



AGL Resources[®]

Bank of America Merrill Lynch
Power and Gas Leaders Conference
September 21, 2011

Forward-Looking Statements & Supplemental Information

Forward-Looking Statements

Certain expectations and projections regarding our future performance referenced in this presentation, in other reports or statements we file with the SEC or otherwise release to the public, and on our website, are forward-looking statements. Senior officers and other employees may also make verbal statements to analysts, investors, regulators, the media and others that are forward-looking. Forward-looking statements involve matters that are not historical facts, such as statements regarding our future operations, prospects, strategies, financial condition, economic performance (including growth and earnings), industry conditions and demand for our products and services. Because these statements involve anticipated events or conditions, forward-looking statements often include words such as "anticipate," "assume," "believe," "can," "could," "estimate," "expect," "forecast," "future," "goal," "indicate," "intend," "may," "outlook," "plan," "potential," "predict," "project," "seek," "should," "target," "would," or similar expressions. Forward-looking statements contained in this presentation include, without limitation, statements regarding future earnings per share, dividend growth and EBIT contribution, our priorities for 2011 and the proposed merger with Nicor Inc. Our expectations are not guarantees and are based on currently available competitive, financial and economic data along with our operating plans. While we believe our expectations are reasonable in view of the currently available information, our expectations are subject to future events, risks and uncertainties, and there are several factors - many beyond our control - that could cause results to differ significantly from our expectations.

Such events, risks and uncertainties include, but are not limited to, changes in price, supply and demand for natural gas and related products; the impact of changes in state and federal legislation and regulation including changes related to climate change; actions taken by government agencies on rates and other matters; concentration of credit risk; utility and energy industry consolidation; the impact on cost and timeliness of construction projects by government and other approvals, development project delays, adequacy of supply of diversified vendors, unexpected change in project costs, including the cost of funds to finance these projects; the impact of acquisitions and divestitures; direct or indirect effects on our business, financial condition or liquidity resulting from a change in our credit ratings or the credit ratings of our counterparties or competitors; interest rate fluctuations; financial market conditions, including recent disruptions in the capital markets and lending environment and the current economic downturn; general economic conditions; uncertainties about environmental issues and the related impact of such issues; the impact of changes in weather, including climate change, on the temperature-sensitive portions of our business; the impact of natural disasters such as hurricanes on the supply and price of natural gas; acts of war or terrorism; and other factors which are provided in detail in our filings with the Securities and Exchange Commission. Forward-looking statements are only as of the date they are made, and we do not undertake to update these statements to reflect subsequent changes.

Supplemental Information

Company management evaluates segment financial performance based on earnings before interest and taxes (EBIT), which includes the effects of corporate expense allocations and on operating margin. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure that includes operating income, other income and expenses. Items that are not included in EBIT are financing costs, including debt and interest expense and income taxes. The company evaluates each of these items on a consolidated level and believes EBIT is a useful measurement of our performance because it provides information that can be used to evaluate the effectiveness of our businesses from an operational perspective, exclusive of the costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations. Operating margin is a non-GAAP measure calculated as operating revenues minus cost of gas, excluding operation and maintenance expense, depreciation and amortization, and taxes other than income taxes. These items are included in the company's calculation of operating income. The company believes operating margin is a better indicator than operating revenues of the contribution resulting from customer growth, since cost of gas is generally passed directly through to customers. In addition, in this presentation, the company has presented its earnings per share excluding expenses incurred with respect to the proposed Nicor merger. As the company does not routinely engage in transactions of the magnitude of the proposed Nicor merger, and consequently does not regularly incur transaction related expenses with correlative size, the company believes presenting EPS excluding Nicor merger expenses provides investors with an additional measure of the company's core operating performance. EBIT, operating margin and EPS excluding merger expenses should not be considered as alternatives to, or more meaningful indicators of, the company's operating performance than operating income, net income attributable to AGL Resources Inc. or EPS as determined in accordance with GAAP. In addition, the company's EBIT, operating margin and non-GAAP EPS may not be comparable to similarly titled measures of another company. We also present certain non-GAAP financial measures excluding the effects of our proposed merger with Nicor. Because we complete material mergers and acquisitions only occasionally, we believe excluding these effects from certain measures is useful because they allow investors to more easily evaluate and compare the performance of the Company's core businesses from period to period. Reconciliations of non-GAAP financial measures referenced in this presentation are available on the company's Web site at www.aglresources.com

AGL Resources 1H11 Highlights

<i>in millions, except per share amounts</i>	6-mos 2011	6-mos 2010	Change
Operating Margin	\$ 664	\$ 650	2%
Total Operating Expenses (excluding Cost of Gas)	366	349	5%
Operating Income	298	301	(1)%
EBIT	301	303	(1)%
Interest Expense, net	61	54	13%
Income Tax Expense	87	90	(3)%
Net Income Attributable to AGLR	\$ 142	\$ 148	(4)%
Adj. Net Income Attributable to AGLR¹	\$ 153	\$ 148	3%
EPS (Diluted)	\$ 1.82	\$ 1.90	(4)%
Adj. EPS (Diluted)¹	\$ 1.96	\$ 1.90	3%
Dividend per Share	\$ 0.90	\$ 0.88	2%

