



2015

Historical Financial Report

Forward-Looking Statements

This report contains “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding Unitol Corporation’s (“Unitol”) financial condition, results of operations, capital expenditures, business strategy, regulatory strategy, market opportunities, and other plans and objectives. In some cases, forward-looking statements can be identified by terminology such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue”, the negative of such terms, or other comparable terminology.

These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that could cause the actual results to differ materially from those set forth in the forward-looking statements. Those risks and uncertainties include: Unitol’s regulatory environment (including regulations relating to climate change, greenhouse gas emissions and other environmental matters); fluctuations in the supply of, demand for, and the prices of energy commodities and transmission capacity and Unitol’s ability to recover energy commodity costs in its rates; customers’ preferred energy sources; severe storms and Unitol’s ability to recover storm costs in its rates; general economic conditions; variations in weather; long-term global climate change; Unitol’s ability to retain its existing customers and attract new customers; Unitol’s energy brokering customers’ performance and energy used under multi-year energy brokering contracts; increased competition; integrity and security of operational and information systems; publicity and reputational risks; and other risks detailed in Unitol’s filings with the Securities and Exchange Commission, including those appearing under the caption “Risk Factors” in Unitol’s Annual Report on Form 10-K for the year ended December 31, 2015.

Readers should not place undue reliance on any forward looking statements, which speak only as of the date they are made. Except as may be required by law, Unitol undertakes no obligation to update any forward-looking statements to reflect any change in Unitol’s expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Introductory Note

This 2015 Historical Financial Report highlights information contained or incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2015, which is available (free of charge) on the Investor section of our website at www.unitil.com. This report may not contain all of the information that may be important to you. You should read this report together with the more detailed information included in our Annual Report on Form 10-K for the year ended December 31, 2015

Profile

We are a public utility holding company whose principal business is the local distribution of electricity and natural gas throughout our service areas in the states of New Hampshire, Massachusetts and Maine. We are subject to comprehensive regulation by federal and state utility regulatory authorities. We are the parent company of three distribution utilities:

Unitil Energy Systems, Inc., which provides electric service in the southeastern seacoast and state capital regions of New Hampshire, including the capital city of Concord, New Hampshire.

Fitchburg Gas and Electric Light Company, which provides both electric and natural gas service in the greater Fitchburg area of north central Massachusetts.

Northern Utilities, Inc., which provides natural gas service in southeastern New Hampshire, and portions of southern and central Maine, including the city of Portland, which is the largest city in northern New England.

In addition, we are the parent company of Granite State Gas Transmission, Inc., an interstate natural gas transmission pipeline company that provides interstate natural gas pipeline access and transportation services to Northern Utilities, Inc. and third party gas marketers in New Hampshire and Maine.

Our non-regulated operations are conducted through Usource L.L.C. ("Usource"). Usource provides energy brokering and advisory services to large commercial and industrial customers primarily in the northeastern United States.

Service Areas



energy for life.



OUR SERVICE AREAS: ■ Electric ■ Gas ■ Electric / Gas ■ Granite State Pipeline ● Office

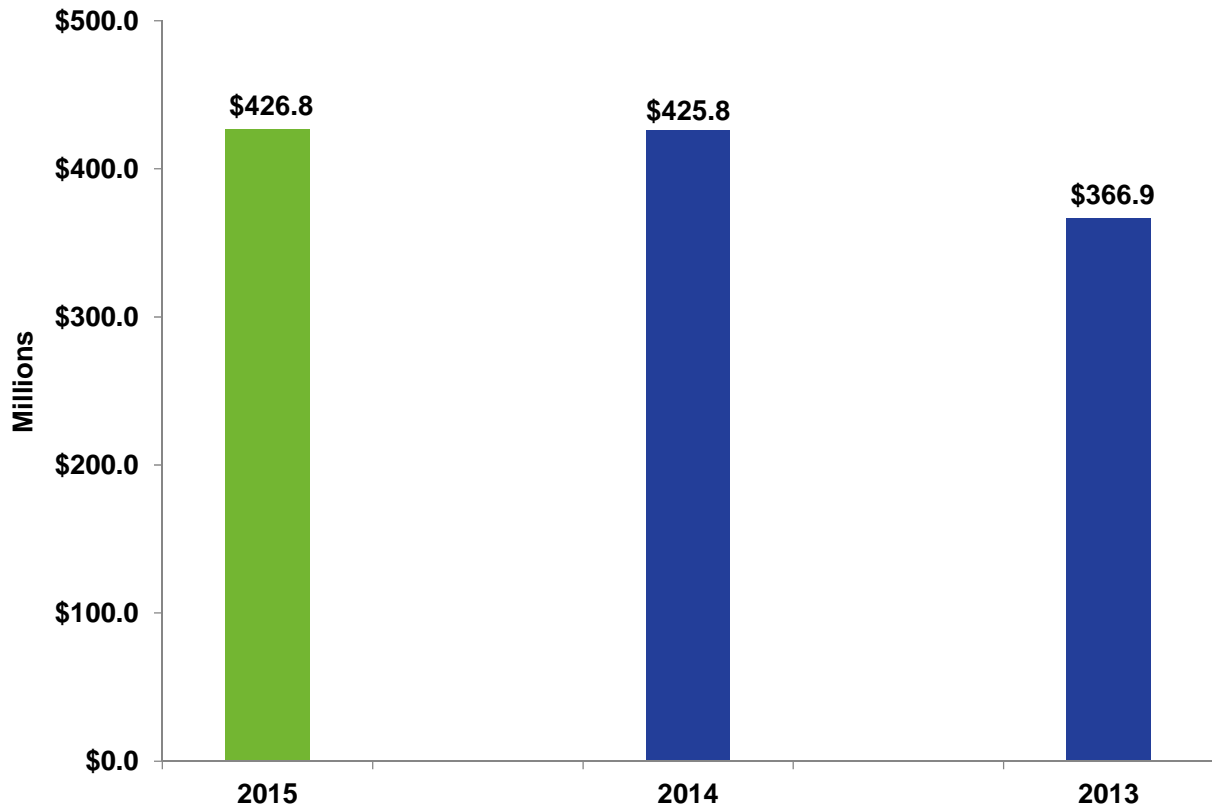
Consolidated Statement of Income

Unitil Corporation

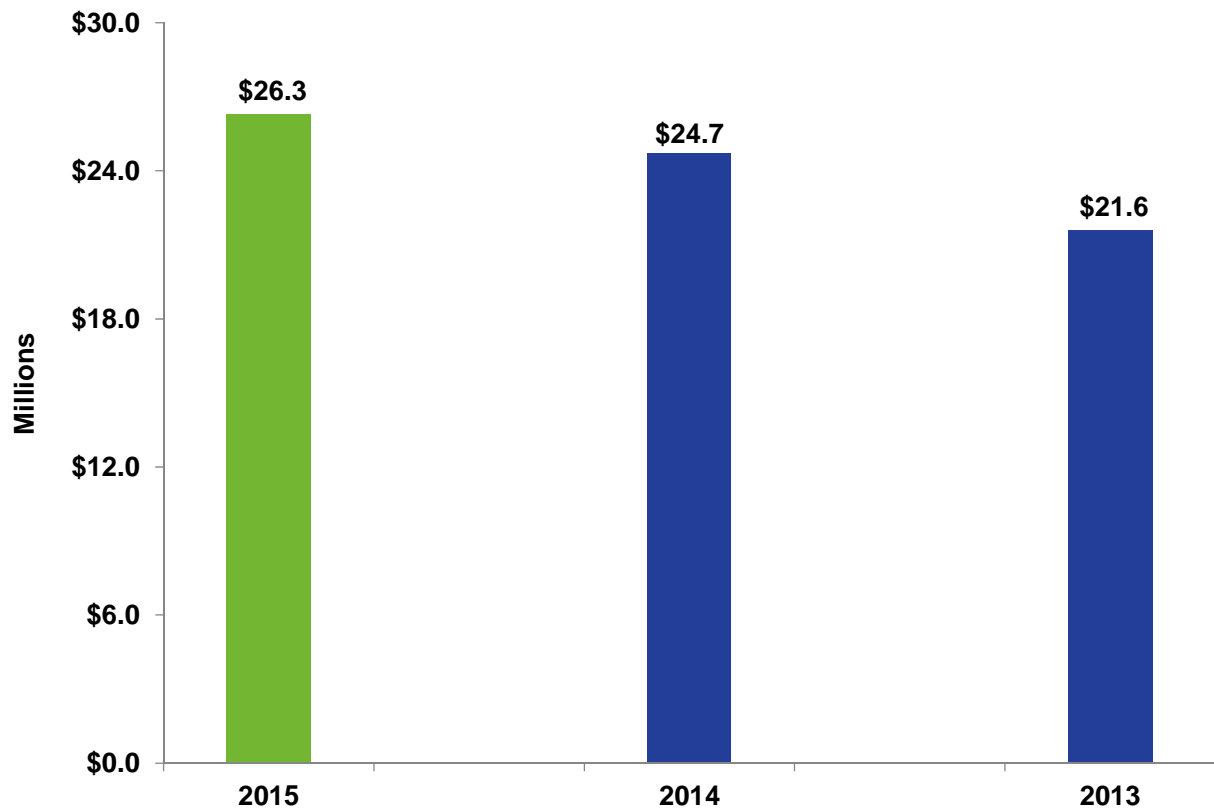
(Millions, except per share data)

