



Aqua America Subsidiary Purchases Five Pennsylvania Water Systems

BRYN MAWR, Pa.--(BUSINESS WIRE)--April 7, 2004--Aqua America, Inc. (NYSE:WTR) announced today that its Pennsylvania subsidiary, Aqua Pennsylvania, Inc., has recently purchased the assets of five water systems in Pennsylvania for a collective purchase of \$675,400.

Aqua Pennsylvania purchased Marienville Water Supply Company, Inc. which serves 900 residents within the Village of Marienville in Jenks Township, Forest County. This system will be operated in conjunction with a major prison complex in Forest County. Aqua Pennsylvania developed the water system for the new prison in 2003.

The company also purchased Meribah Water Company, which serves 150 residents in Delaware Township, Juniata County. This is part of a fast-growing area along the Route 22 corridor where Aqua Pennsylvania bought two other systems--Monroe Manor and Rolling Green--in 2002.

In Luzerne County, Aqua Pennsylvania has purchased Applewood Water Company, Inc., which serves approximately 100 residents in Dallas Township. Aqua Pennsylvania has been expanding in Northeastern Pennsylvania for the past five years.

Two of the newly-acquired small water systems are located in Pike County in the fast-growing Pocono area of Northeastern Pennsylvania. Tafton Water Company, Inc., which has been operated by Aqua Pennsylvania since September 2001, provides service to more than 150 residents in the "Wilson Hill" community of Palmyra Township. Aqua Pennsylvania also purchased the Canal Acres water system that serves a development of the same name in Lackawaxen Township. Aqua Pennsylvania was encouraged by the Pennsylvania Public Utility Commission to consider acquiring the Tafton water system and has received a state loan and a grant for its needed repairs.

Nicholas DeBenedictis, Chairman and CEO of Aqua America which owns Aqua Pennsylvania, referred to the purchases as "tuck-in" acquisitions that integrate well with the company's existing operations. "These acquisitions are an integral part of the company's growth-through-acquisition strategy," said DeBenedictis. "Although they don't bring the large numbers of customers at one time, these 'tuck-in' acquisitions are important to our growth-through-acquisition strategy. There are more than 45,000 small systems in the U.S. and acquiring those that integrate well into our existing systems is a sound strategy for continued growth."

Aqua America is the largest U.S.-based publicly-traded water utility serving approximately 2.5 million residents in Pennsylvania, Ohio, Illinois, Texas, New Jersey, Indiana, Virginia, Florida, North Carolina, Maine, Missouri, New York, South Carolina and Kentucky. Aqua America is listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol WTR. The company has been committed to the preservation and improvement of the environment throughout its history, which spans more than 100 years.

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