

2016 Annual Meeting

AQUASM

NYSE: WTR



May 6, 2016

Forward Looking Statement

This presentation contains in addition to historical information, forward looking statements based on assumptions made by management regarding future circumstances over which the company may have little or no control, that involve risks, uncertainties and other factors that may cause actual results to be materially different from any future results expressed or implied by such forward-looking statements. These factors include, among others, the following: general economic and business conditions; weather conditions affecting customers' water usage or the company's cost of operations; costs arising from changes in regulations; regulatory treatment of rate increase requests; changes in the valuation of our investment in our joint venture in the Marcellus shale region; availability and cost of capital; the success of growth initiatives, including pending acquisitions; the ability to generate earnings from capital investment; and other factors discussed in our Form 10-K for the fiscal year ended December 31, 2015, which is on file with the SEC. We undertake no obligation to publicly update or revise any forward-looking statement.

Non-GAAP Reconciliation

For reconciliation of non-GAAP financial measures, see the Investor Relations section of the company's Web site at www.aquaamerica.com

The Leadership Transition



Rick Fox

**Executive Vice President &
Chief Operating Officer,
Regulated Operations**

Years of Service: 14

Years in Field: 33

Education:

- Virginia Polytechnic
Institute and State
University (BS)**
- Villanova University (MBA)**



Karen Heisler



**Senior Vice President &
Chief Human Resources Officer**

Years of Service: 1

Years in Field: 34

Education:

- Temple University (BS)
- LaSalle University (MS)

Christopher Luning



**Senior Vice President,
General Counsel & Secretary**

Years of Service: 14

Years in Field: 23

Education:

- Albright College (BS)
- Villanova University (JD)

William Ross



**Senior Vice President,
Engineering and Environmental
Affairs**

Years of Service: 18

Years in Field: 40+

Education:
- University of Delaware (BS)

Robert Rubin



**Senior Vice President,
Chief Accounting Officer
and Controller**

Years of Service: 27

Years in Field: 32

Education:

- Penn State University (BS)**
- CPA**

Dan Schuller



**Executive Vice President,
Strategy and Corporate
Development**

Years of Service: 1

Years in Field: 23

Education:

**- Purdue University
(BS, MS and Ph.D.)**

Dave Smeltzer



**Executive Vice President &
Chief Financial Officer**

Years of Service: 30

Years in Field: 36

Education:

- LaSalle University (BS)
- CPA

Colleen Arnold



**Vice President,
Deputy Chief Operating Officer**

Years of Service: 6

Years in Field: 23

Education:

- University of Massachusetts (BS)
- Manhattan College (MS)

Tom Cox



Vice President, Customer Services

Years of Service: 2

Years in Field: 25

Education:

- State University of New York (BA)
- Arcadia University (MBA)

Brian Dingerdissen



**Vice President, Chief of Staff
and Investor Relations**

Years of Service: 11

Years in Field: 11

Education:

**- Villanova University
(BS and MBA)**

Kimberly Joyce



**Director, Legislative and Public
Affairs and Regulatory Counsel**

Years of Service: 10

Years in Field: 15

Education:

- Villanova University
(BS and MBA)
- University of Pittsburgh
(JD)

Susan Haindl



**Senior Vice President &
Chief Administrative Officer**

Years of Service: 1

Years in Field: 28

Education:

- University of Pennsylvania
Wharton School of Business
(BS)
- St. Joseph's University
(MBA)

Whitney Kellett



**Vice President &
Chief Information Officer**

Years of Service: 1

Years in Field: 23

Education:
- University of Virginia (BS)

Stan Szczygiel

Vice President, Finance

Years of Service: 10

Years in Field: 40

Education:

- Arizona State University (BS)
- CPA



2016 Marked Aqua's 130th Anniversary



January 14, 2016 Bell Ringing



Mission: Protecting and Providing Earth's Most Essential Resource

Sustainability

Customers

- Compliance
- Near 100% Reliability
- Responsible Rate Increases
- Trusted Partner
- Top of Class Customer Service

Communities

- Regulatory Innovation
- Civic Involvement
- Steward of Environment
- Rebuild Infrastructure
- Promote Economic Growth

