



AtmoSpirit

The values we live by

Inspire trust.



Be at your best.



Bring out the best in others.



Focus on the future.



Make a difference.



AtmoSpirit

The values we live by

Respected companies measure performance not only by today's financials, but also by tomorrow's opportunities—fueled by employee empowerment and customer satisfaction. Creating a culture of leadership is nothing new in business. Yet, the culture of AtmoSpirit belongs to Atmos Energy alone.

AtmoSpirit embodies five principles: Inspire trust. Be at your best. Bring out the best in others. Focus on the future. Make a difference. All new employees are introduced to these values at two-day AtmoSpirit workshops, and experienced employees are invited to an AtmoSpirit for Leaders program.

The company's culture of leadership begins before a candidate is ever offered a job.

"We always recruit people who are highly proficient in their skills. But, we spend much more time assessing their fit and understanding how they think and behave in certain circumstances before we make a hiring decision," said Mike Haefner, Atmos Energy's senior vice president of human resources.

"Once on the job, we spend time communicating, communicating, communicating," he said. When employees understand Atmos Energy's values and what's expected of them, they naturally do what they do best to serve customers, shareholders, co-workers and the communities in which they work and live.

"We also devote a lot of time to developing our leaders as coaches," Haefner said.

"We have processes for performance planning, personal development and succession planning. Even more important, our leaders across the enterprise develop their employees to live by the values we impart in AtmoSpirit. Our leaders treat people as people, not as assets. And that's why Atmos Energy is a great place to work."

"Executive Chairman Bob Best says that our culture is our foundation and our future. AtmoSpirit sets out the values that set us apart from all other companies."

Mike Haefner, senior vice president of human resources

Front Cover Meter Reader Ron Anderson, who works for the Mid-Tex Division in Wichita Falls, Texas, cheers with fellow employees after he and his teammates complete the "broken squares" game at an AtmoSpirit training session held in the summer of 2012. Unable to rely on verbal communications, the teammates learn that through cooperation and sharing they can assemble a puzzle of many unique shapes into six paper squares.

Our principles shape a culture of leadership



1

AtmoSpirit is more than a “program” or an “initiative.” It is a unique culture, embracing shared values among can-do individuals in a workplace that nurtures and rewards leadership.

“At Atmos Energy, we have created a great culture,” said Ralyn Fletcher, the company’s director of employment and employee relations and chair of its enterprisewide Culture Council. “So, our mission is to preserve it, protect it and continue to articulate it: Here’s who we are. Here’s what’s important to us. And, here’s why.”

For Ray Kallas, lead recruitment and staffing, “It’s all about the right attitude. What that means to me is people who are willing to serve other people.”

Leading by example has been a hallmark of AtmoSpirit since it was launched in 1998. Through workshops, peer training and ongoing communications, AtmoSpirit Director Bonnie McElearney has watched the organization’s culture grow cohesive during her 18 years with the company.

“Employees stay with Atmos Energy because they like working here,” McElearney said. That sense of satisfaction keeps turnover low and loyalty high.

There’s no better example of that than Pearl Simon, an executive assistant for the Kentucky/Mid-States Division in Owensboro, Kentucky, who was hired in June of 1958.

“I can hardly wait to get to work each day,” Simon said. “And, I’ve been working here now for more than 54 years.”



“Our philosophy is to recruit, select and hire the
absolute best talent that fits our culture.”

Ray Kallas, Atmos Energy lead recruitment and staffing



2



3



4



5



6



7



8



9



10

1 Students at Belmont University in Nashville, Tennessee, talk with Mary Tabers (right), senior human resources generalist in the Kentucky/Mid-States Division, about careers at Atmos Energy. Tabers and the company's other human resources professionals look for not only the right skills, but also the right attitudes. 2 AtmoSpirit sessions train employees to build rapport with others 3 receive coaching and improve listening skills 4 work as teams and be better teammates 5 coach others to improve performance—even when blindfolded 6 cooperate for everyone's benefit to achieve common goals 7 understand different working styles 8 question assumptions and be curious 9 give constructive feedback 10 show genuine appreciation for others.

Our vigilance heightens safety

Through a mix of classroom training, hands-on experience and peer coaching, Atmos Energy employees learn to be vigilant about safety.

Much of the training occurs at the company's Charles K. Vaughan Center, an advanced technical training and service facility in Plano, Texas. The center features multimedia classrooms, a high-tech gas Flow Lab and a simulated community, complete with streets and buildings, named Gas City.

"We blend lectures to give employees the basics with hands-on exercises to let them practice what they learned in a safe situation," said Kelli Martin, Atmos Energy's director of technical training.

Yet, as every Atmos Energy employee knows, learning safe practices is only the beginning. The test is putting those skills to work every day.

"Our employees study an essential skill called coaching in the moment," said Scott Powell, the company's director of safety, security and compliance. "It's not a checkoff box or a list that we keep. It's a way of doing business."

An estimated 2,700 employees have attended this training, and the company now has more than 130 coaching-in-the-moment facilitators across the enterprise.

"Coaching in the moment means building a bridge—to learn from each other," Powell said.

"We learn to express appreciation to our co-workers when they do things right, so that we feel comfortable giving each other constructive feedback if we see how to handle a situation in a better or safer way."



1



Walk the Safety Circle

Arriving to turn on service for a family in Columbus, Georgia, Senior Service Technician David Struble set out a safety cone in front of his company vehicle and went to work. In the front yard, the parents were with their son, 4, and daughter, 5, talking to new neighbors.

"When I finished, I told the parents it would be a while before the water got hot," Struble said. "I said 'bye' to the little girl, picked up my cone and began walking the Safety Circle around the truck."

On the passenger side, he found small feet barely sticking out, "kicking like they were swimming," he said.

"The little boy was completely under the truck and wasn't making a sound. I squatted down and asked, 'What are you doing, little man?' He said, 'My ball is stuck.' I helped him get the ball out, brushed him off and walked him back to his mom and dad.

"The safety cone and Safety Circle sticker on the driver's door of our trucks remind us to always do a walk-around."

As Struble drove off, he pondered the incident. "It made me sick to my stomach. Had I not walked the Safety Circle, it could have been a catastrophe."

1 “We operate in a safe, reliable manner” is one of our most emphasized values. Company employees learn at the Charles K. Vaughan Center in Plano, Texas, to use personal protective equipment and proper procedures to safeguard each other when entering an underground confined space. 2 At an employee safety meeting, Ed Johnson, Mississippi Division safety manager, reviews techniques for coaching in the moment, a program to create trust among fellow employees and prevent accidents. 3 Although all employees who operate company vehicles regularly attend driver’s training, those who operate heavy-duty trucks and equipment receive additional instruction and practice on the critical skill of backing. 4 Unable to move, a Mississippi Division employee experiences the crushing force that an excavation cave-in can cause. Trenching, excavating and shoring procedures must be inspected and overseen at all company jobsites by an employee certified as a Competent Person.

“Coaching in the moment opens doors. Our employees have the conversations they need to build trust in each other and to protect everyone on the job.”

