

**MIDDLESEX WATER COMPANY**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited)

	<b>Three Months Ended June 30</b>		<b>Six Months Ended June 30</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
Operating Revenues	<b>\$ 18,430,751</b>	\$ 17,769,913	<b>\$ 35,173,654</b>	\$ 33,645,646
Operating Expenses:				
Operations	<b>9,409,108</b>	9,357,580	<b>18,451,104</b>	18,261,671
Maintenance	<b>979,119</b>	808,459	<b>1,877,804</b>	1,670,967
Depreciation	<b>1,620,159</b>	1,449,469	<b>3,168,207</b>	2,885,699
Other Taxes	<b>2,163,520</b>	2,026,107	<b>4,246,654</b>	3,971,301
Income Taxes	<b>894,714</b>	1,018,643	<b>1,561,484</b>	1,526,002
Total Operating Expenses	<b>15,066,620</b>	14,660,258	<b>29,305,253</b>	28,315,640
Operating Income	<b>3,364,131</b>	3,109,655	<b>5,868,401</b>	5,330,006
Other Income:				
Allowance for Funds Used During Construct	<b>140,456</b>	80,721	<b>350,906</b>	130,282
Other Income	<b>35,943</b>	117,759	<b>91,162</b>	137,565
Other Expense	<b>(16,324)</b>	(26,440)	<b>(24,469)</b>	(29,676)
Total Other Income, net	<b>160,075</b>	172,040	<b>417,599</b>	238,171
Interest Charges	<b>1,578,078</b>	1,391,364	<b>2,960,170</b>	2,644,206
Net Income	<b>1,946,128</b>	1,890,331	<b>3,325,830</b>	2,923,971
Preferred Stock Dividend Requirements	<b>63,696</b>	63,696	<b>127,393</b>	127,393
Earnings Applicable to Common Stock	<b>\$ 1,882,432</b>	\$ 1,826,635	<b>\$ 3,198,437</b>	\$ 2,796,578
Earnings per share of Common Stock:				
Basic	<b>\$ 0.17</b>	\$ 0.17	<b>\$ 0.28</b>	\$ 0.26
Diluted	<b>\$ 0.16</b>	\$ 0.16	<b>\$ 0.28</b>	\$ 0.26
Average Number of Common Shares Outstanding :				
Basic	<b>11,392,964</b>	11,068,164	<b>11,380,290</b>	10,823,630
Diluted	<b>11,736,104</b>	11,411,304	<b>11,723,430</b>	11,166,770
Cash Dividends Paid per Common Share	<b>\$ 0.1675</b>	\$ 0.1650	<b>\$ 0.3350</b>	\$ 0.3300