	2015	2014	2013
Operating Revenues:			
Gas	\$ 202.6	\$ 201.4	\$ 170.4
Electric	218.0	218.7	190.7
Other	6.2	5.7	5.8
Total Operating Revenues	<u>\$ 426.8</u>	<u>\$ 425.8</u>	<u>\$ 366.9</u>
Operating Expenses:			
Cost of Gas Sales	\$ 100.7	\$ 104.0	\$ 85.2
Cost of Electric Sales	132.5	137.9	114.5
Operation and Maintenance	67.1	64.6	60.2
Depreciation & Amortization	45.7	42.1	38.5
Taxes Other Than Income Taxes	17.7	17.2	15.0
Total Operating Expenses	<u>\$ 363.7</u>	<u>\$ 365.8</u>	<u>\$ 313.4</u>
Operating Income	<u>\$ 63.1</u>	<u>\$ 60.0</u>	<u>\$ 53.5</u>
Interest Expense, net	\$ 21.9	\$ 20.9	\$ 18.8
Other (Income) Expense, net	<u>(0.5)</u>	<u>0.4</u>	<u>0.4</u>
Income Before Income Taxes	<u>\$ 41.7</u>	<u>\$ 38.7</u>	<u>\$ 34.3</u>
Income Taxes	<u>\$ 15.4</u>	<u>\$ 14.0</u>	<u>\$ 12.7</u>
Net Income Applicable to Common Shares	<u>\$ 26.3</u>	<u>\$ 24.7</u>	<u>\$ 21.6</u>
Earnings Per Common Share - Basic and Diluted	\$ 1.89	\$ 1.79	\$ 1.57
Weighted Average Common Shares Outstanding - (Basic and Diluted)	13.9	13.8	13.8
Dividends Paid Per Share	\$ 1.40	\$ 1.38	\$ 1.38

Total Operating Revenue



Net Income to Common



Consolidated Balance Sheet

Unitil Corporation

(Millions)

	<u>2015</u>	<u>2014</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 8.7	\$ 8.4
Accounts Receivable, net	49.8	60.7
Accrued revenue	38.4	48.5
Exchange Gas Receivable	11.1	15.0
Gas Inventory	0.8	1.1
Deferred Income Taxes	4.7	-
Prepayments and Other	12.4	11.5
Total Current Assets	<u>125.9</u>	<u>145.2</u>
Utility Plant:		
Gas	576.8	522.9
Electric	408.4	390.6
Common	35.5	32.7
Construction Work in Progress	59.9	42.6
Utility Plant	<u>1,080.6</u>	<u>988.8</u>
Less: Accumulated Depreciation	<u>271.7</u>	<u>255.1</u>
Net utility plant	<u>808.9</u>	<u>733.7</u>
Other Noncurrent Assets:		
Regulatory Assets	99.6	107.6
Other Assets	12.0	13.7
Total Other Noncurrent Assets	<u>111.6</u>	<u>121.3</u>
Total Assets	<u><u>1,046.4</u></u>	<u><u>1,000.2</u></u>

