



## **Aqua America Announces Acquisition of 63 Florida Water and Wastewater Systems; Acquisition Will Be Accretive; Enhances Florida Footprint**

BRYN MAWR, Pa.--(BUSINESS WIRE)--April 23, 2004--Aqua America, Inc. (NYSE:WTR) announced today that its Florida subsidiary has reached an agreement with Florida Water Services Corporation, a subsidiary of ALLETE, Inc. (NYSE:ALE) to acquire 63 water and wastewater systems for \$13.82 million. The acquisition will be accretive to earnings.

Collectively, the systems being purchased serve approximately 40,000 residents concentrated primarily in the central part of the state. The acquisition will expand Aqua America's customer base, currently concentrated in the Sarasota area, to more than 100,000 residents. In accordance with Florida procedures, regulatory approval from the Florida Public Service Commission will be sought following closing, which is scheduled for June 30, 2004. The Commission's review process may result in an adjustment of the final purchase price based on the Commission's determination of plant investment for the system.

In addition to this agreement, the companies entered a second agreement that would allow Aqua America's Florida subsidiary to acquire an additional nine water and wastewater systems for \$4.18 million subject to the outcome of a previously negotiated right of first refusal with a nearby municipality.

"We're excited that we have already begun to expand Aqua America's customer base in Florida since beginning our operations last August," said Aqua America Chairman Nicholas DeBenedictis. "We are anxious to continue growing our already-substantial customer base in this fast-growing state. This acquisition provides us with opportunities to spread our operational and financial expertise to a larger customer base, thus providing opportunities for operating efficiencies. We look forward to working cooperatively with the Florida Public Service Commission, the Florida Department of Environmental Protection and the local municipalities we will serve to provide quality water service to customers at reasonable rates."

Aqua America is the largest U.S.-based publicly-traded water utility serving approximately 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, South Carolina and Kentucky. Aqua America is a publicly traded company listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol WTR. The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

This release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 that address, among other things, the effect of acquisitions, geographic diversity, possible synergies from acquired operations, and the expected timing of acquisitions. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: regulatory approvals for the transaction; the risk that the acquired company's business will not be successfully integrated; the costs related to the transaction; the inability to obtain or meet conditions imposed for governmental approvals for 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. Neither Aqua America nor ALLETE is under any obligation (and each expressly disclaims any such obligation) to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

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