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Aqua America Announces Virginia Acquisition

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America (NYSE: WTR) announced today that its Virginia subsidiary has purchased the water system assets of the Caroline Water Company in Caroline County. The system serves about 3,000 people in the Lake Caroline community in Ruther Glen, Virginia.

The Caroline Water Company is Aqua's ninth regulated utility acquisition so far this year.

Aqua paid \$1.1 million for the water system and plans to spend approximately \$1.9 million over the next 5 years for capital improvements to the system including major investments in the water treatment plant. Lake Caroline is Aqua's second surface water plant in Virginia. The plant has been offline since April 2009, and Aqua will install a new water treatment plant and a bulk water storage tank to bring the system into compliance. Currently, water is purchased through an interconnection with the county water system.

Lake Caroline is about one mile south of Aqua's Lake Land'Or water and wastewater systems and provides a cost-effective tuck-in opportunity.

"Aqua's purchase of the assets of the Caroline Water Company builds on our strong growth in Virginia this year," said Chairman and CEO Nicholas DeBenedictis. "We're positioned well to fund capital improvements that our new customers need, such as a new water treatment plant for Lake Caroline, and we look forward to continuing to expand our footprint in Virginia."

Aqua has invested more than \$70 million to improve and rebuild water and wastewater systems' pipes, plants, wells and other infrastructure throughout Virginia since becoming established in the state in 2003.

Aqua America is one of the largest U.S.-based, publicly traded water utilities and serves nearly 3 million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, Indiana and Virginia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR. Visit 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 company's ability to invest capital and to continue to acquire water and wastewater 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; the ability to secure low-cost financing; the ability to receive approval from all regulatory bodies; the ability to successfully complete the capital improvements; the ability to successfully and timely disconnect from the county's water system; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Aqua America's business, please refer to Aqua America's annual, quarterly and other SEC filings. Aqua America is not under any obligation — and 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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