The Empire District Electric Company Earnings Presentation



Second Quarter and Twelve Months Ending June 30, 2012

July 27, 2012

Brad Beecher – President & CEO
Laurie Delano – Vice President - Finance & CFO



Forward Looking Statements

Certain matters discussed in this presentation are "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address or may address future plans, objectives, expectations and events or conditions concerning various matters such as capital expenditures, earnings, impacts from the 2011 tornado, pension and other costs, competition, litigation, our construction program, our generation plans, our financing plans, potential acquisitions, rate and other regulatory matters, liquidity and capital resources and accounting matters. Forward-looking statements may contain words like "anticipate", "believe", "expect", "project", "objective" or similar expressions to identify them as forward-looking statements. Factors that could cause actual results to differ materially from those currently anticipated in such statements include:

- weather, business and economic conditions, recovery and rebuilding efforts relating to the 2011 tornado, and other factors which may impact sales volumes and customer growth;
- the amount, terms and timing of rate relief we seek and related matters;
- the cost and availability of purchased power and fuel, and the results of our activities (such as hedging) to reduce the volatility of such costs;
- volatility in the credit, equity and other financial markets and the resulting impact on our short term debt costs and our ability to issue debt or equity securities, or otherwise secure funds to meet our capital expenditure, dividend and liquidity needs;
- the results of prudency and similar reviews by regulators of costs we incur, including capital expenditures, fuel and purchased power costs and Southwest Power Pool (SPP) regional transmission organization (RTO) expansion costs;
- > operation of our electric generation facilities and electric and gas transmission and distribution systems, including the performance of our joint owners;
- the costs and other impacts resulting from natural disasters, such as tornados and ice storms;
- the periodic revision of our construction and capital expenditure plans and cost and timing estimates;
- legislation and regulation, including environmental regulation (such as NOx, SO2, mercury, ash and CO2) and health care regulation;
- competition and markets, including the SPP Energy Imbalance Services Market and SPP Day-Ahead Market;
- electric utility restructuring, including ongoing federal activities and potential state activities;
- the impact of electric deregulation on off-system sales;
- > changes in accounting requirements, including the potential consequences of being required to report in accordance with IFRS rather than U.S. GAAP:
- the timing of accretion estimates, and integration costs relating to completed and contemplated acquisitions and the performance of acquired businesses;
- rate regulation, growth rates, discount rates, capital spending rates, terminal value calculations and other factors integral to the calculations utilized to test the impairment of goodwill, in addition to market and economic conditions which could adversely affect the analysis and ultimately negatively impact earnings;
- the effect of changes in our credit ratings on the availability and cost of funds
- the performance of our pension assets and other post employment benefit plan assets and the resulting impact on our related funding commitments;
- interruptions or changes in our coal delivery, gas transportation or storage agreements or arrangements
- > the success of efforts to invest in and develop new opportunities;
- costs and effects of legal and administrative proceedings, settlements, investigations and claims
- our exposure to the credit risk of our hedging counterparties;
- acts of terrorism, including but not limited to, cyber-terrorism; and
- other circumstances affecting anticipated rates, revenues and costs.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time and it is not possible for management to predict all such factors or to assess the impact of each such factor on us. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

We caution you that any forward-looking statements are not guarantees of future performance and involve known and unknown risk, uncertainties and other factors which may cause our actual results, performance or achievements to differ materially from the facts, results, performance or achievements we have anticipated in such forward-looking statements.



