



Unitil Reports Second Quarter Earnings

July 23, 2014

HAMPTON, N.H.--(BUSINESS WIRE)--Jul. 23, 2014-- Unitil Corporation (NYSE: UTL) (www.unitil.com) today announced Net Income of \$1.1 million, or \$0.08 per share, for the second quarter of 2014, an increase of \$1.2 million, or \$0.09 per share, compared to the second quarter of 2013. For the six months ended June 30, 2014, the Company reported Net Income of \$13.7 million, a 28% increase over the same period in 2013. Earnings Per Share (EPS) for the six months ended June 30, 2014 were \$0.99 compared to EPS of \$0.78 for the same period of 2013. The Company's earnings for 2014 were driven by increases in natural gas and electric sales and margins.

"The Company had an excellent second quarter and first half of the year," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "These results reflect increases in revenue from recent rate cases and our robust gas expansion program. Given the demand for natural gas, including in many communities currently without gas service, we expect this growth to continue for years to come."

Natural gas sales margins were \$16.3 million and \$52.8 million in the three and six months ended June 30, 2014, respectively, resulting in increases of \$2.9 million and \$8.9 million, respectively, compared to the same periods in 2013. Natural gas sales margins in 2014 were positively affected by higher therm unit sales, a growing customer base and recently approved distribution rates. Therm sales of natural gas increased 12.9% in the first six months of 2014 compared to 2013, driven by the colder winter weather and new customer additions in 2014 compared to 2013. Based on weather data collected in the Company's service areas, there were 12% more Heating Degree Days in the first six months of 2014 compared to 2013. Weather-normalized gas therm sales, excluding decoupled sales, in the first six months of 2014 are estimated to be up 6.4% compared to 2013.

Electric sales margins were \$18.9 million and \$38.1 million in the three and six months ended June 30, 2014, respectively, resulting in increases of \$1.0 million and \$1.8 million, respectively, compared to 2013. These increases reflect recently approved electric distribution rates. Electric kWh sales increased 2.0% in the first six months of 2014 compared to the same period in 2013, driven by the colder winter weather and new customer additions in 2014 compared to 2013.

Usource, the Company's non-regulated energy brokering business, recorded revenues of \$3.0 million for the six months ended June 30, 2014, an increase of \$0.1 million compared to the same period in 2013.

Operation and Maintenance (O&M) expenses increased \$0.2 million and \$2.1 million for the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013. The increase in O&M expenses in the three month and six month periods primarily reflects higher compensation and benefit costs.

Depreciation, Amortization, Taxes and other expenses increased \$1.8 million and \$4.4 million in the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013, primarily reflecting higher depreciation expense, property taxes, amortization of storm restoration costs and income taxes.

Interest Expense, Net increased \$0.7 million and \$1.3 million in the three and six months ended June 30, 2014, respectively, compared to the same periods in 2013, reflecting lower interest income on regulatory assets.

Also in the second quarter, the Unitil Corporation Board of Directors declared the regular quarterly dividend on the Company's common stock of \$0.345 per share. This quarterly dividend results in a current effective annual dividend rate of \$1.38 per share continuing an unbroken record of quarterly dividend payments since trading began in Unitil's common stock.

Selected financial data for 2014 and 2013 is presented in the following table:

Unitil Corporation – Condensed Consolidated Financial Data

(Millions, except Per Share and Shares data)(Unaudited)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	Change	2014	2013	Change
Gas Therm Sales:						
Residential	8.9	7.9	12.7%	31.8	27.3	16.5%
Commercial/Industrial	36.1	33.4	8.1%	106.6	95.3	11.9%
Total Gas Therm Sales	45.0	41.3	9.0%	138.4	122.6	12.9%
Electric kWh Sales:						
Residential	147.0	151.6	(3.0%)	348.9	340.0	2.6%
Commercial/Industrial	237.4	238.1	(0.3%)	482.5	475.4	1.5%
Total Electric kWh Sales	384.4	389.7	(1.4%)	831.4	815.4	2.0%