Scott Powell, Atmos Energy director of safety, security and compliance



2



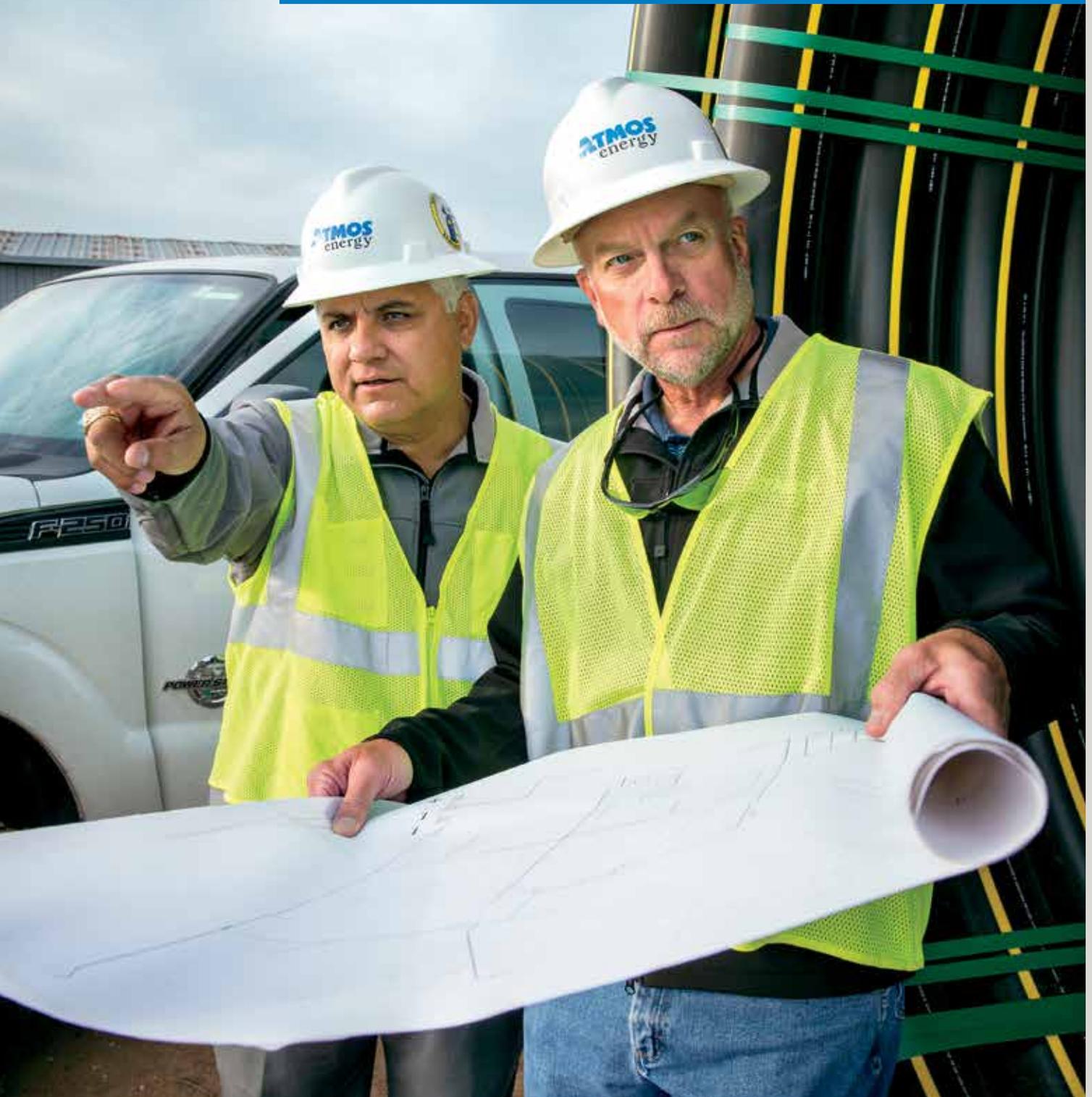
3



4

“You start with the individual and ask, ‘How can that employee be the very best he or she can be?’”

Bonnie McElearney, AtmoSpirit director



Our leadership training empowers individuals

Oscar Barrera had just graduated from high school when he started work as a construction operator for the company more than 30 years ago. By the 1990s, he had worked his way up to frontline supervisor. Then, he heard about Atmos Energy's educational assistance program and decided to advance his career even further.

"I recognized the opportunity—that I was going to be allowed up to \$3,000 a year to go to school. I had aspirations to become an operations manager, but I was lacking in some areas, especially in understanding finance," he said. "That's what prompted me to broaden my knowledge and earn my college degree."

Barrera, an operations manager in the West Texas Division, now leads a team of some 60 employees in the Lubbock service center.

Atmos Energy invests more than \$250,000 a year in educational assistance to help about 4 percent of its employees attend school. It also develops leaders through its internal programs, such as AtmoSpirit for Leaders.

"Having a common culture means that we believe in shared values, not that we're creating cookie-cutter people. We seek individuals who can think, who can find the best solutions and who can communicate those solutions," explained AtmoSpirit Director Bonnie McElearney. "We believe that all employees can be leaders. Formal education and leadership training help bring out the best in every employee."

1 Oscar Barrera (left), who benefited from Atmos Energy's educational assistance funding to advance to operations manager in the West Texas Division, reviews plans for a construction project in Lubbock with Operations Supervisor Glen Dwyer. **2** Allen Chandler (left), a senior instructor at the Charles K. Vaughan Center, draws on his more than 40 years of field experience and expertise in natural gas measurement to teach employees about Atmos Energy's equipment and operations. **3** Hundreds of company employees have been involved in transferring knowledge to other employees, a cornerstone of Atmos Energy's culture, during two years of developing information technology for a new Customer Service System. **4** In the Flow Lab at the Charles K. Vaughan Center, employees practice on some of the most advanced equipment in the industry today as well as the widest range of devices found in natural gas distribution and pipeline operations.



2



4



3

Our proactivity enhances wellness

Atmos Energy employees are quick to weigh in on the benefits of the company's health and wellness initiatives.

"Like most people, I'm concerned about healthcare costs," said Michelle Whittle, an operations manager in the Mississippi Division. "And, the best thing that we can do to take care of ourselves is to be proactive, instead of reactive, about our health."

For Whittle, a company-sponsored Naturally Slim® program sparked her proactivity. This clinical wellness program took her from a size 10 to a size 4 and gave her the stamina and confidence to become a group fitness instructor during her off-hours.

She has noticed a change not only in her behavior, she said, but also in the habits of her co-workers. "As a whole, we didn't eat very well. Naturally Slim changed our whole philosophy about the way we eat, whether at company functions or in our personal lives."

Doug Howey, vice president of human resources for the West Texas Division, agreed.

"We have seen some fantastic improvements," he said. "Not only are our employees generally more productive, they also derive more satisfaction from what they do."

Howey noted that a healthier workforce contributes to the financial wellbeing of the company and its employees by reducing illness, personal time off and medical bills.

"Healthcare isn't free; so, all of us need to be engaged," he said. "It's about being accountable. And, that dovetails perfectly into the values we embrace in our culture."



1



2



3



4



“Our employees are taking an active role in being healthier, because they know they’re not only going to be more productive, but also happier in their own lives.”

Doug Howey, vice president of human resources, West Texas Division

5



1 Atmos Energy’s wellness program starts by detecting the signs of metabolic syndrome, such as an increased waist circumference. When taken together, these signs may indicate a much higher risk for heart disease, stroke and diabetes. 2 Ergonomic chairs and furniture like those in the company’s Gas Control Center in Franklin, Tennessee, help reduce fatigue and repetitive motion syndrome in the workplace. 3 Work surfaces at the Gas Control Center can be adjusted easily from a sitting position to standing height. 4 Employees have formed company teams, like our North Texas bicycling team, to improve their fitness. 5 Biometric screenings by medical professionals help Atmos Energy employees like Senior Service Technician Juan Lopez know their health risks and make healthy lifestyle choices. To lower medical insurance costs, the company offers employees incentives to participate in annual screenings. 6 Michelle Whittle, an operations manager in the Mississippi Division, became a spin-class fitness instructor in her off-hours after participating in a company-sponsored program to improve nutrition and eating habits. More than half of all employees have participated in the program.

Our stewardship strengthens communities

Atmos Energy employees support charitable programs in hundreds of communities, giving generously to United Way, building Habitat for Humanity® homes, promoting literacy, tutoring at Adopt-A-Schools and volunteering for civic projects.

In Dallas, employees have close ties to the public library. “We figured out years ago that the library was one of the best places for us to help people and to provide information about natural gas safety,” said Sandra Doyle, director of public affairs for the Mid-Tex Division.

Atmos Energy has underwritten a new bookmobile, a children’s library inside a shopping mall, an adult literacy program and a global teleconferencing tool called The Discovery Wall. “Students can take a virtual tour of the Smithsonian Institution or interact with zoos, museums and other interesting places. They can ask questions of a tour guide, who sees and hears them,” Doyle explained.

In Northeast Texas, division employees collaborated with a regional children’s museum to create an engaging new exhibit.

“We wanted to demonstrate how natural gas gets from wellheads to houses,” said Samuel Stewart, a senior service technician who led construction of the “Project Pipeline” exhibit. The hands-on display teaches safety and creativity as the children use real natural gas piping and fittings to build a pipeline.

