



Aqua America CFO: Customer Growth and Capital Investments Key to Success

BRYN MAWR, Pa., Feb 08, 2010 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE: WTR) CFO David P. Smeltzer cited the company's continued customer growth, capital investment, low cost debt and excellent credit rating as key factors in the company's success while speaking at the 17th Annual Emerald Groundhog Day Investment Forum in Philadelphia, Pennsylvania.

"Despite the economic slowdown, Aqua America has completed 26 acquisitions since July 2008--18 of which were completed in 2009," said Smeltzer. "While the housing slowdown has impacted our organic growth, it does not appear to be a major factor when small municipal or private owners decide to sell their water or wastewater system."

Smeltzer said the company has also been able to maintain its capital program, which currently hovers around \$300 million, by taking advantage of state revolving loan funds (SRL) and other low-interest loan products made available to the company as a result of its strong balance sheet and excellent credit rating. "Aqua Pennsylvania--our largest subsidiary, which accounts for the majority of our capital spend--enjoys an A+ credit rating from Standard & Poor's and is the largest investor-owned user of Pennsylvania's PENNVEST SRL program," said Smeltzer. "While the year-end numbers aren't final yet, at the end of the third quarter 2009, 45 percent of Aqua America's total fixed-rate long-term debt consisted of low interest financing that included tax-exempt debt and state revolving loan funds."

Smeltzer said the economies of scale that accompany its growth-through-acquisition strategy, and the company's ability to access SRL programs as well as the capital markets for low cost debt, play a key role in the company's ability to maintain affordable rates for its customers. Smeltzer cited an EPA report that found that water is the most affordable of all utilities, costing Americans less than one percent of annual household income. He added that the company's capital program benefits customers by providing quality water and reliable service for current and future generations, and shareholders by providing an investment on which the company can earn a return for its shareholders.

Aqua America, Inc. is a publicly traded water and wastewater utility holding company with operating subsidiaries serving approximately three million people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, New York, Indiana, Florida, Virginia, Maine, Missouri, South Carolina and Georgia. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

This release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, the Company's ability to continue its growth-through-acquisition strategy, its strategy for infrastructure improvements and on infrastructure projects in 2010, the impact of infrastructure improvements on service, and possible interest rate savings and their effect on rate payers. There are important factors that could cause the actual results to differ materially from those expressed or implied by such forward-looking statements including among others, the company's ability to access low-interest and tax-exempt financing programs; the company's ability to realize the benefits from low-interest or tax-exempt financing; the effect of the low-interest financing on the company's interest expense; the company's ability to successfully complete its infrastructure projects; general economic business conditions; changes in regulations or regulatory treatment; availability and cost of capital; and other factors discussed in our Annual Report or Form 10-K for the fiscal year ended December 31, 2008, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward looking statement.

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