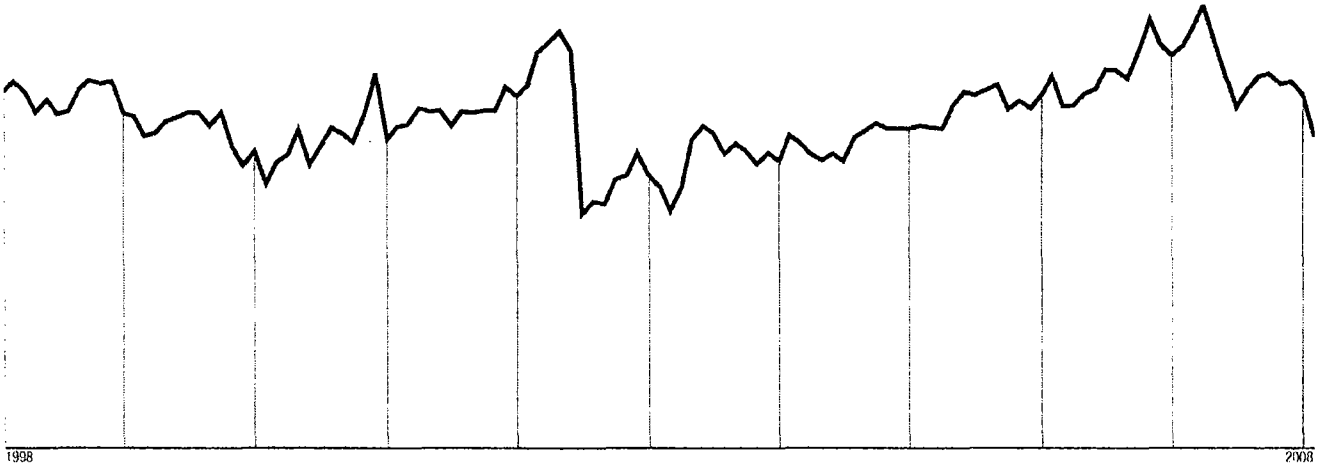
REUTERS

Reuters Company Research

Nicor Inc. (GAS)

Performance Rating: Underperform

27 Feb 2008



Share Price Summary	
Close Price on 2/27/08	$36.22
Absolute Price Change on 2/27/08	-0.95
Percent Change	-2.63%
Off 52-Week High	-32.50%
Over 52-Week Low	2.49%
Beta	0.772

Overview	
Float (mil)	44.500
10 Day Average Volume (mil)	0.862
1 Day Volume Change on 2/27/08	-11.00%
Market Capitalization (mil)	$1,635
TTM Price/Earnings	12.13
Price/Earnings Current Fiscal Year Estimate	13.61

Percent Price Change	GAS	S&P 500
Year to Date	-14.47	-6.02
One Year	-22.04	-1.91
Two Years	-15.63	7.76
Three Years	-2.87	14.66
Five Years	20.37	64.06
Ten Years	-11.93	31.51

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This report was generated using a proprietary quantitative model that leverages widely accepted statistical methods and financial concepts to rank and rate a universe of more than 4700 US companies and US-listed ADRs with a market capitalization greater than $50mm based on a series of financial attributes. These ratings are not intended as an indication of how an individual's investment will perform. As used in this report, **"Outperform"** designates the companies that rank in the top 30% of companies covered by Reuters, **"Neutral"** designates the middle 40%, and the bottom 30% are designated **"Underperform"**. All ratings are relative to the universe of companies covered by Reuters and not to any specific benchmark.

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Performance Rating: Underperform

Reuters ratings are based on a proprietary model that leverages widely accepted statistical methods and financial concepts to select attributes shown to be strong indicators of future stock price performance and applies these to rank stocks along a normal distribution curve. Ranks for Fundamental Quality, Value Catch-up, Operational Trends and Technical Factors are combined into a Composite Rating of Outperform, Neutral or Underperform.

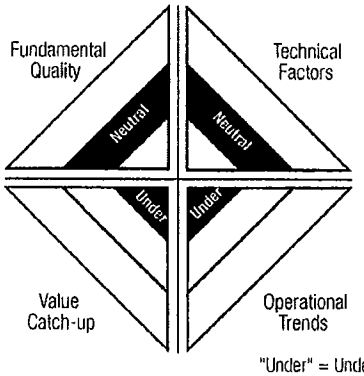
Reuters Composite Rating

We cannot guarantee that each stock will perform in accordance with its rank. But we do believe that over the long term, stocks rated Outperform (30% of all stocks we rate) will, in the aggregate, outperform stocks rated Neutral (40% of all stocks we rate), and that stocks rated Neutral will, in the aggregate, outperform stocks rated Underperform (30%). All analysis is based on publicly available company financials, fundamental ratios, relative rankings of financial data and ratios, and observed security prices.

Underperform

GAS shares are presently rated UNDERPERFORM. No forecast is made for the stock market as a whole. However, we do believe that whichever way the market moves, it is probable that shares rated UNDERPERFORM are, in the aggregate, less likely to keep pace with most others.

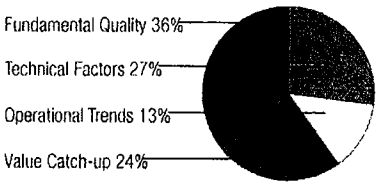
Component Rating



"Under" = Underperform

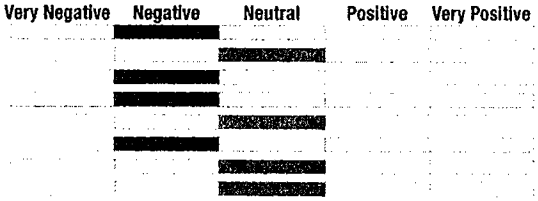
Component Weight

Types of investment criteria differ in how useful they are for predicting future stock movement. Based on our research, the Composite Rank assumes these relative degrees of importance.



