

SUBSIDIARIESSan Jose Water Company
SJW Land Company
SJWTX Water, Inc.**NEWS RELEASE**Wire Release - National Circuit
For Release at 4:00 P.M. (Pacific Time)

Page 1 of 4

For Release: July 26, 2007 Contact: Angela Yip Phone: (408) 279-7960
San Jose, California Chief Financial Officer and Treasurer

**SJW CORP. (NYSE: SJW) ANNOUNCES
SECOND QUARTER FINANCIAL RESULTS****Board Declares Quarterly Dividend on Common Stock**

SAN JOSE, CA, July 26, 2007 – SJW Corp. (NYSE: SJW) today reported net income of \$5,406,000 for the quarter ended June 30, 2007, or diluted earnings per common share of \$0.29, compared to \$6,471,000 or \$0.35 per share for the same quarter in 2006.

Operating revenue for the second quarter was \$55,135,000 versus \$47,873,000 for the same period in 2006, representing an increase of \$7,262,000. Approximately \$3,505,000 of the total revenue increase was attributable to increased customer demand, \$2,282,000 was from cumulative rate increases, \$1,086,000 was from new connections, and \$389,000 was from other sources.

Total water production costs for the second quarter of 2007, consisting of purchased water, energy and groundwater extraction charges increased \$7,065,000. Of this increase in production costs, \$3,164,000 was attributable to decreases in our surface water supply necessitating additional purchased water, \$3,129,000 was due to higher customer demand and \$772,000 was due to higher per unit costs for groundwater extraction, purchased water and energy. Overall, water production cost as a percentage of revenue increased from 36% in the second quarter of 2006 to 44% in the second quarter of 2007. The increase in the water production cost was the primary factor that produced operating income that compares unfavorably with a year ago.

“In California we are in a period of below average rainfall and reduced supply of our lowest-cost water, which is surface water,” said W. Richard Roth, President and Chief Executive Officer of SJW Corp. “The result is that in the second quarter compared to a year ago, we delivered more purchased water and groundwater, with their inherently higher costs. We believe our water resources in California, however, are adequate to address our customers' needs for the foreseeable future.”

He added, “We see the impact on our results from fluctuating water conditions in California as validation of our moves to diversify revenues, and we are pleased with the performance of our real estate portfolio businesses.”

Total quarterly maintenance expenses increased \$672,000 in the second quarter of 2007 from 2006 due to \$388,000 which is attributable to higher leak repairs and \$165,000 in increased labor costs.

Nonwater production cost increases include a depreciation expense increase of \$386,000, administrative and general expense increase of \$318,000, and taxes other than income and other increase of \$108,000. Income tax expense decreased \$710,000 in the second quarter of 2007 versus the second quarter of 2006.

Year-to-date diluted earnings per common share were \$0.41 compared to \$0.58 for the same period in 2006. The decrease in year-to-date earnings was primarily due to the increase in water production costs which is attributable to the lack of surface water supply and the sale of nonutility property in the first quarter of 2006 which contributed approximately \$0.08 per share to earnings.

Year-to-date operating revenue increased \$12,537,000 due to increased customer demand of \$4,958,000, cumulative rate increases of \$4,566,000, new customers of \$2,451,000 and \$562,000 from other sources.

Year-to-date water production costs increased by \$11,518,000 and were primarily attributable to \$5,349,000 decreases in our surface water supply, \$5,050,000 was due to higher customer demand and \$1,119,000 was spent on higher costs for groundwater extraction, purchased water and energy. Non-water production costs increased \$3,166,000 and were primarily attributable to \$1,159,000 in maintenance expenses, \$1,017,000 in administrative and general costs, \$809,000 in depreciation expense and \$181,000 in taxes other than income and other expenses. Income tax expense decreased \$1,198,000 for year-to-date.

Other comprehensive loss of \$539,000 and \$1,889,000, net of tax, for the second quarter of 2007 and year-to-date, was due to a decrease in the market value of the investment in California Water Service Group.

The Directors of SJW Corp. today declared a quarterly dividend on common stock of \$0.15125 per share. The dividend is payable on September 1, 2007 to shareholders of record on August 6, 2007.

