



AGL Resources[®]

Third Quarter 2011 Earnings Presentation

November 2, 2011

Forward-Looking Statements & Supplemental Information

Forward-Looking Statements

Certain expectations and projections regarding our future performance referenced in this presentation, in other reports or statements we file with the SEC or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as "anticipate," "assume," "believe," "can," "could," "estimate," "expect," "forecast," "future," "goal," "indicate," "intend," "may," "outlook," "plan," "potential," "predict," "project," "seek," "should," "target," "would," or similar expressions. Forward-looking statements contained in this presentation include, without limitation, statements regarding future earnings per share, dividend growth and EBIT contribution, our priorities for 2011 and the proposed merger with Nicor Inc. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations.

Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures including the proposed Nicor merger; limits on natural gas pipeline capacity; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in our filings with the Securities and Exchange Commission. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.

Supplemental Information

Company management evaluates segment financial performance based on earnings before interest and taxes (EBIT), which includes the effects of corporate expense allocations and on operating margin. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure that includes operating income, other income and expenses. Items that are not included in EBIT are financing costs, including debt and interest expense and income taxes. The company evaluates each of these items on a consolidated level and believes EBIT is a useful measurement of our performance because it provides information that can be used to evaluate the effectiveness of our businesses from an operational perspective, exclusive of the costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations. Operating margin is a non-GAAP measure calculated as operating revenues minus cost of gas, excluding operation and maintenance expense, depreciation and amortization, and taxes other than income taxes. These items are included in the company's calculation of operating income. The company believes operating margin is a better indicator than operating revenues of the contribution resulting from customer growth, since cost of gas is generally passed directly through to customers. In addition, in this presentation, the company has presented its earnings per share excluding expenses incurred with respect to the proposed Nicor merger. As the company does not routinely engage in transactions of the magnitude of the proposed Nicor merger, and consequently does not regularly incur transaction related expenses with correlative size, the company believes presenting EPS excluding Nicor merger expenses provides investors with an additional measure of the company's core operating performance. EBIT, operating margin and EPS excluding merger expenses should not be considered as alternatives to, or more meaningful indicators of, the company's operating performance than operating income, net income attributable to AGL Resources Inc. or EPS as determined in accordance with GAAP. In addition, the company's EBIT, operating margin and non-GAAP EPS may not be comparable to similarly titled measures of another company. We also present certain non-GAAP financial measures excluding the effects of our proposed merger with Nicor. Because we complete material mergers and acquisitions only occasionally, we believe excluding these effects from certain measures is useful because they allow investors to more easily evaluate and compare the performance of the Company's core businesses from period to period. Reconciliations of non-GAAP financial measures referenced in this presentation are available on the company's Web site at www.aglresources.com

3Q11 Highlights

<i>in millions, except per share amounts</i>	3Q11	3Q10	Change
Total Operating Revenues	\$ 295	\$ 346	(15)%
Operating Margin	\$ 183	\$ 226	(19)%
Total Operating Expenses (excluding Cost of Gas)	159	164	(3)%
Operating Income	24	62	(61)%
EBIT	25	61	(59)%
Interest Expense, net	31	27	15%
Income Tax Expense	2	13	(85)%
Net Income Attributable to AGLR	\$ (3)	\$ 22	(114)%
Adj. Net Income Attributable to AGLR¹	\$ 2	\$ 22	(91)%
EPS (Diluted)	\$ (0.04)	\$ 0.29	(114)%
Adj. EPS (Diluted)¹	\$ 0.02	\$ 0.29	(93)%
Dividend per Share	\$ 0.45	\$ 0.44	2%

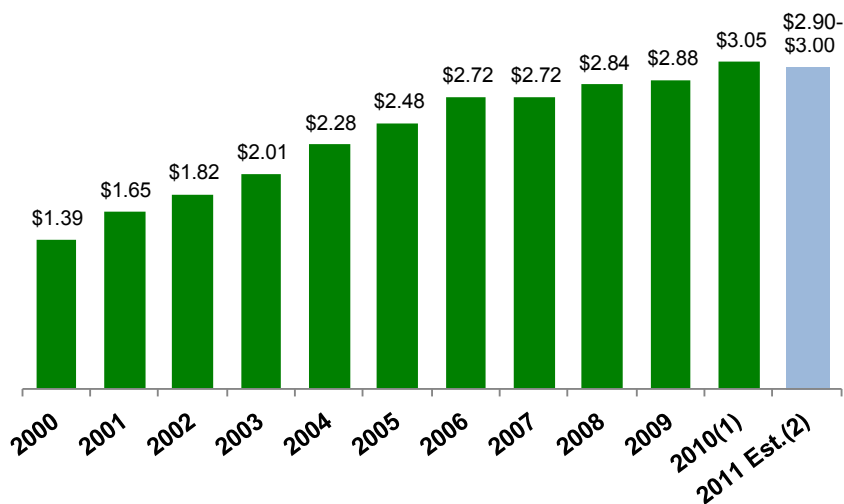
- **3Q11 GAAP EPS of \$(0.04) per diluted share**
 - Adjusted diluted EPS of \$0.02, excluding approximately \$5 million in after-tax costs related to the Nicor merger
 - Distribution segment EBIT up 27% in 3Q11 vs. 3Q10
 - Solid performance at SouthStar
 - Wholesale and storage markets remain challenged
- **9-mos 2011 GAAP EPS of \$1.78 per diluted share**
 - Adjusted diluted EPS of \$1.98, excluding approximately \$16 million in after-tax costs related to Nicor merger
- **2011 EPS estimate reduced to \$2.90-\$3.00 per diluted share, excluding all effects from the proposed merger with Nicor**
- **Nicor merger process on track**
 - Positive proposed order from ALJ received in September
 - Expect ICC consideration in November

Note: Please review the AGL Resources 10-Q as filed with the SEC on 11/2/11 for detailed information. EBIT, Adjusted Net Income and Adjusted EPS are non-GAAP measures. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

(1) Adjusted net income and adjusted EPS exclude Nicor-related merger costs of approximately \$5 million, net of tax.

