



Aqua America Expands Footprint in Second Quarter with Six Acquisitions

BRYN MAWR, Pa., Jun 30, 2005 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that it completed six acquisitions in three states during the second quarter of 2005. Coupled with the company's nine purchases in the first quarter, Aqua America added 15 water and wastewater systems to its national footprint through the first half of 2005.

"We are pleased with the 'tuck-in' acquisitions we closed during the quarter and the steady pace of our growth-through-acquisition strategy," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "These acquisitions not only expand our customer base, but can be easily integrated into our existing operations to take advantage of increased efficiencies and economies of scale while delivering improved services to the new customers. Further, the expansion offers new platforms for future growth and additional opportunities to grow earnings through achieving a regulated return on the investments we'll make to improve these systems."

Aqua America closed the following purchases, with a combined cost of more than \$500,000, in the second quarter:

1. June 2005 - Aqua Pennsylvania, Inc.'s wastewater subsidiary, Suburban Wastewater Company, purchased the wastewater assets of Deerfield Knoll, serving approximately 300 residents in Willistown Township, Chester County
2. June 2005 - Aqua Ohio, Inc. purchased the water system assets of the Seneca residential development in Bridgewater Township, Williams County, serving approximately 750 residents.
3. June 2005 - Aqua Ohio, Inc. acquired the water systems of the Forest Cove and Forest Cove East condominium complexes in Green, Summit County, with 80 residential units.
4. May 2005 - Aqua North Carolina, Inc. acquired the wastewater assets of the Tradewinds subdivision in Wake County, serving approximately 525 residents.
5. April 2005 - Heater Utilities purchased the water system assets for all the North Carolina operations of Alpha Utilities, Inc., serving approximately 1,500 residents in Wake County.
6. April 2005 - Aqua North Carolina, Inc. acquired the water system assets of the Fleetwood Falls subdivision in Ashe County, serving approximately 550 residents.

In addition, the company's North Carolina subsidiaries continue to work with developers to acquire water systems in new satellite developments. So far this year, the company has closed on more than 30 new developer systems, projected to eventually serve approximately 3,000 residents, according to Aqua North Carolina President Neil Phillips.

The company also started operations in the second quarter with two new non-regulated wastewater hauling and maintenance businesses. In March, Aqua Wastewater Management, Inc. purchased Concord Wastewater Services, Inc. and Golden Mechanical, Inc. of Delaware County, Pa., marking Aqua's first venture into this specialized area of the wastewater business.

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, including, among others, the pace of the Company's growth-through-acquisition strategy, the potential for additional customer

growth from acquired operations, and the ability to earn a return on investments. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: general economic business conditions, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives, and other factors discussed in our filings with the Securities and Exchange Commissions.

WTRF

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