Western Resources®

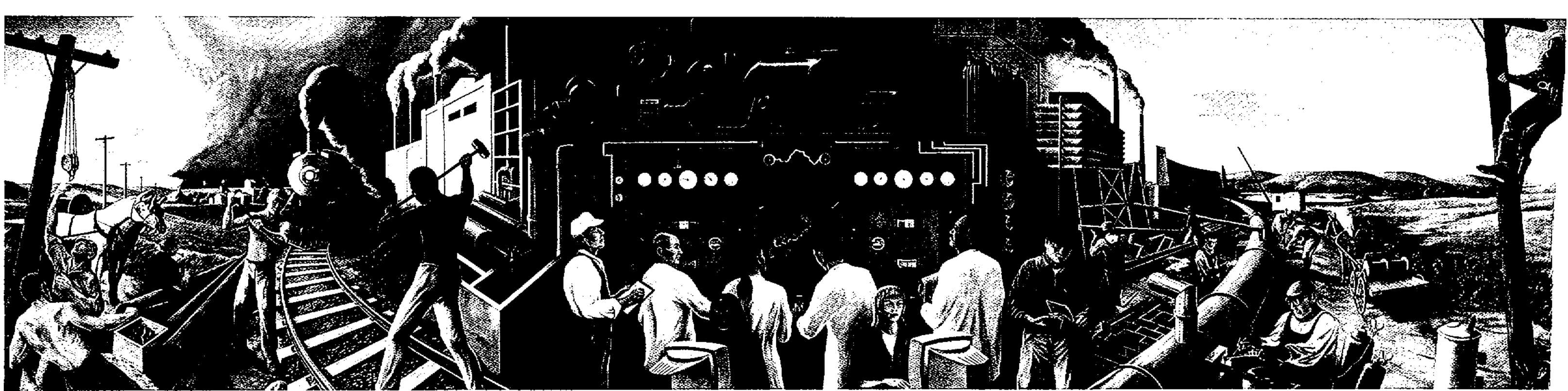
SUMMARY ANNUAL REPORT

1999 FINANCIAL MEASURES

CONTENTS

	1999	1998
FINANCIAL DATA (Dollars in Millions)		
Sales	**$2,036**	$2,034
EBITDA	**668**	568
Earnings available for common stock	**11**	44
Adjusted earnings (1)	**58**	86
Cash flow (2)	**235**	209
Total assets	**8,008**	7,951
Embedded cost of long-term debt	**7.6%**	7.4%
OPERATING DATA		
Electric:		
Sales (thousands of MWH)		
Utility service	**17,604**	17,930
Wholesale	**5,617**	4,826
Total	**23,221**	22,756
Utility customers (at year end)	**628,000**	620,000
Monitored services customers (at year end)	**1,623,000**	1,542,000
Number of employees (at year end)	**7,049**	6,960
COMMON STOCK DATA		
Earnings per share	**$0.17**	$0.67
Adjusted earnings per share (1)	**$0.86**	$1.31
Cash flow per share (2)	**$3.50**	$3.19
Dividends per share	**$2.14**	$2.14
Book value per share	**$27.83**	$29.40
Market value per share (at 12/31)	**$16.938**	$33.250
Average shares outstanding	**67,080,281**	65,633,743
Number of common shareholders	**51,575**	55,892
Annualized dividend yield	**12.6%**	6.4%
Average daily volume traded	**283,706**	162,273
Multiple for adjusted earnings per share (1)	**19.7**	25.4
Multiple for cash flow per share (2)	**4.8**	10.4
Common stock price range		
High	**$33.875**	$44.188
Low	**$16.813**	$32.563

(1) Earnings + Amortization of goodwill and KGE acquisition premium
(2) Earnings + Utility depreciation and amortization + ONEOK dividends



Dear Fellow SHAREHOLDERS

You are receiving this annual report on the heels of an important development in the strategic direction of our company.

We recently announced that Westar Energy, a pure-play electric utility comprised of our KPL division and KGE subsidiary, will operate as a stand-alone electric company serving more than 628,000 customers.

Our non-utility asset, Westar Capital, which will become a separately traded company, will offer an investment opportunity in a diversified business consisting of our 85 percent ownership in Protection One, 45 percent ownership in ONEOK, Protection One Europe and other investments. It is anticipated that Westar Capital also will hold a warrant for 19.9 percent of Westar Energy's common stock.

Our goal in establishing two separate and distinct companies is two-fold.

First, this structure encourages the financial community to recognize the value of our assets — ironically, through their separation.

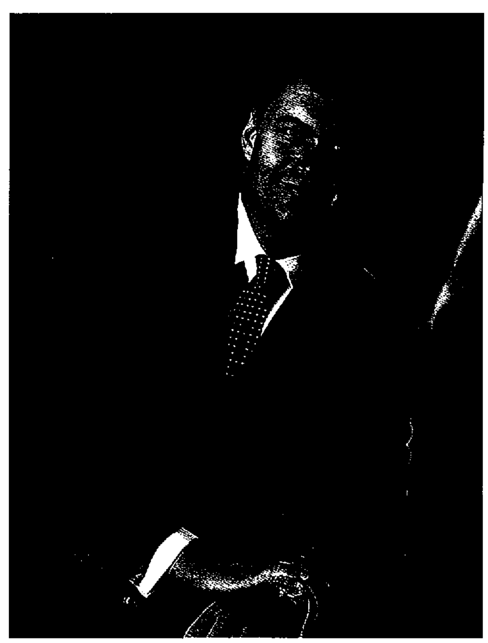
And second, this structure allows us to create value for our shareholders by offering choice. Shareholders can invest in the utility only (Westar Energy), invest in Westar Capital or own a combination of both.

We will be communicating with you more about your choices in the months to come. Now, I'd like to concentrate on 1999 and our vision going forward.

ENERGY OPERATIONS

Despite the fact that Mother Nature did not cooperate...we had a milder winter and cooler summer than normal...performance for the utility exceeded our expectations. In 1999, we earned $2.19 per share, $2.49 per share if one were to add back the amortization expense associated with the KGE merger acquisition premium.

While Western Resources' overriding aim is to maximize long-term returns to our shareholders, part of that objective involves improving efficiency and securing the company's readiness for electric competition. To achieve these objectives, we will continue to invest in the construction and maintenance of first-rate generation and power delivery assets.



DAVID C. WITTIG
Western Resources
Chairman of the Board,
President and Chief
Executive Officer

Century of Service, (left), unveiled earlier this year in the company's Topeka headquarters, depicts the company's history in energy with the history of Kansas. The life-size mural by Kansas artist Anthony Benton Gude uses earthy tones and heartland workers in the regionalist style of the 1930s, much like the John Steuart Curry murals in the Kansas State Capitol and the works of Gude's grandfather, Thomas Hart Benton.

