$250)	(\$259)
Other Income (Including Equity AFUDC)	\$29	\$33	\$52	\$47	\$35	\$7	\$7	\$7	\$5	\$26	\$165	\$243	\$334
EBT	\$423	\$460	\$535	\$513	\$537	\$185	\$79	\$149	\$142	\$555	\$622	\$709	\$768
Taxes	(\$119)	(\$140)	(\$190)	(\$165)	(\$157)	(\$56)	(\$23)	(\$44)	(\$44)	(\$168)	(\$196)	(\$223)	(\$242)
Net Income	\$304	\$320	\$345	\$348	\$380	\$129	\$56	\$105	\$98	\$387	\$426	\$486	\$526
S/O	116	117	117	122	126	129	130	130	131	130	134	147	154
EPS	\$2.63	\$2.74	\$2.95	\$2.85	\$3.01	\$1.00	\$0.43	\$0.81	\$0.75	\$2.97	\$3.18	\$3.31	\$3.42
% EPS Growth	-5.0%	4.4%	7.5%	-3.3%	5.7%	-2.7%	-5.2%	1.7%	0.4%	-1.3%	6.8%	4.2%	3.3%

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—SCANA Corporation (SCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$310	\$320	\$346	\$357	\$376	\$128	\$56	\$105	\$98	\$387	\$426	\$486	\$526
Depreciation	\$333	\$324	\$319	\$329	\$341	\$88	\$85	\$90	\$91	\$354	\$322	\$321	\$331
Amortization of Regulatory Assets	\$31	\$25	\$25	\$3	\$45	\$0	\$0	\$0	\$8	\$8	\$0	\$0	\$0
Amortization of Nuclear Fuel	\$0	\$0	\$0	\$18	\$36	\$9	\$0	\$18	\$13	\$40	\$44	\$110	\$112
Non-Cash AFUDC	\$67	(\$50)	(\$262)	\$7	(\$162)	\$59	\$28	(\$72)	(\$137)	(\$122)	\$179	\$0	\$0
Other & Working Capital	\$12	\$111	\$26	(\$35)	\$175	(\$43)	\$15	\$111	\$61	\$144	\$97	\$35	(\$45)
Total Cash Flow from Operations	\$753	\$730	\$454	\$679	\$811	\$241	\$184	\$252	\$134	\$811	\$1,068	\$952	\$924
Cash Flow from Investing													
Property Additions	(\$527)	(\$725)	(\$904)	(\$914)	(\$876)	(\$293)	(\$173)	(\$233)	(\$185)	(\$884)	(\$1,178)	(\$1,546)	(\$1,608)
Nuclear Fuel Additions	\$0	\$0	\$0	(\$43)	(\$77)	(\$20)	(\$20)	(\$20)	(\$20)	(\$81)	(\$44)	(\$44)	(\$44)
Proceeds from Asset Sales	\$21	\$10	\$19	\$31	\$104	\$1	\$0	\$0	\$35	\$36	\$151	\$0	\$0
Other	(\$25)	(\$10)	(\$2)	\$37	(\$25)	\$12	(\$48)	(\$82)	(\$31)	(\$148)	(\$117)	\$0	\$0
Total Cash Flow from Investing	(\$531)	(\$725)	(\$887)	(\$889)	(\$874)	(\$300)	(\$241)	(\$335)	(\$201)	(\$1,077)	(\$1,188)	(\$1,590)	(\$1,652)
Cash Flow from Financing													
Short-Term Borrowings	\$60	\$140	(\$547)	\$255	\$85	\$92	\$34	\$35	\$72	\$233	(\$259)	\$0	\$0
Long-Term Borrowings	(\$24)	\$6	\$1,295	\$1	(\$41)	\$70	\$103	\$169	(\$184)	\$158	\$489	\$450	\$700
Dividends	(\$191)	(\$203)	(\$212)	(\$234)	(\$237)	(\$61)	(\$61)	(\$63)	(\$63)	(\$248)	(\$258)	(\$284)	(\$305)
Shares Issued/(Repurchased)	\$0	\$0	\$42	\$78	\$149	\$25	\$25	\$23	\$24	\$97	\$250	\$575	\$225
Other	\$72	(\$15)	(\$7)	\$0	\$0	\$0	\$0	(\$173)	\$173	\$0	\$0	\$0	\$0
Total Cash Flow from Financing	(\$83)	(\$72)	\$571	\$100	(\$44)	\$126	\$101	(\$9)	\$22	\$240	\$222	\$741	\$620
Starting Cash	\$62	\$201	\$134	\$272	\$162	\$55	\$122	\$166	\$74	\$55	\$29	\$131	\$234
Change in Cash	\$139	(\$67)	\$138	(\$110)	(\$107)	\$67	\$44	(\$92)	(\$45)	(\$26)	\$102	\$103	(\$108)
Ending Cash	\$201	\$134	\$272	\$162	\$55	\$122	\$166	\$74	\$29	\$29	\$131	\$234	\$125

