



Aqua America Acquires Municipal Water System in Illinois

BRYN MAWR, Pa., Jun 18, 2007 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiary Aqua Illinois, Inc. (Aqua) has completed the purchase of the water system assets of the Village of Manteno in Kankakee County. The company purchased the municipal water system, which serves approximately 10,000 people, for \$4.5 million.

Aqua has been operating the village's water system since March 2006, when the parties signed the asset purchase agreement.

"This transaction is the latest in Aqua's long line of municipal utility system acquisitions, which have produced many longstanding partnerships with communities to provide quality water service in a more efficient manner," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "In addition, the Manteno system further expands our regional network to include a potential high-growth area that is situated only a few miles from the proposed construction site of a third Chicago-area airport."

"We have established a good working relationship with Aqua, who brings the technical expertise and financial resources that our community needs to ensure that our drinking water meets all environmental standards today and in the future," said Manteno Village Administrator Craig Blanchette.

The company plans to make significant investment in capital improvements over next several years to address the village's past water quality, reliability and growth issues. The proposed upgrades include an interconnection of the Manteno system with Aqua's treatment and distribution facilities in Kankakee.

Aqua Illinois provides water and wastewater service to approximately 200,000 people across nine counties. It is a subsidiary of Aqua America, a publicly traded water and wastewater utility holding company, with operating subsidiaries serving approximately 2.8 million people in Pennsylvania, New York, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, 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, potential additional growth opportunities, the projected investment in and improvements to the acquired systems, the expected timing and effect of improvements to systems, 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

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