



Philadelphia Suburban Corporation's Pennsylvania Subsidiary Receives A+ Credit Rating from Standard & Poor's

BRYN MAWR, Pa., Sep 4, 2003 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (NYSE:PSC) announced today that Standard and Poor's (S&P) has affirmed an A+ corporate credit rating on PSC's largest subsidiary, Pennsylvania Suburban Water Company (PSW), and an even higher rating of AA- on its mortgage bonds. S&P also removed its ratings from CreditWatch, indicating that the company's recent acquisition of AquaSource improved PSC's consolidated business profile.

PSW's A+ rating is a direct reflection of its parent company's consolidated credit quality, according to S&P. PSW is the largest subsidiary of PSC and represents more than half of PSC's customer base.

"We are very pleased with the S&P recent rating action," said PSC Chairman and Chief Executive Officer Nicholas DeBenedictis. "This further demonstrates that our disciplined strategy of growth through acquisition continues to benefit the customers by allowing the company to borrow at more competitive rates, and benefit the shareholder by increasing value."

The A+ rating completes an eventful cycle for PSC, which includes the 2002 sale, via a secondary offering, of Vivendi Environnement's 16.8 percent interest in PSC, and the completion of the company's major acquisition of the regulated water and wastewater operations of AquaSource Inc., which expanded PSC's customer base by more than 20 percent (approximately 130,000 customer accounts), and extended its operations to a total of 15 states. The recapitalization associated with the AquaSource acquisition included the issuance of \$135 million in unsecured debt on July 31, 2003 at 4.87 percent and the sale of four million shares of common stock at \$23.40 through an offering completed on August 21, 2003.

PSC will operate under its new name Aqua America, Inc. beginning October 10, 2003 and will trade on the New York Stock Exchange under the ticker symbol WTR.

PSC is the largest U.S.-based, investor-owned water utility in the U.S. and provides water and wastewater services to approximately 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, Connecticut, New York, South Carolina and Kentucky. PSC's common shares are traded on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC." The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

SOURCE: Philadelphia Suburban Corporation

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