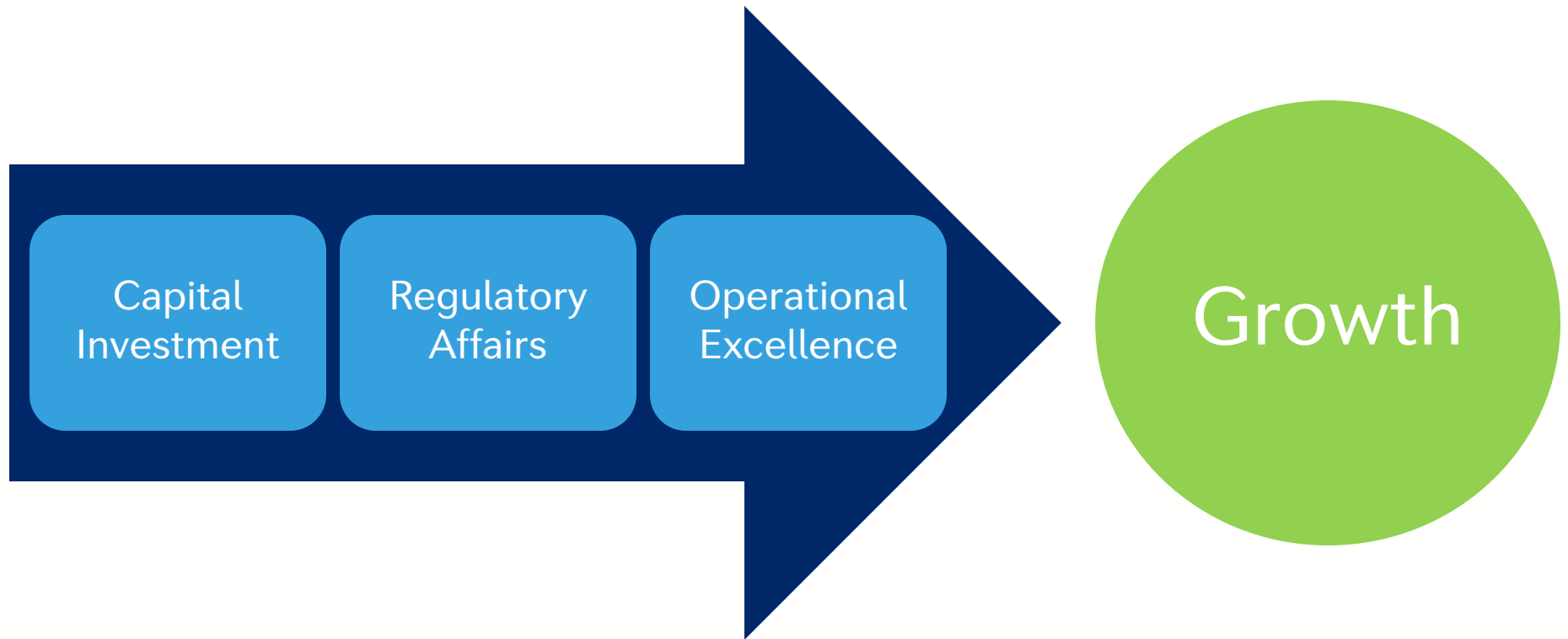
Employees

- Concern for Work Life Balance
- Ensure a Safe Working Environment
- Demonstrate Fair Pay / Benefits
- Growth and Development Opportunities
- Utilize Technology to Improve Efficiency
- Labor/ Mgmt Partnership

