



Philadelphia Suburban Land Sale to Be Worth \$4.4 Million; Company Agrees to Sell 7,000 Acres to PA Conservation Agency

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jan. 20, 2003--Philadelphia Suburban Corporation's (NYSE:PSC) largest subsidiary, Pennsylvania Suburban Water Company announced that it has come to an agreement with the Commonwealth of Pennsylvania to transfer approximately 9,000 acres of woodlands in Northumberland and Columbia counties to State Forest Lands.

The state will acquire approximately 7,000 acres of watershed land for \$4.4 million and Pennsylvania Suburban intends to donate 2,000 acres of remaining land above its water supply reservoirs to the state so it also can be protected in perpetuity as State Forest land.

"We are very pleased with the thought that these precious lands will be protected by the Commonwealth, in perpetuity, for the enjoyment of all Pennsylvanians," said PSC chairman Nicholas DeBenedictis. "Our goal is to ensure the protection of the valuable water resource contained within these woodlands, which will continue to serve the residents of the Roaring Creek watershed. As former Secretary of the Environment in the Commonwealth, I am confident that DCNR views water quality protection as one of the primary functions of its forestlands."

PSC is the holding company for Pennsylvania Suburban Water Company and several other regulated public utilities that provide water to approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey and Maine.

PSC is listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol "PSC" and has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

This press release contains forward-looking statements. These forward-looking statements are found in various places throughout this press release and include, without limitation, statements regarding the land sale agreement and expected benefits from the sale of the land. While these forward-looking statements represent our judgments and future expectations concerning the development of our business and the benefits of the sale of land, a number of risks, uncertainties, and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, the risk that anticipated benefits from the sale will not be obtained or not obtained within the time anticipated and other key factors that could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed with the Securities and Exchange Commission. PSC is not under any obligation (and each expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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