

PHILADELPHIA SUBURBAN CORPORATION

DIVIDEND REINVESTMENT AND OPTIONAL
STOCK PURCHASE PLAN

Prospectus Supplement Dated July 26, 1996 to
Prospectus Dated January 26, 1996

This Prospectus Supplement amends certain information contained in the Prospectus dated January 26, 1996 (the "Prospectus") of Philadelphia Suburban Corporation (the "Company") by which shares of the Company's Common Stock, par value \$.50, are offered for sale pursuant to the Company's Dividend Reinvestment and Optional Stock Purchase Plan. Each such amendment is a result of the 3-for-2 split of the Common Stock effected on July 10, 1996.

1. The sixth word of the eighth paragraph of the cover page of the Prospectus, "456,911" is hereby replaced in its entirety with "685,366."

2. The thirteenth word of the first line of the first paragraph under "DESCRIPTION OF CAPITAL STOCK -- Authorized and Outstanding Stock" on page 13 of the Prospectus, "21,770,819", is hereby replaced in its entirety with "41,770,819."

3. The second word of the second line of the first paragraph under "DESCRIPTION OF CAPITAL STOCK -- Authorized and Outstanding Stock" on page 13 of the Prospectus, "20,000,000", is hereby replaced in its entirety with "40,000,000."

4. The first six words of the first line of the second paragraph under "DESCRIPTION OF CAPITAL STOCK -- Authorized and Outstanding Stock" on page 13 of the Prospectus, "As of December 31, 1995, 12,188,623", are hereby replaced in their entirety by the following: "As of June 30, 1996, 12,558,184."

5. The last word of the second line of the second paragraph under "DESCRIPTION OF CAPITAL STOCK -- Authorized and Outstanding Stock" on page 13 of the Prospectus, "527,519", is hereby replaced in its entirety with "825,525."