



Aqua America Announces a 10 Percent Cash Dividend Increase and a Four-for-Three Stock Split Payable December 1, 2005; Fifteenth Cash Dividend Increase in 14 Years; Sixth Stock Split in Nine Years

BRYN MAWR, Pa., Aug 02, 2005 (BUSINESS WIRE) -- The Aqua America (NYSE:WTR) Board of Directors today declared a 10 percent cash dividend increase to its quarterly dividend from \$0.13 per share to \$0.1425 per share for the December 1, 2005 dividend. This increase is equivalent to \$0.05 above its current annualized dividend rate of \$0.52 to \$0.57 per share.

Additionally, the Board approved for the sixth time in nine years a stock split to be effected in the form of a 33.3 percent stock distribution. Both the increased cash dividend and the subsequent stock distribution will be effected on December 1, 2005 to shareholders of record on November 17, 2005.

The Board also declared the regular \$0.13 per share quarterly common stock cash dividend to be paid on September 1, 2005 to shareholders of record on August 18, 2005. This dividend payment is 8.3 percent higher than the cash dividend paid on September 1, 2004 as a result of the increase in the company's cash dividend on December 1, 2004.

For the December 1, 2005 payment, the company's quarterly dividend will increase to \$0.1425 per share from \$0.13 per share (\$0.57 per share versus \$0.52 on an annualized basis) on the pre-split shares. As a result of the stock split, the new quarterly cash dividend rate will be \$0.1069 per share on the increased number of shares resulting from the stock distribution or \$0.4276 per share on an annualized basis.

Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis said, "The Board of Directors continues to feel strongly about the importance of rewarding the company's shareholders through dividends, which have been paid for 60 consecutive years. We are pleased to be in a position to share our financial success with our shareholders."

This is the 15th cash dividend increase granted by the company in the last 14 years and the sixth stock split effected in the form of a stock distribution in nine years.

Aqua America, Inc. is the largest U.S.-based publicly-traded water utility, 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.

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