Manager of Public Affairs Jeanette Moser recounted a rave review from one employee’s grandchildren: “After the grand opening, they hugged him tightly and said, ‘Oh, Papa, thank you so much!’”

For many employees, giving continues after retiring. Gary Schlessman, retired president of the Colorado-Kansas Division, recently took veterans in the Wounded Warrior Project® on an elk hunt. “Hanging out with these Americans who sacrificed so much for our country was awesome,” he said.



1

“We always give back to the people and communities that give us the opportunity to be successful.”

Gary Schlessman, retired Colorado-Kansas Division president



2



3



4



5



6



7

1 Senior Service Technician Samuel Stewart of the Mid-Tex Division explains how pipelines safely move natural gas at a hands-on exhibit that Stewart and fellow employees built at the Northeast Texas Children’s Museum in Commerce, Texas. 2 Ralph Deroche, an operations supervisor in the Louisiana Division, helps serve lunch at a special Halloween celebration for 200 residents at the Senior Citizens Center in Lafitte. 3 Our spirit of service touches many groups, but none so tenderly as the elderly; Haviland Hataway, an operations assistant in the Louisiana Division, shares a smile with an elderly resident. 4 Atmos Energy’s employees—who love to cook—use large mobile cookers to prepare free meals for hundreds of civic events every year and offer relief to communities struck by natural disasters. 5 Joe Mark Horn helps with the Texas Youth Livestock Auction, one of many State Fair of Texas events supported by 150 Atmos Energy volunteers. 6 Wade Sadler, vice president of trading and scheduling for Atmos Energy Holdings in Houston and its 2012 United Way campaign chair, conducts the campaign’s closing event, “Bucket of Bucks,” which received rousing support from AEH employees. 7 The Colorado-Kansas Division holds the company record for building the most Habitat for Humanity homes, thanks to the generous contributions from the Schlessman Family Foundation, led by Atmos Energy’s honorary director, Lee E. Schlessman, and his son, Gary, who retired in 2012 as the division’s president after 33 years of service.

Our spirit of service builds loyal customers

Serving the public means more than just delivering safe and reliable service. It also requires enhancing the customer's experience at every point of personal contact.

"Our people have a service mindset," said Mike Haefner, Atmos Energy's senior vice president of human resources.

"One of our service technicians recently went into the home of an elderly, disabled customer and noticed there was no carbon monoxide detector. The technician took the initiative to buy and install one for the customer, with money from his own pocket and on his own time.

"Acts of caring by our employees happen all the time," he said.

Serving the public also involves informing people about natural gas. According to Bill Greer, vice president of marketing in the Kentucky/Mid-States Division and former chair of the enterprisewide Utility Marketing Council, educating employees is the first step.

With that goal in mind, the company held its first Natural Gas Week three years ago. During 2012, the program combined learning modules, live demonstrations, local gas-dealer presentations and lots of fun to create employee knowledge and enthusiasm about natural gas.

"Our employees are consumers, too. And, if they're sold on the value of our product, they're going to make sure they tell others," Greer explained. "And, that's what we want: loyal customers who believe that natural gas service is as indispensable as their cool smartphones."



1

"It's not enough just to know the story. We've got to go out and tell it. We've got to make sure that all our customers, and prospective customers, too, recognize there is distinctive value in using natural gas over other sources of energy."

Bill Greer, vice president of marketing, Kentucky/Mid-States Division, and former chair of the Utility Marketing Council



2



3

1 Bruce Heller, a measurement, instrumentation and control specialist in the Mid-Tex Division, greets children at the Dallas West Branch Library during the opening of its new adult literacy center sponsored by Atmos Energy. 2 Officials from the City of Dallas, Texas A&M University–Commerce and the State of Texas visit with Kim Cocklin, Atmos Energy’s president and CEO, during the dedication of the new adult literacy center. 3 Lisa Yates, an operations assistant in the Kentucky/Mid-States Division in Bowling Green, Kentucky, talks about protecting the public and preventing damage to pipelines by always calling 811 before digging. 4 Ray Granado, a manager of public affairs in Dallas for the Mid-Tex Division, hands out backpacks with school supplies at a community event. 5 A Rinnai representative demonstrates the convenience and constant supply of hot water from a tankless natural gas water heater at the company’s 2012 Natural Gas Week event in Bowling Green, Kentucky. 6 Ray Kallas, lead recruitment and staffing in Dallas, discusses employment with the company at the Dallas Mayor’s Job Forum. Atmos Energy actively supports the hiring of people with disabilities, veterans and minorities.



4



6



5

To our shareholders

Fiscal 2012 was an exceptional year. We reported our 10th consecutive year of higher annual earnings per share, and we paid higher annual cash dividends for our 29th consecutive year. Total shareholder return was 15 percent.

The accomplishment of these milestones resulted from the deep dedication and exceptional service provided by our employees to our stakeholders. Equally important was the continued focus on our top priority—the delivery of safe and reliable natural gas service to our customers and communities.

Our report this year highlights why Atmos Energy enjoys such a successful—some call it a unique—organizational culture. During nearly three decades of challenges—whether the economy was strong or weak, or the demand for natural gas was up or down—our employees have created superior shareholder value. We proudly call our culture AtmoSpirit, the values we live by.

In fiscal 2012, we achieved the following highlights.

- > Our regulated operations continued to yield stable and predictable earnings, driven by a determined rate and regulatory strategy that created about \$31 million of higher annual operating income.
- > We invested a record \$733 million of capital and completed the first year of a five-year plan to invest between \$3.7 billion and \$3.8 billion in our regulated infrastructure to improve safety and reliability.
- > We completed the sale of our natural gas distribution assets in Missouri, Illinois and Iowa for approximately \$128 million, making us more geographically efficient and able to focus on higher-growth areas.
- > We entered into an agreement to sell our distribution assets in Georgia for approximately \$141 million and expect to close the sale in late fiscal 2013.
- > Our deferred tax rate changed from the sale of our distribution assets in Missouri, Illinois and Iowa, and it resulted in a \$13.6 million tax benefit for fiscal 2012.
- > We called for early redemption all of our outstanding 5.125 percent senior notes due January 2013 and made plans to issue new unsecured long-term notes.
- > We strengthened our balance sheet by recording a \$5.3 million charge to impair our remaining investment in two Kentucky gas gathering assets.
- > We paid \$1.38 per share in annual dividends for fiscal 2012, and the board of directors raised the annual indicated rate to \$1.40 per share for fiscal 2013.

Strategy

Our consolidated earnings come predominantly from distributing, transporting and storing natural gas through regulated utility assets in nine states. Our nonregulated gas marketing and optimization business complements our regulated operations.

Two of our three segments, natural gas distribution and regulated transmission and storage, contributed 98 percent of consolidated net income in fiscal 2012. We expect our regulated operations to continue to provide more than 90 percent of consolidated net income in fiscal 2013.

Our plans for growth are to maximize the value of our regulated assets through internal investments.

Starting in 1986, Atmos Energy pioneered a strategy of growing by acquiring natural gas distribution properties. By 2004, the company had completed 10 major acquisitions, forming an enviable portfolio of valuable regulated assets.

Today we believe we can create greater shareholder value by investing in these regulated assets than by pursuing acquisitions, given our present geographic size and the high multiples being paid for gas-utility asset sales.

Essentially, Atmos Energy's current strategy is to:

- *Maximize the regulated earnings capability* of our natural gas distribution and pipeline operations;
- *Enhance shareholder value* by investing in our regulated assets and growing the rate base of our regulated operations; and
- *Complement our regulated operations* with selected and limited-risk nonregulated gas marketing and energy-optimization services.

Our plans for growth are to maximize the value of our regulated assets through internal investments.



Ralyn Fletcher, director of employment and employee relations and chair of the enterprisewide Culture Council, meets with the senior Management Committee to discuss new council initiatives for the company's programs.

Financial Results

Our strategy is working well. Earnings per diluted share in fiscal 2012 increased by 10 cents to \$2.37 above the \$2.27 earned in fiscal 2011.

Consolidated net income for fiscal 2012 was \$216.7 million, compared to \$207.6 million in fiscal 2011. Operating revenues for fiscal 2012 were \$3.4 billion.