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—SCANA Corporation (SCG)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$201	\$134	\$272	\$162	\$55	\$122	\$166	\$74	\$29	\$29	\$131	\$234	\$125
Accounts Receivable	\$509	\$495	\$643	\$694	\$837	\$645	\$627	\$631	\$756	\$756	\$694	\$694	\$694
Inventory and Materials	\$415	\$426	\$481	\$501	\$447	\$420	\$416	\$409	\$444	\$444	\$438	\$438	\$438
Other	\$251	\$247	\$440	\$164	\$292	\$208	\$226	\$307	\$262	\$262	\$188	\$188	\$188
Total Current Assets	\$1,376	\$1,301	\$1,836	\$1,521	\$1,631	\$1,395	\$1,435	\$1,421	\$1,491	\$1,491	\$1,451	\$1,554	\$1,445
Gross PPE	\$9,429	\$10,022	\$10,721	\$11,162	\$12,076	\$12,490	\$12,860	\$13,168	\$12,401	\$12,401	\$12,334	\$13,880	\$15,488
Less: Accumulated Depreciation	(\$2,885)	(\$3,065)	(\$3,240)	(\$3,302)	(\$3,495)	(\$3,663)	(\$3,726)	(\$3,933)	(\$3,836)	(\$3,836)	(\$3,835)	(\$4,156)	(\$4,487)
CWIP	\$326	\$400	\$711	\$1,149	(\$1,081)	\$1,197	\$1,284	\$1,405	\$1,482	\$1,482	\$1,945	\$1,945	\$1,945
Net PPE	\$6,870	\$7,357	\$8,192	\$9,009	\$7,500	\$10,024	\$10,418	\$10,640	\$10,047	\$10,047	\$10,444	\$11,669	\$12,946
Goodwill	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Assets	\$792	\$712	\$905	\$985	\$1,061	\$1,066	\$1,291	\$1,192	\$1,279	\$1,279	\$1,257	\$1,191	\$1,123
Other	\$779	\$795	\$569	\$579	\$2,776	\$388	\$0	(\$85)	\$717	\$717	\$1,034	\$999	\$1,044
Total Assets	\$9,817	\$10,165	\$11,502	\$12,094	\$12,968	\$12,873	\$13,144	\$13,168	\$13,534	\$13,534	\$14,186	\$15,413	\$16,559
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$43	\$233	\$144	\$28	\$337	\$587	\$286	\$285	\$31	\$31	\$176	\$176	\$176
Short-Term Borrowings	\$487	\$627	\$80	\$335	\$420	\$512	\$546	\$581	\$653	\$653	\$394	\$394	\$394
Accounts Payable	\$492	\$481	\$461	\$487	\$587	\$294	\$442	\$359	\$437	\$437	\$362	\$362	\$362
Other	\$383	\$380	\$470	\$406	\$523	\$432	\$379	\$459	\$521	\$521	\$479	\$479	\$479
Total Current Liabilities	\$1,405	\$1,721	\$1,155	\$1,256	\$1,867	\$1,825	\$1,653	\$1,684	\$1,642	\$1,642	\$1,411	\$1,411	\$1,411
Long-Term Debt	\$3,075	\$2,886	\$4,368	\$4,483	\$4,152	\$3,989	\$4,379	\$4,376	\$4,622	\$4,622	\$4,976	\$5,426	\$6,126
Other	\$2,385	\$2,492	\$2,828	\$2,947	\$3,247	\$3,259	\$3,307	\$3,270	\$3,381	\$3,381	\$3,482	\$3,482	\$3,482
Total Liabilities	\$6,865	\$7,099	\$8,351	\$8,686	\$9,266	\$9,073	\$9,339	\$9,330	\$9,645	\$9,645	\$9,869	\$10,319	\$11,019
Preferred Stock	\$106	\$106	\$106	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shareholders' Equity	\$2,846	\$2,960	\$3,045	\$3,408	\$3,702	\$3,800	\$3,805	\$3,838	\$3,889	\$3,889	\$4,317	\$5,094	\$5,540
Total Liabilities and OE	\$9,817	\$10,165	\$11,502	\$12,094	\$12,968	\$12,873	\$13,144	\$13,168	\$13,534	\$13,534	\$14,186	\$15,413	\$16,559

