

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

	Three Months Ended		Twelve Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenues	\$ 10,334,301	\$ 10,706,989	\$ 73,859,319	\$ 82,631,592
Cost of sales	<u>5,622,992</u>	<u>5,691,875</u>	<u>47,353,464</u>	<u>55,351,565</u>
Gross margin	4,711,309	5,015,114	26,505,855	27,280,027
Other operating expenses, net	4,236,502	4,337,833	17,026,580	17,898,603
Interest expense	<u>455,551</u>	<u>460,463</u>	<u>1,839,732</u>	<u>1,914,508</u>
Income before income taxes	19,256	216,818	7,639,543	7,466,916
Income tax expense	<u>5,790</u>	<u>79,424</u>	<u>2,904,015</u>	<u>2,814,841</u>
Net income	<u>\$ 13,466</u>	<u>\$ 137,394</u>	<u>\$ 4,735,528</u>	<u>\$ 4,652,075</u>
Net earnings per share of common stock:				
Basic	<u>\$ 0.01</u>	<u>\$ 0.06</u>	<u>\$ 2.11</u>	<u>\$ 2.10</u>
Diluted	<u>\$ 0.01</u>	<u>\$ 0.06</u>	<u>\$ 2.10</u>	<u>\$ 2.09</u>
Cash dividends per common share	<u>\$ 0.33</u>	<u>\$ 0.32</u>	<u>\$ 1.310</u>	<u>\$ 1.2725</u>
Weighted average number of common shares outstanding:				
Basic	2,263,119	2,227,469	2,248,271	2,217,004
Diluted	2,269,503	2,234,748	2,255,568	2,225,034

Condensed Consolidated Balance Sheets
(Unaudited)

	June 30,	
	2010	2009
Assets		
Current assets	\$ 33,646,959	\$ 35,435,671
Total property, plant and equipment, net	80,823,976	77,067,348
Other assets	<u>5,904,387</u>	<u>3,879,136</u>
Total Assets	<u>\$ 120,375,322</u>	<u>\$ 116,382,155</u>
Liabilities and Stockholders' Equity		
Current liabilities	\$ 34,131,812	\$ 21,631,337
Long-term debt	13,000,000	28,000,000
Deferred credits and other liabilities	<u>25,588,038</u>	<u>20,686,723</u>
Total Liabilities	72,719,850	70,318,060
Stockholders' Equity	<u>47,655,472</u>	<u>46,064,095</u>
Total Liabilities and Stockholders' Equity	<u>\$ 120,375,322</u>	<u>\$ 116,382,155</u>