

Consolidated Report to the Financial Community (Unaudited)

First Quarter 2003 Highlights (Released April 30, 2003)

- Net income for the first quarter, before a cumulative effect of an accounting change for the adoption of SFAS No. 143, was \$139 million, or \$0.47 per share. Excluding costs associated with the Davis-Besse extended outage, normalized earnings were \$0.65 per share, compared to first quarter 2002 normalized earnings of \$0.45 per share. Net income for the first quarter of 2003 was \$241 million, or \$0.82 per share, compared to \$116 million, or \$0.40 per share, for the same period last year.

<u>After Tax EPS Variance Analysis</u>	<u>1st Qtr.</u>
1st Quarter 2002 Basic EPS - GAAP Basis	\$ 0.40
One-Time Items - 2002 (See page 6)	0.05
1st Quarter 2002 Normalized Earnings	\$ 0.45
Electric Gross Margin	0.23
Natural Gas Gross Margin	0.04
International Operations	(0.04)
Pension and Other Employee Benefits	(0.10)
Depreciation and Amortization	(0.04)
Financing Costs	0.11
1st Quarter 2003 Normalized Earnings	\$ 0.65
Davis-Besse Incremental Expenses	(0.18)
Subtotal	\$ 0.47
Cumulative Effect of Accounting Change - 2003	0.35
1st Quarter 2003 Basic EPS - GAAP Basis	\$ 0.82

1Q 2003 Results Compared With 1Q 2002

- Electric distribution deliveries increased 9%, largely driven by a 15% rise in residential deliveries, reflecting colder weather. Commercial deliveries increased 12%, while industrial deliveries only increased slightly. Total electric generation sales increased 31%. Approximately 75% of the increase was attributable to higher wholesale sales and 25% attributable to higher retail sales.
- Electric gross margin increased \$113 million after adjusting for changes in regulatory deferrals and Davis-Besse replacement power costs. Excluding these adjustments, electric sales revenue increased \$390 million, due largely to an increase in wholesale spot sales and Basic Generation Service sales in New Jersey. Purchased power costs increased \$290 million, after adjusting for regulatory deferrals and \$52 million of Davis-Besse replacement power costs. Fuel expenses decreased \$13 million due to lower generation output.
- Natural gas gross margin rose \$21 million, primarily due to reduced sourcing costs for our gas marketing business.
- International operations net income decreased \$12 million primarily as a result of the earnings reflected last year, when we owned 100% of Avon Energy Partners Holdings.

- Pension and other employee benefit costs increased \$50 million, principally reflecting reduced asset values, reduced return assumptions on trust assets, and lower discount rates used to value projected obligations.
- Total depreciation and amortization expenses increased \$19 million. The increase is primarily attributable to a \$29 million increase in Ohio transition costs amortization and \$10 million of depreciation expense associated with the Lake Plants in 2003. These expenses were partially offset by \$18 million of lower nuclear decommissioning and depreciation expenses related to SFAS No. 143 implementation.
- Excluding international operations, net interest charges decreased \$47 million as a result of our aggressive debt reduction program and refinancing initiatives. Financing activities during the quarter included \$122 million in mandatory long-term debt redemptions, \$563 million of refinancings, and \$50 million in incremental long-term debt issuance.

2003 Earnings Impact Associated with Davis-Besse

- Incremental expenses associated with the extended outage at Davis-Besse during the quarter totaled \$88 million, or \$0.18 per share (\$52 million of replacement power costs and \$36 million of O&M expenses).

