



## **Aqua America Subsidiary Expands Wastewater Hauling Business with \$5.6 Million Acquisition**

BRYN MAWR, Pa., Jul 31, 2006 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its non-regulated subsidiary, Aqua Wastewater Management, Inc. (Aqua), has purchased the assets of Charles M. Perna, Inc., which also does business as Perna Wastewater Management (Perna), one of the largest wastewater and septage hauling companies serving eastern Pennsylvania. The \$5.6 million transaction is expected to be immediately accretive to earnings.

Perna currently serves residential, commercial and municipal customers with septage hauling services, bulk liquid waste disposal, maintenance and field work. Headquartered in Souderton, Pennsylvania, the company's service territory reaches across eastern Pennsylvania into portions of New Jersey.

The announcement follows Aqua's purchase in May of the Leary and Higgins waste hauling business in Chester County, PA. Aqua launched its non-regulated septage venture in April 2005 with the acquisition of Concord Wastewater Services, Inc. in Delaware County, PA. With the addition of Perna, Aqua's growing waste hauling business will represent approximately two percent of the company's annual sales. The addition of Perna's customer base continues to fill in the company's waste hauling business footprint in southeastern Pennsylvania, making Aqua a significant competitor in this area of the state.

"Last year, our company ventured into the septage hauling business, which is a natural extension of our expertise in regulated wastewater treatment and disposal operations," said Aqua America Chairman Nicholas DeBenedictis. "This new acquisition is not only consistent with Aqua's strategy to grow in the wastewater business, but it also serves as a platform on which to further expand the wastewater hauling business within our Pennsylvania base. As our septage business grows, we hope to offer these additional services to Aqua's existing customers who have septic systems to provide them with additional services."

The entire Perna management team and nearly all of Perna's staff will be employed by Aqua, including company President Charles J. Perna, who will continue to manage the business for Aqua. He will report directly to Aqua Wastewater Management President, Anthony J. Donatoni.

"I am pleased to join Aqua's management team and lend my experience and knowledge to help Aqua continue to grow the business," said Charles J. Perna. "Our customer base includes many Aqua America water utility customers, and this acquisition opens the door to new residential areas with septage systems. What's more, we'll pursue continued growth from commercial and industrial entities needing bulk liquid transportation and disposal."

Aqua will continue to operate the business out of Perna's existing headquarters in Montgomery County, Pennsylvania. The acquired assets include nearly 50 waste hauling vehicles, as well as customer lists, office equipment and customer contracts.

Aqua America, Inc. is the largest U.S.-based publicly-traded water and wastewater utility holding company, 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 that address, among other things, the effect of the acquisitions of the described businesses, possible benefits from the acquired operations, and the potential for future acquisitions. 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 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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