At the end of 1998, we said we must invest more heavily in our core utility business. Considerable money was spent for maintenance on existing lines and, additionally, we reactivated 67 megawatts in 1999, plan to add 148 megawatts in 2000, and another 350 megawatts in 2001.

ONEOK

We continue to be pleased with our strategic alliance with ONEOK, the nation's ninth largest natural gas company.

As ONEOK continued to successfully expand its own unregulated businesses, our equity investment in ONEOK contributed more in 1999 than in 1998 to the company's profitability. Because our ONEOK investment is primarily in preferred shares, we have very small fluctuations in financial performance from this asset.

In 1999, ONEOK contributed $0.57 per share to our earnings. As an aside, ONEOK has been repurchasing shares in the open market, and as part of our agreement, we sold approximately 984,000 of our shares back to ONEOK in 1999, however, we continue to own 45 percent of ONEOK.

PROTECTION ONE

Clearly, we were disappointed with Protection One in 1999.

Accounting rules caused us to record losses for Protection One on Western Resources' financial statements despite the fact that Protection One earnings have no cash impact on Western Resources' earnings...either positive or negative. However, that is not an excuse for the less-than-acceptable results from Protection One in 1999. We have moved aggressively to address these issues.

To make a long story short, Protection One had customer service issues in the first quarter that impacted performance reported in 1999. A new management team has been put in place and is addressing quality of customer service, customer acquisition costs and efficient ways to add customers. We are pleased with the initial results.

In addition, Protection One is investing in technology and human resources that are expected to improve service quality standards and profit margins. Protection One and the utility are now both using Western Resources' shared services group to provide administrative services, including information technology, accounting, human resources and others that will help both business lines reduce overall costs and improve efficiencies.

Several safety milestones were reached in 1999: OSHA-recordable injuries decreased by nearly 29% from 1998, 63% from 1997. Many of our operating locations reported multi-year injury-free records in 1999. And utility operations exceeded their safety goals. Behavior-based safety programs are tailored to work locations to help us reach our goal of zero accidents. The company has safety teams in place in all its operations, such as this team trained to rescue workers who are in distress at great heights or other hard-to-reach situations.

I believe we will see Protection One improve as the changes and investments implemented in 1999 and 2000 begin to bear fruit. One of these investments was Paradigm Direct, a proven direct marketing company. Western Resources owns 40 percent of Paradigm Direct. We believe Protection One can use Paradigm's marketing expertise to grow its customer base at costs significantly below traditional methods historically seen in the security industry.

I should point out, however, that Protection One is a cash-flow business and the amortization of goodwill and customer accounts make it unlikely Protection One will report net income any time in the near future.

OTHER ASSETS

Western Resources has a variety of other assets, including an interest in Hanover Compression; international power projects; Westar Communications, a paging business; low-income housing tax credits and various other investments.

Since the end of 1999, we have been liquidating many of those investments, and, as a result, we should report significant gains in the first quarter of 2000.

EMPLOYEE OWNERSHIP

An interesting observation about our stock is the fact that the employees of Western Resources now own eight percent on a fully diluted basis (about two percent for officers and directors, about six percent for all other employees).

Employees have acquired more than 3,000,000 shares and options since the beginning of 1999 and now represent the largest group of shareholders. To me, that represents a clear commitment to grow shareholder value and I applaud their commitment to the future.

CONCLUSION

Your investment remains important to us, but it should be obvious that this is not the same business it was 10 years ago.

We have our challenges, and we will meet them and prosper.

We were pleased with last year's utility performance. ONEOK remains a solid investment strategy. Protection One is improving from a financial point of view as well as in customer service. And our employees continue to uphold the professional standard for which we strive and deliver the commitment to shareholder value we demand.

We continue to appreciate your investment and look forward to the new decade.

Sincerely,

David C. Wittig
Chairman of the Board, President
and Chief Executive Officer

The Chairman Answers Your Questions

In your view, why does Western Resources remain a good investment for shareholders?

It's no secret our stock has been trading on what we believe is uncertainty regarding our Protection One operations and the Kansas City Power & Light (KCPL) acquisition, which KCPL terminated. However, 1999 was a bad year for the entire utility sector. Going forward, our strategy remains first and foremost to deliver shareholder value and unlock the value associated with our two business lines: energy and monitored security.

What do you mean by "unlock the value" of the companies?

Today, the financial community values our company (i.e., the target price for our stock) on a combination of the utility and monitored services assets. Protection One, of which we own 85 percent, is a cash-flow business — meaning that its book earnings are not fully reflective of its value and its monthly recurring revenue. Through Westar Energy — a pure-play electric company — shareholders can invest in a utility company only. With Westar Capital owning 85 percent of Protection One, 45 percent of ONEOK, 100 percent of Protection One Europe and other investments, shareholders seeking a different portfolio mix can invest in a non-electric company. Each company can be valued independently, thereby "unlocking the value" of each.

Will existing Western Resources shareholders be given stock in Westar Energy, Westar Capital or both?

If shareholders take no action, they already are shareholders in Westar Energy. Shareholders will have the option of voluntarily exchanging their shares for Westar Capital or may opt to hold a combination of both.

What is the financial impact on the electric operations of this transaction?

Westar Energy will be a profitable utility paying an anticipated annual cash dividend of $1.20. It's our goal for its senior debt to have an investment grade rating.

How will the current shares of Western Resources be distributed between the two companies?

The goal is to have about 29 million to 37 million shares of current Western Resources stock exchanged for Westar Capital stock.

How did the termination of the KCPL transaction affect your business plan?

Our electric operations were strong before the merger activity began and remain strong afterward. Obviously, the termination of the transaction meant that growing our electric utility business through a KCPL acquisition was no longer feasible. However, the value associated with our electric utility business continues to be impressive, especially in the power marketing area where our employees continue to manage risk effectively and run the operations efficiently.

Will you continue to look to other acquisition opportunities to grow our business?

We continue to believe meaningful growth in the utility business can only be achieved through acquisitions. However, we also have a mechanism for growth and opportunity in our Protection One investment. Given the fragmentation of the monitored services market and the potential for organic customer growth, we will be analyzing opportunities as they are identified. Anything more specific at this time would be speculative.

Why are you sticking with your Protection One investment?

For two reasons ... 1) the security industry business is growing at 15 percent per year, and 2) operating a competitive business today helps us prepare for tomorrow's competitive electric industry. Inevitably, when customers have a choice regarding their electric provider, cost and customer service will be key selection factors. For the utility, the cost of acquiring customers and how long we retain those customers will drive the economics of the electric business. These are exactly the same issues that Protection One now faces.

Can you explain your dividend policy?

We have adopted a policy of an annual cash dividend of $1.20 per share effective with the anticipated dividend in July 2000. The $1.20 annual dividend also is anticipated to be the annual dividend for Westar Energy following completion of the transaction. We do not expect that Westar Capital will pay a dividend.

Can you describe what's happening in the utility sector as a whole?