Fundamental Quality Component: Neutral

This rating is based on characteristics traditionally associated with "good" companies. We focus on how each company measures up against others, and give careful attention to recent improvement or slippage relative to other companies. TTM = Trailing Twelve Months.

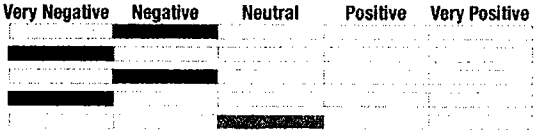


Value Catch-up Component: Underperform

This rating measures the extent to which the share price adequately reflects improving or eroding fundamentals, and favors shares whose prices have been slower to "catch up" to improving performance measures. TTM = Trailing Twelve Months.

Operational Trends Component: Underperform

This rating reflects how strong a company's recent Sales and EPS (reported as per GAAP) growth have been relative to other companies we rate. MRQ = Most Recent Quarter. TTM = Trailing Twelve Months.

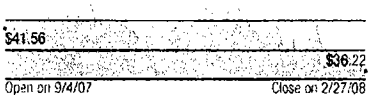


Technical Factors: Neutral

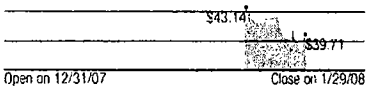
This rating is based on analyses of share price movements over a variety of time periods. We compare performance characteristics of individual stocks with those of all the others we rate. Generally speaking, our goal is to favor up-trending shares that have experienced recent corrections and de-emphasize down-trending shares experiencing uncharacteristic periods of strength. Here is how GAS shares performed during the various periods we examined.

Price Change	
Past 7 days	-3.2%
Past 30 days	-8.8%
Past 60 days	-16.0%

Change for Past 180 Days: -12.8%

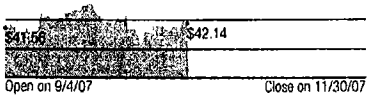


Change Between 60 and 30 Days Ago: -8.0%



Change Between 180 and 60 Days Ago: 3.8%

Change Between 180 and 90 Days Ago: 1.4%



Peer Comparison

This section shows the comparison of key components between GAS and several of its peers.

Company Name (Ticker)	Composite Rating	Fundamental Quality	Technical Factors	Value Catch-up	Operational Trends
Nicor Inc. (GAS)	**Underperform**	**Neutral**	**Neutral**	**Underperform**	**Underperform**
AGL Resources Inc. (ATG)	Underperform	Neutral	Neutral	Neutral	Underperform
Atmos Energy Corporatio... (ATO)	Neutral	Neutral	Neutral	Neutral	Underperform
Piedmont Natural Gas Co... (PNY)	Underperform	Neutral	Neutral	Neutral	Underperform
WGL Holdings, Inc. (WGL)	Underperform	Neutral	Neutral	Neutral	Underperform

Getting Acquainted

Start your analysis by learning what the company does, how well it does it, where it stands relative to peers, and whether aspects of the corporate structure or capitalization are bothersome to you.

Business Summary

Nicor Inc. (Nicor) is a holding company. Gas distribution is Nicor's primary business. Nicor's subsidiaries include Nicor Gas, a distributor of natural gas, and Tropical Shipping, a transporter of containerized freight in the Bahamas and the Caribbean region. Nicor also owns several energy-related ventures, including Nicor Services, Nicor Solutions and Nicor Advanced Energy, which provide energy-related products and services to retail markets, and Nicor Enerchange, a wholesale natural gas marketing company. Nicor Gas maintains franchise agreements with most of the communities it serves, allowing it to construct, operate and maintain distribution facilities in those communities. Customers have the option of purchasing their own natural gas supplies, with delivery of the gas by Nicor Gas. The larger of these transportation customers also have options that include the use of Nicor Gas' storage system and the ability to choose varying supply backup levels.

Contact Info

Nicor Inc. is headquartered at:
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(630) 305-9500
www.nicor.com
Mark Knox, Investor Relations

Financial Trends

TTM = Trailing Twelve Months, * = Most Recent Quarter.

							Historic Growth Rates		
Fiscal Year Ending	**12/31/03**	**12/31/04**	**12/31/05**	**12/31/06**	**12/31/07**	**TTM**	**3 Year**	**5 Year**	**10 Year**
Sales (mil)	$2,662.7	$2,739.7	$3,357.8	$2,960.0	$3,176.3	$3,176.3	5.05	10.85	4.77
EPS (GAAP)	$2.48	$1.70	$3.07	$2.87	$2.98	$2.99	20.75	0.68	1.36
Dividends/Share	$1.86	$1.86	$1.86	$1.86	$1.86	$1.86	0.00	0.22	2.88
Book Value/Share	$17.13	$16.99	$18.36	$19.51	$20.94	* $20.96	7.23	4.82	3.10
Tangible Book Value/Sh.	$17.13	$16.99	$18.36	$19.51	$20.94	* $20.96	7.23	4.82	3.10
Cash Flow/Share	$6.14	$5.46	$6.95	$6.85	$7.05	$6.64	8.92	2.01	2.91
Free Cash Flow/Share	($6.24)	$1.02	($1.75)	$3.95	($0.11)	($0.11)	NA	NA	NA

