

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

	Three Months Ended September 30,		Nine Months Ended September 30,		Twelve Months Ended September 30,	
	2004	2003	2004	2003	2004	2003
Operating Revenues	<b>\$ 19,856,688</b>	\$ 17,585,575	<b>\$ 53,502,334</b>	\$ 48,564,914	<b>\$ 69,048,634</b>	\$ 63,759,946
Operating Expenses:						
Operations	<b>9,193,804</b>	8,687,828	<b>27,455,475</b>	24,292,699	<b>35,828,875</b>	31,478,131
Maintenance	<b>759,352</b>	830,877	<b>2,430,319</b>	2,612,556	<b>3,346,876</b>	3,457,835
Depreciation	<b>1,467,523</b>	1,342,059	<b>4,353,222</b>	3,960,856	<b>5,755,093</b>	5,242,946
Other Taxes	<b>2,224,028</b>	2,081,210	<b>6,195,329</b>	5,950,472	<b>8,060,775</b>	7,854,295
Income Taxes	<b>1,714,802</b>	1,143,264	<b>3,240,804</b>	2,764,542	<b>3,713,480</b>	3,592,126
Total Operating Expenses	<b>15,359,509</b>	14,085,238	<b>43,675,149</b>	39,581,125	<b>56,705,099</b>	51,625,333
Operating Income	<b>4,497,179</b>	3,500,337	<b>9,827,185</b>	8,983,789	<b>12,343,535</b>	12,134,613
Other Income:						
Allowance for Funds Used During Constructi	<b>179,173</b>	95,448	<b>309,455</b>	253,253	<b>372,121</b>	336,482
Other Income	<b>33,418</b>	41,705	<b>170,983</b>	83,896	<b>218,586</b>	199,144
Other Expense	<b>(85)</b>	(984)	<b>(29,761)</b>	(68,708)	<b>(50,984)</b>	(122,367)
Total Other Income, net	<b>212,506</b>	136,169	<b>450,677</b>	268,441	<b>539,723</b>	413,259
Interest Charges	<b>1,347,475</b>	1,243,888	<b>3,991,681</b>	3,830,926	<b>5,387,785</b>	5,099,090
Net Income	<b>3,362,210</b>	2,392,618	<b>6,286,181</b>	5,421,304	<b>7,495,473</b>	7,448,782
Preferred Stock Dividend Requirements	<b>63,697</b>	63,697	<b>191,090</b>	191,090	<b>254,786</b>	254,786
Earnings Applicable to Common Stock	<b>\$ 3,298,513</b>	\$ 2,328,921	<b>\$ 6,095,091</b>	\$ 5,230,214	<b>\$ 7,240,687</b>	\$ 7,193,996
Earnings per share of Common Stock:						
Basic	<b>\$ 0.29</b>	\$ 0.22	<b>\$ 0.55</b>	\$ 0.50	<b>\$ 0.67</b>	\$ 0.69
Diluted	<b>\$ 0.29</b>	\$ 0.22	<b>\$ 0.55</b>	\$ 0.50	<b>\$ 0.66</b>	\$ 0.68
Average Number of Common Shares Outstanding :						
Basic	<b>11,316,768</b>	10,505,517	<b>10,989,209</b>	10,448,226	<b>10,880,220</b>	10,472,573
Diluted	<b>11,659,908</b>	10,848,657	<b>11,332,349</b>	10,791,366	<b>11,223,360</b>	10,815,713
Cash Dividends Paid per Common Share	<b>\$0.1650</b>	\$0.1613	<b>\$0.4950</b>	\$0.4839	<b>\$0.6600</b>	\$0.6452

See Notes to Condensed Consolidated Financial Statements.