



Unitil Reports 1998 Earnings Results

February 10, 1999

Hampton, NH -- February 9, 1999: Unitil Corporation (AMEX:UTL) today reported basic earnings of \$1.77 per average common share outstanding for the year ending December 31, 1998, a decrease of \$0.03 from 1997 earnings of \$1.80 per share. Net Income for 1998 was \$8.0 million, slightly above 1997 earnings. The decrease, on a per share basis, is attributable to higher common shares outstanding in 1998 which were issued through the Company's dividend reinvestment and stock purchase plans.

Total operating revenues of \$167 million in 1998 were down approximately \$3 million from 1997. This decrease was largely due to 1998 having been the warmest winter in the 103 years since this weather data has been kept, and the mandated 10% electric rate reduction for Electric Industry Restructuring in Massachusetts. In 1998, overall electric KWH sales increased by 1%. Electric KWH sales to commercial and industrial customers grew by 3.5% in 1998 over 1997 reflecting a robust regional economy.

Gas Firm Therm sales were off 5% from 1997 due to the lower consumption during the warmer winter heating season. However, the Company received its first Gas Base Rate relief in 14 years, an increase of approximately \$1 million or 7%, effective December 1, 1998.

Also contributing positively to the Company's earnings performance were lower operating expenses, reflecting the Company's cost containment initiatives undertaken in 1998, and lower interest expense.

Electric Utility Industry Restructuring was implemented in Massachusetts in 1998 with a 10% rate reduction on March 1, 1998. Under the Company's restructuring plan, which received final approval on January 15, 1999, the Company will complete the auction of its electric generation and power supply portfolios and will receive 100% recovery of its stranded costs. As a result, Unitil's year-end Balance Sheet reflects the addition of \$140 million of regulatory assets.

"We are pleased with the solid financial performance of our Company in this year in which we have seen and undergone significant changes," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "Since the beginning of 1998 the total return to shareholders was approximately 14%. During this same period we reduced our average electric rates to our customers by almost 12%. We are dedicated to enhancing shareholder value and meeting our customers needs as we proceed through the restructuring and divestiture of our regulated businesses and seek new opportunities for growth."

Unitil is a public utility holding company with subsidiaries providing electric service in New Hampshire, electric and gas service in Massachusetts and energy services throughout the region. 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>December 31,</u> | |
|---------------------------------------|--|-------------|
| | <u>1998</u> | <u>1997</u> |
| Operating Revenues | \$40,828 | \$43,119 |
| Net Income Applicable to Common Stock | \$2,364 | \$2,109 |
| Basic Earnings Per Share | \$0.52 | \$0.47 |
| Diluted Earnings Per Share | \$0.50 | \$0.46 |
| Average Common Shares Outstanding | 4,539,394 | 4,437,921 |
| | Twelve Months Ended <u>December 31,</u> | |
| | <u>1998</u> | <u>1997</u> |
| Operating Revenues | \$166,678 | \$169,738 |

| | | |
|---------------------------------------|------------------|-----------|
| Net Income Applicable to Common Stock | \$7,975 | \$7,959 |
| Basic Earnings Per Share | \$1.77 | \$1.80 |
| Diluted Earnings Per Share | \$1.72 | \$1.76 |
| Average Common Shares Outstanding | 4,505,784 | 4,412,869 |

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