The outlook is good in general. The sector is consolidating and adding generating assets for the first time in several years. As the stock market continues its corrections and fluctuations, I believe the utility sector should see increased investment as investors seek stability.

How can you better tell your story from a financial point of view?

Traditionally, we have reported earnings by business line, and although we will still do that, we are also identifying earnings from operations, dividends, and equity earnings (non-cash) from investments. Likewise, we publish quarterly the valuation of the business components using market valuations where available and book value where the market values are not available. We believe this demonstrates the value of our business lines. We also believe our recent restructuring announcement will unlock the value associated with these distinct businesses.

The refurbished 67-megawatt natural gas-fired steam unit at our Neosho Energy Center near Parsons, Kansas, is a success story. This unit came on line a few months ahead of schedule. The Neosho plant last operated in 1985, when the decision was made to deactivate the plant and preserve it for future use. Preservation during the mothball period was done so well that we were able to return the unit to service for about 1/10 the cost of constructing a new peaking generating unit.

Western Resources COMPANY PROFILE

WESTERN RESOURCES (NYSE: WR)

LINE OF BUSINESS	BRANDS	DESCRIPTIONS OF HOLDINGS
MONITORED SERVICES INVESTMENTS	**Protection One** (NYSE: POI) **Network Multifamily** **Protection One North America**	One of the largest monitored services companies in the world, with operations in the U.S., Canada, the U.K. and Western Europe. Western Resources owns about 85% of Protection One. Headquartered in Culver City, California. www.protectionone.com
	Protection One Europe	Protection One Europe serves customers in the United Kingdom and Western Europe.
	Guardian International, Inc. (OTC: GIIS) **Mutual Central Alarm Services** **Gibraltar Security Alarm Services** **Stat-Land Burglar Alarms**	Provides alarm monitoring services as well as design, installation and service of security and fire alarm systems. Serves customers throughout Florida and is a leading independent supplier of commercial electronic security systems and services in metropolitan New York City. Ranks in the top 25 of security companies in the U.S. Westar Capital owns two series of preferred stock in Guardian. Headquartered in Hollywood, Florida. www.guardianinternational.com
ELECTRICITY **Generation and Power Delivery**	**KPL** **KGE**	Electric utilities producing and retailing electricity in Kansas and selling wholesale electricity nationwide. KPL is headquartered in Topeka, Kansas. KGE, a wholly-owned subsidiary, is headquartered in Wichita, Kansas. www.wr.com
NATURAL GAS DISTRIBUTION INVESTMENT	**ONEOK** (NYSE: OKE) **Oklahoma Natural Gas – ONG** **Kansas Gas Service – KGS** **Mid Continent Market Center** **ONEOK Field Services Company** **ONEOK Gas Marketing** **ONEOK Power Marketing Company** **ONEOK Resources Company**	Ranks among the top 10 companies in the nation as a provider of natural gas distribution, transmission and storage services. Nonregulated operations include natural gas marketing, gathering and processing, and production. Western Resources holds a 45% ownership position in ONEOK. Corporate headquarters are in Tulsa, Oklahoma. www.oneok.com
WESTERN RESOURCES INVESTMENTS	**Westar Capital** **Paradigm Direct, L.L.C.** **Westar Communications** **Hanover Compression, Inc.** (NYSE: HC)	Westar Capital owns many of the company's unregulated investments, including our Protection One and ONEOK holdings and these other businesses: Paradigm, which develops, executes and manages strategies, promotions, and marketing programs and web infrastructure for Fortune 500 companies, selling client services nationally. Westar Capital owns about 40% of Paradigm Direct. www.paradigm-direct.com Westar Communications provides Kansans with flexible wireless communication services to fit a variety of business or individual needs and budgets. www.wr.com Hanover Compression, a leading provider of natural gas compression rental, operations and maintenance, and fabrication services in the U.S., Canada and South America. Westar Capital owns less than 3% of Hanover. www.hanover-co.com

KEY STATISTICS	FOCUS FOR 2000
Customers: 1,499,000 1999 Revenues: $605 million Employees: 3,103 Gain on sale of Protection One Mobile: $17 million	To date, security services have reached only about 10% of U.S. households. The security business is growing by 10% to 15% a year. Our focus will be on building infrastructure, customer retention and customer service.
Customers: 124,000 Employees: 1,556	In February 2000, Protection One Europe was sold to Westar Capital. The cash proceeds were used to pay a portion of Protection One's debt.
Customers: 26,000 1999 Revenues: $18 million Employees: 212	Guardian continues to penetrate rapid-growth markets in Florida, New York and New Jersey through organic growth and complementary acquisitions. Guardian's focus is service offerings in the new home construction market and commercial marketplace.
Generating capacity: 5,458 megawatts High-voltage transmission lines: 6,300 miles Interconnections: 11 physical and 15 contractual Customers: 628,000 in Kansas Sales: 23,221,000 megawatt hours 1999 Revenues: $1.4 billion Employees: 2,390	Unlock the value of our electric assets by restructuring into a pure electric utility company. This strategy will give our shareholders an option to invest in a utility-only company and help the financial community more clearly value our electricity business. The electric-only company will be a pure-play electric utility and be an income stock that pays dividends.
Customers: 1.4 million in Kansas and Oklahoma Total 1999 revenues: $2.1 billion 1999 dividends received: $41 million Employees: 3,300	Westar Capital will continue to hold our solid investment in ONEOK and collect a dividend on the convertible preferred shares. ONEOK has had about a 5% annual earnings growth rate. We believe ONEOK has a bright outlook as they continue their strategy to expand ownership of natural gas assets in the mid continent region, such as their recent plans to acquire gathering, processing and pipeline assets from Dynegy and Kinder Morgan, Inc.
Estimated value of other investments at 12/31/99: $177 million Westar Communications Customers: 9,016 Paradigm 1999 revenues: $43 million	This company holds our ownership stakes in Protection One, ONEOK, Protection One Europe and other investments. After marking many miscellaneous investments to market in 1999, we sold much of our other investments in the first quarter of 2000, including profit-taking associated with the partial liquidation of Hanover Compression stock. Paradigm Direct has expanded into web infrastructure services and is helping Protection One North America develop alternative marketing strategies to increase customers. Westar Communications continues to expand its customer base.

SUMMARY ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This abbreviated financial presentation is intended to present capsule information in an easier-to-read format and should not be considered a substitute for the full financial statements inclusive of footnotes provided to all shareholders as an Appendix to the Proxy Statement and included in the annual 10-K/A filing with the Securities and Exchange Commission (SEC). A copy of the Form 10-K/A and/or Appendix A to the Proxy Statement that includes the full financial statements can be obtained by calling 785-575-1898. A copy of the company's Form 10-K/A also is available on the SEC's EDGAR system or at the company's internet site at www.wr.com. Although this summary should help you understand our 1999 results of operations and financial condition, we caution that before making any investment decisions, you should review the full financial statements.

