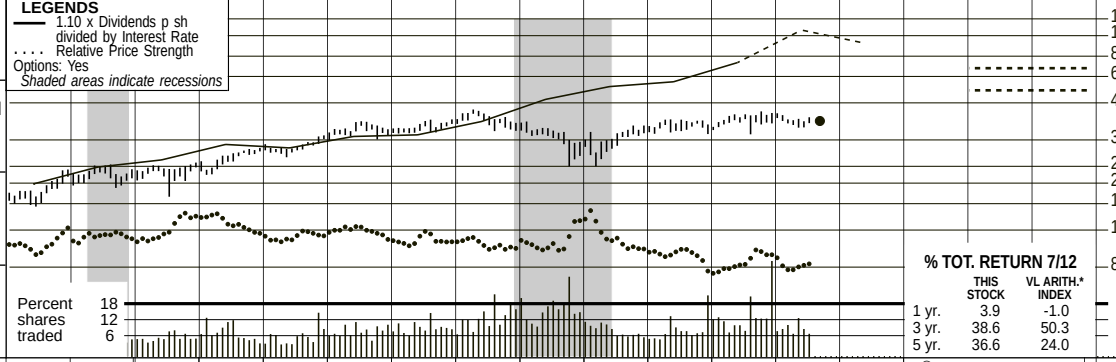
AGL RESOURCES NYSE-GAS

RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
39.44	13.5	(Trailing: 22.3 Median: 13.0)	0.91	4.7%	VALUE LINE

TIMELINESS 3 Raised 3/11/11
SAFETY 1 Raised 9/9/11
TECHNICAL 3 Raised 7/13/12
BETA .75 (1.00 = Market)

High:	24.5	25.0	29.3	33.7	39.3	40.1	44.7	39.1	37.5	40.1	43.7	42.9
Low:	19.0	17.3	21.9	26.5	32.0	34.4	35.2	24.0	24.0	34.2	34.1	36.6

Target Price Range
2015 | 2016 | 2017



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	70	(+90%)	21%
Low	55	(+25%)	10%

Insider Decisions

	O	N	D	J	F	M	A	M	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	1	0	1	1	0	0	2	0
to Sell	1	2	0	0	1	0	0	2	0

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	99	258	153
to Sell	118	63	159
Hld's(000)	50506	71384	71603

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	3.9	-1.0
3 yr.	38.6	50.3
5 yr.	36.6	24.0

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
21.91	22.75	23.36	18.71	11.25	19.04	15.32	15.25	23.89	34.98	33.73	32.64	36.41	29.88	30.42	20.00	*39.85*	*42.00*	Revenues per sh A	*47.55*
2.49	2.42	2.65	2.29	2.86	3.31	3.39	3.47	3.29	4.20	4.50	4.65	4.68	4.90	5.05	3.05	*6.05*	*6.55*	"Cash Flow" per sh	*7.80*
1.37	1.37	1.41	.91	1.29	1.50	1.82	2.08	2.28	2.48	2.72	2.72	2.71	2.88	3.00	2.12	*2.65*	*3.10*	Earnings per sh A B	*4.20*
1.06	1.08	1.08	1.08	1.08	1.08	1.08	1.11	1.15	1.30	1.48	1.64	1.68	1.72	1.76	1.90	*1.74*	*1.84*	Div'ds Decl'd per sh CF■	*2.00*
2.37	2.59	2.05	2.51	2.92	2.83	3.30	2.46	3.44	3.44	3.26	3.39	4.84	6.14	6.54	3.42	*5.95*	*6.05*	Cap'l Spending per sh	*6.40*
10.56	10.99	11.42	11.59	11.50	12.19	12.52	14.66	18.06	19.29	20.71	21.74	21.48	22.95	23.24	28.54	*29.25*	*30.35*	Book Value per sh D	*33.75*
55.70	56.60	57.30	57.10	54.00	55.10	56.70	64.50	76.70	77.70	77.70	76.40	76.90	77.54	78.00	117.00	*118.00*	*119.00*	Common Shs Outst'g E	*122.00*
13.8	14.7	13.9	21.4	13.6	14.6	12.5	12.5	13.1	14.3	13.5	14.7	12.3	11.2	12.5	12.6	*Bold figures are*		Avg Ann'l P/E Ratio	*15.0*
.86	.85	.72	1.22	.88	.75	.68	.71	.69	.76	.73	.78	.74	.75	.80	.82	*Value Line*		Relative P/E Ratio	*1.00*
5.6%	5.4%	5.5%	5.5%	6.2%	4.9%	4.7%	4.3%	3.9%	3.7%	4.0%	4.1%	5.0%	5.4%	4.7%	4.8%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $4296.0 mill. **Due in 5 Yrs** $100.0 mill.
LT Debt $3334.0 mill. **LT Interest** $200.0 mill.
(Total interest coverage: 6.5x)

