

Southern Company

4th Quarter 2013 Earnings

December 31, 2013

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Media Contact: Southern Company Media Relations
404-506-5333 or 1-866-506-5333
www.southerncompany.com

Investor Relations Contact:
Dan Tucker
404-506-5310
dstucker@southernco.com

January 29, 2014

Southern Company reports fourth quarter earnings; delivers strong customer satisfaction, reliability in 2013

ATLANTA -- Southern Company today reported fourth quarter 2013 earnings of \$414 million, or 47 cents per share, compared with earnings of \$383 million, or 44 cents per share, in the fourth quarter of 2012. Southern Company also reported full-year 2013 earnings of \$1.64 billion, or \$1.88 per share, compared with earnings for 2012 of \$2.35 billion, or \$2.70 per share.

Earnings for the fourth quarter of 2013 include after-tax charges of \$25 million, or 3 cents per share - and earnings for the full year 2013 include after-tax charges totaling \$729 million, or 83 cents per share - related to increased cost estimates for construction of the Kemper project. Earnings for the full year 2013 also include an after-tax charge of \$16 million, or 2 cents per share, for the restructuring of a leveraged lease investment recorded in the first quarter of 2013. Earnings for the fourth quarter and full year 2013 include \$12 million (2 cents per share) - and earnings for the full year 2012 include \$21 million (2 cents per share) - of insurance recovery related to the March 2009 litigation settlement agreement with MC Asset Recovery, LLC. Excluding these items, earnings for the fourth quarter and full year 2013 were 48 cents and \$2.71 per share, respectively, compared with 44 cents and \$2.68 per share, respectively, for the same periods in 2012.

Earnings for the fourth quarter 2013 were positively influenced by stronger economic growth and closer-to-normal weather compared to the same period in 2012. Full-year 2013 earnings were driven by milder-than-normal weather, offset by retail revenue associated with new generating capacity at Southern Company's traditional operating companies.

"Southern Company remained focused on the fundamentals in 2013, delivering excellent reliability - including record transmission and distribution reliability - the best customer satisfaction among peer utilities and our safest year ever," said Southern Company Chairman, President and CEO Thomas A. Fanning. "We continued to raise the bar while experiencing one of the mildest summers in the past 20 years, the highest rainfall in nearly 100 years and slower-than-expected economic growth, especially during the first half of the year."

Fanning said the company saw stronger economic growth in the second half of 2013 compared to the first six months of the year. This trend was highlighted by an increase in industrial activity, as well as continued improvement in housing markets.

Operating revenues for the full year were \$17.09 billion, compared with \$16.54 billion in 2012, a 3.3 percent increase. Fourth quarter revenues were \$3.93 billion, compared with \$3.70 billion for the same period in 2012, an increase of 6.0 percent.

Kilowatt-hour sales to retail customers in Southern Company's four-state service area increased 0.3 percent in 2013, compared with 2012. Residential and industrial energy sales increased 0.2 percent and 1.5 percent, respectively, while commercial energy sales decreased 0.9 percent.

Total energy sales to Southern Company's customers in the Southeast, including wholesale sales, decreased 0.1 percent in 2013 compared with 2012.

Southern Company's financial analyst call will begin at 1 p.m. Eastern time today, during which Fanning and Chief Financial Officer Art P. Beattie will discuss earnings and provide a general business update. Investors, media and the public may listen to a live webcast of the call and view associated slides at <http://investor.southerncompany.com/events.cfm>. A replay of the webcast only will be available at the site for 12 months.

Southern Company has also posted on its website detailed financial information on its fourth quarter and full-year performance. These materials are available at www.southerncompany.com.

