

# NEWS RELEASE

Wire Release – National Circuit  
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## SJW CORP. (NYSE: SJW) ANNOUNCES THIRD QUARTER FINANCIAL RESULTS

### Board Declares Quarterly Dividend on Common Stock

SAN JOSE, CA, October 22, 2008 – SJW Corp. (NYSE: SJW) today reported operating revenue for the third quarter ended September 30, 2008 of \$69.5 million versus \$64.9 million for the same period in 2007, representing an increase of \$4.7 million. The increase in revenue was primarily attributable to cumulative rate increases.

Net income was \$8.3 million for the quarter compared to \$8.0 million for the same quarter in 2007. Diluted earnings per common share were \$0.44, compared to \$0.43 per share for the same quarter in 2007.

Water production costs for the third quarter of 2008 were \$30.8 million versus \$29.6 million for the same period in 2007, an increase of \$1.3 million. Higher per-unit costs for purchased water and groundwater extraction charges contributed \$2.2 million to the increase. These expenses were significantly offset by lower spending on purchased water due to increased surface water supply compared to a year ago.

Non-water production costs for the third quarter of 2008 were \$21.7 million versus \$19.4 million for the same period in 2007, an increase of \$2.3 million. This was attributable to increases of \$747,000 in administrative and general expenses, \$619,000 in other operating expenses, \$477,000 in maintenance expenses, \$298,000 in depreciation and amortization and \$180,000 in property and other non-income taxes. Income tax expense increased \$338,000 in the third quarter to \$5.5 million in 2008 from \$5.2 million in 2007 as a result of higher pre-tax income.

Year-to-date operating revenue increased by \$11.8 million to \$170.8 million from \$159.0 million in the first nine months of 2007. The increase was attributable to \$10.4 million in cumulative rate increases, \$831,000 in increased usage, \$432,000 from new customers, and \$144,000 from other sources.

Year-to-date net income was \$17.3 million, compared to \$15.5 million in 2007. Diluted earnings per common share were \$0.93 in the first nine months of 2008, compared to \$0.84 per share for the same period in 2007.

Year-to-date water production costs increased to \$69.9 million from \$67.5 million in 2007. The increase was primarily attributable to \$4.7 million in higher costs for groundwater extraction and purchased water, partially offset by \$1.9 million saved due to increased surface water supply. Non-water production costs increased \$4.6 million to \$62.5 million from \$57.9 million. Components of the increase included \$1.2 million in administrative and general expenses, \$1.1 million in other operating expenses, \$1.0 million in maintenance expenses, \$1.0 million in depreciation and amortization expense and \$255,000 in property and other non-income taxes. Income tax expense increased \$1.2 million year-to-date due to higher pre-tax income.

The Directors of SJW Corp. today declared a quarterly dividend on common stock of \$0.16125 per share. The dividend is payable on December 1, 2008 to shareholders of record on November 3, 2008.

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

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30		SEPTEMBER 30	
	2008	2007	2008	2007
OPERATING REVENUE	\$69,507	64,847	170,818	158,999
OPERATING EXPENSE:				
Operation:				
Purchased water	16,390	16,760	37,562	39,373
Power	2,579	2,565	5,655	5,741
Groundwater extraction charge	<u>11,845</u>	<u>10,222</u>	<u>26,678</u>	<u>22,343</u>
Total production costs	30,814	29,547	69,895	67,457
Administrative and general	6,322	5,575	17,809	16,630
Other	4,343	3,724	12,095	10,973
Maintenance	3,296	2,819	9,612	8,606
Taxes, other than income	1,763	1,583	4,994	4,739
Depreciation and amortization	5,988	5,690	18,035	16,975
Income taxes	<u>5,516</u>	<u>5,178</u>	<u>11,611</u>	<u>10,419</u>
Total operating expense	<u>58,042</u>	<u>54,116</u>	<u>144,051</u>	<u>135,799</u>
OPERATING INCOME	11,465	10,731	26,767	23,200
Interest on long-term debt and other	<u>(3,208)</u>	<u>(2,720)</u>	<u>(9,514)</u>	<u>(7,661)</u>
NET INCOME	<u>\$8,257</u>	<u>8,011</u>	<u>17,253</u>	<u>15,539</u>
Other comprehensive income (loss), net	<u>3,718</u>	<u>642</u>	<u>960</u>	<u>(1,247)</u>
COMPREHENSIVE INCOME	<u>\$11,975</u>	<u>8,653</u>	<u>18,213</u>	<u>14,292</u>
Earnings per share				
-Basic	\$0.45	0.44	0.94	0.85
-Diluted	\$0.44	0.43	0.93	0.84
Dividend per share	\$0.16	0.15	0.48	0.45
Weighted average shares outstanding				
- Basic	18,423,325	18,350,007	18,401,458	18,325,206
- Diluted	18,618,780	18,561,631	18,602,557	18,539,587