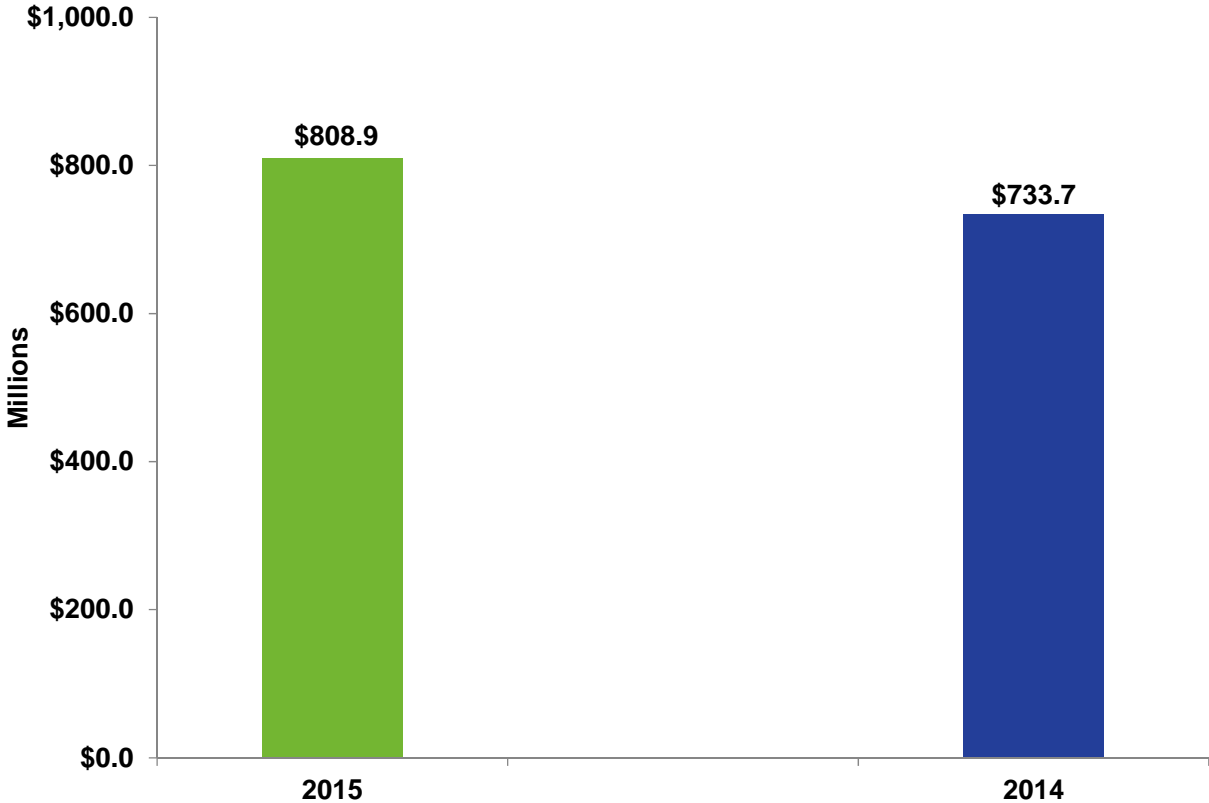
Consolidated Balance Sheet

Unitil Corporation

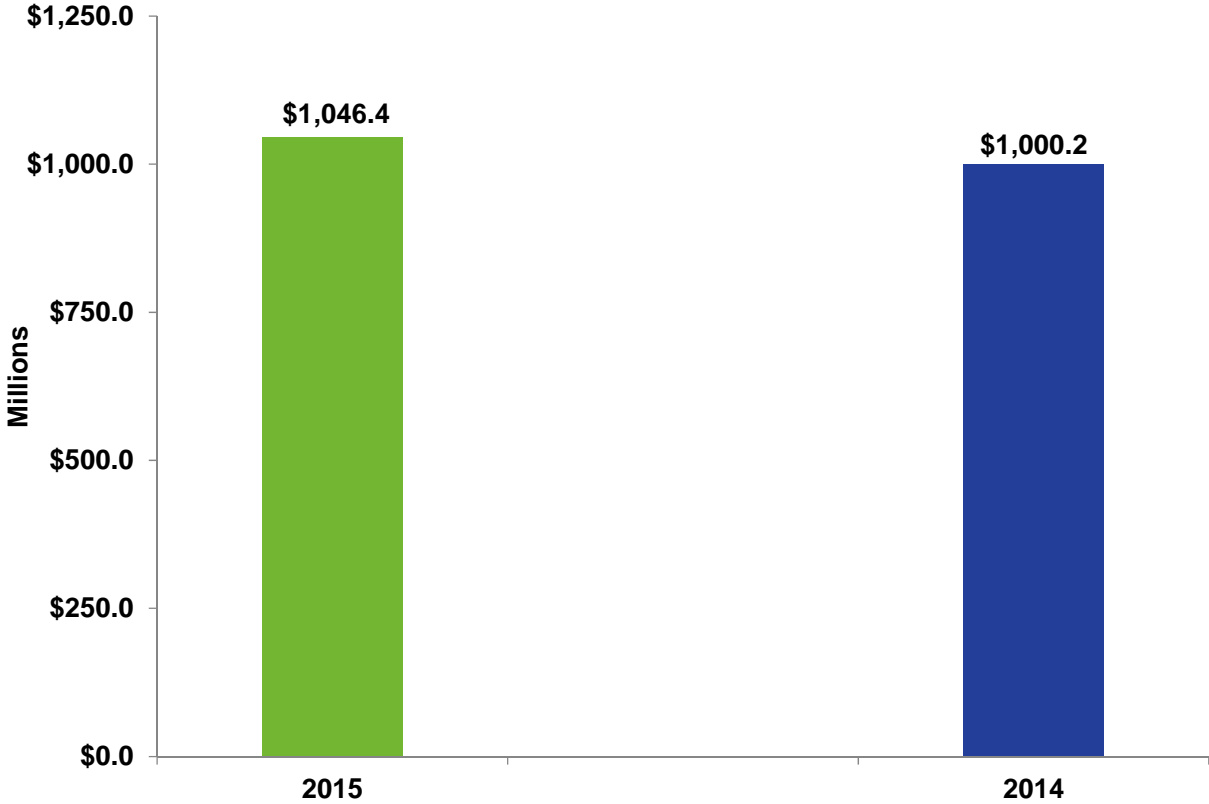
(Millions)

	<u>2015</u>	<u>2014</u>
Liabilities and Capitalization		
Current Liabilities:		
Accounts payable	\$ 33.3	\$ 44.2
Short-Term Debt	42.0	29.3
Long-Term Debt, Current Portion	17.4	4.0
Regulatory Liabilities	15.6	8.7
Energy Supply Obligations	14.6	22.1
Environmental Obligations	1.3	3.5
Capital Lease Obligations	3.1	0.5
Deferred Income Taxes	-	3.1
Taxes Payable	2.4	0.1
Other Current Liabilities	14.9	13.9
Total Current Liabilities	<u>144.6</u>	<u>129.4</u>
Noncurrent Liabilities:		
Deferred Income Taxes	92.2	72.9
Cost of Removal Obligations	70.1	63.8
Retirement Benefit Obligations	124.4	118.6
Regulatory Liabilities	8.1	0.1
Capital Lease Obligations	11.0	7.5
Environmental Obligations	1.5	2.0
Other Noncurrent Liabilities	3.6	3.7
Total Noncurrent Liabilities	<u>310.9</u>	<u>268.6</u>
Capitalization:		
Long-Term Debt, Less Current Portion	308.1	328.9
Stockholders' Equity:		
Common Equity (Outstanding 13,991,430 and 13,916,026 Shares)	237.5	234.7
Retained Earnings	45.1	38.4
Total Common Stock Equity	<u>282.6</u>	<u>273.1</u>
Preferred Stock	0.2	0.2
Total Stockholders' Equity	<u>282.8</u>	<u>273.3</u>
Total Capitalization	<u>590.9</u>	<u>602.2</u>
Total Liabilities and Capitalization	<u><u>1,046.4</u></u>	<u><u>1,000.2</u></u>