With 4.4 million customers and nearly 46,000 megawatts of generating capacity, Atlanta-based Southern Company (NYSE: SO) is the premier energy company serving the Southeast through its subsidiaries. A leading U.S. producer of clean, safe, reliable and affordable 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 energy innovation, excellent customer service, high reliability and retail electric prices that are below the national average. Southern Company and its subsidiaries are leading the nation's nuclear renaissance through the construction of the first new nuclear units to be built in a generation of Americans and are demonstrating their commitment to energy innovation through the development of a state-of-the-art coal gasification plant. Southern Company has been recognized by the U.S. Department of Defense and G.I. Jobs magazine as a top military employer and listed by DiversityInc as a top company for Blacks. The company received the 2012 Edison Award from the Edison Electric Institute for its leadership in new nuclear development, was named Electric Light & Power magazine's Utility of the Year for 2012 and is continually ranked among the top utilities in Fortune's annual *World's Most Admired Electric and Gas Utility* rankings. Visit our website 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 the economy. 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, 2012, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory changes, including legislative and regulatory initiatives regarding deregulation and restructuring of the electric utility industry, environmental laws including regulation of water, coal combustion byproducts, and emissions of sulfur, nitrogen, carbon, soot, particulate matter, hazardous air pollutants, including mercury, 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 Environmental Protection Agency civil actions against certain Southern Company subsidiaries, Federal Energy Regulatory Commission matters, and Internal Revenue Service and state tax audits; 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 and recovery from the recent recession, population and business growth (and declines), the effects of energy conservation measures, and any potential economic impacts resulting from federal fiscal decisions; available sources and costs of fuels; effects of inflation; ability to control costs and avoid cost overruns during the development and construction of facilities, which include the development and construction of facilities with designs that have not been finalized or previously constructed, including the impact of factors such as labor costs and productivity, adverse weather conditions, shortages and inconsistent quality of equipment, materials, and labor, or contractor or supplier delay or non-performance under construction or other agreements, delays associated with start-up activities, including major equipment failure, system integration, and operations, and/or unforeseen engineering problems; ability to construct facilities in accordance with the requirements of permits and licenses and to satisfy any operational and environmental performance standards, including the requirements of tax credits and other incentives; investment performance of Southern Company's employee and retiree benefit plans and the Southern Company system's nuclear decommissioning trust funds; 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 other cost recovery mechanisms; regulatory approvals and actions related to the Plant Vogtle expansion, including Georgia Public Service Commission ("PSC") approvals, Nuclear Regulatory Commission actions, and potential U.S. Department of Energy loan guarantees; actions related to cost recovery for the Kemper County integrated coal gasification combined cycle facility ("Kemper IGCC"), including actions relating to proposed securitization, Mississippi PSC approval of Mississippi Power Company's proposed rate recovery plan, as revised, which includes the ability to complete the proposed sale of an interest in the Kemper IGCC to South Mississippi Electric Power Association, the ability to utilize bonus depreciation, which currently requires that the Kemper IGCC be placed in service in 2014, and satisfaction of requirements to utilize investment tax credits and grants; Mississippi PSC review of the prudence of Kemper IGCC costs; the outcome of any legal or regulatory proceedings regarding the Mississippi PSC's issuance of the Certificate of Public Convenience and Necessity for the Kemper IGCC, the settlement agreement between Mississippi Power Company and the Mississippi PSC, or the State of Mississippi legislation designed to enhance the Mississippi PSC's authority to facilitate development and construction of baseload generation in the State of Mississippi; the inherent risks involved in operating and constructing nuclear generating facilities, including environmental, health, regulatory, natural disaster, terrorism, and financial risks; 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

wholesale customers; the direct or indirect effect on the Southern Company system's business resulting from terrorist incidents and the threat of terrorist incidents, including cyber intrusion; interest rate fluctuations and financial market conditions and the results of financing efforts, including Southern Company's and its subsidiaries' credit ratings; the impacts of any potential U.S. credit rating downgrade or other sovereign financial issues, including impacts on interest rates, access to capital markets, impacts on currency exchange rates, counterparty performance, and the economy in general, as well as potential impacts on the availability or benefits of proposed U.S. Department of Energy loan guarantees; 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 influenzas, or other similar occurrences; the direct or indirect effects on the Southern Company system's business resulting from incidents affecting the U.S. electric grid or operation of generating resources; and the effect of accounting pronouncements issued periodically by standard setting bodies. Southern Company expressly disclaims any obligation to update any forward-looking information.

