



Unitil Reports 2nd Quarter Earnings

August 2, 2000

Hampton, NH – August 2, 2000 – Unitil Corporation (AMEX:UTL) today announced diluted earnings for the second quarter of 2000 of \$0.24 per average common share outstanding, a decrease of \$0.08 from the same three-month period in 1999. This decrease reflects a \$0.02 reduction in earnings from Utility Operations, primarily the result of the loss of revenues from a major customer who curtailed operations, as well as a \$0.06 reduction in earnings related to Unitil's planned start-up costs of its e-commerce business, Usource. Also impacting net income was an increase in depreciation and amortization expenses and non-operating expenses offset by a decrease in local property and other taxes and interest expense, net.

On a year-to-date basis, diluted earnings decreased \$0.11 to \$0.79 per share compared to \$0.90 per share for the first six months of 1999. This reflects a \$0.01 increase in earnings from Utility Operations offset by a \$0.12 reduction related to Usource.

"I am pleased that our core utility business continues to perform well, while our e-commerce growth strategy is building momentum and shareholder value," said Robert G. Schoenberger, Unitil's Chairman and Chief Executive Officer. "This is the goal that we set out for Unitil this year, and we are well on the way to meeting that challenge."

In April 2000, Unitil formed Usource L.L.C. to operate its Internet-based brokering and related energy products and services business. In early June, its enhanced self-enrollment website, Usourceonline.com, was launched in conjunction with a targeted marketing program in Philadelphia. Usource is currently in the process of expanding its market reach to new geographic territories, deploying its website technology to other customers through strategic business alliances, and adding other energy products and services to complement its commodity offerings. Usource continues to add large industrial customers and major business-to-business buying groups to its portfolio. Unitil also owns approximately 10% of Enermetrix.com which operates the leading retail energy exchange. Enermetrix.com recently hired Chuck Henry, former head of the Chicago Board's Options Exchange and the Pacific Stock Exchange, as President and Chief Operating Officer.

Unitil's total electric KWH sales volume decreased 1.3% in the second quarter and was even on a year-to-date basis compared to the prior year. However, excluding the decrease from the major customer, discussed below, KWH sales actually increased 1.9% and 3.4% for the three and six month periods compared to 1999. Increased Residential sales of 3.7% in the second quarter and 4.9% for the 6 months ended June 30, were a result of strong customer growth and slightly colder weather in the first half of the year 2000. Commercial and Industrial sales decreased 3.8% and 2.6% for the three and six month periods compared to 1999, the result of a major customer curtailing operations at a paper manufacturing facility during 1999. A new owner has recently purchased this facility, and has announced plans to retool the facility and resume operations during 2001. Exclusive of this major customer, commercial and industrial sales increased by 1.0% in the second quarter and 2.5% on a year-to-date basis.

Total Firm Therm gas sales increased 9.1% and 6.1% in the three and six month periods, respectively, compared to the prior year. This increase reflects continued growth as a result of the strong regional economy in Unitil's service territories and a colder winter heating season compared to the prior year. Gas revenues increased over the prior year by 11.8% in the second quarter and 16.2% on a year-to-date basis. The increase in revenues was a result of higher unit sales as well as increased gas supply prices.

Diluted earnings per average common share for the 12 months ended June 30, 2000 and 1999 were \$1.63 and \$1.79, respectively. This decrease reflects a \$0.04 increase in earnings related to Utility Operations offset by a \$0.20 reduction related to Usource.

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 Northeast. It's subsidiaries include Concord Electric Company, Exeter & Hampton Electric Company, Fitchburg Gas and Electric Light Company, Unitil Power Corp., Unitil Realty Corp., and its unregulated business unit Unitil Resources, Inc. Usource L.L.C. is a subsidiary of Unitil Resources, Inc. The Usource product line of Internet-based energy brokering and related products and services 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>2000</u>	<u>1999</u>
Operating Revenues	\$42,908	\$42,761
Net Income Applicable to Common Stock	\$1,161	\$1,531

Basic Earnings Per Share	\$0.25	\$0.32
Diluted Earnings Per Share	\$0.24	\$0.32
Average Common Shares Outstanding	4,720,178	4,695,844

Six Months Ended
June 30,

	<u>2000</u>	<u>1999</u>
Operating Revenues	\$89,225	\$85,108
Net Income Applicable to Common Stock	\$3,758	\$4,207
Basic Earnings Per Share	\$0.80	\$0.90
Diluted Earnings Per Share	\$0.79	\$0.90
Average Common Shares Outstanding	4,717,359	4,658,443

Twelve Months Ended
June 30,

	<u>2000</u>	<u>1999</u>
Operating Revenues	\$176,490	\$166,251
Net Income Applicable to Common Stock	\$7,721	\$8,220
Basic Earnings Per Share	\$1.64	\$1.79
Diluted Earnings Per Share	\$1.63	\$1.79
Average Common Shares Outstanding	4,711,731	4,591,232

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