



WESCO FINANCIAL CORPORATION

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Unaudited consolidated net income of Wesco Financial Corporation and its subsidiaries for the second quarter of 2002, amounted to \$14,880,000 compared with \$15,106,000 for the second quarter of 2001. Unaudited consolidated net income for the first six months of 2002 was \$29,317,000 compared with \$34,923,000 for the same period of 2001.

The declines in earnings in the 2002 periods were caused primarily by detrimental effects of the weaker economy on the furniture rental business. The earnings declines were significantly reduced by the discontinuance of goodwill amortization at the beginning of 2002 pursuant to a rule change by the Financial Accounting Standards Board. No securities gains or losses were realized in either year.

Following is a breakdown of consolidated net income into useful business components. All figures are on an after-tax basis and are in thousands except for per-share amounts, which are based on 7,119,807 shares outstanding.

	Quarter Ended June 30,		Six Months Ended June 30,		2002		2001	
	Per Amount	Per Share	Per Amount	Per Share	Per Amount	Per Share	Per Amount	Per Share
Wesco-Financial and Kansas Bankers insurance businesses.....	\$12,643	\$1.78	\$13,270	\$1.86	\$25,201	\$3.54	\$27,549	\$3.87
CORT furniture rental business.....	1,988	.27	3,494	.49	3,742	.52	10,269	1.44
Precision Steel businesses	128	.02	(8)	---	124	.02	275	.04
Goodwill amortization.....	---	---	(1,707)	(.24)	---	---	(3,384)	(.48)
Other	<u>121</u>	<u>.02</u>	<u>57</u>	<u>.01</u>	<u>250</u>	<u>.04</u>	<u>214</u>	<u>.03</u>
Consolidated net income	<u>\$14,880</u>	<u>\$2.09</u>	<u>\$15,106</u>	<u>\$2.12</u>	<u>\$29,317</u>	<u>\$4.12</u>	<u>\$34,923</u>	<u>\$4.90</u>

At June 30, 2002, Wesco's shareholders' equity was \$1.99 billion (\$280 per share), compared to \$1.91 billion (\$269 per share) at December 31, 2001. The increase was due mainly to an increase in appreciation in market value of investments, which is credited, net of income taxes, directly to shareholders' equity, without being reflected in earnings. Because unrealized appreciation is recorded based upon current market quotations, gains or losses ultimately realized upon sale of investments could differ substantially from recorded unrealized appreciation.

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