- **1H11 GAAP EPS of \$1.82 per diluted share**
 - Adjusted diluted EPS of \$1.96, excluding approximately \$11 million in after-tax costs related to Nicor merger
 - Distribution segment EBIT up 6% in 1H11 vs. 1H10
 - Retail business performance stable
 - Wholesale performance solid in 1H11, but low volatility and reduced spreads create challenging market conditions for remainder of year
- **2011 EPS estimate remains \$3.10-\$3.20 per diluted share, excluding all effects from the proposed merger with Nicor**
- **Nicor merger process on track**
 - Aside from Illinois Commerce Commission (ICC), all major regulatory approvals have been received
 - ICC process ongoing, with proposed order due from Administrative Law Judge 9/29/11
 - Long-term financing secured for cash consideration
 - Expect closing in back half of 2011

Note: Please review the AGL Resources 10-Q as filed with the SEC on 8/3/11 for detailed information. EBIT, Adjusted Net Income and Adjusted EPS are non-GAAP measures. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

(1) Adjusted net income and adjusted EPS exclude Nicor-related merger costs of approximately \$11 million, net of tax.

AGL Resources 2011 Priorities

M&A

- Close Nicor transaction in second half of 2011
- Develop and implement integration plan

Distribution

- Continue safe and efficient operations at our distribution businesses
- Complete rate case at Virginia Natural Gas
 - Seeking \$25 million increase; mitigation plan proposes rates to be phased in over three years
 - VNG customers have not seen an increase in their approved base rates since 1996

Retail & Wholesale

- Continue to pursue responsible growth opportunities in retail and wholesale businesses

Energy Investments

- Increase contracted capacity at Golden Triangle Storage
- Work toward completion of Cavern 2 in early 2012

Policy

- Continue to actively manage issues related to energy and environmental policy and regulation

Expense & Balance Sheet Discipline

- Effectively control expenses and focus on capital discipline in each of our business segments
- Maintain strong balance sheet and liquidity profile

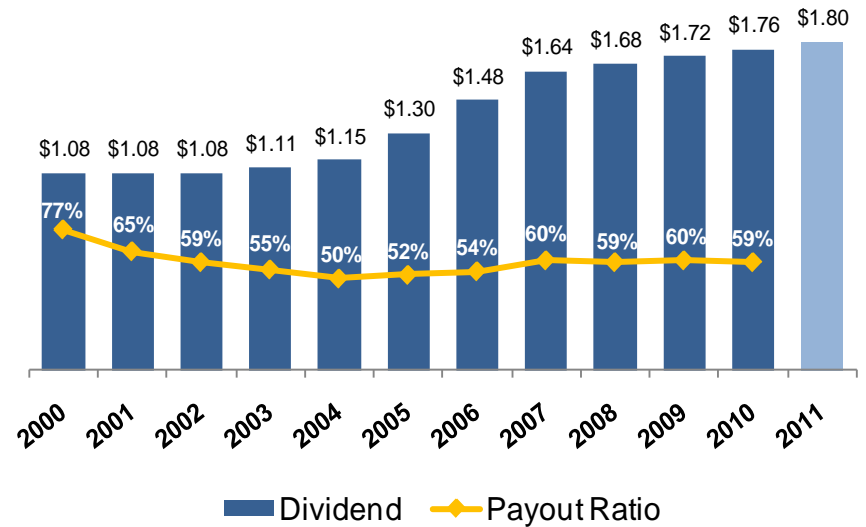
AGL Consistent EPS and Dividend Growth

Diluted EPS Growth



**2011 EPS Guidance:
\$3.10-\$3.20 per diluted share**

Dividend Growth



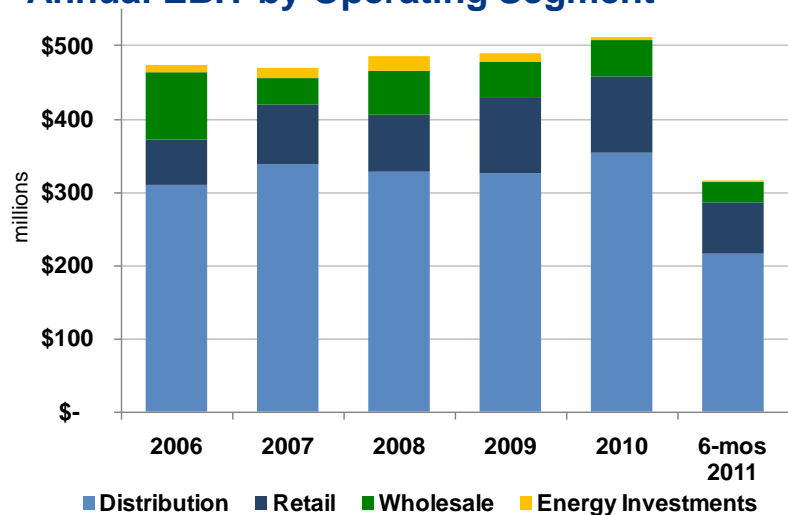
**Dividend increase of \$0.04 approved by
Board of Directors for 2011**