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Income Statement—TECO Energy, Inc. (TE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$3,448	\$3,339	\$3,375	\$3,311	\$3,464	\$796	\$886	\$911	\$751	\$3,343	\$3,306	\$3,401	\$3,559
Fuel and Purchased Power	\$1,390	\$1,517	\$1,601	\$1,330	\$1,213	\$254	\$292	\$300	\$222	\$1,068	\$1,130	\$1,209	\$1,294
Depreciation and Amortization	\$282	\$248	\$266	\$288	\$313	\$80	\$81	\$82	\$81	\$325	\$327	\$337	\$352
Operating and Maintenance and Other	\$1,140	\$916	\$910	\$982	\$1,132	\$273	\$286	\$283	\$263	\$1,104	\$1,024	\$1,021	\$1,104
Taxes Other Than Income Taxes	\$218	\$218	\$212	\$224	\$227	\$59	\$56	\$57	\$54	\$225	\$229	\$232	\$236
Total Operating Expenses	\$3,030	\$2,900	\$2,990	\$2,825	\$2,885	\$665	\$715	\$722	\$620	\$2,722	\$2,710	\$2,799	\$2,986
Gross Margin	\$2,058	\$1,823	\$1,774	\$1,980	\$2,251	\$542	\$594	\$611	\$529	\$2,276	\$2,176	\$2,192	\$2,266
EBIT	\$418	\$440	\$385	\$486	\$579	\$131	\$171	\$189	\$131	\$622	\$596	\$602	\$573
EBITDA	\$700	\$688	\$651	\$774	\$892	\$211	\$252	\$271	\$212	\$946	\$923	\$939	\$925
Interest Expense (Including Debt AFUDC)	(\$278)	(\$253)	(\$229)	(\$227)	(\$231)	(\$53)	(\$51)	(\$51)	(\$50)	(\$205)	(\$189)	(\$178)	(\$176)
Other Income (Including Equity AFUDC)	\$223	\$95	\$101	\$79	\$73	\$2	\$2	\$3	\$4	\$10	(\$5)	(\$16)	(\$3)
EBT	\$363	\$282	\$257	\$338	\$421	\$80	\$122	\$141	\$84	\$427	\$402	\$408	\$395
Taxes	(\$119)	(\$82)	(\$74)	(\$109)	(\$145)	(\$28)	(\$44)	(\$51)	(\$30)	(\$154)	(\$145)	(\$147)	(\$143)
Net Income	\$244	\$200	\$183	\$230	\$276	\$52	\$78	\$90	\$54	\$273	\$257	\$261	\$253
S/O	210	210	210	213	215	215	215	215	215	215	215	215	215
EPS	\$1.16	\$0.95	\$0.87	\$1.08	\$1.29	\$0.24	\$0.36	\$0.42	\$0.25	\$1.27	\$1.19	\$1.21	\$1.17
% EPS Growth	15.8%	-18.2%	-8.4%	23.5%	19.3%	-29.6%	-2.7%	21.1%	9.1%	-1.3%	-5.9%	1.3%	-3.0%

