



American States Water Announces 27% Increase in Quarterly Dividend

August 1, 2012

- ***Brings Payout Ratio More in Line with Industry Peers***
- ***Reflects Sustainability of Earnings from Contracted Services Business***

SAN DIMAS, Calif.--(BUSINESS WIRE)--Aug. 1, 2012-- On July 31, 2012, the Board of Directors of American States Water Company (NYSE:AWR) approved a \$0.075 per share increase in its quarterly cash dividend to \$0.355 per share on the Common Shares of the Company. This represents a 27% increase in the quarterly dividend and the 305th consecutive dividend payment by the Company. For 58 consecutive years, American States Water Company shareholders have received an increase in their annual dividend payments.

"This substantial increase in our quarterly dividend reflects our Board's confidence in the sustainability of the company's earnings and the prospects for our future and its desire to have a payout ratio that is more in line with our peers," said Robert J. Sprowls, President and CEO of American States Water Company.

Sprowls continued, "Earnings from our contracted services business have grown significantly over the past 3 ½ years and we have not historically paid a dividend on those earnings. We believe the earnings from this business will be a continued source of dividends for our shareholders and we have adjusted our dividend accordingly." Sprowls added, "We also believe that prudently increasing dividends enhances our ability to attract capital in the future to fund necessary infrastructure investments in our utility operations."

Dividends on the Common Shares will be payable on September 1, 2012 to shareholders of record at the close of business on August 13, 2012.

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 filings with the Securities and Exchange Commission.

American States Water Company is the parent of Golden State Water Company and American States Utility Services, Inc. Through its utility subsidiary, Golden State Water Company, AWR provides water service to approximately 1 out of every 36 Californians located within 75 communities throughout 10 counties in Northern, Coastal and Southern California (approximately 256,000 customers). The Company also distributes electricity to over 23,000 customers in the Big Bear recreational area of California. Through its contracted services subsidiary, American States Utility Services, Inc., the Company provides operations, maintenance and construction management services for water and wastewater systems located on military bases throughout the country under 50 year privatization contracts.

American States Water Company has paid dividends to shareholders every year since 1931, increasing the dividends received by shareholders each calendar year since 1954.

Source: American States Water Company

American States Water Company

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