

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

	Three Months Ended March 31,		Twelve Months Ended March 31,	
	2017	2016	2017	2016
Revenues	\$ 21,900,013	\$ 21,777,773	\$ 61,964,060	\$ 58,295,642
Cost of sales	11,070,283	11,128,504	29,565,896	27,537,737
Gross margin	10,829,730	10,649,269	32,398,164	30,757,905
Equity in earnings of MVP	93,625	33,846	275,646	55,383
Other operating expenses, net	5,251,093	5,233,391	20,794,514	20,451,460
Interest expense	469,480	415,940	1,740,026	1,554,486
Income before income taxes	5,202,782	5,033,784	10,139,270	8,807,342
Income tax expense	1,977,583	1,922,337	3,909,224	3,382,410
Net income	<u>\$ 3,225,199</u>	<u>\$ 3,111,447</u>	<u>\$ 6,230,046</u>	<u>\$ 5,424,932</u>
Net earnings per share of common stock:				
Basic	<u>\$ 0.45</u>	<u>\$ 0.44</u>	<u>\$ 0.87</u>	<u>\$ 0.76</u>
Diluted	<u>\$ 0.45</u>	<u>\$ 0.44</u>	<u>\$ 0.86</u>	<u>\$ 0.76</u>
Cash dividends per common share	<u>\$ 0.1450</u>	<u>\$ 0.1350</u>	<u>\$ 0.5600</u>	<u>\$ 0.5267</u>
Weighted average number of common shares outstanding:				
Basic	7,215,329	7,139,877	7,186,730	7,115,592
Diluted	7,244,845	7,145,847	7,204,684	7,120,637

**Condensed Consolidated Balance Sheets**  
(Unaudited)

	March 31,	
	2017	2016
<b>Assets</b>		
Current assets	\$ 15,621,491	\$ 15,027,635
Total property, plant and equipment, net	141,531,553	124,414,581
Other assets	19,912,761	12,830,941
Total Assets	<u>\$ 177,065,805</u>	<u>\$ 152,273,157</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities	\$ 18,551,673	\$ 22,226,896
Long-term debt	50,096,333	32,157,062
Deferred credits and other liabilities	48,463,998	41,302,793
Total Liabilities	<u>117,112,004</u>	<u>95,686,751</u>
Stockholders' Equity	59,953,801	56,586,406
Total Liabilities and Stockholders' Equity	<u>\$ 177,065,805</u>	<u>\$ 152,273,157</u>