

Southern Company

1st Quarter 2008 Earnings

March 31, 2008

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NOTE: Updated as of February 25, 2009 to reflect revised wholesale and total kilowatt-hour sales statistical data. Total kilowatt-hour sales for the three months ended March 31, 2008 increased 0.7% as compared to 2007. Wholesale kilowatt-hour sales for the three months ended March 31, 2008 decreased 1.9% as compared to 2007. See page 5 for revised wholesale and total kilowatt-hour sales statistical data for the three months ended March 31, 2008 and 2007. The total kilowatt-hour sales data on page 2 of the earnings release has also been revised. See page II-16 of the Company's Annual Report on Form 10-K for a quarterly tabular presentation of this information. The revisions to the kilowatt-hour sales statistical data do not affect the Company's financial statements.

News



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April 30, 2008

Southern Company reports solid first quarter earnings

ATLANTA – Southern Company today reported first quarter earnings of \$359.2 million, or 47 cents a share, compared with \$338.7 million, or 45 cents a share, in the same period a year ago.

Excluding the impact of synthetic fuel investments, Southern Company earned 47 cents a share for the first quarter of 2008, compared with 41 cents a share for the same period in 2007.

Despite a nationwide economic slowdown, the Southeast has experienced less of an impact than the rest of the country.

“Even though consumers in the Southeast and across the U.S. are paying higher prices for products and services, the cost of living in the Southeast, including electricity prices, continues to be among the lowest in the nation,” said David M. Ratcliffe, Southern Company chairman, president and CEO. “While economic growth has slowed, new residents and new business and industry continue to move to our region.”

Household growth in the Southern Company service territory has increased 1.8 percent in the past 12 months, compared with the nation at 1.0 percent. And population growth in the Southeast over the same 12-month period was 1.7 percent, versus the nation at 0.9 percent.

As a result, Southern Company has added nearly 50,000 customers since the end of the first quarter of 2007. This customer growth has driven increased usage, primarily in the residential and commercial sectors.

Other positive earnings drivers include increased revenue from market-response rates, and from state regulatory actions that support increased capital investment in transmission and distribution infrastructure and new environmental equipment. These investments are needed to help ensure that Southern Company continues to meet growing demand, maintain reliability and produce cleaner energy. The earnings drivers were offset in part by higher non-fuel operations and maintenance expenses and asset depreciation, primarily associated with the increased investment in environmental equipment and infrastructure.

Revenues for the first quarter of 2008 were \$3.68 billion, compared with \$3.41 billion in the same period a year ago, an 8 percent increase.

Kilowatt-hour sales to retail customers in Southern Company's four-state service area increased 1.4 percent in the first quarter, compared with the first quarter of 2007. Residential electricity sales increased 1.9 percent. Electricity sales to commercial customers increased 1.9 percent, and industrial sales increased 0.6 percent.

Total energy sales to Southern Company's customers in the Southeast, including wholesale sales, increased 0.7 percent in the first quarter of 2008 compared with the same period of 2007.

With nearly 4.4 million customers and more than 42,000 megawatts of generating capacity, Atlanta-based Southern Company (NYSE: SO) is the premier energy company serving the Southeast, one of America's fastest-growing regions. A leading U.S. producer of electricity, Southern Company owns electric utilities in four states and a growing competitive generation company, as well as fiber optics and wireless communications. Southern Company brands are known for excellent customer service, high reliability and retail electric prices that are significantly below the national average. Southern Company has been listed the top ranking U.S. electric service provider in customer satisfaction for eight consecutive years by the American Customer Satisfaction Index (ACSI). Visit our Web site at www.southerncompany.com.

