NEW JERSEY RES. NYSE-NJR

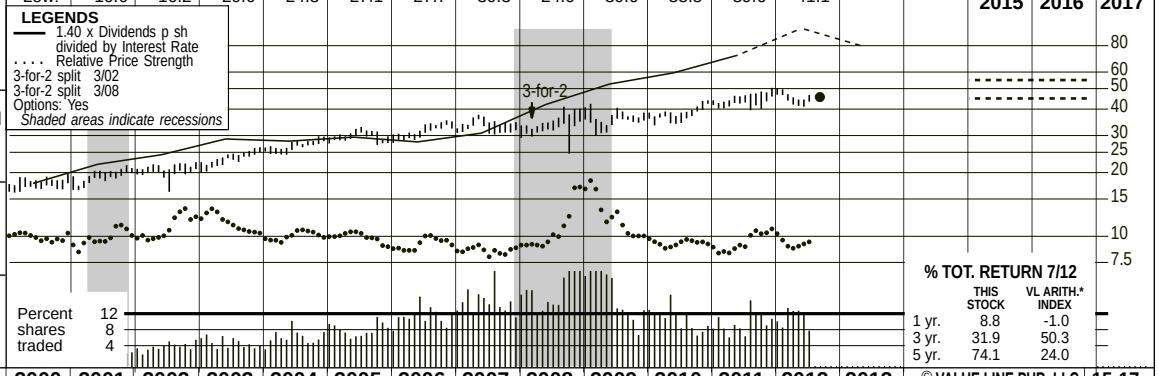
RECENT PRICE	45.60	P/E RATIO	16.3 (Trailing: 15.2 / Median: 15.0)	RELATIVE P/E RATIO	1.10	DIV'D YLD	3.3%	VALUE LINE

TIMELINESS 4 Lowered 8/17/12
SAFETY 1 Raised 9/15/06
TECHNICAL 3 Raised 7/27/12
BETA .65 (1.00 = Market)

High:	21.7	22.4	26.4	29.7	32.9	35.4	37.6	41.1	42.4	44.1	50.5	50.3
Low:	16.6	16.2	20.0	24.3	27.1	27.7	30.3	24.6	30.0	33.5	39.6	41.1

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.40 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
3-for-2 split 3/02
3-for-2 split 3/08
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+20%)	8%
Low	45	(Nil)	3%

Insider Decisions

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

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	69	66	75
to Sell	58	65	71
Hld's(000)	23955	24285	24119

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	8.8	-1.0
3 yr.	31.9	50.3
5 yr.	74.1	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
13.48	17.31	17.73	22.65	29.42	51.22	44.11	62.29	60.89	76.19	79.63	72.62	90.74	62.34	64.10	72.60	*55.00*	*80.00*	Revenues per sh A	*87.25*
1.48	1.63	1.74	1.86	1.99	2.12	2.14	2.38	2.50	2.62	2.73	2.44	3.62	3.16	3.26	3.40	*3.85*	*4.10*	"Cash Flow" per sh	*4.50*
.92	.99	1.04	1.11	1.20	1.30	1.39	1.59	1.70	1.77	1.87	1.55	2.70	2.40	2.46	2.58	*2.85*	*3.15*	Earnings per sh B	*3.45*
.69	.71	.73	.75	.76	.78	.80	.83	.87	.91	.96	1.01	1.11	1.24	1.36	1.44	*1.52*	*1.52*	Div'ds Decl'd per sh C■	*1.68*
1.19	1.15	1.07	1.21	1.23	1.10	1.02	1.14	1.45	1.28	1.28	1.46	1.72	1.81	2.10	2.26	*2.00*	*2.00*	Cap'l Spending per sh	*2.00*
6.73	6.92	7.26	7.57	8.29	8.80	8.71	10.26	11.25	10.60	15.00	15.50	17.28	16.59	17.62	18.73	*18.20*	*19.30*	Book Value per sh D	*24.60*
40.69	40.23	40.07	39.92	39.59	40.00	41.50	40.85	41.61	41.32	41.44	41.61	42.06	41.59	41.17	41.45	*40.00*	*40.00*	Common Shs Outst'g E	*40.00*
13.6	13.5	15.3	15.2	14.7	14.2	14.7	14.0	15.3	16.8	16.1	21.6	12.3	14.9	15.0	16.8	*Bold figures are*		Avg Ann'l P/E Ratio	*14.0*
.85	.78	.80	.87	.96	.73	.80	.80	.81	.89	.87	1.15	.74	.99	.95	1.05	*Value Line*		Relative P/E Ratio	*.95*
5.6%	5.3%	4.6%	4.5%	4.4%	4.2%	3.9%	3.7%	3.3%	3.1%	3.2%	3.0%	3.3%	3.5%	3.7%	3.3%	*estimates*		Avg Ann'l Div'd Yield	*3.5%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $736.1 mill. **Due in 5 Yrs** $129.1 mill.
LT Debt $428.1 mill. **LT Interest** $19.6 mill.
Incl. $69.9 mill. capitalized leases.
(LT interest earned: 7.5x; total interest coverage: 7.5x)
Pension Assets-9/11 $155.7 mill. **Oblig.** $270.2 mill.
Pfd Stock None