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Statement of Cash Flows—TECO Energy, Inc. (TE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$246	\$413	\$162	\$214	\$240	\$52	\$78	\$90	\$53	\$273	\$211	\$261	\$253
Depreciation	\$282	\$264	\$266	\$288	\$163	\$80	\$81	\$82	\$81	\$325	\$327	\$337	\$352
Amortization	\$12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Nuclear Fuel Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Changes in Operating Assets & Liabilities	(\$25)	(\$282)	\$75	\$86	\$207	\$23	(\$23)	\$65	\$101	\$166	(\$5)	(\$10)	(\$21)
Other	\$52	\$159	(\$116)	\$137	\$55	\$76	\$21	\$47	(\$153)	(\$9)	\$181	\$0	\$0
Total Cash Flow from Operations	\$567	\$554	\$388	\$725	\$664	\$230	\$157	\$285	\$83	\$754	\$714	\$587	\$584
Cash Flow from Investing													
Capital Expenditures	(\$456)	(\$494)	(\$590)	(\$640)	(\$347)	(\$93)	(\$107)	(\$98)	(\$156)	(\$454)	(\$278)	(\$535)	(\$682)
Nuclear Fuel Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asset Sales	\$100	\$405	\$1	\$32	\$1	\$0	\$0	\$0	\$0	\$0	\$7	\$0	\$0
Other	\$4	\$62	\$96	\$26	\$49	\$17	\$1	\$1	\$0	\$19	\$2	\$0	\$0
Total Cash Flow from Investing	(\$352)	(\$28)	(\$493)	(\$582)	(\$296)	(\$76)	(\$107)	(\$97)	(\$156)	(\$435)	(\$269)	(\$535)	(\$682)
Cash Flow from Financing													
Short-Term Borrowings	(\$167)	(\$23)	\$68	(\$38)	(\$43)	(\$12)	\$32	(\$32)	\$0	(\$12)	\$0	\$80	\$0
Long-Term Borrowings	\$128	(\$693)	\$56	\$95	(\$136)	(\$78)	(\$61)	(\$6)	(\$9)	(\$154)	\$69	\$0	\$0
Dividends	(\$159)	(\$163)	(\$169)	(\$171)	(\$175)	(\$44)	(\$46)	(\$46)	(\$46)	(\$183)	(\$190)	(\$190)	(\$198)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$0	\$0	\$2	\$4	\$1	(\$7)	\$0	\$0	\$0	\$0
Other	\$78	\$74	\$0	\$5	\$7	\$0	(\$7)	\$0	\$13	\$6	(\$0)	\$0	\$0
Total Cash Flow from Financing	(\$119)	(\$805)	(\$45)	(\$109)	(\$347)	(\$132)	(\$78)	(\$83)	(\$49)	(\$342)	(\$121)	(\$110)	(\$198)
Starting Cash	\$346	\$442	\$163	\$12	\$46	\$68	\$90	\$62	\$166	\$68	\$44	\$634	\$577
Change in Cash	\$96	(\$279)	(\$150)	\$34	\$21	\$22	(\$28)	\$104	(\$122)	(\$23)	\$590	(\$57)	(\$296)
Ending Cash	\$442	\$163	\$12	\$46	\$68	\$90	\$62	\$166	\$44	\$44	\$634	\$577	\$281

Proprietary to FBR Capital Markets & Co. January 25, 2013
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Source: Company reports and FBR Research