This Summary Annual Report contains forward-looking statements which reflect assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially. See our Form 10-K/A and other filings with the SEC for other factors affecting the company.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF WESTERN RESOURCES, INC.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated balance sheets and statements of cumulative preferred stock of Western Resources, Inc., and subsidiaries as of December 31, 1999 and 1998, and the related consolidated statements of income, comprehensive income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 1999, appearing in Item 8 of the company's Annual Report on Form 10-K (not presented herein). In our report dated March 16, 2000, (March 28, 2000, for subsequent events – see Note 4) also appearing in that Form 10-K, we expressed an unqualified opinion on those consolidated financial statements. As indicated above, a copy of the company's consolidated financial statements and our report thereon may be obtained directly from the company.

In our opinion, the information set forth in the accompanying condensed consolidated balance sheets as of December 31, 1999 and 1998, and the related condensed consolidated statements of income and cash flows for each of the three years in the period ended December 31, 1999, is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

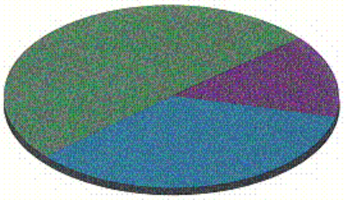
ARTHUR ANDERSEN LLP
Kansas City, Missouri
March 16, 2000
(Except with respect to the Dividend Policy and Corporate Restructuring discussed in Note 4, as to which the date is March 28, 2000.)

NATURAL GAS

ELECTRICITY

MONITORED SERVICES

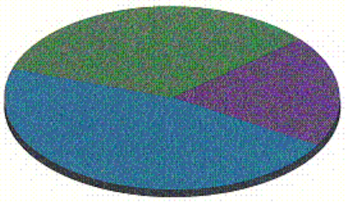
Dollars in Thousands



SALES*

Fiscal year sales dollars by line of business

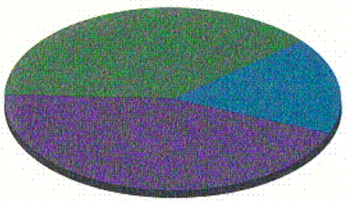
Natural Gas	$2,070,983
Electricity	1,429,696
Monitored Services	605,176



EBITDA*

Earnings before interest, taxes, depreciation and amortization by line of business

Natural Gas	$370,250
Electricity	501,331
Monitored Services	214,790



CUSTOMERS*

At year-end 1999, Western Resources has access to more than 3.6 million customers

Natural Gas	1,400,000
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*All numbers shown in thousands. Line of business measures are shown at 100%, i.e., monitored services and natural gas numbers reflect total company numbers, even though Western Resources owns only 85% and 45%, respectively, of those companies.

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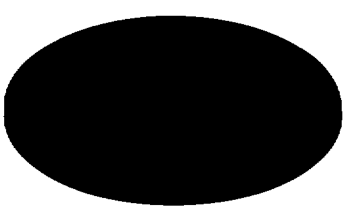

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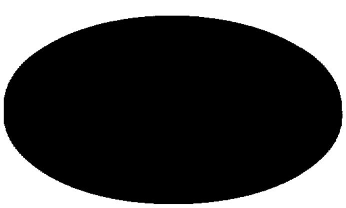

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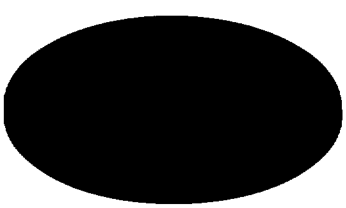

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CONDENSED CONSOLIDATED BALANCE SHEETS

December 31, (Dollars in Thousands)	1999	1998
ASSETS		
CURRENT ASSETS:		
Current assets	**$ 425,840**	$ 387,452
Marketable securities	**177,128**	288,077
Total Current Assets	**602,968**	675,529
PROPERTY, PLANT AND EQUIPMENT (NET)	**3,889,444**	3,799,916
OTHER ASSETS:		
Customer accounts (net)	**1,138,902**	1,014,428
Goodwill (net)	**1,102,157**	1,188,253
Other	**1,274,735**	1,273,302
Total Other Assets	**3,515,794**	3,475,983
TOTAL ASSETS	**$ 8,008,206**	$7,951,428
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Short-term debt	**$ 817,088**	$ 478,310
Other	**534,107**	556,536
Total Current Liabilities	**1,351,195**	1,034,846
LONG-TERM LIABILITIES:		
Long-term debt (net)	**3,103,066**	3,283,064
Deferred income taxes and investment tax credits	**982,548**	938,659
Other	**671,073**	732,018
Total Long-Term Liabilities	**4,756,687**	4,953,741
SHAREHOLDERS' EQUITY	**1,900,324**	1,962,841
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$ 8,008,206**	$7,951,428

The Notes to Condensed Consolidated Financial Statements are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31, (Dollars in Thousands, Except Per Share Amounts)	1999	1998	1997
Sales	$ 2,036,158	$2,034,054	$2,151,765
Cost of sales	662,987	823,259	967,523
GROSS PROFIT	1,373,171	1,210,795	1,184,242
Operating expenses	1,098,695	980,406	1,029,817
OPERATING INCOME	274,476	230,389	154,425
Other income (expense)	(13,019)	56,453	921,888
Interest Expense	294,104	226,120	193,808
(LOSS) EARNINGS BEFORE INCOME TAXES	(32,647)	60,722	882,505
Income tax (benefit) expense	(33,364)	14,557	382,987
NET INCOME BEFORE EXTRAORDINARY GAIN	717	46,165	499,518
Extraordinary gain, net of tax	11,742	1,591	—
NET INCOME	12,459	47,756	499,518
Preferred and preference dividends	1,129	3,591	4,919
EARNINGS AVAILABLE FOR COMMON STOCK	$ 11,330	$ 44,165	$ 494,599
AVERAGE COMMON SHARES OUTSTANDING	67,080,281	65,633,743	65,127,803
BASIC EARNINGS PER AVERAGE COMMON SHARE OUTSTANDING:			
Earnings available for common stock before extraordinary gain	$(0.01)	$0.65	$7.59
Extraordinary gain	0.18	0.02	—
EARNINGS AVAILABLE FOR COMMON STOCK	$0.17	$0.67	$7.59
DIVIDENDS DECLARED PER COMMON SHARE	$2.14	$2.14	$2.10

