



Aqua America Enters Pennsylvania's Lehigh County with Acquisition of Three Water Systems

BRYN MAWR, Pa., Dec 05, 2006 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its subsidiary Aqua Pennsylvania, Inc. has acquired the water system assets of the Country Club Gardens Water Company in Lehigh County. The \$100,000 acquisition represents the company's first entry into Pennsylvania's fast-growing Lehigh County.

The transaction includes three systems that supply water to approximately 1,000 residents in Lower Macungie, South Whitehall and Salisbury townships near Allentown. The Pennsylvania Public Utility Commission approved the acquisition.

"Although we've been doing business and growing operations across Pennsylvania for 120 years, this transaction marks a milestone as our first major acquisition in Lehigh County," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "We anticipate that it will lead to further acquisition opportunities in one of the state's high-growth areas, where the market is fragmented with nearly 40 water systems of various sizes."

The company plans to invest nearly \$230,000 over the next few years for capital improvements to the three water systems, including structural and electrical upgrades to the water treatment facilities and the installation of state-of-the-art radio frequency water meter technology for all customers.

Aqua Pennsylvania is the largest subsidiary of Aqua America and provides water and wastewater service to approximately 1.4 million residents across the state. Aqua America is the largest U.S.-based publicly traded water and wastewater utility holding company, serving more than 2.5 million residents in 13 states. Aqua America, Inc. 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 that address, among other things, the projected investment in and improvements to the acquired systems, the expected timing and extent of improvements to systems, the effect of the acquisition of the described business, and possible benefits from the acquired operations. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the risk that the proposed improvements will not be made as projected or have the indicated benefits; the costs related to 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. 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.

WTRF

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