Cautionary Note Regarding Forward-Looking Statements:

Certain information contained in this release is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning results of operations and customer and economic growth. Southern Company cautions that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in Southern Company's Annual Report on Form 10-K for the year ended December 31, 2007, and subsequent securities filings, could cause results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory change, including legislative and regulatory initiatives regarding deregulation and restructuring of the electric utility industry, implementation of the Energy Policy Act of 2005, environmental laws including regulation of water quality and emissions of sulfur, nitrogen, mercury, carbon, soot, or particulate matter and other substances, and also changes in tax and other laws and

regulations to which Southern Company and its subsidiaries are subject, as well as changes in application of existing laws and regulations; current and future litigation, regulatory investigations, proceedings, or inquiries, including the pending EPA civil actions against certain Southern Company subsidiaries, FERC matters, IRS audits, and Mirant matters; the effects, extent, and timing of the entry of additional competition in the markets in which Southern Company's subsidiaries operate; variations in demand for electricity, including those relating to weather, the general economy, population and business growth (and declines), and the effects of energy conservation measures; available sources and costs of fuels; effects of inflation; ability to control costs; investment performance of Southern Company's employee benefit plans; advances in technology; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to fuel and storm restoration cost recovery; regulatory approvals related to the potential Plant Vogtle expansion, including Georgia PSC and NRC approvals; the performance of projects undertaken by the non-utility businesses and the success of efforts to invest in and develop new opportunities; internal restructuring or other restructuring options that may be pursued; potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company or its subsidiaries; the ability of counterparties of Southern Company and its subsidiaries to make payments as and when due and to perform as required; the ability to obtain new short- and long-term contracts with neighboring utilities; the direct or indirect effect on Southern Company's business resulting from terrorist incidents and the threat of terrorist incidents; interest rate fluctuations and financial market conditions and the results of financing efforts, including Southern Company's and its subsidiaries' credit ratings; the ability of Southern Company and its subsidiaries to obtain additional generating capacity at competitive prices; catastrophic events such as fires, earthquakes, explosions, floods, hurricanes, droughts, pandemic health events such as an avian influenza, or other similar occurrences; the direct or indirect effects on Southern Company's business resulting from incidents similar to the August 2003 power outage in the Northeast; and the effect of accounting pronouncements issued periodically by standard setting bodies. Southern Company and its subsidiaries expressly disclaim any obligation to update any forward-looking information.

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Southern Company
Financial Highlights
(In Millions of Dollars Except Earnings Per Share)

	3 Months Ended March	
	<u>2008</u> <i>(Notes)</i>	<u>2007</u> <i>(Notes)</i>
Consolidated Earnings—As Reported (See Notes)		
Traditional Operating Companies	\$ 342	\$ 285
Southern Power	29	32
Total	<u>371</u>	<u>317</u>
Synthetic Fuels	(2)	28
Parent Company and Other	(10)	(6)
Net Income - As Reported	<u>\$ 359</u>	<u>\$ 339</u>
Basic Earnings Per Share - (See Notes)	\$ 0.47	\$ 0.45
Average Shares Outstanding <i>(in millions)</i>	766	750
End of Period Shares Outstanding <i>(in millions)</i>	768	752

	3 Months Ended March	
	<u>2008</u>	<u>2007</u>
Consolidated Earnings—Excluding Synfuels (See Notes)		
Net Income - As Reported	\$ 359	\$ 339
Less: Synthetic Fuels	<u>2</u>	<u>(28)</u>
Net Income—Excluding Synthetic Fuels	<u>\$ 361</u>	<u>\$ 311</u>
Basic Earnings Per Share—Excluding Synfuels	\$ 0.47	\$ 0.41

Significant Factors Impacting EPS

	3 Months Ended March		
	<u>2008</u>	<u>2007</u>	Change
Consolidated Earnings—As Reported (See Notes)	\$ 0.47	\$ 0.45	\$ 0.02
<u>Significant Factors:</u>			
Traditional Operating Companies			0.07
Southern Power			-
Synthetic Fuels			(0.04)
Parent Company and Other			-
Additional Shares			<u>(0.01)</u>
Total—As Reported			<u>\$ 0.02</u>

