

DIFFERENTIATE: TO SET APART. THE THEME OF THIS YEAR'S ANNUAL REPORT.



The logo at left is the mathematical symbol for differentiate. Look for it throughout this report to learn what sets us apart.

FINANCIAL HIGHLIGHTS	2001	2000	1999	Growth rate	
				2001 vs. 2000	2000 vs. 1999
<small>(dollars in thousands, except per share amounts)</small>					
INCOME HIGHLIGHTS					
Operating revenues	\$ 4,551,373	\$ 3,690,175	\$ 2,423,353	23.3%	52.3%
Income from continuing operations	\$ 327,367	\$ 302,332	\$ 269,772	8.3%	12.1%
BALANCE SHEET HIGHLIGHTS					
Total assets — year-end	\$ 7,981,748	\$ 7,162,985	\$ 6,608,506	11.4%	8.4%
Common stock equity — year-end	\$ 2,499,323	\$ 2,382,714	\$ 2,205,733	4.9%	8.0%
PER SHARE HIGHLIGHTS					
Earnings per share from continuing operations – diluted	\$ 3.85	\$ 3.56	\$ 3.17	8.1%	12.3%
Dividends declared per share	\$ 1.525	\$ 1.425	\$ 1.325	7.0%	7.5%
Book value per share – year-end	\$ 29.46	\$ 28.09	\$ 26.00	4.9%	8.0%
STOCK PERFORMANCE					
Stock price per share – year-end	\$ 41.85	\$ 47.63	\$ 30.56		
Stock price appreciation	(12.1%)	55.8%	(27.9%)		
Total return	(9.0%)	61.8%	(25.1%)		
Market capitalization – year-end	\$ 3,549,924	\$ 4,039,788	\$ 2,592,462	(12.1%)	55.9%

ABOUT THE COMPANY

PINNACLE WEST IS A PHOENIX-BASED COMPANY

with consolidated assets of \$8.0 billion and annual revenues of \$4.6 billion. Through our subsidiaries, we generate, sell and deliver electricity and energy related products and services to retail and wholesale customers in the western United States. We also develop residential, commercial and industrial real estate properties.

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