



Aqua America Subsidiary Purchases Water System

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jan. 13, 2005--Aqua America Inc. (NYSE:WTR) announced today that its Texas subsidiary, Aqua Texas, Inc., has purchased the water system at the Saddlewood Estates development in Kerrville, Texas, for a cost of approximately \$352,000. This system will be operated out of Aqua Texas' Kerrville office.

The system currently serves 200 residents, and infrastructure is in place to serve an additional 250 residents upon the development's completion.

"This is the company's first acquisition of 2005, and it demonstrates the growth potential in our new Southern operations," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "The Texas water system acquisition comes on the heels of a successful 2004 where the company completed 29 acquisitions."

Aqua America is the largest U.S.-based publicly-traded water utility serving more than 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York and South Carolina. Aqua America is listed on the New York and Philadelphia Stock Exchanges under the ticker symbol WTR. The company has been dedicated to the preservation and improvement of the environment throughout its history which spans more than 100 years.

CONTACT: Aqua America Inc.
Joanna Oszeyczik, 610-645-4213
jaoszeyczik@aquaamerica.com

SOURCE: Aqua America Inc.