

Westar Industries, Inc. Rights Distribution

Presentation to the Board of Directors

May 16, 2001

WE 13271

WS086922

Summary of Rights Terms

- Distribution:** Pro rata to all Western Resources stockholders
1 right for every 6 shares of Western Resources common stock held; no fractional shares
14.3% of Westar Industries offered
- Subscription Price:** \$10 per share of Westar Industries common stock
- Transferability:** Non-transferable
- Exercise Period:** 8 weeks
- Conditions:** Western Resources will not be obligated to consummate the rights offering unless:
- Rights for at least \$80 million of the Westar Industries shares of common stock are exercised
 - Listing on a national exchange or market

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Tax Consequences of Rights Offering

Distribution of rights taxable for U.S. income tax purposes

- The value of each right is estimated at approximately \$0.04 based on a modified Black-Scholes option valuation methodology
- Taxable holders will have taxable income equal to the value of the right (e.g., at the highest individual income tax rate of 39.6%, each right would have an estimated tax of \$0.01)
- Corporate holders will generally be taxed at a lower rate

Transaction Sequence

- Step 1** Distribute rights certificates and subscription agreements to Western Resources stockholders on a pro rata basis
- Information Agent addresses procedural questions
- Step 2** Western Resources stockholders either exercise their rights or let them expire
- Subscription Agent collects and compiles all subscriptions
 - Allocation, if necessary
- Step 3** Westar Industries closes the rights offering
- Targeted \$120 million in cash proceeds
 - Proceeds will be transferred to Western Resources through intercompany receivable

Subscription Price

(Dollars in Millions, except share prices)

Investment	Ownership Interest	Valuation	Value per Westar Share (1)
Protection One (2)	85.0%	\$164.9	\$1.93
Protection One Europe (3)	100.0	41.5	0.49
ONEOK (4)	45.0	715.9	8.38
Value of Western Resources Shares (5)	--	349.4	4.09
International Power Projects (6)	--	10.1	0.12
Other Investments (7)	--	28.0	0.33
Intercompany Note (8)	--	116.7	1.37
Proceeds from Rights Offering (9)	--	122.0	1.43
Loan to Protection One (10)	--	130.0	1.52
Taxes Owed to Western Resources	--	(26.0)	(0.30)
Total		\$1,652.4	\$19.35

Estimated Market Discount (11) 58.0% 44.0%

Estimated Trading Value \$694.0 \$925.3

Implied Value for each Westar Industries share

(1) Assumes 85.4 million diluted common shares.

(2) Protection One valued at 20-day volume-weighted average share price as of 05/10/01.

(3) Book value less goodwill as of 3/31/01.

(4) ONEOK value calculated net of taxes using a tax basis of \$379.5 and a tax rate of 39.8%.

Based on common and preferred shares owned of 22.164 million. 20-day volume-weighted average share price as of 05/10/01.

(5) Value of 14.6 million Western Resources shares at Western 20-day volume-weight share price as of 05/10/01.

(6) Represents power project investments in Turkey and China at book value as of 3/31/01.

(7) Investments in Onsite Energy and Guardian International. As of 05/10/01.

(8) As of 05/10/01.

(9) Proceeds assume a \$10 subscription price, approximately 12.2 million shares issued and a 100% subscription rate.

(10) As of 05/10/01.

(11) Assumes holding company discount range of 20-30% and an IPO discount range of 30-40%.

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Institutional Shareholder Profile

