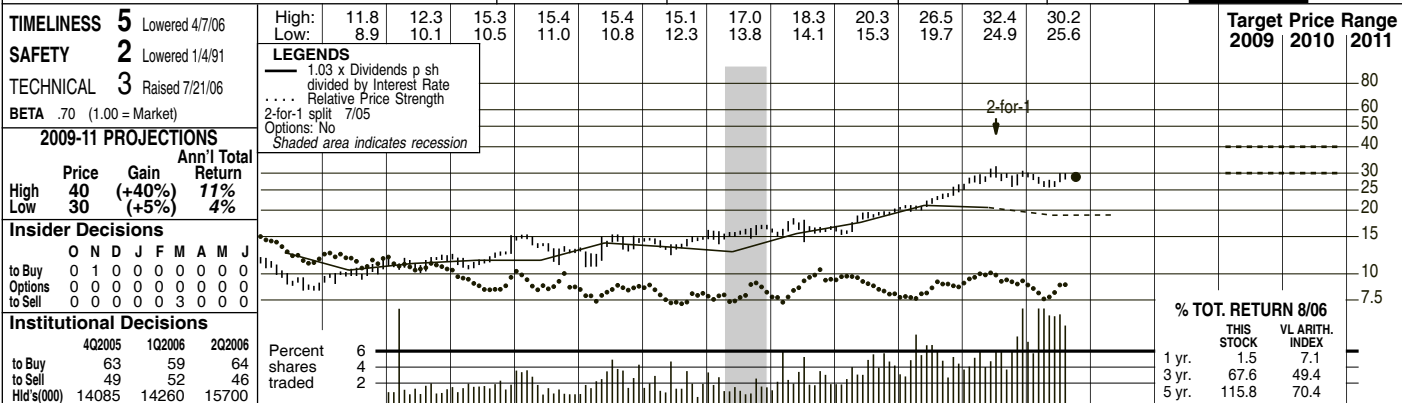


SOUTH JERSEY INDS. NYSE-SJI

RECENT PRICE 28.80 **P/E RATIO** 15.2 (Trailing: 17.2; Median: 14.0) **RELATIVE P/E RATIO** 0.89 **DIV'D YLD** 3.2% **VALUE LINE**



Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11	
Price	14.40	15.10	16.67	17.03	17.45	16.50	16.52	16.18	20.89	17.60	22.43	35.30	20.69	26.34	29.51	31.78	32.90	34.10	Revenues per sh	38.25	
High	1.34	1.37	1.56	1.54	1.35	1.65	1.54	1.60	1.44	1.84	1.95	1.90	2.12	2.24	2.44	2.51	2.80	3.00	"Cash Flow" per sh	3.50	
Low	.67	.64	.81	.78	.61	.83	.85	.86	.64	1.01	1.08	1.15	1.22	1.37	1.58	1.71	1.85	1.95	Earnings per sh ^A	2.35	
Options to Buy	2.11	2.17	1.69	1.87	1.93	2.08	2.01	2.30	3.06	2.19	2.21	2.82	3.47	2.36	2.67	3.21	3.60	3.70	Div's Decl'd per sh ^B	1.15	
Options to Sell	6.79	6.77	6.95	7.17	7.23	7.34	8.03	6.43	6.23	6.74	7.25	7.81	9.67	11.26	12.41	13.50	14.30	15.10	Cap'l Spending per sh	4.05	
Hld's(000)	14085	14260	15700																	Book Value per sh ^C	17.55
Insider Decisions	18.06	18.48	19.00	19.61	21.43	21.44	21.51	21.54	21.56	22.30	23.00	23.72	24.41	26.46	27.76	28.98	29.20	29.60	Common Shs Outst'g ^D	31.00	
Institutional Decisions	13.6	14.5	13.2	15.8	16.1	12.2	13.3	13.8	21.2	13.3	13.0	13.6	13.5	13.3	14.1	16.6			Avg Ann'l P/E Ratio	14.0	
Percent shares traded	1.01	.93	.80	.93	1.06	.82	.83	.80	1.10	.76	.85	.70	.74	.76	.74	.88			Relative P/E Ratio	.95	
to Buy	7.7%	7.6%	6.6%	5.9%	7.4%	7.2%	6.4%	6.1%	5.3%	5.4%	5.2%	4.7%	4.6%	4.3%	3.7%	3.0%			Avg Ann'l Div'd Yield	3.5%	
to Sell																					
Hld's(000)																					