Capital expenditures increased by \$109.9 million, year over year, to \$732.9 million. We invested about 71 percent of these expenditures in pipeline safety and reliability improvements.

Our natural gas distribution operations focused on completing several important ratemaking initiatives. The positive outcomes from these proceedings help set the stage for growth in fiscal 2013 and beyond.

Our regulated intrastate transmission and storage operations, Atmos Pipeline-Texas, benefited from new rates approved in fiscal 2011 and from filings that took effect in fiscal years 2011 and 2012 under the Gas Reliability Infrastructure Program in Texas. GRIP allows statutory interim rate increases for capital expenditures.

Our nonregulated operations returned to profitability in fiscal 2012 despite anemic natural gas market conditions.

Lower consolidated gas sales volumes due to warmer weather and a decline in per-unit margins on gas sales hampered this segment's results.

To impair a remaining investment by Atmos Energy Holdings in two Kentucky natural gas gathering assets, we recorded a noncash charge of \$5.3 million. In fiscal 2011, we had taken an \$11.0 million charge that partially impaired these gathering assets.

We believe these impairments and a heightened focus on managing risks will help our nonregulated business be more successful. We will continue to expect no more than 10 percent of our future annual consolidated earnings from these operations.

During the year, we strengthened our long-term debt profile. In August 2012, we redeemed \$250 million of 5.125 percent senior notes due January 2013.

In January 2013, we plan to issue \$350 million of 30-year unsecured senior notes. The new issuance will extend the average maturity of our long-term debt from 12 years to 14.5 years. After the issuance, we project that our average weighted cost of long-term debt will be about 6.2 percent.

Our rate-design initiatives have made revenues from our regulated operations more stable, reliable and predictable.

Operational Developments

We continue to focus on earning as close as possible to our authorized rates of return by seeking improved rate designs in our ratemaking jurisdictions. Our rate-design initiatives have made revenues from our regulated operations more stable, reliable and predictable through:

- *Accelerated recovery* on about 75 percent of our natural gas distribution gross margin;
- *Weather normalization*, which minimizes weather effects, on about 97 percent of our natural gas distribution gross margin; and
- *Recovery of the gas portion of bad debts* for about 75 percent of our natural gas distribution gross margin.

These favorable regulatory mechanisms help reduce the regulatory lag we experience as we replace our vintage cast iron pipe, steel mains and plastic distribution lines. They also eliminate the need to frequently file and litigate costly rate cases.

One of our largest capital projects is replacing steel service lines in our Texas service areas with new polyethylene pipe technology. During the past two years, our employees along with 350 contract crews have verified, modified or replaced more than 100,000 steel service lines in some 40 cities.

In addition to improving safety, we are investing in projects to help provide excellent customer service.

A major project is our new Customer Service System, which is now in the testing phase and is expected to begin service in fiscal 2013. It should modernize our billing, dispatch and other customer services.

We also are continuing to build an advanced metering infrastructure by installing wireless radio transmitters on conventional gas meters. Wireless meter reading improves billing accuracy and lowers operating and maintenance costs.

So far, we have installed about 280,000 transmitters in Louisiana, Texas and Colorado. We expect to add around 90,000 more during fiscal 2013 in Louisiana, Texas, Colorado, Mississippi and Tennessee.

In August 2012, we completed the sale of all of our Missouri, Illinois and Iowa natural gas distribution assets to Liberty Energy Corp., an affiliate of Algonquin Power

& Utilities Corp., for a cash price of approximately \$128 million. The sale reduced the total number of meters we serve by approximately 3 percent, or 84,000 meters.

We also agreed to sell to Liberty Energy our Georgia natural gas distribution assets, which have about 64,000 meters, for approximately \$141 million. Upon receiving regulatory approvals, we expect to close the sale in late fiscal 2013. After the closing, more than 80 percent of our distribution customers will be located in Texas, Louisiana and Mississippi.

Our nonregulated operations continued to be affected by unfavorable natural gas market conditions. Warmer than normal winter weather and historically high natural gas storage levels due to strong domestic natural gas production caused market prices and demand to stay relatively low throughout fiscal 2012.

Our consolidated nonregulated delivered gas sales volumes declined by 9 percent in fiscal 2012 to 351.6 billion cubic feet, and per-unit margins fell by 2 cents per thousand cubic feet due to limited basis spreads.

Despite these challenging conditions and the effect of the impairment charge, Atmos Energy Holdings returned to profitability in fiscal 2012. Furthermore, it realigned its operations to increase efficiency. It remains a strong and respected regional competitor, retaining its many customers and winning new ones. Its focus is on lowering risks, increasing annual sales and improving margins.

Board and Management Changes

In May, Richard A. Sampson was named a member of our board of directors and of its Audit Committee and Human Resources Committee. Dick retired in 2012 as the managing director and adviser in the strategic client group of JPMorgan Chase & Co. in Denver. He has had an impressive career counseling large institutional clients and directing investments for JPMorgan Chase's defined-benefit and defined-contribution plans, with more than \$25 billion in plan assets under management. We are pleased to have a person with his extensive experience and depth of financial knowledge serving our shareholders.

In accordance with our governance guidelines concerning mandatory retirement of directors, Charles K. Vaughan will retire from our board of directors no



Kim Cocklin, Atmos Energy’s president and CEO, practices one of the key tenets of AtmoSpirit—Be here now!—by talking at length with hundreds of employees at company meetings.



Charles K. Vaughan

later than the 2013 annual meeting. We thank him for his 55 years of leadership and valuable contributions and for his service as chairman of the company from 1983 to 1997 and as lead director since 2003. More than any other person, Charles has been responsible for developing our strategic

vision and for laying the foundation for our success. We are discussing with him how the board and our management team can continue to draw upon his wisdom and experience in the future.

Effective December 31, 2012, Lee E. Schlessman will step down as honorary director from our board of directors. Lee led Greeley Gas Company, which his father, Gerald, founded in 1944, until Atmos Energy acquired the company in 1993 and later renamed it the Colorado-Kansas Division. He served on the board from 1993 to



Lee E. Schlessman

1998, when he retired and was named honorary director. Lee has remained very active in business as president of Dolo Investment Company and has been a major benefactor to charitable causes as chairman of the Schlessman Family Foundation. We sincerely appreciate not only his active involvement on our board, but also his dedication to community development and his civic leadership.

On October 1, 2012, Fred E. Meisenheimer retired as our senior vice president and chief financial officer. During his 12 years with the company, Fred was an outstanding leader and significant contributor. He developed an exceptional team, focused on best practices and installed strong internal controls. Fred’s work gave the board of directors confidence in the integrity and accuracy of our accounting information and all of our financial operations.

The compelling prospects to modernize our system, expand our rate base and increase annual earnings make for a very favorable outlook for Atmos Energy.

Bret J. Eckert, who joined the company as a senior vice president and a member of the Management Committee in June 2012, became chief financial officer on October 1. Bret's 22 years of experience in the regulated natural gas distribution industry includes extensive experience with Securities and Exchange Commission reporting matters and filings; regulatory accounting and reporting; equity and debt offerings; mergers, acquisitions and divestitures; and technical accounting and financial matters. We feel fortunate to have Bret's leadership, experience, knowledge and integrity on our management team.

Also on October 1, 2012, Gary L. Schlessman retired as president of our Colorado-Kansas Division. Gary started at Greeley Gas Company in 1979 in service and construction. He worked as a regional manager, marketing manager and marketing vice president before advancing to division president in 1993. He has been a tireless leader and contributor in the many cities and towns the division serves. We thank him for his long service and many contributions to our company and industry.

Gary W. Gregory, who had served as president of the West Texas Division since 2004, became Colorado-Kansas Division president on October 1, 2012, and David J. Park, who had been vice president of rates and regulatory affairs in the Mid-Tex Division, was promoted to president of the West Texas Division at that time.

Future Growth

We expect to achieve predictable and stable earnings from our regulated operations. We project investing between \$3.7 billion and \$3.8 billion in capital projects during the fiscal years 2012 through 2016.