Net Utility Plant



Total Assets



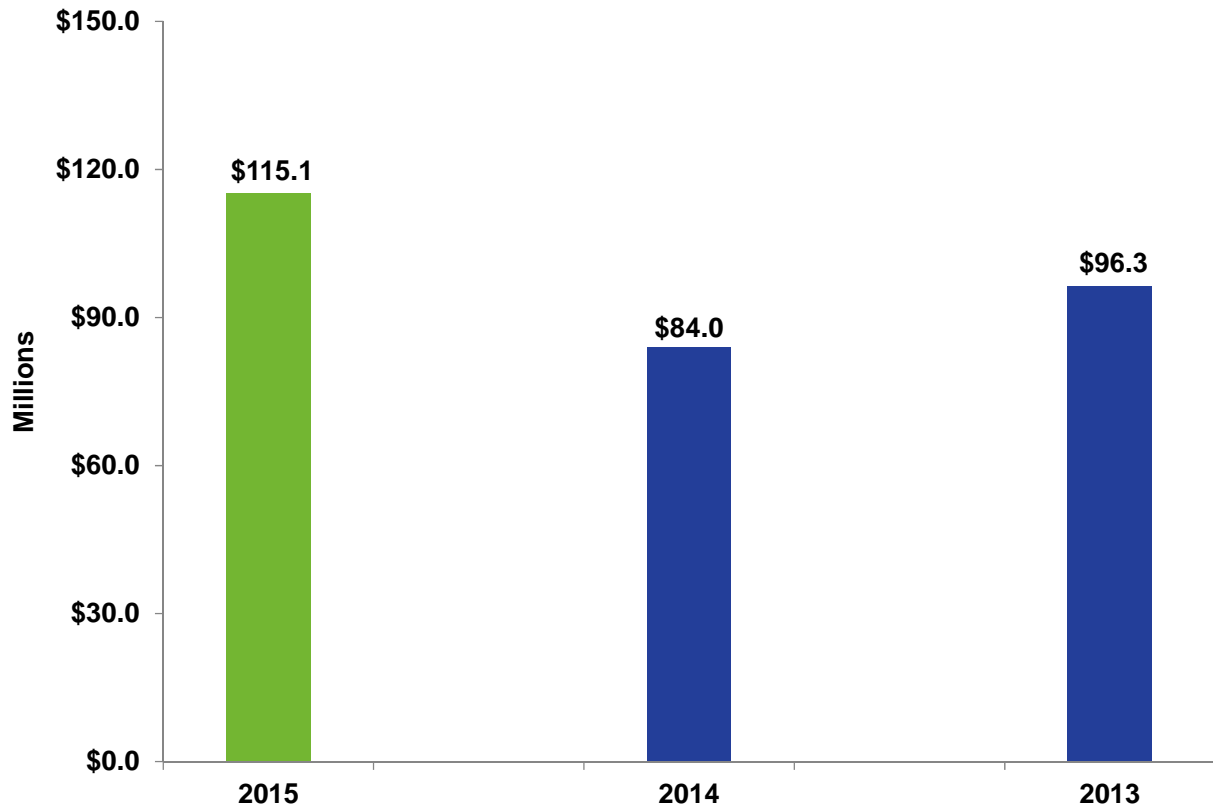
Consolidated Statement of Cash Flows

Unitil Corporation

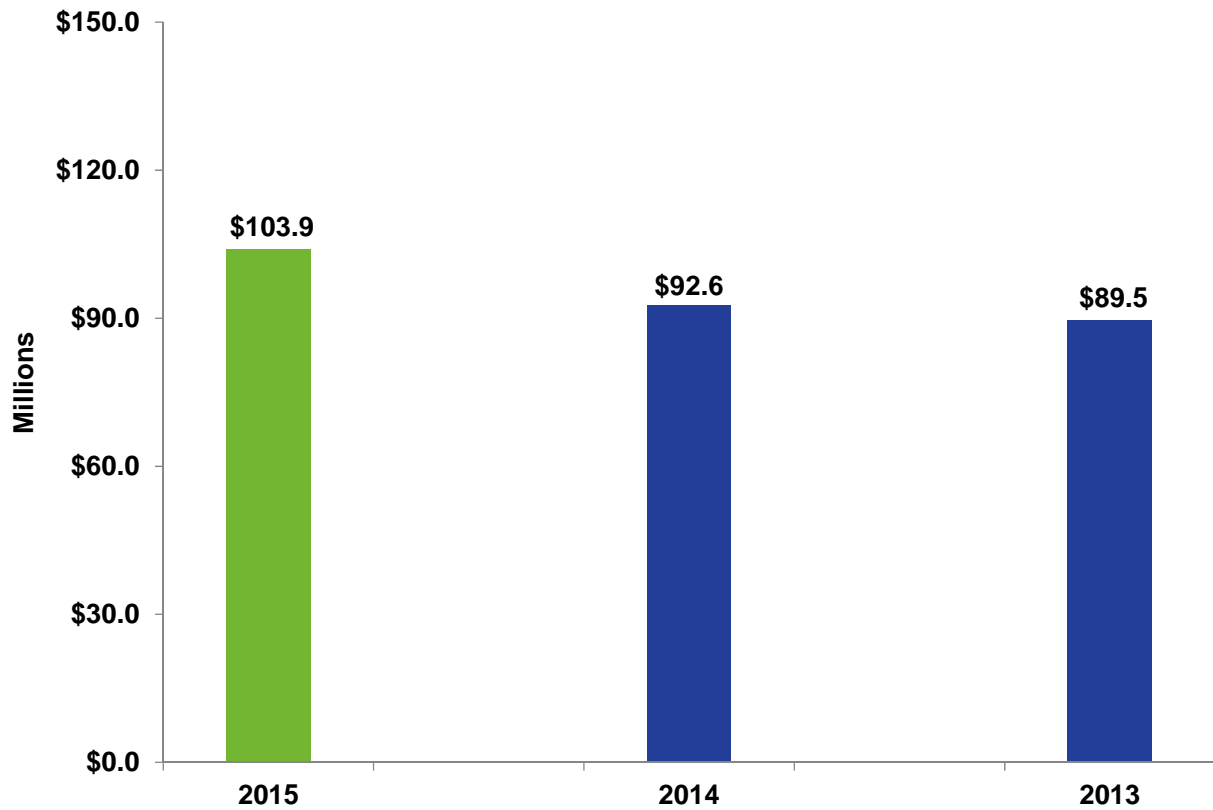
(Millions)

	2015	2014	2013
Operating Activities:			
Net Income	\$ 26.3	\$ 24.7	\$ 21.6
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities			
Depreciation and Amortization	45.7	42.1	38.5
Deferred Taxes Provision	11.9	14.4	12.3
Changes in Working Capital Items:			
Accounts Receivable	10.9	(8.5)	(4.5)
Accrued Revenue	10.1	8.1	6.8
Regulatory Liabilities	6.9	(1.0)	2.9
Taxes Refundable / Payable	2.3	(0.1)	(0.5)
Exchange Gas Receivable	3.9	(4.2)	(1.4)
Accounts Payable	(10.9)	6.1	5.4
Other Changes in Working Capital Items	(5.4)	6.6	(2.9)
Deferred Regulatory and Other Charges	9.2	(1.6)	15.0
Other, net	4.2	(2.6)	3.1
Cash Provided by Operating Activities	<u>115.1</u>	<u>84.0</u>	<u>96.3</u>
Investing Activities:			
Property, Plant and Equipment Additions	<u>(103.9)</u>	<u>(92.6)</u>	<u>(89.5)</u>
Cash Used In Investing Activities	<u>(103.9)</u>	<u>(92.6)</u>	<u>(89.5)</u>
Financing Activities:			
Proceeds from (Repayment of) Short-Term Debt, net	12.7	(30.9)	10.8
Issuance of Long-Term Debt	-	50.0	-
Repayment of Long-Term Debt	(7.4)	(4.4)	(0.5)
Increase / (Decrease) in Capital Lease Obligations	6.1	6.5	(0.7)
Net (Decrease) Increase in Exchange Gas Financing	(4.0)	4.4	1.2
Dividends Paid	(19.6)	(19.2)	(19.1)
Proceeds from Issuance of Common Stock	1.3	1.2	1.1
Cash (Used In) Provided by Financing Activities	<u>(10.9)</u>	<u>7.6</u>	<u>(7.2)</u>
Net Increase (Decrease) in Cash	0.3	(1.0)	(0.4)
Cash at Beginning of Year	8.4	9.4	9.8
Cash at End of Year	<u>\$ 8.7</u>	<u>\$ 8.4</u>	<u>\$ 9.4</u>
Supplemental Information:			
Interest Paid	\$ 22.3	\$ 20.8	\$ 20.8
Income Taxes Paid	\$ 1.8	\$ 1.2	\$ 0.8
Payments on Capital Leases	\$ 1.1	\$ 0.6	\$ 0.7
Capital Expenditures Included in Accounts Payable	\$ 0.4	\$ 0.3	\$ 0.7