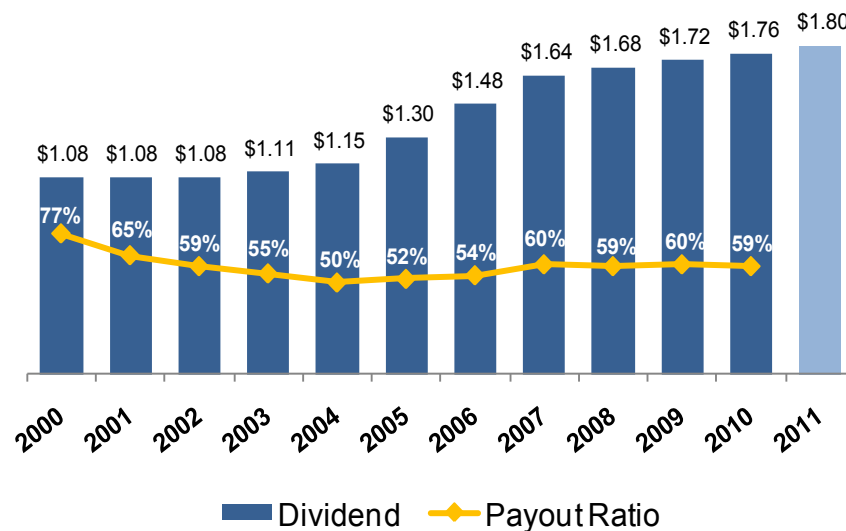
Consistent EPS and Dividend Growth

Diluted EPS Growth



**2011 EPS Guidance:
\$2.90-\$3.00 per diluted share**

Dividend Growth



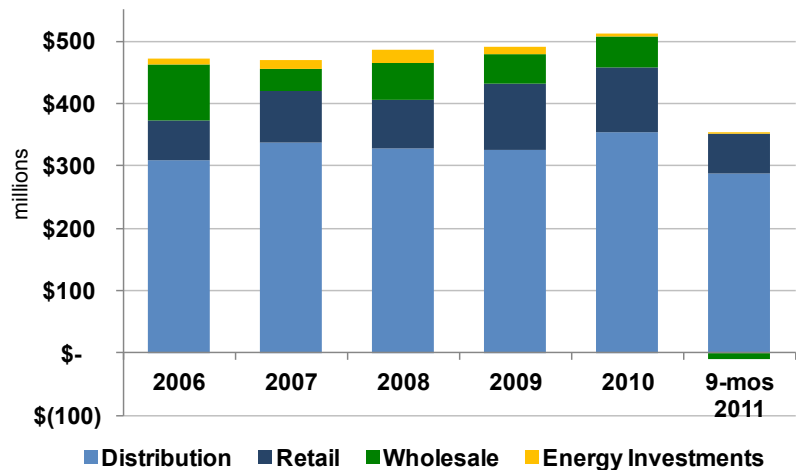
**Dividend increase of \$0.04 approved by
Board of Directors for 2011**

(1) \$3.00 diluted GAAP EPS; \$3.05 adjusted, excluding Nicor merger costs. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

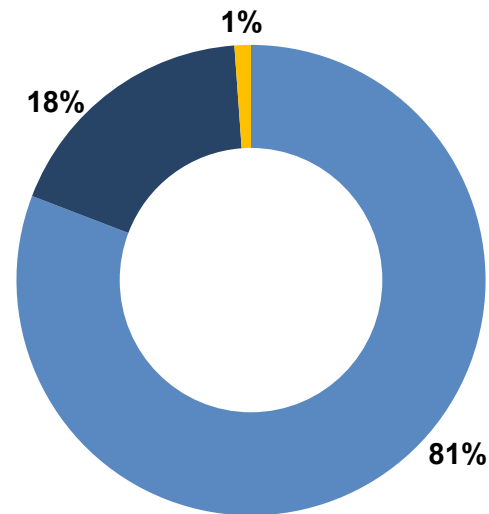
(2) Estimate excludes all effects from the proposed merger with Nicor.

EBIT by Operating Segment

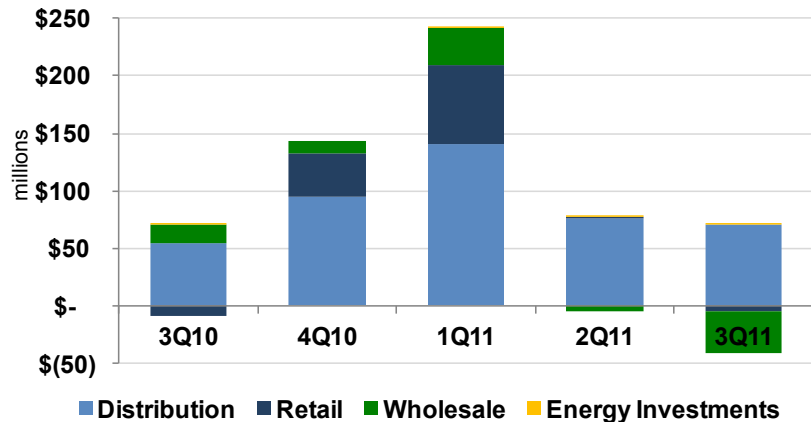
Annual EBIT by Operating Segment



9-mos 2011 EBIT Contribution



Quarterly EBIT by Operating Segment



NOTE: EBIT is a non-GAAP measure. Please see the appendix to this presentation or the investor relations section of www.aglresources.com for a reconciliation to GAAP.

Distribution

3Q11 Financial Performance Summary

<i>in millions</i>	3Q11	3Q10	Change
Total Operating Revenues	\$ 240	\$ 238	1%
Operating Margin	\$ 193	\$ 183	5%
O&M	78	85	(8)%
D&A	38	35	9%
Taxes (other than income taxes)	9	8	13%
Total Operating Expenses, exc. COG	125	128	(2)%
Operating Income	68	55	24%
Other income	2	-	n/a
EBIT	\$ 70	\$ 55	27%

NOTE: COG = Cost of Gas

9-mos 2011 Financial Performance Summary

<i>in millions</i>	9-mos 2011	9-mos 2010	Change
Total Operating Revenues	\$ 1,061	\$1,064	-
Operating Margin	\$ 676	\$ 645	5%
O&M	257	258	-
D&A	109	103	6%
Taxes (other than income taxes)	27	27	-
Total Operating Expenses, exc. COG	393	388	1%
Operating Income	283	257	10%
Other income	4	3	(33)%
EBIT	\$ 287	\$ 260	10%

- **3Q11 EBIT increased 27% vs. 3Q10**

- **Key drivers**

- New rates and regulatory infrastructure programs at Atlanta Gas Light and Elizabethtown Gas added \$9 million of operating margin
- Effective O&M expense management; costs down 2%, due primarily to lower annual incentive payout accrual

- **Customer count stable**

- 2.238 million customers in 3Q11 (avg.) vs. 2.235 million in 3Q10 (avg.)