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	© VALUE LINE PUB., INC.	09-11	
Total Debt \$505.1 mill. Due in 5 Yrs \$175.0 mill.	355.5	348.6	450.2	392.5	515.9	837.3	505.1	696.8	819.1	921.0	960	1010	Revenues (\$mill)	1185							
LT Debt \$358.1 mill. LT Interest \$20.0 mill.	18.5	18.4	13.8	22.0	24.7	26.8	29.4	34.6	43.0	48.6	55.0	60.0	Net Profit (\$mill)	70.0							
(Total interest coverage: 4.8x)	35.5%	36.8%	46.2%	42.8%	43.1%	42.2%	41.4%	40.6%	40.9%	41.5%	40.5%	40.5%	Income Tax Rate	40.5%							
Pension Assets-12/05 \$108.5 mill. Oblig. \$126.7 mill.	5.2%	5.3%	3.1%	5.6%	4.8%	3.2%	5.8%	5.0%	5.2%	5.3%	5.6%	5.6%	Net Profit Margin	6.0%							
Pfd Stock none	46.1%	54.6%	57.3%	53.8%	54.1%	57.0%	53.6%	50.8%	48.7%	44.9%	43.0%	43.0%	Long-Term Debt Ratio	40.0%							
Common Stock 29,232,801 common shs. as of 8/1/06	53.2%	35.8%	33.5%	37.0%	37.6%	35.9%	46.1%	49.0%	51.0%	55.1%	57.0%	57.0%	Common Equity Ratio	60.0%							
MARKET CAP: \$850 million (Small Cap)	324.8	387.1	401.1	405.9	443.5	516.2	512.5	608.4	675.0	710.3	735	780	Total Capital (\$mill)	895							
CURRENT POSITION	423.9	456.5	504.3	533.3	562.2	607.0	666.6	748.3	799.9	877.3	940	1010	Net Plant (\$mill)	1200							
Cash Assets	7.9%	6.7%	5.3%	7.4%	7.4%	6.9%	7.6%	7.3%	7.9%	8.3%	8.5%	8.5%	Return on Total Cap'l	9.0%							
Other	10.5%	10.5%	8.1%	11.7%	12.1%	12.1%	12.4%	11.5%	12.4%	12.4%	13.0%	13.0%	Return on Shr. Equity	13.0%							
Current Assets	10.6%	13.3%	10.3%	14.6%	14.8%	12.8%	12.5%	11.6%	12.5%	12.4%	13.0%	13.0%	Return on Com Equity	13.0%							
Accts Payable	1.6%	2.1%	NMF	4.2%	4.8%	3.5%	4.7%	5.0%	5.9%	6.2%	6.5%	6.5%	Retained to Com Eq	6.5%							
Debt Due	85%	84%	112%	72%	67%	76%	62%	57%	52%	50%	50%	50%	All Div'ds to Net Prof	52%							
Other																					
Current Liab.																					
Fix. Chg. Cov.																					

BUSINESS: South Jersey Industries, Inc. is a holding company. Its subsidiary, South Jersey Gas Co., distributes natural gas to 322,424 customers in New Jersey's southern counties, which covers 2,500 square miles and includes Atlantic City. Gas revenue mix '05: residential, 45%; commercial, 23%; cogeneration and electric generation 4%; Industrial, 23%. Non-utility operations include: South Jersey Energy, South Jersey Resource Group, Marina Energy, and South Jersey Energy Services Plus. Has 636 employees. Off./dir. cntrl. 1.5% of com. shares; Dimensional Fund Advisors, 7.9%; Barclays, 5.3% (3/06 proxy). Chrm. & CEO: Edward Graham. Incorp.: NJ. Address: 1 South Jersey Plaza, Rte. 54, Folsom, NJ 08037. Tel.: 609-561-9000. Internet: www.sjindustries.com.

South Jersey Industries' earnings comparisons have been weak over the first six months of 2006. This is largely due to warmer than normal temperatures and conservation by customers as a result of high natural gas prices. On the positive side, there is continued optimism that the company's conservation and usage adjustment proposal will be approved by the New Jersey Board of Public Utilities and be in place by next winter's heating season. Moreover, the utility added 8,740 customers during the past 12 months, which represents nearly a 3% increase over the prior year. Due to the strength of the local economy and demand for housing in the region, the company should add customers at a rate exceeding the industry average over the next few years. For 2006, we look for earnings to advance about 8%, to \$1.85, due to a pickup in nonregulated activities, followed by a more sustainable 6%-7% rate out to late decade.

Casino & Spa. Results should be further enhanced toward the end of next year when an 800-room tower is completed at the Borgata. Also, Marina is in the process of completing a 3.8 megawatt methane-to-electric generation project at the Warren County district landfill, which should provide additional opportunities for growth. Looking ahead, the subsidiary may be able to benefit should a casino/hotel be built on a 50-acre property owned by MGM that is located next to the Borgata.

After a slow start to the year, the Residential & Commercial Service business may exceed its 2005 performance going forward. This is primarily due to recent additions to its portfolio of services that include propane heaters and appliances, and small commercial heating, ventilating, and air conditioning systems. **This untimely stock is best suited for investors seeking moderate yield and good dividend growth potential.** Over the 2009-2011 period, we look for steady dividend increases, which should push the yield to around 3.5%, along with a slight reduction in the debt-to-equity ratio.

Marina Energy still has room for growth. It recently completed the expansion of its Atlantic City thermal plant to support the 500,000-square-foot expansion to the gaming area at the Borgata Hotel

<p>(A) Based on avg. shs. Excl. nonrecur. gain: '01, \$0.13. Excl. gain (losses) from discount. ops.: '96, \$1.14; '97, (\$0.24); '98, (\$0.26); '99, (\$0.02); '00, (\$0.04); '01, (\$0.02); '02, (\$0.04); '03, (\$0.09); '05, (\$0.02). Excl. gains due to acct'g change: '93, \$0.04; '01, \$0.14. Next eqs. report due late Oct.</p>	<p>(B) Dividends paid early Apr., Jul., Oct, and late Dec. Div. reinvest. plan avail. (2% disc.). (C) Incl. regulatory assets (\$121.5 mill.): at 12/31/05, \$4.19 per shr. (D) In millions, adjusted for split.</p>	<p>Company's Financial Strength B++ Stock's Price Stability 100 Price Growth Persistence 95 Earnings Predictability 90</p>
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