



Aqua America Expands North Carolina Base with Three Acquisitions

BRYN MAWR, Pa.--(BUSINESS WIRE)--May 3, 2005--Aqua America, Inc. (NYSE:WTR) announced today that its North Carolina subsidiaries, Aqua North Carolina, Inc. (Aqua) and Heater Utilities, Inc. collectively completed three acquisitions to broaden its water and wastewater operations in the Tar Heel State. The combined cost of the new acquisitions is approximately \$250,000.

"These acquisitions show that North Carolina remains a strong growth with respect to acquisition prospects as well as organic growth," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis.

The three North Carolina acquisitions will bring the companies' services to approximately 2,200 residents in three counties. They include:

- Aqua's purchase of the Lake Ridge Aero Park subdivision wastewater operations in Durham County, which serve approximately 130 residents. Aqua currently supplies water to the subdivision.
- Heater Utilities' purchase of the water system assets for all the North Carolina operations of Alpha Utilities, Inc., which serve approximately 1,500 residents in Wake County. Heater plans to invest approximately \$200,000 in capital improvements to the water systems.
- Aqua's purchase of the water system assets of the Fleetwood Falls subdivision in Ashe County, which serves approximately 550 residents. This is Aqua's first acquisition in Ashe County.

According to the president of Aqua America's North Carolina operations, Neil Phillips, the companies continue to work with developers to acquire water systems in new satellite developments to supplement the companies' traditional growth.

Aqua and Heater Utilities provide water and wastewater services to more than 210,000 residents in 30 North Carolina counties. The company entered North Carolina in December 2000 when it acquired MidSouth Utilities of Sherrills Ford.

Aqua America, Inc. is the largest U.S.-based publicly-traded water utility, serving more than 2.5 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, 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.

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 acquisitions of the described businesses, possible benefits from the acquired operations, and the expected timing of its 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; the costs related to 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 contained in our past and future filings and reports, including those filed 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.

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SOURCE: Aqua America, Inc.