



## **American States Water Company Announces Regular Common Dividends and Second Quarter 2002 Results**

August 6, 2002

SAN DIMAS, Calif., Aug 6, 2002 (BUSINESS WIRE) -- At its regular meeting, the Board of Directors of American States Water Company (NYSE:AWR) approved payment of a quarterly dividend of \$0.217 per share on the Common Shares of the Company. Dividends on the Common Shares will be payable on September 1, 2002 to shareholders of record at the close of business on August 12, 2002.

American States Water Company today also reported basic earnings of \$0.36 per Common Share for the second quarter of 2002 as compared to basic earnings of \$0.33 per common share reported for the second quarter of last year. Diluted earnings per share for the second quarter of 2002 and 2001 were \$0.35 and \$0.33 per share, respectively.

Basic earnings per share for the twelve months ended June 30, 2002 were reported at \$1.42 per Common Share, an increase of 9.2% from the \$1.30 reported for the twelve months ended June 30, 2001. Diluted earnings per share were \$1.40 and \$1.29 for the twelve months ended June 30, 2002 and June 30, 2001, respectively.

Commenting on the reported results, President & Chief Executive Officer Floyd E. Wicks said, "We are pleased at the continued water and electric revenue growth at our Southern California Water ("SCW") unit and the significant customer growth at our Chaparral City Water Company ("CCWC") unit in Arizona. This continued growth, accompanied with the recent CPUC approval to increase rates for recovery of power costs in our Bear Valley Electric customer service area, will allow us to continue our focus on business strategies and goals."

Second Quarter 2002 Results -- The Company reported operating income of \$9.9 million and net income of \$5.4 million in the second quarter of 2002. In the second quarter of last year, operating income was reported at \$9.0 million and net income at \$5.1 million.

Total revenues for the second quarter of 2002 increased by 5.9% to \$52.8 million as compared to \$49.9 million reported in 2001. Water revenues increased by \$2.3 million due to increased sales volumes and rate increases at SCW while electric revenues increased by \$0.7 million reflecting rate increases at SCW's electric division.

For the second quarter of 2002, total operating expenses increased by 5.0% to \$42.9 million compared with the \$40.9 million recorded for the same period last year principally reflecting additional supply expense.

Interest charges were \$4.4 million in the second quarter of 2002 compared to \$4.0 million in the second quarter of 2001 due to additional debt issued by SCW in December 2001.

Twelve Months Ended June 30, 2002 Results -- The Company reported operating income for the twelve months ended June 30, 2002 of \$38.3 million and net income of \$21.5 million as compared with operating income of \$34.8 million and net income of \$19.4 million for the twelve months ended June 30, 2001.

Total revenues for the twelve months ended June 30, 2002 increased by 7.7% to \$204.6 million from the \$189.9 million recorded for the same period in 2001. As compared to the twelve months ended June 30, 2001, water revenues for the twelve months ended June 30, 2002 increased by \$6.8 million due to rate increases at SCW and additional sales generated by the acquisition of CCWC. Electric revenues increased by \$2.8 million for the twelve months ended June 30, 2002 reflecting rate increases at SCW's electric division.

Total operating expenses increased by 7.3% to \$166.4 million for the twelve months ended June 30, 2002 as compared to the \$155.1 million recorded for the same period ended June 30, 2001. The increase between the two periods reflects increased supply costs, depreciation expense, and reserves booked during 2001 against possible non-recovery of a portion of electric power costs incurred to serve SCW's electric division.

Interest charges increased by 9.4% to \$16.6 million for the twelve months ended June 30, 2002 compared to \$15.1 million for the same period ended June 30, 2001 reflecting additional long-term debt issued by SCW, debt assumed in the acquisition of CCWC.

Other -- Certain matters discussed in this news release with regard to the Company's expectations may be forward-looking statements that involve risks and uncertainties. The assumptions and risk factors that could cause actual results to differ materially include those described in the Company's Form 10-Q and Form 10-K filed with the Securities and Exchange Commission.

American States Water Company is a holding company that, through its subsidiaries, provides water service to 1 out of 30 Californians located within 75 communities throughout 10 counties in Northern, Coastal and Southern California and to approximately 11,700 customers in the city of Fountain Hills, Arizona and portions of Scottsdale, Arizona. The Company distributes electricity to approximately 21,900 customers in the Big Bear recreational area of California, and contracts with various municipalities and private entities in both California and Arizona to provide services to an additional 90,000 customers.

Conference Call -- The Company will host a conference call on Tuesday, August 6, 2002 at 10:00 a.m. Pacific Daylight Time (PDT), during which management will be making a brief presentation focusing on the company's results, strategies, and operating trends. Interested parties may listen to the conference call over the internet by logging onto [www.aswater.com](http://www.aswater.com). The call will also be recorded and replayed beginning Tuesday, August 6, 2002 at 12:00 p.m. PDT and will run through Tuesday, August 13, 2002 until 2:00 p.m. PDT. The dial-in number for the audio replay is (800) 642-1687 (conference ID# 5051655).

Comparative Condensed Balance Sheets	Consolidated (in thousands)					
	June 30, 2002		June 30, 2001			
	(Unaudited)					
Assets						
Utility Plant-Net	\$	550,754	\$	522,692		
Other Property and Investments		24,063		24,792		
Current Assets		77,198		61,145		
Deferred Charges		33,717		30,351		
	\$	685,732	\$	638,980		
Capitalization and Liabilities						
Capitalization	\$	448,578	\$	392,385		
Current Liabilities		60,282		78,868		
Other Credits		176,872		167,727		
	\$	685,732	\$	638,980		
Condensed Statements of Income (in thousands, except per share amounts)						
	Three Months Ended		Twelve Months Ended			
	June 30,		June 30,			
	2002	2001	2002	2001		
	(Unaudited)					
Operating Revenues	\$	52,802	\$	49,870	\$204,641	\$189,944
Operating Expenses:						
Operations	\$	30,066	\$	28,276	\$116,594	\$105,221
Maintenance		2,194		2,086	8,427	9,433
Depreciation and amortization		4,538		4,493	18,080	16,708
Taxes on income		4,135		4,125	15,690	16,251
Property and other taxes		1,983		1,877	7,591	7,515
Total Operating Expenses	\$	42,916	\$	40,857	\$166,382	\$155,128
Net Operating Income	\$	9,886	\$	9,013	\$ 38,259	\$ 34,816
Other Income		(87)		16	(172)	(228)
Income Before Interest						
Charges	\$	9,799	\$	9,029	\$ 38,087	\$ 34,588
Interest Charges		4,364		3,976	16,569	15,146
Net Income	\$	5,435	\$	5,053	\$ 21,518	\$ 19,442
Dividends on Preferred						
Shares		(8)		(21)	(71)	(85)
Earnings Available for						
Common Shareholders	\$	5,427	\$	5,032	\$ 21,447	\$ 19,357
Weighted Average Shares						
Outstanding		15,131		15,120	15,123	14,907
Earnings Per Common						
Share	\$	0.36	\$	0.33	\$ 1.42	\$ 1.30
Weighted Average Fully						
Diluted Shares		15,386		15,257	15,307	15,009
Fully Diluted Earnings						
Per Share	\$	0.35	\$	0.33	\$ 1.40	\$ 1.29
Dividends Paid Per Common						
Share	\$	0.22	\$	0.21	\$ 0.87	\$ 0.86

CONTACT: American States Water Co.  
McClellan Harris III, 909/394-3600, Ext. 705  
URL: <http://www.businesswire.com>