Cash Flow From Operations



Property, Plant and Equipment Additions



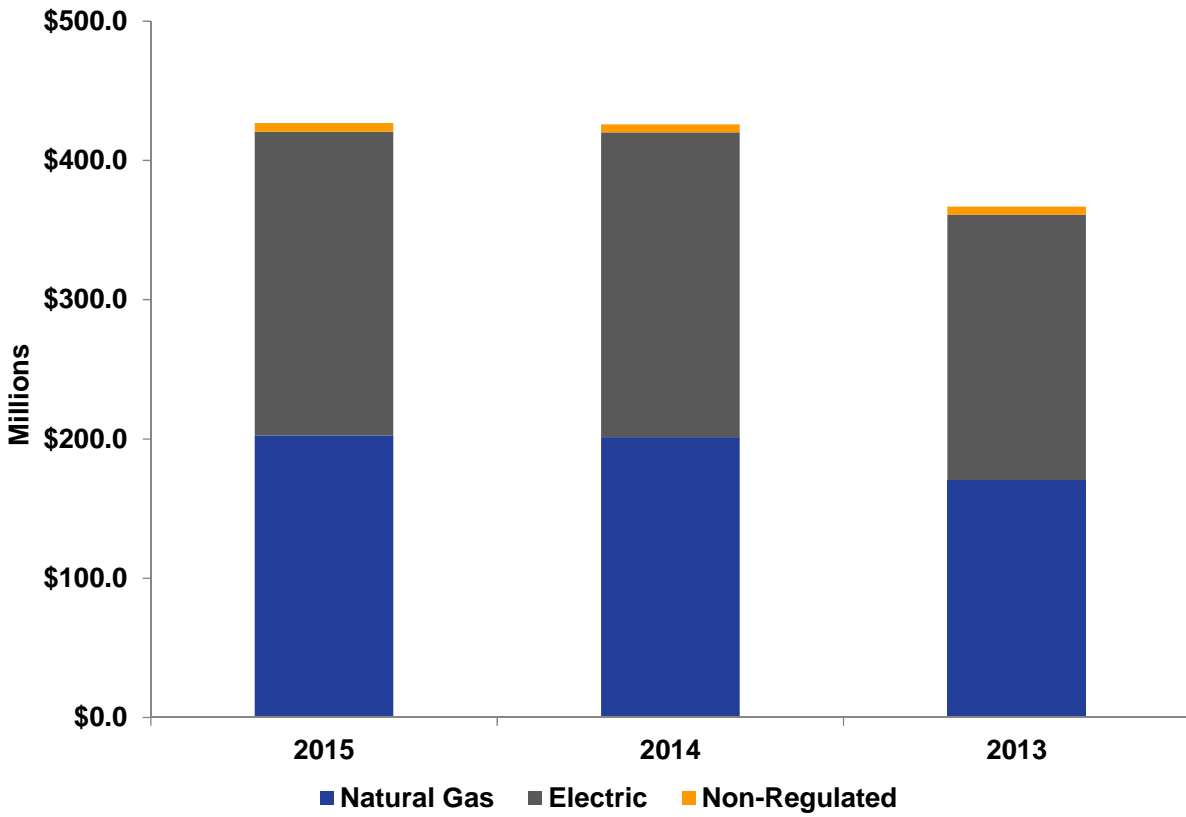
Segmented Financial Information

Unitil Corporation

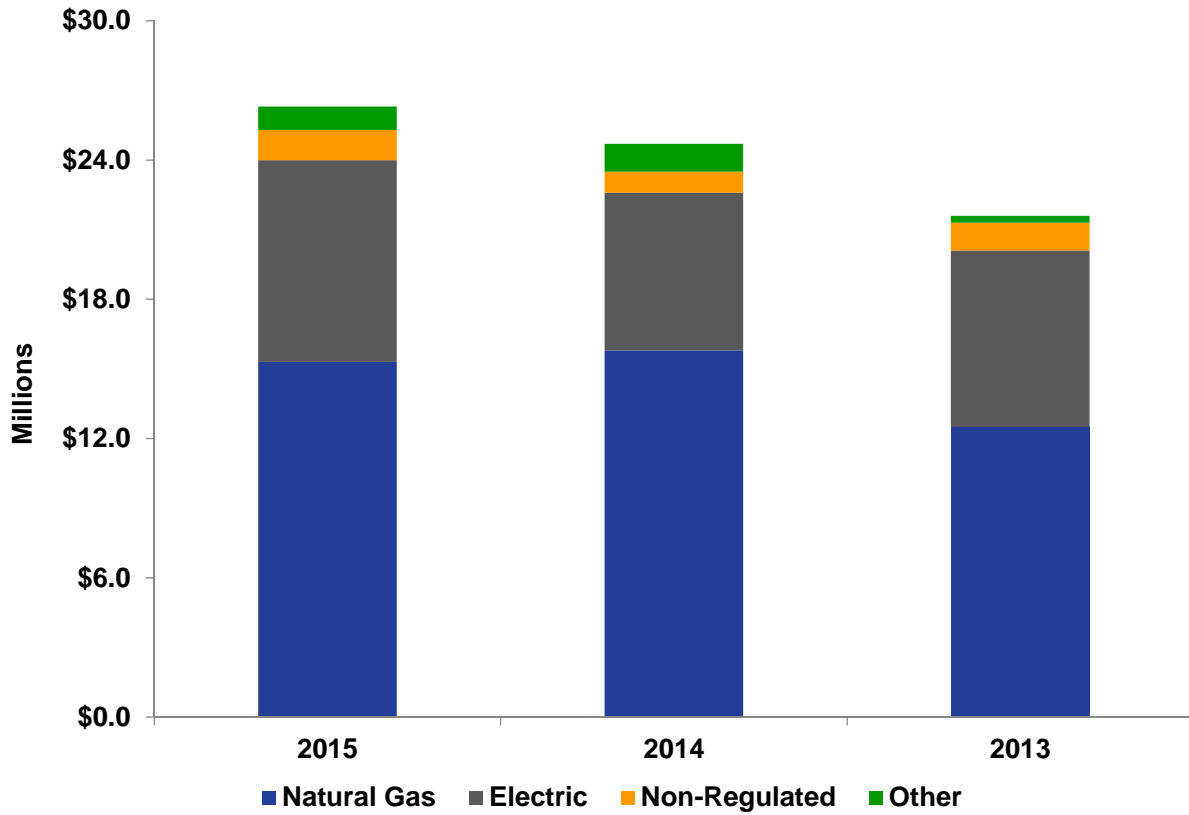
(Millions)

	<u>Gas</u>	<u>Electric</u>	<u>Non- Regulated</u>	<u>Other</u>	<u>Total</u>
Year Ended December 31, 2015					
Revenues	\$ 202.6	\$ 218.0	\$ 6.2	\$ -	\$ 426.8
Interest Income	0.8	0.7	0.1	0.3	1.9
Interest Expense	13.3	8.8	-	1.7	23.8
Depreciation & Amortization Expense	20.7	24.0	0.1	0.9	45.7
Income Tax Expense (Benefit)	10.2	5.5	0.8	(1.1)	15.4
Segment Profit	15.3	8.7	1.3	1.0	26.3
Segment Assets	596.7	416.8	6.6	26.3	1,046.4
Capital Expenditures	64.9	29.9	0.1	9.0	103.9
Year Ended December 31, 2014					
Revenues	\$ 201.4	\$ 218.7	\$ 5.7	\$ -	\$ 425.8
Interest Income	0.3	0.6	0.1	0.3	1.3
Interest Expense	11.5	9.1	-	1.6	22.2
Depreciation & Amortization Expense	18.8	22.3	-	1.0	42.1
Income Tax Expense (Benefit)	10.8	4.5	0.6	(1.9)	14.0
Segment Profit	15.8	6.8	0.9	1.2	24.7
Segment Assets	566.3	414.1	6.3	13.5	1,000.2
Capital Expenditures	62.3	24.8	0.3	5.2	92.6
Year Ended December 31, 2013					
Revenues	\$ 170.4	\$ 190.7	\$ 5.8	\$ -	\$ 366.9
Interest Income	0.5	2.2	0.1	0.4	3.2
Interest Expense	11.0	9.5	-	1.5	22.0
Depreciation & Amortization Expense	17.2	20.3	-	1.0	38.5
Income Tax Expense (Benefit)	7.5	5.1	0.8	(0.7)	12.7
Segment Profit	12.5	7.6	1.2	0.3	21.6
Segment Assets	502.3	402.8	6.2	9.3	920.6
Capital Expenditures	61.1	23.6	-	4.8	89.5