The Notes to Condensed Consolidated Financial Statements are an integral part of this statement.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Year Ended December 31, (Dollars in Thousands)	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash flows from (used in) operating activities	**$ 373,228**	$ 400,212	$ (78,096)
CASH FLOWS USED IN INVESTING ACTIVITIES:			
Additions to property, plant and equipment (net)	**(275,744)**	(182,885)	(207,989)
Monitored services and customer account acquisitions	**(268,409)**	(826,863)	(483,880)
Other investments (net)	**57,338**	(279,027)	1,477,751
Net cash flows (used in) from investing activities	**(486,815)**	(1,288,775)	785,882
CASH FLOWS FROM FINANCING ACTIVITIES:			
Short-term debt (net)	**392,949**	75,972	(744,240)
Long-term debt (net)	**(162,350)**	929,170	226,023
Issuance of common stock (net)	**43,245**	17,284	25,042
Redemption of preference stock	**—**	(50,000)	—
Cash dividends paid	**(145,033)**	(144,077)	(141,727)
Acquisition of treasury stock	**(15,791)**	—	—
Net cash flows from (used in) financing activities	**113,020**	828,349	(634,902)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(567)**	(60,214)	72,884
CASH AND CASH EQUIVALENTS:			
Beginning of the period	**16,394**	76,608	3,724
End of the period	**$ 15,827**	$ 16,394	$ 76,608

The Notes to Condensed Consolidated Financial Statements are an integral part of this statement.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business: Western Resources, Inc. (the company) is a publicly-traded, consumer services company. The company's primary business activities are providing electric generation, transmission and distribution services to approximately 628,000 customers in Kansas and providing monitored services to approximately 1.6 million customers in North America, the United Kingdom and continental Europe. Rate regulated electric service is provided by KPL, a division of the company, and Kansas Gas and Electric Company (KGE), a wholly-owned subsidiary. Monitored services are provided by Protection One, Inc. (Protection One), a publicly-traded, approximately 85%-owned subsidiary. In addition, through the company's 45% ownership interest in ONEOK, Inc. (ONEOK), natural gas transmission and distribution services are provided to approximately 1.4 million customers in Oklahoma and Kansas. Our investments in Protection One and ONEOK are owned by Westar Capital, Inc. (Westar Capital), a wholly-owned subsidiary.

Principles of Consolidation: The company prepares its financial statements in conformity with accounting principles generally accepted in the United States. The accompanying condensed consolidated financial statements include the accounts of Western Resources and its wholly-owned and majority-owned subsidiaries. All material intercompany accounts and transactions have been eliminated. Common stock investments that are not majority-owned are accounted for using the equity method when the company's investment allows it the ability to exert significant influence.

The company currently applies accounting standards for its rate regulated electric business that recognize the economic effects of rate regulation in accordance with Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation," (SFAS 71) and, accordingly, has recorded regulatory assets and liabilities when required by a regulatory order or when it is probable, based on regulatory precedent, that future rates will allow for recovery of a regulatory asset.

The condensed consolidated financial statements should not be considered a substitute for the full financial statements inclusive of footnotes provided to all shareholders as an Appendix to the Proxy Statement and included in the annual 10-K/A filing with the Securities and Exchange Commission (SEC). A copy of the Form 10-K/A and/or Appendix A to the Proxy Statement that includes the full financial statements can be obtained directly from the company.

Use of Management's Estimates: The preparation of financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and to report amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Condensed Consolidated Statements of Cash Flows: For purposes of the Condensed Consolidated Statements of Cash Flows, the company considers highly liquid collateralized debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash paid for interest and income taxes for each of the years ended December 31, are as follows:

	1999	1998	1997
	(Dollars in Thousands)		
Interest on financing activities (net of amount capitalized)	$298,802	$220,848	$193,468
Income taxes	784	47,196	404,548

During 1997, the company contributed the net assets of its natural gas business totaling approximately $594 million to ONEOK in exchange for an ownership interest of 45% in ONEOK.

Available-for-sale Securities: The company classifies marketable equity and debt securities accounted for under the cost method as available-for-sale. These securities are reported at fair value based on quoted market prices. Cumulative, temporary unrealized gains and losses, net of the related tax effect, are reported as a separate component of shareholders' equity until realized. Current temporary changes in unrealized gains and losses are reported as a component of other comprehensive income.

The following table summarizes the company's investments in marketable securities as of December 31:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(Dollars in Thousands)			
1999:				
Equity securities	$ 43,124	$70,407	$ (1,628)	$111,903
Debt securities	65,225	—	—	65,225
Total	$108,349	$70,407	$ (1,628)	$177,128
1998:				
Equity securities	$ 94,369	$45,685	$(10,182)	$129,872
Debt securities	172,129	—	(13,924)	158,205
Total	$266,498	$45,685	$(24,106)	$288,077

Proceeds from the sales of equity and debt securities were $73.5 million in 1999 and $27.9 million in 1998. In 1997, the only available-for-sale security sold was an investment in Tyco International common stock. The gross realized gains from sales of equity and debt investments were $12.6 million in 1999 and $2.0 million in 1998. The gross realized losses from sales of equity and debt investments were $38.8 million in 1999 and $16.1 million in 1998.

Property, Plant and Equipment: Property, plant and equipment is stated at cost. For utility plant, cost includes contracted services, direct labor and materials, indirect charges for engineering, supervision, general and administrative costs and an allowance for funds used during construction (AFUDC). The AFUDC rate was 6.00% in 1999, 6.00% in 1998 and 5.80% in 1997. The cost of additions to utility plant and replacement units of property are capitalized. Maintenance costs and replacement of minor items of property are charged to expense as incurred. When units of depreciable property are retired, the original cost and removal cost, less salvage value, are charged to accumulated depreciation.

In accordance with regulatory decisions made by the Kansas Corporation Commission (KCC), the acquisition premium of approximately $801 million resulting from the acquisition of KGE in 1992 is being amortized over 40 years. The acquisition premium is classified as electric plant in service. Accumulated amortization totaled $88.1 million as of December 31, 1999, and $68 million as of December 31, 1998.

Depreciation: Utility plant is depreciated on the straight-line method at rates approved by regulatory authorities. Utility plant is depreciated on an average annual composite basis using group rates that approximated 2.92% during 1999, 2.88% during 1998 and 2.89% during 1997. Nonutility property, plant and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets.

Inventories and Supplies: Inventories and supplies for the company's utility business are stated at average cost. Inventories, comprised of alarm systems and parts, are stated at the lower of average cost or market.

Nuclear Fuel: The cost of nuclear fuel in process of refinement, conversion, enrichment and fabrication is recorded as an asset at original cost and is amortized to expense based upon the quantity of heat produced for the

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

generation of electricity. The accumulated amortization of nuclear fuel in the reactor was $29.3 million at December 31, 1999, and $39.5 million at December 31, 1998.

Customer Accounts: Customer accounts are stated at cost. The cost includes amounts paid to dealers and the estimated fair value of accounts acquired in business acquisitions. Internal costs incurred in support of acquiring customer accounts are expensed as incurred.

Protection One historically amortized the costs it allocated to its customer accounts by using the straight-line method over a ten-year life. The straight-line method, indicated in Accounting Principles Board Opinion No. 17 as the appropriate method for such assets, has been the predominant method used to amortize customer accounts in the monitored services industry. Protection One's management is not aware of whether the economic life or the rate of realization for Protection One's customer accounts differ materially from other monitored services companies.

