Philadelphia Suburban Completes Low Interest Financing for New Jersey Subsidiary; Financing Estimated to Save More Than $2.5 Million in Interest over 30 Years

BRYN MAWR, Pa.--(BUSINESS WIRE)--April 24, 2003--Philadelphia Suburban Corporation (NYSE:PSC) announced today that its subsidiary, Consumers New Jersey Water Company, has refinanced $7.0 million in tax exempt bonds, which is expected to save the company more than $2.5 million over the life of the bonds.

Specifically, the company refinanced its 1992 Series I ($1.67 million) and J ($5.33 million) bonds, which carry coupon rates of 6.25 percent and 6.375 percent respectively. The new series bonds were issued at rates of 5.0 and 5.1 percent respectively, which will reduce the company's annual interest expense by approximately $85,000 annually and $2.665 million over the 30-year life of the bonds.

The financing, which received New Jersey Economic Development Authority and Board of Public Utilities approval in March, closed last week.

"We continue our 2002 efforts to recapitalize the company at historically low interest rates," said PSC Treasurer Kathy Pape. "The actions we take today will benefit our customers for 30 years by permitting us to maintain the pace of our capital improvements, which in turn improves service."

PSC is the largest U.S.-based, investor-owned water utility in the country, serving approximately two million residents in six states: Pennsylvania, Ohio, Illinois, New Jersey, North Carolina and Maine.

PSC is a publicly-traded company 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 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: the successful completion of the company's low-interest financing program; the company's ability to realize the benefits from its low- interest financing; the effect of the low-interest financing on the company's interest expense; general economic business conditions; the success of certain cost containment initiatives; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives.

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