

Major Market Index: S&P 500

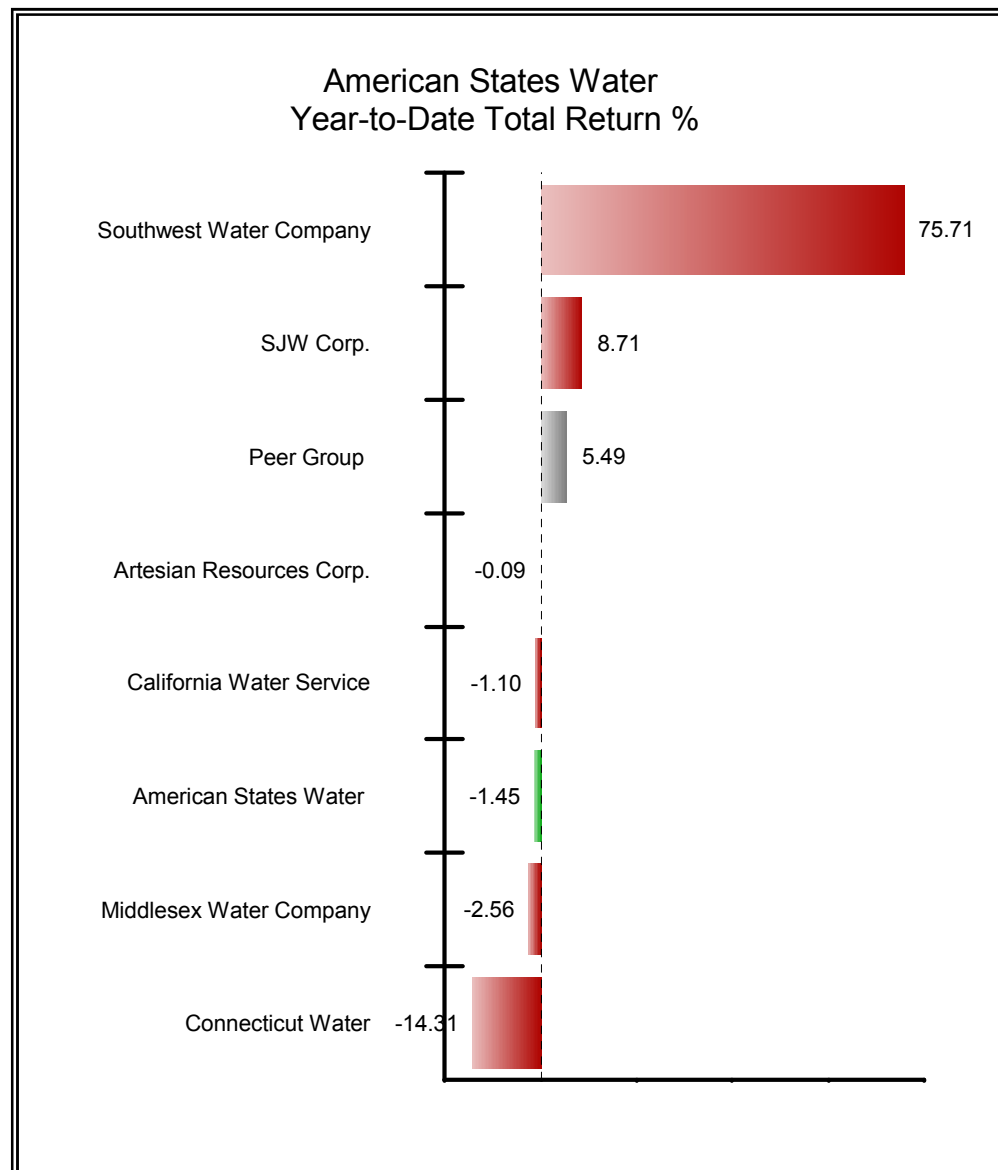
Sector: Utilities

Segment: MidCap Value

Stock Symbol: AWR

Executive Summary

- The year-to-date total return for American States Water was -1.45% versus 5.49% for the company's peer group.
- The S&P 500, the company's major market index has a year-to-date total return of -1.50%.
- The strongest performance year-to-date has come from Consumer Discretionary, Industrials, and Financials.
- The company's sector, Utilities, ranks number seven among all ten sectors in total return year-to-date.
- American States Water 's May total return of -7.25% was better than the -7.60% average for the company's peer group.
- The company ranked number five in total return within its peer group during the month of May.
