

Financial Objectives and Results

Pinnacle West

EPS Before Accounting Change

Three Months Ended
March 31



Twelve Months Ended
March 31



Pinnacle West

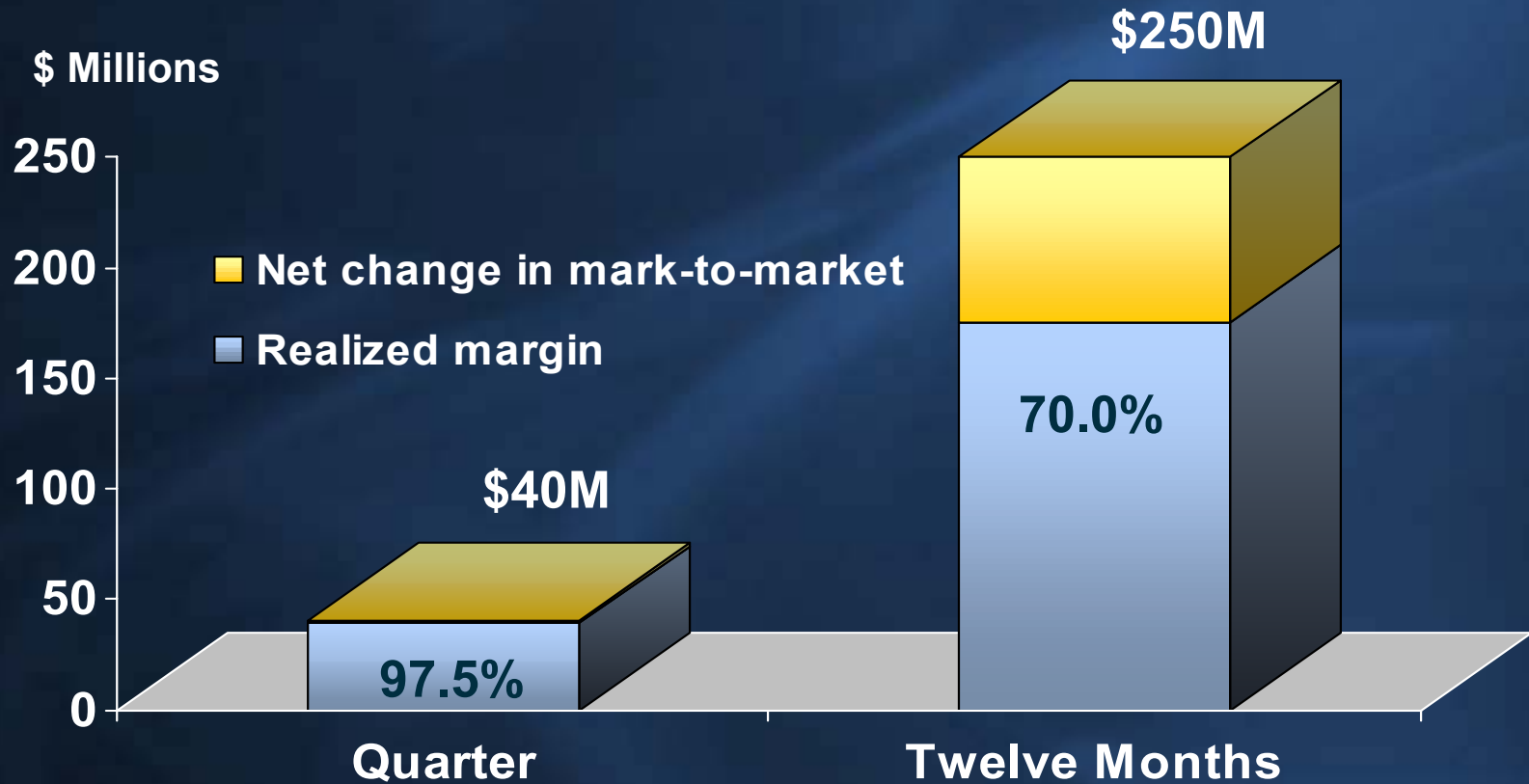
Earnings Drivers 2002 - 2003

- **Strong retail customer growth**
- **Reversal of 2001 reliability program costs**
- **Regulatory asset amortization**
- **Retail price reductions**
- **Power marketing and trading results**
- **Regulatory and legislative developments**
- **SFAS No. 133**
- **Weather effects**
- **Economic conditions**

