



Aqua America's Texas Subsidiary Purchases Water Systems in Llano and Burnet Counties; New Jersey Subsidiary Purchases Water and Wastewater Systems in Sussex County

Acquisitions bring total to 19 for Aqua America subsidiaries this year

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE:WTR) announced today that its Texas subsidiary has acquired the water system assets of Pecan Utilities Co., Inc., in Llano County, and the water system assets of Cavern Springs Water Company in Burnet County in a single transaction of \$394,000. The two systems collectively serve approximately 600 residents. Cavern Springs, the newer of the two subdivisions, includes two 45-acre tracts, which could be developed into smaller lots. Build-out is expected to be between 80 and 200 units. Pecan is an established subdivision, which still contains about 30-to-40 additional lots for development.

Aqua America also announced that its New Jersey subsidiary has acquired the stock of the Walkkill Water Company and the Walkkill Sewer Company, which each serve approximately 1,200 people in Hardyston Township, Sussex County. Aqua New Jersey paid \$300,000 for each acquisition for a total of \$600,000. The water and wastewater systems will be operated by Aqua's nearby Northern Division, which also manages the company's systems in Fredon and Vernon townships — the latter of which was acquired by Aqua New Jersey on November 23.

The acquisitions bring to seven the number of growth ventures for Aqua America's Texas operation this year and brings to four the number for New Jersey. In total, Aqua America subsidiaries have completed 19 acquisitions for this year.

"Throughout the year, we've added several "tuck-in" acquisitions to our core service territory, which has a positive impact on the business by allowing Aqua to maximize our economies of scale," said Aqua America Chairman and CEO Nicholas DeBenedictis. "We look forward to delivering quality water to our new Texas and New Jersey customers, who will benefit from having their water service provided by a professional utility with decades of engineering, environmental and operational expertise."

Texas is one of Aqua America's fastest-growing states. Customer growth for Aqua Texas in the first nine months of 2010 is approximately two percent, with more than two thirds of that growth coming from acquisitions. Aqua New Jersey experienced one percent growth during the same 9-month period with more than half coming from acquisitions.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities serving almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, South Carolina and Georgia. Aqua America is listed on the New York Stock Exchange 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: benefits from the acquisition of the acquired systems and the impact the company may have on the acquired systems, and the continuation of the company's strategy to pursue the acquisition of such systems. 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; and other key factors that we have indicated could adversely affect our business and financial performance discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is on file 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.

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Aqua America, Inc.
Donna Alston
Manager, Communications
610-645-1095
dpalston@aquaamerica.com
or
Brian Dingerdissen

Director, Investor Relations
610-645-1191
bjdingerdissen@aquaamerica.com

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