



Aqua America Announces New North Carolina Purchase, Closes Nine Acquisitions in Third Quarter

BRYN MAWR, Pa., Oct 12, 2005 (BUSINESS WIRE) -- Aqua America Inc. (NYSE:WTR) announced today that it purchased a total of nine water and wastewater utility systems in the third quarter, including a new acquisition in North Carolina. Coupled with the company's 15 purchases in the first half of 2005, Aqua America has expanded its national footprint with 24 acquisitions so far this year.

The company's North Carolina subsidiary, Heater Utilities, Inc., recently acquired the wastewater system at the Preserve at Jordan Lake in Chatham County. The system serves nearly 750 residents, with an additional 800 residents expected when the development reaches build-out. This transaction follows Aqua North Carolina's purchase of two systems - water and wastewater - in the Castle Bay development, marking the company's first entry into Pender County. Castle Bay is home to approximately 350 residents, with an additional 600 residents expected at build-out.

"The third quarter shows that the success of our growth-through-acquisition strategy continues at a steady pace," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. "These acquisitions broaden our expansion in high-growth areas, particularly in North Carolina, plus they offer opportunities to grow earnings through a return on investment in the local infrastructure, which provides needed service and water quality improvements for customers."

The combined cost of the company's third quarter acquisitions is approximately \$2.2 million. In addition to the three North Carolina transactions, Aqua America subsidiaries closed the following purchases in the third quarter:

- August 2005 - Aqua Pennsylvania, Inc. acquired the water system assets of Meadowcrest Water Company, Inc. in Kingston Township, Luzerne County, which serves approximately 1,100 residents.
- July 2005 - Aqua Pennsylvania, Inc. acquired five systems in Luzerne County from Wilbar Realty, Inc. These acquisitions included:
 - Water and wastewater systems assets of the Laurel Lakes development in Rice Township, serving approximately 520 residents.
 - Water systems assets of the Forest Park community in Bear Creek Township, serving approximately 220 residents.
 - Water system assets of Penn Lake Park Borough, serving approximately 135 residents.
 - Water system assets of the Saint Johns area in Butler Township, serving approximately 75 residents.

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

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, the pace of the Company's growth-through-acquisition strategy, the potential for additional customer growth from acquired operations, and the ability to earn a return on investments. 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, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives, and other factors

discussed in our filings with the Securities and Exchange Commissions.

WTRF

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