



Philadelphia Suburban Corporation Announces the Completion of a Public Equity Offering to Effectively Redistribute Former Vivendi Shares

BRYN MAWR, Pa.--(BUSINESS WIRE)--May 19, 2003--Philadelphia Suburban Corporation (NYSE:PSC) announced today the completion of an underwritten public offering of 1.495 million shares of its common stock at a price to the public of \$23.08.

The offering yielded net proceeds to the company of approximately \$33 million. The offering included 1.3 million shares, plus the over-allotment option of 15 percent, or 195,000 shares, which was exercised by the underwriters during the offering and also was completed today.

The offering effectively redistributed the shares that PSC purchased for \$18.25 per share following a secondary offering completed by the company in September 2002, which facilitated the divestiture of Veolia Environnement's, formerly Vivendi Environnement (Paris Euronext: VIE; NYSE:VE), entire position in PSC.

VE was formerly PSC's largest shareholder. In May 2002, VE advised PSC of its decision to monetize its 16.8 percent investment in PSC (11.1 million already outstanding shares). In a secondary offering conducted in September 2002, 9.9 million shares were sold to individual and institutional investors and PSC agreed to repurchase the remaining 1.2 million shares.

Since September's secondary offering, PSC's stock price has not closed below the offering price of \$18.25. The increase in value received from the shares that were effectively redistributed was not booked as profit, but increased the book value for all shareholders by approximately four percent.

Proceeds will be used to repay short-term debt incurred by the company for the purchase of the shares from Vivendi and for general corporate purposes.

Edward Jones served as the book-runner for the offering and Edward Jones and Janney Montgomery Scott were the underwriters. Each stated that the shares were purchased predominately by the retail investment community.

PSC is the largest U.S.-based investor-owned water utility serving approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine, and North Carolina. PSC is a publicly traded company listed 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.

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