SJW Corp. is a publicly traded holding company headquartered in San Jose, California. SJW Corp. is the parent company of San Jose Water Company, Canyon Lake Water Service Company and SJW Land Company. Together, San Jose Water Company and Canyon Lake Water Service Company provide regulated and nonregulated water service to more than one million people in San Jose, California and nearby communities and Canyon Lake, Texas. 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. 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)
 (thousands of dollars, except share and per share data)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30		JUNE 30	
	2007	2006	2007	2006
OPERATING REVENUE	\$55,135	47,873	94,152	81,615
OPERATING EXPENSE:				
Operation:				
Purchased water	13,287	11,512	22,613	18,166
Power	2,264	1,162	3,176	1,722
Groundwater extraction charge	8,555	4,367	12,121	6,504
Total production costs	<u>24,106</u>	<u>17,041</u>	<u>37,910</u>	<u>26,392</u>
Administrative and general	5,265	4,947	11,055	10,038
Other	3,628	3,715	7,249	7,375
Maintenance	2,995	2,323	5,787	4,628
Taxes, other than income	1,574	1,379	3,156	2,849
Depreciation & amortization	5,672	5,286	11,285	10,476
Income taxes	<u>3,835</u>	<u>4,545</u>	<u>5,241</u>	<u>6,439</u>
Total operating expense	<u>47,075</u>	<u>39,236</u>	<u>81,683</u>	<u>68,197</u>
OPERATING INCOME	8,060	8,637	12,469	13,418
Gain on sale of nonutility property, net of taxes of \$1,056	-	-	-	1,535
Interest on long-term debt and other	<u>(2,654)</u>	<u>(2,166)</u>	<u>(4,941)</u>	<u>(4,279)</u>
NET INCOME	<u>\$5,406</u>	<u>6,471</u>	<u>7,528</u>	<u>10,674</u>
Other comprehensive income (loss), net	<u>(539)</u>	<u>(6,042)</u>	<u>(1,889)</u>	<u>(1,616)</u>
COMPREHENSIVE INCOME	<u>\$4,867</u>	<u>429</u>	<u>5,639</u>	<u>9,058</u>
Earnings per share				
-Basic	\$0.30	0.35	0.41	0.58
-Diluted	\$0.29	0.35	0.41	0.58
Dividend per share	\$0.15	0.14	0.30	0.28
Weighted average shares outstanding				
- Basic	18,324,819	18,271,608	18,312,604	18,271,439
- Diluted	18,539,267	18,530,671	18,528,363	18,530,384

SJW Corp.
 Condensed Consolidated Balance Sheets
 (Unaudited)

(thousands of dollars, except share and per share data)

	<u>June 30</u> 2007	<u>December 31</u> 2006
ASSETS		
UTILITY PLANT:		
Land	\$ 5,668	4,837
Depreciable plant and equipment	743,335	716,679
Construction in progress	15,864	10,863
Intangible assets	8,040	8,040
Total utility plant	<u>772,907</u>	<u>740,419</u>
Less accumulated depreciation and amortization	<u>245,930</u>	<u>234,173</u>
Net utility plant	526,977	506,246
NONUTILITY PROPERTY:		
Less accumulated depreciation and amortization	<u>88,010</u>	<u>43,868</u>
Net nonutility property	2,921	3,303
85,089	<u>85,089</u>	<u>40,565</u>
CURRENT ASSETS:		
Cash and cash equivalents	5,693	3,788
Accounts receivable and accrued unbilled utility revenue	30,407	21,956
Sale proceeds held in trust account	-	31,261
Prepaid expenses and other	1,975	2,470
Total current assets	<u>38,075</u>	<u>59,475</u>
OTHER ASSETS:		
Investment in California Water Service Group	41,237	44,438
Unamortized debt issuance and reacquisition costs	3,310	3,220
Regulatory assets	49,882	50,483
Other	1,353	1,437
	<u>95,782</u>	<u>99,578</u>
	<u>\$745,923</u>	<u>705,864</u>
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION:		
Common stock	\$ 9,549	9,522
Additional paid-in capital	17,780	16,267
Retained earnings	189,192	186,876
Accumulated other comprehensive income	13,629	15,517
Shareholders' equity	<u>230,150</u>	<u>228,182</u>
Long-term debt, less current portion	196,690	163,648
Total capitalization	426,840	391,830
CURRENT LIABILITIES:		
Line of credit	3,500	15,500
Current portion of long-term debt	613	485
Accrued groundwater extraction charge and purchased water	11,265	4,244
Purchased power	1,002	301
Accounts payable	5,082	7,267
Accrued interest	4,372	3,871
Accrued taxes	3,312	-
Other current liabilities	5,400	5,578
Total current liabilities	<u>34,546</u>	<u>37,246</u>
DEFERRED INCOME TAXES AND CREDITS	80,372	83,347
ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS		
IN AID OF CONSTRUCTION	170,537	163,180
POSTRETIREMENT BENEFIT PLANS	28,045	26,298
OTHER NONCURRENT LIABILITIES	5,583	3,963
	<u>\$745,923</u>	<u>705,864</u>