

RGC Resources, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Revenues	\$ 23,152,910	\$ 28,459,195	\$ 76,878,188	\$ 97,355,113
Cost of sales	<u>15,359,911</u>	<u>20,363,158</u>	<u>50,105,302</u>	<u>70,714,293</u>
Gross margin	7,792,999	8,096,037	26,772,886	26,640,820
Other operating expenses	4,377,304	4,420,032	17,258,771	17,180,636
Interest expense	<u>464,897</u>	<u>531,320</u>	<u>1,851,683</u>	<u>1,999,920</u>
Income before income taxes	2,950,798	3,144,685	7,662,432	7,460,264
Income tax expense	<u>1,120,518</u>	<u>1,195,526</u>	<u>2,912,301</u>	<u>2,819,289</u>
Net income	<u>\$ 1,830,280</u>	<u>\$ 1,949,159</u>	<u>\$ 4,750,131</u>	<u>\$ 4,640,975</u>
Net earnings per share of common stock:				
Basic	<u>\$ 0.82</u>	<u>\$ 0.88</u>	<u>\$ 2.13</u>	<u>\$ 2.10</u>
Diluted	<u>\$ 0.81</u>	<u>\$ 0.88</u>	<u>\$ 2.12</u>	<u>\$ 2.09</u>
Cash dividends per common share	<u>\$ 0.3300</u>	<u>\$ 0.3200</u>	<u>\$ 1.2900</u>	<u>\$ 1.2575</u>
Weighted average number of common shares outstanding:				
Basic	2,242,404	2,212,470	2,231,272	2,206,532
Diluted	2,249,887	2,220,228	2,238,590	2,215,762

Condensed Consolidated Balance Sheets
(Unaudited)

	December 31,	
	2009	2008
Assets		
Current assets	\$ 39,324,933	\$ 49,012,892
Total property, plant and equipment, net	79,403,402	76,144,053
Other assets	<u>6,107,750</u>	<u>4,153,681</u>
Total Assets	<u>\$ 124,836,085</u>	<u>\$ 129,310,626</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 40,582,886	\$ 37,822,122
Long-term debt	13,000,000	28,000,000
Deferred credits and other liabilities	<u>24,906,188</u>	<u>20,047,130</u>
Total Liabilities	78,489,074	85,869,252
Stockholders' Equity	<u>46,347,011</u>	<u>43,441,374</u>
Total Liabilities and Stockholders' Equity	<u>\$ 124,836,085</u>	<u>\$ 129,310,626</u>