Common Stock 41,588,540 shs.
as of 8/6/12
MARKET CAP: $1.9 billion (Mid Cap)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		15-17
1830.8	2544.4	2533.6	3148.3	3299.6	3021.8	3816.2	2592.5	2639.3	3009.2	*2200*	*3200*	Revenues ($mill) A	*3490*
56.8	65.4	71.6	74.4	78.5	65.3	113.9	101.0	101.8	106.5	*115*	*125*	Net Profit ($mill)	*140*
38.7%	39.4%	39.1%	39.1%	38.9%	38.8%	37.8%	27.1%	41.4%	30.2%	*35.0%*	*35.0%*	Income Tax Rate	*35.0%*
3.1%	2.6%	2.8%	2.4%	2.4%	2.2%	3.0%	3.9%	3.9%	3.5%	*4.0%*	*3.9%*	Net Profit Margin	*4.0%*
50.6%	38.1%	40.3%	42.0%	34.8%	37.3%	38.5%	39.8%	37.2%	35.5%	*40.5%*	*39.5%*	Long-Term Debt Ratio	*33.5%*
49.4%	61.9%	59.7%	58.0%	65.2%	62.7%	61.5%	60.2%	62.8%	64.5%	*59.5%*	*60.5%*	Common Equity Ratio	*66.5%*
732.4	676.8	783.8	755.3	954.0	1028.0	1182.1	1144.8	1154.4	1203.1	*1230*	*1275*	Total Capital ($mill)	*1480*
756.4	852.6	880.4	905.1	934.9	970.9	1017.3	1064.4	1135.7	1295.9	*1320*	*1350*	Net Plant ($mill)	*1430*
8.7%	10.7%	10.1%	11.2%	9.6%	7.7%	10.7%	9.7%	9.7%	9.7%	*10.5%*	*11.0%*	Return on Total Cap'l	*10.5%*
15.7%	15.6%	15.3%	17.0%	12.6%	10.1%	15.7%	14.6%	14.0%	13.7%	*16.0%*	*16.5%*	Return on Shr. Equity	*14.0%*
15.7%	15.6%	15.3%	17.0%	12.6%	10.1%	15.7%	14.6%	14.0%	13.7%	*16.0%*	*16.5%*	Return on Com Equity	*14.0%*
6.9%	7.7%	7.8%	8.5%	6.3%	3.6%	9.5%	7.2%	6.7%	6.2%	*7.5%*	*8.5%*	Retained to Com Eq	*7.5%*
56%	51%	49%	50%	50%	64%	40%	50%	52%	55%	*53%*	*49%*	All Div'ds to Net Prof	*48%*