Key Ratios

							Historic Averages		
Fiscal Year Ending	**12/31/03**	**12/31/04**	**12/31/05**	**12/31/06**	**12/31/07**	**TTM**	**3 Year**	**5 Year**	**10 Year**
% Sales Growth	40.3	2.9	22.6	(11.8)	7.3	7.3	6.0	12.2	6.9
% EPS Growth	(14.0)	(31.7)	81.1	(6.5)	4.0	4.2	26.2	6.6	21.7
% Gross Margin	(9.4)	(9.9)	(8.8)	(10.9)	(10.3)	(2.8)	(10.0)	(9.9)	(13.8)
% Operating Margin	7.1	5.0	6.0	6.8	6.5	6.5	6.4	6.3	8.4
% Tax Rate	35.2	28.7	20.3	26.3	26.6	26.6	24.4	27.4	28.6
% Return on Assets	3.3	1.9	3.3	3.0	3.2	3.2	3.2	2.9	3.5
% Return on Investment	4.8	2.7	4.9	4.5	4.6	4.6	4.6	4.3	5.2
% Return on Equity	14.8	10.0	17.5	15.2	14.8	14.8	15.8	14.5	14.3
Asset Turnover	0.8	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.7
Receivables Turnover	5.7	5.2	4.6	4.1	5.2	4.3	4.6	5.0	4.8
Inventory Turnover	14.5	9.3	11.3	10.1	14.3	15.9	11.9	11.9	20.0

Equity Information

Whether you are willing to accept companies that have or don't have major shareholders with controlling ownership blocks, multiple classes of common, or convertible debt or preferred issues is a matter of individual preference. Look here for anything along these lines that might make you more or less inclined to invest in this company.

Common Stock $2.50 Par, 2/08, 160M auth., 45,136,079 issd. Insiders own 2% (incl. 251K options). PO 8/80, 1.5M shs @ $32.50 by Merrill Lynch. Cumulative Prfd. Stock $50 Par, 1.6M auth. 33,167 issd. FY '02 Q's are restated. FY '01 '00 fins. and '01 Q's are restated for acct. change.

Analyst Footnotes

Look for accounting changes, restructurings, etc.which may affect how useful historic data is inasssessing future company prospects.

FY'91 & FY'92 fncls. restated to reflect the discontinued oil and gas business and an accounting change. 4/93, 2-for-1 stock split. FY'97 Q's are reclassified.

Peer Comparison

This table gives an indication of how Nicor Inc. stands in key respects compared with companies in the Natural Gas Utilities Industry

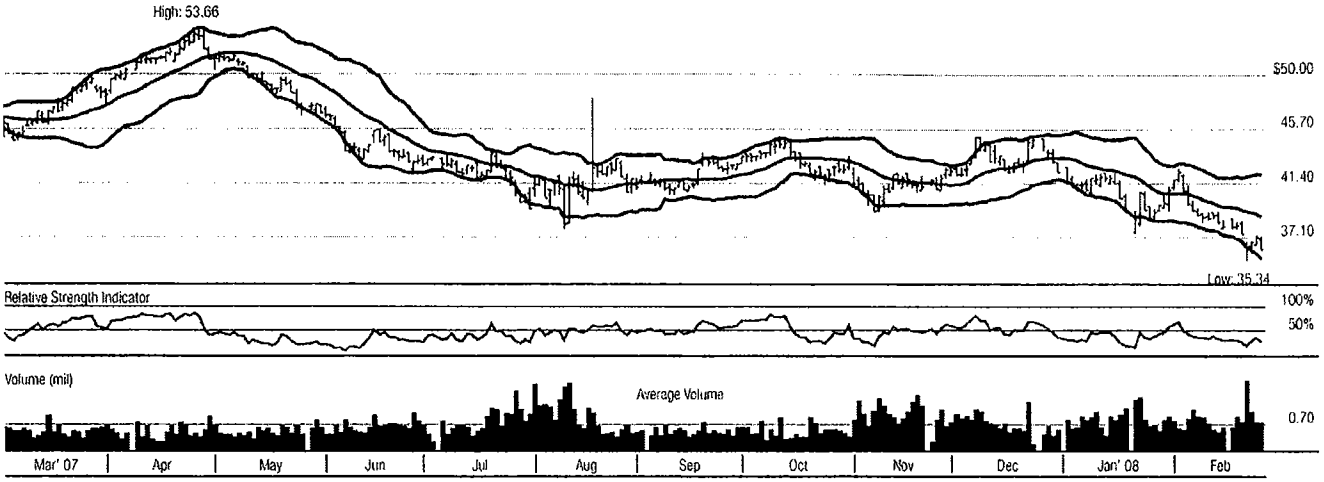
Company Name (Ticker)	Last Fiscal Year Revenue (mil)	Current Fiscal Year Projected Revenue (mil)	Projected Price/Sales	Operating EPS	Current Fiscal Year Projected EPS	P/E Based on Current Year Estimates	EPS % Growth Previous 5 Years	EPS % Growth Next 5 Years
Nicor Inc. (GAS)	**$3,176.3**	**$3,215.5**	**0.5**	**$2.98**	**$2.66**	**13.6**	**0.7**	**4.3**
AGL Resources Inc. (ATG)	$2,494.0	$2,510.3	1.1	$2.73	$2.84	12.7	8.4	5.2
Atmos Energy Corporatio... (ATO)	$5,898.4	$6,717.8	0.4	$1.92	$2.06	13.0	5.8	4.7
Piedmont Natural Gas Co... (PNY)	$1,711.3	$1,757.0	1.1	$1.40	$1.50	16.9	8.2	5.2
WGL Holdings, Inc. (WGL)	$2,646.0	$2,581.6	0.6	$2.19	$2.30	14.3	22.1	4.0