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

	Three Months Ended December		Year-to-Date December	
	2013	2012	2013	2012
Consolidated Earnings—As Reported (See Notes)				
Traditional Operating Companies	\$ 386	\$ 349	\$ 1,485	\$ 2,146
Southern Power	24	31	166	175
Total	410	380	1,651	2,321
Parent Company and Other	4	3	(7)	29
Net Income—As Reported	\$ 414	\$ 383	\$ 1,644	\$ 2,350
Basic Earnings Per Share	\$ 0.47	\$ 0.44	\$ 1.88	\$ 2.70
Average Shares Outstanding <i>(in millions)</i>	885	869	877	871
End of Period Shares Outstanding <i>(in millions)</i>			888	868
	Three Months Ended December		Year-to-Date December	
	2013	2012	2013	2012
Consolidated Earnings—Excluding Items (See Notes)				
Net Income—As Reported	\$ 414	\$ 383	\$ 1,644	\$ 2,350
Estimated Loss on Kemper IGCC	25	—	729	—
Leveraged Lease Restructure	—	—	16	—
MC Asset Recovery Insurance Settlement, net	(12)	—	(12)	(21)
Net Income—Excluding Items	\$ 427	\$ 383	\$ 2,377	\$ 2,329
Basic Earnings Per Share—Excluding Items	\$ 0.48	\$ 0.44	\$ 2.71	\$ 2.68

Notes

- For the three and twelve months ended December 31, 2013 and the three months ended December 31, 2012, dilution does not change basic earnings per share by more than 1 cent and is not material. For the twelve months ended December 31, 2012, dilution does not change basic earnings per share by more than 3 cents and is not material.

- The estimated probable losses relating to Mississippi Power Company's construction of the integrated coal gasification combined cycle facility in Kemper County, Mississippi (Kemper IGCC) significantly impacted the presentation of earnings and earnings per share for the three and twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future, although it is possible such charges could recur.

- The charge related to the restructuring of a leveraged lease investment that was completed on March 1, 2013 impacted the presentation of earnings and earnings per share for the twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future.

- Earnings for the three and twelve months ended December 31, 2013 and the twelve months ended December 31, 2012 include insurance settlements related to the March 2009 litigation settlement with MC Asset Recovery, LLC and similar insurance recoveries are not expected to occur with any regularity in the future.

- Certain prior year data has been reclassified to conform with current year presentation.

- All figures in this earnings release are preliminary and remain subject to the completion of normal quarter-end accounting procedures and adjustments, which could result in changes to these preliminary results. In addition, certain classifications and rounding may be different from final results published in the Form 10-K.

Southern Company
Significant Factors Impacting EPS

	Three Months Ended December			Year-to-Date December		
	2013	2012	Change	2013	2012	Change
Consolidated Earnings Per Share— As Reported (See Notes)	\$ 0.47	\$ 0.44	\$ 0.03	\$ 1.88	\$ 2.70	\$ (0.82)

Significant Factors:

Traditional Operating Companies			0.05			(0.75)
Southern Power			(0.01)			(0.01)
Parent Company and Other			—			(0.04)
Increase in Shares			(0.01)			(0.02)
Total—As Reported			\$ 0.03			\$ (0.82)

	Three Months Ended December			Year-to-Date December		
	2013	2012	Change	2013	2012	Change
Consolidated Earnings Per Share— Excluding Items (See Notes)	\$ 0.48	\$ 0.44	\$ 0.04	\$ 2.71	\$ 2.68	\$ 0.03
Total—As Reported			0.03			(0.82)
Estimated Loss on Kemper IGCC			0.03			0.83
Leveraged Lease Restructure			—			0.02
MC Asset Recovery Insurance Settlement			(0.02)			—
Total—Excluding Items			\$ 0.04			\$ 0.03

Notes

- For the three and twelve months ended December 31, 2013 and the three months ended December 31, 2012, dilution does not change basic earnings per share by more than 1 cent and is not material. For the twelve months ended December 31, 2012, dilution does not change basic earnings per share by more than 3 cents and is not material.

- The estimated probable losses relating to Mississippi Power Company's construction of the integrated coal gasification combined cycle facility in Kemper County, Mississippi (Kemper IGCC) significantly impacted the presentation of earnings and earnings per share for the three and twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future, although it is possible such charges could recur.