- American States Water has recorded a positive total return in seven of the last 12 months.
- The S&P 500, the company's major market index had a total return of -7.99% in May.
- The company's sector, Utilities, was one of the performance leaders in the last month, ranking number three in total return.
- Performance leadership in May came from the Telecommunication Services, which led all sectors, and the Consumer Staples sector in second position.
- Mid-Cap Stocks were May's performance leaders with returns that outperformed those of Small-Cap and Large-Cap stocks.
- Performance of Growth stocks were better than those from Value stocks in all three market segments—Large-, Mid-, and Small-Cap—in May.



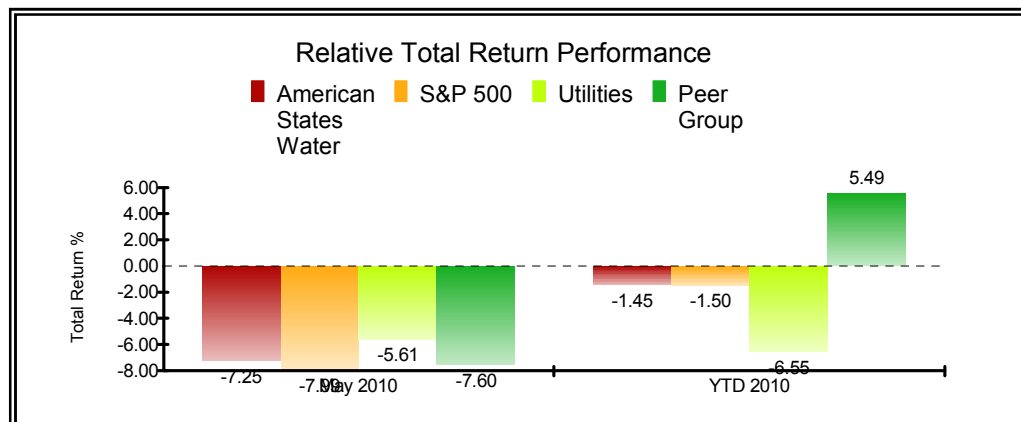
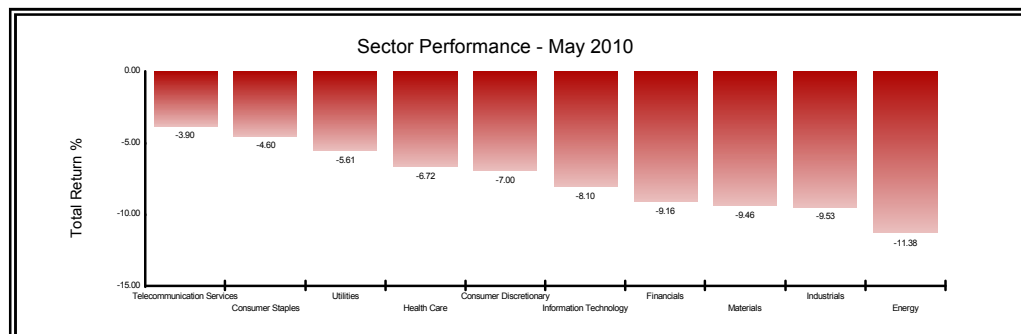
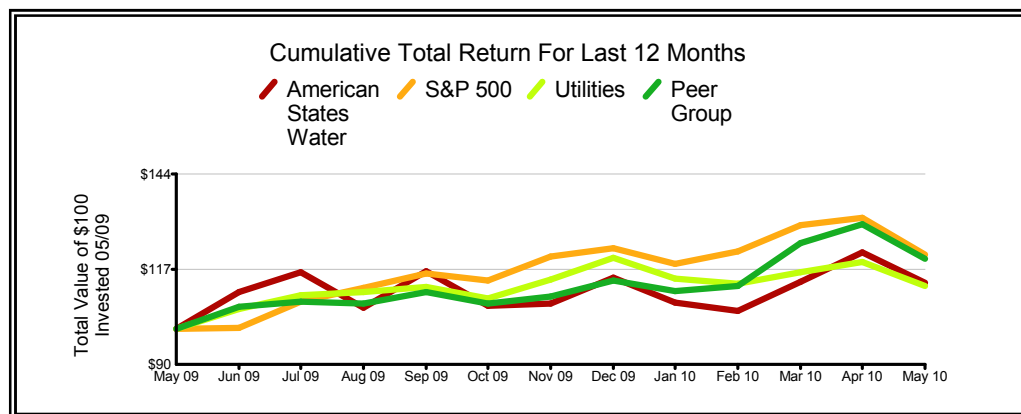
Market Overview