Share Price Trends

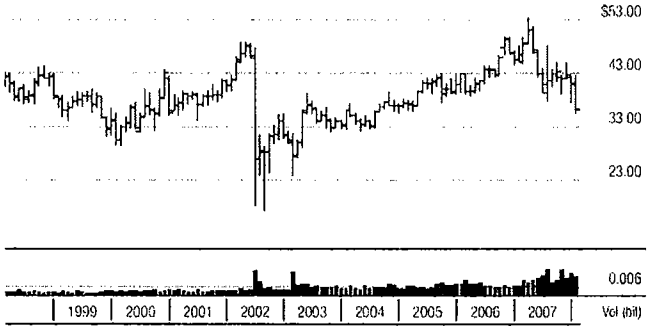
Stock price trends depict the collective opinion of the investment community. You don't have to agree with consensus views but seeing how others feel can help you decide what to look for as you go further in your analysis. Consider it similar to reading a review before seeing a movie.

1 Year Price Chart with Bollinger Bands and Relative Strength

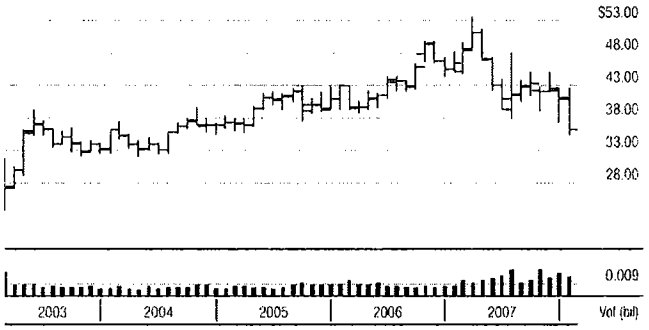
Technical analysts believe a narrowing of the bands suggests a significant price movement, up or down, will soon occur. Also, many say stocks that move outside the bands and then back inside will soon move toward the opposite band. The Relative Strength Index (RSI) calculates the strength of the current price movement compared to other recent moves and may signal when a trend is unsustainable. Technical analysts also believe RSI peaks/valleys forecast changes in share price trends.



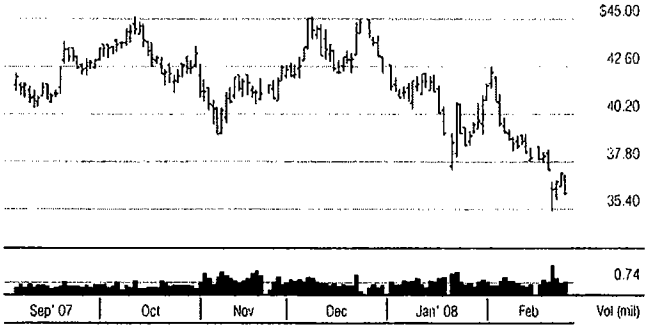
10 Year Price Chart (Monthly)



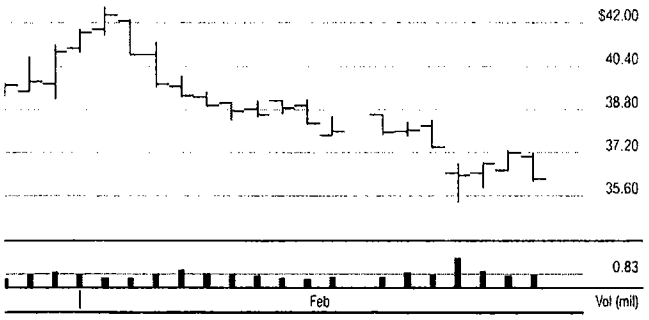
5 Year Price Chart (Monthly)



6 Month Price Chart (Daily)



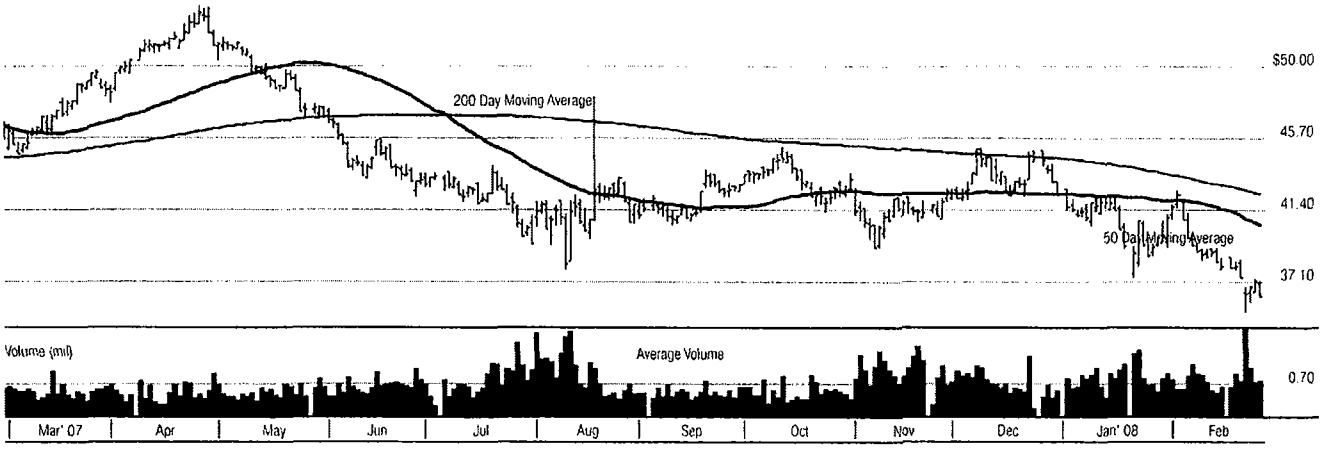
1 Month Price Chart (Daily)



General Sentiment

You can follow popular opinion or choose a contrarian's strategy. Either way, you should know whether the Street is bullish or bearish. Investor sentiment is typically positive when the 50-day moving average is rising, especially if it's also above the 200-day moving average. Additionally, changes in price trend can be deemed more definitive if supported by higher than normal volume.

