



Aqua America Closes Four Acquisitions in Three States; Illinois Subsidiary Acquires Another Municipal Water System

BRYN MAWR, Pa., Nov 08, 2005 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiaries recently purchased four water systems in three states - Illinois, North Carolina and Pennsylvania - to further expand its national footprint. The combined purchase price for the systems is approximately \$550,000.

Aqua Illinois purchased the water system assets of the Village of Philo in Champaign County, representing another municipal acquisition for Aqua America. It is the company's second municipal acquisition in Illinois in the past two years, following its purchase of the Grant Park water system serving 1,500 residents. The Philo system supplies water to approximately 1,300 residents. The Illinois Commerce Commission approved the acquisition after extensive review.

Aqua Illinois plans to invest in a new water tank to provide much-needed storage capacity, replace aging and undersized pipe, and install new services in the Philo community. These capital improvements are estimated at more than \$1.2 million over the rest of the decade.

"We're pleased to add Philo to our regional network as a result of meaningful discussions with municipal officials going back to 2002," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "We're able to efficiently tuck the Philo system into our existing operations in Vermilion County, Illinois, to capture economies of scale and control costs, while providing customers with quality, reliable service."

In addition, Aqua Pennsylvania, Inc. purchased the water systems assets of the Garbush Water Company, serving approximately 250 residents in Jackson Township, Luzerne County.

In North Carolina, Aqua subsidiaries acquired the water system assets of the Northwoods residential development near Chapel Hill, Orange County, serving approximately 250 residents, and the water system assets of Community Water Works in Statesville, Iredell County, serving approximately 250 residents in the Lincoln Estates and River Hill Heights subdivisions. Aqua North Carolina plans to invest nearly \$130,000 in the Community Water Works systems for new water main and meters, in addition to a well station, a storage tank and connection to the Iredell County water system.

These purchases are in addition to the company's acquisition of 24 water and wastewater systems through the first three quarters of 2005. "The newest acquisitions are further evidence of the steady momentum behind our growth-through-acquisition strategy," said DeBenedictis. "They also offer more opportunity to grow earnings through achieving a regulated return on the capital investments we'll make to improve and properly maintain these systems."

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, projected investment in the acquired systems, the assimilation of the acquired systems, economies of scale from the acquired systems, 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 in the acquired systems. 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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