



Aqua America Subsidiaries Purchase Water and Wastewater Systems

BRYN MAWR, Pa.--(BUSINESS WIRE)--Jan. 7, 2005--Aqua America Inc. (NYSE:WTR) announced today that its Pennsylvania wastewater division, a subsidiary of Aqua Pennsylvania, recently acquired the newly-constructed wastewater system at The Links at Gettysburg, in a transaction that will be valued at \$250,000, once development is completed. The Links at Gettysburg is a golf course community that will serve approximately 1,200 residents in Mount Joy Township, Adams County. Aqua Pennsylvania acquired the water system at The Links in September 2004. Both systems will be operated out of the company's central Pennsylvania office in Shamokin.

In a similar transaction, the company's Illinois subsidiary, Aqua Illinois, Inc., purchased the brand-new water and wastewater systems at the Hawthorn Woods Country Club from Toll Brothers, Inc. for a combined investment of \$3 million. Hawthorn Woods is a residential golf community that will serve approximately 1,800 residents in the Village of Hawthorn Woods, Lake County.

In addition to these new acquisitions, Aqua America completed 25 acquisitions of established systems in 2004. These acquisitions added 200,000 residents to the company's customer base.

Also, the local North Carolina subsidiaries of Aqua America have been working with developers to acquire the water systems in new satellite developments. In 2004, Aqua North Carolina acquired 80 systems that are expected to serve 8,000 residents over the next few years. Many of these systems are in the growing area of Raleigh, Greensboro, Charlotte and Wilmington.

"Growth ventures such as these are key to Aqua America's growth strategy, and to facilitating future organic growth, especially in our southern states," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis.

Aqua America is the largest U.S.-based publicly-traded water utility 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. The company has been committed to the preservation and improvement of the environment throughout its history which spans more than 100 years.

CONTACT:

Aqua America Inc.
Joanna Oszeyczik, 610-645-4213
jaoszeyczik@aquaamerica.com

SOURCE: Aqua America Inc.