52 Week Price History



Price History

Calendar Year	1999	2000	2001	2002	2003	2004	2005	2006	2007
High Price	42.94	43.88	42.38	49.00	39.30	39.65	42.97	49.92	53.66
Low Price	31.19	29.38	34.00	17.25	23.70	32.04	35.50	38.72	37.80
Year End Price	32.50	43.19	41.64	34.03	34.04	36.94	39.31	46.80	42.35
High P/E	23.59	56.21	21.90	23.65	NM	47.86	19.13	58.11	35.19
Low P/E	10.42	8.85	10.10	8.53	5.90	10.21	8.21	7.01	8.56
Year End P/E	13.24	56.21	15.42	11.74	13.65	21.69	12.75	16.27	14.16
Dividend Yield	4.80	3.84	4.23	5.41	5.46	5.04	4.73	3.97	4.39

Price Performance

When stocks significantly beat or trail the S&P 500 or the industry, investors are looking more intently at company- specific matters than general-market factors. In the two percentile rank columns, a high "Rank in Industry" coupled with a low "Industry Rank" could signify a hot stock in a cold industry. The reverse, is also noteworthy.

Time Period	Actual Change	Percent Change	vs. S&P 500	vs. Industry	Rank in Industry	Industry Rank
4 Week	(3.63)	(9.1)%	(10.7)%	(12.2)%	9	58
13 Week	(6.34)	(14.9)%	(9.4)%	(15.6)%	9	75
26 Week	(5.52)	(13.2)%	(8.0)%	(16.8)%	13	79
52 Week	(9.98)	(21.6)%	(20.5)%	(28.1)%	16	67
Year To Date	(6.13)	(14.5)%	(9.0)%	(13.0)%	11	59

BarChartKey
YTD ⟶ 4 Wk.

Rank Key
Worst ⟶ Best 1 ⟶ 100

Short Interest

A high or increasing short interest implies that many investors expect the stock price to decline. You can treat that as a warning. Or you can disagree with the crowd and buy stocks with high short interest in anticipation of a short squeeze (a rally that occurs when short sellers rush to buy a stock, fearing losses they might incur if they wait too long). Prospects for a squeeze are indicated by high readings in the "Days to Cover" column (which tells how many days it would take for all short interest positions to be covered if recent trading volume levels persist). The risk: The bears may be right. So research other aspects of the company.

Month	Shares	% Outstanding	Percent of Float	Days to Cover
January 2008	7,064,000	15.65	15.87	9.44
December	7,217,000	15.99	16.22	8.57
November	7,532,000	16.69	16.93	7.40
October	7,588,000	16.81	17.05	14.48

Insider Trading

Insider buying can be seen as bullish because, presumably, their company knowledge is superior. However, insider sales are less reliable because insiders may sell for a variety of reasons that have nothing to do with their opinion of the stock.

In the last 6 months, there has been 1 insider purchase for 1,000 shares, and there have been no insider sales.

Net Change (6 months)	0 mil
6 Month Net Transactions	1

Institutional Ownership

It's worthwhile to know what institutions are doing simply because their stock positions can be so large. In the short term, stocks will perform well if institutions are buying and perform poorly if institutions are selling.

627 institutions own 73.7% of the 0.05 billion common shares outstanding. This is higher than the average institutional ownership of the Natural Gas Utilities Industry at 61.3%, and higher than the average of the S&P 500 as a whole which is 72.0%.

Net Change (3 month)	(6.6)%
Net Purchases (3 month)	(1.92) mil
Shares Purchased (3 month)	4.48 mil
Shares Sold (3 month)	6.41 mil

Stock Price Rationale

Determine if the stock price is justified by: growth-based value, comparative value, liquid assets, or dividends. The better the company, (in terms of growth or quality), the higher the valuation measures can be. And if valuation ratios are extremely low, double-check to see if the company appears excessively weak. In any case, you don't have to say yes to any valuation measure - many buy shares based on other factors (e.g., growth). But if you do that, at least understand what you're doing and consider the risks.

Viewing Things In Context

Many people erroneously work with valuation ratios calculated based on numbers that aren't truly representative of a company's underlying sustainable financial characteristics. Thus it's important to determine if today's sales and EPS are significantly depressed or elevated due to temporary factors such as business cycles. Higher ratios can be tolerated if sales and EPS are temporarily depressed. But if the company is experiencing unsustainable boom conditions, seek lower ratios. GAAP = Generally Accepted Accounting Principles.

Fiscal Year Ending	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06	12/31/07	12/31/08E	12/31/09E
Sales/Share	$52.35	$42.83	$60.24	$61.84	$75.63	$66.22	$70.12	$70.98	$74.16
Price/Sales	NA	NA	0.56	0.60	0.54	0.69	NA	0.51	0.49
EPS (GAAP)	$2.69	$2.88	$2.48	$1.70	$3.07	$2.87	$2.98	$2.66	$2.75
P/E (GAAP)	NA	NA	13.57	21.79	13.42	15.87	NA	13.61	13.15
EPS (Normalized)	$2.64	$2.82	$2.48	$2.22	$2.53	$2.98	$2.95	$2.66	$2.75
P/E (Normalized)	NA	NA	13.61	16.64	16.32	15.29	NA	13.61	13.15
Dividend Yield (%)	NA	NA	5.52	5.04	4.51	4.08	NA	5.14	5.20

Valuation Based On Growth

The faster a company grows, the higher its stock's P/E can be. Contrary to popular belief, PEG (P/E over Growth Rate) need not always be 1.00 or less. But all else being equal, lower is better (and 3.00 is usually too high). Try to favor company PEGs that are lower than industry and market PEGs. In all cases, watch for very high growth estimates. If overly optimistic projections get cut, PEG would wind up being higher. FY = Fiscal Year.