The choice of a ten-year life was based on Protection One's estimates and judgments about the amounts and timing of expected future revenues from these assets, the rate of attrition of such revenue over customer life, and average customer account life. Ten years was used because, in Protection One's opinion, it would adequately match amortization cost with anticipated revenue from those assets even though many accounts were expected to produce revenue over periods substantially longer than ten years. Effectively, it expensed the asset ratably over an "expected average customer life" that was shorter than the expected life of the revenue stream, thus implicitly giving recognition to projected revenues for a period beyond ten years.

Protection One conducted a comprehensive review of its amortization policy during the third quarter of 1999. This review was performed specifically to evaluate the historic amortization policy in light of the inherent declining revenue curve over the life of a pool of customer accounts and Protection One's historical attrition experience. After completing the review, Protection One identified three distinct pools, each of which has distinct attributes that effect differing attrition characteristics. The pools correspond to Protection One's North America, Multifamily and Europe business segments. For the North America and Europe pools, the analyzed data indicated that Protection One can expect attrition to be greatest in years one through five of asset life and that a change from a straight-line to a declining balance (accelerated) method would more closely match future amortization cost with the estimated revenue stream from these assets. Protection One has elected to change to that method. No change was made in the method used for the Multifamily pool.

Protection One's amortization rates for the North America and Europe customer pools consider the average estimated remaining life and historical and projected attrition rates. The average estimated remaining life for each customer pool is as follows:

Pool	Average Estimated Remaining Life (Years)	Method
North America	8-10	Ten-year 130% declining balance
Europe	10	Ten-year 125% declining balance
Multifamily	12	Ten-year straight-line

Adoption of the declining balance method effectively shortens the estimated expected average customer life for these two customer pools, and does so in a way that does not make it possible to distinguish the effect of a change in method (straight-line to declining balance) from the change in estimated lives. In such cases, generally accepted accounting principles require that the effect of such a change be recognized in operations in the period of the change, rather than as a cumulative effect of a change in accounting principle. Protection One changed to the declining balance method in the third quarter of 1999. Accordingly, the effect of the change in accounting principle increased Protection One's amortization expense reported in the third quarter of 1999 by $47 million. Protection One's accumulated amortization recorded on its balance sheet would have been approximately $41 million higher through the end of the second quarter of 1999, if it had historically used the declining balance method.

In accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," long-lived assets held and used by Protection One are evaluated for recoverability on a periodic basis or as circumstances warrant. An impairment would be recognized when the undiscounted expected future operating cash flows by customer pool derived from customer accounts is less than the carrying value of capitalized customer accounts and goodwill.

Due to the high level of customer attrition experienced in 1999 and the decline in market value of Protection One's publicly traded equity and debt securities, Protection One performed an impairment test on its customer account asset in the fourth quarter and concluded that no impairment has occurred. Protection One also reevaluated its amortization estimates and concluded no change was needed.

Goodwill: Goodwill represents the excess of the purchase price over the fair value of net assets acquired by Protection One. Protection One has historically amortized goodwill on a straight-line basis over 40 years. The carrying value of goodwill was included in Protection One's evaluation of recoverability of customer accounts. No reduction in the carrying value was necessary at December 31, 1999.

In conjunction with the impairment test for customer accounts, Protection One re-evaluated the original assumptions and rationale utilized in the establishment of the carrying value and estimated useful life of goodwill. Protection One concluded that due to continued losses and increased levels of attrition experienced in 1999, the estimated useful life of goodwill should be reduced from 40 years to 20 years. As of January 1, 2000, the remaining goodwill, net of accumulated amortization, will be amortized over its remaining useful life based on a 20-year life. On Protection One's existing account base, Protection One anticipates that this will result in an increase in annual goodwill amortization of approximately $34 million prospectively. Accumulated amortization was $62.7 million and $31.1 million at December 31, 1999 and December 31, 1998.

Regulatory Assets and Liabilities: Regulatory assets represent probable future revenue associated with certain costs that will be recovered from customers through the ratemaking process. The company has recorded these regulatory assets in accordance with SFAS 71. If the company were required to terminate application of that statement for all of its regulated operations, the company would have to record the amounts of all regulatory assets and liabilities in its Consolidated Statements of Income at that time. The company's earnings would be reduced by the total amount in the table below, net of applicable income taxes. Regulatory assets reflected in the condensed consolidated financial statements are as follows:

December 31,	1999	1998
	(Dollars in Thousands)	
Recoverable taxes	$218,239	$205,416
Debt issuance costs	68,239	73,635
Deferred employee benefit costs	36,251	36,128
Deferred plant costs	30,306	30,657
Coal contract settlement costs	7,957	12,259
Other regulatory assets	5,012	6,118
Total regulatory assets	$366,004	$364,213

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The company expects to recover all of the above regulatory assets in rates charged to customers. A return is allowed on deferred plant costs and coal contract settlement costs and approximately $49.1 million of debt issuance costs.

Sales: Energy sales are recognized as services are rendered and include estimated amounts for energy delivered but unbilled at the end of each year. Unbilled sales of $44 million at December 31, 1999, and $38.8 million at December 31, 1998, are recorded as a component of current assets on the Condensed Consolidated Balance Sheets.

Monitored services sales are recognized when monitoring, extended service protection, patrol, repair and other services are provided. Deferred revenues result from customers who are billed for monitoring, extended service protection and patrol and alarm response services in advance of the period in which such services are provided, on a monthly, quarterly or annual basis.

The company's allowance for doubtful accounts receivable totaled $35.8 million at December 31, 1999, and $29.5 million at December 31, 1998.

Income Taxes: Deferred tax assets and liabilities are recognized for temporary differences in amounts recorded for financial reporting purposes and their respective tax bases. Investment tax credits previously deferred are being amortized to income over the life of the property which gave rise to the credits.

The company has a tax sharing agreement with Protection One. This pro rata tax sharing agreement allows Protection One to be reimbursed for tax benefits utilized in the company's consolidated tax return.

Risk Management: The company is involved in trading activities primarily to minimize risk from market fluctuations, maintain a market presence and to enhance system reliability. In these activities, the company utilizes a variety of financial instruments, including forward contracts involving cash settlements or physical delivery of an energy commodity, options, swaps which require payments (or receipt of payments) from counterparties based on the differential between specified prices for the related commodity and futures traded on electricity and natural gas. The change in market value of these energy trading contracts is recorded on the Condensed Consolidated Balance Sheet, and included in earnings.

Reclassifications: Certain amounts in prior years have been reclassified to conform with classifications used in the current year presentation.

2. MERGER AGREEMENT WITH KANSAS CITY POWER & LIGHT COMPANY

On March 18, 1998, the company signed an Amended and Restated Plan of Agreement and Plan of Merger with the Kansas City Power & Light Company (KCPL) under which KGE, KPL, a division of Western Resources, and KCPL would have been combined into a new company called Westar Energy, Inc. KCPL notified the company that it has terminated the contemplated transaction.

