



## **Aqua America Increases Customer Base by More Than 11 Percent in 2004; Growth-Through-Acquisition Strategy Continues Expansion Momentum**

BRYN MAWR, Pa.--(BUSINESS WIRE)--Feb. 11, 2005--Aqua America, Inc. (NYSE:WTR) announced today its customer growth in 2004 exceeded 11 percent representing more than 85,000 new customer accounts (approximately 250,000 residents). The growth was largely due to the company's commitment to the growth-through-acquisition strategy that it began more than 10 years ago.

The company's 29 acquisitions added approximately 70,000 customer accounts to Aqua America's customer base and organic growth accounted for approximately 15,000 customer accounts.

"We are pleased with the strong growth in 2004. The acquisitions of Heater and the former Florida water systems, which added more than 65,000 customer accounts, were clearly the height of last year's acquisition efforts," said Aqua America's Vice President of Corporate Development Mark J. Kropilak. "And while these large platform-building acquisitions are important, the company's numerous smaller 'tuck-in' acquisitions and growth ventures in and around its existing service territory continue to be an important part of our growth efforts."

"This has been another exciting year for the company," agreed Aqua America Chairman Nick DeBenedictis. "By combining smaller system acquisitions with two large acquisitions, we've increased our future earnings potential, as well as our potential for customer growth, especially in our Southern states."

In addition to the Heater and Florida Water acquisitions, Aqua America completed the following growth ventures in 2004:

1. February 2004 - Aqua Pennsylvania, Inc. completed the purchase of the Canal Acres water system located in Lackawaxen Township, Pike County. Nine of 34 homes are built.
2. March 2004 - Aqua Pennsylvania completed the purchase of water system assets from Tafton Water Company, Inc. This system furnishes water service to 250 residents in the "Wilson Hill" community in Palmyra Township, Pike County.
3. March 2004 - Aqua North Carolina, Inc. purchased the water and wastewater assets of ABC Utilities, which serve approximately 900 residents south of Wilmington in New Hanover County.
4. March 2004 - Aqua North Carolina purchased the water assets of the Glencroft Subdivision that currently serves 150 residents near Newton in Catawba County.
5. March 2004 - Aqua Pennsylvania acquired the system assets of Applewood Water Company, Inc., which serves approximately 100 residents in Dallas Township, Luzerne County.
6. March 2004 - Aqua Pennsylvania acquired the system assets of Meribah Water Company, which serves approximately 150 residents in Delaware Township, Juniata County.
7. March 2004 - Aqua Pennsylvania purchased Marienville Water Supply Company, Inc., which serves 900 residents within the Village of Marienville in Jenks Township, Forest County.
8. April 2004 - Aqua North Carolina purchased the water assets of Neuse River Village Utilities, which serves approximately 400 residents in Wake County east of Raleigh.
9. April 2004 - Aqua Missouri, Inc. purchased the Lakewood Manor, Ltd., water system, which serves approximately 100 residents in the Shell Knob area of Barry County.
10. April 2004 - Aqua Pennsylvania purchased the water system assets of Barrett Water Company, Inc., which serves 120

residents in Exeter Township, Luzerne County.

11. April 2004 - Aqua Pennsylvania purchased the water system assets of Hex Acres Water Company, which serves 300 residents in Exeter Township, Luzerne County.
12. April 2004 - Aqua Pennsylvania purchased the water system assets of the Tambur Waterworks, which serves 105 residents in Exeter Township, Luzerne County.
13. June 2004 - Aqua Pennsylvania purchased the water assets of Eagle Rock Community Association, Inc., which serves approximately 1,400 residents in Black Creek and Hazle townships in Luzerne County and in East Union and North Union townships in Schuylkill County.
14. June 2004 - Aqua Pennsylvania purchased the wastewater assets of Eagle Rock Community Association, Inc., which serves approximately 1,400 residents in Black Creek and Hazle townships in Luzerne County and in East Union and North Union townships in Schuylkill County.
15. June 2004 - Aqua Pennsylvania purchased the water system assets of Eagle Rock Utility Corporation/Oneida which serves approximately 360 residents in East Union Township, Schuylkill County.
16. July 2004 - Aqua North Carolina purchased the wastewater assets of Willow Creek Holdings, which serves Willow Creek, Cascade Ridge and the Bluffs at Willow Creek Subdivisions. This system also serves Westchester Academy and High Point Country Club, and is located in Davidson County just west of High Point.
17. July 2004 - Aqua Pennsylvania purchased the assets of Fieldcrest Water Association, Inc. which serves 120 residents in Jackson Township, Luzerne County and will be operated out of the company's Whitehaven office.
18. August 2004 - Aqua Pennsylvania purchased the water assets of Thornhurst Country Club Estates Property Owners Association, which serves approximately 900 residents in Lehigh Township, Lackawanna County.
19. August 2004 - Aqua Pennsylvania purchased the wastewater assets of Thornhurst Country Club Estates Property Owners Association, which serves approximately 900 residents in Lehigh Township, Lackawanna County.
20. August 2004 - Aqua Pennsylvania purchased the water system assets of Christian Springs Water Company, Inc. that serves approximately 160 residents in Moore Township, Northampton County.
21. September 2004 - Aqua North Carolina completed the purchase of the water system assets of Craven Water Works in Rowan County, which serves 145 residents.
22. September 2004 - Aqua North Carolina purchased the water systems assets of Crabtree Water Systems that serve nearly 200 residents in Lincoln and Catawba counties.
23. September 2004 - Aqua Pennsylvania purchased the water system assets of the Links of Gettysburg, a planned golf community that will ultimately serve approximately 1,200 residents in Mount Joy Township, Adams County.
24. October 2004 - Aqua Pennsylvania purchased the water systems assets of Pennsview Water Company, which serves approximately 360 residents in Penn Township, Snyder County.
25. November 2004 - Aqua Illinois purchased the brand-new water system at the Hawthorn Woods Country Club, a residential golf community that will serve approximately 1,800 residents in the Village of Hawthorn Woods, Lake County.
26. November 2004 - Aqua Illinois purchased the brand-new wastewater system at the Hawthorn Woods Country Club, a

residential golf community that will serve approximately 1,800 residents in the Village of Hawthorn Woods, Lake County (near Chicago).

27. December 2004 - Little Washington Wastewater Company (Aqua Pennsylvania's wastewater subsidiary) purchased the wastewater system assets of the Links of Gettysburg that will serve approximately 1,200 residents in Mount Joy Township, Adams County, Pennsylvania.

Aqua America, Inc. is the largest U.S.-based publicly-traded water utility, serving more than 2.5 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, New York, and South Carolina. Aqua America is listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol WTR.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, the Company's growth-through-acquisition strategy, the earnings potential from acquisitions and the potential for additional customer growth from acquired operations. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: general economic business conditions, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives, and other factors discussed in our filings with the Securities and Exchange Commissions.

**CONTACT:**

Aqua America, Inc.  
Cheryl Hansen, 610-645-1084  
clhansen@aquaamerica.com  
or  
Joanna Oszeyczik, 610-645-4213  
jaoszeyczik@aquaamerica.com

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