



## **Aqua America Broadens Texas Base with \$2.9 Million Water Utility Acquisition**

BRYN MAWR, Pa., Oct 24, 2007 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE: WTR) announced today that its Texas subsidiary, Aqua Texas, Inc., has acquired the Kerrville South Water Company, Inc. in a transaction valued at \$2.9 million. The newly acquired operation consists of two water systems serving approximately 3,700 people residing in Kerrville and Kerr County.

The company already operates a number of water systems in the Kerrville-Ingram-Fredericksburg area, including the former Harper Water Company, which Aqua Texas acquired in June. Aqua Texas owns more than 375 water and wastewater systems throughout Texas serving approximately 155,000 people in 50 counties.

"This is the ideal 'tuck-in' acquisition that expands our regional network in the high-growth San Antonio-Kerrville corridor, while taking advantage of economies of scale as we integrate the new systems into our existing operations," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis.

Over the next several years, Aqua plans to invest approximately \$600,000 for capital improvements, including upgrades to the water treatment plant and the addition of a pressure-stabilizing tank. In addition, the company will install a state-of-the-art radio frequency (RF) meter reading system for all Kerrville South customers.

Aqua Texas is a subsidiary of Aqua America, a publicly traded water and wastewater utility holding company, with operating subsidiaries serving approximately 2.8 million people in Pennsylvania, Texas, New York, Ohio, North Carolina, Illinois, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, 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 that address, among other things, potential additional growth opportunities, the projected investment in and improvements to the acquired systems, the expected timing and extent of improvements to systems, the integration of the acquired operations, 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

SOURCE: Aqua America, Inc.

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