

NORTHWESTERN CORPORATION
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share amounts)

	Year Ended December 31,		
	2008	2007	2006
OPERATING REVENUES	\$ 1,260,793	\$ 1,200,060	\$ 1,132,653
OPERATING EXPENSES			
Cost of sales.....	698,740	668,405	613,582
Operating, general and administrative.....	226,164	221,566	240,215
Property and other taxes	80,602	87,581	74,187
Depreciation	85,071	82,415	75,305
Ammondson verdict	—	—	19,000
TOTAL OPERATING EXPENSES	1,090,577	1,059,967	1,022,289
OPERATING INCOME	170,216	140,093	110,364
Interest Expense.....	(63,952)	(56,942)	(56,016)
Other Income	1,558	2,428	9,065
Income From Continuing Operations Before Income			
Taxes.....	107,822	85,579	63,413
Income Tax Expense	(40,221)	(32,388)	(25,931)
Income From Continuing Operations	67,601	53,191	37,482
Discontinued Operations, Net of Taxes	—	—	418
Net Income	\$ 67,601	\$ 53,191	\$ 37,900
Average Common Shares Outstanding			
	37,976	36,623	35,554
Basic Income per Average Common Share			
Continuing Operations.....	\$ 1.78	\$ 1.45	\$ 1.06
Discontinued Operations	—	—	0.01
Basic	\$ 1.78	\$ 1.45	\$ 1.07
Diluted Income per Average Common Share			
Continuing Operations.....	\$ 1.77	\$ 1.44	\$ 1.00
Discontinued Operations	—	—	0.01
Diluted	\$ 1.77	\$ 1.44	\$ 1.01
Dividends Declared per Average Common Share	\$ 1.32	\$ 1.28	\$ 1.24

See Notes to Consolidated Financial Statements