

2016 Performance Summary

SJI produced Economic Earnings of \$102.8 million in 2016, as compared with \$99.0 million in the prior year. This performance generated Economic Earnings per share of \$1.34, as compared with \$1.44 in 2015.

Grow
Economic
Earnings

Improve
Quality of
Earnings

Strengthen
Balance
Sheet

Maintain Low
to Moderate
Risk Profile

Throughout 2016, we made significant progress in support of the key elements of the strategic plan the SJI leadership team laid out in 2015. Building upon the four core tenets of that strategy, reflected above, SJI achieved Economic Earnings of \$102.8 million, with Economic EPS of \$1.34. Spurred by \$225 million of utility capital investment, the addition of 7,163 new South Jersey Gas customers, and a doubling of the contribution from our fuel supply management contracts, these results reflect a commitment to growth from high quality, regulated and repeatable sources. Further, we were able to grow earnings despite a strategic reduction in solar development and related investment tax credits. Additionally, during 2016, we conducted a highly successful secondary equity offering which reinforced our investor base with a number of strong, longer term institutional investors, while generating net proceeds of \$203 million to drive the investment incorporated within our forward strategy. The foundation we've laid in 2016 will provide critical support as we move forward, and we remain confident in our ability to achieve our target of at least \$150 million of Economic Earnings in 2020. As always, we thank you for your continued interest and investment in SJI.



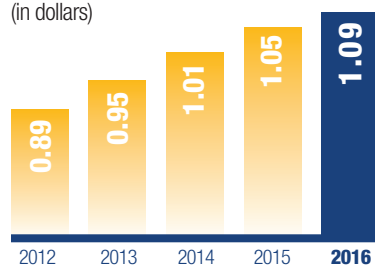
Michael J. Renna
President & CEO



Walter M. Higgins III
Chairman

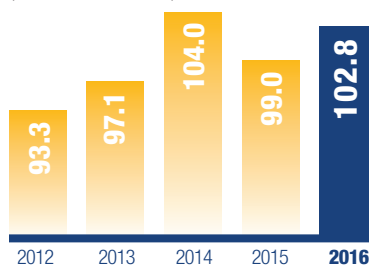
ANNUALIZED DIVIDEND DECLARED PER COMMON SHARE

(in dollars)



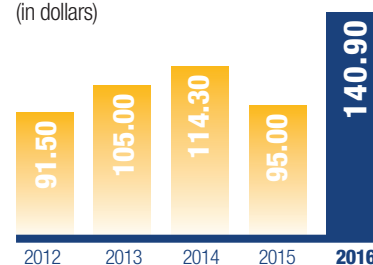
ECONOMIC EARNINGS

(in millions of dollars)



VALUE OF \$100 INVESTED AT YEAR END 2011

(in dollars)



A full reconciliation of SJI's GAAP earnings to our non-GAAP measure of Economic Earnings is provided in the Form 10-K included within our proxy packet. Economic Earnings primarily accounts for the impacts of derivative instruments on related transactions, and transactions or contractual arrangements where the true economic impact will be realized in a future period.

South Jersey Gas contributed 67 percent of total Economic Earnings, totaling \$69.0 million. This increase over prior year performance was driven by significant infrastructure investments within our system and by strong customer additions. Our commodity marketing businesses within South Jersey Energy Group added \$17.7 million, largely from the optimization of our transportation assets and the contributions from fuel supply management contracts. The balance of our nonregulated business operations, housed within South Jersey Energy Services, contributed total Economic Earnings of \$16.5 million, driven by strong improvements in solar operating performance despite a planned reduction in further development, and the resultant reduction in investment tax credits.

South Jersey Industries Board of Directors

Sarah M. Barpoulis
Thomas A. Bracken
Keith S. Campbell
Victor A. Fortkiewicz
Sheila Hartnett-Devlin, CFA
Walter M. Higgins III
Sunita Holzer
Joseph H. Petrowski
Michael J. Renna
Joseph M. Rigby
Frank L. Sims

South Jersey Industries Officers

Michael J. Renna, President and CEO
Stephen H. Clark, Executive Vice President & Chief Financial Officer
Jeffrey E. DuBois, Executive Vice President & Chief Operating Officer
Gregory M. Nuzzo, Senior Vice President; President, South Jersey Energy Solutions
David Robbins, Jr., Senior Vice President; President, South Jersey Gas
Kenneth A. Lynch, Senior Vice President & Chief Risk Officer
Kathleen A. McEndy, Senior Vice President & Chief Administrative Officer

Gina Merritt-Epps, Esq., Senior Vice President, General Counsel & Corporate Secretary

Ann. T. Anthony, Vice President & Treasurer

Steven Cocchi, Vice President, Strategy and Growth

Michael R. Halter, Vice President, Chief Security Officer

Thomas S. Kavanaugh, Vice President & Controller

Christine Mari-Mazzola, Vice President, Risk Management

Peter Parillo, Vice President, Internal Audit

Kathleen J. Roberts, Vice President, Compensation & Benefits



ANNUAL MEETING INFORMATION:

The Annual Meeting of Shareholders will be held

Friday, April 21, 2017 at 9:00 a.m. at

The Westin Mt. Laurel, 555 Fellowship Road, Mt. Laurel NJ 08054

TRANSFER AGENT/SHAREHOLDER INQUIRES

Broadridge Corporate Issue Solutions, PO Box 1342, Brentwood, NY 11717-0718

Toll-free 1-888-754-3100

International Calls: 1-720-358-3580

TDD for the hearing impaired: 1-855-627-5080

<http://shareholder.broadridge.com/sji>