

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

	Three Months Ended		Twelve Months Ended	
	March 31,		March 31,	
	2010	2009	2010	2009
Revenues	\$ 31,640,321	\$ 34,286,502	\$ 74,232,007	\$ 92,077,237
Cost of sales	<u>22,271,228</u>	<u>24,954,183</u>	<u>47,422,347</u>	<u>64,756,914</u>
Gross margin	9,369,093	9,332,319	26,809,660	27,320,323
Other operating expenses, net	4,474,488	4,605,348	17,127,911	17,564,905
Interest expense	<u>455,871</u>	<u>462,910</u>	<u>1,844,644</u>	<u>1,944,801</u>
Income before income taxes	4,438,734	4,264,061	7,837,105	7,810,617
Income tax expense	<u>1,685,716</u>	<u>1,620,368</u>	<u>2,977,649</u>	<u>2,944,558</u>
Net income	<u>\$ 2,753,018</u>	<u>\$ 2,643,693</u>	<u>\$ 4,859,456</u>	<u>\$ 4,866,059</u>
Net earnings per share of common stock:				
Basic	<u>\$ 1.22</u>	<u>\$ 1.19</u>	<u>\$ 2.17</u>	<u>\$ 2.20</u>
Diluted	<u>\$ 1.22</u>	<u>\$ 1.19</u>	<u>\$ 2.16</u>	<u>\$ 2.19</u>
Cash dividends per common share	<u>\$ 0.330</u>	<u>\$ 0.320</u>	<u>\$ 1.300</u>	<u>\$ 1.265</u>
Weighted average number of common shares outstanding:				
Basic	2,251,922	2,219,068	2,239,383	2,211,594
Diluted	2,259,641	2,226,156	2,246,940	2,220,233

**Condensed Consolidated Balance Sheets**  
(Unaudited)

	March 31,	
	2010	2009
<b>Assets</b>		
Current assets	\$ 36,457,949	\$ 37,284,664
Total property, plant and equipment, net	80,178,014	76,456,297
Other assets	<u>5,960,741</u>	<u>3,976,337</u>
Total Assets	<u>\$ 122,596,704</u>	<u>\$ 117,717,298</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities	\$ 35,676,987	\$ 23,455,841
Long-term debt	13,000,000	28,000,000
Deferred credits and other liabilities	<u>25,327,599</u>	<u>20,492,567</u>
Total Liabilities	74,004,586	71,948,408
Stockholders' Equity	<u>48,592,118</u>	<u>45,768,890</u>
Total Liabilities and Stockholders' Equity	<u>\$ 122,596,704</u>	<u>\$ 117,717,298</u>