



Long-Term Investment in Distribution System Tempers Impact of Cold-Weather-Related Main Breaks for Aqua America

On track to meet previously announced full-year earnings expectations

BRYN MAWR, Pa.--(BUSINESS WIRE)-- Aqua America, Inc. (NYSE:WTR) announced today that the \$1.3 billion capital program it has executed over the last 5 years has helped buffer the impact of cold-weather-related main breaks in its distribution systems and likely prevented even more main breaks than the company incurred.

"While southeastern Pennsylvania experienced twice the normal number of main breaks (185) in December, none of the breaks occurred on the ductile iron pipe that Aqua has continued to use for its replacement program since the early 1970s. This shows the positive impact infrastructure replacement can have on service reliability and quality," said Aqua America Chairman Nicholas DeBenedictis.

Many cities and municipalities in the Mid-Atlantic and Northeast have been dealing with service outages due to main breaks caused by the cold weather, and the resulting increased operating expenses. Aqua America's southeastern Pennsylvania operating division experienced an average temperature of 32.7 degrees in December 2010—well below normal—making it the coldest December in 10 years. Despite this, Aqua America believes it remains on track to meet the expectations for full-year earnings results that it outlined on its third quarter earnings call in November, which will be reported in late February.

The majority of the breaks Aqua America companies reported were in cast iron pipe, with some occurring on pre-1920 cement main, both of which have been and continue to be primary targets for replacement under the company's pipe replacement program.

DeBenedictis said, "Without the long-term commitment that we have shown by investing in our infrastructure, we would likely be looking at a dire situation with our pipe. We have replaced 785 miles of pipe in the last 10 years, which represents 15 percent of our system in Pennsylvania."

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 impact of the Company's capital and infrastructure replacement program, and Company's expectations for its earnings for the years. 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.

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