	Price/EPS (Est.) for Current FY	Price/EPS (Est.) for Next FY	Long Term Growth Estimate	Next FY P/E over LT Growth
Nicor Inc.	13.61	13.15	4.33	3.04
Natural Gas Utilities	18.91	18.31	8.66	2.41
S&P 500	16.11	14.07	12.40	1.26

Comparative Valuation Ratios

Valuation below industry or S&P 500 averages can be attractive - unless the company is materially worse in terms of quality growth prospects. Year-by-year trends in comparative valuations can give clues about company merit. Be especially on guard if comparative ratios are deteriorating over time. On the other hand, relatively low valuations that are moving toward the averages might indicate that the market is tuning in to heretofore under-appreciated company merit.
FY = Fiscal Year, TTM = Trailing Twelve Months, * = Most Recent Quarter.

Nicor Inc.

	Price/ Earnings	Price/ Sales	Price/ Book	Price/ Cash Flow	Price/ Tang. Book	Price/Free Cash Flow
Trailing 12 Months	12.13	0.51	* 1.73	5.43	* 1.73	NA
FY Ending 12/31/07	NA	NA	NA	NA	NA	NA
FY Ending 12/31/06	15.87	0.69	2.34	6.65	2.34	11.53
FY Ending 12/31/05	13.42	0.54	2.24	5.93	2.24	(23.52)
FY Ending 12/31/04	21.79	0.60	2.17	6.77	2.17	36.12

Bar Chart Key
2004 ⟶ TTM

Natural Gas Utilities

	Price/ Earnings	Price/ Sales	Price/ Book	Price/ Cash Flow	Price/ Tang. Book	Price/Free Cash Flow
Trailing 12 Months	22.47	2.00	* 2.84	13.61	* 3.66	64.27
FY Ending 2007	17.77	1.58	2.62	(9.47)	2.54	(4.02)
FY Ending 2006	20.83	1.60	2.46	9.66	3.47	1.16
FY Ending 2005	23.90	1.60	2.75	10.77	2.86	(4.48)
FY Ending 2004	24.39	1.49	2.07	1.69	2.83	(1.22)

Bar Chart Key
2004 ⟶ TTM

S&P 500

	Price/ Earnings	Price/ Sales	Price/ Book	Price/ Cash Flow	Price/ Tang. Book	Price/Free Cash Flow
Trailing 12 Months	18.61	2.55	* 3.83	13.53	* 8.45	28.63
FY Ending 2007	21.96	NA	4.40	NA	6.80	NA
FY Ending 2006	20.25	2.82	3.75	13.76	5.36	26.94
FY Ending 2005	23.63	3.18	4.23	16.11	5.96	21.51
FY Ending 2004	25.48	3.36	4.03	16.45	5.66	24.63

Bar Chart Key
2004 ⟶ TTM

Dividends

Dividend is the most classic basis for stockvaluation, and high dividend yields are usuallydeemed preferable. Today, with many companiesreinvesting profits back into the business, moderateor low yields can be accepted if dividends growrapidly. The main risk is that poor performance willcause the dividend to be cut or omitted. A very highpayout ratio is one warning signal. Another is ayield that is very high relative to industry peers.
TTM = Trailing Twelve Months.

	GAS	Industry
Current Dividend Yield	5.1%	3.3%
5 Yr. Avg. Dividend Yield	1.9%	3.3%
5 Yr. Dividend Growth Rate	0.2%	4.1%
TTM Payout Ratio	62.0%	42.6%
5 Yr. Average Payout Ratio	70.7%	34.1%

Liquid Assets

Get a general sense of the extent to which the stockprice is offset by the presence of assets that can beconverted to cash immediately or in the near future. Often, these ratios will not be meaningful. Most companies are valued as ongoing businesses, rather than liquidation/buyout prospects. If you're lookingat an especially troubled company, be aware that seemingly liquid-asset windfalls can be dissipatedby continuing operating losses and/or shutdown costs.

Price to ...	GAS	Industry
General Working Capital (current assets minus current liabilities)	(6.5)	2.8
Net Working Capital (current assets minus all liabilities)	(0.7)	(1.6)
Cash (& cash equivalents)	17.8	42.9
Cash minus total debt	(2.1)	0.4
Cash minus all liabilities	(0.5)	(1.2)

Expectations And Credibility

In theory, stock prices are based on the "present value" of expected future company cash flows. Therefore, we try to obtain accurate estimates of future financial performance. But remember, these are just estimates. Since we cannot really know what will happen tomorrow, we evaluate estimates critically by seeking clues that help us distinguish between normal versus excessive degrees of uncertainty.

