



Unitil Reports Second Quarter Earnings

August 2, 2002

Hampton, NH - August 2, 2002: Unitil Corporation (AMEX: UTL) (www.unitil.com) today announced diluted earnings per average common share of \$0.27 for the second quarter of 2002, a decrease of \$0.02 per share from the second quarter of 2001. The Utility Operations segment contributed \$0.29 per share to consolidated results, while the Usource segment lost \$0.02 per share.

Unitil's total electric kilowatt-hour (kWh) sales volume increased 2.5% in the second quarter, due to above normal early summer temperatures and increased industrial sales in the current period. Residential kWh sales increased 0.9%, while Commercial and Industrial kWh sales increased 3.4%, compared to the same three-month period last year. Electric revenues decreased 0.3% and 17.1% for the three- and six-months ended June 30, 2002, respectively, compared to the same periods of 2001. These decreases were due to an 8% electric base rate reduction ordered for Fitchburg Gas and Electric Light Company in the third quarter of 2001 by the Massachusetts Department of Telecommunications and Energy (MDTE), as well as a reduction in wholesale commodity fuel prices. The six-month period was also negatively impacted by mild winter weather.

"We are pleased to see continued customer growth and improving economic activity in our utility service areas," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "We continue to make progress on our key objectives for 2002, including the completion of Regulatory Restructuring and the return to more normal utility earnings."

Total Firm Therm gas sales, while flat for the second quarter, decreased 14.0% in the six-month period ended June 30, 2002, when compared to the same period last year. This decrease primarily reflects the milder winter heating season compared to the prior year. Gas revenues, while also flat for the quarter, decreased 28.5% for the six-month period, reflecting the lower unit sales and decreased gas commodity wholesale supply prices, compared to the prior year.

Earnings from operations, as defined below, were \$1.43 per share for the 12 months ended June 30, 2002; an increase of \$0.06, or 5%, compared to \$1.37 for the same period last year. Earnings from operations reflect the results for both utility and non-regulated operating units and do not include non-cash charges, discussed below, of (\$0.83) per share for an Extraordinary Item recorded in the third quarter of 2001 and (0.50) per share recorded in the fourth quarter of 2001 for an Investment Write-down relating to the Company's non-utility energy technology investment. Diluted earnings per share after the Investment Write-down and Extraordinary Item were \$0.10 for the 12 months ended June 30, 2002.

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>2002</u>	<u>2001</u>
Operating Revenues	\$45,517	\$45,619
Net Income Applicable to Common Stock	\$1,290	\$1,388
Earnings per Share by Component:		
Utility Operations	\$0.29	\$0.33
Non-regulated Operations	(0.02)	(0.04)
Diluted Earnings Per Share	\$0.27	\$0.29
Average Common Shares Outstanding - Basic	4,743,696	4,743,415
Average Common Shares Outstanding - Diluted	4,774,047	4,762,106

Six Months Ended
June 30,

	<u>2002</u>	<u>2001</u>
Operating Revenues	\$89,806	\$110,109
Net Income Applicable to Common Stock	\$2,985	\$3,327
Earnings per Share by Component:		
Utility Operations	\$0.68	\$0.85
Non-regulated Operations	(0.05)	(0.15)
Diluted Earnings Per Share	\$0.63	\$0.70
Average Common Shares Outstanding - Basic	4,743,696	4,740,564
Average Common Shares Outstanding - Diluted	4,767,282	4,758,963

Twelve Months Ended
June 30,

	<u>2002</u>	<u>2001</u>
Operating Revenues	\$186,719	\$203,825
Net Income Applicable to Common Stock	\$491	\$6,522
Earnings per Share by Component:		
Utility Operations	\$1.54	\$1.72
Non-regulated Operations	(0.11)	(0.35)
Earnings Per Share from Operations	\$1.43	\$1.37
Investment Write-down, net of tax	(0.50)	----
Extraordinary Item, net of tax	(0.83)	----
Diluted Earnings Per Share	\$0.10	\$1.37
Average Common Shares Outstanding - Basic	4,745,142	4,734,774
Average Common Shares Outstanding - Diluted	4,760,344	4,745,809

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

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