



Aqua America Completes Water System Purchase on Long Island

BRYN MAWR, Pa., Apr 30, 2007 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) today announced that its New York subsidiary, Aqua New York, Inc., completed the purchase of Aquarion Water Company of Sea Cliff, Inc., which serves approximately 13,000 residents on Long Island. Aqua America paid Kelda Group, Inc. approximately \$7 million for the system, subject to certain post-closing adjustments. The company said the transaction, which was approved by the New York Public Service Commission on April 18, is expected to be immediately accretive to earnings.

The Sea Cliff system provides drinking water to the Village of Sea Cliff and portions of Glenwood Landing, Glen Head, Old Brookville, Roslyn Harbor and Glen Cove in Nassau County. It is located 15 miles north of the company's recently acquired New York Water Service operation, which serves approximately 135,000 residents. Aqua New York acquired the New York Water Service system at the close of 2006.

"Sea Cliff is the first of what we hope are many more acquisition opportunities in the Empire State as a result of the foundation we have established with the New York Water Service and Sea Cliff transactions," said Aqua America Chairman and CEO Nicholas DeBenedictis.

Aqua America plans to make major infrastructure improvements to the Sea Cliff system, including replacing a circa-1892 storage tank, replacing aging water pipes, and installing modern water meter technology that enables company personnel to record meter readings without having to access the customers' property. The company expects to recover these investments through an infrastructure surcharge or base rate increases.

Aqua America, Inc. is a publicly traded water and wastewater utility holding company, with operating subsidiaries serving approximately 2.8 million residents in Pennsylvania, New York, Ohio, North Carolina, Illinois, Texas, 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, the expected impact of the Sea Cliff acquisition on earnings, potential additional growth opportunities, the projected investment in and improvements to the acquired system, the recovery of investments through an infrastructure surcharge or base rate increases, 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; the risk that proceeds from the infrastructure surcharge or base rate increases permitted by the applicable regulatory authority is not sufficient to recover the cost of the infrastructure improvements; 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.

Aqua America, Inc.
Donna Alston, 610-645-1095
dpalston@aquaamerica.com
or
Terry Maenza, 610-645-1175
tmmaenza@aquaamerica.com

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