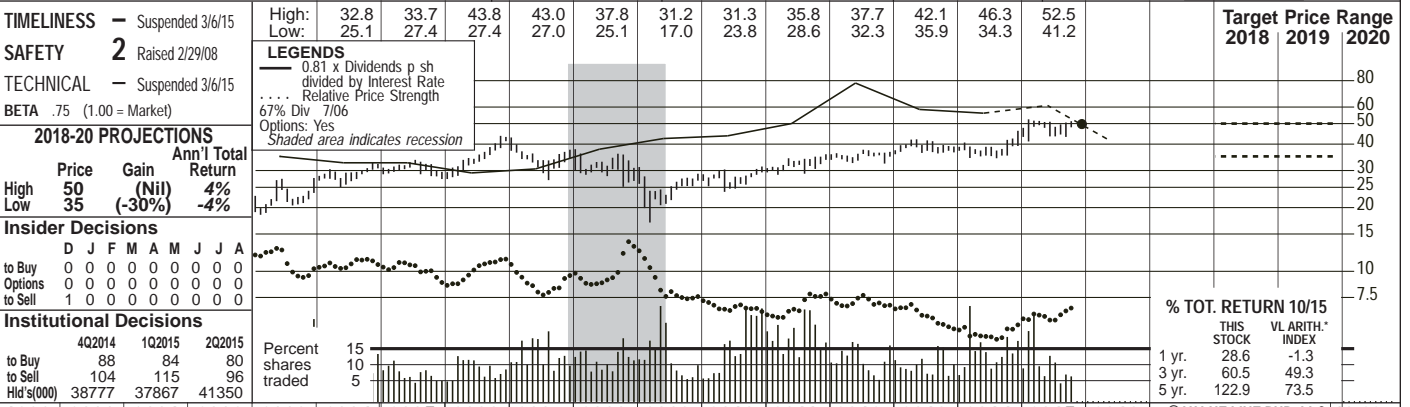


# UIL HOLDINGS NYSE-UIL

RECENT PRICE **49.75** P/E RATIO **21.1** (Trailing: 23.5 Median: 17.0) RELATIVE P/E RATIO **1.19** DIV'D YLD **3.5%**

**VALUE LINE**



Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues per sh	29.01	37.54	46.15	47.55	40.39	45.87	49.88	34.03	39.23	37.69	29.91	19.75	31.01	29.22	28.52	28.70	<b>29.45</b>	<b>31.70</b>	37.00
"Cash Flow" per sh	4.67	5.53	6.61	5.89	4.69	4.37	4.13	4.65	5.48	5.93	5.09	3.65	5.33	5.65	5.51	4.64	<b>6.00</b>	<b>6.30</b>	6.90
Earnings per sh <sup>A</sup>	2.23	2.56	2.53	1.85	1.24	1.54	1.30	1.86	1.87	1.89	1.94	1.99	1.96	2.04	2.28	1.92	<b>2.25</b>	<b>2.60</b>	2.75
Div'd Decl'd per sh <sup>B</sup>	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73	<b>1.73</b>	<b>1.73</b>	1.73
Cap'l Spending per sh	1.48	2.31	2.01	2.41	2.19	2.04	2.25	3.09	9.92	8.57	4.12	4.03	6.48	5.67	5.38	5.49	<b>5.45</b>	<b>6.15</b>	7.90
Book Value per sh <sup>C</sup>	19.55	20.42	21.25	20.28	20.65	22.84	22.39	18.53	18.55	18.85	19.15	21.31	21.61	21.95	23.85	24.07	<b>25.40</b>	<b>26.50</b>	30.45
Common Shs Outst'g <sup>E</sup>	23.44	23.46	23.53	23.79	23.86	24.01	24.32	24.86	25.03	25.17	29.98	50.51	50.65	50.87	56.75	56.85	<b>56.75</b>	<b>56.75</b>	56.75
Avg Ann'l P/E Ratio	12.6	10.8	11.5	15.0	18.0	18.7	23.5	18.7	18.4	16.7	12.7	14.0	16.4	17.2	16.9	19.8	<b>16.0</b>	<b>16.0</b>	16.0
Relative P/E Ratio	.72	.70	.59	.82	1.03	.99	1.25	1.01	.98	1.01	.85	.89	1.03	1.09	.95	1.05	<b>1.00</b>	<b>1.00</b>	1.00
Avg Ann'l Div'd Yield	6.2%	6.2%	5.9%	6.2%	7.7%	6.0%	5.7%	5.0%	5.0%	5.5%	7.0%	6.2%	5.4%	4.9%	4.5%	4.6%	<b>3.9%</b>	<b>3.9%</b>	3.9%

**CAPITAL STRUCTURE as of 9/30/15**  
 Total Debt \$1821.8 mill. Due in 5 Yrs. \$131.9 mill.  
 LT Debt \$1730.3 mill. LT Interest \$75.0 mill.  
 (LT interest earned: 3.0x)  
 Leases, Uncapitalized: Ann. rentals \$4.5 mill.

