

**SUBSIDIARIES**

San Jose Water Company

SJW Land Company

SJWTX, Inc.

# NEWS RELEASE

**Wire Release - National Circuit  
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**Page 1 of 4**

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**San Jose, California**

**Corporate Secretary/Attorney**

## **SJW CORP. ANNOUNCES 2009 ANNUAL AND FOURTH QUARTER FINANCIAL RESULTS**

SAN JOSE, CA, February 24, 2010 – SJW Corp. (NYSE: SJW) today reported operating revenue for the year ended December 31, 2009 of \$216.1 million versus \$220.3 million for the year ended December 31, 2008, a decrease of \$4.2 million. The decrease in revenue was primarily attributable to a decline in customer water usage of \$12.8 million, as well as \$2.7 million in lower revenue from real estate operations due to a tenant vacancy in the real estate portfolio. The revenue decreases were partially offset by cumulative rate increases of \$10.7 million and revenue from new customers of \$0.6 million.

Net income was \$15.2 million for the year ended December 31, 2009, compared to \$21.5 million for the year ended December 31, 2008. Diluted earnings per common share for the year ended December 31, 2009 were \$0.81, compared to \$1.15 per share in 2008.

Water production costs for the year ended December 31, 2009 were \$83.5 million versus \$90.2 million in 2008, a decrease of \$6.7 million. The decline in water production costs is primarily attributable to \$7.3 million in lower customer water usage and \$2.6 million in savings due to greater surface water supply, offset by \$3.2 million in higher per unit costs paid for purchased water and groundwater extraction charges.

Operating expenses, excluding water production costs and income taxes, for the year ended December 31, 2009 were \$92.9 million versus \$84.0 million for 2008, an increase of \$8.9 million. This increase was primarily attributable to increases in 2009 of \$4.0 million in administrative and general expenses largely related to pension plan expenses, \$1.8 million in taxes other than income tax expense, \$1.6 million in depreciation and amortization and \$1.5 million in other operating expenses. Income tax expense decreased \$2.9 million for the year ended December 31, 2009 to \$10.3 million from \$13.2 million for the year ended December 31, 2008 as a result of lower pre-tax income. Total operating expense, including water production costs, for the year ended December 31, 2009 was \$186.7 million, compared to total operating expense of \$187.5 million in 2008.

### Fourth Quarter Financial Results

Operating revenue for the fourth quarter ended December 31, 2009 was \$48.6 million versus \$49.5 million for the same period in 2008, a decrease of \$900,000. The decrease was attributable to \$2.0 million in lower customer water usage and \$660,000 in lower revenue from real estate operations, partially offset by \$1.6 million in cumulative rate increases and \$79,000 in revenue from new customers.

Net income was \$2.6 million for the fourth quarter ended December 31, 2009, compared to \$4.2 million for the same period in 2008. Diluted earnings per common share were \$0.14 for the quarter ended December 31, 2009, compared to \$0.23 per share for the same period in 2008.

Water production costs for the fourth quarter of 2009 were \$17.4 million versus \$20.3 million for the same period in 2008, a decrease of \$2.9 million. Lower customer water usage and savings due to greater surface water supply contributed to the decrease.

Operating expenses, excluding water production costs and income taxes, for the fourth quarter of 2009 were \$23.4 million versus \$21.5 million for the same period in 2008, an increase of \$1.9 million. This was attributable to increases of \$945,000 in administrative and general expenses due to pension plan expenses, \$443,000 in depreciation and amortization, \$345,000 in other operating expenses and \$186,000 in taxes other than income tax expense. Income tax expense decreased \$118,000 for the fourth quarter in 2009 to \$1.5 million from \$1.6 million for the same period in 2008 due to lower pre-tax income. Total operating expense for the quarter ended December 31, 2009, was \$42.3 million compared to \$43.4 million in the period ended December 31, 2008.

Other comprehensive loss of \$6.2 million and \$1.4 million, net of tax, for the full year and fourth quarter of 2009, respectively, was primarily due to changes in the market value of SJW Corp.'s investment in California Water Service Group.

SJW Corp. management will discuss the annual and fourth quarter results in a webcast presentation available to interested parties from the Company's website, [www.sjwater.com](http://www.sjwater.com), at 10:00 A.M. Pacific Time on Thursday, February 25, 2010. The webcast will be accessible until April 26, 2010.

SJW Corp. is a publicly traded holding company headquartered in San Jose, California. SJW Corp. is the parent company of San Jose Water Company, SJWTX, Inc. and SJW Land Company. Together, San Jose Water Company and SJWTX, Inc. provide regulated and nonregulated water service to more than one million people in San Jose, California and nearby communities and in Canyon Lake, Texas and nearby communities. SJW Land Company owns and operates commercial buildings, has a majority interest in a real estate partnership, and has properties in the states of California, Florida, Connecticut, Texas, Arizona and Tennessee.