Balance Sheet—TECO Energy, Inc. (TE)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$442	\$163	\$12	\$46	\$68	\$90	\$62	\$166	\$44	\$44	\$634	\$577	\$281
Accounts Receivable	\$309	\$329	\$289	\$279	\$333	\$297	\$335	\$343	\$328	\$328	\$364	\$374	\$395
Inventory and Materials	\$160	\$154	\$163	\$190	\$248	\$244	\$234	\$208	\$224	\$224	\$199	\$199	\$199
Other	\$375	\$145	\$308	\$137	\$109	\$78	\$79	\$167	\$202	\$202	\$216	\$216	\$216
Total Current Assets	\$1,286	\$790	\$773	\$652	\$758	\$708	\$710	\$884	\$798	\$798	\$1,413	\$1,365	\$1,090
Gross PPE	\$6,750	\$6,529	\$6,848	\$7,474	\$8,072	\$8,084	\$8,144	\$7,843	\$8,334	\$8,334	\$8,005	\$8,540	\$9,221
Less: Accumulated Depreciation	(\$2,317)	(\$2,006)	(\$2,090)	(\$2,234)	(\$2,444)	(\$2,478)	(\$2,529)	(\$2,578)	(\$2,614)	(\$2,614)	(\$2,749)	(\$3,086)	(\$3,438)
Construction Work in Process	\$334	\$365	\$464	\$305	\$212	\$236	\$244	\$191	\$247	\$247	\$299	\$299	\$299
Net PPE	\$4,767	\$4,888	\$5,221	\$5,544	\$5,841	\$5,842	\$5,859	\$5,455	\$5,968	\$5,968	\$5,555	\$5,753	\$6,083
Goodwill	\$59	\$59	\$59	\$59	\$55	\$55	\$55	\$55	\$55	\$55	\$0	\$0	\$0
Regulatory Assets	\$231	\$187	\$325	\$336	\$342	\$335	\$332	\$331	\$365	\$365	\$345	\$345	\$345
Other	\$1,019	\$841	\$769	\$629	\$199	\$163	\$142	\$570	\$137	\$137	\$265	\$265	\$265
Total Assets	\$7,362	\$6,765	\$7,147	\$7,220	\$7,195	\$7,104	\$7,098	\$7,296	\$7,322	\$7,322	\$7,577	\$7,729	\$7,783
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$639	\$7	\$7	\$108	\$78	\$78	\$133	\$386	\$386	\$386	\$147	\$147	\$147
Short-Term Debt	\$48	\$25	\$93	\$55	\$12	\$0	\$32	\$0	\$0	\$0	\$0	\$80	\$80
Accounts Payable	\$327	\$302	\$304	\$251	\$282	\$225	\$238	\$253	\$252	\$252	\$254	\$254	\$254
Other	\$337	\$283	\$380	\$357	\$381	\$421	\$384	\$426	\$381	\$381	\$465	\$465	\$465
Total Current Liabilities	\$1,350	\$618	\$784	\$771	\$752	\$725	\$787	\$1,065	\$1,020	\$1,020	\$866	\$946	\$946
Long-Term Debt	\$3,213	\$3,158	\$3,207	\$3,207	\$3,148	\$3,070	\$2,949	\$2,690	\$2,687	\$2,687	\$2,981	\$2,981	\$2,981
Other	\$1,070	\$972	\$1,149	\$1,156	\$1,124	\$1,124	\$1,146	\$1,279	\$1,348	\$1,348	\$1,438	\$1,438	\$1,438
Total Liabilities	\$5,633	\$4,748	\$5,140	\$5,134	\$5,024	\$4,919	\$4,882	\$5,034	\$5,055	\$5,055	\$5,285	\$5,365	\$5,365
Preferred Stock	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shareholders' Equity	\$1,729	\$2,017	\$2,008	\$2,085	\$2,171	\$2,185	\$2,216	\$2,262	\$2,267	\$2,267	\$2,292	\$2,364	\$2,418
Total Liabilities and OE	\$7,362	\$6,765	\$7,147	\$7,220	\$7,195	\$7,104	\$7,098	\$7,296	\$7,322	\$7,322	\$7,577	\$7,729	\$7,783