**Pension Assets-12/14** \$722 mill. **Oblig.** \$987 mill.

**Pfd Stock** None

**Common Stock** 56,629,377 shs. as of 10/29/15

**MARKET CAP: \$2.7 billion (Mid Cap)**

Metric	2012	2013	2014
	% Change Retail Sales (KWH)	-2.6	-1.6
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (c)	7.1	7.8	7.9
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2	+1.6	+8

Metric	2012	2013	2014
	Revenues	-4.5%	-4.0%
"Cash Flow"	0.5%	-1.0%	4.5%
Earnings	3.0%	2.0%	5.0%
Dividends	-	-	Nil
Book Value	1.0%	4.5%	4.5%

Calendar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	458.3	283.5	323.8	420.9	1486.5
2013	548.0	319.1	316.5	435.1	1618.7
2014	571.2	334.8	293.0	432.9	1631.9
2015	584.1	312.0	330.5	<b>443.4</b>	<b>1670</b>
2016	<b>605</b>	<b>350</b>	<b>370</b>	<b>475</b>	<b>1800</b>

Calendar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	.92	.23	.31	.56	2.04
2013	1.01	.35	.31	.61	2.28
2014	.97	.16	.22	.57	1.92
2015	1.01	.28	.27	.69	<b>2.25</b>
2016	<b>1.00</b>	<b>.40</b>	<b>.45</b>	<b>.75</b>	<b>2.60</b>

Calendar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.432	.432	.432	.432	1.73
2012	.432	.432	.432	.432	1.73
2013	.432	.432	.432	.432	1.73
2014	.432	.432	.432	.432	1.73
2015	.432	.432	.432	.432	1.73

**BUSINESS:** UIL Holdings, through its subsidiaries, operates as one of the largest regulated utility companies in Connecticut. Business consists of electric distribution/transmission operations of The United Illuminating Company and natural gas transportation/distribution operations of The Southern Connecticut Gas Company, The Connecticut Natural Gas Company, and The Berkshire

Gas Company. Revenue distribution by class: residential, 53%; commercial, 28%; industrial, 4%; other, 15%. Fuel costs: 36% of revenues; O&M costs, 24%. Has 1,902 employees as of 12/14. President & Chief Executive Officer: James P. Torgerson, Inc.: CT. Address: 157 Church Street, P.O. Box 1564, New Haven, CT. 06506-0901. Telephone: 203-499-2000. Internet: www.uil.com.

**UIL Holdings expects to soon become part of Iberdrola.** Indeed, the Connecticut electric and gas utility is still targeting a year-end closing for its merger with the Spanish company's U.S. unit (Iberdrola U.S.), which includes New York State Electric & Gas and the second-largest wind-power portfolio in the United States. Under terms of the proposed transaction, investors are slated to receive \$10.50 in cash and one share of newly issued stock in the merged company, worth up to \$44.03, for each share of UIL that they own. Current UIL stakeholders would own 18.5% of the yet-to-be-named newco, which plans to list on the New York Stock Exchange, while Iberdrola S.A. would control the remaining 81.5%. **Left standing in the merger's way is, among other things, approval by the Connecticut Public Utility Regulatory Authority (CPURA).** That body's draft decision in July would have denied the change of control, which prompted UIL to withdraw its original submission. A subsequent settlement agreement, promising concessions to ratepayers and other constituencies, should help clear the path for

approval. That said, CPURA is expected to issue a final ruling on December 9th. **Reported earnings rose sharply in the September quarter, as a one-time reserve made for an easy year-ago comparison.** Still, the headline growth figure was significantly less than we envisioned, due to higher uncollectable billings at the utility's gas distribution unit. Ahead of the merger, UIL has also put off a rate case, further limiting near-term growth. **Shares of UIL remain unranked for year-ahead Timeliness due to the utility's pending merger with Iberdrola.** Investors may want to stay pat here with the intention of participating in the cash-and-stock exchange. That option, in our view, will provide good exposure to what looks to be a relatively fast-growing, shareholder-friendly newco. Indeed, earnings at the merged company are expected to increase approximately 10% per year through 2019, partly reflecting the accelerated utilization of existing tax benefits. A competitive dividend and above-average payout increases also appear to be in the cards.

*Nils C. Van Liew* November 20, 2015

(A) EPS basic. Excl. nonrecr. gains (losses): '00, '04, '03, (26c); '04, \$2.14; '06, (\$5.07); '10, (47c). Next exs. report due in early February	June, Sept., and Dec. ■ Div'd reinvest. plan avail. (C) Incl. deferred charges. In '14: \$321.9 mill. or \$5.66/sh. (D) Rate base: orig. cost. Rate allowed on common equity in '13: 9.15%.	Earned on average common equity in '14: 8.0%. Regul. Clim.: Below Average. (E) In millions. Adjusted for stock dividend.	Company's Financial Strength	B++
(B) Div'ds historically paid in early March.			Stock's Price Stability	90
			Price Growth Persistence	50
			Earnings Predictability	85