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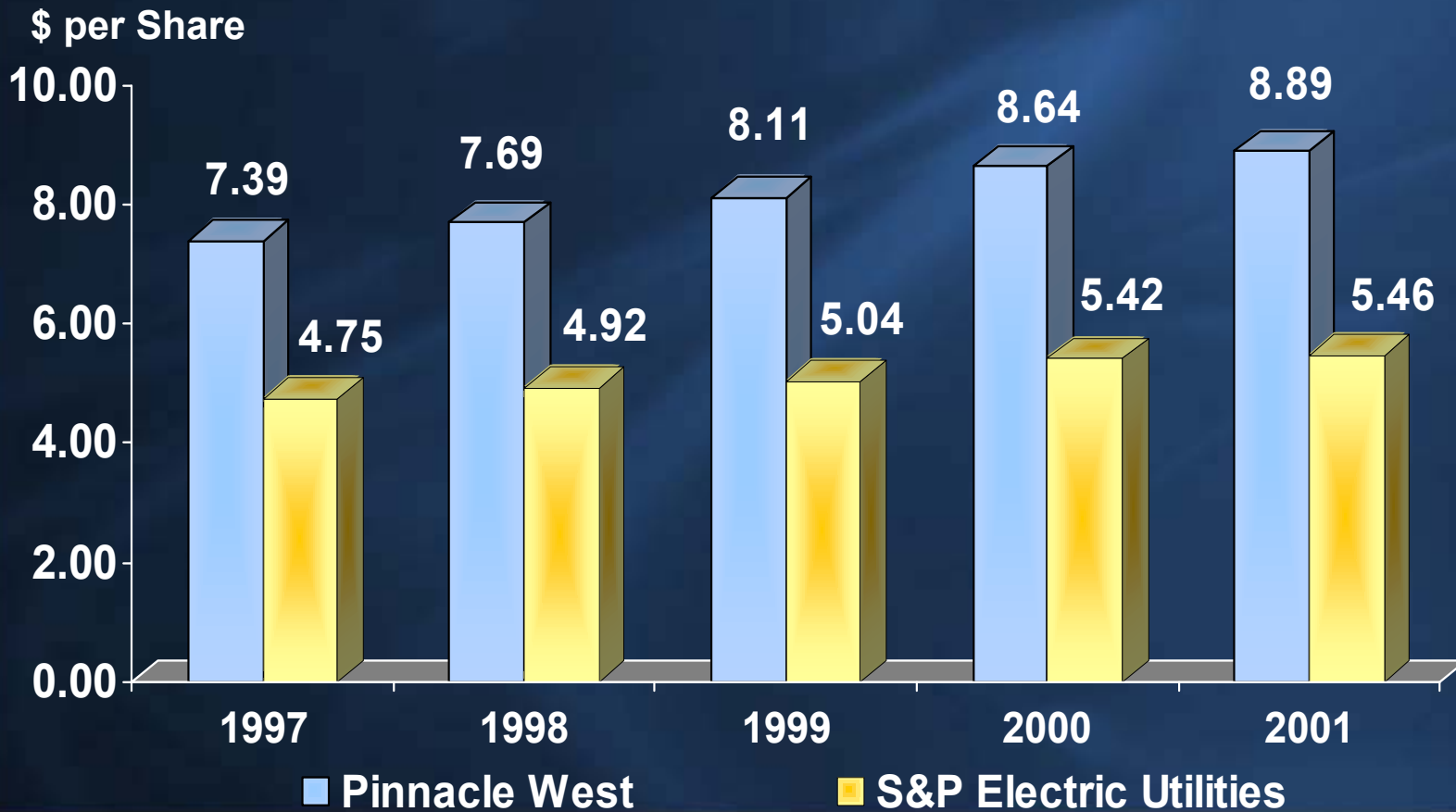
Power Marketing & Trading Results

