



Aqua America Increases December Dividend by 8 Percent; Company Declares September 2004 Dividend

BRYN MAWR, Pa.--(BUSINESS WIRE)--Aug. 3, 2004--Today, at its regularly scheduled meeting where the company's five-year strategic plan is reviewed, the Board of Directors of Aqua America, Inc. (NYSE:WTR) made a decision to increase the company's dividend to shareholders by 8.3 percent for the December 1, 2004 dividend, available to shareholders of record on November 15, 2004. This change will increase the annualized dividend rate \$0.04 per share, from \$0.48 per share to \$0.52 per share.

Chairman and President Nicholas DeBenedictis said, "Our Board of Directors is very pleased to once again increase the dividend to our shareholders and continues to believe that it is very important that our shareholders share in our growing earnings."

Aqua America has paid a dividend to its shareholders since 1945. The December 1, 2004 increase will be the company's fourteenth increase in the past 13 years.

The Board also declared a \$0.12 per share quarterly common stock cash dividend to be paid on September 1, 2004 to shareholders of record on August 16, 2004. This dividend is 7.1 percent higher than the corresponding dividend paid one year prior on September 1, 2003 as a result of the most recent increase in the company's cash dividend on December 1, 2003.

Aqua America, Inc. 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 both the New York and Philadelphia Stock Exchanges under the ticker symbol WTR. The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

CONTACT:

Aqua America, Inc.
Cheryl Hansen, 610-645-1084
clhansen@aquaamerica.com

or

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

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