

NORTHWESTERN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2009	2008
Revenues		
Electric.....	\$ 207,987	\$ 196,619
Gas.....	158,803	171,643
Other.....	4,113	17,713
Total Revenues	370,903	385,975
Operating Expenses		
Cost of sales.....	208,010	229,084
Operating, general and administrative.....	65,419	60,071
Property and other taxes.....	24,289	23,640
Depreciation.....	22,722	21,091
Total Operating Expenses	320,440	333,886
Operating Income.....	50,463	52,089
Interest Expense.....	(15,134)	(16,080)
Other Income.....	591	662
Income Before Income Taxes.....	35,920	36,671
Income Tax Expense.....	(13,107)	(13,220)
Net Income	\$ 22,813	\$ 23,451
Average Common Shares Outstanding.....	35,934	38,972
Basic Earnings per Average Common Share.....	\$ 0.63	\$ 0.60
Diluted Earnings per Average Common Share.....	\$ 0.63	\$ 0.59
Dividends Declared per Average Common Share.....	\$ 0.335	\$ 0.33

NORTHWESTERN CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>March 31, 2009</u> (unaudited)	<u>December 31,</u> <u>2008</u>
ASSETS		
Current Assets.....	\$ 349,151	\$ 313,417
Property, Plant, and Equipment, Net.....	1,839,603	1,839,699
Goodwill.....	355,128	355,128
Regulatory Assets.....	226,190	233,102
Other Noncurrent Assets.....	21,777	20,691
Total Assets.....	\$ 2,791,849	\$ 2,762,037
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Maturities of Long-term Debt and Capital Leases.....	\$ 21,494	\$ 229,238
Current Liabilities.....	349,685	359,339
Long-term Capital Leases.....	36,499	36,798
Long-term Debt.....	880,464	634,011
Noncurrent Regulatory Liabilities.....	231,924	222,969
Deferred Income Taxes.....	133,634	114,707
Other Noncurrent Liabilities.....	363,639	401,442
Total Liabilities.....	2,017,339	1,998,504
Total Shareholders' Equity.....	774,510	763,533
Total Liabilities and Shareholders' Equity.....	\$ 2,791,849	\$ 2,762,037

NORTHWESTERN CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	<u>Three Months Ended March 31,</u> <u>2009</u>	<u>2008</u>
Operating Activities		
Net income.....	\$ 22,813	\$ 23,451
Non-cash items.....	37,447	35,181
Changes in operating assets and liabilities.....	4,870	19,323
Cash Provided by Operating Activities.....	65,130	77,955
Cash Used in Investing Activities.....	(18,189)	(13,954)
Cash Provided by (Used In) Financing Activities.....	25,013	(43,019)
Net Increase in Cash and Cash Equivalents.....	\$ 71,954	\$ 20,982
Cash and Cash Equivalents, beginning of period.....	\$ 11,292	\$ 12,773
Cash and Cash Equivalents, end of period.....	\$ 83,246	\$ 33,755

NORTHWESTERN CORPORATION
REGULATED ELECTRIC SEGMENT
(Unaudited)

	Results			
	2009	2008	Change	% Change
	(in millions)			
Retail revenue.....	180.5	181.3	(0.8)	0.4%
Transmission.....	11.9	11.2	0.7	6.3
Wholesale	11.1	2.1	9.0	428.6
Other	4.5	2.1	2.4	114.3
Total Revenues	208.0	196.7	11.3	5.7
Total Cost of Sales.....	94.8	103.1	(8.3)	(8.1)
Gross Margin	\$ 113.2	\$ 93.6	\$ 19.6	20.9 %

	Revenues		Volumes MWH		Avg. Customer Counts	
	2009	2008	2009	2008	2009	2008
	(in thousands)					
Retail Electric						
Montana.....	\$ 66,094	\$ 67,294	679	668	269,003	266,104
South Dakota	13,547	12,631	171	160	48,194	47,908
Residential	79,641	79,925	850	828	317,197	314,012
Montana.....	68,892	69,852	796	799	60,202	59,148
South Dakota	16,673	15,684	228	222	11,475	11,331
Commercial	85,565	85,536	1,024	1,021	71,677	70,479
Industrial.....	10,947	11,490	765	761	72	72
Other	4,311	4,367	24	24	4,643	4,653
Total Retail Electric.....	\$ 180,464	\$ 181,318	2,663	2,634	393,589	389,216
Wholesale Electric	11,131	2,066	243	49	N/A	N/A

NORTHWESTERN CORPORATION
REGULATED NATURAL GAS SEGMENT
(Unaudited)