Estimates In Context

Below are the present consensus revenue and EPS estimates. Notice whether analysts expect recent year-to-year growth trends to persist, or are forecasting sharp improvement or deterioration. The sharper the predicted change, the greater the level of uncertainty in the forecast. (GAAP = Generally Accepted Accounting Principles)

	Revenue ($mil)					GAAP Earnings Per Share ($)				
	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total	Mar 31st	Jun 30th	Sep 30th	Dec 31st	Year Total
FY Ending 12/2005	1,179.8	484.4	2,000.3	1,357.5	3,357.8	0.99	0.75	1.67	1.40	3.07
FY Ending 12/2006	1,319.4	451.3	351.1	838.2	2,960.0	0.99	0.19	0.39	1.30	2.87
FY Ending 12/2007	1,334.7	556.9	365.2	919.5	3,176.3	1.04	0.40	0.32	1.23	2.98
FY Ending 12/2008	1,338.0 E	514.0 E	336.5 E	1,246.5 E	3,215.5 E	0.90 E	0.35 E	0.32 E	1.08 E	2.66 E
FY Ending 12/2009	NA E	NA E	NA E	NA E	3,359.5 E	0.97 E	0.40 E	0.34 E	1.14 E	2.75 E

Confidence In Estimates

The range of estimates can be measured by standard deviation. The narrower the range (the lower the standard deviation compared to the "mean" estimate) and/or the greater the number of analysts, the more definitive the expectations. Note, too, the extent to which company expectations are consistent with or diverge from those for industry and/or market.

Long Term Growth Rate				Near Term Growth Rate		
Mean	# of Estimates	Standard Dev.		Mean	# of Estimates	Standard Dev.
4.3	3	1.25	GAS	(7.6)	7	7.00
8.7	3	1.92	Industry	(7.5)	4	9.30
12.4	7	3.13	S&P 500	9.4	13	6.07

Reasonableness

Look at the tables below to see if analysts are expecting the company to accomplish more than it has accomplished in the past. Such things can and do happen. But the stronger the predicted future (compared to the past), the greater the burden of proof on the part of those issuing the estimates.

Annual Growth	EPS (%)	Sales (%)	Quarterly Growth	EPS (%)	Sales (%)
5 year Estimate	4.3	NA	06/08 qtr. Estimate	(11.7)	NA
2008 Estimate	(10.8)	1.2	03/08 qtr. Estimate	(3.2)	0.2
Last 5 years	0.7	10.9	12/07 qtr.	(5.4)	9.7
Last 3 years	20.7	5.1	09/07 qtr.	(17.9)	4.0
Last Year	4.0	7.3	06/07 qtr.	(2.4)	NA
Trailing 12 Months	4.2	7.3	03/07 qtr.	(1.1)	1.2

Analyst Recommendation Trends

Difference of opinion is normal, so don't demand unanimity. Look for ratings clusters in a part of the best-to-worst scale and at Mean Rating scores. Also important is whether analyst sentiment is improving or declining over time.

	Buy (Value 1)	Outperform (Value 2)	Hold (Value 3)	Underperform (Value 4)	Sell (Value 5)	Mean Rating
As of 2/27/08	1	0	4	1	0	2.83
As of 4 Weeks ago	2	0	2	1	0	2.40
As of 8 Weeks ago	2	0	2	1	0	2.40
As of 12 Weeks ago	2	0	1	1	0	2.25

Bar Chart Key
12 Wks ago ⟶ 2/27

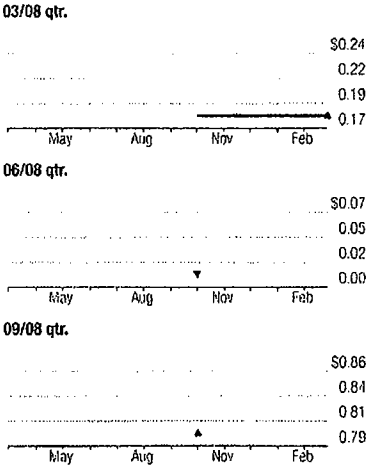
Mean Rating
1.00 = Best
5.00 = Worst

EPS Estimate Accuracy

Assess the extent to which analysts are accurateand have a handle on the earning trends bycomparing Estimates to Actual figures (which mayomit various charges/credits included in GAAPresults). The Actual figures are the ones that aremost comparable in accounting method to the Estimates. (GAAP = Generally Accepted Accounting Principles)

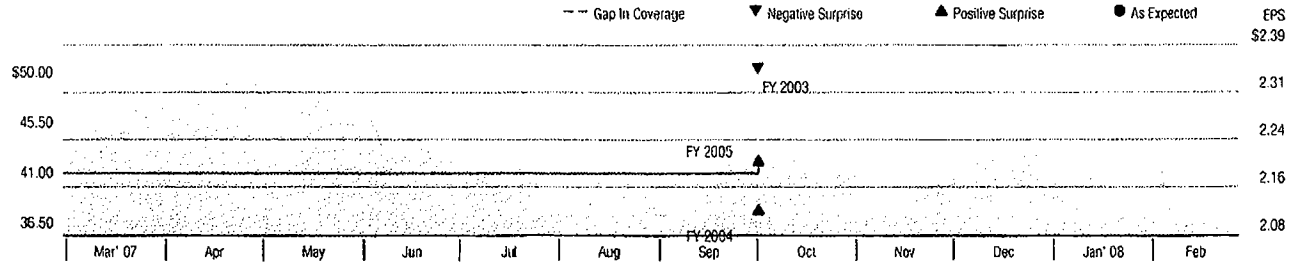
Quarter	Estimate	Actual	GAAP
12/07 qtr.	$1.10	$1.22	$1.23
09/07 qtr.	$0.32	$0.32	$0.32
06/07 qtr.	$0.38	$0.40	$0.40
03/07 qtr.	$1.00	$0.93	$1.04
12/06 qtr.	$0.98	$1.29	$1.30

Quarterly EPS Estimate Revisions



Annual EPS Estimate Revisions

Since estimates address an unknowable future, revision (often prompted by company guidance) is to be expected. Investors are usually happy when analysts are scrambling to chase reality upward. So increases in estimates tend to spark strong share price performance. The reverse is usually true when estimates are falling.



