



Unitil Reports First Quarter Earnings

May 2, 2001

Hampton, NH – May 2, 2001: Unitil Corporation (AMEX: UTL) (www.unitil.com) today announced earnings of \$0.41 per share for the first quarter of 2001, a decrease of \$0.14 per share compared to \$0.55 per share for the same three-month period in 2000. For the first quarter of 2001, Utility Operations contributed \$0.52 per share to consolidated results, while Usource, a non-regulated internet-based energy brokering and consulting subsidiary, lost \$0.11 per share.

Earnings per share from Utility Operations in the first quarter of 2001 were \$0.09 lower than the per-share earnings from this business segment in the same three-month period in 2000. This reduction primarily reflects the loss of a major electric customer that discontinued operations last year and increased Operation and Maintenance expenses due to higher storm-related maintenance and other operating costs. These factors were partially offset by increased gas margins and decreased Interest expense, net of Interest income. Losses from Usource increased \$0.05 per share over the same quarter last year due to costs associated with the operation and development of the business.

"For the year ahead, we have a good plan, but we must continue to accommodate rapid changes in the business environment," said Robert Schoenberger, Unitil's Chairman and Chief Executive Officer. "Our utilities are performing well, with service areas that offer above-average growth potential. Our un-regulated investments are positioned to ride out the current industry turmoil, and to emerge as growth opportunities."

Total Operating Revenues increased 39%, or \$18.2 million, in the first quarter 2001, compared to the same three-month period in 2000, reflecting increased revenues from the recovery of significantly higher electric fuel and purchased power costs and natural gas purchase costs. These higher revenues do not affect the Company's net income, as they are reconciled directly with the costs incurred by the Company to procure electricity and natural gas for customers.

During the current three-month period, kilowatt-hour (kWh) sales to Residential customers increased 2.4% over the prior period, while kWh sales to Commercial and Industrial customers declined 1.7%. This decline in Commercial and Industrial sales is attributable to signs of a slowing economy, coupled with the impact of the bankruptcy of a major customer that occurred in the second quarter of 2000.

Firm Therm gas sales increased 9.6% in the current period, due to more normal average temperatures (approximately 11% colder than the same three-month period a year earlier) and the success of the Company's natural gas sales and marketing programs. Firm Therm gas sales to Residential customers increased 5.0%, and sales to Commercial and Industrial customers increased 14.5% in the current quarter.

Diluted earnings per average common share for the 12 months ended March 31, 2001 and 2000 were \$1.33 and \$1.71 respectively. The decrease in the current period is primarily attributable to a loss of \$0.40 per share during this period related to Usource start-up operations and development activity. For the remainder of 2001, Usource expenditures are expected to be significantly reduced and the energy brokering business is projected to experience continued revenue growth. Going forward, the Company expects an improvement in Usource year-to-year results.

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.

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