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FIRSTENERGY CORP. CONSOLIDATED INCOME STATEMENTS (thousands):	Actual Three Months Ended March 31, 2003		
	2003	2002	Change
(1) REVENUES:			
(2) Electric Sales	\$2,633,200	\$2,085,000	\$ 548,200
(3) Natural Gas	248,496	204,594	43,902
(4) FE Facilities	77,380	119,753	(42,373)
(5) MYR	112,294	139,794	(27,500)
(6) International	42,340	204,626	(162,286)
(7) Other	130,762	99,511	31,251
(8) Total revenues	<u>3,244,472</u>	<u>2,853,278</u>	<u>391,194</u>
(9)			
(10) EXPENSES:			
(11) Fuel	157,738	170,621	(12,883)
(12) Purchased Power	1,024,372	514,219	510,153
(13) Purchased Gas	229,465	206,227	23,238
(14) Other operating expenses	720,644	695,337	25,307
(15) FE Facilities	78,263	118,135	(39,872)
(16) MYR	110,635	136,871	(26,236)
(17) International	16,007	88,547	(72,540)
(18) Mark-to-Market Adjustment	3,690	(1,139)	4,829
(19) Provision for depreciation and amortization	281,662	262,828	18,834
(20) General taxes	178,282	171,988	6,294
(21) Total expenses	<u>2,800,758</u>	<u>2,363,634</u>	<u>437,124</u>
(22) INCOME BEFORE INTEREST AND INCOME TAXES	<u>443,714</u>	<u>489,644</u>	<u>(45,930)</u>
(24) Net interest charges:			
(25) Interest expense	200,650	260,465	(59,815)
(26) Capitalized interest	(9,152)	(5,814)	(3,338)
(27) Subsidiaries' preferred stock dividends	11,242	24,071	(12,829)
(28) Net interest charges	<u>202,740</u>	<u>278,722</u>	<u>(75,982)</u>
(29) Income taxes	102,136	94,429	7,707
(30) Income before cumulative effect of a change in accounting	138,838	116,493	22,345
(32) Cumulative effect of a change in accounting	102,147	-	102,147
(33) NET INCOME	<u>\$ 240,985</u>	<u>\$ 116,493</u>	<u>\$ 124,492</u>
(34)			
(35) Basic earnings per common share:			
(36) Before accounting change	\$ 0.47	\$ 0.40	\$ 0.07
(37) Cumulative effect of accounting change	0.35	-	0.35
(38)	<u>\$ 0.82</u>	<u>\$ 0.40</u>	<u>\$ 0.42</u>
(39) Weighted average number of basic shares outstanding	<u>293,886</u>	<u>292,791</u>	<u>1,095</u>
(41)			
(42) Diluted earnings per common share:			
(43) Before accounting change	\$ 0.47	\$ 0.40	\$ 0.07
(44) Cumulative effect of accounting change	0.35	-	0.35
(45)	<u>\$ 0.82</u>	<u>\$ 0.40</u>	<u>\$ 0.42</u>
(46) Weighted average number of diluted shares outstanding	<u>294,877</u>	<u>294,492</u>	<u>385</u>

FirstEnergy Actual Consolidated Income Segments

Three Months Ended March 31, 2003

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 2,219,999	\$ 413,201	\$ -	\$ -	\$ 2,633,200
(3) Natural Gas	-	248,496	-	-	248,496
(4) FE Facilities	-	77,380	-	-	77,380
(5) MYR	-	112,294	-	-	112,294
(6) International	-	-	42,340	-	42,340
(7) Other	95,065	14,910	8,746	12,041 (a)	130,762
(8) Internal revenues	264,502	559,694	123,794	(947,990) (b)	-
(9) Total revenues	<u>2,579,566</u>	<u>1,425,975</u>	<u>174,880</u>	<u>(935,949)</u>	<u>3,244,472</u>
(10)					
(11) EXPENSES:					
(12) Fuel	-	155,322	2,416	-	157,738
(13) Purchased Power	1,111,612	472,454	-	(559,694) (b)	1,024,372
(14) Purchased Gas	-	229,465	-	-	229,465
(15) Other operating expenses	531,559	422,941	107,692	(341,548) (a)(b)	720,644
(16) FE Facilities	-	78,263	-	-	78,263
(17) MYR	-	110,635	-	-	110,635
(18) International	-	-	16,007	-	16,007
(19) Mark-to-Market Adjustment	-	3,841	(151)	-	3,690
(20) Provision for depreciation and amortization	263,658	7,492	10,512	-	281,662
(21) General taxes	163,758	10,552	3,972	-	178,282
(22) Total expenses	<u>2,070,587</u>	<u>1,490,965</u>	<u>140,448</u>	<u>(901,242)</u>	<u>2,800,758</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES					
(24) AND INCOME TAXES	508,979	(64,990)	34,432	(34,707)	443,714
(25) Net interest charges:					
(26) Interest expense	118,017	12,693	104,647	(34,707) (b)	200,650
(27) Capitalized interest	(7,050)	(2,102)	-	-	(9,152)
(28) Subsidiaries' preferred stock dividends	11,242	-	-	-	11,242
(29) Net interest charges	<u>122,209</u>	<u>10,591</u>	<u>104,647</u>	<u>(34,707)</u>	<u>202,740</u>
(30) Income taxes	159,404	(31,336)	(25,932)	-	102,136
(31) Income before cumulative effect of a change in accounting					
(32) change in accounting	227,366	(44,245)	(44,283)	-	138,838
(33) Cumulative effect of a change in accounting	100,960	1,187	-	-	102,147
(34) NET INCOME	<u>\$ 328,326</u>	<u>\$ (43,058)</u>	<u>\$ (44,283)</u>	<u>\$ -</u>	<u>\$ 240,985</u>