Our capital expenditures in fiscal 2013 should range between \$770 million and \$790 million. We expect again to spend more than 70 percent of this total on projects to modernize and improve the safety and reliability of our regulated infrastructure.

We forecast that we will deploy about 70 percent of fiscal 2013 expenditures in Texas. Atmos Energy's extensive Texas distribution area—the largest in the state—and our major intrastate pipeline offer many opportunities for expansion

and betterment. Texas also continues to be the country's largest producer and consumer of natural gas—a situation that poses unique and outside growth prospects. Moreover, the state's balanced utility regulatory policies generally allow recovery of most of our spending within 12 months.

We plan to invest significant amounts to fortify, repair, replace and replenish portions of our Texas intrastate natural gas transmission and storage system.

Atmos Pipeline-Texas' projects for line expansion, compression and interconnection will add more delivery capacity for utility customers in underserved areas, secure long-term gas supplies, such as natural gas associated with shale oil drilling in the Permian Basin of West Texas as well as gas production from the Barnett Shale around Fort Worth, and enhance the safety and reliability of our 5,700-mile transmission system.

At the start of fiscal 2012, our rate base totaled about \$3.9 billion. By the end of fiscal 2016, we expect it to have risen to between \$5.7 billion and \$5.9 billion, growing during the five-year period at a compound annual rate of between 8.0 percent and 8.5 percent.

For fiscal 2013, we expect approval of between \$90 million and \$110 million in additional annual operating income from rate actions.

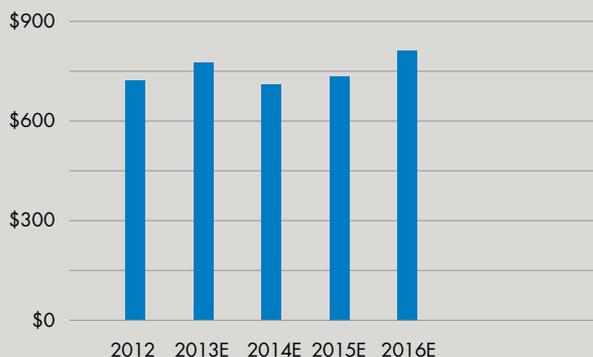
The Natural Gas Opportunity

We believe this is an opportune time to invest in our regulated assets. Investments that expand our rate base have had minimal effects on our customers' bills because lower natural gas fuel costs have essentially offset the costs of improving our infrastructure.

Natural gas stands today as the best fuel source to meet the United States' energy needs well into the 22nd century. Just imagine what this means: natural gas is domestic, clean, abundant, reliable, versatile and relatively low cost energy that the country can rely on for at least a century. Natural gas offers the ideal fuel choice for housing, industry, electricity generation and many forms of transportation. Atmos Energy intends to pursue this opportunity to benefit our investors, customers and communities.

Five-Year Capital Expenditures

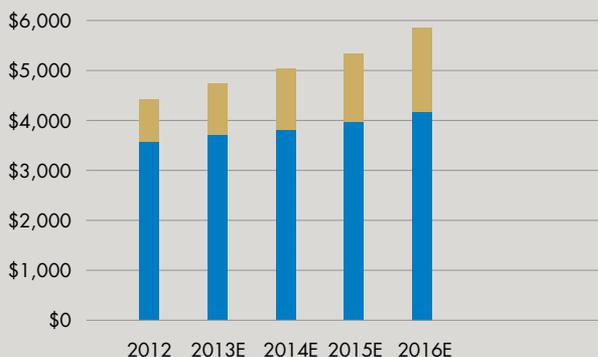
Dollars in millions



Fiscal 2012 was the first year of our five-year plan to invest between \$3.7 billion and \$3.8 billion in our natural gas distribution and our regulated transmission and storage operations. The expenditures will modernize and improve operations and add to safety and reliability.

Five-Year Rate Base Growth

Dollars in millions



■ Natural Gas Distribution ■ Regulated Transmission and Storage

We project that the rate base of our regulated operations will grow to between \$5.7 billion and \$5.9 billion by the end of fiscal 2016. This significant increase in our rate base, in turn, should be the main driver of our consolidated net income.

Although we remain interested in acquisitions, we no longer consider them our engine for growth. Opportunities to invest in our core business offer much better returns than acquisitions can provide.

To fund our increased capital spending, we will rely on our ample liquidity, strong balance sheet, solid credit ratings and consistent cash flows to give us flexible financing options.

At September 30, 2012, we had about \$1.0 billion of total borrowing capacity, which is sufficient to meet our future needs. Our balance sheet is very strong, with 48 percent equity at year-end. Additionally, we have solid investment-grade credit ratings from all three major rating agencies.

We have a very attractive growth strategy. During our current five-year capital spending program, we expect to invest sufficiently to grow our rate base at a compound annual rate of 8.0 percent to 8.5 percent. That should equate to growth in consolidated earnings by the end of fiscal 2016 at a compound annual rate of 6 percent to 8 percent. Total annual shareholder return should be between 10 percent and 12 percent.

The compelling prospects to modernize our system, expand our rate base and increase annual earnings make for a very favorable outlook for Atmos Energy. For fiscal 2013, we expect earnings per diluted share, excluding

unrealized margins and any gain on the sale of our Georgia assets, will increase to between \$2.40 and \$2.50.

At the Heart of Matters

Executive Chairman Robert W. Best regularly says that a company, like an individual, is only as strong as its heart. Atmos Energy's people represent our heart. Our nearly 4,800 employees deliver excellent service to our more than 3 million customers.

By living our values, by taking to heart AtmoSpirit, our employees produce exceptional performance, consistently enabling us to reward our shareholders, investors, communities and employees who all profit from our dependable and long-term success.

On behalf of the company's board of directors and management, I express our heart-felt thanks to the men and women who serve not just our customers, but also you, our investors, and all our stakeholders.

Kim R. Cocklin

Kim R. Cocklin
President and Chief Executive Officer

November 15, 2012



Year Ended September 30

Dollars in thousands, except per share data

	2012	2011	Change
Operating revenues	\$ 3,438,483	\$ 4,286,435	(19.8)%
Gross profit	\$ 1,323,739	\$ 1,300,820	1.8%
Natural gas distribution net income — continuing operations	\$ 123,848	\$ 144,705	(14.4)%
Natural gas distribution net income — discontinued operations	24,521	18,013	36.1%
Regulated transmission and storage net income	63,059	52,415	20.3%
Nonregulated net income (loss)	5,289	(7,532)	170.2%
Total	\$ 216,717	\$ 207,601	4.4%
Total assets	\$ 7,495,675	\$ 7,282,871	2.9%
Total capitalization*	\$ 4,315,548	\$ 4,461,538	(3.3)%
Net income per share from continuing operations — diluted	\$ 2.10	\$ 2.07	1.4%
Net income per share from discontinued operations — diluted	\$ 0.27	\$ 0.20	35.0%
Net income per share — diluted	\$ 2.37	\$ 2.27	4.4%
Cash dividends per share	\$ 1.38	\$ 1.36	1.5%
Book value per share at end of year	\$ 26.14	\$ 24.98	4.6%
Natural gas distribution throughput — continuing operations (MMcf)	372,688	401,352	(7.1)%
Natural gas distribution throughput — discontinued operations (MMcf)	18,295	22,668	(19.3)%
Consolidated natural gas distribution throughput (MMcf)	390,983	424,020	(7.8)%
Consolidated regulated transmission and storage transportation volumes (MMcf)	466,527	435,012	7.2%
Consolidated nonregulated delivered gas sales volumes (MMcf)	351,628	384,799	(8.6)%
Heating degree days [†]	2,692	2,733	(1.5)%
Degree days as a percentage of normal [†]	97%	99%	(2.0)%
Meters in service at end of year	3,116,589	3,213,191	(3.0)%
Return on average shareholders' equity	9.3%	9.1%	2.2%
Shareholders' equity as a percentage of total capitalization (including short-term debt) at end of year	48.3%	48.3%	—
Shareholders of record	17,775	18,680	(4.8)%
Weighted average shares outstanding — diluted (000s)	91,172	90,652	0.6%

*Total capitalization represents the sum of shareholders' equity and long-term debt, excluding current maturities.

† Heating degree days are adjusted for service areas with weather-normalized operations.