The company expensed costs related to the KCPL merger of approximately $17.6 million at December 31, 1999, and approximately $48 million at December 31, 1997 associated with the original merger agreement.

3. MARKETABLE SECURITIES

During the fourth quarter of 1999, the company decided to sell its remaining marketable security investments in paging industry companies. These securities have been classified as available-for-sale; therefore, changes in market value have been historically reported as a component of other comprehensive income.

The market value for these securities declined during the last six to nine months of 1999. The company determined that the decline in value of these securities was other than temporary and a charge to earnings for the decline in value was required at December 31, 1999. Therefore, the company recorded a non-cash charge of $76.2 million in the fourth quarter of 1999. This charge to earnings has been included in other income (expense) in the accompanying Condensed Consolidated Statements of Income. See Note 4 for subsequent events.

4. SUBSEQUENT EVENTS

Marketable Securities: Through March 16, 2000, the company sold a significant portion of an equity investment in a gas compression company and realized a gain of $72.6 million.

In February 2000, Metrocall, Inc., a paging company whose securities were included in our investment portfolio at December 31, 1999, made an announcement that significantly increased the market value of paging company securities in the public markets. During the first quarter of 2000, the remainder of these paging securities were sold and a gain of $24.9 million was realized.

Retirement of Protection One Debt: In the first quarter of 2000, Westar Capital purchased an additional $46.3 million of Protection One bonds in the open market and recognized an extraordinary gain of $14.4 million, net of tax.

Protection One European Operations: On February 29, 2000, Westar Capital purchased the continental European and United Kingdom operations of Protection One, and certain investments held by a subsidiary of Protection One for an aggregate purchase price of $244 million. The basis of the net assets sold did not change and no gain or loss was recorded for this related party transaction. Terms of the agreement were approved by a special committee of outside directors of Protection One. The special committee obtained a fairness opinion from an investment banker.

Dividend Policy: The company's board of directors reviews the company's dividend policy on an annual basis. Among the factors the board of directors considers in determining the company's dividend policy are earnings, cash flows, capitalization ratios, competition and regulatory conditions. In January 2000, the company's board of directors declared a first-quarter 2000 dividend of 53 1/2 cents per share. In March, the company announced a new dividend policy that will result in quarterly dividends of $.30 per share or $1.20 per share on an annual basis to be effective with the anticipated declaration of the July 2000 dividend.

Corporate Restructuring: On March 28, 2000, the company's board of directors approved the separation of its electric and non-electric utility businesses. The separation is currently expected to be effected through an exchange offer to be made to shareholders in the third quarter of 2000. The exchange ratio will be described in materials furnished to shareholders upon commencement of the exchange offer. The impact on the company's financial position and operating results cannot be known until the exchange ratio is determined. The company expects to complete the separation in the fourth quarter of 2000, but no assurance can be given that the separation will be completed.

FIVE YEAR COMPARATIVE DATA

INCOME STATEMENT DATA ($1,000s):

	Operations				
Years	Total Sales	Total Cost of Sales	Gross Profit	Total Operating Expenses	Income from Operations
1999	$2,036,158	$662,987	$1,373,171	$1,098,695	$274,476
1998	2,034,054	823,259	1,210,795	980,406	230,389
1997[1]	2,151,765	967,523	1,184,242	1,029,817	154,425
1996	2,046,827	883,126	1,163,701	775,148	388,553
1995	1,744,274	659,003	1,085,271	711,550	373,721

	Other Income (Expense)	Interest Expense		Income, Taxes, Earnings, and Dividends						
Years	Other Income (Expense)	Long-Term Debt	Short-Term Debt	Income Before Income Taxes	Income Taxes	Net Income	Preferred & Preference Dividends	Earnings Available for Common Stock	Basic Earnings per Common Share	Dividends Declared per Common Share
1999	$(13,019)	$236,417	$57,687	$(32,647)	$(33,364)	$ 12,459	$ 1,129	$ 11,330	$0.17	$2.14
1998	56,453	170,855	55,265	60,722	14,557	47,756	3,591	44,165	0.67	2.14
1997[1]	921,888	119,972	73,836	882,505	382,987	499,518	4,919	494,599	7.59	2.10
1996	15,307	105,741	46,810	251,309	82,359	168,950	14,839	154,111	2.41	2.06
1995	18,657	95,962	30,360	266,056	84,380	181,676	13,419	168,257	2.71	2.02

ELECTRIC STATISTICS:

	MWH Sales (1,000s)[2]					Company System Supply at Peak Hour (Net MW)			
Years	Residential	Commercial	Industrial	Other	Total	System Net Load	System Peak Responsibility[3]	Accredited Generating Capacity	System Capacity[3]
1999	5,551	6,202	5,743	5,725	23,221	4,372	4,428	5,458	5,032
1998	5,815	6,199	5,808	4,934	22,756	4,201	4,287	5,356	4,960
1997	5,310	5,803	5,714	5,441	22,268	4,016	4,102	5,312	4,984
1996	5,265	5,667	5,622	6,013	22,567	3,997	4,077	5,312	4,978
1995	5,088	5,453	5,619	4,120	20,280	3,979	4,004	5,240	4,966

	Electric Sales ($1,000s)					Customers	Utility Plant ($1,000s)	
Years	Residential	Commercial	Industrial	Other & Misc.	Total	Average Total	Gross Additions	Total
1999	$407,371	$356,314	$251,391	$414,622	$1,429,698	628,000	$156,500	$5,967,475
1998	428,680	356,610	257,186	569,209	1,611,685	620,000	158,600	5,768,373
1997	392,751	339,167	254,076	243,999	1,229,993	614,000	159,800	5,665,397
1996	403,588	351,806	262,989	179,050	1,197,433	606,000	138,500	5,580,784
1995	396,025	340,819	268,947	140,104	1,145,895	601,000	179,100	5,495,417

(1) Information reflects the Strategic Alliance with ONEOK and the acquisition of Protection One in November 1997.

(2) Excludes power marketing sales volumes.

(3) Net of off-system sales and purchases.

