



**FOR IMMEDIATE RELEASE**

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**AGL RESOURCES CONTINUES SOLID PERFORMANCE WITH THIRD QUARTER  
EARNINGS RESULTS**

ATLANTA, GEORGIA, July 27, 2000 — AGL Resources Inc. (NYSE: ATG) today reported its third straight quarter of earnings above analysts' consensus expectations, with fiscal third quarter earnings-per-share of 26 cents, more than double the figure from the same period last year. The boost reflects continued improvements in both its gas distribution and energy marketing businesses operating in the fully competitive gas markets in Georgia.

"This performance is particularly rewarding because it shows we are now gaining real traction in creating value in both distribution and marketing services in competitive markets," said Walter M. Higgins, Chairman and CEO. "Our customer satisfaction results are up, our employees are delivering great results, and our marketing business is gaining profitable market share – all critical elements to success in a competitive gas industry."

For the fiscal third quarter ending June 30, 2000, the company generated net income of \$13.9 million and earnings per share of 26 cents, compared with net income of \$7.2 million and earnings per share of 12 cents for the same period last year.

The gains largely reflect dramatic improvements in operating costs, system modernization and a growing customer base at Atlanta Gas Light Company, the regulated gas distribution business, and continued efficiencies by Georgia Natural Gas Services, the market share leader among natural gas marketers in Georgia.

**Nine-Month Results**

The earnings for the period ending June 30, 2000 mark the third straight quarter the company has exceeded analysts' consensus expectations for quarterly performance and show a steadily improving trend of earnings growth since Georgia became the first state to fully deregulate its natural gas markets late last year.

Year-to-date for the nine months ending June 30, 2000, net income for the company totaled \$53.7 million, a 14 percent increase over the \$47.3 million reported for the same period a year ago. Nine-month earnings per share are up 18 percent to 97 cents, compared with 82 cents for the same period a year ago. The improved financial results are primarily attributable to the same factors driving the company's third quarter results.

### **Transition to Competition**

With the transition to competition, Atlanta Gas Light Company no longer sells natural gas to customers in Georgia, but the utility does continue to provide intrastate delivery and distribution services to its 1.5 million Georgia customers. As a result, operating revenue and cost of gas do not follow the same pattern as they have historically. Specifically, as the utility's operating revenue associated with the sale of gas declines, there is a comparable decline in the utility's gas costs. This anticipated decrease in utility revenues does not affect earnings.

AGL Resources Inc. is a regional energy holding company with gas distribution and energy marketing operations in the Southeast. Atlanta Gas Light Company, the largest natural gas distributor in the Southeast and the company's primary subsidiary, provides delivery service to more than 1.5 million customers in Georgia and Chattanooga, Tennessee. AGL Resources' also is engaged through subsidiaries and partnerships in other energy-related businesses, including retail energy marketing, customer care services for energy marketers, and wholesale and retail propane sales. AGL Resources has signed a definitive agreement to acquire Virginia Natural Gas, which serves 230,000 customers and operates gas pipelines in the Hampton Roads region of Virginia.

The company's home page address on the Internet is [www.aglresources.com](http://www.aglresources.com).

This press release contains forward-looking statements. AGL Resources wishes to caution readers that the assumptions, which form the basis for the forward-looking statements, include many factors that are beyond AGL Resources' ability to control or estimate precisely. Those factors include, but are not limited to, the following: changes in the price and demand for natural gas; the impact of changes in state and federal legislation and regulation on the company and the natural gas industry; the effects of competition, particularly in markets where prices and providers historically have been regulated; financial market conditions; and other risks described in our documents on file with the Securities and Exchange Commission.

**AGL RESOURCES INC. AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED FINANCIAL INFORMATION**  
**June 30, 2000**  
**(Unaudited)**

Millions of Dollars, Except Per Share Data

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<u><b>2000</b></u>	<u><b>1999</b></u>	<u><b>2000</b></u>	<u><b>1999</b></u>
Operating Revenues	\$ 131.8	\$ 185.9	\$ 474.2	\$ 884.9
Cost of Sales	<u>11.6</u>	<u>61.4</u>	<u>96.9</u>	<u>480.4</u>
Operating Margin	<u>120.2</u>	<u>124.5</u>	<u>377.3</u>	<u>404.5</u>
Operating Income	<u>\$ 38.4</u>	<u>\$ 29.5</u>	<u>\$ 109.4</u>	<u>\$ 129.6</u>
Other Income (loss) – net	<u>\$ (1.8)</u>	<u>\$ (5.6)</u>	<u>\$ 17.5</u>	<u>\$ (13.7)</u>
Consolidated Net Income	<u>\$ 13.9</u>	<u>\$ 7.2</u>	<u>\$ 53.7</u>	<u>\$ 47.3</u>
Earnings Per Share of Common Stock				
Basic	\$ 0.26	\$ 0.12	\$ 0.97	\$ 0.82
Diluted	\$ 0.26	\$ 0.12	\$ 0.97	\$ 0.82
Average Number of Shares Outstanding (millions)				
Basic	54.2	57.4	55.5	57.5
Diluted	54.2	57.5	55.6	57.6

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