Summary Annual Report

The financial information presented in this report about Atmos Energy Corporation is condensed. Our complete financial statements, including notes as well as management's discussion and analysis of financial condition and results of operations, are presented in our *Annual Report on Form 10-K*. Atmos Energy's chief executive officer and its chief financial officer have executed all certifications with respect to the financial statements contained therein and have completed management's report on internal control over financial reporting, which are required under the Sarbanes-Oxley Act of 2002 and all related rules and regulations of the Securities and Exchange Commission. Investors may request, without charge, our *Annual Report on Form 10-K* for the fiscal year ended September 30, 2012, by calling Investor Relations at 972-855-3729 between 8 a.m. and 5 p.m. Central time. Our *Annual Report on Form 10-K* also is available on Atmos Energy's website at www.atmosenergy.com. Additional investor information is presented on pages 31 and 32 of this report.

At left Employees like McKinley Coleman, a service technician in the Kentucky/Mid-States Division at Bowling Green, Kentucky, take pride in their communities and in fulfilling their civic responsibilities, whether by serving on active military duty or by encouraging their fellow citizens to exercise their right to vote.

Year Ended September 30

	2012	2011
Meters in service		
Residential	2,846,134	2,929,814
Commercial	258,386	270,774
Industrial	1,891	2,069
Public authority and other	10,178	10,534
Total meters	<u>3,116,589</u>	<u>3,213,191</u>
Heating degree days*		
Actual (weighted average)	2,692	2,733
Percent of normal	97%	99%
Natural gas distribution sales volumes — continuing operations (MMcf)		
Residential	137,049	158,119
Commercial	82,516	89,720
Industrial	15,673	17,289
Public authority and other	9,228	10,412
Total	<u>244,466</u>	<u>275,540</u>
Natural gas distribution transportation volumes — continuing operations (MMcf)	<u>132,595</u>	<u>130,266</u>
Total natural gas distribution throughput — continuing operations (MMcf)	<u>377,061</u>	<u>405,806</u>
Natural gas distribution sales volumes — discontinued operations (MMcf)	11,259	14,387
Natural gas distribution transportation volumes — discontinued operations (MMcf)	7,036	8,281
Intersegment activity (MMcf)	<u>(4,373)</u>	<u>(4,454)</u>
Consolidated natural gas distribution throughput (MMcf)	<u>390,983</u>	<u>424,020</u>
Consolidated regulated transmission and storage transportation volumes (MMcf)	<u>466,527</u>	<u>435,012</u>
Consolidated nonregulated delivered gas sales volumes (MMcf)	<u>351,628</u>	<u>384,799</u>
Operating revenues (000s)		
Natural gas distribution sales revenues		
Residential	\$ 1,351,479	\$ 1,535,887
Commercial	587,651	685,380
Industrial	71,960	96,636
Public authority and other	54,334	68,676
Total gas distribution sales revenues	<u>2,065,424</u>	<u>2,386,579</u>
Transportation revenues	53,924	57,331
Other gas revenues	<u>25,028</u>	<u>25,871</u>
Total natural gas distribution revenues	<u>2,144,376</u>	<u>2,469,781</u>
Regulated transmission and storage revenues	92,604	87,141
Nonregulated revenues	<u>1,201,503</u>	<u>1,729,513</u>
Total operating revenues (000s)	<u>\$ 3,438,483</u>	<u>\$ 4,286,435</u>
Other statistics		
Gross plant (000s)	\$ 7,134,470	\$ 6,816,794
Net plant (000s)	\$ 5,475,604	\$ 5,147,918
Miles of pipe	73,875	76,835
Employees	4,759	4,949

* Heating degree days are adjusted for service areas with weather-normalized operations.

Condensed Consolidated Balance Sheets

Year Ended September 30

Dollars in thousands, except per share data

	2012	2011
Assets		
Property, plant and equipment	\$ 6,860,358	\$ 6,607,552
Construction in progress	<u>274,112</u>	<u>209,242</u>
	7,134,470	6,816,794
Less accumulated depreciation and amortization	<u>1,658,866</u>	<u>1,668,876</u>
Net property, plant and equipment	5,475,604	5,147,918
Current assets		
Cash and cash equivalents	64,239	131,419
Accounts receivable, less allowance for doubtful accounts of \$9,425 in 2012 and \$7,440 in 2011	234,526	273,303
Gas stored underground	256,415	289,760
Other current assets	<u>272,782</u>	<u>316,471</u>
Total current assets	827,962	1,010,953
Goodwill and intangible assets	740,847	740,207
Deferred charges and other assets	<u>451,262</u>	<u>383,793</u>
	<u>\$ 7,495,675</u>	<u>\$ 7,282,871</u>
Capitalization and Liabilities		
Shareholders' equity		
Common stock, no par value (stated at \$.005 per share); 200,000,000 shares authorized; issued and outstanding: 2012 – 90,239,900 shares, 2011 – 90,296,482 shares	\$ 451	\$ 451
Additional paid-in capital	1,745,467	1,732,935
Accumulated other comprehensive loss	(47,607)	(48,460)
Retained earnings	<u>660,932</u>	<u>570,495</u>
Shareholders' equity	2,359,243	2,255,421
Long-term debt	<u>1,956,305</u>	<u>2,206,117</u>
Total capitalization	4,315,548	4,461,538
Current liabilities		
Accounts payable and accrued liabilities	215,229	291,205
Other current liabilities	489,665	367,563
Short-term debt	570,929	206,396
Current maturities of long-term debt	<u>131</u>	<u>2,434</u>
Total current liabilities	1,275,954	867,598
Deferred income taxes	1,015,083	960,093
Regulatory cost of removal obligation	381,164	428,947
Deferred credits and other liabilities	<u>507,926</u>	<u>564,695</u>
	<u>\$ 7,495,675</u>	<u>\$ 7,282,871</u>

Year Ended September 30

Dollars in thousands, except per share data

	2012	2011	2010
Operating revenues			
Natural gas distribution segment	\$ 2,145,330	\$ 2,470,664	\$ 2,783,863
Regulated transmission and storage segment	247,351	219,373	203,013
Nonregulated segment	1,351,303	2,024,893	2,146,658
Intersegment eliminations	(305,501)	(428,495)	(472,474)
	<u>3,438,483</u>	<u>4,286,435</u>	<u>4,661,060</u>
Purchased gas cost			
Natural gas distribution segment	1,122,587	1,452,721	1,785,221
Regulated transmission and storage segment	—	—	—
Nonregulated segment	1,296,179	1,959,893	2,032,567
Intersegment eliminations	(304,022)	(426,999)	(470,864)
	<u>2,114,744</u>	<u>2,985,615</u>	<u>3,346,924</u>
Gross profit	<u>1,323,739</u>	<u>1,300,820</u>	<u>1,314,136</u>
Operating expenses			
Operation and maintenance	453,613	442,965	454,621
Depreciation and amortization	237,525	223,832	208,539
Taxes, other than income	181,073	177,767	187,143
Asset impairments	5,288	30,270	—
Total operating expenses	<u>877,499</u>	<u>874,834</u>	<u>850,303</u>
Operating income	<u>446,240</u>	<u>425,986</u>	<u>463,833</u>
Miscellaneous income (expense), net	<u>(14,644)</u>	<u>21,184</u>	<u>(591)</u>
Interest charges	<u>141,174</u>	<u>150,763</u>	<u>154,188</u>
Income from continuing operations before income taxes	290,422	296,407	309,054
Income tax expense	<u>98,226</u>	<u>106,819</u>	<u>119,203</u>
Income from continuing operations	192,196	189,588	189,851
Income from discontinued operations, net of tax (\$10,066, \$12,372 and \$9,584)	18,172	18,013	15,988
Gain on sale of discontinued operations, net of tax (\$3,519, \$0 and \$0)	6,349	—	—
Net income	<u>\$ 216,717</u>	<u>\$ 207,601</u>	<u>\$ 205,839</u>
Basic earnings per share			
Income per share from continuing operations	\$ 2.12	\$ 2.08	\$ 2.05
Income per share from discontinued operations	0.27	0.20	0.17
Net income per share — basic	<u>\$ 2.39</u>	<u>\$ 2.28</u>	<u>\$ 2.22</u>
Diluted earnings per share			
Income per share from continuing operations	\$ 2.10	\$ 2.07	\$ 2.03
Income per share from discontinued operations	0.27	0.20	0.17
Net income per share — diluted	<u>\$ 2.37</u>	<u>\$ 2.27</u>	<u>\$ 2.20</u>
Weighted average shares outstanding:			
Basic	90,150	90,201	91,852
Diluted	91,172	90,652	92,422