- **Virginia Natural Gas rate case update**

- Preliminary rates effective 10/1/11, subject to refund
- Public hearing currently scheduled for November 4
- Final rates expected to be determined in 1H12

Retail

3Q11 Financial Performance Summary

<i>in millions</i>	3Q11	3Q10	Change
Total Operating Revenues	\$ 98	\$ 101	(3)%
Operating Margin	\$ 11	\$ 10	10%
O&M	15	18	(17)%
D&A	1	1	nm
Taxes (other than income taxes)	-	-	nm
Total Operating Expenses, exc. COG	16	19	(16)%
Operating Income	(5)	(9)	44%
Other income	-	-	nm
EBIT	\$ (5)	\$ (9)	44%

- **3Q11 EBIT up \$5 MM vs. 3Q10**

- Reduced transportation and gas costs partially offset by lower retail price spreads
- Operating expenses lower by \$2 million year-over-year due primarily to lower outside services expenses

- **Market share and customer count**

- Georgia market share is 32% at end of 3Q11
 - Year-to-date market share is stable, and SouthStar has achieved modest market share growth in Georgia five out of the last six months
- Georgia customer count: 482K in 3Q11 vs. 487K in 3Q10
- Delta SkyMiles affinity program initiated in Georgia market beginning October 2011; formerly a SCANA program

- **Continue to explore opportunities to expand service offerings and customer base across multiple states**

9-mos 2011 Financial Performance Summary

<i>in millions</i>	9-mos 2011	9-mos 2010	Change
Total Operating Revenues	\$ 505	\$ 611	(17)%
Operating Margin	\$ 117	\$ 124	(6)%
O&M	50	55	(9)%
D&A	2	2	-
Taxes (other than income taxes)	1	1	-
Total Operating Expenses, exc. COG	53	58	(9)%
Operating Income	64	66	(3)%
Other income	-	-	nm
EBIT	\$ 64	\$ 66	(3)%

Wholesale

3Q11 Financial Performance Summary

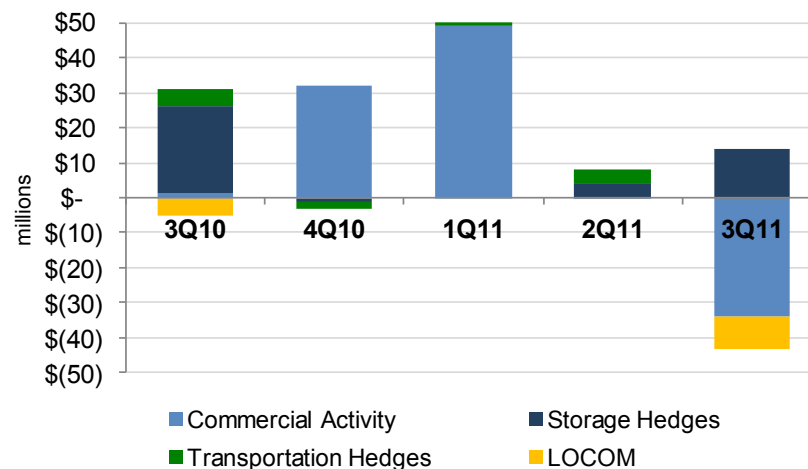
<i>in millions</i>	3Q11	3Q10	Change
Total Operating Revenues	\$ (21)	\$ 32	(166)%
Operating Margin	\$ (29)	\$ 26	(212)%
O&M	7	12	(42)%
D&A	-	-	nm
Taxes (other than income taxes)	1	-	nm
Total Operating Expenses, exc. COG	8	12	(33)%
Operating Income (Loss)	(37)	14	(364)%
Other income	-	1	nm
EBIT	\$ (37)	\$ 15	(347)%

9-mos 2011 Financial Performance Summary

<i>in millions</i>	9-mos 2011	9-mos 2010	Change
Total Operating Revenues	\$ 41	\$ 91	(55)%
Operating Margin	\$ 29	\$ 76	(62)%
O&M	35	36	(3)%
D&A	1	1	-
Taxes (other than income taxes)	2	2	-
Total Operating Expenses, exc. COG	38	39	(3)%
Operating Income	(9)	37	(124)%
Other income	-	1	nm
EBIT	\$ (9)	\$ 38	(124)%

Note: AGL Resources' wholesale services operating segment is subject to mark-to-market gains and losses related to its hedged transportation and storage positions which can create EBIT volatility quarter to quarter and year over year.

- **3Q11 EBIT down \$52 million vs. 3Q10 due to lower commercial activity and reduced transportation and storage mark-to-market (MTM) gains in 3Q11**
 - Commercial activity lower by \$35 million y/y
 - \$15 million related to Marcellus take-away constraints
 - \$2 million related to customer bankruptcy
 - Remainder due to ongoing low volatility and tight storage and transportation spreads
 - \$16 million lower MTM gains/losses on hedges y/y
 - \$4 million higher LOCOM y/y
- **\$6 million in economic value at 9/30/11 in storage rollout vs. \$6 million at 9/30/10**
- **Wholesale Operating Margin Components**



Energy Investments

3Q11 Financial Performance Summary

<i>in millions</i>	3Q11	3Q10	Change
Total Operating Revenues	\$ 11	\$ 8	38%
Operating Margin	\$ 9	\$ 6	50%
O&M	5	3	67%
D&A	2	2	0%
Taxes (other than income taxes)	-	-	nm
Total Operating Expenses, exc. COG	7	5	40%
Operating Income	2	1	100%
Other (loss)	-	-	nm
EBIT	\$ 2	\$ 1	100%

9-mos 2011 Financial Performance Summary

<i>in millions</i>	9-mos 2011	9-mos 2010	Change
Total Operating Revenues	\$ 51	\$ 45	13%
Operating Margin	\$ 26	\$ 30	(13)%
O&M	13	18	(28)%
D&A	7	5	40%
Taxes (other than income taxes)	2	2	0%
Total Operating Expenses, exc. COG	22	25	(12)%
Operating Income	4	5	(20)%
Other (loss)	-	(1)	nm
EBIT	\$ 4	\$ 4	-

Note: AGL Resources sold AGL Networks in July 2010, impacting yty metrics for our Energy Investments segment.