Institutional Holder	Western Resources Holdings		Investment Category (p)	Possible Subscriber?	Subscription		
	shares	\$ (in mm) (v)			% (z)	Pro Rata	300% Max
1 OZ MANAGEMENT	7,678,000	\$ 173.9	9.0 %	Yes	9.0 %	27.0 %	45.0 %
2 WALLACE R. WEITZ & COMPANY	5,174,300	117.2	6.1	Yes	8.1	18.2	30.3
3 CRAMER ROSENTHAL MCGLYNN, LLC	2,336,585	52.9	2.7	Yes	2.7	8.2	13.7
4 BARCLAYS BANK PLC	2,015,218	45.6	2.4	No	-	-	-
5 LEGG MASON INC	1,095,575	24.8	1.3	No	-	-	-
6 BANK OF AMERICA CORPORATION	982,193	22.2	1.2	Yes	1.2	3.5	5.8
7 JENNISON ASSOCIATES LLC	965,100	21.9	1.1	Yes	1.1	3.4	5.7
8 JOHN A. LEVIN & COMPANY, INC.	932,900	21.1	1.1	Yes	1.1	3.3	5.5
9 VANGUARD GROUP	802,415	18.2	0.9	No	-	-	-
10 STATE STR CORPORATION	795,222	18.0	0.9	No	-	-	-
11 MSDW & COMPANY	773,076	17.5	0.9	No	-	-	-
12 PIMCO ADV L P	680,058	15.4	0.8	No	-	-	-
13 STATE STR RESEARCH & MGMT CO	675,300	15.3	0.8	No	-	-	-
14 MELLON BANK NA	579,533	13.1	0.7	No	-	-	-
15 NEW YORK STATE COMMON RET FD	552,100	12.5	0.6	No	-	-	-
16 FARALLON CAPITAL MGMT, L.L.C.	531,300	12.0	0.6	No	-	-	-
17 TEACHER RETIREMENT SYS OF TX	520,000	11.8	0.6	No	-	-	-
18 CALIFORNIA PUBLIC EMP RET SYS	482,844	10.9	0.6	No	-	-	-
19 HUSIC CAPITAL MANAGEMENT	462,700	10.5	0.5	Yes	0.5	1.6	2.7
20 JOHN HANCOCK ADVISERS, INC.	429,600	8.7	0.5	No	-	-	-
21 FRANK RUSSELL COMPANY	420,560	9.5	0.5	No	-	-	-
22 PENNSYLVANIA PUBLIC SCH EMP RE	412,277	9.3	0.5	No	-	-	-
23 GAMCO INVESTORS, INC.	393,800	8.9	0.5	Yes	0.5	1.4	2.3
24 JACOBS LEVY EQUITY MGMT, INC.	393,100	8.9	0.5	No	-	-	-
25 PRINCIPAL LIFE INSURANCE CO	380,696	8.6	0.4	Yes	0.4	1.3	2.2
Top 25 Institutional Holders	30,464,450	\$ 690.0	35.7 %	Yes = 36%	22.6 %	67.8 %	113.0 %

Source: CDA Spectrum.

(1) Based on Western Resources share price as of May 10, 2001.

(2) Assume 85.4 million diluted common shares.

(3) GARP denotes: Growth At Reasonable Price.

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Institutional Shareholder Profile *(continued)*