	Results			
	2009	2008	Change	% Change
	(in millions)			
Retail revenue	144.4	151.9	(7.5)	(4.9) %
Wholesale and other	14.4	19.7	(5.3)	26.9
Total Revenues	158.8	171.6	(12.8)	(7.5)
Total Cost of Sales	108.9	121.3	(12.4)	(10.2)
Gross Margin	\$ 49.9	\$ 50.3	\$ (0.4)	(0.8)%

	Revenues		Volumes (Dkt)		Customer Counts	
	2009	2008	2009	2008	2009	2008
	(in thousands)					
Retail Gas						
Montana	\$ 55,524	\$ 60,744	5,383	5,568	157,395	155,758
South Dakota	18,690	18,688	1,577	1,607	37,105	36,912
Nebraska	15,443	15,167	1,316	1,405	36,813	36,888
Residential	89,657	94,599	8,276	8,580	231,313	229,558
Montana	28,271	30,265	2,735	2,757	22,046	21,685
South Dakota	14,296	13,934	1,497	1,378	5,887	5,839
Nebraska	10,942	11,311	1,231	1,284	4,582	4,593
Commercial	53,509	55,510	5,463	5,419	32,515	32,117
Industrial	803	1,289	79	119	299	306
Other	476	505	52	54	142	141
Total Retail Gas	\$ 144,445	\$ 151,903	13,870	14,172	264,269	262,122

Heating Degree-Days	2009 as compared with:	
	2008	Historic Average
Montana	2% warmer	2% warmer
South Dakota	1% colder	5% colder
Nebraska	8% warmer	4% warmer

NORTHWESTERN CORPORATION

SEGMENT INFORMATION

(Unaudited)

(in thousands)

Three months ended,

	<u>Regulated</u>					
March 31, 2009	Electric	Gas	Other	Eliminations	Total	
Operating revenues	\$ 207,987	\$ 158,803	\$ 4,651	\$ (538)	\$ 370,903	
Cost of sales	94,748	108,938	4,324	—	208,010	
Gross margin	<u>113,239</u>	<u>49,865</u>	<u>327</u>	<u>(538)</u>	<u>162,893</u>	
Operating, general and administrative	42,979	21,815	1,163	(538)	65,419	
Property and other taxes	18,017	6,227	45	—	24,289	
Depreciation	18,391	4,323	8	—	22,722	
Operating income (loss)	<u>33,852</u>	<u>17,500</u>	<u>(889)</u>	<u>—</u>	<u>50,463</u>	
Interest expense	(11,150)	(3,068)	(916)	—	(15,134)	
Other income	291	268	32	—	591	
Income tax (expense) benefit	(8,067)	(5,475)	435	—	(13,107)	
Net income (loss)	<u>\$ 14,926</u>	<u>\$ 9,225</u>	<u>\$ (1,338)</u>	<u>\$ —</u>	<u>\$ 22,813</u>	
Total assets	\$ 1,956,083	\$ 824,058	\$ 11,708	\$ —	\$ 2,791,849	
Capital expenditures	\$ 14,846	\$ 3,663	\$ —	\$ —	\$ 18,509	

	<u>Regulated</u>		<u>Unregulated</u>			
March 31, 2008	Electric	Gas	Electric	Other	Eliminations	Total
Operating revenues	\$ 196,619	\$ 171,643	\$ 20,404	\$ 7,922	\$ (10,613)	\$ 385,975
Cost of sales	103,055	121,308	7,032	7,764	(10,075)	229,084
Gross margin	<u>93,564</u>	<u>50,335</u>	<u>13,372</u>	<u>158</u>	<u>(538)</u>	<u>156,891</u>
Operating, general and administrative	35,370	17,924	3,677	3,638	(538)	60,071
Property and other taxes	16,429	6,328	879	4	—	23,640
Depreciation	15,395	3,883	1,805	8	—	21,091
Operating income (loss)	<u>26,370</u>	<u>22,200</u>	<u>7,011</u>	<u>(3,492)</u>	<u>—</u>	<u>52,089</u>
Interest expense	(9,306)	(3,230)	(3,176)	(368)	—	(16,080)
Other income	257	309	13	83	—	662
Income tax (expense) benefit	(5,687)	(7,290)	(1,715)	1,472	—	(13,220)
Net income (loss)	<u>\$ 11,634</u>	<u>\$ 11,989</u>	<u>\$ 2,133</u>	<u>\$ (2,305)</u>	<u>\$ —</u>	<u>\$ 23,451</u>
Total assets	\$ 1,532,317	\$ 748,111	\$ 250,229	\$ 17,649	\$ —	\$ 2,548,306
Capital expenditures	\$ 10,738	\$ 2,726	\$ 493	\$ —	\$ —	\$ 13,957