(1) \$3.00 diluted GAAP EPS; \$3.05 adjusted, excluding Nicor merger costs. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

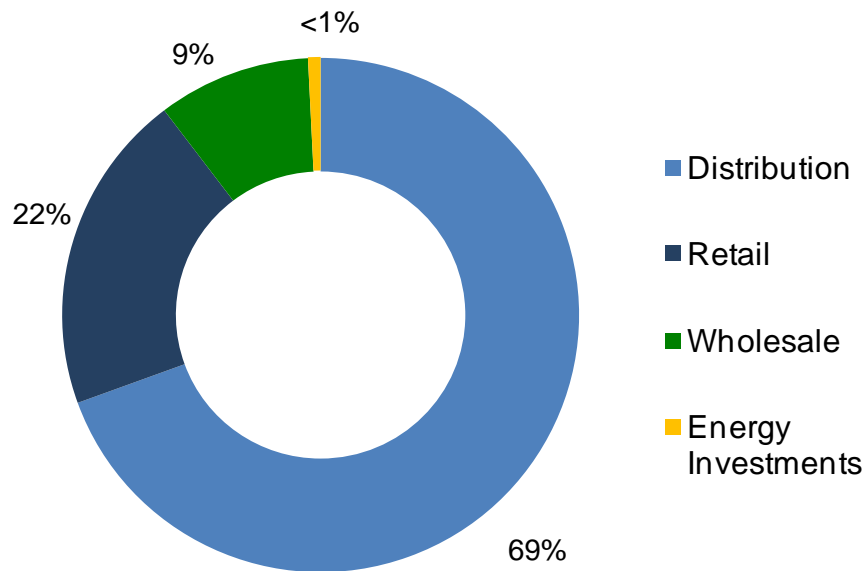
(2) Estimate excludes all effects from the proposed merger with Nicor.