Institutional Holder	Western Resources Holdings		Investment Category	Possible Subscriber?	Pro Rata	Subscription	
	shares	\$(in mm) (1)				% (2)	300% Max
26 FIDELITY MGMT & RESEARCH CO	336,051	\$ 7.6	0.4 %	Yes	0.4 %	1.2 %	2.0 %
27 NORTHERN TRUST COMPANY	327,615	7.4	0.4	No	-	-	-
28 COLLEGE RETIRE EQUITIES	319,410	7.2	0.4	No	-	-	-
29 GABELLI FUNDS LLC	302,000	6.8	0.4	Yes	0.4	1.1	1.8
30 HONEYWELL INTL INC. (PENS FD)	289,300	6.6	0.3	No	-	-	-
31 AXA FINANCIAL, INC.	278,350	6.3	0.3	No	-	-	-
32 CNA FINANCIAL CORPORATION	270,000	6.1	0.3	No	-	-	-
33 TAUINUS CORPORATION	248,755	5.6	0.3	No	-	-	-
34 ARONSON + PTNR	232,700	5.3	0.3	Yes	0.3	0.8	1.4
35 MERRILL LYNCH INV MANAGERS(NJ)	193,641	4.4	0.2	Yes	0.2	0.7	1.1
36 PILGRIM BAXTER & ASSOC LTD.	181,900	4.1	0.2	Yes	0.2	0.8	1.1
37 SUNTRUST BANKS INC	178,661	4.0	0.2	No	-	-	-
38 FIRST STAR CORPORATION	146,207	3.3	0.2	No	-	-	-
39 STATE TEACH RETIREMENT SYS OH	135,400	3.1	0.2	No	-	-	-
40 RLH MANAGEMENT	133,400	3.0	0.2	Yes	0.2	0.5	0.8
41 AMERICAN GENERAL CORPORATION	125,173	2.8	0.1	No	-	-	-
42 BANK ONE CORPORATION	116,618	2.6	0.1	Yes	0.1	0.4	0.7
43 CREDIT SUISSE ASSET MGMT LLC	110,000	2.5	0.1	No	-	-	-
44 FIRST QUADRANT L.P.	107,000	2.4	0.1	?	0.1	0.4	0.8
45 PUBLIC EMP RETIREMENT ASSN CO	104,800	2.4	0.1	No	-	-	-
46 OHIO PUBLIC EMP RETIREMENT SYS	100,500	2.3	0.1	No	-	-	-
47 STATE OF WI INVESTMENT BOARD	100,000	2.3	0.1	Yes	0.1	0.4	0.8
48 JP MORGAN CHASE & CO	97,925	2.2	0.1	Yes	0.1	0.3	0.8
49 SANFORD C BERNSTEIN & CO INC	96,725	2.2	0.1	Yes	0.1	0.3	0.8
50 BNP PARIBAS ARBITRAGE SNC	92,399	2.1	0.1	Yes	0.1	0.3	0.5
25-50 Top Institutional Holders	4,625,528	\$ 104.8	5.4 %	Yes = 44%	2.3 %	7.0 %	11.7 %
Top 50 Institutional Holders	35,089,978	\$ 784.8	41.1 %	Yes = 40%	24.9 %	74.8 %	124.7 %

Sources: CDA Spectrum.

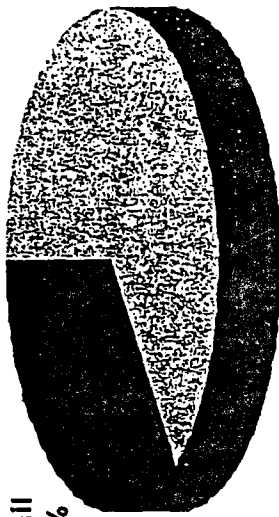
(1) Based on Western Resources share price as of May 10, 2001.

(2) Assumes 85.4 million diluted common shares.

Retail Shareholder Participation

Retail brokerage network incentivized to facilitate offering

- Up to 10 cents per right compensation paid to all broker-stamped subscriptions from holders of up to 5,000 shares of Western Resources common stock



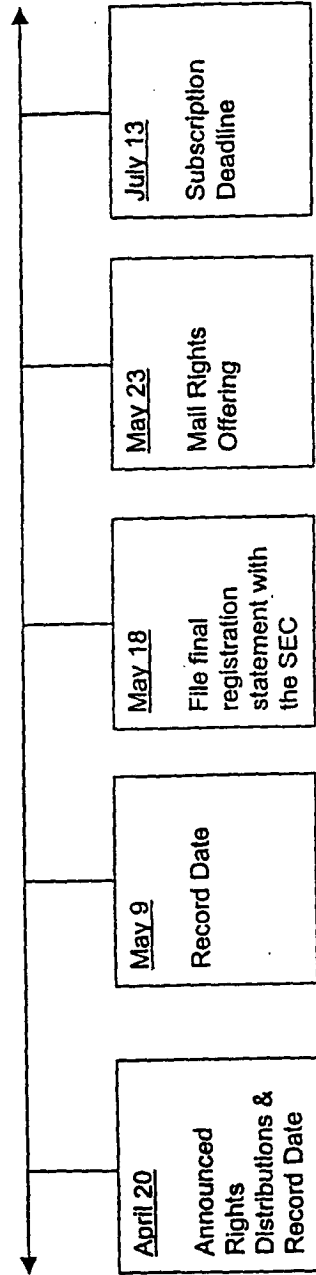
Retail
35%

Institutional
65%

Considerations for individual investors

- Ability to understand
- Expectation of ultimate spin-off

Proposed Timetable



MAY 2001

S	M	T	W	T	F	S
	1	2	3	4	5	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

JUNE 2001

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

JULY 2001

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				