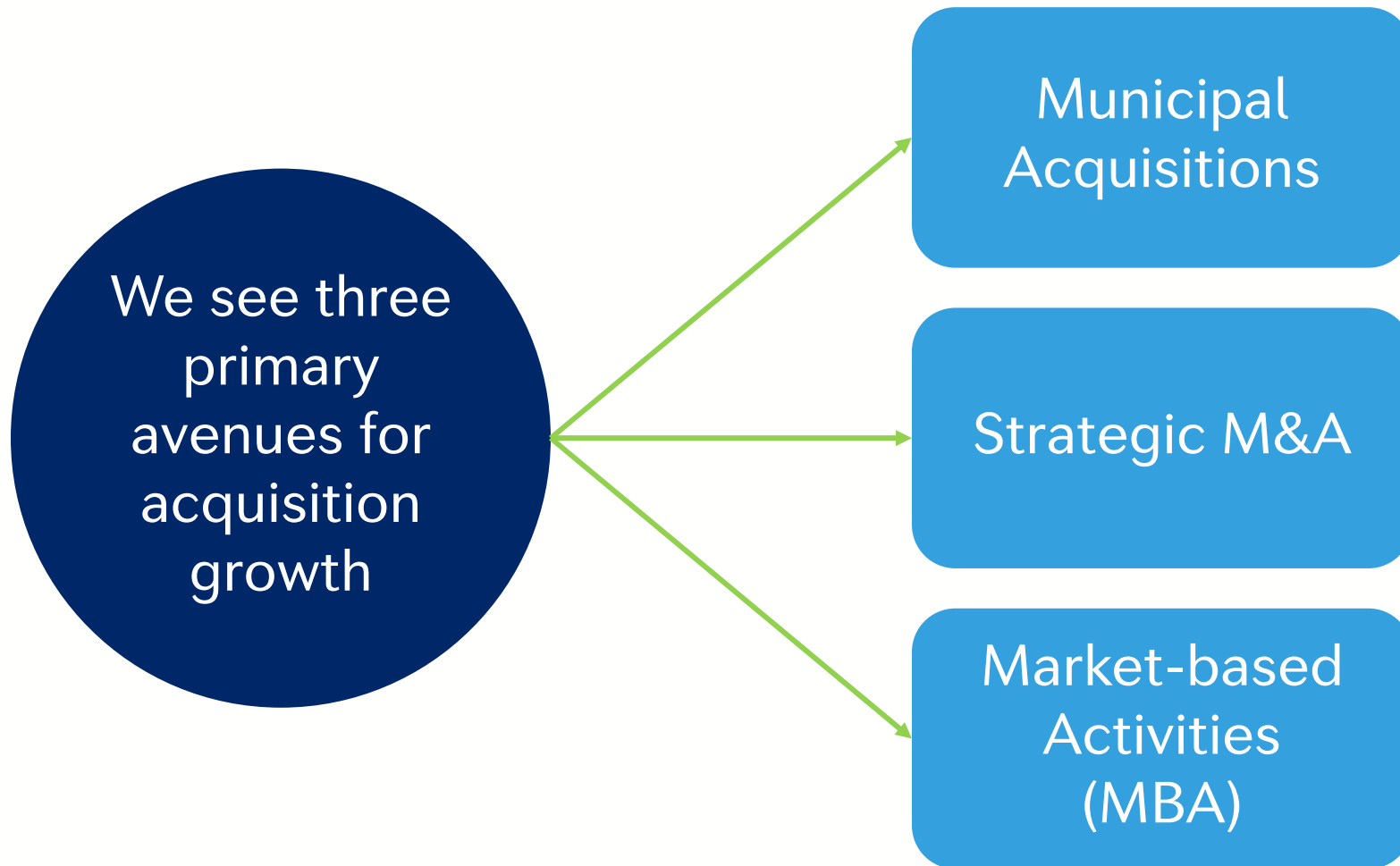
Shareholders

- Above Industry Average Long-term Growth
- Stable (Utility) Risk Profile
- Above Average Dividend Growth
- Buyback Opportunities