AGL EBIT by Operating Segment

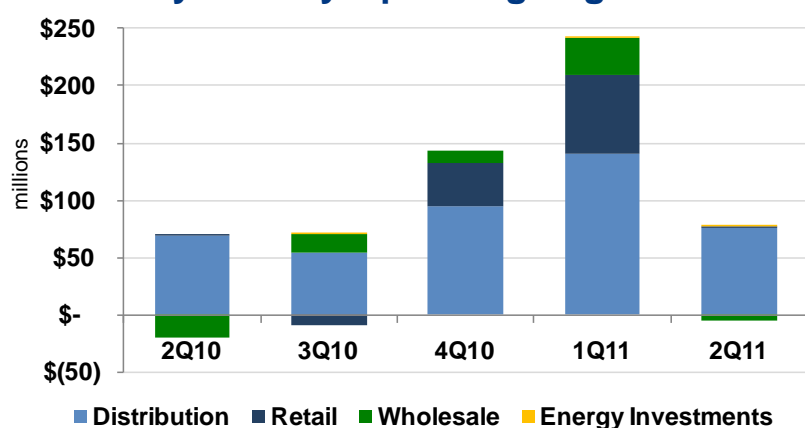
Annual EBIT by Operating Segment



1H11 EBIT Contribution

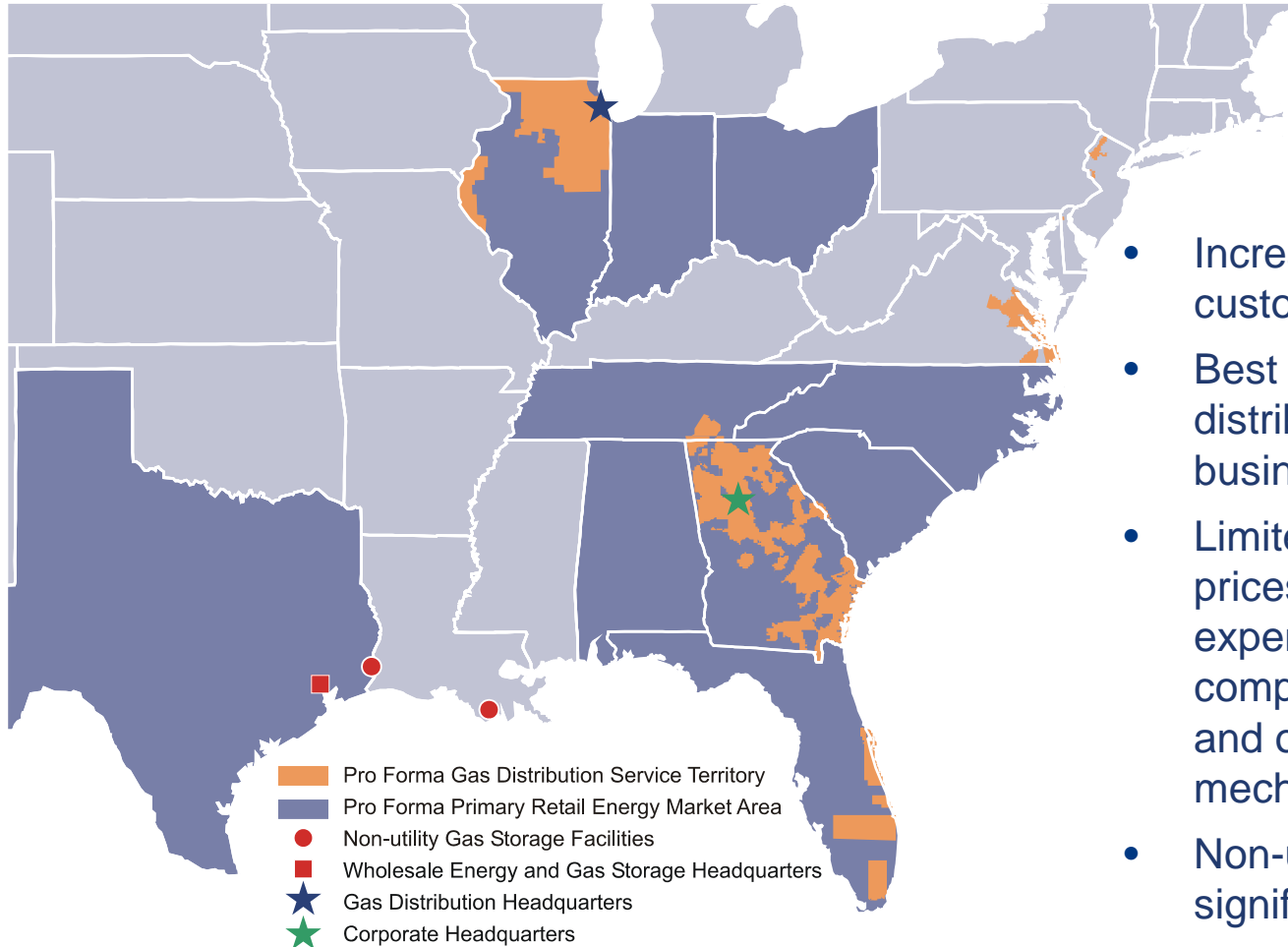


Quarterly EBIT by Operating Segment



NOTE: EBIT is a non-GAAP measure. Please see the appendix to this presentation or the investor relations section of www.aglresources.com for a reconciliation to GAAP.

Combination of AGL Resources & Nicor Creates a Leading Gas Distribution Business

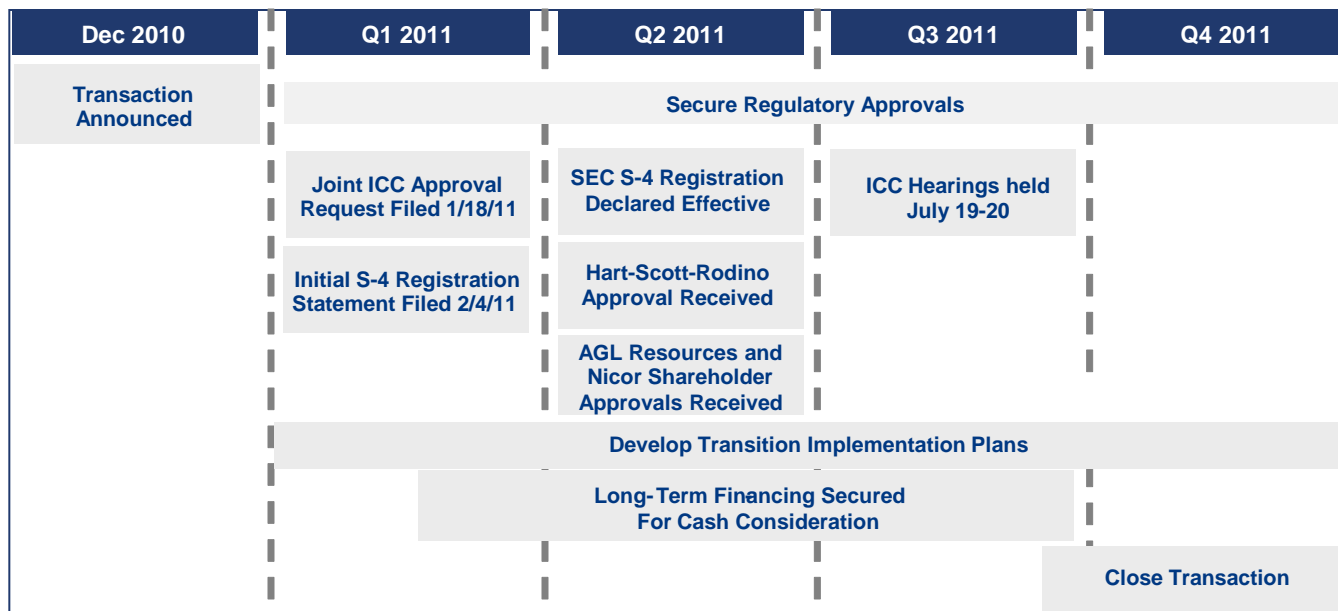


- Increased scale benefits customers over time
- Best practices shared across distribution territories and retail businesses
- Limited exposure to commodity prices, weather and bad debt expense for the combined company (through cost recovery and other regulatory mechanisms)
- Non-utility storage capabilities significantly increased

Note: Map excludes Nicor Tropical Shipping business and Central Valley natural gas storage facility under construction in California.

