



Aqua America Adds Water Systems in Pennsylvania and Illinois

BRYN MAWR, Pa., Dec 20, 2007 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its Pennsylvania and Illinois subsidiaries have completed the acquisitions of two water companies in their respective states.

Aqua Pennsylvania, Inc. acquired the Lakeside Acres Water Company in western Pennsylvania, which serves approximately 525 people living in the Lakeside Acres community in Sadsbury Township, Crawford County for \$225,000.

"The Lakeside Acres acquisition represents another in our pipeline of growth opportunities that continue to produce acquisitions that expand our customer base in both the water and wastewater utility arenas," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. He added that the Lakeside Acres acquisition will also yield economies of scale as it already shares a pipe interconnect with Aqua Pennsylvania's nearby Oakland Beach water system, which was acquired in December 2005 and is also operated out of the company's Shenango Division.

Aqua Pennsylvania plans to invest nearly \$80,000 over the next several years to improve the Lakeside Acres water system. The upgrades include process control improvements and new monitoring systems, as well as the installation of a radio frequency-equipped water meter reading system. "In addition to the benefits these improvements will bring to our new customers, the investment increases the company's rate base on which it can request a fair return," said DeBenedictis.

Aqua Illinois, Inc. acquired the water system assets of the Village of Sun River Terrace, which serves approximately 600 people in the Village. In addition to the purchase price of \$95,000, Aqua Illinois has plans to invest nearly \$210,000 in capital improvements over the next five years including improvements to the water tower, the replacement of pipes and fire hydrants, and the installation of new water meters. "Sun Terrace represents another 'tuck-in' acquisition as it's near our Kankakee operations.

Sun Terrace is the second municipal acquisition for Aqua Illinois this year," said DeBenedictis. Aqua Illinois acquired the Village of Manteno water system, also in the Kankakee area.

Aqua America is a publicly traded water and wastewater utility holding company, with operating subsidiaries serving approximately 2.8 million people in Pennsylvania, New York, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, 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 that address, among other things, the projected investment in and improvements to the acquired systems, the expected timing and extent of improvements to the systems, the expected benefits from the acquired systems and improvements to those systems, and the company's opportunities for additional acquisitions. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the risk that the proposed improvements will not be made as projected or have the indicated benefits; the costs related to the transaction; the risk that anticipated benefits will not be obtained or will not be obtained within the time anticipated; and other key factors that we have indicated could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed with the Securities and Exchange Commission. Aqua America is not under any obligation--and expressly disclaims any such obligation--to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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SOURCE: Aqua America, Inc.

Donna Alston
Director, Communications
610-645-1095
dpalston@aquaamerica.com

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