SJW Corp.  
Condensed Consolidated Balance Sheets  
(Unaudited)  
(thousands of dollars, except share and per share data)

	<u>SEPTEMBER 30</u> 2008	<u>DECEMBER 31</u> 2007
<b>ASSETS</b>		
<b>UTILITY PLANT:</b>		
Land	\$ 5,687	5,695
Depreciable plant and equipment	829,202	778,277
Construction in progress	15,655	24,298
Intangible assets	<u>8,040</u>	<u>8,040</u>
Total utility plant	858,584	816,310
Less accumulated depreciation and amortization	<u>267,256</u>	<u>255,025</u>
Net utility plant	591,328	561,285
<b>REAL ESTATE INVESTMENT:</b>	89,302	88,029
Less accumulated depreciation and amortization	<u>5,092</u>	<u>3,834</u>
Net real estate investment	84,210	84,195
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	2,177	2,354
Accounts receivable and accrued unbilled utility revenue	37,385	26,823
Prepaid expenses and other	<u>2,562</u>	<u>2,414</u>
Total current assets	42,124	31,591
<b>OTHER ASSETS:</b>		
Investment in California Water Service Group	42,348	40,720
Unamortized debt issuance and reacquisition costs	3,209	3,345
Regulatory assets	43,776	44,712
Other	<u>1,942</u>	<u>1,478</u>
	<u>91,275</u>	<u>90,255</u>
	<u>\$808,937</u>	<u>767,326</u>
<b>CAPITALIZATION AND LIABILITIES</b>		
<b>CAPITALIZATION:</b>		
Common stock	\$ 9,597	9,564
Additional paid-in capital	20,137	18,723
Retained earnings	203,547	195,331
Accumulated other comprehensive income	<u>14,277</u>	<u>13,316</u>
Shareholders' equity	247,558	236,934
Long-term debt, less current portion	<u>216,773</u>	<u>216,312</u>
Total capitalization	464,331	453,246
<b>CURRENT LIABILITIES:</b>		
Line of credit	18,900	5,000
Current portion of long-term debt	758	622
Accrued groundwater extraction charge and purchased water	9,154	5,595
Purchased power	900	514
Accounts payable	8,426	9,268
Accrued interest	3,431	4,522
Accrued taxes	3,366	791
Other current liabilities	<u>6,864</u>	<u>6,642</u>
Total current liabilities	51,799	32,954
<b>DEFERRED INCOME TAXES AND CREDITS</b>	81,441	76,378
<b>ADVANCES FOR CONSTRUCTION AND CONTRIBUTIONS</b>		
<b>IN AID OF CONSTRUCTION</b>	182,372	175,167
<b>POSTRETIREMENT BENEFIT PLANS</b>	22,553	23,357
<b>OTHER NONCURRENT LIABILITIES</b>	<u>6,441</u>	<u>6,224</u>
	<u>\$808,937</u>	<u>767,326</u>