- **3Q11 EBIT of \$2 million**

- **Golden Triangle Storage**

- Cavern 1 in service (6 Bcf)
 - As of 7/1/11, Cavern 1 is 100% contracted, inclusive of 2 Bcf Sequent contract
 - Overall average subscription rate of \$0.14
- Cavern 2 under construction (7 Bcf)
 - Completion expected in 2012
- Storage values remain depressed due to high supply of natural gas and reduced demand

- **Jefferson Island Storage and Hub**

- As of 7/1/11 JISH is 93% contracted with an overall average subscription rate of \$0.19, inclusive of 2 Bcf Sequent contract
- Expansion permit application remains under review by Louisiana Department of Natural Resources
- If approved, facility could expand from 7.5 Bcf to 19.5 Bcf

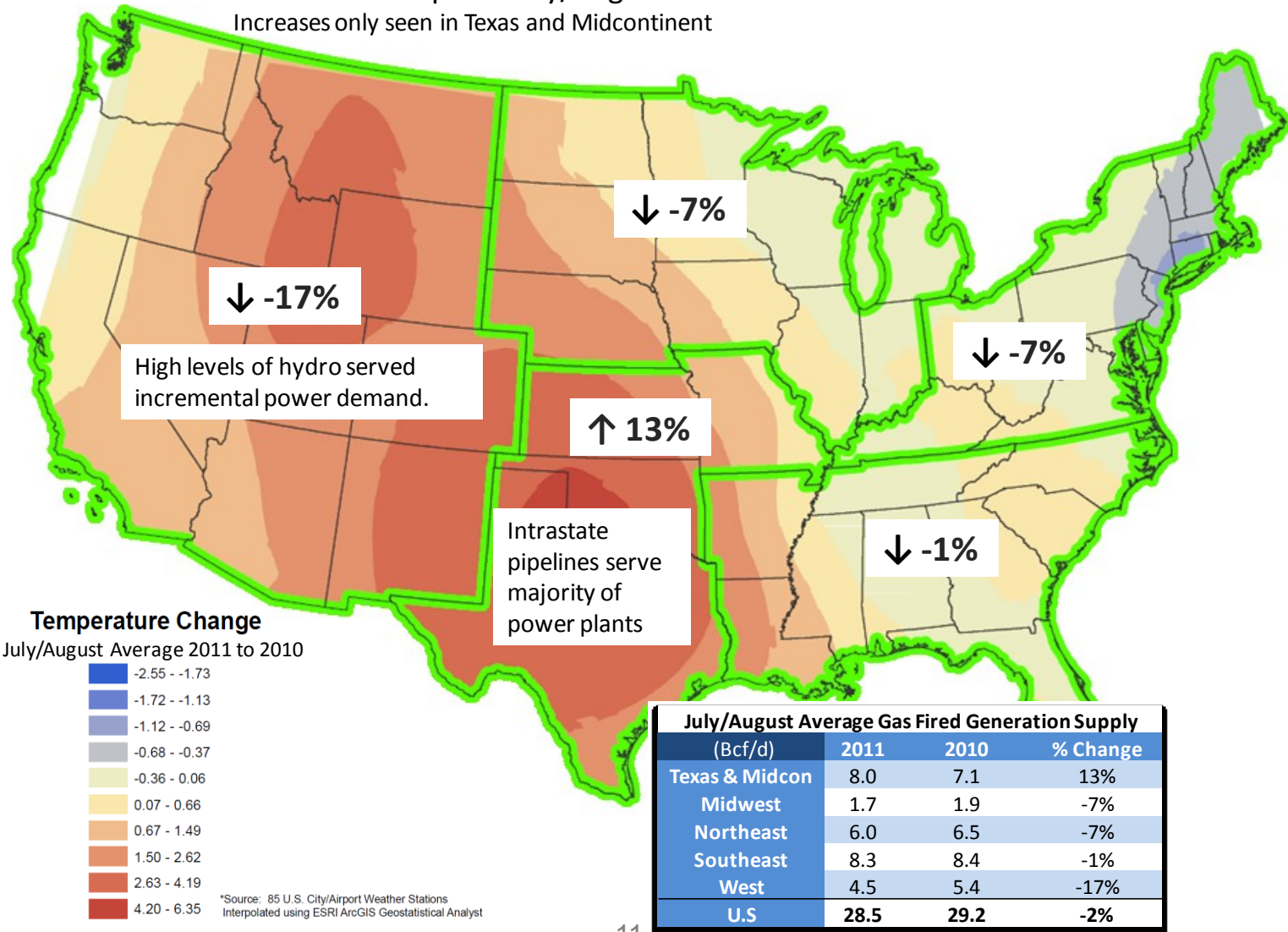
Balance Sheet Highlights

<i>in millions</i>	9/3/02011	12/31/10	9/30/10
Assets			
Cash & Receivables	\$ 804	\$ 1,186	\$ 574
Inventories	635	639	668
Other current assets	362	341	386
PPE (net)	4,635	4,405	4,293
Other deferred debits	1,023	949	955
Total Assets	\$ 7,459	\$ 7,520	\$ 6,876
Liabilities and Equity			
Current Liabilities	\$ 1,140	\$ 2,432	\$ 2,064
Long-Term Debt	2,687	1,671	1,512
Other Liabilities	1,751	1,581	1,486
Total Liabilities	5,578	5,684	5,062
Total Equity	\$ 1,881	\$ 1,836	\$ 1,814
Total Liabilities and Equity	\$ 7,459	\$ 7,520	\$ 6,876