Capitalizing on Our Competencies



Avenues for Acquisition Growth



U.S. Regulated Water and Wastewater Industry Overview



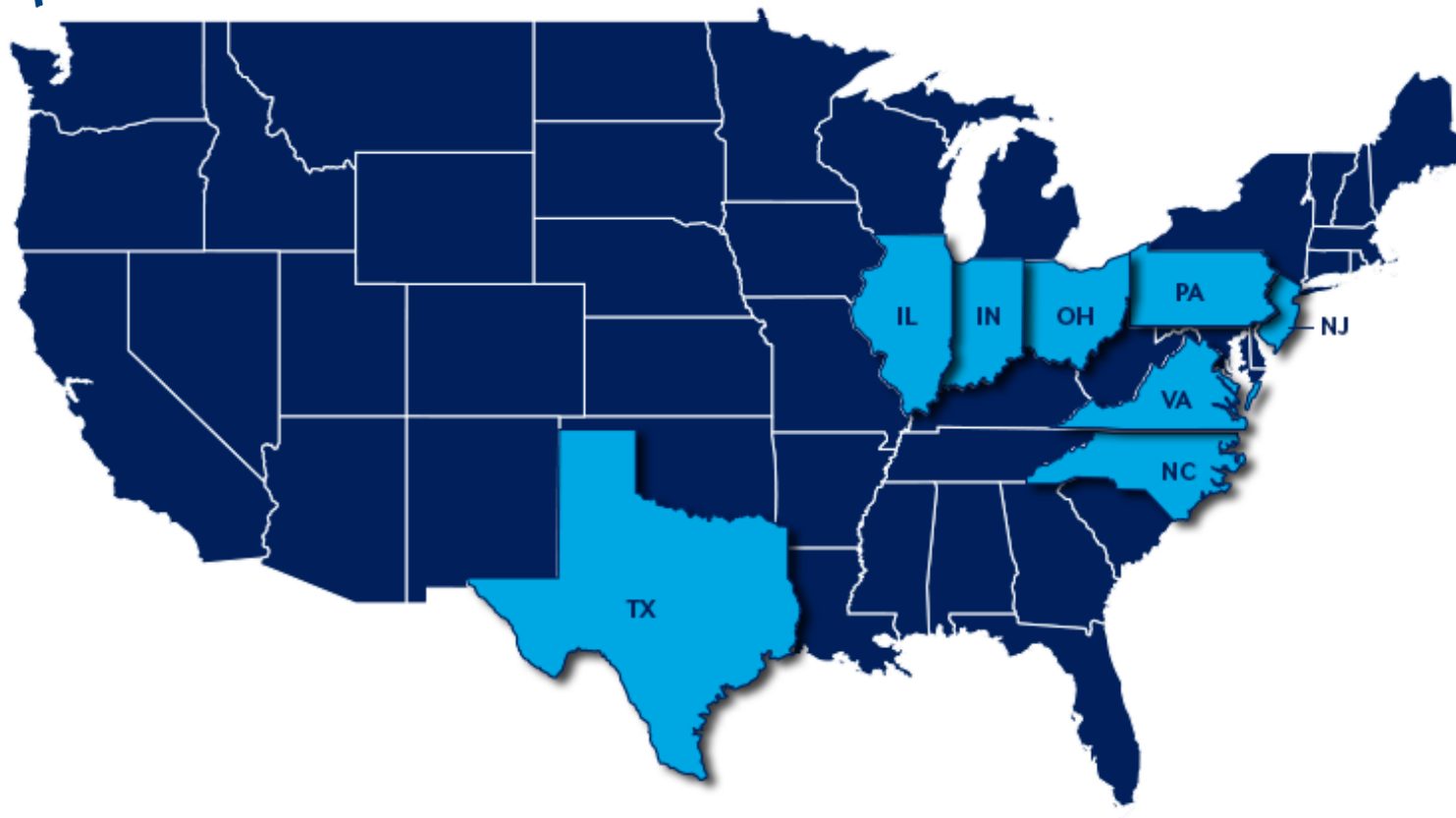
Water

- 53,000 systems
- 85% of population served by municipalities
- Aqua serves 1% of U.S. population