Three Months Ended Mar 31, 2002

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 1,924,242	\$ 160,758	\$ -	\$ -	\$ 2,085,000
(3) Natural Gas	-	204,592	-	-	204,592
(4) FE Facilities	-	119,753	-	-	119,753
(5) MYR	-	139,794	-	-	139,794
(6) International	-	-	204,626	-	204,626
(7) Other	70,620	12,955	9,409	6,529 (a)	99,513
(8) Internal revenues	354,680	410,296	117,459	(882,435) (b)	-
(9) Total revenues	<u>2,349,542</u>	<u>1,048,148</u>	<u>331,494</u>	<u>(875,906)</u>	<u>2,853,278</u>
(10)					
(11) EXPENSES:					
(12) Fuel	1,176	166,533	2,912	-	170,621
(13) Purchased Power	905,791	66,665	-	(458,237) (b)	514,219
(14) Purchased Gas	-	206,227	-	-	206,227
(15) Other operating expenses	516,672	440,453	141,475	(403,263) (a)(b)	695,337
(16) FE Facilities	-	118,135	-	-	118,135
(17) MYR	-	136,871	-	-	136,871
(18) International	-	-	88,547	-	88,547
(19) Mark-to-Market Adjustment	-	(9,184)	8,045	-	(1,139)
(20) Provision for depreciation and amortization	243,779	6,661	12,388	-	262,828
(21) General taxes	160,912	7,251	3,825	-	171,988
(22) Total expenses	<u>1,828,330</u>	<u>1,139,612</u>	<u>257,192</u>	<u>(861,500)</u>	<u>2,363,634</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES					
(24) AND INCOME TAXES	521,212	(91,464)	74,302	(14,406)	489,644
(25) Net interest charges:					
(26) Interest expense	140,780	12,056	122,035	(14,406) (b)	260,465
(27) Capitalized interest	(3,387)	(2,427)	-	-	(5,814)
(28) Subsidiaries' preferred stock dividends	24,071	-	-	-	24,071
(29) Net interest charges	<u>161,464</u>	<u>9,629</u>	<u>122,035</u>	<u>(14,406)</u>	<u>278,722</u>
(30) Income taxes	161,876	(41,469)	(25,978)	-	94,429
(31) Income before cumulative effect of a change in accounting					
(32) change in accounting	197,872	(59,624)	(21,755)	-	116,493
(33) Cumulative effect of a change in accounting	-	-	-	-	-
(34) NET INCOME	<u>\$ 197,872</u>	<u>\$ (59,624)</u>	<u>\$ (21,755)</u>	<u>\$ -</u>	<u>\$ 116,493</u>

