ATMOS ENERGY CORP. NYSE-ATO

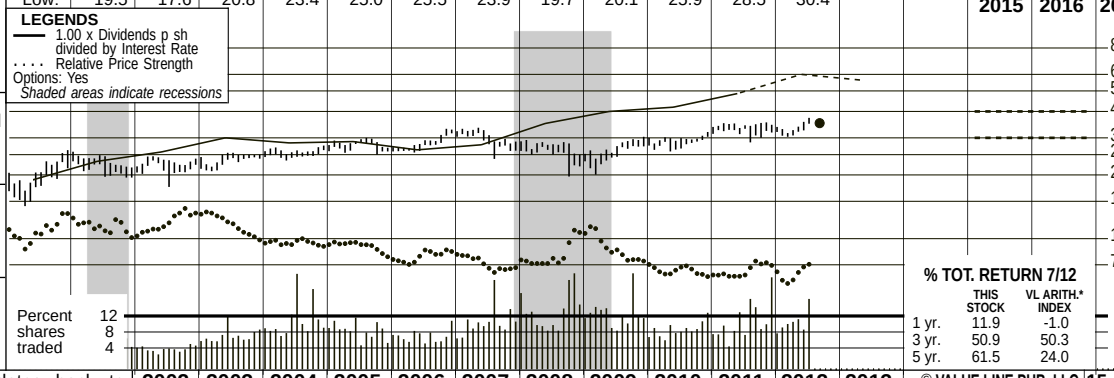
RECENT PRICE	P/E RATIO		RELATIVE P/E RATIO	DIV'D YLD	
35.21	13.7	(Trailing: 15.9 Median: 14.0)	0.93	4.0%	VALUE LINE

TIMELINESS 2 Raised 8/17/12
SAFETY 2 Raised 12/16/05
TECHNICAL 3 Raised 7/13/12
BETA .70 (1.00 = Market)

High:	25.8	24.5	25.5	27.6	30.0	33.1	33.5	29.3	30.3	32.0	35.6	37.3
Low:	19.5	17.6	20.8	23.4	25.0	25.5	23.9	19.7	20.1	25.9	28.5	30.4

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 1.00 x Dividends p sh divided by Interest Rate
.... Relative Price Strength
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	40	(+15%)	7%
Low	30	(-15%)	1%

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	0	0	0	2	0
to Sell	0	2	0	0	0	1	0	0	1

Institutional Decisions

	3Q2011	4Q2011	1Q2012
to Buy	110	132	127
to Sell	116	103	117
Hld's(000)	50338	48646	50572

% TOT. RETURN 7/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	11.9	-1.0
3 yr.	50.9	50.3
5 yr.	61.5	24.0

Atmos Energy's history dates back to 1906 in the Texas Panhandle. Over the years, through various mergers, it became part of Pioneer Corporation, and, in 1981, Pioneer named its gas distribution division Energas. In 1983, Pioneer organized Energas as a separate subsidiary and distributed the outstanding shares of Energas to Pioneer shareholders. Energas changed its name to Atmos in 1988. Atmos acquired Trans Louisiana Gas in 1986, Western Kentucky Gas Utility in 1987, Greeley Gas in 1993, United Cities Gas in 1997, and others.