May

May's negative total return for the S&P 500 index was a reversal from April and represented the index's third negative return in the last twelve months. The index's total return was down 7.99%, and was weaker than the prior month's 1.58% result. Within the market's negative total return relative strength was seen from the Telecommunication Services, Consumer Staples, and Utilities sectors, the index's strongest performing sectors in May. All three sectors saw better relative performance in May. The Telecommunication Services sector improved from last month's eighth place ranking, while the Consumer Staples sector rose from its ninth place ranking in the previous month, and the Utilities sector's ranking improved over its prior month's fourth place ranking. The poorest performance came from the Energy sector, which slipped from its second place ranking the prior month. Of the ten sectors in the index, none turned in a positive performance in the month in comparison with seven a month ago.

Year-To-Date

May's negative total return, has resulted in the S&P 500's year-to-date total return slipping into negative territory and it now stands at -1.50%. The impact of reinvested dividends on the total return year-to-date is significant, and is the difference between a negative total return of 1.50% and negative a closing price return of 2.30% year-to-date. Sectors having the most support from investors year-to-date are the Consumer Discretionary sector, which has recorded a 11.74% performance, followed by the Industrials and Financials sectors, with respective total returns of 8.24% and 2.76%. The Telecommunication Services sector provided index's weakest performance with a return of -9.35%. Only Three of the index's ten sectors have delivered positive performances year-to-date.



