



Philadelphia Suburban Corporation and Vivendi Environnement Announce Public Offering to Support VE's Divestiture of PSC

BRYN MAWR, Pa., Jul 8, 2002 (BUSINESS WIRE) -- Philadelphia Suburban Corporation (PSC) (NYSE:PSC) today announced that it has reached an agreement with Vivendi Environnement (VE) (Paris Bourse:VIE and NYSE:VE) to effect a public offering of PSC's common stock owned by VE as part of a plan to complete VE's divestiture of PSC stock.

As all shares being sold are held by Vivendi and are presently outstanding, the offering will have no dilutive effect on PSC's earnings per share.

The offering of approximately 8.6 million shares could be increased by up to 15 percent (approximately 1.3 million shares) to cover underwriters' over-allotments. PSC has agreed to purchase any shares owned by VE after the offering, up to 2.5 million shares.

However, the number of shares that PSC has agreed to purchase will be reduced on a share-for-share basis by the number of shares sold by VE to cover over-allotments.

Deutsche Bank Securities and UBS Warburg LLC will serve as joint book-running managers for the offering. Copies of the prospectus can be obtained from either Deutsche Bank Securities, 1 South Street, Baltimore, MD 21202, (410) 895-2080 or UBS Warburg, 299 Park Avenue, New York, NY 10171, (212) 821-3000.

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".

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

This release contains certain forward-looking statements involving risks and uncertainties and other factors that may cause 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, market and business conditions; developments involving VE and its affiliates; the effect of VE's actions on the business relationship between PSC and US Filter and on PSC's ongoing business strategy; changes in regulations or regulatory treatment; availability and cost of capital; and the success of growth initiatives.

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