DIRECTORS, OFFICERS AND CORPORATE INFORMATION

DIRECTORS

Frank J. Becker (63)
Elected 1992
President
Becker Investments, Inc.
Lawrence, Kansas
Committees: Human Resources, Nominating

Dr. Gene A. Budig (60)
Elected 1999*
Senior Advisor
to the Commissioner of Baseball
Committee: Human Resources

Charles Q. Chandler IV (46)
Elected 1999
Chairman of the Board,
President and Chief Executive Officer
INTRUST Bank
Wichita, Kansas
Committees: Audit and Finance, Corporate Public Policy

John C. Dicus (66)
Elected 1990
Chairman of the Board
and Chief Executive Officer
Capitol Federal Savings
Topeka, Kansas
Committees: Human Resources, Corporate Public Policy

Owen F. Leonard (59)
Elected 2000
President
KL Industries, Inc.
Saddle Brook, New Jersey

John C. Nettels, Jr. (43)
Elected 2000
Partner
Morrison & Hecker, L.L.P.
Attorneys
Wichita, Kansas

Russell W. Meyer, Jr. (67)
Elected 1992
Chairman of the Board
Cessna Aircraft Company
Wichita, Kansas
Committee: Audit and Finance

Jane Dresner Sadaka (45)
Elected 1999
Retired Partner
Kellner, DiLeo & Co.
New York, New York
Committees: Audit and Finance, Nominating

Louis W. Smith (56)
Elected 1991
President and
Chief Executive Officer
Ewing Marion Kauffman Foundation
Kansas City, Missouri
Committees: Corporate Public Policy, Nominating

David C. Wittig (44)
Elected 1996
Chairman of the Board,
President and
Chief Executive Officer
Western Resources, Inc.
Topeka, Kansas

OFFICERS

EXECUTIVE OFFICERS

David C. Wittig (44) 1995
Chairman of the Board,
President and
Chief Executive Officer

Thomas L. Grennan (47) 1974
Executive Vice President,
Electric Operations

Carl M. Koupal, Jr. (46) 1992
Executive Vice President and
Chief Administrative Officer

Douglas T. Lake (49) 1998
Executive Vice President
and Chief Strategic Officer

William B. Moore (47) 1978
Executive Vice President,
Chief Financial Officer
and Treasurer

Richard D. Terrill (45) 1980
Executive Vice President, General
Counsel and Corporate Secretary

Rita A. Sharpe (41) 1977
Vice President, Shared Services

UTILITY OPERATIONS

Douglas J. Henry (46) 1977
Vice President, Power Delivery

Wayne A. Kitchen (49) 1987
Vice President, Regulatory
and Environmental

Leslie D. Morgan (52) 1970
Vice President, Generation
Services

SHARED SERVICES

Anita J. Hunt (37) 1989
Vice President, Information
Technology

James A. Martin (42) 1983
Vice President, Strategic Planning

CORPORATE MANAGEMENT

Carl A. Ricketts (42) 1982
Vice President, Investor Relations

Leroy P. Wages (51) 1977
Controller

WESTAR COMMUNICATIONS

Lori A. Finney (38) 1984
President

CORPORATE INFORMATION

CORPORATE ADDRESSES

Western Resources
818 South Kansas Avenue
Topeka, KS 66612-1203
785-575-6300
www.wr.com

Protection One, Inc.
6011 Bristol Parkway
Culver City, CA 90230-6601
www.protectionone.com

ONEOK, Inc.
100 West 5th Street
P.O. Box 871
Tulsa, OK 74102-0871
www.oneok.com

Paradigm Direct LLC
Two Executive Drive
Fort Lee, NJ 07024
www.paradigm-direct.com

COMMON STOCK LISTING

Ticker Symbol (NYSE): **WR**
Daily stock table listing: **WstnRes**

*Dr. Budig also served as a director from 1987 to 1997.
( ) Age as of December 31, 1999 – Year joined Western Resources or predecessor company

SHAREHOLDER INFORMATION AND ASSISTANCE

The company's Shareholder Services Department is the transfer agent for Western Resources' common and preferred stock. It provides information and assistance to shareholders, including inquiries regarding lost, stolen or destroyed dividend checks or stock certificates, address changes and transfers of Western Resources stock.

Dividend payments should reach shareholders on or about the dividend payment date. If a dividend check is not received within seven days after the payment date, please notify Shareholder Services in writing so that we may stop payment on the original check and reissue your dividend payment.

Always keep certificates in a safe place. Do not endorse the certificates until you are ready to transfer the stock. If a certificate is lost, stolen or destroyed, please contact Shareholder Services immediately. This will help assure that an unauthorized person is prevented from transferring your shares. An indemnity bond must be purchased by the shareholder to replace stock certificates. The cost of the bond is currently two percent of the current market value of the stock.

CONTACTING SHAREHOLDER SERVICES:

Telephone:

Toll-free number: 800-527-2495
In the Topeka area: 785-575-6394 (FAX 785-575-1796)

Address:

Western Resources
Shareholder Services
P.O. Box 750320
Topeka, KS 66675-0320

E-mail Address: sharsvcs@wr.com

Please include a daytime telephone number in your correspondence.

CONTACTING INVESTOR RELATIONS:

Western Resources
P.O. Box 889
Topeka, Kansas 66601-0889
E-mail Address: investrel@wr.com

James A. Martin	Carl Ricketts
Vice President	Vice President
Strategic Planning	Investor Relations
785-575-6549	785-575-8424
FAX: 785-575-8160	FAX: 785-575-1774

Copies of the Form 10-K/A Annual Report to the Securities and Exchange Commission and other published reports can be obtained without charge by contacting Investor Relations at the above address or by accessing the company's home page on the internet at http://www.wr.com.

DIRECT STOCK PURCHASE PLAN

Western Resources offers common shareholders a program to purchase additional shares of common stock. Options of the Direct Stock Purchase Plan (Plan) include full or partial reinvestment of dividends, optional cash payments, automatic electronic investment, and safekeeping of share certificates. Investors may become a Western Resources shareholder through the Plan with a minimum initial investment of $250. Investments are made on the first and the fifteenth of each month or the first business day thereafter. Funds must be received by Shareholder Services at least three (3) business days prior to an investment date to be included in an investment.

Certificate Safekeeping is a convenient feature of the Plan. Safekeeping is designed for investors who prefer to hold their shares on account rather than receive stock certificates. Shareholders enrolled in the Safekeeping program receive a Safekeeping receipt in place of a certificate. Reinvestment of dividends is not required to take advantage of Safekeeping.

To receive additional information about the Plan, please contact Shareholder Services at the number listed above.

DIRECT DEPOSIT OF DIVIDENDS

Western Resources offers, at no charge, the option of direct deposit of dividends. Quarterly dividend payments are deposited directly to your bank account the same day the dividends are paid. Participating shareholders receive a record of the transaction. Applications for this service are available from Shareholder Services. The form must be received at least 30 days prior to the dividend payment date.

DUPLICATE MAILINGS

To eliminate duplicate mailings, possibly because of stock registered in more than one way, please contact Shareholder Services. Western Resources is required, by law, to create a separate account for each name when stock is held in similar but different names (e.g. John A. Smith, John Smith, John A. Smith & Mary Smith JT TEN, etc.). Help us reduce mailing and record keeping costs by consolidating your accounts.

STOCK TRANSFER AGENTS AND REGISTRARS

PRIMARY TRANSFER AGENT:
Western Resources, Inc.
Shareholder Services
P.O. Box 750320
Topeka, Kansas 66675-0320
Telephone: 800-527-2495

CO-AGENT:
Continental Stock Transfer & Trust Company
2 Broadway, 19 Floor
New York, New York 10004

TRUSTEE FOR BONDS

Principal Trustee, Paying Agent, and Registrar

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603-4003
Call collect 312-461-6838

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Western Resources

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