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
22.82	54.39	46.50	61.75	75.27	66.03	79.52	53.69	53.12	48.15	*40.90*	*46.15*	Revenues per sh A	*63.10*
3.39	3.23	2.91	3.90	4.26	4.14	4.19	4.29	4.64	4.72	*4.90*	*5.10*	"Cash Flow" per sh	*5.65*
1.45	1.71	1.58	1.72	2.00	1.94	2.00	1.97	2.16	2.26	*2.25*	*2.35*	Earnings per sh A B	*2.70*
1.18	1.20	1.22	1.24	1.26	1.28	1.30	1.32	1.34	1.36	*1.38*	*1.40*	Div'ds Decl'd per sh C■	*1.48*
3.17	3.10	3.03	4.14	5.20	4.39	5.20	5.51	6.02	6.90	*7.75*	*7.95*	Cap'l Spending per sh	*8.80*
13.75	16.66	18.05	19.90	20.16	22.01	22.60	23.52	24.16	24.98	*28.10*	*30.20*	Book Value per sh	*34.65*
41.68	51.48	62.80	80.54	81.74	89.33	90.81	92.55	90.16	90.30	*90.00*	*91.00*	Common Shs Outst'g D	*103.00*
15.2	13.4	15.9	16.1	13.5	15.9	13.6	12.5	13.2	14.4	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
.83	.76	.84	.86	.73	.84	.82	.83	.84	.90	*Value Line*		Relative P/E Ratio	*.85*
5.4%	5.2%	4.9%	4.5%	4.7%	4.2%	4.8%	5.3%	4.7%	4.2%	*estimates*		Avg Ann'l Div'd Yield	*4.2%*
950.8	2799.9	2920.0	4973.3	6152.4	5898.4	7221.3	4969.1	4789.7	4347.6	*3680*	*4200*	Revenues ($mill) A	*6500*
59.7	79.5	86.2	135.8	162.3	170.5	180.3	179.7	201.2	199.3	*205*	*215*	Net Profit ($mill)	*280*
37.1%	37.1%	37.4%	37.7%	37.6%	35.8%	38.4%	34.4%	38.5%	36.4%	*38.5%*	*38.5%*	Income Tax Rate	*38.5%*
6.3%	2.8%	3.0%	2.7%	2.6%	2.9%	2.5%	3.6%	4.2%	4.6%	*5.6%*	*5.1%*	Net Profit Margin	*4.3%*
53.9%	50.2%	43.2%	57.7%	57.0%	52.0%	50.8%	49.9%	45.4%	49.4%	*45.0%*	*45.0%*	Long-Term Debt Ratio	*49.0%*
46.1%	49.8%	56.8%	42.3%	43.0%	48.0%	49.2%	50.1%	54.6%	50.6%	*55.0%*	*55.0%*	Common Equity Ratio	*51.0%*
1243.7	1721.4	1994.8	3785.5	3828.5	4092.1	4172.3	4346.2	3987.9	4461.5	*4600*	*5000*	Total Capital ($mill)	*7000*
1300.3	1516.0	1722.5	3374.4	3629.2	3836.8	4136.9	4439.1	4793.1	5147.9	*5500*	*5800*	Net Plant ($mill)	*6700*
6.8%	6.2%	5.8%	5.3%	6.1%	5.9%	5.9%	5.9%	6.9%	6.1%	*6.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
10.4%	9.3%	7.6%	8.5%	9.8%	8.7%	8.8%	8.3%	9.2%	8.8%	*8.0%*	*8.0%*	Return on Shr. Equity	*8.0%*
10.4%	9.3%	7.6%	8.5%	9.8%	8.7%	8.8%	8.3%	9.2%	8.8%	*8.0%*	*8.0%*	Return on Com Equity	*8.0%*
1.9%	2.8%	1.7%	2.3%	3.6%	3.0%	3.1%	2.7%	3.5%	3.3%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
82%	70%	77%	73%	63%	65%	65%	68%	62%	62%	*61%*	*59%*	All Div'ds to Net Prof	*54%*

CAPITAL STRUCTURE as of 6/30/12
Total Debt $2419.9 mill. **Due in 5 Yrs** $660.0 mill.
LT Debt $1956.3 mill. **LT Interest** $110.0 mill.
(LT interest earned: 3.1x; total interest coverage: 3.1x)
Leases, Uncapitalized Annual rentals $17.7 mill.
Pfd Stock None
Pension Assets-9/11 $280.2 mill. **Oblig.** $429.4 mill.
Common Stock 90,173,217 shs. **as of 8/3/12**
MARKET CAP: $3.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2010	2011	6/30/12
Cash Assets	132.0	131.4	27.7
Other	743.2	879.6	748.0
Current Assets	875.2	1011.0	775.7
Accts Payable	266.2	291.2	178.2
Debt Due	486.2	208.8	463.6
Other	413.7	367.6	468.4
Current Liab.	1166.1	867.6	1110.2
Fix. Chg. Cov.	440%	432%	430%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Revenues	6.5%	-3.5%	*3.5%*
"Cash Flow"	4.5%	4.5%	*3.5%*
Earnings	7.0%	4.0%	*4.0%*
Dividends	1.5%	1.5%	*1.5%*
Book Value	6.5%	4.5%	*6.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) A Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	1716.3	1821.4	780.8	650.6	4969.1
2010	1292.9	1940.3	770.2	786.3	4789.7
2011	1133.3	1581.5	843.6	789.2	4347.6
2012	1101.2	1243.4	585.8	*749.6*	*3680*
2013	*1180*	*1415*	*825*	*780*	*4200*