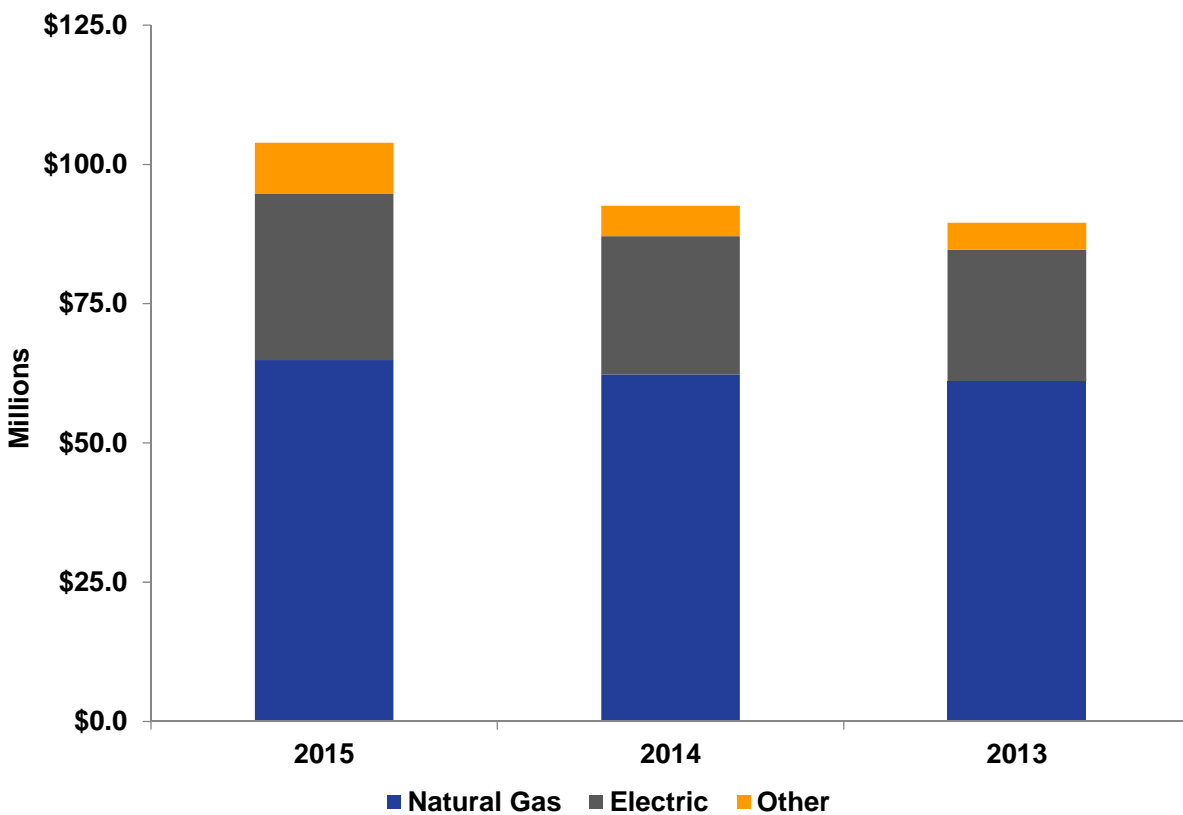
Revenue Overview



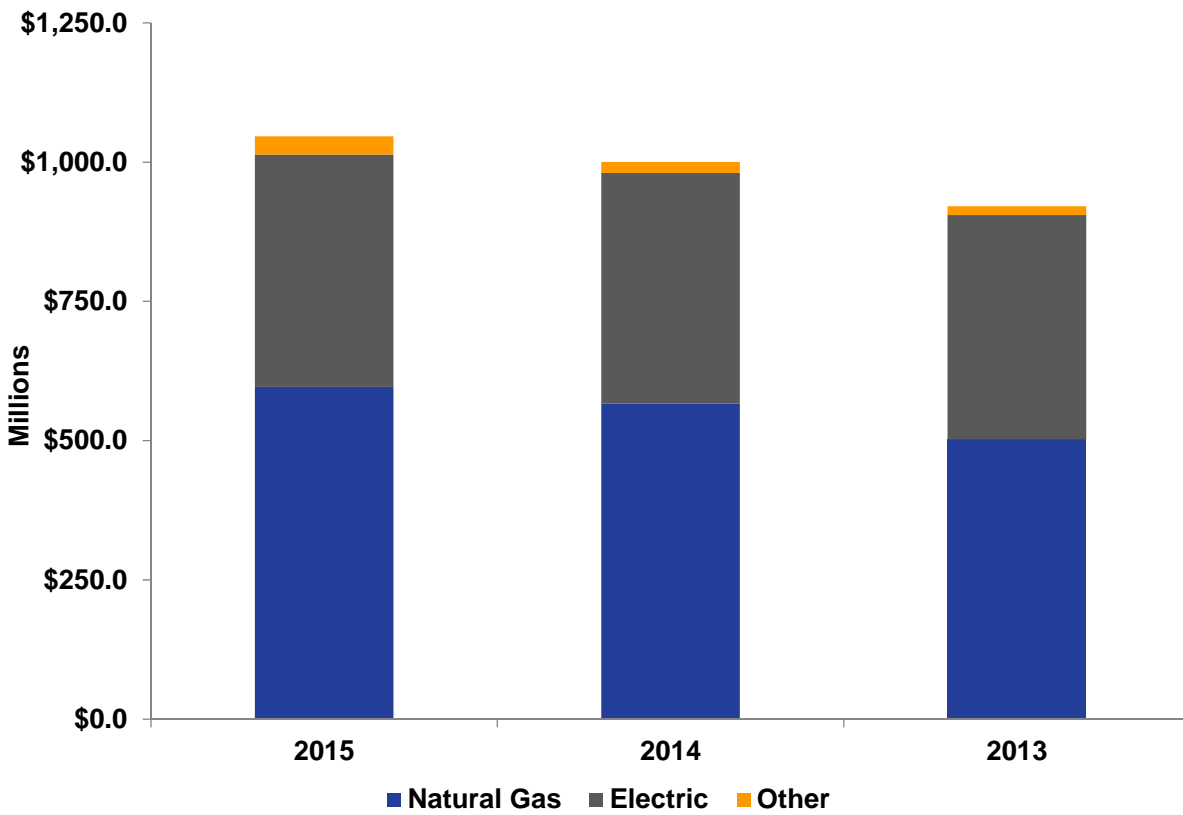
Net Income Overview



Capital Expenditures Overview



Assets Overview



Gas Therm Sales, Revenues, Margin and Customers

Unitil Corporation

(Millions, except customers)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Therm Sales</u>			
Residential	45.2	44.7	39.8
Commercial & Industrial	174.2	171.5	160.9
Total Therm Sales	<u>219.4</u>	<u>216.2</u>	<u>200.7</u>
<u>Operating Revenues & Sales Margin</u>			
Gas Operating Revenue:			
Residential	\$ 78.5	\$ 80.0	\$ 68.5
Commercial & Industrial	124.1	121.4	101.9
Total Gas Operating Revenue	<u>\$ 202.6</u>	<u>\$ 201.4</u>	<u>\$ 170.4</u>
Cost of Gas Sales:	100.7	104.0	85.2
Gas Sales Margin	<u>\$ 101.9</u>	<u>\$ 97.4</u>	<u>\$ 85.2</u>
<u>Year-End Customers Served</u>			
Residential	61,270	60,236	57,616
Commercial & Industrial	17,479	17,624	18,304
Total Gas Customers	<u>78,749</u>	<u>77,860</u>	<u>75,920</u>

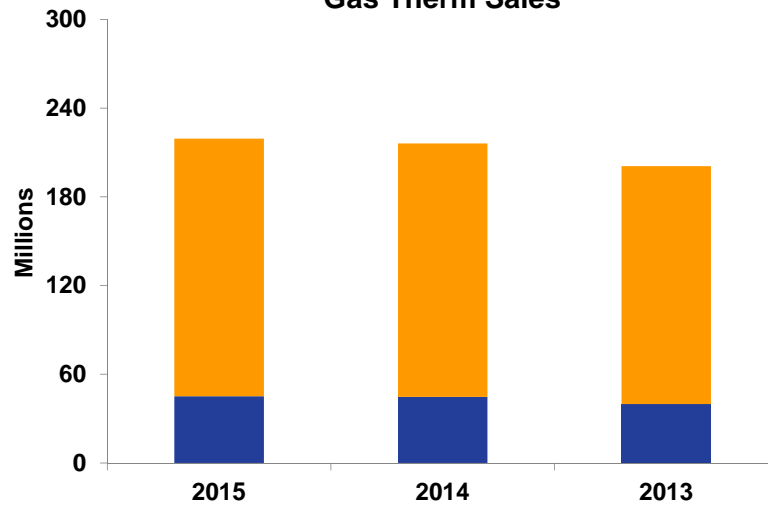
Electric kWh Sales, Revenues, Margin and Customers

Unitil Corporation

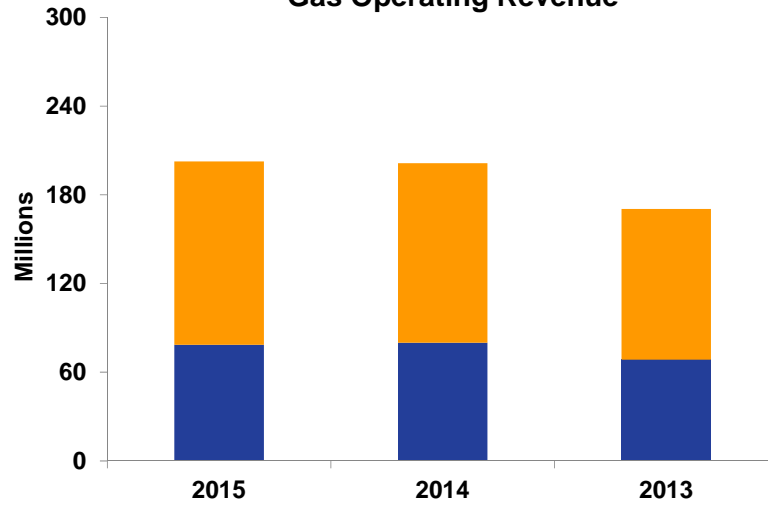
(Millions, except customers)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>kWh Sales</u>			
Residential	671.4	687.6	690.9
Commercial & Industrial	996.3	991.4	977.4
Total kWh Sales	<u>1,667.7</u>	<u>1,679.0</u>	<u>1,668.3</u>
<u>Operating Revenues & Sales Margin</u>			
Electric Operating Revenue:			
Residential	\$ 125.9	\$ 118.0	\$ 104.1
Commercial & Industrial	92.1	100.7	86.6
Total Electric Operating Revenue	<u>\$ 218.0</u>	<u>\$ 218.7</u>	<u>\$ 190.7</u>
Cost of Electric Sales:	132.5	137.9	114.5
Electric Sales Margin	<u>\$ 85.5</u>	<u>\$ 80.8</u>	<u>\$ 76.2</u>
<u>Year-End Customers Served</u>			
Residential	88,444	88,012	87,692
Commercial & Industrial	14,825	14,740	14,701
Total Electric Customers	<u>103,269</u>	<u>102,752</u>	<u>102,393</u>

