



Philadelphia Suburban Corporation Authorizes September 1, 2002 Cash Dividend and Increases December 1, 2002 Cash Dividend by 5.7 Percent

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 6, 2002--

Twelfth Cash Dividend Increase in 11 Years

The Board of Directors of Philadelphia Suburban Corporation (PSC) today declared a 5.7 percent cash dividend increase above the September 1, 2002 quarterly cash dividend payment, payable on December 1, 2002 to shareholders of record on November 15, 2002. In addition, the Board declared the regular \$.1325 per share quarterly common stock cash dividend to be paid on September 1, 2002 to shareholders of record on August 16, 2002.

Beginning with the December 1, 2002 payment, PSC's quarterly dividend will increase to \$.14 (\$.56 on an annualized basis) per share from \$.1325 (\$.53 on an annualized basis).

This is the twelfth cash dividend increase granted by the company in the last 11 years. PSC Chairman and President Nicholas DeBenedictis said, "We are pleased to be in the position to reward our shareholders with another dividend increase. Our ability to continue the trend of increasing our dividend is directly attributable to our ability to grow customers and revenues, control expenses and make prudent capital investments."

PSC is the holding company for regulated public utilities that provide water and wastewater services to approximately two million residents in Pennsylvania, Ohio, Illinois, New Jersey, Maine, and North Carolina. 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.

This release contains certain forward-looking statements involving risks, uncertainties and other factors that may cause the actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic business conditions; weather conditions affecting customers' water usage or the company's cost of operations; the success of cost containment initiatives; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives.

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