	3 Months Ended March		
	<u>2008</u>	<u>2007</u>	Change
Consolidated Earnings—Excluding Synfuels (See Notes)	\$ 0.47	\$ 0.41	\$ 0.06
Total—As Reported			0.02
Less: Synthetic Fuels			<u>0.04</u>
Total—Excluding Synthetic Fuels			<u>\$ 0.06</u>

Notes

- For the first quarter 2008 and 2007, diluted earnings per share was less than 1 cent per share.
- Tax credits associated with Southern Company's synthetic fuel investments expired December 31, 2007. Synthetic fuel related income no longer materially contributes to Southern Company's earnings or earnings per share.
- Certain prior year data has been reclassified to conform with current year presentation.
- Information contained in this report is subject to audit and adjustments. Certain classifications may be different from final results published in the Form 10-Q.

Southern Company
Analysis of Consolidated Earnings
(In Millions of Dollars)

	3 Months Ended March		
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Income Account-			
Retail Revenue-			
Fuel	\$ 1,203	\$ 1,093	\$ 110
Non-Fuel	1,803	1,651	152
Wholesale Revenue	514	481	33
Other Electric Revenues	130	121	9
Non-regulated Operating Revenues	33	63	(30)
Total Revenues	<u>3,683</u>	<u>3,409</u>	<u>274</u>
Fuel and Purchased Power	1,545	1,381	164
Non-fuel O & M	897	848	49
Depreciation and Amortization	344	306	38
Taxes Other Than Income Taxes	189	183	6
Total Operating Expenses	<u>2,975</u>	<u>2,718</u>	<u>257</u>
Operating Income	708	691	17
Other Income, net	62	32	30
Interest Charges and Dividends	233	228	5
Income Taxes	178	156	22
NET INCOME (See Notes)	<u>\$ 359</u>	<u>\$ 339</u>	<u>\$ 20</u>

Kilowatt-Hour Sales
(In Millions of KWHs)

	3 Months Ended March			<u>Weather Adjusted Change</u>
	<u>2008</u>	<u>2007</u>	<u>Change</u>	
As Reported (See Notes)				
Kilowatt-Hour Sales-				
Total Sales	48,166	47,818	0.7%	
Total Retail Sales-	38,576	38,040	1.4%	1.2%
Residential	12,703	12,464	1.9%	1.0%
Commercial	12,505	12,276	1.9%	1.9%
Industrial	13,135	13,060	0.6%	0.7%
Other	233	240	-3.0%	-2.9%
Total Wholesale Sales	9,590	9,778	-1.9%	N/A

Notes

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Southern Company
Financial Overview
(In Millions of Dollars)

	3 Months Ended March		
	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Consolidated –			
Operating Revenues	\$ 3,683	\$ 3,409	8.0%
Earnings Before Income Taxes	537	494	8.7%
Net Income	359	339	6.1%
Alabama Power –			
Operating Revenues	\$ 1,337	\$ 1,197	11.7%
Earnings Before Income Taxes	213	196	9.0%
Net Income Available to Common	130	115	13.2%
Georgia Power –			
Operating Revenues	\$ 1,865	\$ 1,657	12.5%
Earnings Before Income Taxes	264	203	30.2%
Net Income Available to Common	176	131	34.1%
Gulf Power –			
Operating Revenues	\$ 312	\$ 296	5.2%
Earnings Before Income Taxes	31	31	0.6%
Net Income Available to Common	20	19	3.5%
Mississippi Power –			
Operating Revenues	\$ 285	\$ 257	11.1%
Earnings Before Income Taxes	26	32	-18.3%
Net Income Available to Common	16	20	-17.6%
Southern Power –			
Operating Revenues	\$ 216	\$ 192	12.0%
Earnings Before Income Taxes	46	54	-14.3%
Net Income Available to Common	29	32	-9.6%

Notes

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