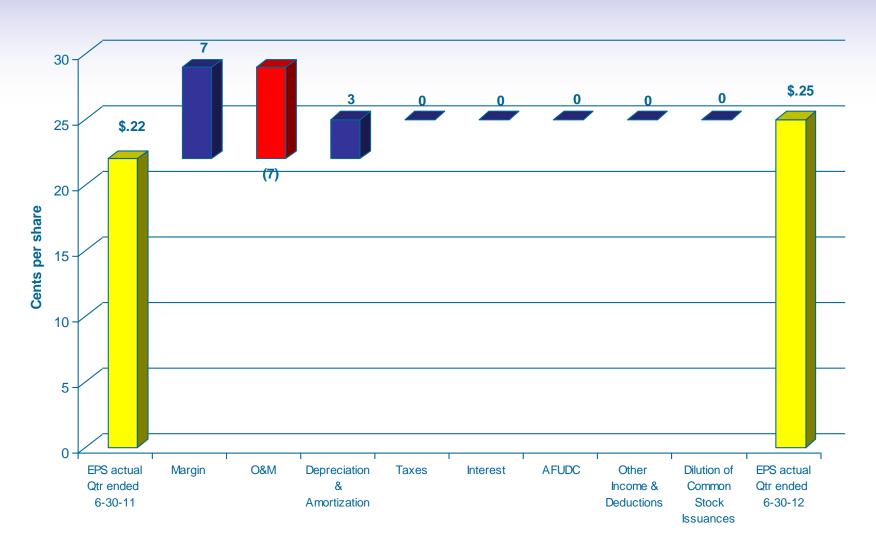
2nd Quarter 2012 EPS Summary

	2 nd Quarter 2012	2 nd Quarter 2011
Net Income (in millions)	\$10.70	\$9.20
Earnings Per Share	\$0.25	\$0.22



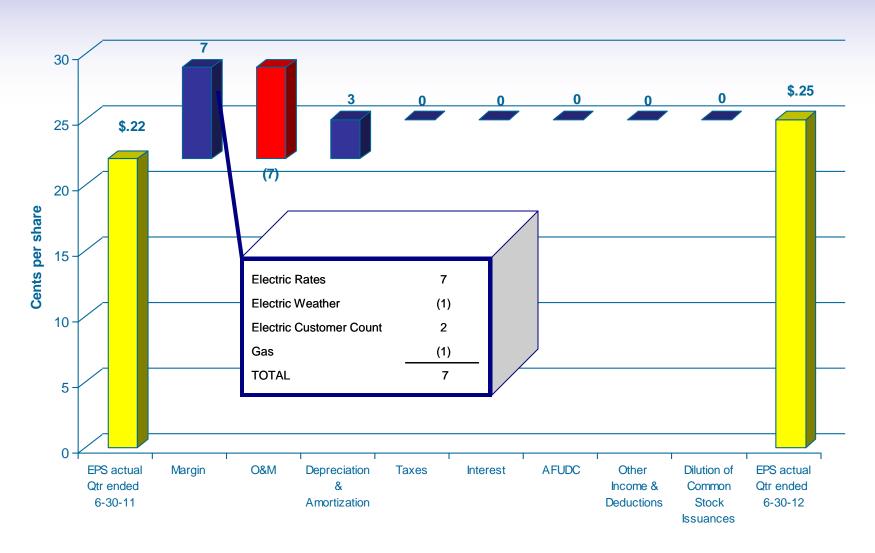
2nd Quarter Earnings Reconciliation

Consolidated EPS after tax: increase (decrease)



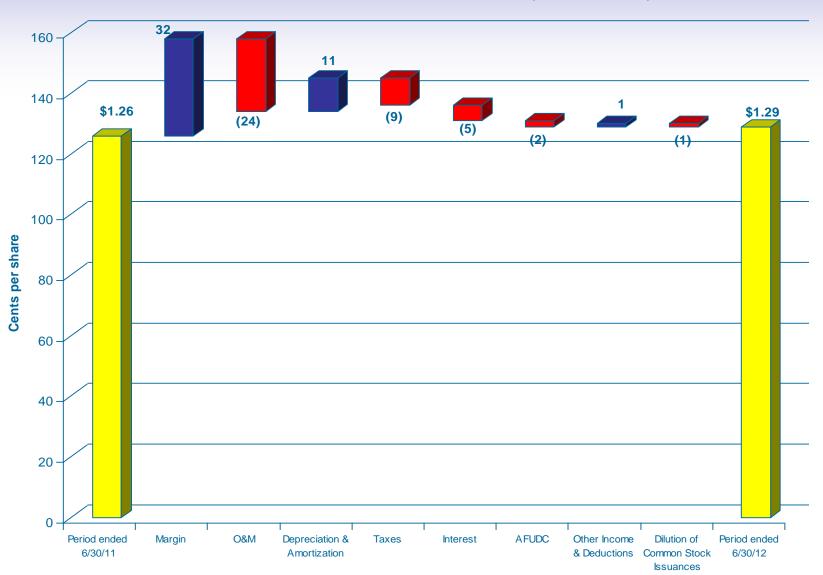
2nd Quarter Earnings Reconciliation

Consolidated EPS after tax: increase (decrease)



June 2012 TME Earnings Reconciliation

Consolidated EPS after tax: increase (decrease)



June 2012 TME Earnings Reconciliation

Consolidated

EPS after tax: increase (decrease)

