



## **Aqua America Board of Directors Extends CEO Contract, Three Senior VPs Appointed to Executive Vice President**

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc.'s (NYSE: WTR) Board of Directors today announced the extension of CEO Nicholas DeBenedictis' employment contract through mid-2015 as well as organizational changes as part of the company's management succession plan.



Aqua America, Inc.'s (NYSE: WTR) Board of Directors today announced the extension of CEO Nicholas DeBenedictis' employment contract through mid-2015. (Photo: Aqua America)

Karl Kyriss, a professional engineer and 17-year Aqua America executive, has successfully expanded the company's Mid-Atlantic (Pennsylvania, New Jersey, New York and Maine) regulated and unregulated operations and will become executive vice president of Aqua America and president of a new business unit -- Aqua Capital Ventures. In his new role, Kyriss will have the primary role of pursuing acquisitions of municipal and private regulated water and wastewater companies while spearheading non-regulated water and wastewater projects in the unregulated business arena.

In addition to growth programs, Kyriss will also oversee Aqua America's \$300 million capital investment program and manage the company's engineering, environmental, information systems, purchasing and fleet programs. Kyriss will also assume responsibility for the company's growing Aqua Resources, Inc. (septage hauling, backflow prevention and water line protection programs) and Aqua America's venture into servicing the water needs of natural gas drilling that is now expanding in Pennsylvania, Ohio and Texas.

Christopher Franklin has held numerous executive positions throughout his 20 years at Aqua America and will become executive vice president of Aqua America and president and chief operating officer of regulated operations. Franklin has held

In addition to DeBenedictis continuing as CEO, the Board appointed three members of the senior management team as executive vice presidents effective January 1, 2012. All three will report directly to DeBenedictis, who said each executive will drive value for the company's customers and shareholders in a distinct area of the company. The common driver shared by all of the senior management team is growth in the regulated water/wastewater arena where Aqua America is already the second largest U.S. company with nearly 1 million water and wastewater customers in the South, Midwest and Mid-Atlantic regions.

Richard Glanton, lead director of Aqua America's Board said, "The Board believes these changes in the organization recognize the unique skill sets and contributions demonstrated by the company's excellent leadership team. The organizational changes will also structure the leadership team to best provide top service to our customers, new opportunities to grow our top and bottom lines and a roadmap for sound succession planning. Aqua's management team continues to be recognized by investors as the best in the water utility industry and, with these strategic changes, we will be well positioned to continue our industry-leading role."

DeBenedictis said, "I am honored to have been asked to continue to serve the company until mid-2015 as Aqua expands on our already successful growth program. I look forward to working with our three seasoned executives, in whom I have the utmost confidence, as we continue to grow the company."

The Board also aligned the new organization with its long-term strategic plan, enhanced by the implementation of a defined succession planning process. The areas of the company that are impacted by the new organization and elevation of three executive vice presidents are: corporate development, operations and finance.

executive roles in public affairs, customer operations and most recently as president of the company's southern and midwestern operations, where he managed eight states. While holding that post, Franklin significantly increased the performance and earnings power of these diverse state operations.

In his new role, Franklin will be responsible for Aqua America's regulated operations (\$750 million in revenues), including customer operations, throughout the company's entire service area. This strategic organizational change will help to ensure superior service to customers, while sharing best practices and technology among the various state operations throughout the company's three key regions. All state presidents will report to Franklin, with the goal of operational excellence and continuous improvement on Aqua America's already "best-in-class" reputation and cost-efficiency record.

David Smeltzer has been Aqua America's chief financial officer since 1999 and will become executive vice president of finance and chief financial officer. Smeltzer, a 25-year veteran of Aqua America's financial management team, will continue all current duties including the management of rates and regulatory functions. Smeltzer will expand his involvement in the management of the company's retirement plans and programs to improve investor relations and build shareholder value. Smeltzer will also continue to be an active member of the team deciding on new growth ventures and acquisitions, while being responsible for needed financing and capital formation.

Roy Stahl, Aqua America's general counsel and chief administrative officer for almost three decades, will be retiring in the second quarter of 2012. To provide for a smooth transition, Christopher Luning, an accomplished attorney and 10-year veteran of Aqua America, will be named senior vice president, general counsel and secretary and report directly to the CEO upon Stahl's retirement. Luning is currently the company's chief development officer.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York 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: the new organization for the company, the positions and responsibilities for several executives, and the anticipated impact of the organizational changes. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements 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, 2010, 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.

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