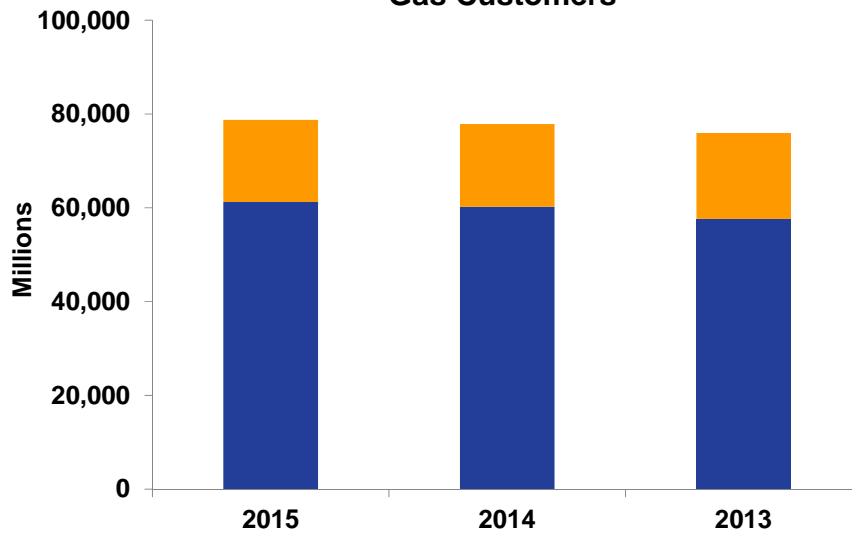
Gas Therm Sales



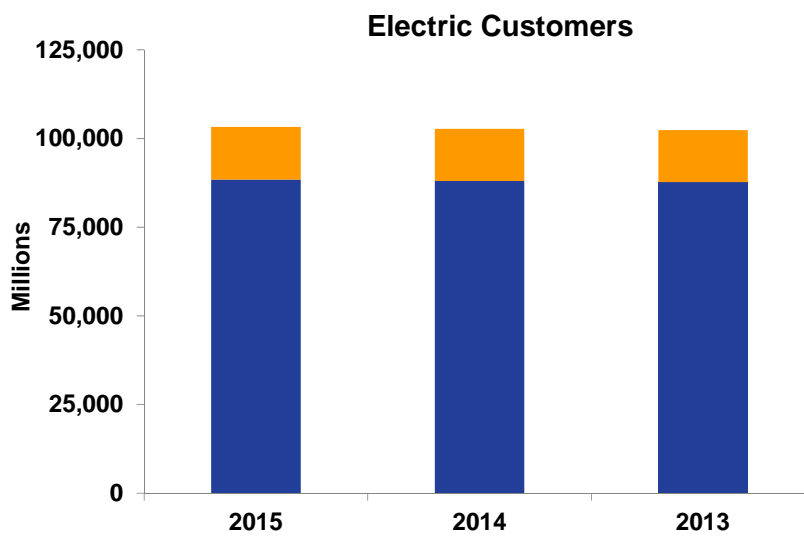
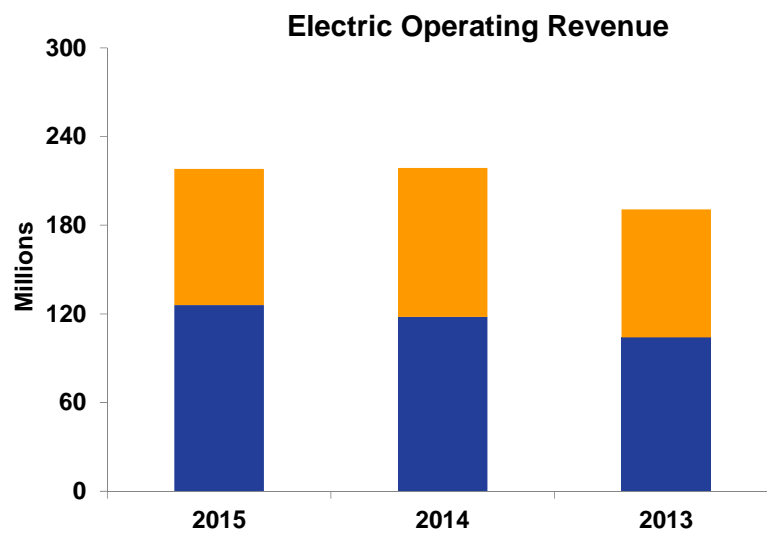
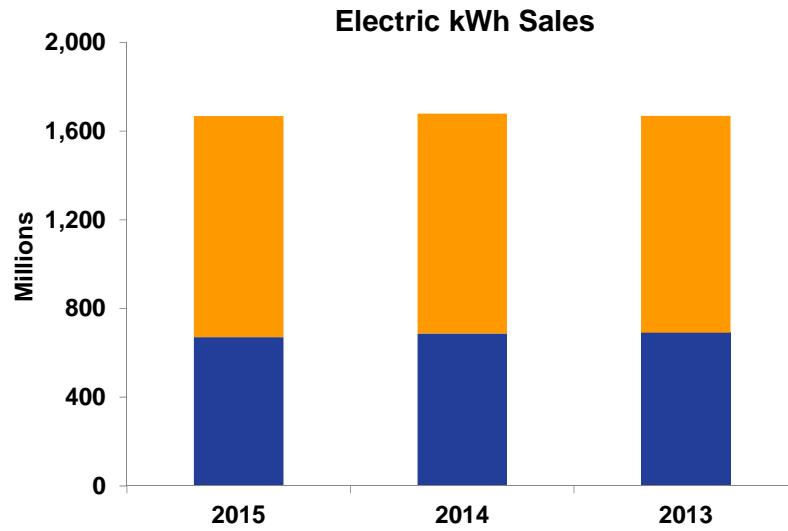
Gas Operating Revenue



