



## **Aqua America Reports New Water and Wastewater Acquisition in Virginia**

BRYN MAWR, Pa., Jan 09, 2007 (BUSINESS WIRE) -- Aqua America Inc. (NYSE:WTR) announced today that a division of its Virginia subsidiary, Aqua Virginia, Inc., acquired both the water system assets and the wastewater system assets at the Lake Holiday residential community in Frederick County near Winchester, for approximately \$1.2 million.

The newly acquired systems provide water and wastewater services to approximately 2,000 residents. Lake Holiday, a private, gated community located around a 240-acre lake, is experiencing ongoing growth with more than 1,000 unoccupied and buildable lots. The Virginia State Corporation Commission approved the acquisition last month.

"This transaction expands our operations in a fast-growing area of another high-growth southern state," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "We are starting the new year right where we left off in 2006 - completing key acquisitions and establishing new platforms for future growth opportunities."

In 2006, Aqua America recorded 28 acquisitions of water and wastewater systems and septage hauling/wastewater services companies in North Carolina, Texas, Virginia, New York, New Jersey, Pennsylvania, Indiana and Illinois. The company expanded its overall customer base by more than 7 percent in 2006 through acquisitions and organic growth. This increase exceeds the company's goal of 4 percent annual growth, which is double the utility industry's growth average.

The company plans to make significant capital investment to modernize and upgrade Lake Holiday's existing water and wastewater infrastructure. The company's improvement plans include developing new sources of supply, constructing a new wastewater treatment facility and installing radio frequency meter reading technology for all customers.

Aqua America, Inc. is the largest U.S.-based publicly traded water and wastewater utility holding company, serving approximately 2.8 million residents 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 system, the expected extent of improvements to systems, the effect of the acquisition of the described business, 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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