Condensed Consolidated Statements of Cash Flows

Year Ended September 30

Dollars in thousands

	2012	2011	2010
Cash Flows from Operating Activities			
Net income	\$ 216,717	\$ 207,601	\$ 205,839
Adjustments to reconcile net income to net cash provided by operating activities:			
Asset impairments	5,288	30,270	—
Gain on sale of discontinued operations	(9,868)	—	—
Depreciation and amortization:			
Charged to depreciation and amortization	246,093	233,155	216,960
Charged to other accounts	484	228	173
Deferred income taxes	104,319	117,353	196,731
Stock-based compensation	19,222	11,586	12,655
Debt financing costs	8,147	9,438	11,908
Other	(493)	(961)	(1,245)
Changes in assets and liabilities	(2,992)	(25,826)	83,455
Net cash provided by operating activities	<u>586,917</u>	<u>582,844</u>	<u>726,476</u>
Cash Flows Used in Investing Activities			
Capital expenditures	(732,858)	(622,965)	(542,636)
Proceeds from the sale of discontinued operations	128,223	—	—
Other, net	(4,625)	(4,421)	(66)
Net cash used in investing activities	<u>(609,260)</u>	<u>(627,386)</u>	<u>(542,702)</u>
Cash Flows from Financing Activities			
Net increase in short-term debt	354,141	83,306	54,268
Net proceeds from issuance of long-term debt	—	394,466	—
Settlement of Treasury lock agreements	—	20,079	—
Unwinding of Treasury lock agreements	—	27,803	—
Repayment of long-term debt	(257,034)	(360,131)	(131)
Cash dividends paid	(125,796)	(124,011)	(124,287)
Repurchase of common stock	(12,535)	—	(100,450)
Repurchase of equity awards	(5,219)	(5,299)	(1,191)
Issuance of common stock	1,606	7,796	8,766
Net cash provided by (used in) financing activities	<u>(44,837)</u>	<u>44,009</u>	<u>(163,025)</u>
Net increase (decrease) in cash and cash equivalents	(67,180)	(533)	20,749
Cash and cash equivalents at beginning of year	<u>131,419</u>	<u>131,952</u>	<u>111,203</u>
Cash and cash equivalents at end of year	<u>\$ 64,239</u>	<u>\$ 131,419</u>	<u>\$ 131,952</u>

The Board of Directors and Shareholders of Atmos Energy Corporation

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Atmos Energy Corporation at September 30, 2012 and 2011, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended September 30, 2012 (not presented separately herein); and in our report dated November 12, 2012, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the consolidated financial statements from which it has been derived.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Atmos Energy Corporation's internal control over financial reporting as of September 30, 2012, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 12, 2012 (not presented separately herein) expressed an unqualified opinion thereon.

Ernst + Young LLP

Dallas, Texas

November 12, 2012

Year Ended September 30	2012	2011	2010	2009	2008
Balance Sheet Data at September 30 (000s)					
Capital expenditures	\$ 732,858	\$ 622,965	\$ 542,636	\$ 509,494	\$ 472,273
Net property, plant and equipment	5,475,604	5,147,918	4,793,075	4,439,103	4,136,859
Working capital	(447,992)	143,355	(290,887)	91,519	78,017
Total assets	7,495,675	7,282,871	6,763,791	6,367,083	6,386,699
Shareholders' equity	2,359,243	2,255,421	2,178,348	2,176,761	2,052,492
Long-term debt, excluding current maturities	1,956,305	2,206,117	1,809,551	2,169,400	2,119,792
Total capitalization	4,315,548	4,461,538	3,987,899	4,346,161	4,172,284
Income Statement Data					
Operating revenues (000s)	\$ 3,438,483	\$ 4,286,435	\$ 4,661,060	\$ 4,793,248	\$ 7,039,342
Gross profit (000s)	1,323,739	1,300,820	1,314,136	1,297,682	1,275,077
Income from continuing operations (000s)	192,196	189,588	189,851	175,026	166,696
Income from discontinued operations, net of tax (000s)	24,521	18,013	15,988	15,952	13,635
Net income (000s)	216,717	207,601	205,839	190,978	180,331
Income per share from continuing operations—diluted	2.10	2.07	2.03	1.90	1.84
Income per share from discontinued operations—diluted	0.27	0.20	0.17	0.17	0.15
Net income per diluted share	2.37	2.27	2.20	2.07	1.99
Common Stock Data					
Shares outstanding (000s)					
End of year	90,240	90,296	90,164	92,552	90,815
Weighted average	91,172	90,652	92,422	91,620	89,941
Cash dividends per share	\$ 1.38	\$ 1.36	\$ 1.34	\$ 1.32	\$ 1.30
Shareholders of record	17,775	18,680	19,738	20,790	21,756
Market price—High	\$ 36.94	\$ 34.98	\$ 30.06	\$ 28.80	\$ 29.46
Low	\$ 30.60	\$ 28.87	\$ 26.41	\$ 20.20	\$ 25.09
End of year	\$ 35.79	\$ 32.45	\$ 29.25	\$ 28.18	\$ 26.62
Book value per share at end of year	\$ 26.14	\$ 24.98	\$ 24.16	\$ 23.52	\$ 22.60
Price/Earnings ratio at end of year	15.10	14.30	13.30	13.61	13.38
Market/Book ratio at end of year	1.37	1.30	1.21	1.20	1.18
Annualized dividend yield at end of year	3.9%	4.2%	4.6%	4.7%	4.9%
Customers and Volumes (as metered)					
Consolidated distribution gas sales volumes (MMcf)	255,725	289,927	322,628	282,117	292,676
Consolidated distribution gas transportation volumes (MMcf)	135,258	134,093	131,547	126,768	136,678
Consolidated distribution throughput (MMcf)	390,983	424,020	454,175	408,885	429,354
Consolidated transmission and storage transportation volumes (MMcf)	466,527	435,012	428,599	528,689	595,542
Consolidated nonregulated delivered gas sales volumes (MMcf)	351,628	384,799	353,853	370,569	389,392
Meters in service at end of year	3,116,589	3,213,191	3,186,040	3,178,844	3,191,779
Heating degree days*	2,692	2,733	2,780	2,713	2,820
Degree days as a percentage of normal*	97%	99%	102%	100%	100%
Gas distribution average cost of gas per Mcf sold	\$ 4.64	\$ 5.30	\$ 5.77	\$ 6.95	\$ 9.05
Gas distribution average transportation fee per Mcf	\$.43	\$.46	\$.46	\$.46	\$.43
Statistics					
Return on average shareholders' equity	9.3%	9.1%	9.1%	8.9%	8.8%
Number of employees	4,759	4,949	4,913	4,891	4,750
Net gas distribution plant per meter	\$ 1,468	\$ 1,362	\$ 1,243	\$ 1,165	\$ 1,091
Gas distribution operation and maintenance expense per meter	\$ 118	\$ 111	\$ 114	\$ 116	\$ 122
Meters per employee—gas distribution	680	676	676	678	700
Times interest earned before income taxes	3.27	3.13	3.09	2.82	3.06

* Heating degree days are adjusted for service areas with weather-normalized operations.

Senior Management Team



Robert W. Best
Executive Chairman
of the Board



Kim R. Cocklin
President and
Chief Executive Officer



Bret J. Eckert
Senior Vice President and
Chief Financial Officer



Louis P. Gregory
Senior Vice President,
General Counsel and
Corporate Secretary



Michael E. Haefner
Senior Vice President,
Human Resources



Marvin L. Sweetin
Senior Vice President,
Utility Operations

Regulated Divisions



J. Kevin Akers
President,
Kentucky/Mid-States Division



Richard A. Erskine
President,
Atmos Pipeline-Texas Division



David E. Gates
President,
Mississippi Division



Gary W. Gregory
President,
Colorado-Kansas Division



Tom S. Hawkins, Jr.
President,
Louisiana Division



John A. Paris
President,
Mid-Tex Division



David J. Park
President,
West Texas Division

Nonregulated Operations



Mark S. Bergeron
President,
Atmos Energy Holdings, Inc.

