



Largest Private U.S. Water Utilities Complete Missouri Operations Transaction

Aqua America sells Missouri operation to American Water completing first step in property swap announced last year

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE: WTR) announced today that it has sold the bulk of its regulated Missouri operations to American Water Works Company, Inc. (NYSE: AWK) for \$3.2 million, completing the first step of a unique transaction the two companies first announced last December. Aqua America noted that it has a separate agreement to sell its eight remaining small regulated wastewater systems to the City of Taos., which is expected to close during the third quarter.

The sale to American included more than 60 small water and wastewater systems, which serve approximately 3,700 customers in Missouri. The sale is indicative of Aqua America's desire to focus the company's regulatory relationships in states where it already has a critical mass of customers and can capitalize on economies of scale for the benefit of its customers.

Still pending is the sale of American Water's regulated operations in Texas to Aqua America's Texas subsidiary, which is expected to close during the second quarter. Under that agreement with American Water, Aqua America will purchase 51 water and five wastewater systems in Texas, which serve nearly 4,200 water and nearly 1,100 wastewater customers (approximately 16,000 people) for approximately \$6 million. The systems serve parts of Brazoria, Harris, Liberty, Matagorda and Montgomery counties in the greater Houston metropolitan area. The acquisition, which requires approval by the Texas Commission for Environmental Quality, will increase the customer base of Aqua Texas by approximately 8 percent.

When the deal was announced last December, Aqua America Chairman and CEO Nicholas DeBenedictis said, "This transaction makes perfect business sense for both companies as Aqua America is better suited to own and operate the American systems in Texas and American Water is better equipped to own and operate our systems in Missouri," said DeBenedictis. "This opportunity will enable each of these professional companies to maximize their ability to deliver quality water and wastewater service to customers in both Texas and Missouri."

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, 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 effect of the acquisition of the Texas systems on the Company and the benefits of the acquisition, the expected timing of the transactions and the Company's strategy to focus its resources where it has critical mass. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: regulatory approvals for the transaction; the risk that the acquired company's business will not be successfully integrated; the costs related to the transaction; the inability to obtain or meet conditions imposed for governmental approvals for 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 discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is on file with the Securities and Exchange Commission. Neither Aqua America nor American 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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