



Aqua America Completes Sale of Geneva Water System to The City; Company's Ohio Subsidiary Will Continue to Operate Water System

GENEVA, Ohio, Dec 21, 2004 (BUSINESS WIRE) -- Aqua America, Inc. announced today that its Ohio subsidiary has completed the sale of the Geneva water system assets to the City of Geneva, Ohio for \$4.9 million.

The City and Aqua Ohio, Inc. have been in litigation regarding procedural issues and the cost of the water system since 1999. This sale resolves the City's appropriation actions and establishes a new partnership between the Aqua Ohio and the City.

The sale agreement provides for a smooth transition, including a two-year operating contract totaling \$270,000 under which Aqua Ohio will continue to operate and maintain the system, while also performing and receiving extra compensation for routine and emergency operations and maintenance.

"We are not in the business of selling water systems, as a matter of fact, we are a leader in acquiring small systems. However, in a situation such as Geneva where it is in Aqua America's best financial interest, and the best public policy interest of a municipality, we believe a sale represents a win-win situation," said Aqua Chairman and CEO Nicholas DeBenedictis.

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 the New York and Philadelphia Stock Exchanges under the ticker symbol WTR.

SOURCE: Aqua America, Inc.

Aqua America, Inc.

Cheryl Hansen, 610-645-1084
clhansen@aquaamerica.com

or

Joanna Oszeyczik, 610-645-4213
jaoszeyczik@aquaamerica.com