This press release may contain certain forward-looking statements including but not limited to statements relating to SJW Corp.'s plans, strategies, objectives, expectations and intentions, which are made pursuant to the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of SJW Corp. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The results for a quarter are not indicative of results for a full year due to seasonality. Certain factors that may cause actual results, performance or achievements to materially differ are described in SJW Corp.'s most recent reports on Form 10-K, Form 10-Q and Form 8-K filed with the Securities and Exchange Commission. SJW Corp. undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

SJW CORP.  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 AND COMPREHENSIVE INCOME  
 (UNAUDITED)  
 (in thousands, except per share data)

	THREE MONTHS ENDED DECEMBER 31		TWELVE MONTHS ENDED DECEMBER 31	
	2009	2008	2009	2008
OPERATING REVENUE	\$48,556	49,529	\$216,097	220,347
OPERATING EXPENSE:				
Operation:				
Purchased water	9,753	10,729	45,317	48,291
Power	1,339	1,904	6,582	7,559
Groundwater extraction charge	6,360	7,690	31,635	34,368
Total water production costs	<u>17,452</u>	<u>20,323</u>	<u>83,534</u>	<u>90,218</u>
Administrative and general	6,824	5,879	27,658	23,688
Other	4,640	4,295	17,861	16,390
Maintenance	3,490	3,511	13,172	13,123
Taxes other than income	1,985	1,799	8,549	6,793
Depreciation and amortization	6,451	6,008	25,643	24,043
Income taxes	1,469	1,587	10,280	13,198
Total operating expense	<u>42,311</u>	<u>43,402</u>	<u>186,697</u>	<u>187,453</u>
OPERATING INCOME	6,245	6,127	29,400	32,894
Sale of real estate investments, net of taxes of \$567 in 2008	-	832	-	832
Sale of utility property, net of taxes of \$269 in 2008	-	392	-	392
Interest on long-term debt and other	(3,625)	(3,143)	(14,229)	(12,657)
NET INCOME	<u>\$ 2,620</u>	<u>4,208</u>	<u>\$ 15,171</u>	<u>21,461</u>
Other comprehensive income (loss), net	\$ (1,375)	5,147	\$ (6,236)	6,107
COMPREHENSIVE INCOME	<u>\$ 1,245</u>	<u>9,355</u>	<u>\$ 8,935</u>	<u>27,568</u>
Earnings per share				
-Basic	\$ 0.14	0.23	\$ 0.82	1.17
-Diluted	0.14	0.23	0.81	1.15
Dividends per share	\$ 0.17	0.16	\$ 0.66	0.65
Weighted average shares outstanding				
-Basic	18,498,920	18,435,907	18,486,536	18,410,122
-Diluted	18,703,127	18,631,466	18,680,458	18,609,836

SJW CORP.  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (UNAUDITED)  
 (in thousands)

	DECEMBER 31 2009	DECEMBER 31 2008
ASSETS		
UTILITY PLANT:		
Land	\$ 8,558	\$ 8,134
Depreciable plant and equipment	913,071	855,427
Construction in progress	11,119	7,142
Intangible assets	11,278	8,040
Total utility plant	944,026	878,743
Less accumulated depreciation and amortization	298,921	272,562
Net utility plant	645,105	606,181
REAL ESTATE INVESTMENT:	88,000	88,000
Less accumulated depreciation and amortization	7,188	5,511
Net real estate investment	80,812	82,489
CURRENT ASSETS:		
Cash and equivalents	1,416	3,406
Accounts receivable and accrued unbilled utility revenue	24,004	26,329
Prepaid expenses and other	2,590	2,226
Total current assets	28,010	31,961
OTHER ASSETS:		
Investment in California Water Service Group	40,500	51,071
Debt issuance costs, net of accumulated amortization	3,098	3,162
Regulatory assets	78,525	73,778
Other	2,424	2,235
	<u>124,547</u>	<u>130,246</u>
	<u>\$878,474</u>	<u>\$850,877</u>
 CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common stock	\$ 9,635	\$ 9,611
Additional paid-in capital	22,046	20,548
Retained earnings	207,888	204,744
Accumulated other comprehensive income	13,187	19,423
Total shareholders' equity	252,756	254,326
Long-term debt, less current portion	246,879	216,613
Total capitalization	499,635	470,939
CURRENT LIABILITIES:		
Line of credit	5,800	18,400
Current portion of long-term debt	1,081	705
Accrued groundwater extraction charge and purchased water	4,496	5,256
Purchased power	486	563
Accounts payable	6,562	5,758
Accrued interest	4,979	4,567
Other current liabilities	8,554	8,074
Total current liabilities	31,958	43,323
DEFERRED INCOME TAXES AND CREDITS	102,381	98,713
ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS IN AID OF CONSTRUCTION	190,506	188,869
POSTRETIREMENT BENEFIT PLANS	47,484	42,331
OTHER NONCURRENT LIABILITIES	6,510	6,702
	<u>\$878,474</u>	<u>\$850,877</u>