



Philadelphia Suburban Corporation Announces a 7.1 Percent Cash Dividend Increase and a Five-for-Four Stock Split Payable December 1, 2003

Twelfth Cash Dividend Increase in 11 Years; Fifth Stock Split in Seven Years

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 5, 2003--On the heels of the company's announcement last week of the purchase of the investor-owned water and wastewater systems from AquaSource Inc. and DQE, Inc. which increased the water utility's customer base by 20 percent, Philadelphia Suburban Corporation's (PSC) Board of Directors today authorized a 7.1 percent cash dividend increase above the September 1, 2003 quarterly cash dividend payment and also approved for the fifth time in seven years a stock split for 2003, effected in the form of a 25 percent stock distribution. Both the increased dividend and stock distribution will be paid December 1, 2003 to shareholders of record on November 14, 2003.

In addition, the Board declared the regular \$.14 per share quarterly common stock cash dividend to be paid on September 1, 2003 to shareholders of record on August 15, 2003.

Beginning with the December 1, 2003 payment, PSC's quarterly dividend will increase to \$.15 per share from \$.14 per share (\$.60 per share versus \$.56 on an annualized basis) on the pre-split shares. The new quarterly cash dividend rate will be \$.12 per share on the increased number of shares resulting from the stock distribution or \$.48 per share annualized.

PSC Chairman and President Nicholas DeBenedictis said, "The Board of Directors has always felt strongly about rewarding its shareholders through dividends which have been paid for 58 consecutive years. As an early supporter of President Bush's dividend tax cut, I feel that today's decision of a 7.1 percent increase on the dividend rate and another stock split will be viewed favorably by the company's shareholders, many of whom rely upon the dividend to supplement their income."

This is the twelfth cash dividend increase granted by the company in the last eleven years and the fifth stock split effected in the form of a stock distribution in seven years. DeBenedictis said, "This action by the PSC Board shows the confidence we have in the future earnings power of our core business now that we are the largest investor owned water company based in the U.S."

The PSC Board also today changed its corporate name to Aqua America Inc. to better reflect the broader U.S. presence of the former one-state water utility. "We now operate in 10 of the 14 most populous states throughout the country and can be recognized as America's water company. The Aqua America® name reflects our national presence, our U.S. roots in the water business and the fact that we remain a domestic company," said DeBenedictis.

PSC is the largest U.S.-based investor-owned water utility serving 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 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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