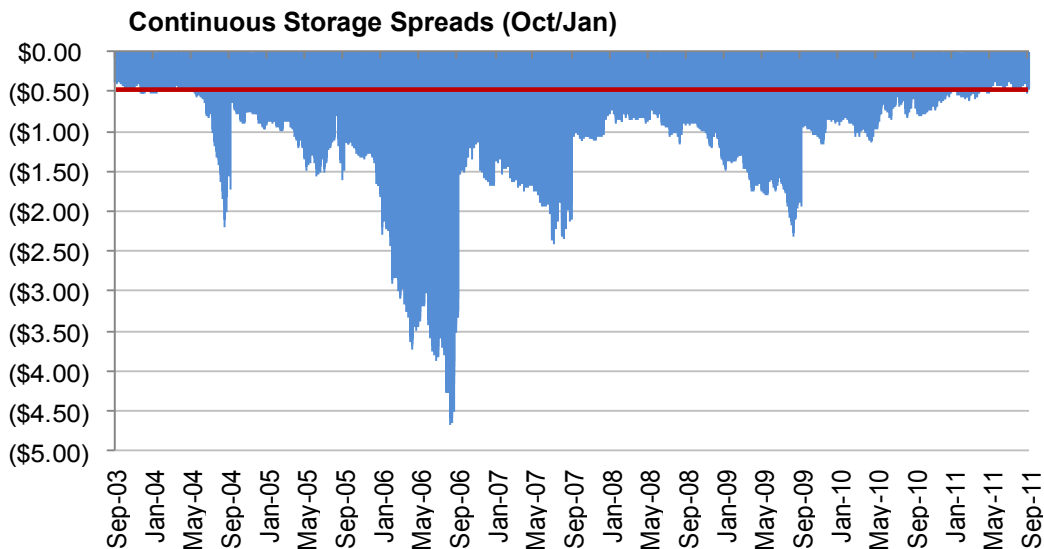
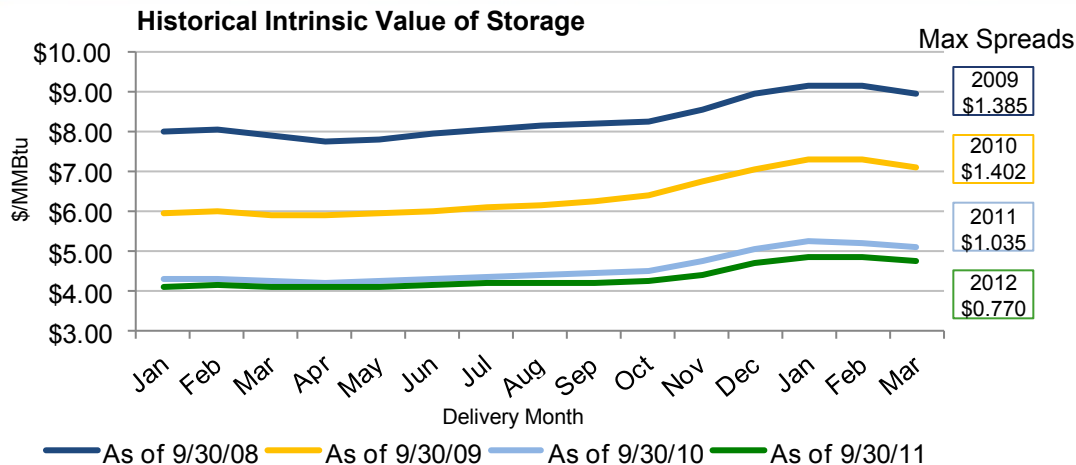
- **Solid balance sheet with significant opportunity to fund growth capital requirements**
 - Good access to capital markets
 - Company credit metrics support solid, investment-grade ratings
- **Debt financing for Nicor transaction effectively complete**
 - \$500 million of senior unsecured notes issued September 2011 (\$300 million in 10-yr tranche, \$200 million in 30-yr tranche)
 - \$275 million private placement completed in August 2011 (\$120 million in 5-yr tranche, \$155 million in 7-yr tranche)
 - \$500 million in senior unsecured notes issued March 2011 (30-yr), of which \$200 million related to Nicor transaction
- **\$2.7 billion debt outstanding**
 - Long-term debt \$2.69 billion
 - Short-term debt of \$17 million
 - Debt to Cap Ratio: 59%
- **2011 cap ex estimated at \$435 million**

Weather and Gas Fired Power Generation

Lower Consumption July/August 2011 vs. 2010
Increases only seen in Texas and Midcontinent



