



Aqua America Closes Water System Acquisitions in Indiana and Pennsylvania

BRYN MAWR, Pa., Oct 31, 2006 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiaries purchased two more water systems to further expand its regional networks in Indiana and Pennsylvania. The combined purchase price for the acquisitions is approximately \$275,000.

Aqua Indiana, Inc. acquired the water system assets of the former Darlington Water Company serving approximately 850 residents in the Town of Darlington, Montgomery County, northwest of Indianapolis. The company plans to invest nearly \$300,000 over the next several years for improvements to the Darlington system. Proposed upgrades include construction of a new 60,000-gallon elevated water storage tank and the replacement of undersized water main with new eight-inch ductile iron pipe. The company will loop the new main to enhance the community's fire protection and water pressure. In addition, it plans to install a state-of-the-art radio frequency water meter reading system for Darlington customers.

Also, Aqua Pennsylvania, Inc. completed the "tuck-in" acquisition of the water system serving the Floral Estates residential community in Jefferson Township, Lackawanna County, near Scranton. The system will serve close to 100 residents and is adjacent to two water systems that the company owns and operates in Jefferson Heights and Mount Cobb.

Aqua America is the largest U.S.-based publicly traded water and wastewater utility holding company in the country, serving more than 2.5 million residents in 13 states. Aqua America, Inc. 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 projected investment in and improvements to the acquired systems, the expected timing and extent of improvements to systems, the effect of the acquisition of the described business, and possible benefits from the acquired 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 the acquired company's business will not be successfully integrated; the risk that the proposed improvements will not be made as projected or have the indicated benefits; 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.

Aqua America, Inc.
Donna Alston
Manager, Communications
610-645-1095
dpalston@aquaamerica.com

or
Terry Maenza
Senior Communications Specialist
610-645-1175
tmmaenza@aquaamerica.com

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