Leases, Uncapitalized Annual rentals $95.0 mill.
Pension Assets-12/11 $754.0 mill. **Oblig.** $968.0 mill.

Pfd Stock None

Common Stock 117,515,999 shs. **as of 7/25/12**

MARKET CAP: $4.6 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
868.9	983.7	1832.0	2718.0	2621.0	2494.0	2800.0	2317.0	2373.0	2338.0	*4700*	*5000*	Revenues ($mill) A	*5800*
103.0	132.4	153.0	193.0	212.0	211.0	207.6	222.0	234.0	172.0	*310*	*370*	Net Profit ($mill)	*510*
36.0%	35.9%	37.0%	37.7%	37.8%	37.6%	40.5%	35.2%	35.9%	40.2%	*40.0%*	*40.0%*	Income Tax Rate	*40.0%*
11.9%	13.5%	8.4%	7.1%	8.1%	8.5%	7.4%	9.6%	9.9%	7.4%	*6.7%*	*7.4%*	Net Profit Margin	*8.8%*
58.3%	50.3%	54.0%	51.9%	50.2%	50.2%	50.3%	52.6%	48.0%	52.0%	*48.0%*	*46.0%*	Long-Term Debt Ratio	*40.0%*
41.7%	49.7%	46.0%	48.1%	49.8%	49.8%	49.7%	47.4%	52.0%	48.0%	*52.0%*	*54.0%*	Common Equity Ratio	*60.0%*
1704.3	1901.4	3008.0	3114.0	3231.0	3335.0	3327.0	3754.0	3486.0	8238.0	*6655*	*6715*	Total Capital ($mill)	*6915*
2194.2	2352.4	3178.0	3271.0	3436.0	3566.0	3816.0	4146.0	4405.0	7900.0	*8040*	*8185*	Net Plant ($mill)	*8490*
8.1%	8.9%	6.3%	7.9%	8.0%	7.7%	7.4%	6.9%	7.6%	3.0%	*5.5%*	*6.5%*	Return on Total Cap'l	*8.0%*
14.5%	14.0%	11.0%	12.9%	13.2%	12.7%	12.6%	12.5%	12.9%	5.2%	*9.0%*	*10.0%*	Return on Shr. Equity	*12.5%*
14.5%	14.0%	11.0%	12.9%	13.2%	12.7%	12.6%	12.5%	12.9%	5.2%	*9.0%*	*10.0%*	Return on Com Equity	*12.5%*
7.0%	6.6%	5.6%	6.2%	6.3%	5.3%	5.1%	5.3%	5.6%	.7%	*3.0%*	*4.0%*	Retained to Com Eq	*6.5%*
52%	53%	49%	52%	52%	58%	60%	57%	57%	86%	*66%*	*59%*	All Div'ds to Net Prof	*48%*

CURRENT POSITION ($MILL.)	2010	2011	6/30/12
Cash Assets	24.0	69.0	87.0
Other	2138.0	2677.0	1793.0
Current Assets	2162.0	2746.0	1880.0
Accts Payable	184.0	294.0	383.0
Debt Due	1032.0	1338.0	962.0
Other	1212.0	1452.0	1115.0
Current Liab.	2428.0	3984.0	2460.0
Fix. Chg. Cov.	501%	325%	385%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	6.0%	5.5%	*10.0%*
"Cash Flow"	6.5%	6.0%	*10.5%*
Earnings	9.0%	4.5%	*8.0%*
Dividends	5.0%	7.5%	*2.0%*
Book Value	7.0%	5.5%	*5.0%*

