



Aqua America's Texas Subsidiary Purchases Water and Wastewater Systems

Acquisition brings total to 23 for Aqua America subsidiaries this year

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE:WTR) announced today that its Texas subsidiary has acquired the water and wastewater system assets of Gray Utility for \$3.3 million.

The Gray systems are "tuck-in" acquisitions that serve approximately 6,300 people in Chambers, Jefferson and Liberty counties along the Gulf Coast near Baytown, which is about 40 miles from downtown Houston. Aqua Texas will manage operations for the new systems from its Spring office near Houston.

Aqua America continues to focus its growth-through-acquisition strategy in its faster-growing states such as Texas, where it has completed 10 acquisitions this year. Earlier this month, Aqua acquired the assets of the Bluewater Key Water Company and Carrizo Water Company in Henderson County and announced an agreement to purchase 51 water and five wastewater systems in Texas from American Water, which serve nearly 4,200 water and nearly 1,100 wastewater customers (approximately 16,000 people). The transaction is expected to be completed during the third quarter of 2011 following regulatory approval. Customer growth for Aqua Texas in 2010 is projected to be approximately five percent, the majority of which is from acquisitions.

"We're glad to welcome our new customers along the Gulf Coast and to expand our footprint in Texas," said Aqua Chairman and CEO Nicholas DeBenedictis. "Broadening our customer base where we already have critical mass enables Aqua to achieve even greater economies of scale, which equates to better, more cost-effective service for our customers."

Aqua America is one of the largest U.S.-based, publicly-traded water utilities serving almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, South Carolina 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: benefits from the acquisition of the acquired systems and the impact the company may have on the acquired systems, the continuation of the company's strategy to pursue the acquisition of water and wastewater systems, focusing its acquisition strategy in its faster-growing states and, the expected timing of the 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 acquired company's business will not be successfully integrated; 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. 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.

WTRF

Aqua America, Inc.
Gretchen Toner
Manager, Strategic Communications
610-645-1175
gmtoner@aquaamerica.com
or
Brian Dingerdissen
Director, Investor Relations
610-645-1191
bjdingerdissen@aquaamerica.com

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