



## **Aqua America Board Reaffirms Dividend Policy; Dividends Paid for 60 Consecutive Years; Increased 14 Times in 15 Years**

BRYN MAWR, Pa., May 17, 2006 (BUSINESS WIRE) -- At its Annual Meeting of Shareholders today, Aqua America Inc. (NYSE:WTR) Chairman and CEO Nicholas DeBenedictis indicated that the company's Board of Directors reaffirmed the company's long-term dividend policy. The company's history of dividend increases have boosted the company's total return to shareholders. Aqua America has increased its dividend 15 times in the last 14 years and has paid dividends for more than 60 consecutive years. The company's most recent increase, in December 2005, was a record 10 percent.

Recently, Aqua America was recognized for the third year in a row by Mergent, Inc., a leading provider of global business and financial information, as a "Dividend Achiever" for its outstanding record of 10 or more consecutive dividend increases, an honor shared by only three percent of U.S. listed dividend paying companies.

"Our board understands that the dividend is a key component of the value proposition for utility investors and, as a result, as our profits grow, we intend to grow our dividend," explained DeBenedictis.

DeBenedictis' statement comes as President George Bush signed a bill that extends for two years--until 2010--the 15 percent rate on long-term capital gains and dividends.

Aqua America, Inc. is the largest U.S.-based publicly traded water company serving more than 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, 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, regarding, among other things, the intention to continue the company's dividend policy and to increase dividends as profits grow. 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, the success of growth initiatives, and other factors discussed in our filings with the Securities and Exchange Commission.

WTRF

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