CURRENT POSITION ($MILL.)	2010	2011	6/30/12
Cash Assets	.9	7.4	7.1
Other	784.1	725.0	637.7
Current Assets	785.0	732.4	644.8
Accts Payable	47.3	66.0	72.0
Debt Due	178.9	166.9	308.0
Other	479.6	470.5	269.9
Current Liab.	705.8	703.4	649.9
Fix. Chg. Cov.	700%	700%	700%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	7.0%	-1.5%	*4.5%*
"Cash Flow"	5.0%	4.5%	*5.5%*
Earnings	7.5%	7.0%	*5.5%*
Dividends	6.0%	8.0%	*4.0%*
Book Value	8.0%	7.5%	*5.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	801.3	937.5	441.1	412.6	2592.5
2010	609.6	918.4	479.8	631.5	2639.3
2011	713.2	977.0	648.1	670.9	3009.2
2012	642.4	612.9	425.1	*519.6*	*2200*
2013	*890*	*865*	*675*	*770*	*3200*

Fiscal Year Ends	EARNINGS PER SHARE A B Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	.77	1.71	.03	d.12	2.40
2010	.66	1.55	.28	d.03	2.46
2011	.71	1.62	.23	.02	2.58
2012	1.09	1.79	.10	*d.13*	*2.85*
2013	*1.15*	*1.67*	*.28*	*.05*	*3.15*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.267	.28	.28	.28	1.11
2009	.31	.31	.31	.31	1.24
2010	.34	.34	.34	.34	1.36
2011	.36	.36	.36	.36	1.44
2012	.38	.38	.38		

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in New Jersey, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had about 494,964 customers at 9/30/11 in Monmouth and Ocean Counties, and other N.J. Counties. Fiscal 2011 volume: 178 bill. cu. ft. (5% interruptible, 35% residential and commercial and electric utility, 60% incentive programs). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2011 dep. rate: 2.2%. Has 891 empls. Off./dir. own about 1.1% of common (12/11 Proxy). Chrmn., CEO & Pres. : Laurence M. Downes. Inc.: NJ Addr.: 1415 Wyckoff Road, Wall, NJ 07719. Tel.: 732-938-1480. Web: www.njresources.com.

New Jersey Resources continued to log a mixed bag of financial results for the June period. Indeed, the top line declined 34%. This stemmed from weaker utility and nonutility volumes, as a result of lower year-over-year comparable natural gas prices. Meanwhile, those lower revenues weighed unfavorably on both fixed- and variable-cost absorption in nonregulated lines. Thus, NJR's third-quarter bottom line declined 57%, to $0.10. However, this was in line with our expectations, and we have left our 2012 share-net estimates unchanged.

We look for the company to post an earnings increase of 10.5% for fiscal 2012 (ends September 30th). This ought to be largely supported by a rise in the number of customer accounts at the New Jersey Natural Gas regulated utility division. That unit makes up the lion's share of NJR's business mix and is expected to add 12,000 to 14,000 new customers this year and next, combined. At the same time, multiple capital projects for alternative energy investments augur well for prospects at the NJR Clean Energy Ventures segment. That division should continue to ramp up as more businesses opt to install solar power systems. Meanwhile, we expect continued softness from NJR Energy services as historically low natural gas prices and reduced volatility weigh on the wholesale market place.

The overall financial position is solid. Although, the cash reserves declined about 5% so far this year, that cushion still sits at roughly $7.0 million. Meanwhile, total debt increased about 24% over this time frame. However, a large portion of that increase stems from a rise in short-term notes outstanding, which will be expiring later this year. Too, management repurchased a little more than 200,000 shares of common stock this year. At this point, the board is authorized to buy back another 1.2 million shares. Further repurchases would surely bolster share net.

New Jersey Resources stock has advanced about 8% in price since our June review. At this time, it is trading inside our Target Price Range, and offers below-average total return potential compared to other gas utilities, for the pull to 2015-2017.

Bryan J. Fong *September 7, 2012*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Qtly egs may not sum to total due to change in shares outstanding. Next earnings report due late Oct.
(C) Dividends historically paid in early January, April, July, and October. ■ Dividend reinvestment plan available.
(D) Includes regulatory assets in 2011: $434.2 million, $10.48/share.
(E) In millions, adjusted for splits.

Company's Financial Strength	A
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	50

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