Periods Ended March 31, 2002



Pinnacle West versus Industry

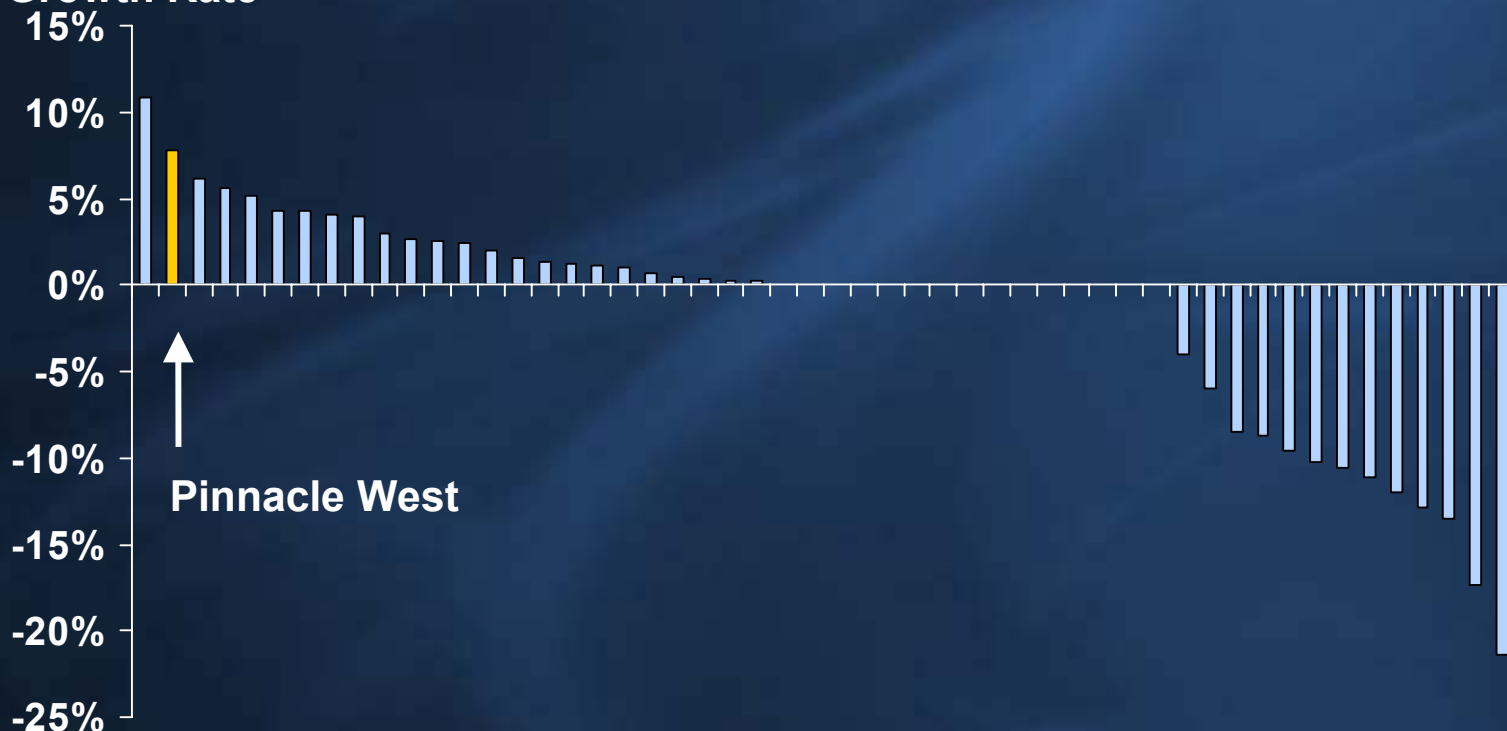
Cash Flow Per Share



Pinnacle West versus Electric Industry

Dividend Growth 1997 - 2001

Compound Annual
Growth Rate

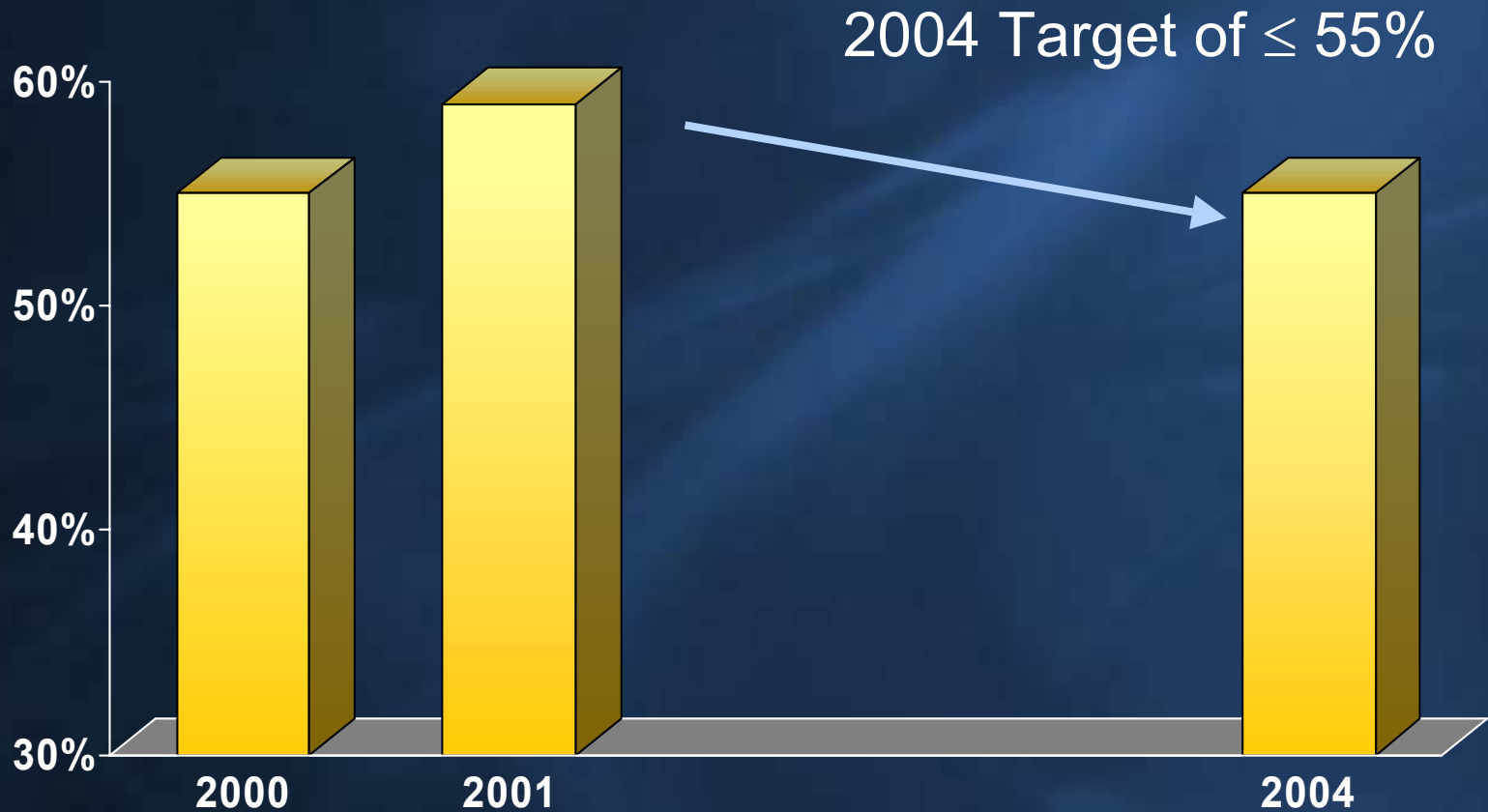


Excludes companies that eliminated their dividends during the period

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Pinnacle West

Consolidated Debt Ratio*