FirstEnergy Actual Consolidated Income Segments

Three Months Ended March 31, 2003 VS 2002

(In thousands):	Regulated Services	Competitive Services	Other (c)	Reconciling Adjustments	Consolidated
(1) REVENUES:					
(2) Electric Sales	\$ 295,757	\$ 252,443	\$ -	\$ -	\$ 548,200
(3) Natural Gas	-	43,904	-	-	43,904
(4) FE Facilities	-	(42,373)	-	-	(42,373)
(5) MYR	-	(27,500)	-	-	(27,500)
(6) International	-	-	(162,286)	-	(162,286)
(7) Other	24,445	1,955	(663)	5,512 (a)	31,249
(8) Internal revenues	(90,178)	149,398	6,335	(65,555) (b)	-
(9) Total revenues	<u>230,024</u>	<u>377,827</u>	<u>(156,614)</u>	<u>(60,043)</u>	<u>391,194</u>
(10)					
(11) EXPENSES:					
(12) Fuel	(1,176)	(11,211)	(496)	-	(12,883)
(13) Purchased Power	205,821	405,789	-	(101,457) (b)	510,153
(14) Purchased Gas	-	23,238	-	-	23,238
(15) Other operating expenses	14,887	(17,512)	(33,783)	61,715 (a)(b)	25,307
(16) FE Facilities	-	(39,872)	-	-	(39,872)
(17) MYR	-	(26,236)	-	-	(26,236)
(18) International	-	-	(72,540)	-	(72,540)
(19) Mark-to-Market Adjustment	-	13,025	(8,196)	-	4,829
(20) Provision for depreciation and amortization	19,879	831	(1,876)	-	18,834
(21) General taxes	2,846	3,301	147	-	6,294
(22) Total expenses	<u>242,257</u>	<u>351,353</u>	<u>(116,744)</u>	<u>(39,742)</u>	<u>437,124</u>
(23) INCOME BEFORE INTEREST AND INCOME TAXES	<u>(12,233)</u>	<u>26,474</u>	<u>(39,870)</u>	<u>(20,301)</u>	<u>(45,930)</u>
(24)					
(25) Net interest charges:					
(26) Interest expense	(22,763)	637	(17,388)	(20,301) (b)	(59,815)
(27) Capitalized interest	(3,663)	325	-	-	(3,338)
(28) Subsidiaries' preferred stock dividends	(12,829)	-	-	-	(12,829)
(29) Net interest charges	<u>(39,255)</u>	<u>962</u>	<u>(17,388)</u>	<u>(20,301)</u>	<u>(75,982)</u>
(30) Income taxes	<u>(2,472)</u>	<u>10,133</u>	<u>46</u>	<u>-</u>	<u>7,707</u>
(31) Income before cumulative effect of a change in accounting	29,494	15,379	(22,528)	-	22,345
(32) Cumulative effect of a change in accounting	100,960	1,187	-	-	102,147
(33) NET INCOME	<u>\$ 130,454</u>	<u>\$ 16,566</u>	<u>\$ (22,528)</u>	<u>\$ -</u>	<u>\$ 124,492</u>
(34)					

Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting.

(a) Principally fuel marketing revenues which are reflected as reductions to expenses for internal management reporting purposes.

(b) Elimination of intersegment transactions.

(c) "Other" segment primarily consists of corporate support services and international businesses.

FirstEnergy Statistical Summary

FirstEnergy Combined Electric Sales Statistics			
Three Months Ended March 31,			
	2003	2002	Change
(In Millions)			
ELECTRIC GENERATION SALES (KWHs):			
Retail -			
Regulated	22,118	21,672	2.1%
Unregulated	3,230	1,403	130.2%
Total Retail	25,348	23,075	9.9%
Wholesale	10,426	4,321	141.3%
Total Electric Generation Sales	<u>35,774</u>	<u>27,396</u>	<u>30.6%</u>
ELECTRIC DISTRIBUTION DELIVERIES (KWHs):			
Residential	10,127	8,773	15.4%
Commercial	8,292	7,427	11.6%
Industrial	8,724	8,608	1.3%
Other	140	138	1.4%
Total Distribution Deliveries	<u>27,283</u>	<u>24,946</u>	<u>9.4%</u>
ELECTRIC SALES SHOPPED (KWHs):			
Residential	1,647	1,178	39.8%
Commercial	1,626	719	126.1%
Industrial	1,892	1,377	37.4%
Total Electric Sales Shopped	<u>5,165</u>	<u>3,274</u>	<u>57.8%</u>

