



Aqua America Completes Sale of Its Maine Operations to Connecticut Water

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced today that it has completed the sale of its Maine operations to Connecticut Water Service, Inc. (NASDAQ: CTWS) effective January 1, 2012, which includes 11 water systems serving 16,000 customers in 17 communities throughout Maine. As called for under the previously announced agreement, at the closing Connecticut Water purchased all of the capital stock of Aqua Maine, Inc. for an aggregate cash purchase price of approximately \$35.8 million, plus the assumption of long-term debt that, as of December 31, 2010, was approximately \$17.7 million, subject to certain closing adjustments. Aqua America has owned the company since March 1999 and expects to book a gain on the transaction in the first quarter of 2012.

"We've enjoyed providing service in Maine over the last 12 years," said Aqua America Chairman and CEO Nicholas DeBenedictis. "Although our Maine operations have performed well, our sale of the system to Connecticut Water benefits both companies by providing Aqua America cash that can be invested in capital in areas where we have critical mass and in regions that afford us additional growth opportunities and allowing Connecticut Water to expand in New England, buying a system that is well managed and operated, and has a strong record of environmental compliance."

The sale to Connecticut Water is the first of two such sales Aqua America is expected to close this year. The company announced in July 2011 an agreement to sell its New York operations (7 water systems that serve approximately 50,520 customers) to American Water Works Company, Inc. (NYSE: AWK). At the same time, Aqua signed a separate agreement to acquire all of American Water's regulated operations in Ohio, which include 8 water systems and 1 wastewater system that serve approximately 57,280 water and wastewater customers, bringing Aqua's new total in that state to approximately 145,000 customers.

In June 2011, Aqua America's Texas subsidiary acquired 51 water and five wastewater systems from American Water's Texas subsidiary, including 4,200 water and 1,100 wastewater customers (16,000 people). That transaction was the final step in an exchange between the two companies that began in May, when Aqua America sold the bulk of its regulated Missouri operations (approximately 3,700 customers) to American Water.

Following the upcoming sale of New York, Aqua America will have concentrated its regulated operations in nine states (Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Florida, Indiana and Virginia). The company also maintains a non-regulated wastewater operation in Georgia.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana, New York, Florida, Virginia, and Georgia. Aqua America is listed on the New York Stock Exchange 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 impact of the Company's strategy to focus its resources where it has critical mass, the projected benefits of the Company's growth strategy, the expected gain of the sale of the Maine operations, the use for and anticipated impact of the proceeds from the sale of the Maine operations and the timing of the sale of the company's New York operations. 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 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 discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is on file with the Securities and Exchange Commission. Neither Aqua America nor Connecticut Water is under any obligation (and each 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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