

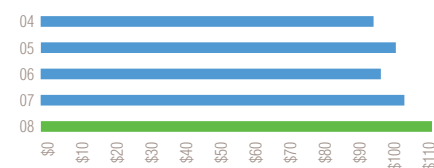
Financial Highlights

*In thousands except per share amounts,
degree days and customer additions*

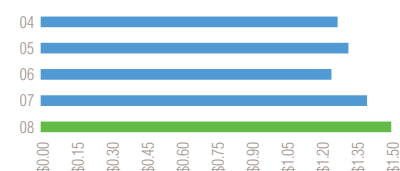
	2008	2007	Percent Change
Earnings and Dividends			
Net Income	\$ 110,007	\$ 104,387	5.4 %
Earnings Per Share of Common Stock:			
Basic	\$ 1.50	\$ 1.41	6.4 %
Diluted	\$ 1.49	\$ 1.40	6.4 %
Dividends Per Share	\$ 1.03	\$ 0.99	4.0 %
Margin, Revenues and Volumes			
Margin (Operating Revenues less Cost of Gas)	\$ 552,973	\$ 524,165	5.5 %
Operating Revenues	\$ 2,089,108	\$ 1,711,292	22.1 %
Gas Volumes – Dekatherms:			
Sales	110,801	105,606	4.9 %
Transportation	99,450	100,398	(0.9)%
Total System Throughput	210,251	206,004	2.1 %
Secondary Market Sales	53,442	42,049	27.1 %
Degree Days – System Average	3,195	2,977	7.3 %
Construction and Customer Additions			
Utility Construction Expenditures	\$ 181,001	\$ 135,231	33.8 %
Gross Customer Additions	20,500	30,400	(32.6)%
Net Utility Plant – Year End	\$2,240,834	\$ 2,141,537	4.6 %
Common Stock			
Book Value Per Share – Year End	\$ 12.11	\$ 11.84	2.3 %
Market Value Per Share – Year End	\$ 32.92	\$ 25.53	28.9 %
Average Shares of Common Stock:			
Basic	73,334	74,250	(1.2)%
Diluted	73,612	74,472	(1.2)%

This report contains forward-looking statements. These statements are based on management's current expectations and information currently available and are believed to be reasonable and are made in good faith. However, the forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in the statements. Factors that may make the actual results differ from anticipated results include, but are not limited to, regulatory issues, customer growth, economic and capital market conditions, the cost and availability of natural gas, competition from other energy providers, weather conditions and other uncertainties, all of which are difficult to predict and some of which are beyond our control. For these reasons, you should not rely on these forward-looking statements when making investment decisions. The words "expect," "believe," "project," "anticipate," "intend," "should," "could," "will," "assume," "can," "estimate," "forecast," "future," "indicate," "outlook," "plan," "predict," "seek," "target," "would," and variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are only as of the date they are made and we do not undertake any obligation to update publicly any forward-looking statement, either as a result of new information, future events or otherwise except as required by applicable laws and regulations. More information about the risks and uncertainties relating to these forward-looking statements may be found in Piedmont's latest Form 10-K and its other filings with the SEC, which are available on the SEC's website at <http://www.sec.gov>.

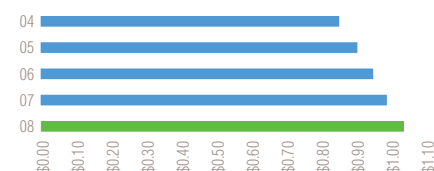
Net Income *In millions*



Earnings Per Share Diluted



Dividends Per Share



Market Value Per Share *At October 31*