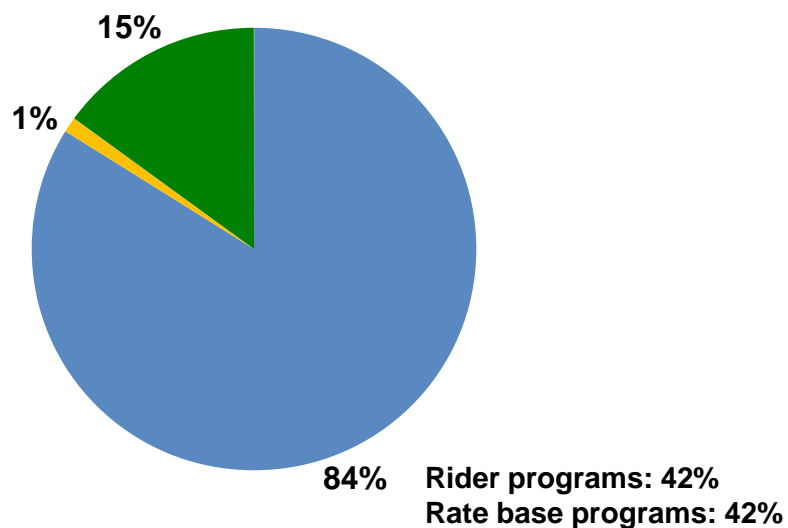
AGL Resources / Nicor Merger Update

- **Regulatory approval process underway, continue to anticipate closing in 2H11**
 - All major regulatory approvals received, with the exception of the Illinois Commerce Commission
 - Nicor shareholders approved the merger and AGL Resources' shareholders approved issuance of shares and an expansion of the Board of Directors
 - Expect proposed order from Administrative Law Judge 9/29 and final order from ALJ 10/27; ICC ruling anticipated thereafter
- **Transition committee established and active**

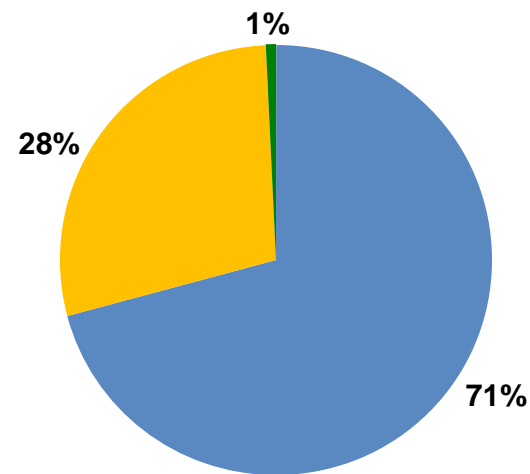


AGL Resources 2011 Capital Allocation & EBIT

2011 Capital Allocation*



2011 EBIT*



Distribution Rider & Rate Base Programs

Wholesale & Retail

Energy Investments/Other

*2011 Capital Allocation based on budgeted amounts; 2011 EBIT based on EBIT projections as detailed in AGL's 2011 Analyst Day Presentation dated 5/6/11.

Utility and Non-Utility Infrastructure Programs

- **AGL Resources has robust regulated infrastructure improvement and replacement programs across all of its jurisdictions**
 - 50% of all distribution capex is under rider or other accelerated recovery programs
 - Through 2010, AGL has replaced over 2,800 miles of pipe
 - Under existing rider and rate base programs, an additional 250 miles are planned for replacement in 2011, with a further 280 miles planned for 2012 and beyond
- **AGL has also spent over \$400 million to purchase and/or construct 20 Bcf of non-utility storage facilities in Louisiana and Texas**
 - Jefferson Island Storage and Hub (JISH) was purchased by AGL in 2004 for \$90 million
 - Two existing caverns with combined 7 Bcf of storage capacity
 - Two additional caverns in the permitting phase, adding 12 Bcf of capacity
 - Golden Triangle Storage (GTS) was constructed by AGL and Cavern 1 began commercial service at the end of 2010
 - Caverns 1 & 2 have combined storage capacity of 13 Bcf with a construction cost of ~\$325 million
 - Significant expansion potential if market conditions improve

AGL Additional Resources

Company resources

- www.aglresources.com
- Sarah Stashak
Director, Investor Relations
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sstashak@aglresources.com

Industry resources

- www.aga.org
- www.eia.doe.gov

The screenshot displays the AGL Resources website's Investor Relations page. At the top, there is a navigation bar with links for Annual Reports, Alerts, Events, and Contact Us. Below this is a search bar and a dropdown menu for 'Visit Our Websites'. The main navigation menu includes links for About Us, Investor Relations, Corporate Governance, Community Relations, Press Room, and Careers. The page content is organized into several sections:

- Investor Relations:** A sidebar menu with links to Investor Events and Presentations, Press Releases, GAAP Reconciliation, SEC Filings, Annual Reports, Stock Information, Analyst Coverage, Shareholder Services, Management and Governance, and Investor FAQs.
- Alerts:** A section with an alert icon and the text 'ALERTS'.
- Investor Relations:** The main content area, featuring a 'Home > Investor Relations' breadcrumb, a 'NYSE: AGL \$36.16 -0.37' ticker, and a 'PRESS RELEASES' section with links to SEC Filings and Webcasts and Events. A 'Quick Facts' box lists: Headquarters: Atlanta, Employees: 2,400, Customers Served: 2.3 million, Ticker Symbols: AGL (NYSE), and Newspaper Listing: AGL Res. Below this is a 'Natural gas: It's elemental' banner for the 2009 Annual Report.
- Contact for Institutional Investors:** Sarah Stashak, Director, Investor Relations, 404-584-4577, sstashak@aglresources.com.
- Contact for Shareholder Services:** Click here for full shareholder services contact information or e-mail investors@aglresources.com.
- Investor Relations Mailing Address:** AGL Resources Investor Relations, P.O. Box 4569, Atlanta, GA 30302-4569.
- Recent News:** A table listing recent news items.
- Footprint Map:** A map of the eastern U.S. with the text 'We are now serving more than 2 million customers in the eastern U.S.' and a link to 'Use the natural gas advantage'.

Date	Title
Jan. 21, 2011	AGL Resources to Host Fourth Quarter and Year-End 2010 Earnings Conference Call and Webcast
Jan. 18, 2011	AGL Resources, Nicor File Joint Application With Illinois

Appendix & GAAP Reconciliations

AGL Resources 2Q11 Highlights

<i>in millions, except per share amounts</i>	2Q11	2Q10	Change
Operating Margin	\$ 241	\$ 218	11%
Total Operating Expenses (excluding Cost of Gas)	181	170	6%
Operating Income	60	48	25%
EBIT	62	48	29%
Interest Expense, net	32	26	23%
Income Tax Expense	11	8	38%
Net Income Attributable to AGLR	\$ 18	\$ 14	29%
Adj. Net Income Attributable to AGLR¹	\$ 26	\$ 14	86%
EPS (Diluted)	\$ 0.23	\$ 0.17	35%
Adj. EPS (Diluted)¹	\$ 0.33	\$ 0.17	94%
Dividend per Share	\$ 0.45	\$ 0.44	2%

- **2Q11 GAAP EPS of \$0.23 per diluted share**
 - Adjusted diluted EPS of \$0.33, excluding approximately \$8 million in after-tax costs related to Nicor merger
 - Distribution segment EBIT up 10% in 2Q11 vs. 2Q10
 - Continued improvement in wholesale commercial activity
- **1H11 GAAP EPS of \$1.82 per diluted share**
 - Adjusted diluted EPS of \$1.96, excluding approximately \$11 million in after-tax costs related to Nicor merger
- **2011 EPS estimate remains \$3.10-\$3.20 per diluted share, excluding all effects from the proposed merger with Nicor**
- **Nicor merger process on track**

Note: Please review the AGL Resources 10-Q as filed with the SEC on 8/3/11 for detailed information. EBIT, Adjusted Net Income and Adjusted EPS are non-GAAP measures. Please see the appendix to this presentation or visit the investor relations section of www.aglresources.com for a reconciliation to GAAP.

(1) Adjusted net income and adjusted EPS exclude Nicor-related merger costs of approximately \$8 million, net of tax.

VNG Rate Case Update

- **Virginia Natural Gas filed a rate case with the Virginia State Corporation Commission (VSCC) on February 8, 2011**
 - Seeking \$25 million increase
 - Mitigation plan proposes rates to be phased in over three years
 - ~\$15 million related to Hampton Roads Crossing pipeline construction (completed in 2010), which has been recovered via AFUDC to date
 - ~\$10 million related to base operating expenses
- **Rates effective October 1, 2011, subject to refund**
- **Final Commission order expected May 2012**

Rate Case Filed
2/8/11

Rates
Effective
Subject to
Refund
10/1/11

Testimony
8/23/11-
10/11/11

Hearings
10/25/11

Hearing
Examiner's
Report
March
2012

Final
Commission
Order
May 2012

AGL Detailed Utility Profile as of 12/31/10

State	Rate Base (mm)	% of Total	Authorized Return on Rate Base	Est. 2010 Return on Rate Base	Authorized Return on Equity	Est. 2010 Return on Equity	Customers (mm)	% of Total	Regulatory Attributes
Georgia	\$1,312	52%	8.10%	7.26%	10.75%	9.10%	1.5	68%	Decoupling, Regulatory Infrastructure Program Rates, M&A Synergy Sharing
New Jersey	435	17%	7.64%	7.87%	10.30%	10.76%	0.3	12%	Weather Normalization, Regulatory Infrastructure Program Rates
Virginia	502	20%	9.24%	8.24%	10.90%	9.62%	0.3	12%	Decoupling, Weather Normalization
Florida	164	7%	7.36%	5.04%	11.25%	6.22%	0.1	5%	Negotiated Rates Over 5-yr Period
Tennessee	91	4%	7.41%	8.98%	10.05%	13.45%	0.1	3%	Revenue Normalization
Total	\$ 2,504	100%	NA	NA	NA	NA	2.3	100%	

Note: Please review the AGL Resources 10-K as filed with the SEC on 2/9/11 for detailed information.

AGL Resources GAAP Reconciliation

The following table sets forth a reconciliation of AGL Resources' operating margin to operating income and earnings before interest and taxes (EBIT) to earnings before income taxes and net income to net income attributable to AGL – as reported and net income attributable to AGL – as adjusted, for the three and six months ended June 30, 2011 and 2010.