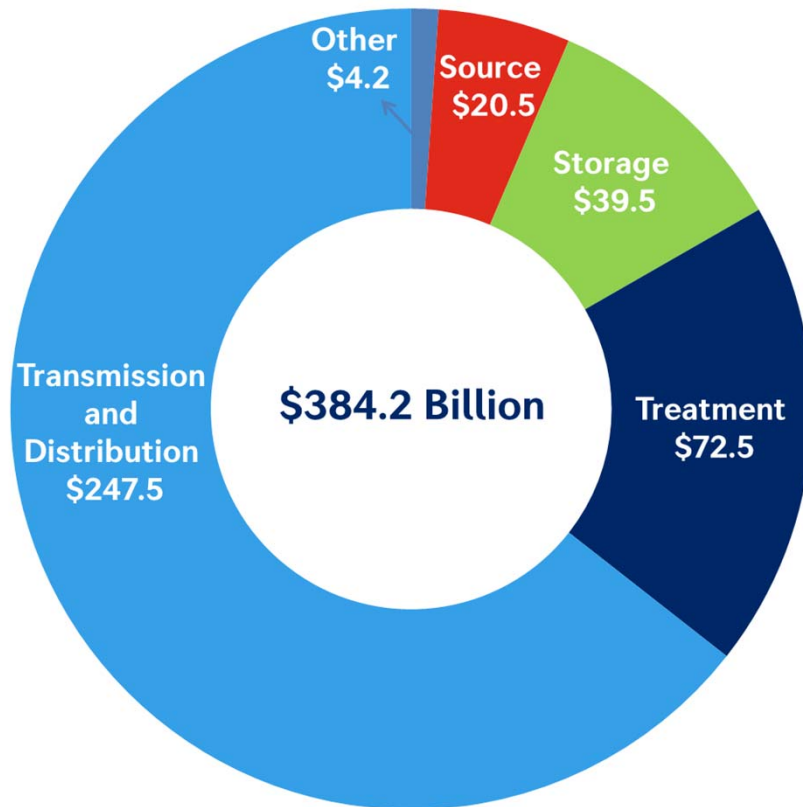
Wastewater

- 16,000 systems
- 97% of population served by municipalities
- Aqua serves 0.1% of U.S. population



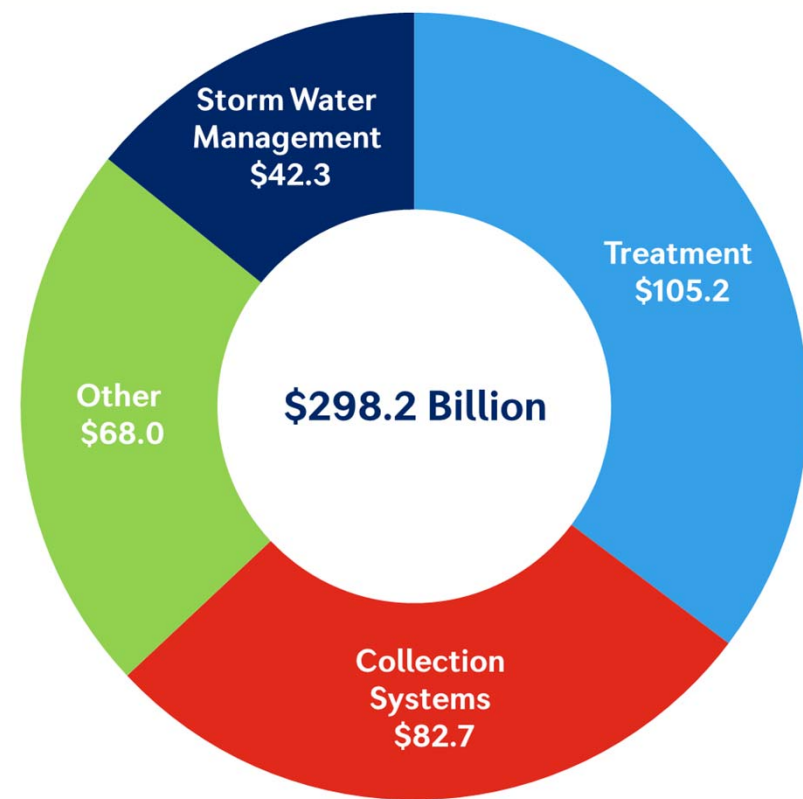
Estimate of the National Need for Infrastructure Investment