At March 31,				
	2003	% Total	2002	% Total
Capitalization (in thousands):				
Total common equity	\$ 7,262,260	31%	\$ 7,436,518	29%
Preferred stock *	765,363	3%	1,074,971	4%
Long-term debt *	12,666,967	55%	14,706,813	57%
Short-term debt *	855,327	4%	862,528	3%
Off-balance sheet debt equivalent.				
- Sale-leaseback arrangements	1,496,580	6%	1,467,254	6%
-Accounts receivable factoring	145,000	1%	200,000	1%
Total Capitalization	<u>\$ 23,191,497</u>	<u>100%</u>	<u>\$ 25,748,084</u>	<u>100%</u>

* Includes amounts due to be paid within one year, JCP&L securitization of \$320 million and debt related to pending divestitures in 2002.

Three Months Ended March 31,			
	2003	2002	Change
(in thousands)			
Financial Statistics (in thousands):			
L-T Debt and Preferred Stock Redemptions	\$ 121,814	\$ 167,529	\$ (45,715)
Short-term Debt Increase (Decrease)	\$ (237,490)	\$ (16,338)	\$ (221,152)
Capital Investments	\$ 190,841	\$ 164,918	\$ 25,923
One-Time Items: 2003 vs 2002 (a)			
Three Months Ended March 31,			
	2003	2002	Change
Long-term Derivative Contract Adjustment	\$ -	\$ (18,091)	\$ 18,091
Equity Investment - Bankruptcy	-	(30,371)	30,371
Telecommunications Investment Writedown	-	(12,610)	12,610
Generation Project Cancellation	-	(17,102)	17,102
Cumulative Avon adjustment (b)	-	45,300	(45,300)
Total - Income before income taxes	<u>\$ -</u>	<u>\$ (32,874)</u>	<u>\$ 32,874</u>
EPS Effect	<u>\$0.00</u>	<u>(\$0.05)</u>	<u>\$0.05</u>
Notes: (a) Expense amounts except as noted in footnote (b)			
(b) Cumulative Avon adjustment amounts reflected in 2002 income statement -			
Revenues - international		\$ 91,300	
Expenses - international		27,100	
Net interest charges		18,900	
Income before income taxes		45,300	
Income taxes		13,600	
Net income		<u>\$ 31,700</u>	

FirstEnergy Statistical Summary

	Three Months Ended		
	March 31,		
	2003	2002	Change
NATURAL GAS SALES (Decatherms):	(in thousands)		
Retail	29,577	38,266	-22.7%
Wholesale	10,037	12,300	-18.4%
Total Natural Gas Sales	<u>39,614</u>	<u>50,566</u>	<u>-21.7%</u>

	Three Months Ended March 31,		
	2003	2002	Change
Regulatory Asset Amortization	(in thousands)		
Depreciation and Amortization	\$ 181,234	\$ 142,789	\$ 38,445
Income Tax Amortization	15,490	13,070	2,420
Total	<u>\$ 196,724</u>	<u>\$ 155,859</u>	<u>\$ 40,865</u>
Regulatory Deferrals			
Ohio Transition Plan			
Beginning Balance	\$ 259,353	\$ 75,406	
Deferral of Shopping Incentives	45,426	31,036	\$ 14,390
Deferral of New Regulatory Assets	4,589	12,459	(7,870)
Current period deferrals	50,015	43,495	\$ 6,520
Ending Balance-Ohio Deferrals	<u>\$ 309,368</u>	<u>\$ 118,901</u>	
Deferred Energy Costs			
Pennsylvania			
Beginning Balance	\$ -	\$ 218,531	
Deferral (recovery) of energy costs	-	(19,131)	\$ 19,131
Current period change	-	(19,131)	\$ 19,131
Ending Balance	<u>\$ -</u>	<u>\$ 199,400</u>	
New Jersey			
Beginning Balance	\$ 548,641	\$ 301,204	
Deferral (recovery) of energy costs	(18,313)	18,651	\$ (36,964)
Ending Balance	<u>\$ 530,328</u>	<u>\$ 319,855</u>	
Mark-to-Market Adjustment			
Expenses - Pre-Tax Income Effect:			
Increase (Decrease)	\$ 3,690	\$ (1,139)	\$ 4,829
EPS Effect	(\$0.01)	\$0.00	(\$0.01)