Gas Revenues	\$ 25.8	\$ 22.1	\$ 3.7	\$ 118.4	\$ 92.9	\$ 25.5
Cost of Gas Sales	9.5	8.7	0.8	65.6	49.0	16.6
Gas Sales Margin	16.3	13.4	2.9	52.8	43.9	8.9
Electric Revenues	46.1	42.9	3.2	108.0	88.8	19.2
Cost of Electric Sales	27.2	25.0	2.2	69.9	52.5	17.4
Electric Sales Margin	18.9	17.9	1.0	38.1	36.3	1.8
Usource Sales Margin	1.4	1.4	---	3.0	2.9	0.1
Total Sales Margin:	36.6	32.7	3.9	93.9	83.1	10.8
Operation & Maintenance Expenses	15.3	15.1	0.2	32.4	30.3	2.1
Depreciation, Amortization, Taxes & Other	14.9	13.1	1.8	37.3	32.9	4.4
Interest Expense, Net	5.3	4.6	0.7	10.5	9.2	1.3
Net Income (Loss)	\$ 1.1	\$ (0.1)	\$ 1.2	\$ 13.7	\$ 10.7	\$ 3.0
Earnings (Loss) Per Share	\$ 0.08	\$ (0.01)	\$ 0.09	\$ 0.99	\$ 0.78	\$ 0.21
Weighted Average Common Shares Outstanding (000's)	13,842	13,768	74	13,832	13,760	72

The Company's results are expected to reflect the seasonal nature of the natural gas businesses. Accordingly, the Company expects that results of operations will be positively affected during the first and fourth quarters, when sales of natural gas are typically higher, and negatively affected during the second and third quarters, when gas operating and maintenance expenses usually exceed sales margins in the period.

The Company will hold a quarterly conference call to discuss second quarter 2014 results on Wednesday, July 23, 2014, at 2:00 p.m. Eastern Time. This call is being webcast and can be accessed in the Investor Relations section of Unitil's website, www.unitil.com.

About Unitil Corporation

Unitil Corporation provides energy for life by safely and reliably delivering natural gas and electricity in New England. We are committed to the communities we serve and to developing people, business practices, and technologies that lead to dependable, more efficient energy. Unitil Corporation is a public utility holding company with operations in Maine, New Hampshire and Massachusetts. Together, Unitil's operating utilities serve approximately 102,400 electric customers and 75,900 natural gas customers. Other subsidiaries include Usource, Unitil's non-regulated business segment. For more information about our people, technologies, and community involvement please visit www.unitil.com.

Forward-Looking Statements

This press release contains forward-looking statements. All statements, other than statements of historical fact, included in this press release are forward-looking statements. Forward-looking statements include declarations regarding Unitil's beliefs and current expectations. These forward-looking statements are subject to the inherent risks and uncertainties in predicting future results and conditions that could cause the actual results to differ materially from those projected in these forward-looking statements. Some, but not all, of the risks and uncertainties include the following: Unitil's regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, the demand for, and the prices of energy commodities and transmission capacity and Unitil's ability to recover energy commodity costs in its rates; customers' preferred energy sources; severe storms and Unitil's ability to recover storm costs in its rates; general economic conditions; variations in weather; long-term global climate change; Unitil's ability to retain its existing customers and attract new customers; Unitil's energy brokering customers' performance under multi-year energy brokering contracts; increased competition; and other risks detailed in Unitil's filings with the Securities and Exchange Commission, including those appearing under the caption "Risk Factors" in Unitil's Annual Report on Form 10-K for the year ended December 31, 2013. These forward looking statements speak only as of the date they are made. Unitil undertakes no obligation, and does not intend, to update these forward-looking statements.

Source: Unitil Corporation

Investor Relations
David Chong, 603-773-6499
chong@unitil.com

or
Media Relations
Alec O'Meara, 603-773-6404
omeara@unitil.com