



Aqua America Keeps Growing with Five New Acquisitions in New Jersey and North Carolina

Company Expands Water and Wastewater Utility Operations

BRYN MAWR, Pa., Dec 21, 2006 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiaries completed five more acquisitions, adding seven water and wastewater systems to its regional networks in New Jersey and North Carolina. The combined purchase price for the acquisitions is approximately \$120,000, and the company plans further capital investments to enhance water quality and wastewater service.

Aqua New Jersey, Inc. acquired the water and wastewater system assets serving the California Village community in North Hanover Township, Burlington County. The systems provide water and wastewater service to approximately 400 residents. The company plans to invest more than \$300,000 over the next five years for capital improvements to both systems. The upgrades include constructing a new well and treatment building, adding a water storage tank, replacing aging water main with new pipe, and installing state-of-the-art radio frequency water meter technology for all customers, as well as installing backup generators for the wastewater treatment plant and lift station to power the systems in the event of electrical failure.

In North Carolina, the company closed four transactions, three of which involve troubled water systems that are eligible for a special state program that provides incentives for making required capital investments to address water quality, service reliability and water pressure problems. Under this program, the company purchased the water systems serving the following communities with a combined total of approximately 350 residents:

-- Beard Acres in Randolph County near High Point. Planned capital improvements include the installation of new blow-off valves for flushing.

-- Cedarwood Estates in Alexander County near Hickory. The company has interconnected the system to a neighboring water supply to address water quality issues.

-- Heritage Springs Acres in Wake County near Raleigh. Planned capital improvements include a new water storage tank, well house upgrades and new meters.

Aqua North Carolina, Inc. also acquired the water and wastewater system assets serving the Summerfield Village Shopping Center, a retail facility in the Town of Summerfield, Guilford County.

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 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.

WTRF

SOURCE: Aqua America, Inc.

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