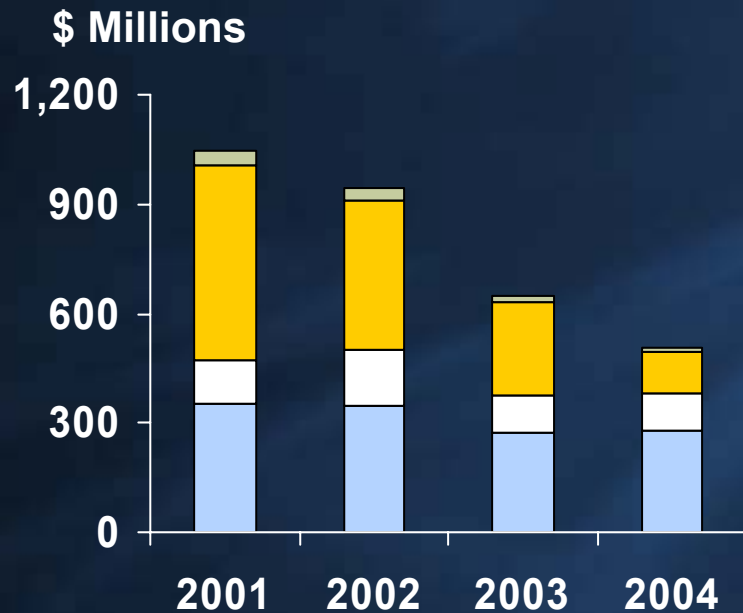


* Adjusted for Palo Verde unit 2 sale/leaseback

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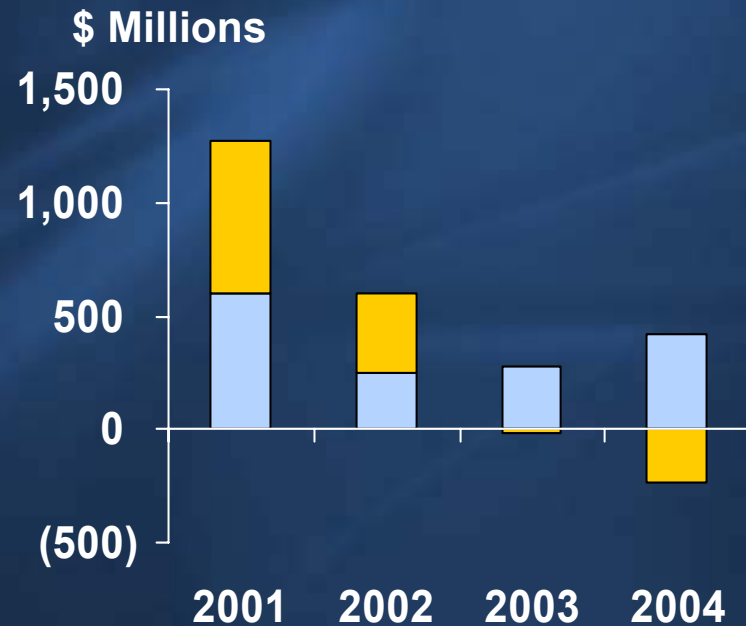
Managing Growth with Financial Strength

Capital Expenditures



- Other
- Generation Expansion
- Existing Generation
- Delivery

Financing Requirements



- Net New Financing
- Redemptions

Pinnacle West Financial Focus

- **Manage business strategies for superior shareholder value creation**
- **Continue superior combined earnings and dividend growth**
- **Maintain balance sheet strength**

“As a company, we strive to remain flexible in the face of changing markets, yet unwavering in our commitments to increasing customer satisfaction and shareholder value.”

*-- Pinnacle West 2001 Annual Report
Letter to Shareholders*



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PINNACLE WEST CAPITAL CORPORATION