



## Unitil Reports Year End Earnings

February 6, 2002

Hampton, NH - February 6, 2002: Unitil Corporation (AMEX: UTL) ([www.unitil.com](http://www.unitil.com)) today announced that diluted operating earnings per share were \$1.51 for the year ended December 31, 2001, an increase of \$0.04, or 3%, per share compared to \$1.47 for the year ended December 31, 2000. Operating earnings do not include non-cash charges of (\$0.82) per share for an Extraordinary Item recorded in the third quarter and a (\$0.50) per share charge in the fourth quarter to write down the market value of its non-utility energy technology investment. Diluted earnings per share after the Investment Write-down and the Extraordinary Item were \$0.18 in 2001.

Operating earnings per share were \$0.53 in the fourth quarter of 2001, compared to \$0.44 in the fourth quarter of 2000, a \$0.09, or 20% increase. In the fourth quarter of 2001, earnings from utility operations improved to \$0.56 per share compared to \$0.54 per share in the same quarter of the prior year. The Company's non-regulated operation, Usource, recorded a loss of (\$0.03) in the fourth quarter of 2001, an improvement of \$0.07 compared to the loss of (\$0.10) in the same period last year.

"With the resolution in the third quarter of a number of regulatory issues for our Massachusetts utility operations, and the investment write-down reported today, Unitil is now able to focus on managing its utility distribution businesses." said Robert Schoenberger, Unitil's Chairman and Chief Executive Officer. "We deliver reliable gas and electric service to an increasingly loyal customer base, and in the coming year we are committed to managing our utility costs while improving our utility earnings through rate filings for all our distribution companies. At the same time we will continue to grow our unregulated Usource business, building on our success in attracting new customers and reaching into new market areas."

For the full year 2001, utility operations contributed \$1.72 per share to operating earnings, compared to \$1.82 in 2000. The reduction in earnings from utility operations primarily reflects lower sales margin due to a slowing economy, warmer winter weather and lower rates. The Company's unregulated energy brokering business, Usource, recorded a loss of (\$0.21) per share, an improvement of \$0.14 over the loss of (\$0.35) recorded in 2000. Operating Income for the year ended December 31, 2001, was \$14.4 million compared to \$14.3 million for 2000.

Total Operating Revenues increased \$24.1 million, or 13.2%, in 2001 compared to 2000, largely reflecting increased revenues to recover higher wholesale electricity and natural gas costs. Electric Operating revenues increased by \$23.8 million, or 14.9%, in 2001 compared to 2000. Gas Operating Revenues remained relatively flat compared to 2000, attributable to lower unit sales, offset by higher gas supply prices. Usource Revenues increased \$ 0.2 million, or approximately 200% compared to the prior year.

The Massachusetts Department of Telecommunications and Energy ("MDTE") has issued a series of regulatory orders which completed the review and disposition of issues related to Fitchburg Gas and Electric Light Company's recovery of transition costs due to the restructuring of the electric industry in Massachusetts. The Company has now been authorized to recover approximately \$150 million of regulatory assets attributable to stranded generation assets, purchased power costs, and related expenses. As a result of the industry restructuring-related orders, the Company recorded a non-cash adjustment to regulatory assets of \$5.3 million, which resulted in the recognition of an extraordinary charge of \$3.9 million after taxes in the third quarter.

During the fourth quarter, the Company recorded a non-cash charge to earnings of \$2.4 million net of taxes to recognize the decrease in market valuation of its non-utility investment in Enermetrix, Inc., an energy technology start-up enterprise. The Company recognized this market valuation adjustment in 2001 to reflect significantly lower private equity valuation metrics for its non-utility investment.

Unitil is a public utility holding company with subsidiaries providing electric service in New Hampshire and electric and gas service in Massachusetts and energy services throughout the Northeast. Its subsidiaries include Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Service Corp. and its unregulated business segment Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. The Usource product line is available at [www.usourceonline.com](http://www.usourceonline.com)

This news release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Certain factors that could cause the actual results to differ materially from those projected in these forward-looking statements include, but are not limited to; variations in weather, changes in the regulatory environment, customers' preferences on energy sources, general economic conditions, increased competition and other uncertainties, all of which are difficult to predict, and many of which are beyond the control of the Company.

### Unitil Corporation

(Amounts In Thousands, except Shares and Per Share Data)

#### Three Months Ended December 31,

	<u>2001</u>	<u>2000</u>
Operating Revenues	<b>\$47,429</b>	\$49,252
Net Operating Income before Investment Write-down and Extraordinary Item	<b>\$2,489</b>	\$2,128
Investment Write-down, net of tax	<b>\$(2,400)</b>	---

Net Income after Investment Write-down and before Extraordinary Item	<b>\$89</b>	\$2,128
Extraordinary Item, net of tax	---	---
Net Income Applicable to Common Stock	<b>\$89</b>	\$2,128

### Basic and Diluted Earnings per Common Share (\$)

#### Net Operating Income before Investment Write-down and Extraordinary Item:

from Utility Operations	<b>\$0.56</b>	\$0.54
from Non-regulated Operations	<b>\$(0.03)</b>	\$(0.10)
<b>Total</b>	<b>\$0.53</b>	\$0.44

#### Net Income after Investment Write-down and before Extraordinary Item:

from Utility Operations	<b>\$0.06</b>	\$0.54
from Non-regulated Operations	<b>\$(0.03)</b>	\$(0.10)
<b>Total</b>	<b>\$0.03</b>	\$0.44

#### Net Income after Investment Write-down and Extraordinary Item:

from Utility Operations	<b>\$0.06</b>	\$0.54
from Non-regulated Operations	<b>\$(0.03)</b>	\$(0.10)
<b>Total</b>	<b>\$0.03</b>	\$0.44

Average Common Shares Outstanding	<b>4,760,617</b>	4,739,319
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Twelve Months Ended  
December 31,

	<u>2001</u>	<u>2000</u>
Operating Revenues	<b>\$207,022</b>	\$182,941
Net Operating Income before Investment Write-down and Extraordinary Item	<b>\$7,170</b>	\$6,953
Investment Write-down, net of tax	<b>\$(2,400)</b>	---
Net Income after Investment Write-down and before Extraordinary Item	<b>\$4770</b>	\$6,953
Extraordinary Item, net of tax	<b>\$(3,937)</b>	---
Net Income Applicable to Common Stock	<b>\$833</b>	\$6,953

### Basic and Diluted Earnings per Common Share (\$)

#### Net Operating Income before Investment Write-down and Extraordinary Item:

from Utility Operations	<b>\$1.72</b>	\$1.82
from Non-regulated Operations	<b>\$(0.21)</b>	\$(0.35)
<b>Total</b>	<b>\$1.51</b>	\$1.47

#### Net Income after Investment Write-down and before Extraordinary Item:

from Utility Operations	<b>\$1.22</b>	\$1.82
from Non-regulated Operations	<b>\$(0.21)</b>	\$(0.35)
<b>Total</b>	<b>\$1.01</b>	\$1.47

#### Net Income after Investment Write-down and Extraordinary Item:

from Utility Operations	<b>\$0.39</b>	\$1.82
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from Non-regulated Operations	<b>\$(0.21)</b>	\$(0.35)
	<b>Total</b>	
	<b>\$0.18</b>	\$1.47
Average Common Shares Outstanding	<b>4,759,822</b>	4,742,745

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