Fiscal Year Ends	EARNINGS PER SHARE A B E Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2009	.83	1.29	.02	d.17	1.97
2010	1.00	1.17	d.03	.02	2.16
2011	.81	1.40	.04	.01	2.26
2012	.72	1.16	.33	*.04*	*2.25*
2013	*.82*	*1.38*	*.12*	*.03*	*2.35*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.325	.325	.325	.33	1.31
2009	.33	.33	.33	.335	1.33
2010	.335	.335	.335	.34	1.35
2011	.34	.34	.34	.345	1.37
2012	.345	.345	.345		

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over three million customers via six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Combined 2011 gas volumes: 281.5 MMcf. Breakdown: 57%, residential; 32%, commercial; 7%, industrial; and 4% other. 2011 depreciation rate 3.3%. Has around 4,750 employees. Officers and directors own 1.5% of common stock (12/11 Proxy). President and Chief Executive Officer: Kim R. Cocklin. Inc.: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

From an earnings standpoint, it appears that Atmos Energy will have an unexciting fiscal 2012 (ends September 30th), compared to last year. Through the first nine months, the natural gas distribution division, accounting for the bulk of net income, was hurt partially by a 9% decline in throughput, as warmer weather conditions held back consumption. Moreover, revenue-related taxes here were lower because of decreased revenues on which the tax is calculated. But this segment benefited from rate hikes, particularly in the Texas, Louisiana, Mississippi, and Kentucky service areas. Meanwhile, results for the regulated transmission and storage segment (the second-biggest unit) were boosted nicely by rate design adjustments approved in the Atmos Pipeline—Texas case that became effective in May, 2011. Even so, we believe that the bottom line for fiscal 2012 will be about flat, at $2.25 a share. But assuming some improvement in the operating performance of the natural gas distribution segment, share net might well advance to $2.35 next year.

Non-strategic units are being divested. Atmos recently completed the sale of the natural gas distribution business in Missouri, Iowa, and Illinois (serving around 84,000 customers) to an affiliate of Algonquin Power & Utilities Corp. for $129 million. Furthermore, there was an announcement to sell the natural gas distribution segment in Georgia, representing roughly 64,000 customers, to an affiliate of Algonquin Power & Utilities Corp. for about $141 million. Pending regulatory approvals, the transaction is expected to close sometime during fiscal 2013. Management intends to use the proceeds from these deals to support growth initiatives in such key states as Texas and Louisiana.

The primary attraction here is the dividend yield, which is higher than the average of all gas utility stocks tracked by *Value Line*. Also, our 2015-2017 projections indicate that further, though modest, hikes in the well-covered payout are likely to occur. Other good attributes include a 2 (Above Average) rank for both Safety and Timeliness, plus an excellent score for Price Stability.

Frederick L. Harris, III September 7, 2012

(A) Fiscal year ends Sept. 30th. **(B)** Diluted shrs. Excl. nonrec. items: '03, d17¢; '06, d18¢; '07, d2¢; '09, 12¢; '10, 5¢; '11, (1¢). Excludes discontinued operations: '11, 10¢; '12, 7¢. Next egs. rpt. due early Nov. **(C)** Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. **(D)** In millions. **(E)** Qtrs may not add due to change in shrs outstanding.

Company's Financial Strength	B++
Stock's Price Stability	100
Price Growth Persistence	50
Earnings Predictability	90

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