Cal-endar	QUARTERLY REVENUES ($ mill.) A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	995.0	377.0	307.0	638.0	2317.0
2010	1003	359.0	346.0	665.0	2373.0
2011	878.0	375.0	295.0	790.0	2338.0
2012	1404	686.0	*1000*	*1610*	*4700*
2013	*1600*	*800*	*1000*	*1600*	*5000*

Cal-endar	EARNINGS PER SHARE AB Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	1.55	.26	.16	.91	2.88
2010	1.73	.17	.29	.81	3.00
2011	1.59	.23	d.04	.37	2.12
2012	1.12	.28	*.40*	*.85*	*2.65*
2013	*1.40*	*.35*	*.50*	*.85*	*3.10*

Cal-endar	QUARTERLY DIVIDENDS PAID CF■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.42	.42	.42	.42	1.68
2009	.43	.43	.43	.43	1.72
2010	.44	.44	.44	.44	1.76
2011	.45	.45	.45	.55	1.90
2012	.36	.46	.46		

BUSINESS: AGL Resources Inc. is a public utility holding company. Its distribution subsidiaries include Atlanta Gas Light, Chattanooga Gas, Elizabethtown Gas, and Virginia Natural Gas. Acquired Nicor in 2011. The utilities have more than 2.3 million customers in Georgia, Virginia, Tennessee, New Jersey, and Florida. Engaged in nonregulated natural gas marketing and other allied services. Deregulated subsidiaries: Georgia Natural Gas markets natural gas at retail. Sold Utilipro, 3/01. Acquired Compass Energy Services, 10/07. BlackRock Inc. owns 6.8% of common stock; off./dir., less than 1.0% (3/12 Proxy). Pres. & CEO: John W. Somerhalder II. Inc.: GA. Addr.: Ten Peachtree Place N.E., Atlanta, GA 30309. Telephone: 404-584-4000. Internet: www.aglresources.com.

AGL Resources' earnings perked up in the second period. The bottom line rose by over 20% from the same period last year, a trend likely to continue over the next few quarters. That said, erratic weather patterns, along with challenges facing AGL's nonregulated segments, have caused us to lower our 2012 per-share estimate by $0.15, to $2.65 for the year.

Growth should be steady over the next few years, despite various obstacles in the company's path. Major concerns are that the slow economic recovery is hindering customer growth, and this, along with a lack of new rate filings, will likely be a headwind. Also, the Midstream segment which is likely to suffer from low natural gas prices (The supply glut caused storage pricing for the Jefferson Island facility to drop from $0.19 to $0.14) might present some problems. That said, the benefits gained from the Nicor merger (which made AGL Resources the largest gas distribution company in the country considerably increasing its volume production and geographic reach), should more than offset the pressure from the factors above.

The company is seeking to begin a major investment venture. The Accelerated Infrastructure Replacement (AIR) plan would enable AGL Resources to spend up to $135 million over the next five years, starting at the end of 2012. The venture would come on the heels of the ending of the Utility Infrastructure Enhancement (UIE) program, which is set to expire at the end of October. Much of the AIR venture would deal with pipeline maintenance, replacing over 150 miles of pipes, in turn enhancing customer service and paving the way for rate increases.

Despite obstacles, the long term looks steady. Previous favorable rate rulings are set to boost the top and bottom lines for the 3- to 5-year period. Furthermore, as stated above, the Nicor merger should help alleviate most of the pressure from a lackluster economic environment. That said, concerns remain regarding several segments that could be hurt by low gas prices.

Income investors will be most interested in this neutrally ranked equity, with its strong yield and high likelihood of future payout hikes.

Sahana Zutshi *September 7, 2012*

(A) Fiscal year ends December 31st. Ended September 30th prior to 2002.
(B) Diluted earnings per share. Excl. nonrecurring gains (losses):'99, $0.39; '00, $0.13; '01, $0.13; '03, ($0.07); '08, $0.13. Next earnings report due late October.
(C) Dividends historically paid early March, June, Sept., and Dec. ■ Div'd reinvest. plan available. (D) Includes intangibles. In 2011: $1918 million, $16.40/share.
(E) In millions. (F) Excluding special dividends from the Nicor merger.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	65
Earnings Predictability	75

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