



Philadelphia Suburban Corporation Completes Successful Secondary Offering of Shares Held by Vivendi Environnement

BRYN MAWR, Pa., Sep 26, 2002 (BUSINESS WIRE) -- Underwriters' Over-allotment Option Exercised in Full

Philadelphia Suburban Corporation (NYSE:PSC) reported that the secondary offering of PSC common stock formerly held by Vivendi Environnement (Paris Euronext:VIE and NYSE:VE) was completed and the underwriters' over-allotment option was exercised in full. The offering resulted in the sale of approximately 9.9 million shares of PSC stock at \$18.25 per share, including the underwriters' over-allotment option of approximately 1.3 million shares.

PSC Chairman Nicholas DeBenedictis said, "I was pleased with the demand for PSC stock among the retail and institutional investors with whom we met during our 10-day road show. With the PSC shares previously held by VE now repositioned among a broader U.S. investor base, and with the pending sale of American Water Works to the German utility RWE, PSC is poised to become the largest water utility with a U.S. investor base."

Prior to the completion of the offering, VE held approximately 16 percent of PSC's outstanding common shares. Because all of the shares sold were held by VE and were already outstanding, no new shares were issued that would be dilutive to PSC's earnings per share. PSC had committed to buy from VE up to 2.5 million PSC shares held by VE after completion of the offering, however, because the underwriters' over-allotment option was exercised, PSC will buy back only 1.2 million PSC shares at \$18.25 per share, according to the terms of a previously announced agreement with VE.

Deutsche Bank Securities and UBS Warburg LLC served as joint book-running managers for the offering. Co-managers were A.G. Edwards & Sons, Inc., Edward D. Jones & Co., L.P., and Janney Montgomery Scott LLC.

PSC is one of the nation's largest investor-owned water utilities serving nearly two million residents collectively through its operating subsidiaries 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".

This release contains certain forward-looking statements, including statements regarding the closing of the underwriters' over-allotment option and PSC's purchase of 1.2 million PSC shares. These forward looking statements involve risks and uncertainties and certain factors may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements.

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