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdecroisset@fbr.com

Source: Company reports and FBR Research

Income Statement—The Southern Company (SO)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Total Revenue	\$14,356	\$15,353	\$17,127	\$15,743	\$17,456	\$4,012	\$4,521	\$5,428	\$3,696	\$17,657	\$17,604	\$18,239	\$18,751
Fuel and Purchased Power	\$5,695	\$6,371	\$7,633	\$6,426	\$7,262	\$1,576	\$1,817	\$2,123	\$1,354	\$6,870	\$6,875	\$7,119	\$7,345
Depreciation	\$1,200	\$1,245	\$1,443	\$1,503	\$1,513	\$418	\$429	\$431	\$439	\$1,717	\$1,798	\$1,873	\$1,957
Operating and Maintenance	\$3,519	\$3,670	\$3,748	\$3,526	\$4,010	\$944	\$913	\$983	\$1,098	\$3,938	\$3,997	\$4,051	\$4,106
Taxes Other Than Income Taxes	\$718	\$741	\$797	\$818	\$869	\$220	\$227	\$239	\$215	\$901	\$882	\$896	\$906
Total Operating Expenses	\$11,132	\$12,027	\$13,621	\$12,273	\$13,654	\$3,158	\$3,386	\$3,776	\$3,106	\$13,426	\$13,553	\$13,939	\$14,313
Gross Margin	\$8,661	\$8,982	\$9,494	\$9,317	\$10,194	\$2,436	\$2,704	\$3,305	\$2,342	\$10,787	\$4,052	\$4,300	\$4,438
EBIT	\$3,224	\$3,326	\$3,506	\$3,470	\$3,802	\$854	\$1,135	\$1,652	\$590	\$4,231	\$4,052	\$4,300	\$4,438
EBITDA	\$4,424	\$4,571	\$4,949	\$4,973	\$5,315	\$1,272	\$1,564	\$2,083	\$1,029	\$5,948	\$5,850	\$6,173	\$6,394
Interest Income	\$41	\$45	\$33	\$23	\$24	\$4	\$5	\$8	\$4	\$21	\$21	\$21	\$21
Interest Expense (Including Debt AFUDC)	(\$866)	(\$886)	(\$866)	(\$905)	(\$895)	(\$222)	(\$199)	(\$217)	(\$219)	(\$857)	(\$849)	(\$1,054)	(\$1,111)
Other Income (Including Equity AFUDC)	(\$46)	\$84	\$79	\$153	\$70	\$17	\$11	\$16	(\$17)	\$27	\$196	\$321	\$473
EBT	\$2,353	\$2,569	\$2,752	\$2,741	\$3,001	\$653	\$952	\$1,459	\$358	\$3,422	\$3,420	\$3,588	\$3,821
Taxes	(\$755)	(\$900)	(\$915)	(\$894)	(\$1,026)	(\$231)	(\$349)	(\$543)	(\$96)	(\$1,219)	(\$1,129)	(\$1,148)	(\$1,223)
Net Income	\$1,598	\$1,669	\$1,837	\$1,847	\$1,975	\$422	\$603	\$916	\$262	\$2,203	\$2,291	\$2,440	\$2,598
S/O	762	756	775	796	835	848	855	860	864	864	878	888	903
EPS	\$2.10	\$2.21	\$2.37	\$2.32	\$2.37	\$0.50	\$0.71	\$1.07	\$0.30	\$2.55	\$2.61	\$2.75	\$2.88
% EPS Growth	3.5%	5.3%	7.4%	-2.1%	1.9%	-17.0%	14.5%	9.2%	71.3%	7.8%	2.3%	5.3%	4.7%

