



WESCO FINANCIAL CORPORATION

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FOR IMMEDIATE RELEASE - PASADENA, CALIFORNIA, November 8, 2002

Unaudited consolidated net income of Wesco Financial Corporation and its subsidiaries for the third quarter of 2002 amounted to \$15,145,000 compared with \$11,191,000 for the third quarter of 2001. Unaudited consolidated net income for the first nine months of 2002 was \$44,462,000 compared with \$46,114,000 for the same period of 2001.

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.

| | <u>Quarter Ended September 30,</u> | | | | <u>Nine Months Ended September 30,</u> | | | |
|---|------------------------------------|------------------|-----------------|------------------|--|------------------|-----------------|------------------|
| | <u>2002</u> | | <u>2001</u> | | <u>2002</u> | | <u>2001</u> | |
| | <u>Amount</u> | <u>Per Share</u> | <u>Amount</u> | <u>Per Share</u> | <u>Amount</u> | <u>Per Share</u> | <u>Amount</u> | <u>Per Share</u> |
| Wesco-Financial and Kansas Bankers insurance businesses | \$14,079 | \$1.97 | \$ 9,580 | \$1.34 | \$39,280 | \$5.51 | \$37,129 | \$5.21 |
| CORT furniture rental business | 831 | .12 | 3,246 | .46 | 4,573 | .64 | 13,515 | 1.90 |
| Precision Steel businesses | 78 | .01 | (71) | (.01) | 202 | .03 | 204 | .03 |
| Goodwill amortization | -- | -- | (1,729) | (.24) | -- | -- | (5,113) | (.72) |
| Other | 157 | .02 | 165 | .02 | 407 | .06 | 379 | .05 |
| Consolidated net income | <u>\$15,145</u> | <u>\$2.12</u> | <u>\$11,191</u> | <u>\$1.57</u> | <u>\$44,462</u> | <u>\$6.24</u> | <u>\$46,114</u> | <u>\$6.47</u> |

Earnings of Wesco's insurance businesses in the 2001 periods reflected an after-tax provision for estimated property and casualty losses of \$6,500,000, recorded in the third quarter, in connection with the September 11 terrorist activity. Earnings of the furniture rental business have declined further in 2002 due to continued weakness of the economy. Consolidated net income in 2002 benefited from 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 by Wesco or its subsidiaries in either year.

At September 30, 2002, Wesco's shareholders' equity of \$1.97 billion (\$276 per share) included \$391 million (\$55 per share) of after-tax unrealized appreciation in market value of investments. 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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