



Aqua America Successfully Accesses Capital Markets to Support \$300 Million Annual Infrastructure Improvement Program

Aqua Pennsylvania renews revolving credit line

BRYN MAWR, Pa., Dec 23, 2009 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE: WTR) announced today that the company completed a \$50 million private placement of unsecured senior notes at an annual interest rate of 4.72 percent over 10 years. Proceeds from the financing will be used to refinance a \$20 million, 9.12 percent note that matures in January 2010 and in support of the company's significant capital budget.

Aqua America also announced that, on December 2, the company's largest subsidiary, Aqua Pennsylvania, Inc., renewed its \$70 million revolving credit line at 125 basis points over the one-month LIBOR rate. Aqua Pennsylvania is rated A+ by Standard and Poor's. At today's one-month LIBOR rate of 0.23 percent, the total interest rate would be 1.48 percent.

These financing activities, along with other low-cost borrowing completed in 2009, have allowed Aqua America to lower its imbedded cost of debt for the tenth consecutive year in 2009, which benefits both customers and shareholders. These financings will allow the company to continue to invest in infrastructure improvements to enhance reliability and service to customers in a cost-effective manner given the low-interest-rate debt Aqua has been able to access. Over the next five years, Aqua America expects that its operating subsidiaries will spend roughly \$1.5 billion on infrastructure improvements, most of which will be funded by internally generated cash.

Aqua America Chairman and CEO Nicholas DeBenedictis said, "Our management team continues to work diligently to lower the company's cost of debt, which allows Aqua to continue to maintain its growth business model and finance infrastructure projects that will improve water quality and reliability and benefit the local economy. Aqua remains positioned to make needed capital investments to improve the nation's water and wastewater infrastructure and provide affordable service for future generations. Aqua's strong financial position has enabled the company to access the capital markets at favorable rates and thereby pass those savings along to customers."

Aqua America, Inc. is a publicly traded water and wastewater utility with operating subsidiaries serving approximately three million people in Pennsylvania, New York, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, South Carolina and Georgia. Aqua America is listed on the New York Exchange 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, the effect of the company's financial position on the company's financing, access to the capital markets and capital investment program, the effect of the company's efforts to lower its cost of debt, the expected use of the proceeds from the financings and the company's projected capital spending levels. 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, disruption in the credit markets, the success of growth initiatives, and other factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

WTRF

SOURCE: Aqua America, Inc.

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