Natural Gas Storage Spreads

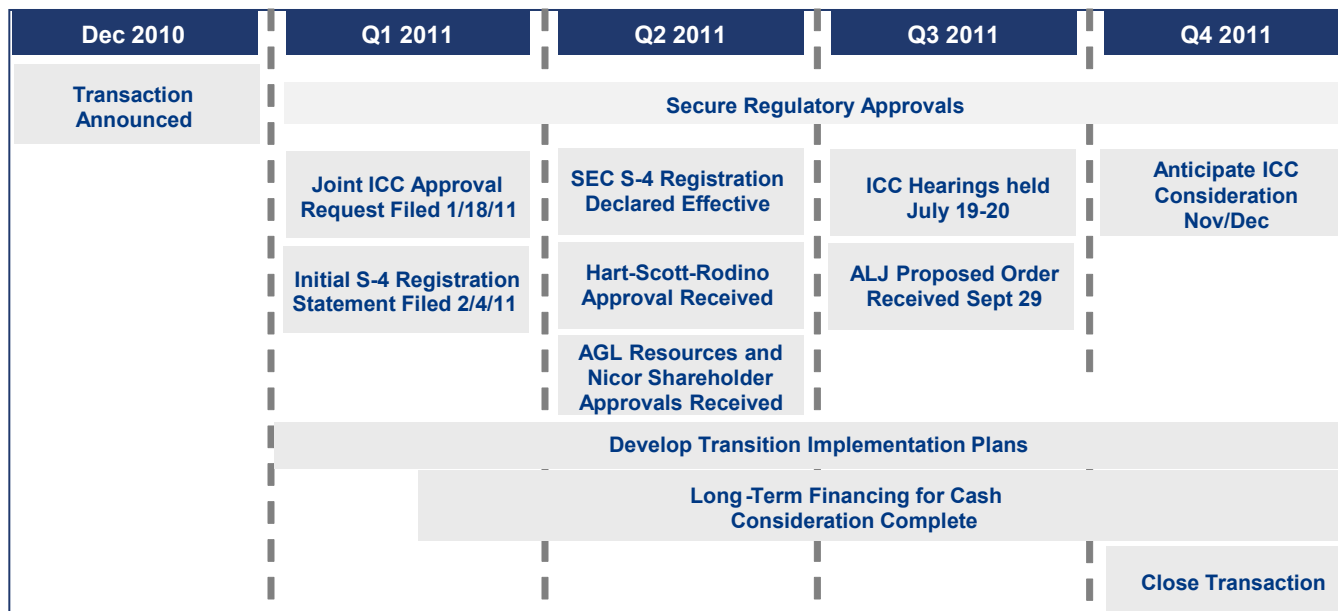


- **Significant increase in shale gas production is causing excess supply and compression of price spreads**
 - Production has increased by almost 5 Bcf/day in past year
- **Flattening of NYMEX curve has negative impact on storage optimization values**
 - Summer-to-winter spreads down by ~50% over past few years
- **3Q11 impact of reduced storage spreads approximately \$11 million year-over-year for Sequent**
- **9-mos 2011 impact of reduced storage spreads approximately \$22 million year-over-year for Sequent**

Source for both charts: NYMEX

Nicor Merger Update

- **Regulatory approval process underway, continue to anticipate closing in before year end**
 - All major regulatory approvals received, with the exception of the Illinois Commerce Commission (ICC)
 - Proposed order received from Administrative Law Judge in September
 - Expect consideration before ICC in November
- **Operations preparing for integration**



2011 Priorities

M&A

- Close Nicor transaction by year-end 2011
- Develop and implement integration plan

Distribution

- Continue safe and efficient operations at our distribution businesses
- Complete rate case at Virginia Natural Gas
 - Seeking \$25 million increase
 - VNG customers have not seen an increase in their approved base rates since 1996

Retail & Wholesale

- Continue to pursue responsible growth opportunities in retail and wholesale businesses
- Reposition wholesale services to be successful in a potentially prolonged period of reduced volatility

Energy Investments

- Increase contracted capacity at Golden Triangle Storage
- Work toward completion of Cavern 2 in early 2012

Policy

- Continue to actively manage issues related to energy and environmental policy and regulation

Expense & Balance Sheet Discipline

- Effectively control expenses and focus on capital discipline in each of our business segments
- Maintain strong balance sheet and liquidity profile

Additional Resources

Company resources

- www.aglresources.com
- Sarah Stashak
Director, Investor Relations
404-584-4577
sstashak@aglresources.com

Industry resources

- www.aga.org
- www.eia.doe.gov

The screenshot displays the AGL Resources website's Investor Relations page. At the top, there is a navigation bar with links for Annual Reports, Alerts, Events, and Contact Us. Below this is a search bar and a dropdown menu for 'Visit Our Websites'. The main navigation menu includes links for About Us, Investor Relations, Corporate Governance, Community Relations, Press Room, and Careers. The page content is organized into several sections:

- Investor Relations:** A sidebar menu lists various resources such as Investor Events and Presentations, Press Releases, GAAP Reconciliation, SEC Filings, Annual Reports, Stock Information, Analyst Coverage, Shareholder Services, Management and Governance, and Investor FAQs.
- Investor Relations:** The main heading for the page, followed by a brief description of AGL Resources as a Fortune 1000 corporation and a well-positioned distributor of natural gas.
- Over the past five years:** A paragraph detailing the company's transformation from a traditional regional utility to a modern, high-performance, multi-regional energy company.
- Alerts:** A section with a diamond icon and the word 'ALERTS'.
- Contact for Institutional Investors:** Provides contact information for Sarah Stashak, including her title, phone number, and email address.
- Contact for Shareholder Services:** Provides a link for full shareholder services contact information or e-mail.
- Investor Relations Mailing Address:** Lists the physical address of the Investor Relations department in Atlanta, GA.
- Recent News:** A table listing recent news items with columns for Date and Title.
- Quick Facts:** A sidebar section providing key statistics such as Headquarters (Atlanta), Employees (2,400), Customers Served (2.3 million), Ticker Symbols (AGL (NYSE)), and Newspaper Listing (AGL Res).
- Press Releases, SEC Filings, and Webcasts and Events:** Three buttons with RSS icons for accessing these resources.
- Natural Gas: It's elemental:** A promotional banner for the 2009 Annual Report.
- Footprint Map:** A map of the eastern U.S. showing the company's service area, with text indicating they serve more than 2 million customers.

Date	Title
Jan. 21, 2011	AGL Resources to Host Fourth Quarter and Year-End 2010 Earnings Conference Call and Webcast
Jan. 18, 2011	AGL Resources, Nicor File Joint Application With Illinois Commerce Commission for Mexico Approval

Appendix & GAAP Reconciliations

9-months 2011 Highlights

<i>in millions, except per share amounts</i>	9-mos 2011	9-mos 2010	Change
Total Operating Revenues	\$ 1,548	\$1,708	(9)%
Operating Margin	\$ 847	\$ 876	(3)%
Total Operating Expenses (excluding Cost of Gas)	525	513	2%
Operating Income	322	363	(11)%
EBIT	326	364	(10)%
Interest Expense, net	92	81	14%
Income Tax Expense	85	103	(17)%
Net Income Attributable to AGLR	\$ 139	\$ 170	(18)%
Adj. Net Income Attributable to AGLR¹	\$ 155	\$ 170	(9)%
EPS (Diluted)	\$ 1.78	\$ 2.19	(19)%
Adj. EPS (Diluted)¹	\$ 1.98	\$ 2.19	(10)%
Dividend per Share	\$ 1.35	\$ 1.32	2%

Note: Please review the AGL Resources 10-Q as filed with the SEC on 11/2/11 for detailed information. EBIT, Adjusted Net Income and Adjusted EPS are non-GAAP measures. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

(1) Adjusted net income and adjusted EPS exclude Nicor-related merger costs of approximately \$16 million, net of tax.