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

Statement of Cash Flows—The Southern Company (SO)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Cash Flow from Operations													
Net Income	\$1,573	\$1,734	\$1,742	\$1,708	\$2,040	\$438	\$620	\$933	\$277	\$2,268	\$2,352	\$2,440	\$2,598
Depreciation	\$1,200	\$1,245	\$1,443	\$1,586	\$1,629	\$501	\$510	\$519	\$316	\$1,846	\$1,798	\$1,873	\$1,957
Amortization of regulatory assets	\$221	\$241	\$261	\$202	\$202	\$0	\$0	\$0	\$202	\$202	\$0	\$0	\$0
Amortization of nuclear fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non Cash AFUDC	\$157	\$149	\$152	(\$45)	(\$59)	(\$74)	\$54	\$251	\$342	\$573	\$0	\$0	\$0
Other & Working Capital	(\$331)	\$26	(\$200)	(\$188)	\$179	\$133	\$207	\$506	\$168	\$1,014	\$1,101	\$190	\$95
Total Cash Flow from Operations	\$2,820	\$3,395	\$3,398	\$3,263	\$3,991	\$998	\$1,391	\$2,209	\$1,305	\$5,903	\$5,252	\$4,503	\$4,650
Cash Flow from Investing													
Property Additions	(\$2,994)	(\$3,545)	(\$3,961)	(\$4,670)	(\$4,086)	(\$1,086)	(\$1,040)	(\$989)	(\$1,410)	(\$4,525)	(\$5,423)	(\$4,904)	(\$5,958)
Nuclear Fuel Additions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from Asset Sales	\$150	\$33	\$34	\$340	\$18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$10	(\$197)	(\$199)	\$11	(\$188)	\$202	(\$140)	\$155	\$125	\$342	(\$200)	\$0	\$0
Total Cash Flow from Investing	(\$2,834)	(\$3,709)	(\$4,126)	(\$4,319)	(\$4,256)	(\$884)	(\$1,180)	(\$834)	(\$1,285)	(\$4,183)	(\$5,623)	(\$4,904)	(\$5,958)
Cash Flow from Financing													
Short-Term Borrowings	\$683	(\$669)	(\$314)	(\$306)	\$659	(\$54)	(\$386)	(\$720)	\$722	(\$438)	(\$521)	\$0	\$0
Long-Term Borrowings	\$198	\$1,260	\$2,217	\$1,808	\$185	\$113	\$333	\$711	(\$608)	\$549	\$1,216	\$3,400	\$3,400
Dividends	(\$1,140)	(\$1,205)	(\$1,280)	(\$1,369)	(\$1,496)	(\$385)	(\$402)	(\$406)	(\$408)	(\$1,601)	(\$1,681)	(\$1,706)	(\$1,771)
Shares Issued/(Repurchased)	\$0	\$0	\$0	\$1,286	\$772	\$193	\$289	\$138	\$103	\$723	\$400	\$750	\$750
Other	\$238	\$962	\$321	(\$90)	(\$98)	(\$18)	(\$18)	(\$19)	(\$30)	(\$85)	\$131	\$0	\$0
Total Cash Flow from Financing	(\$21)	\$348	\$944	\$1,329	\$22	(\$151)	(\$184)	(\$296)	(\$221)	(\$852)	(\$455)	\$2,444	\$2,379
Starting Cash	\$202	\$167	\$201	\$417	\$690	\$447	\$410	\$437	\$1,516	\$447	\$1,315	\$381	\$2,423
Change in Cash	(\$35)	\$34	\$216	\$273	(\$243)	(\$37)	\$27	\$1,079	(\$201)	\$868	(\$934)	\$2,043	(\$729)
Ending Cash	\$167	\$201	\$417	\$690	\$447	\$410	\$437	\$1,516	\$1,315	\$1,315	\$381	\$2,423	\$1,694

Proprietary to FBR Capital Markets & Co. January 25, 2013

Marc de Croisset . 646.885.5423 . mdcroisset@fbr.com

Source: Company reports and FBR Research

Balance Sheet—The Southern Company (SO)