<i>In millions</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Operating revenues	\$375	\$359	\$1,253	\$1,362
Cost of gas (COG)	134	141	589	712
Operating margin	241	218	664	650
Operating expenses				
Operation and maintenance	127	119	258	244
Depreciation and amortization	42	39	83	79
Taxes other than income	12	12	25	26
Total operating expenses, exc. COG	181	170	366	349
Operating Income	60	48	298	301
Other income	2	-	3	2
EBIT	62	48	301	303
Interest expense, net	32	26	61	54
Earnings before income taxes	30	22	240	249
Income tax expense	11	8	87	90
Net income	19	14	153	159
Less: net income attributable to the noncontrolling interest	1	-	11	11
Net income attributable to AGL - as reported	18	14	142	148
Impact of Nicor transaction costs, net of tax	8	-	11	-
Net income attributable to AGL - as adjusted	\$26	\$14	\$153	\$148

AGL Resources GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Statement of Income to earnings before interest and taxes (EBIT) by segment for the quarters ended June 30, 2011 and 2010.

<u>2Q11</u>						
<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 237	\$ 117	\$ 9	\$ 10	\$ 2	\$ 375
Intersegment Revenues	41	-	-	-	(41)	-
Total Operating Revenues	278	117	9	10	(39)	375
Cost of Gas (COG)	70	100	1	2	(39)	134
Operating Margin	208	17	8	8	-	241
Operating Expenses						
Operation & Maintenance	89	15	12	3	8	127
Depreciation & Amortization	35	-	1	3	3	42
Taxes Other Than Income	9	1	-	1	1	12
Total Operating Expenses, exc. COG	133	16	13	7	12	181
Operating Income (loss)	75	1	(5)	1	(12)	60
Other income (expense)	1	-	-	-	1	2
EBIT	\$ 76	\$ 1	\$ (5)	\$ 1	\$ (11)	\$ 62

<u>2Q10</u>						
<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 226	\$ 117	\$ (8)	\$ 23	\$ 1	\$ 359
Intersegment Revenues	34	-	-	-	(34)	-
Total Operating Revenues	260	117	(8)	23	(33)	359
Cost of Gas (COG)	62	99	1	11	(32)	141
Operating Margin	198	18	(9)	12	(1)	218
Operating Expenses						
Operation & Maintenance	86	17	9	9	(2)	119
Depreciation & Amortization	34	-	1	1	3	39
Taxes Other Than Income	10	-	1	1	-	12
Total Operating Expenses, exc. COG	130	17	11	11	1	170
Operating Income (loss)	68	1	(20)	1	(2)	48
Other income (expense)	1	-	-	(1)	-	-
EBIT	\$ 69	\$ 1	\$ (20)	\$ -	\$ (2)	\$ 48

AGL Resources GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Statement of Income to earnings before interest and taxes (EBIT) by segment for the six months ended June 30, 2011 and 2010.

6-Months Ended 6/30/11

<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 742	\$ 407	\$ 62	\$ 40	\$ 2	\$ 1,253
Intersegment Revenues	79	-	-	-	(79)	-
Total Operating Revenues	821	407	62	40	(77)	1,253
Cost of Gas (COG)	338	301	4	23	(77)	589
Operating Margin	483	106	58	17	-	664
Operating Expenses						
Operation & Maintenance	179	35	28	8	8	258
Depreciation & Amortization	71	1	1	5	5	83
Taxes Other Than Income	18	1	1	2	3	25
Total Operating Expenses, exc. COG	268	37	30	15	16	366
Operating Income (loss)	215	69	28	2	(16)	298
Other income	2	-	-	-	1	3
EBIT	\$ 217	\$ 69	\$ 28	\$ 2	\$ (15)	\$ 301

6-Months Ended 6/30/10

<i>in millions</i>	Distribution operations	Retail energy operations	Wholesale services	Energy investments	Corporate and intercompany eliminations	Consolidated AGL Resources
Operating Revenues	\$ 754	\$ 510	\$ 59	\$ 37	\$ 2	\$ 1,362
Intersegment Revenues	72	-	-	-	(72)	-
Total Operating Revenues	826	510	59	37	(70)	1,362
Cost of Gas (COG)	364	396	9	13	(70)	712
Operating Margin	462	114	50	24	-	650
Operating Expenses						
Operation & Maintenance	173	37	24	15	(5)	244
Depreciation & Amortization	68	1	1	3	6	79
Taxes Other Than Income	19	1	2	2	2	26
Total Operating Expenses, exc. COG	260	39	27	20	3	349
Operating Income (loss)	202	75	23	4	(3)	301
Other income	3	-	-	(1)	-	2
EBIT	\$ 205	\$ 75	\$ 23	\$ 3	\$ (3)	\$ 303

AGL Resources GAAP Reconciliation

The following tables set forth a reconciliation of AGL Resources' Basic and Diluted earnings per share – as reported (GAAP) to Basic and Diluted earnings per share – as adjusted (Non-GAAP; excluding Nicor merger costs), for the indicated periods.