VNG Rate Case Update

- **Virginia Natural Gas filed a rate case with the Virginia State Corporation Commission (VSCC) on February 8, 2011**
 - Seeking \$25 million increase
 - Mitigation plan proposes rates to be phased in over three years
 - ~\$15 million related to Hampton Roads Crossing pipeline construction (completed in 2010), which has been recovered via AFUDC to date
 - ~\$10 million related to base operating expenses
- **Rates effective October 1, 2011, subject to refund**
- **Hearing scheduled for November 4, 2011**
- **Final Commission order expected May 2012**

Rate Case Filed
2/8/11

Rates
Effective
Subject to
Refund
10/1/11

Testimony
8/23/11-
10/11/11

Hearings
11/04/11

Hearing
Examiner's
Report
March
2012

Final
Commission
Order
May 2012

Detailed Utility Profile as of 12/31/10

State	Rate Base (mm)	% of Total	Authorized Return on Rate Base	Est. 2010 Return on Rate Base	Authorized Return on Equity	Est. 2010 Return on Equity	Customers (mm)	% of Total	Regulatory Attributes
Georgia	\$1,312	52%	8.10%	7.26%	10.75%	9.10%	1.5	68%	Decoupling, Regulatory Infrastructure Program Rates, M&A Synergy Sharing
New Jersey	435	17%	7.64%	7.87%	10.30%	10.76%	0.3	12%	Weather Normalization, Regulatory Infrastructure Program Rates
Virginia	502	20%	9.24%	8.24%	10.90%	9.62%	0.3	12%	Decoupling, Weather Normalization
Florida	164	7%	7.36%	5.04%	11.25%	6.22%	0.1	5%	Negotiated Rates Over 5-yr Period
Tennessee	91	4%	7.41%	8.98%	10.05%	13.45%	0.1	3%	Revenue Normalization
Total	\$ 2,504	100%	NA	NA	NA	NA	2.3	100%	

Note: Please review the AGL Resources 10-K as filed with the SEC on 2/9/11 for detailed information.

GAAP Reconciliation

The following table sets forth a reconciliation of AGL Resources' operating margin to operating income and earnings before interest and taxes (EBIT) to earnings before income taxes and net income to net income attributable to AGL – as reported and net income attributable to AGL – as adjusted, for the three and nine months ended September 30, 2011 and 2010.

<i>In millions</i>	Three months ended September 30,		Nine months ended September 30,	
	2011	2010	2011	2010
Operating revenues	\$295	\$346	\$1,548	\$1,708
Cost of gas (COG)	112	120	701	832
Operating margin	183	226	847	876
Operating expenses				
Operation and maintenance	105	114	363	358
Depreciation and amortization	43	40	126	119
Taxes other than income	11	10	36	36
Total operating expenses, exc. COG	159	164	525	513
Operating Income	24	62	322	363
Other income	1	(1)	4	1
EBIT	25	61	326	364
Interest expense, net	31	27	92	81
Earnings before income taxes	(6)	34	234	283
Income tax expense	(2)	13	85	103
Net income	(4)	21	149	180
Less: net income attributable to the noncontrolling interest	(1)	(1)	10	10
Net income attributable to AGL - as reported	(3)	22	139	170
Impact of Nicor transaction costs, net of tax	5	-	16	-
Net income attributable to AGL - as adjusted	\$2	\$22	\$155	\$170

GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Statement of Income to earnings before interest and taxes (EBIT) by segment for the quarters ended September 30, 2011 and 2010.

3Q11		Distribution	Retail	Wholesale	Energy	Corporate and	Consolidated
<i>in millions</i>		operations	energy	services	investments	intercompany	AGL
			operations			eliminations	Resources
Operating Revenues	\$	206	\$ 98	\$ (21)	\$ 11	\$ 1	\$ 295
Intersegment Revenues		34	-	-	-	(34)	-
Total Operating Revenues		240	98	(21)	11	(33)	295
Cost of Gas (COG)		47	87	8	2	(32)	112
Operating Margin		193	11	(29)	9	(1)	183
Operating Expenses							-
Operation & Maintenance		78	15	7	5	-	105
Depreciation & Amortization		38	1	-	2	2	43
Taxes Other Than Income		9	-	1	-	1	11
Total Operating Expenses, exc. COG		125	16	8	7	3	159
Operating Income (loss)		68	(5)	(37)	2	(4)	24
Other income (expense)		2	-	-	-	(1)	1
EBIT	\$	70	\$ (5)	\$ (37)	\$ 2	\$ (5)	\$ 25

3Q10		Distribution	Retail	Wholesale	Energy	Corporate and	Consolidated
<i>in millions</i>		operations	energy	services	investments	intercompany	AGL
			operations			eliminations	Resources
Operating Revenues	\$	204	\$ 101	\$ 32	\$ 8	\$ 1	\$ 346
Intersegment Revenues		34	-	-	-	(34)	-
Total Operating Revenues		238	101	32	8	(33)	346
Cost of Gas (COG)		55	91	6	2	(34)	120
Operating Margin		183	10	26	6	1	226
Operating Expenses							-
Operation & Maintenance		85	18	12	3	(4)	114
Depreciation & Amortization		35	1	-	2	2	40
Taxes Other Than Income		8	-	-	-	2	10
Total Operating Expenses, exc. COG		128	19	12	5	-	164
Operating Income (loss)		55	(9)	14	1	1	62
Other income (expense)		-	-	1	-	(2)	(1)
EBIT	\$	55	\$ (9)	\$ 15	\$ 1	\$ (1)	\$ 61

GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Statement of Income to earnings before interest and taxes (EBIT) by segment for the nine months ended September 30, 2011 and 2010.