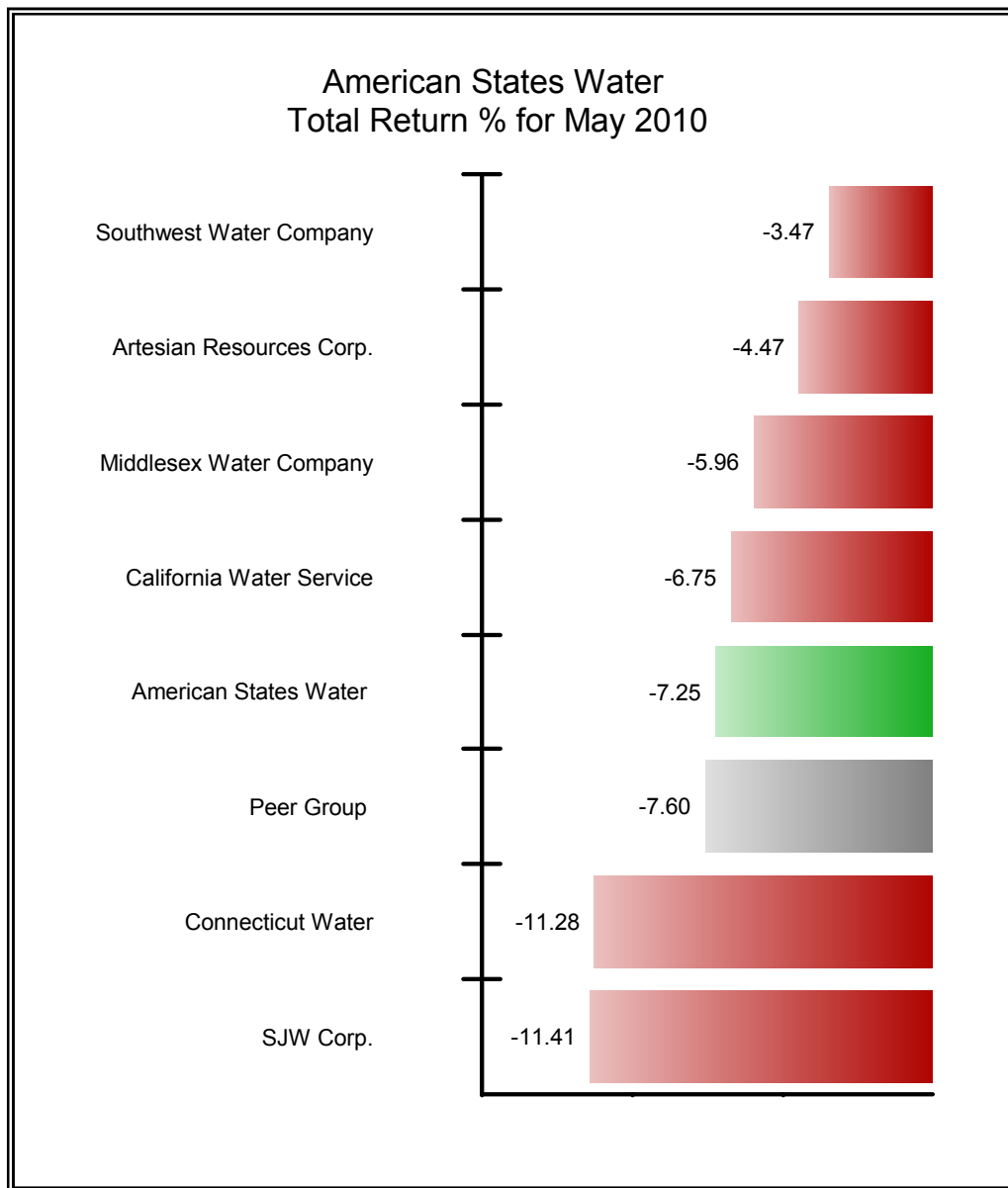
Peer Group Total Return Performance

May

In May, the shares of American States Water provided a total return of -7.25%, which represented a visible decline from April's 7.55% result. However, this return was better than the company's peer group average total return of -7.60% and ranked number five in the peer group. The company's performance also beat that of its major market index, the S&P 500, which had a total return of -7.99%. Of the seven companies in the peer group, none had a positive total return versus all seven in April.

Year-To-Date

Year-to-date total return for American States Water is -1.45%, and is superior to the company's major market index, the S&P 500, whose total return is -1.50%, but is weaker than the average total return of the company's peer group of 5.49%. The company's performance ranks number five in the peer group. The company's and peer groups' market strength overall is greater than that of its Utilities industry sector, who's total return is -6.55%. Year-to-date the Utilities sector ranks number seven among the index's ten industry sectors. Within the peer group's seven companies two have posted a positive total return year-to-date.



Segment Performance

Mid-Cap May and YTD Returns Best

In looking at performance by segment, May saw Mid-Cap stocks outperforming those in the Small-Cap and Large-Cap segments. Mid-Cap stocks had a return of -7.35%, followed by the Small-Cap segment, whose returns were -7.90%, with Large-Caps trailing with a return of -7.93%.

In looking at performance by segment year-to-date, the Mid-Cap stocks outperformed those in the Small-Cap and Large-Cap segments. Mid-Cap stocks returned on average 4.46%, followed by the Small-Cap segment, whose returns were -0.32%, with Large-Caps trailing with a return of -0.88%.

Growth Beats Value In May But Value Best Year-To-Date

Growth stocks outperformed Value stocks in all three market segments in May. In the Large-Cap market segment, Growth stocks averaged a return of -7.63% against -8.22% for Value stocks. In the Mid-Cap segment, Growth stocks beat the returns of Value stocks -6.86% to -7.81%, while in the Small-Cap segment, the returns from Value stocks again topped those of Growth Stocks -8.24% versus -7.55%.

The performance of Value stocks surpassed those from Growth stocks in all of the three market segments year-to-date. In the Large-Cap market segment, Value stocks averaged a return of 0.54% compared to -2.26% for Growth stocks. In the Mid-Cap segment, Value stocks beat the returns of Growth stocks 5.61% to 3.26%, while in the Small-Cap segment, the returns from Value stocks again topped those of Growth Stocks 1.13% versus -1.74%.

