



## **Philadelphia Suburban Corporation Announces a Nearly 7 Percent Cash Dividend Increase and a Five-for-Four Stock Split Payable December 1, 2001**

### **Eleventh cash dividend increase in ten years and fourth stock split in six years**

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 7, 2001-- The Board of Directors of Philadelphia Suburban Corporation (PSC) today authorized a 6.9 percent cash dividend increase above the September 1, 2001 quarterly cash dividend payment and a five-for-four stock split, effected in the form of a 25 percent stock distribution.

Both the increased dividend and stock distribution will be paid December 1, 2001 to shareholders of record on November 16, 2001. In addition, the Board declared the regular \$.155 per share quarterly common stock cash dividend to be paid on September 1, 2001 to shareholders of record on August 17, 2001.

Beginning with the December 1, 2001, payment PSC's quarterly dividend will increase to \$.1656 per share from \$.155 (\$.6625 per share versus \$.62 on an annualized basis) on pre-split shares. The new quarterly cash dividend rate will be \$.1325 per share on the increased number of shares resulting from the stock distribution or \$.53 per share annualized.

This is the eleventh cash dividend increase granted by the company in the last ten years and the fourth stock split effected in the form of a stock distribution in six years. PSC Chairman and President Nicholas DeBenedictis said he is optimistic about the company's ability to continue what has become a decade-long trend.

"It's no coincidence that ever since we've embarked on our growth-through-acquisition strategy we have strengthened our financial performance to the point where we've been able to consistently enhance the dividend for our shareholders," said DeBenedictis. "Our goal is to continue this strategy into the future and, barring any significant change in circumstances, we are hopeful that we will continue to be able to reward our shareholders."

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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