



Aqua America Closes Four New Water System Purchases; First quarter 2006 brings seven acquisitions in four states

BRYN MAWR, Pa., Apr 04, 2006 (BUSINESS WIRE) -- With the acquisition of four more water systems in Pennsylvania, Texas and North Carolina, Aqua America Inc. (NYSE:WTR) reported today that it closed a total of seven transactions in the first quarter 2006.

At the end of March, the company's Pennsylvania subsidiary acquired the water system serving the Stonecroft Village development in Marion Township, Berks County, where the first phase of this age-restricted community is under construction. Stonecroft Village will house more than 400 residents expected when the development reaches build-out. Under the agreement, Aqua Pennsylvania, Inc. paid for the construction of a new water treatment facility.

In addition, Aqua Texas, Inc. completed the purchase of the water system in the Shell Shores/Cedar Bay residential development. Located southeast of Dallas near Tyler in Smith County, the system currently serves more than 760 residents, with approximately 1,200 residents expected at build-out. The company plans to interconnect the Shell Shores/Cedar Bay system with its adjacent Eagles Bluff water system.

In North Carolina, the company acquired the Hooper's Valley Water Company, which serves approximately 200 residents near Hendersonville in Henderson County. Since October 2005, the company has been operating the troubled water system at the request of North Carolina Utilities Commission (NCUC) officials. The company repaired a number of large leaks in the system and plans to invest an additional \$200,000 for needed improvements in the distribution system, which is eligible for recovery under a special program established by the NCUC for troubled systems. In addition, the company purchased the water system serving the Dearnon Village condominium complex in Surry County, which is expected to house approximately 60 residents at build-out.

The North Carolina subsidiary also continues to work with developers to acquire water systems in new satellite developments. In the first quarter, the company closed nearly 20 new developer systems, which are projected to eventually serve approximately 2,200 residents.

"Our numerous first quarter transactions provide a good basis for what we expect to be a very productive year in terms of customer growth through acquisitions," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "Looking at the potential opportunities in our pipeline, Aqua anticipates closing a number of sizable transactions, such as our recent 10,000-resident Manteno, Illinois municipal water acquisition."

In addition to the new transactions, Aqua America subsidiaries previously announced the following first quarter acquisitions:

-- March 2006 - Aqua Illinois, Inc. signed an asset purchase agreement to acquire the water system of the Village of Manteno, Kankakee County, which serves approximately 10,000 residents.

-- February 2006 - Aqua Illinois, Inc. acquired the water system assets of the Concord at Ravenna residential development in the Village of Long Grove, Lake County, which will serve approximately 400 residents expected at build-out.

-- January 2006 - Aqua Pennsylvania, Inc. acquired the water and wastewater system assets of Masthope residential development in Lackawaxen Township, Pike County, which serve approximately 2,700 residents. The community also includes nearly 1,000 lots that are approved for future development of permanent or seasonal residences.

Aqua America, Inc. is the largest U.S.-based publicly-traded water company, serving more than 2.5 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, 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, including, among others, the expected pace of the Company's acquisition program, the potential for additional customer growth from acquired operations, and the projected investment in the acquired systems. 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 Commissions.

WTRF

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