



Aqua America Completes 2010 Financing Plan

Lowers cost of debt to 5.36 percent

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE:WTR) announced today that its 2010 financing plan successfully lowered its overall cost of debt, which has resulted in interest expense savings for the company and lower bills for customers than would have otherwise been required. If the company had the same cost of debt that it had at the end of 2000, its interest expense would be over \$27 million dollars more on an annual basis, and each customer's monthly bill would have been \$2 more.

In 2010, the company worked diligently to access the markets at favorable interest rates including borrowing \$70 million at 4.98 percent in June through a private placement at Aqua America, and issuing \$141 million of tax exempt bonds at 4.75 percent at its largest subsidiary, Aqua Pennsylvania. Both companies also were able to renew various lines of credit at more favorable rates than before. Aqua America's long-term debt now has a weighted average cost of 5.36 percent versus a weighted average cost of 7.20 percent at year end 2000.

The proceeds from these financing activities will be used by Aqua America to help finance part of the company's \$1.5 billion five-year capital plan to enhance the delivery infrastructure system for its customers, most of which will be funded by internally generated cash and earnings.

Aqua America Chairman Nicholas DeBenedictis said, "We have used our strong balance sheet and credit rating (Aqua Pennsylvania S&P A+), which have afforded us record low borrowing rates, to access the capital markets so we can help rebuild our nation's water and wastewater systems. Our ability to do this impacts the areas we serve by creating jobs and sustainable water and wastewater infrastructure to support economic growth."

Aqua America is one of the largest U.S.-based, publicly-traded water utilities serving almost 3 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, and Georgia. Aqua America is listed on the New York Stock Exchange 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 company's lower cost of debt and resulting interest expense savings and lower customer bills, the use of proceeds from financing activities to help finance part of the company's five-year capital plan to enhance the delivery infrastructure system, the use of internally generated cash and earnings as the main source of funding the five-year capital plan, and the proposed impact from rebuilding water and wastewater systems on creating jobs, sustainable water and wastewater infrastructure and supporting economic growth. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements and other key factors that we have indicated could adversely affect our business and financial performance discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, which is on file 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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