\$ in millions

	2006A	2007A	2008A	2009A	2010A	2011 Quarters				2011A	2012E	2013E	2014E
						1Q11A	2Q11A	3Q11A	4Q11A				
Assets													
Cash	\$167	\$201	\$417	\$690	\$447	\$410	\$437	\$1,516	\$1,315	\$1,315	\$381	\$2,423	\$1,694
Accounts Receivables	\$1,754	\$2,040	\$1,975	\$1,636	\$1,609	\$1,467	\$1,725	\$2,289	\$1,473	\$1,473	\$1,586	\$1,586	\$1,586
Inventory and Materials	\$1,323	\$1,435	\$1,775	\$2,241	\$2,135	\$2,178	\$2,067	\$1,930	\$2,270	\$2,270	\$2,530	\$2,530	\$2,530
Other	\$775	\$1,056	\$1,191	\$1,306	\$1,692	\$1,185	\$1,273	\$760	\$1,214	\$1,214	\$1,324	\$1,324	\$1,324
Total Current Assets	\$4,019	\$4,732	\$5,358	\$5,873	\$5,883	\$5,240	\$5,502	\$6,495	\$6,272	\$6,272	\$5,821	\$7,863	\$7,134
Gross PPE	\$45,485	\$47,176	\$50,618	\$53,588	\$56,731	\$57,408	\$57,817	\$58,079	\$59,744	\$59,744	\$63,845	\$68,749	\$74,707
Less: Accumulated Depreciation	(\$16,582)	(\$17,413)	(\$18,286)	(\$19,121)	(\$20,174)	(\$20,384)	(\$20,657)	(\$20,891)	(\$21,154)	(\$21,154)	(\$22,369)	(\$24,242)	(\$26,199)
CWIP	\$1,872	\$3,228	\$3,036	\$4,170	\$4,775	\$4,872	\$5,301	\$5,809	\$5,591	\$5,591	\$6,363	\$6,363	\$6,363
Net PPE	\$30,775	\$32,991	\$35,368	\$38,637	\$41,332	\$41,896	\$42,461	\$42,997	\$44,181	\$44,181	\$47,839	\$50,870	\$54,871
Goodwill	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Regulatory Assets	\$936	\$769	\$2,637	\$2,702	\$2,402	\$2,432	\$2,459	\$2,496	\$3,532	\$3,532	\$3,409	\$3,409	\$3,409
Other	\$7,129	\$7,297	\$4,984	\$4,834	\$5,415	\$5,451	\$5,601	\$5,355	\$5,282	\$5,282	\$5,121	\$4,931	\$4,836
Total Assets	\$42,858	\$45,789	\$48,347	\$52,046	\$55,032	\$55,019	\$56,023	\$57,343	\$59,267	\$59,267	\$62,190	\$67,073	\$70,250
Liabilities and Owner's Equity													
Current Portion of Long-Term Debt	\$1,417	\$1,053	\$617	\$1,113	\$1,301	\$1,435	\$1,354	\$1,891	\$1,717	\$1,717	\$2,433	\$2,433	\$2,433
Short-Term Borrowings	\$1,941	\$1,271	\$953	\$639	\$1,297	\$1,243	\$857	\$137	\$859	\$859	\$335	\$335	\$335
Accounts Payable	\$1,676	\$1,792	\$1,876	\$1,761	\$1,907	\$1,670	\$1,877	\$1,895	\$2,208	\$2,208	\$1,810	\$1,810	\$1,810
Other	\$1,319	\$1,514	\$1,780	\$2,071	\$1,967	\$1,689	\$1,611	\$1,734	\$1,793	\$1,793	\$1,991	\$1,991	\$1,991
Total Current Liabilities	\$6,353	\$5,631	\$5,226	\$5,584	\$6,472	\$6,037	\$5,699	\$5,657	\$6,577	\$6,577	\$6,569	\$6,569	\$6,569
Long-Term Debt	\$12,503	\$14,143	\$16,816	\$18,131	\$18,154	\$18,133	\$18,554	\$18,733	\$18,647	\$18,647	\$19,155	\$22,555	\$24,155
Other	\$11,887	\$12,550	\$11,947	\$12,371	\$13,122	\$13,302	\$13,706	\$14,238	\$15,383	\$15,383	\$16,718	\$16,718	\$16,718
Total Liabilities	\$30,743	\$32,324	\$33,989	\$36,086	\$37,748	\$37,472	\$37,959	\$38,628	\$40,607	\$40,607	\$42,442	\$45,842	\$47,442
Preferred Stock	\$744	\$1,080	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082	\$1,082
Shareholders' Equity	\$11,371	\$12,385	\$13,276	\$14,878	\$16,202	\$16,465	\$16,982	\$17,633	\$17,578	\$17,578	\$18,666	\$20,149	\$21,726
Total Liabilities and OE	\$42,858	\$45,789	\$48,347	\$52,046	\$55,032	\$55,019	\$56,023	\$57,343	\$59,267	\$59,267	\$62,190	\$67,073	\$70,250

Proprietary to FBR Capital Markets & Co. January 25, 2013

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Source: Company reports and FBR Research

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