Shared Services (continued)



Conrad E. Gruber
Vice President,
Strategic Planning

Shared Services



Verlon R. Aston, Jr.
Vice President,
Governmental and
Public Affairs



Kenneth M. Malter
Vice President,
Gas Supply and Services



Clay C. Cash
Vice President,
Customer Service



John S. McDill
Vice President,
Pipeline Safety



Christopher T. Forsythe
Vice President and Controller



Edward Pace McDonald IV
Vice President, Tax



Susan K. Giles
Vice President,
Investor Relations



Daniel M. Meziere
Vice President and Treasurer



Richard J. Gius
Vice President and
Chief Information Officer



Robert W. Best
Executive Chairman
of the Board,
Atmos Energy Corporation
Dallas, Texas
Board member since 1997



Kim R. Cocklin
President and
Chief Executive Officer,
Atmos Energy Corporation
Dallas, Texas
Board member since 2009



Richard W. Douglas
Executive Vice President,
Jones Lang LaSalle LLC
Dallas, Texas
Board member since 2007
Committees: Human
Resources, Nominating and
Corporate Governance,
Work Session/Annual Meeting



Ruben E. Esquivel
Vice President for
Community and Corporate
Relations, UT Southwestern
Medical Center
Dallas, Texas
Board member since 2008
Committees: Audit,
Human Resources



Richard K. Gordon
General Partner,
Juniper Capital LP and
Juniper Energy LP
Houston, Texas
Board member since 2001
Committees: Human
Resources (Chairman),
Executive, Nominating and
Corporate Governance



Robert C. Grable
Partner, Kelly Hart &
Hallman LLP
Fort Worth, Texas
Board member since 2009
Committees: Audit,
Human Resources



Dr. Thomas C. Meredith
President, Effective
Leadership LLC
Jackson, Mississippi
Board member since 1995
Committees: Work Session/
Annual Meeting (Chairman),
Executive, Human Resources,
Nominating and Corporate
Governance



Nancy K. Quinn
Independent Energy
Consultant
East Hampton, New York
Board member since 2004
Committees: Audit (Chair),
Executive, Nominating and
Corporate Governance



Richard A. Sampson
Retired Managing Director
and Client Adviser,
JPMorgan Chase & Co.
Denver, Colorado
Board member since 2012
Committees: Audit, Human
Resources



Stephen R. Springer
Retired Senior Vice President
and General Manager,
Midstream Division,
The Williams Companies, Inc.
Fort Myers Beach, Florida
Board member since 2005
Committee: Work Session/
Annual Meeting



Charles K. Vaughan
Retired Chairman
of the Board,
Atmos Energy Corporation
Dallas, Texas
Board member since 1983
Lead Director since 2003
Committee: Executive
(Chairman)



Richard Ware II
President, Amarillo
National Bank
Amarillo, Texas
Board member since 1994
Committees: Nominating
and Corporate Governance
(Chairman), Audit,
Executive, Work Session/
Annual Meeting



Lee E. Schlessman
Honorary Director
President, Dolo
Investment Company
Denver, Colorado
Retired from Board
in 1998

Common Stock Listing

New York Stock Exchange. Trading symbol: ATO

Stock Transfer Agent and Registrar

American Stock Transfer & Trust Company, LLC
Operations Center
6201 15th Avenue
Brooklyn, New York 11219
800-543-3038

To inquire about your Atmos Energy common stock, please call AST at the telephone number above. You may use the agent's interactive voice response system 24 hours a day to learn about transferring stock or to check your recent account activity, all without the assistance of a customer service representative. Please have available your Atmos Energy shareholder account number and your Social Security or federal taxpayer ID number.

To speak to an AST customer service representative, please call the same number between 8 a.m. and 7 p.m. Eastern time, Monday through Thursday, or 8 a.m. to 5 p.m. Eastern time on Friday.

You also may send an email message on our transfer agent's website at www.amstock.com. Please refer to Atmos Energy in your email message and include your Atmos Energy shareholder account number.

Independent Registered Public Accounting Firm

Ernst & Young LLP
One Victory Park
Suite 2000
2323 Victory Avenue
Dallas, Texas 75219
214-969-8000

Form 10-K

Atmos Energy Corporation's *Annual Report on Form 10-K* is available at no charge from Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205 or by calling 972-855-3729 between 8 a.m. and 5 p.m. Central time. Atmos Energy's Form 10-K also may be viewed on Atmos Energy's website at www.atmosenergy.com.

Annual Meeting of Shareholders

The 2013 Annual Meeting of Shareholders will be held in the Pavilion Ballroom at the Belo Mansion, 2101 Ross Avenue, Dallas, Texas 75201 on Wednesday, February 13, 2013, at 9:30 a.m. Central time.

Direct Stock Purchase Plan

Atmos Energy has a Direct Stock Purchase Plan that is available to all investors. For an Enrollment Application Form and a Plan Prospectus, please call AST at 800-543-3038. The Prospectus is also available at www.atmosenergy.com. You may also obtain information by writing to Investor Relations, Atmos Energy Corporation, P.O. Box 650205, Dallas, Texas 75265-0205.

This is not an offer to sell, or a solicitation to buy, any securities of Atmos Energy Corporation. Shares of Atmos Energy common stock purchased through the Direct Stock Purchase Plan will be offered only by Prospectus.

Atmos Energy on the Internet

Information about Atmos Energy is available on the Internet at www.atmosenergy.com. Our website includes news releases, current and historical financial reports, other investor data, corporate governance documents, management biographies, customer information and facts about Atmos Energy's operations.

Atmos Energy Corporation Contacts

To contact Atmos Energy's Investor Relations, call 972-855-3729 between 8 a.m. and 5 p.m. Central time or send an email message to InvestorRelations@atmosenergy.com.

Securities analysts and investment managers, please contact:

Susan K. Giles
Vice President, Investor Relations
972-855-3729 (voice) 972-855-3040 (fax)
InvestorRelations@atmosenergy.com

Forward-looking Statements

The matters discussed or incorporated by reference in this *Summary Annual Report* may contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this report are forward-looking statements made in good faith by the Company and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this report or any other of the Company’s documents or oral presentations, the words “anticipate,” “believe,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “objective,” “plan,” “projection,” “seek,” “strategy” or similar words are intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in this report. These risks and uncertainties are discussed in the Company’s *Annual Report on Form 10-K* for the fiscal year ended September 30, 2012.

Although the Company believes these forward-looking statements to be reasonable, there can be no assurance that they will approximate actual experience or that the expectations derived from them will be realized. Further, the Company undertakes no obligation to update or revise any of its forward-looking statements, whether as a result of new information, future events or otherwise.

Other Information

You can view this *Summary Annual Report*, our *Annual Report on Form 10-K* and other financial documents for fiscal 2012 and previous years at www.atmosenergy.com.

If you are a shareholder who would like to receive our *Summary Annual Report* and other company documents electronically in the future, please sign up for electronic distribution. It’s convenient and easy, and it saves the costs to produce and distribute these materials.

To receive these documents over the Internet next year, please visit www.amstock.com and access your account to give your consent. Please remember that accessing our *Summary Annual Report* and other company documents over the Internet may result in charges to you from your Internet service provider or telephone company.

Inside Back Cover Tim Harper (center), a Mid-Tex Division crew leader in Dallas, leads Atmos Energy’s North Texas bicycling team, which works out to improve fitness and rides in major races across the state to raise money for charitable causes.

Back Cover Bonnie McElearney, AtmoSpirit director, has been a significant contributor to the company’s goal of instilling consistent cultural values that help develop employees and serve stakeholders.

© 2012 Atmos Energy Corporation. All rights reserved.

Atmos Energy® is a registered trademark of Atmos Energy Corporation.

Naturally Slim®, Habitat for Humanity®, and Wounded Warrior Project® are registered trademarks of their respective owners.





