



Unitil Reports 2nd Quarter Earnings

August 2, 2001

Hampton, NH – August 2, 2001: Unitil Corporation (AMEX: UTL) (www.unitil.com) today announced diluted earnings per average common share of \$0.29 for the second quarter of 2001, an increase of \$0.05 per share from the second quarter of 2000. The Utility Operations segment contributed \$0.33 per share to consolidated results, while the Usource segment lost \$0.04 per share. Second quarter losses from our Usource segment decreased by \$0.04 per share compared to the same three-month period of 2000 as a result of increased revenues and substantially lower expenses. This result demonstrates the Company's success in refocusing Usource activities on brokering energy transactions in deregulated energy markets throughout the Northeast.

"Unitil's improved operating results reflect the recent refocus of our Usource business and the continuing success of our regulated utility operations in meeting the many challenges facing our industry," said Robert Schoenberger, Unitil's Chairman and Chief Executive Officer. "Recent sharp drops in wholesale energy prices have allowed us to reduce rates for our New Hampshire customers where we once again offer the lowest residential rates in New England. These market changes have also increased competitive market activity and the opportunities for Usource, particularly in Maine and Massachusetts. Although sales by our three distribution utilities to industrial customers have declined, our residential and commercial sales remain strong, and two of our distribution systems recently hit new all time peak demands."

Unitil's total electric kilowatt-hour (kWh) sales volume increased 1.2% in the second quarter and 0.5% on a year-to-date basis. Residential sales increased 3.8% in the second quarter and 3.1% for the six months ended June 30th, reflecting customer growth and the favorable impact of the weather on sales in 2001. Commercial and Industrial sales decreased 0.2% and 0.9% for the three- and six-month periods, respectively, reflecting continued strong Commercial sales offset by a decrease in Industrial sales. The decrease in Industrial sales was due to the impact of a slowing economy on manufacturing output and utilization and a major customer discontinuing operations during the first quarter of 2000.

Total Firm Therm gas sales showed a decrease of 0.9% and an increase of 6.4% in the three- and six-month periods, respectively. The increase reflects the continued growth of Unitil's gas distribution business and a colder winter heating season compared to the prior year.

Operating Revenues increased 6.3% and 23.4% for the three- and six-month periods of 2001, as compared to 2000. The change in Operating Revenues primarily reflects higher wholesale electric and gas supply costs, which are collected from customers through periodic reconciling cost recovery mechanisms, as well as, increased unit sales compared to the prior year.

Diluted earnings per average common share for the 6 months and 12 months ended June 30 2001, were \$0.70 and \$1.37, respectively, compared to \$0.79 and \$1.63 for the same reporting periods in 2000.

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

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 <u>June 30,</u>	
	<u>2001</u>	<u>2000</u>
Operating Revenues	\$45,619	\$42,908
Net Income Applicable to Common Stock	\$1,388	\$1,161
Income from Utility Operations	\$0.33	\$0.32
Loss from Non-regulated Operations	(0.04)	(0.08)
Diluted Earnings Per Share	\$0.29	\$0.24
Average Common Shares Outstanding	4,743,415	4,720,178

Six Months Ended
June 30,

	<u>2001</u>	<u>2000</u>
Operating Revenues	\$110,109	\$89,225
Net Income Applicable to Common Stock	\$3,327	\$3,758
Income from Utility Operations	\$0.85	\$0.93
Loss from Non-regulated Operations	(0.15)	(0.14)
Diluted Earnings Per Share	\$0.70	\$0.79
Average Common Shares Outstanding	4,740,564	4,717,359

Twelve Months Ended
June 30,

	<u>2001</u>	<u>2000</u>
Operating Revenues	\$203,825	\$176,490
Net Income Applicable to Common Stock	\$6,522	\$7,721
Income from Utility Operations	\$1.72	\$1.85
Loss from Non-regulated Operations	(0.35)	(0.22)
Diluted Earnings Per Share	\$1.37	\$1.63
Average Common Shares Outstanding	4,734,774	4,711,731

For more information, visit Unitil at www.unitil.com or

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