Footprints of Success

In many respects, business success requires subjective judgment. However, over time, good companies tend to leave good footprints, which become most visible when company data is compared to industry/sector/market benchmarks. That's how you see when companies perform well, not just because a rising business tide lifts all boats, but because the company is doing unique, good things. Look, too, at time-series comparisons, and take note of companies that are improving faster or suffering less than peers.

Growth Rates (%)

Investors are accustomed to looking at EPS growth. Check sales growth, too. EPS gains can't persist indefinitely without good sales growth. Do further investigation if sales trends are falling short. (A big short fall might reflect a divestiture. On the other hand, if sales growth looks too good, check to see if it's being boosted by an acquisition.) Also, compare sales growth to capital spending growth. Over a prolonged period, it's reasonable to expect capital spending growth to more or less keep pace with sales growth. If the latter is significantly higher, capital spending may have to accelerate in the next few years.

% Growth Rate	GAS	Industry	Sector	S&P 500	Company Rank in Industry	GAS vs. Industry	GAS vs. Sector	GAS vs. S&P 500
Sales Growth For Most Recent Quarter	9.7	13.9	8.8	15.3	54			
Sales Growth For Trailing 12 Months	7.3	7.6	7.0	15.2	54			
Sales Growth For Past 5 Years	10.9	19.1	8.9	14.8	42			
Capital Spending Growth for Past 5 Years	(2.1)	17.2	(0.2)	0.1	16			
EPS Growth for Most Recent Quarter	(5.4)	27.8	27.1	12.3	38			
EPS Growth for Trailing Twelve Months	4.2	31.6	32.1	13.9	49			
EPS Growth for Past 5 Years	0.7	17.8	7.2	22.1	15			

Worst → Best = Co. underperforming = Co. outperforming

Company Quality

Some companies excel in obtaining high margins (watch out for very low tax rates, which may reflect special benefits that often won't persist indefinitely) while others are highly efficient. Still others are strong in both respects. These trade-offs are balanced in the Management Effectiveness returns, which combine both factors. TTM = Trailing Twelve Months.

Profitability Ratios (%)	GAS	Industry	Sector	S&P 500	Company Rank in Industry	GAS vs. Industry	GAS vs. Sector	GAS vs. S&P 500
Gross Margin for Trailing Twelve Month	(2.8)	35.8	35.4	44.0	4			
Gross Margin for Past 5 Years	NA	33.6	33.7	44.0	4	NA	NA	NA
Operating Margin for Trailing Twelve Months	6.5	16.1	19.3	19.3	25			
Operating Margin for Past 5 Years	6.3	14.1	15.6	19.4	24			
EBITD Margin for Trailing Twelve Month	11.7	24.7	27.9	23.7	30			
EBITD Margin for Past 5 Years	11.6	21.8	23.8	22.3	32			
Pretax Margin for Trailing Twelve Months	5.8	11.7	15.3	17.9	34			
Pretax Margin for Past 5 Years	5.4	9.5	10.9	18.4	34			
Net Margin for Trailing Twelve Months	4.3	9.0	11.1	13.1	28			
Net Margin for Past 5 Years	3.9	7.4	7.3	12.8	33			
Effective Tax Rate for Trailing Twelve Months	26.6	28.6	31.8	30.0	32			
Effective Tax Rate for Past 5 Years	27.3	27.0	32.4	30.9	39			

Efficiency Ratios (TTM)	GAS	Industry	Sector	S&P 500	Company Rank in Industry	GAS vs. Industry	GAS vs. Sector	GAS vs. S&P 500
Asset Turnover	0.8	0.6	0.4	1.0	69			
Receivables Turnover	4.3	8.7	8.9	10.9	27			
Inventory Turnover	15.9	18.4	14.6	12.1	66			
Revenue/Employee	$814,436	$1,677,201	$1,170,966	$946,130	34			
Net Income/Employee	$34,667	$117,575	$119,445	$119,452	23			

Management Effectiveness Ratios (%)	GAS	Industry	Sector	S&P 500	Company Rank in Industry	GAS vs. Industry	GAS vs. Sector	GAS vs. S&P 500
Return on Assets for TTM	3.2	4.1	4.1	8.9	40			
Return on Assets for Past 5 Years	2.9	3.8	2.7	7.8	32			
Return on Investment for TTM	4.6	5.1	5.1	12.8	45			
Return on Investment for Past 5 Years	4.3	5.0	3.3	11.4	44			
Return on Equity for TTM	14.8	11.2	14.2	21.5	76			
Return on Equity for Past 5 Years	14.5	10.2	11.9	19.4	75			

Worst → Best = Co. underperforming = Co. outperforming

Financial Strength

Quick Ratio (cash and marketable securities divided by current liabilities) and Current Ratio (all current assets divided by current liabilities) give a sense of how readily the company could cover current obligations if the sales were to stop. Higher ratios indicate greater liquidity. Different businesses have different cash inflow-outflow characteristics, so compare companies to industry averages. Similar comparisons are relevant for debt ratios (higher ratios indicate more debt and, hence, more financial risk) and interest coverage (lower numbers signify greater risk).

	GAS	Industry	Sector	S&P 500	Company Rank in Industry	GAS vs. Industry	GAS vs. Sector	GAS vs. S&P 500
Quick Ratio	0.7	0.7	0.6	1.2	43			
Current Ratio	0.8	1.0	1.1	1.7	33			
Total Debt to Equity	91.6	141.0	141.6	74.3	60			
Long Term Debt to Equity	44.7	125.3	124.3	57.2	76			
Interest Coverage	9.1	4.2	4.5	14.5	74			

Worst → Best = Co. underperforming = Co. outperforming