	Three months ended June 30, 2011	Six months ended June 30, 2011
Basic earnings per share – as reported	\$0.23	\$1.83
Transaction costs of Nicor merger	0.10	0.14
<u>Basic earnings per share – as adjusted</u>	<u>\$0.33</u>	<u>\$1.97</u>
	Three months ended June 30, 2011	Six months ended June 30, 2011
Diluted earnings per share – as reported	\$0.23	\$1.82
Transaction costs of Nicor merger	0.10	0.14
<u>Diluted earnings per share – as adjusted</u>	<u>\$0.33</u>	<u>\$1.96</u>

AGL Resources GAAP Reconciliation

Reconciliations of operating margin, EBIT by segment and EPS excluding merger expenses are available in our quarterly reports (Form 10-Q) and annual reports (Form 10-K) filed with the Securities and Exchange Commission.

Our management evaluates segment financial performance based on EBIT, which includes the effects of corporate expense allocations. EBIT is a non-GAAP (accounting principles generally accepted in the United States of America) financial measure. Items that are not included in EBIT are financing costs, including debt and interest expense and income taxes. We evaluate each of these items on a consolidated level and believe EBIT is a useful measurement of our performance because it provides information that can be used to evaluate the effectiveness of our businesses from an operational perspective, exclusive of the costs to finance those activities and exclusive of income taxes, neither of which is directly relevant to the efficiency of those operations.

We also use EBIT internally to measure performance against budget and in reports for management and the Board of Directors. Projections of forward-looking EBIT are used in our internal budgeting process, and those projections are used in providing forward-looking business segment EBIT projections to investors. We are unable to reconcile our forward-looking EBIT business segment guidance to GAAP net income, because we do not predict the future impact of unusual items and mark-to-market gains or losses on energy contracts. The impact of these items could be material to our operating results reported in accordance with GAAP.

Operating margin is a non-GAAP measure calculated as revenues minus cost of gas, excluding operation and maintenance expense, depreciation and amortization, taxes other than income taxes, and the gain or loss on the sale of our assets. These items are included in our calculation of operating income. We believe operating margin is a better indicator than operating revenues of the contribution resulting from customer growth, since cost of gas is generally passed directly through to customers.

We present our EPS excluding expenses incurred with respect to the proposed merger with Nicor. As we do not routinely engage in transactions of the magnitude of the proposed Nicor merger, and consequently do not regularly incur transaction related expenses of correlative size, we believe presenting EPS excluding Nicor merger expenses provides investors with an additional measure of our core operating performance.

EBIT, operating margin and EPS excluding merger expenses should not be considered as alternatives to, or more meaningful indicators of, our operating performance than operating income or net income, as determined in accordance with GAAP. In addition, our EBIT, operating margin and non-GAAP EPS may not be comparable to similarly titled measures of another company.

Net income attributable to AGL Resources, as adjusted and Basic and Diluted earnings per share, as adjusted are non-GAAP measures and exclude transaction costs related to the proposed merger with Nicor. We believe these financial measures are useful to investors because they provide an alternative method for assessing the Company's operating results in a manner that is focused on the performance of the Company's ongoing operations. The presentation of these financial measures is not meant to be a substitute for financial measures prepared in accordance with GAAP.

AGL Resources Additional Information

Additional Information

In connection with the proposed merger, AGL Resources has filed with the SEC a Registration Statement on Form S-4 (Registration No. 333-172084), as amended, which is publicly available, that includes a definitive joint proxy statement of AGL Resources and Nicor that also constitutes a prospectus of AGL Resources. AGL Resources and Nicor mailed the definitive joint proxy statement/prospectus on or about May 10, 2011 to their respective stockholders of record as of April 18, 2011. **WE URGE INVESTORS TO READ THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS CAREFULLY, AS WELL AS OTHER DOCUMENTS FILED WITH THE SEC, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT AGL RESOURCES, NICOR AND THE PROPOSED TRANSACTION.** The joint proxy statement/prospectus, as well as other filings containing information about AGL Resources and Nicor, can be obtained free of charge at the website maintained by the SEC at www.sec.gov. You may also obtain these documents, free of charge, from AGL Resources' website (www.aglresources.com) under the tab Investor Relations/SEC Filings or by directing a request to AGL Resources Inc., P.O. Box 4569, Atlanta, GA, 30302-4569. You may also obtain these documents, free of charge, from Nicor's website (www.nicor.com) under the tab Investor Information/SEC Filings or by directing a request to Nicor Inc., P.O. Box 3014, Naperville, IL 60566-7014.

The respective directors and executive officers of AGL Resources and Nicor, and other persons, may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding AGL Resources' directors and executive officers is available in the definitive joint proxy statement/prospectus contained in the above referenced Registration Statement and its definitive proxy statement filed with the SEC by AGL Resources on March 14, 2011, and information regarding Nicor directors and executive officers is available in the definitive joint proxy statement/prospectus contained in the above referenced Registration Statement and its definitive proxy statement filed with the SEC by Nicor on April 19, 2011. These documents can be obtained free of charge from the sources indicated above. Other information regarding the interests of the participants in the proxy solicitation are included in the definitive joint proxy statement/prospectus and other relevant materials filed with the SEC. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.