



## Unitil Reports 2nd Quarter Earnings Increase

August 3, 1999

**Hampton, NH – August 3, 1999** – Unitil Corporation (AMEX:UTL) today announced that its basic earnings for the second quarter of 1999 were \$0.32 per average common share outstanding, up \$0.01 from the same three-month period in 1998. This increase of \$0.01 per share reflects higher electric sales to all customer classes during the quarter, due to growth fueled by a healthy regional economy and warmer-than-normal early summer temperatures in Unitil's utility service territories. However, because of this warmer weather, gas sales were off compared to last year. On a year-to-date basis, basic earnings per average common share were \$0.90 for the six months ended June 30, 1999, up \$0.02 compared to the \$0.88 per share earned in the first half of 1998.

Total revenues were \$42.8 million in the second quarter of 1999, an increase of 2.9% from the \$41.5 million of revenues recorded in the second quarter of 1998. These revenue gains were partially offset by higher depreciation and operation and maintenance expenses related to utility industry restructuring.

Also in the second quarter, electric restructuring for Fitchburg Gas and Electric Light Company (FG&E), Unitil's electric and gas utility subsidiary in Massachusetts, took a major step forward with the divestiture of the remaining elements of that company's electric supply portfolio. Consummation of the deal is awaiting regulatory approval and is a significant milestone in the transition of FG&E towards providing exclusively gas and electric distribution services. In addition, Unitil recorded the first revenues from Usource, its Internet-based energy brokering business, in the second quarter. This revenue came from customers in New York and represents Unitil's first significant retail energy transactions beyond its traditional borders.

"We are making real progress on our long-term goals," said Robert Schoenberger, Unitil's Chairman and Chief Executive Officer, "The market areas we are pursuing have great potential and we expect momentum to continue to build in the second half of the year, as we work to turn our new growth opportunities into real earnings."

Unitil's local distribution operating companies continued to experience growth in electric energy sales during the second quarter. Total electric kilowatt-hour sales volume improved 4.9% in the second quarter and 5.3% on a year-to-date basis in 1999 compared to 1998. While Firm Therm gas sales were down 8.2% during the second quarter, they increased slightly, by 0.5%, over the first two quarters of 1999 compared to 1998.

Schoenberger also stated: "On the down side, last month the parent company of our largest customer announced its bankruptcy and suspended operations at its Fitchburg, Massachusetts facilities. We are analyzing the ramifications of this event and are directing our efforts to mitigate possible negative earnings implications. There are some indications that operations could resume under new ownership."

Basic earnings per average common share for the 12 months ended June 30, 1999 and 1998 were \$1.79 and \$1.68, respectively. The increase is attributable to higher electric and gas marginal revenues, lower interest expense and lower effective income tax rates which were partially offset by higher operation and maintenance and depreciation and amortization expenses.

Unitil is a public utility holding company with a combination electric and gas utility distribution operation in north central Massachusetts and electric utility distribution operations in several cities and towns in the seacoast and capital city areas of New Hampshire. Unitil is also engaged in energy planning, procurement, marketing and consulting activities through both its utility and non-utility subsidiaries. Its subsidiaries are Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., Unitil Resources, Inc., and Unitil Service Corp.

### **Unitil Corporation**

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

	Three Months Ended <u>June 30,</u>	
	<u>1999</u>	<u>1998</u>
Operating Revenues	<b>\$42,761</b>	\$41,542
Net Income Applicable to Common Stock	<b>\$1,531</b>	\$1,409
Basic Earnings Per Share	<b>\$0.32</b>	\$0.31
Diluted Earnings Per Share	<b>\$0.32</b>	\$0.30
Average Common Shares Outstanding	<b>4,695,844</b>	4,496,758

Six Months Ended  
June 30,

	<u>1999</u>	<u>1998</u>
Operating Revenues	<b>\$85,108</b>	\$85,535
Net Income Applicable to Common Stock	<b>\$4,207</b>	\$3,962
Basic Earnings Per Share	<b>\$0.90</b>	\$0.88
Diluted Earnings Per Share	<b>\$0.90</b>	\$0.86
Average Common Shares Outstanding	<b>4,658,443</b>	4,487,546

Twelve Months Ended  
June 30,

	<u>1999</u>	<u>1998</u>
Operating Revenues	<b>\$166,251</b>	\$169,326
Net Income Applicable to Common Stock	<b>\$8,220</b>	\$7,489
Basic Earnings Per Share	<b>\$1.79</b>	\$1.68
Diluted Earnings Per Share	<b>\$1.79</b>	\$1.64
Average Common Shares Outstanding	<b>4,591,232</b>	4,458,111

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