	At March 31,	
	2003	2002
Operating Statistics (12 mos. Ending)		
System Load Factor	61.3%	59.2%
Capacity Factors:		
Fossil	59.9%	53.1%
Nuclear	70.8%	86.4%
Generation Output:		
Fossil	67%	59%
Nuclear	33%	41%
Weather		
Composite Heating Days Year-to-Date (Normal - 2,806)	3,116	2,519

RECENT DEVELOPMENTS

Standard & Poor's (S&P) and Moody's Ratings Actions

On April 14, S&P Ratings Services affirmed its 'BBB' corporate credit rating on FirstEnergy Corp. and its subsidiaries. S&P also upgraded FirstEnergy's Business Position rating from '6' to '5.' In addition, on April 11, Moody's Investors Service affirmed its 'Baa2' issuer and senior unsecured ratings for First Energy Corp.

Davis-Besse Nuclear Power Station

FirstEnergy continues to make progress toward returning Davis-Besse to safe and reliable operation. Milestones achieved included modification of the Containment Emergency Sump, installation of a FLUS leak detection system on the bottom of the reactor vessel, and successful completion of the Integrated Leak Rate Test on the containment building. Additionally, the Company's consultant, Dr. Sonja Haber, has completed the safety culture assessment report, which will be discussed at a future NRC meeting. The next milestone will be the pressure test of the reactor coolant system, including the reactor vessel.

Nuclear Plant Refueling Outages

Beaver Valley Unit 1 completed its refueling outage and returned to service on April 29. During the refueling, repairs were made to minor surface cracks on four of the 65 control rod drive mechanism nozzles. The cracks did not result in coolant leakage and inspection of the reactor head indicated it is in good condition.

The Perry Plant began its refueling outage on April 5 and is expected to return to service in early May.

Jersey Central Power & Light (JCP&L) Rate Case

The schedule in the JCP&L rate case has been revised as follows:

- Hearings completed on April 28
- Briefs are due May 2
- Reply Briefs are due May 16
- Administrative Law Judge Recommended Decision due end of June
- Board of Public Utilities decision expected in July
- New rates will be effective August 1

Pennsylvania Public Utility Commission (PAPUC) Activity

Following the Pennsylvania Supreme Court's denial of appeals of the Commonwealth Court's Order on the merger settlement and Provider of Last Resort rate relief, the PAPUC:

- transmitted the issue of merger savings to the Office of Administrative Law Judge for hearings,
- directed Met-Ed and Penelec to file a position paper by May 2 describing the status of a settlement stipulation in light of the Commonwealth Court's opinion; and
- directed all interested parties to submit responses within 30 days of the Companies' position paper filing

Shelf Registration

On March 17, FirstEnergy filed a registration statement with the U.S. Securities and Exchange Commission covering securities in the aggregate of up to \$2 billion. Although the Company does not have any current plans to issue securities, the shelf provides the flexibility to issue and sell various types of securities, including common stock, debt securities, or share purchase contracts and related share purchase units.

Emdersa Abandonment

On April 18, FirstEnergy divested its ownership in the Argentine distribution company Emdersa through the abandonment of its shares in Emdersa's parent company, GPU Argentina Holdings, Inc. FirstEnergy will recognize a one-time, non-cash charge of \$63 million in the second quarter (\$0.21 per share). Since FirstEnergy had recorded a \$90 million currency translation adjustment in the fourth quarter of 2002, the net effect of the \$63 million charge will be an increase in common shareholders' equity of \$27 million. FirstEnergy anticipates income tax benefits of \$129 million related to the abandonment, which will be reflected in earnings in a future period.