- The charge related to the restructuring of a leveraged lease investment that was completed on March 1, 2013 impacted the presentation of earnings and earnings per share for the twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future.

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Southern Company
EPS Earnings Analysis

Description	Three Months Ended December 2013	Year-to-Date December 2013
Retail Sales	1¢	1¢
Retail Revenue Impacts	—	10
Weather	3	(3)
Wholesale Revenues	—	(2)
Other Operating Revenues	1	2
Non-Fuel O&M	(2)	(3)
Purchased Power Capacity Expense	—	2
Depreciation and Amortization	(1)	(6)
Taxes Other Than Income Taxes	—	(1)
Other Income and Deductions	2	6
Interest Expense	1	3
Income Taxes	2	(2)
Total Traditional Operating Companies	7¢	7¢
Southern Power	(1)	(1)
Parent and Other	(1)	(1)
Increase in Shares	(1)	(2)
Total Change in EPS (x-Items)	4¢	3¢
Estimated Loss on Kemper IGCC	(3)	(83)
Leveraged Lease Restructure	—	(2)
MC Asset Recovery Insurance Settlement	2	—
Total Change in EPS (As Reported)	3¢	(82)¢

Notes

- The estimated probable loss relating to Mississippi Power Company's construction of the integrated coal gasification combined cycle facility in Kemper County, Mississippi (Kemper IGCC) significantly impacted the presentation of earnings and earnings per share for the three and twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future, although it is possible such charges could recur.

- The charge related to the restructuring of a leveraged lease investment that was completed on March 1, 2013 impacted the presentation of earnings and earnings per share for the twelve months ended December 31, 2013 and similar charges are not expected to occur with any regularity in the future.

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Southern Company
Consolidated Earnings
As Reported
(In Millions of Dollars)

	Three Months Ended December			Year-to-Date December		
	2013	2012	Change	2013	2012	Change
Income Account-						
Retail Revenues-						
Fuel	\$ 1,160	\$ 1,034	\$ 126	\$ 4,990	\$ 4,743	\$ 247
Non-Fuel	2,144	2,085	59	9,551	9,444	107
Wholesale Revenues	449	414	35	1,855	1,675	180
Other Electric Revenues	162	157	5	639	616	23
Non-regulated Operating Revenues	12	13	(1)	52	59	(7)
Total Revenues	3,927	3,703	224	17,087	16,537	550
Fuel and Purchased Power	1,388	1,239	149	5,971	5,601	370
Non-fuel O & M	1,008	974	34	3,857	3,791	66
MC Asset Recovery Insurance Settlement	(11)	—	(11)	(11)	(19)	8
Depreciation and Amortization	479	452	27	1,901	1,787	114
Taxes Other Than Income Taxes	224	224	—	934	914	20
Estimated Loss on Kemper IGCC	40	—	40	1,180	—	1,180
Total Operating Expenses	3,128	2,889	239	13,832	12,074	1,758
Operating Income	799	814	(15)	3,255	4,463	(1,208)
Allowance for Equity Funds Used During Construction	51	41	10	190	143	47
Leveraged Lease Income (Loss)	6	5	1	(5)	21	(26)
Interest Income	5	6	(1)	19	40	(21)
Interest Expense, Net of Amounts Capitalized	196	210	(14)	824	859	(35)
Other Income (Expense), net	(42)	(21)	(21)	(76)	(59)	(17)
Income Taxes	192	236	(44)	849	1,334	(485)
Net Income	431	399	32	1,710	2,415	(705)
Dividends on Preferred and Preference Stock of Subsidiaries	17	16	1	66	65	1
NET INCOME AFTER DIVIDENDS ON PREFERRED AND PREFERENCE STOCK	\$ 414	\$ 383	\$ 31	\$ 1,644	\$ 2,350	\$ (706)

Notes

- Certain prior year data has been reclassified to conform with current year presentation.

- All figures in this earnings release are preliminary and remain subject to the completion of normal quarter-end accounting procedures and adjustments, which could result in changes to these preliminary results. In addition, certain classifications and rounding may be different from final results published in the Form 10-K.