Gas Customers



■ Residential ■ Commercial & Industrial



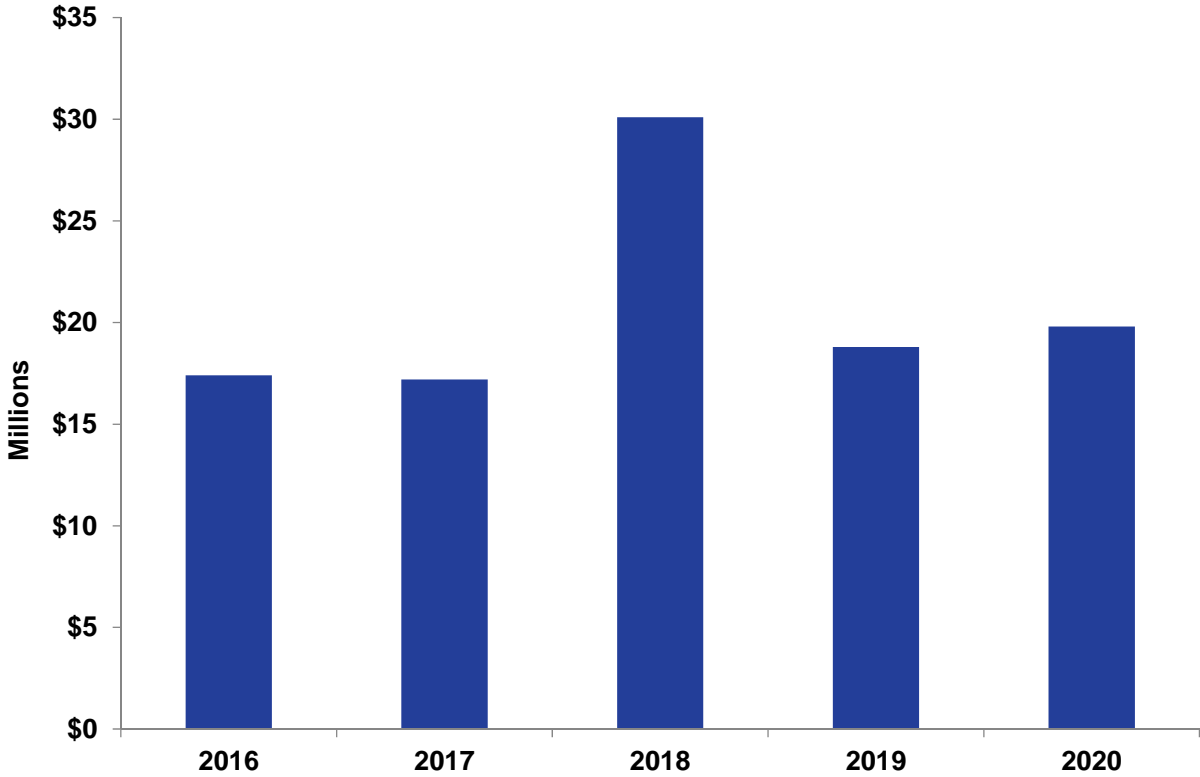
■ Residential ■ Commercial & Industrial

Capitalization and Financial Ratios

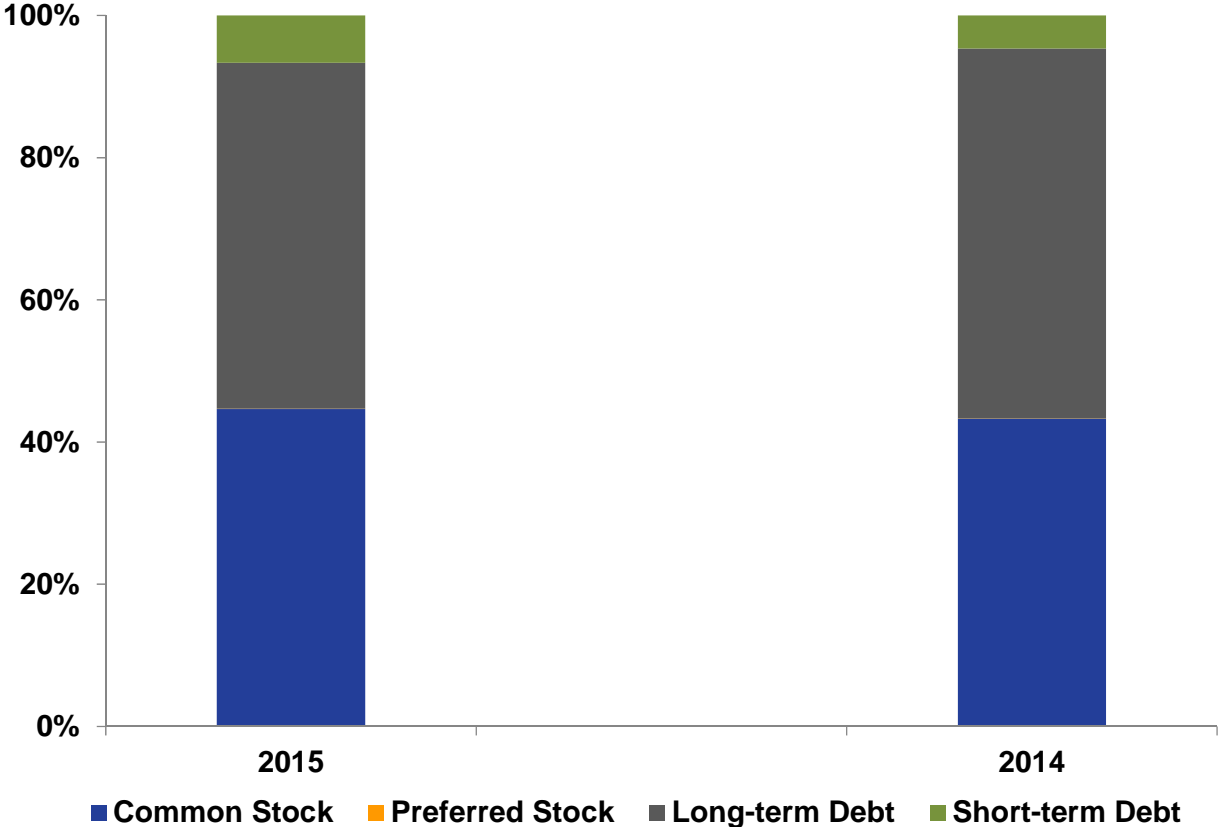
Unitil Corporation

	<u>2015</u>	<u>2014</u>
Capitalization - Millions		
Common Stock	\$ 282.6	\$ 273.1
Preferred Stock	0.2	0.2
Long-term Debt	308.1	328.9
Total Capitalization	<u>\$ 590.9</u>	<u>\$ 602.2</u>
Short-term Debt	42.0	29.3
Total Capitalization Including Short-term Debt	<u>\$ 632.9</u>	<u>\$ 631.5</u>
Components of Total Capitalization Including Short-term Debt		
Common Stock	45%	43%
Preferred Stock	0%	0%
Long-term Debt	49%	52%
Short-term Debt	7%	5%
Total	<u>100%</u>	<u>100%</u>
Debt-to-Capitalization		
Excluding Short-term Debt	52%	55%
Including Short-term Debt	55%	57%

Long-Term Debt Maturity

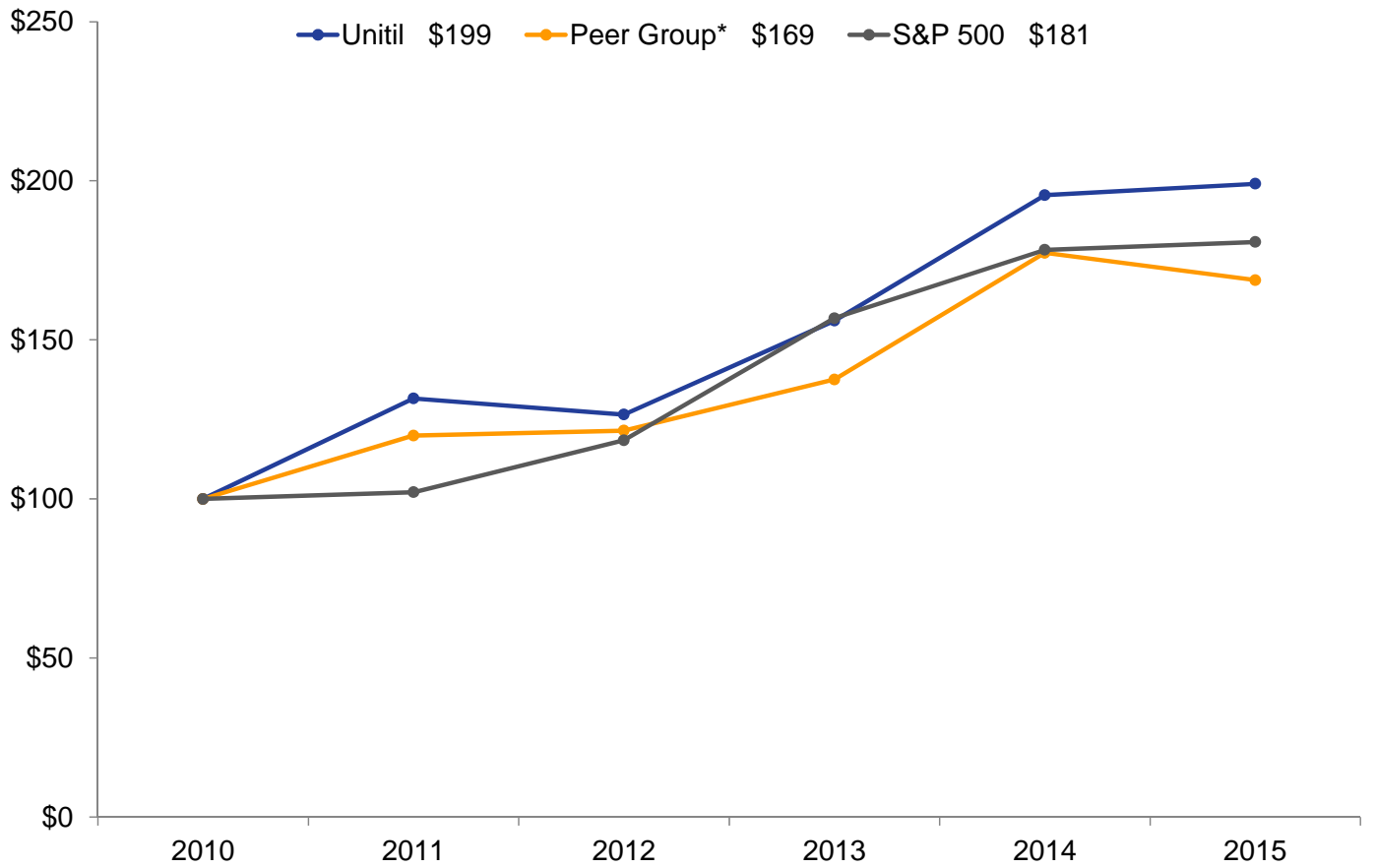


Components of Total Capitalization



Comparative Five-Year Total Returns

Value of \$100 invested after 5 years



*Peer Group comprised of the S&P 500 Utilities Index

Officers of the Corporation

Robert G. Schoenberger

Chairman of the Board, Chief Executive Officer and President

Mark H. Collin

Senior Vice President, Chief Financial Officer and Treasurer

Thomas P. Meissner, Jr.

Senior Vice President and Chief Operating Officer

Todd R. Black

Senior Vice President, Unitil Service

Laurence M. Brock

Controller and Chief Accounting Officer

George E. Long, Jr.

Vice President, Unitil Service

Sandra L. Whitney

Corporate Secretary

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