



May 9, 2013

Aqua Announces 9 Percent Cash Dividend Increase and Stock Split

Dividend increase will be the second in 9 months; twenty-third cash dividend increase in 22 years

Seventh stock split in 17 years

BRYN MAWR, Pa.--(BUSINESS WIRE)-- The Aqua America (NYSE: WTR) Board of Directors has declared a 9 percent increase to its quarterly cash dividend from the current quarterly dividend rate of \$0.175 per share to \$0.19 per share for the September 1, 2013 dividend. The annualized dividend rate after this increase is equivalent to \$0.76 per share, or \$0.06 more than its current annualized dividend rate of \$0.70 per share. Additionally, for the seventh time in 17 years, the Board approved a stock split to be effected in the form of a 5-for-4 (25 percent) stock distribution.

Both the increased cash dividend and the subsequent stock distribution will be effected on September 1, 2013 to shareholders of record on August 16, 2013. The increased September 1, 2013 dividend will be applied to the shares prior to the stock split. The equivalent quarterly dividend rate after the stock split would be \$0.152 per share on the increased number of shares resulting from the stock distribution or \$0.608 per share on an annualized basis. The stock split will be effected through a stock distribution of one share for each four shares outstanding as of August 16, 2013.

"The Board of Directors takes its objective to increase shareholder value very seriously and continues to feel strongly about the importance of rewarding the company's shareholders through increasing dividends, which have been paid without interruption for more than 65 years," said Aqua America Chairman and CEO Nicholas DeBenedictis. "Due to the significant increase in earnings in recent years, our dividend payout ratio is now approximately 50 percent based on current earnings. The company continues to target a long-term goal of a dividend payout ratio of 60 to 70 percent."

The September 1 dividend increase occurs on an accelerated schedule — one quarter sooner than the past several years, when Aqua America's dividend increase occurred starting with the December 1 dividend payment. This quarterly dividend of \$0.19 per share represents a 15 percent increase over the \$0.165 quarterly dividend paid on September 1, 2012. This is the 23rd cash dividend increase granted by the company in the last 22 years. Over this time period the dividend has increased at a 6 percent compound annual growth rate.

DeBenedictis continued, "This significant dividend action by the Board is reflective of their confidence in the future of the company. We look forward to continuing to deliver above average total returns to our shareholders through a combination of reinvesting capital in the business and returning capital to our shareholders."

"Over the last 20 years through the leadership of the Board of Directors, the company's net income and dividend payments to shareholders have grown significantly, while the stock value of the company has increased from \$157 million to almost \$4.5 billion today," said DeBenedictis.

Previously on May 1, 2013, the Board of Directors declared a quarterly cash dividend of \$0.175 per share payable on June 1, 2013, to all shareholders of record on May 17, 2013. The June dividend payment of \$0.175 per share is 6.1 percent higher than the dividend the company paid in June 2012 of \$0.165 per share.

Aqua America is one of the largest U.S.-based, publicly-traded water utilities and serves almost 3 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana, Virginia, Florida and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit www.aquaamerica.com for more information.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the amount and date of the dividend increase and stock split; the projected annualized dividend rate; the payout ratio targeted by the company and Board of Directors; and the potential rate of the Company's growth. 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; availability and the cost of capital; disruptions in the credit markets; the success of growth initiatives; and other factors discussed in our Annual Report on Form 10-K for the period ending December 31, 2012, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

WTRF

Aqua America, Inc.
Brian Dingerdissen, 610-645-1191
Director, Investor Relations
bjdingerdissen@aquaamerica.com

or

Donna Alston, 610-645-1095
Manager, Communications
dpalston@aquaamerica.com

Source: Aqua America, Inc.

News Provided by Acquire Media