Southern Company
Kilowatt-Hour Sales
(In Millions of KWHs)

As Reported (See Notes)	Three Months Ended December				Year-to-Date December			
	2013	2012	Change	Weather Adjusted Change	2013	2012	Change	Weather Adjusted Change*
Kilowatt-Hour Sales-								
Total Sales	43,983	42,543	3.4 %		183,401	183,617	(0.1)%	
Total Retail Sales-	37,535	36,109	3.9 %	1.7 %	156,457	156,054	0.3 %	0.4 %
Residential	11,805	11,140	6.0 %	0.5 %	50,575	50,454	0.2 %	(0.3)%
Commercial	12,442	12,273	1.4 %	(0.1)%	52,551	53,007	(0.9)%	(0.1)%
Industrial	13,067	12,468	4.8 %	4.8 %	52,429	51,674	1.5 %	1.5 %
Other	221	228	(3.2)%	(3.3)%	902	919	(1.8)%	(1.9)%
Total Wholesale Sales	6,448	6,434	0.2 %	N/A	26,944	27,563	(2.2)%	N/A

Notes

* Also reflects reclassification of January 2012 KWH sales among customer classes consistent with actual advanced meter data. Use of actual advanced meter data was implemented during the first quarter of 2012.

Southern Company
Financial Overview
As Reported
(In Millions of Dollars)

	Three Months Ended December			Year-to-Date December		
	2013	2012	% Change	2013	2012	% Change
Consolidated –						
Operating Revenues	\$ 3,927	\$ 3,703	6.0 %	\$ 17,087	\$ 16,537	3.3 %
Earnings Before Income Taxes	623	635	(1.9)%	2,559	3,749	(31.7)%
Net Income Available to Common	414	383	8.1 %	1,644	2,350	(30.0)%
Alabama Power –						
Operating Revenues	\$ 1,314	\$ 1,290	1.9 %	\$ 5,618	\$ 5,520	1.8 %
Earnings Before Income Taxes	237	205	15.6 %	1,229	1,220	0.7 %
Net Income Available to Common	140	113	23.9 %	712	704	1.1 %
Georgia Power –						
Operating Revenues	\$ 1,866	\$ 1,735	7.6 %	\$ 8,274	\$ 7,998	3.5 %
Earnings Before Income Taxes	335	315	6.3 %	1,914	1,873	2.2 %
Net Income Available to Common	208	181	14.9 %	1,174	1,168	0.5 %
Gulf Power –						
Operating Revenues	\$ 343	\$ 331	3.6 %	\$ 1,440	\$ 1,440	— %
Earnings Before Income Taxes	44	39	13.1 %	212	211	0.2 %
Net Income Available to Common	25	23	12.2 %	124	126	(1.2)%
Mississippi Power –						
Operating Revenues	\$ 268	\$ 236	13.5 %	\$ 1,145	\$ 1,036	10.5 %
Earnings Before Income Taxes	1	(36)	N/M	(843)	122	N/M
Net Income Available to Common	13	(15)	N/M	(477)	100	N/M
Southern Power –						
Operating Revenues	\$ 300	\$ 292	3.0 %	\$ 1,275	\$ 1,186	7.5 %
Earnings Before Income Taxes	32	48	(33.2)%	211	268	(21.1)%
Net Income Available to Common	24	31	(24.9)%	166	175	(5.6)%

N/M - not meaningful

Notes

- Mississippi Power Company restated its 2012 financial statements to reflect a pre-tax charge to income for the estimated probable loss on Kemper IGCC of \$78 million (\$48 million after tax) in 2012. Southern Company evaluated the portion of the estimated probable loss related to 2012 and concluded it was not material to Southern Company. Therefore, Southern Company reflected the pre-tax charge to income for this portion of the estimated probable loss related to 2012 in the first quarter 2013.

- Certain prior year data has been reclassified to conform with current year presentation.

- All figures in this earnings release are preliminary and remain subject to the completion of normal quarter-end accounting procedures and adjustments, which could result in changes to these preliminary results. In addition, certain classifications and rounding may be different from final results published in the Form 10-K.