9-Months Ended 9/30/11

<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 948	\$ 505	\$ 41	\$ 51	\$ 3	\$ 1,548
Intersegment Revenues	113	-	-	-	(113)	-
Total Operating Revenues	1,061	505	41	51	(110)	1,548
Cost of Gas (COG)	385	388	12	25	(109)	701
Operating Margin	676	117	29	26	(1)	847
Operating Expenses						-
Operation & Maintenance	257	50	35	13	8	363
Depreciation & Amortization	109	2	1	7	7	126
Taxes Other Than Income	27	1	2	2	4	36
Total Operating Expenses, exc. COG	393	53	38	22	19	525
Operating Income (loss)	283	64	(9)	4	(20)	322
Other income	4	-	-	-	-	4
EBIT	\$ 287	\$ 64	\$ (9)	\$ 4	\$ (20)	\$ 326

9-Months Ended 9/30/10

<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 958	\$ 611	\$ 91	\$ 45	\$ 3	\$ 1,708
Intersegment Revenues	106	-	-	-	(106)	-
Total Operating Revenues	1,064	611	91	45	(103)	1,708
Cost of Gas (COG)	419	487	15	15	(104)	832
Operating Margin	645	124	76	30	1	876
Operating Expenses						-
Operation & Maintenance	258	55	36	18	(9)	358
Depreciation & Amortization	103	2	1	5	8	119
Taxes Other Than Income	27	1	2	2	4	36
Total Operating Expenses, exc. COG	388	58	39	25	3	513
Operating Income (loss)	257	66	37	5	(2)	363
Other income	3	-	1	(1)	(2)	1
EBIT	\$ 260	\$ 66	\$ 38	\$ 4	\$ (4)	\$ 364

GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Basic and Diluted earnings per share – as reported (GAAP) to Basic and Diluted earnings per share – as adjusted (Non-GAAP; excluding Nicor merger costs), for the indicated periods.

	Three months ended September 30, 2011	Nine months ended September 30, 2011
Basic earnings per share – as reported	\$(0.04)	\$1.79
Transaction costs of Nicor merger	0.06	0.21
<u>Basic earnings per share – as adjusted</u>	<u>\$0.02</u>	<u>\$2.00</u>
	Three months ended September 30, 2011	Nine months ended September 30, 2011
Diluted earnings per share – as reported	\$(0.04)	\$1.78
Transaction costs of Nicor merger	0.06	0.21
<u>Diluted earnings per share – as adjusted</u>	<u>\$0.02</u>	<u>\$1.99</u>

GAAP Reconciliation

Reconciliations of operating margin, EBIT by segment and EPS excluding merger expenses are available in our quarterly reports (Form 10-Q) and annual reports (Form 10-K) filed with the Securities and Exchange Commission.

Our management evaluates segment financial performance based on EBIT, which includes the effects of corporate expense allocations. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure. Items that are not included in EBIT are financing costs, including debt and interest expense and income taxes. We evaluate each of these items on a consolidated level and believe EBIT is a useful measurement of our performance because it provides information that can be used to evaluate the effectiveness of our businesses from an operational perspective, exclusive of the costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations.

We also use EBIT internally to measure performance against budget and in reports for management and the Board of Directors. Projections of forward-looking EBIT are used in our internal budgeting process, and those projections are used in providing forward-looking business segment EBIT projections to investors. We are unable to reconcile our forward-looking EBIT business segment guidance to GAAP net income, because we do not predict the future impact of unusual items and mark-to-market gains or losses on energy contracts. The impact of these items could be material to our operating results reported in accordance with GAAP.

Operating margin is a non-GAAP measure calculated as revenues minus cost of gas, excluding operation and maintenance expense, depreciation and amortization, taxes other than income taxes, and the gain or loss on the sale of our assets. These items are included in our calculation of operating income. We believe operating margin is a better indicator than operating revenues of the contribution resulting from customer growth, since cost of gas is generally passed directly through to customers.

We present our EPS excluding expenses incurred with respect to the proposed merger with Nicor. As we do not routinely engage in transactions of the magnitude of the proposed Nicor merger, and consequently do not regularly incur transaction related expenses of correlative size, we believe presenting EPS excluding Nicor merger expenses provides investors with an additional measure of our core operating performance.

EBIT, operating margin and EPS excluding merger expenses should not be considered as alternatives to, or more meaningful indicators of, our operating performance than operating income or net income, as determined in accordance with GAAP. In addition, our EBIT, operating margin and non-GAAP EPS may not be comparable to similarly titled measures of another company.

Net income attributable to AGL Resources, as adjusted and Basic and Diluted earnings per share, as adjusted are non-GAAP measures and exclude transaction costs related to the proposed merger with Nicor. We believe these financial measures are useful to investors because they provide an alternative method for assessing the Company's operating results in a manner that is focused on the performance of the Company's ongoing operations. The presentation of these financial measures is not meant to be a substitute for financial measures prepared in accordance with GAAP.

Additional Information

Additional Information

In connection with the proposed merger, AGL Resources has filed with the SEC a Registration Statement on Form S-4 (Registration No. 333-172084), as amended, which is publicly available, that includes a definitive joint proxy statement of AGL Resources and Nicor that also constitutes a prospectus of AGL Resources. AGL Resources and Nicor mailed the definitive joint proxy statement/prospectus on or about May 10, 2011 to their respective stockholders of record as of April 18, 2011. **WE URGE INVESTORS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS CAREFULLY, AS WELL AS OTHER DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT AGL RESOURCES, NICOR AND THE PROPOSED TRANSACTION.** The joint proxy statement/prospectus, as well as other filings containing information about AGL Resources and Nicor, can be obtained free of charge at the website maintained by the SEC at www.sec.gov. You may also obtain these documents, free of charge, from AGL Resources' website (www.aglresources.com) under the tab Investor Relations/SEC Filings or by directing a request to AGL Resources Inc., P.O. Box 4569, Atlanta, GA, 30302-4569. You may also obtain these documents, free of charge, from Nicor's website (www.nicor.com) under the tab Investor Information/SEC Filings or by directing a request to Nicor Inc., P.O. Box 3014, Naperville, IL 60566-7014.

The respective directors and executive officers of AGL Resources and Nicor, and other persons, may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding AGL Resources' directors and executive officers is available in the definitive joint proxy statement/prospectus contained in the above referenced Registration Statement and its definitive proxy statement filed with the SEC by AGL Resources on March 14, 2011, and information regarding Nicor directors and executive officers is available in the definitive joint proxy statement/prospectus contained in the above referenced Registration Statement and its definitive proxy statement filed with the SEC by Nicor on April 19, 2011. These documents can be obtained free of charge from the sources indicated above. Other information regarding the interests of the participants in the proxy solicitation are included in the definitive joint proxy statement/prospectus and other relevant materials filed with the SEC. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.