Water



Source: 2013 EPA Needs Survey

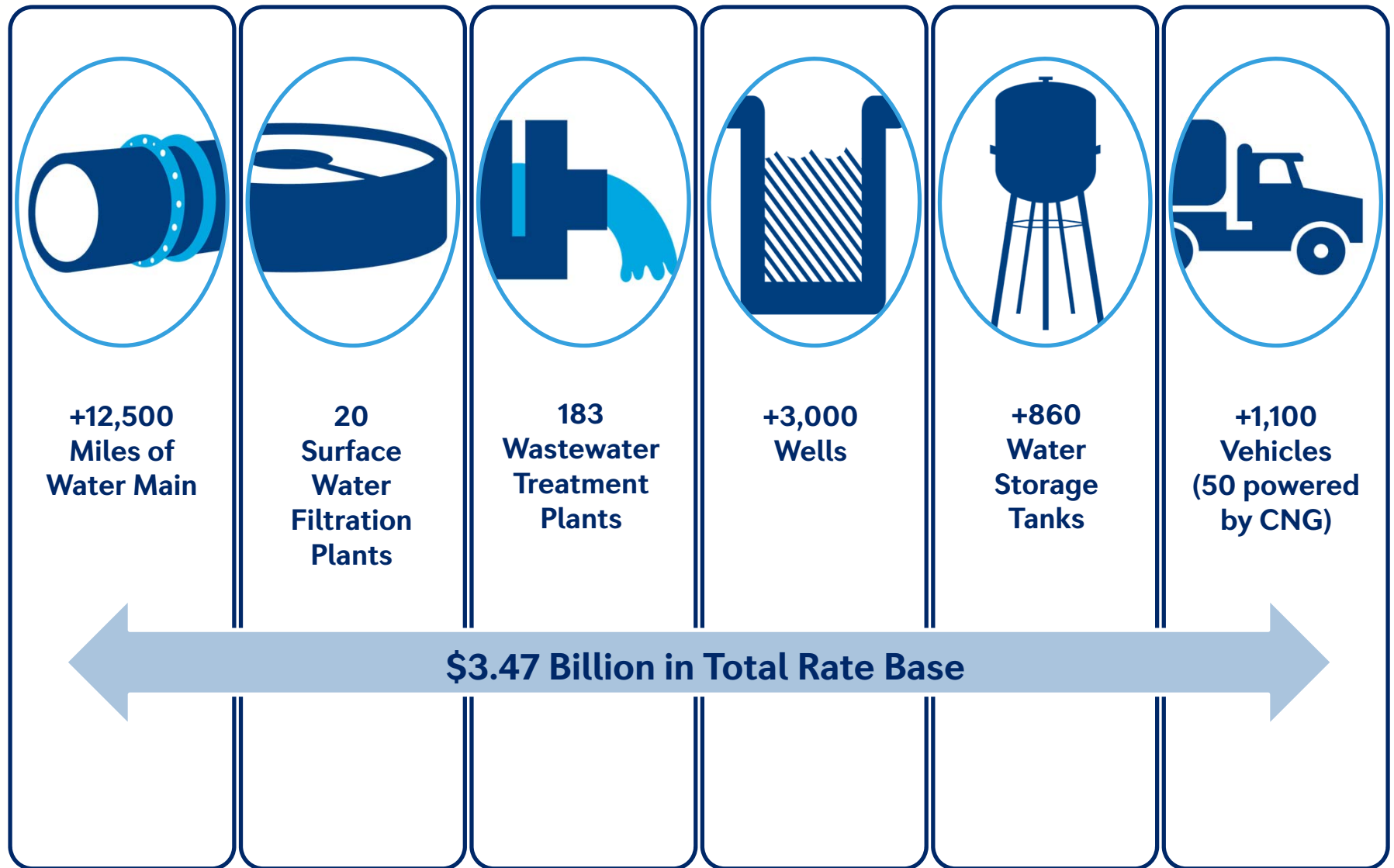
Wastewater



Source: 2013 ASCE Infrastructure Report Card

American Society of Civil Engineers Grade for Drinking Water and Wastewater Infrastructure = D

Infrastructure Footprint



Investing in Water Quality



Replacing and rehabilitating the service lines that serve our customers.

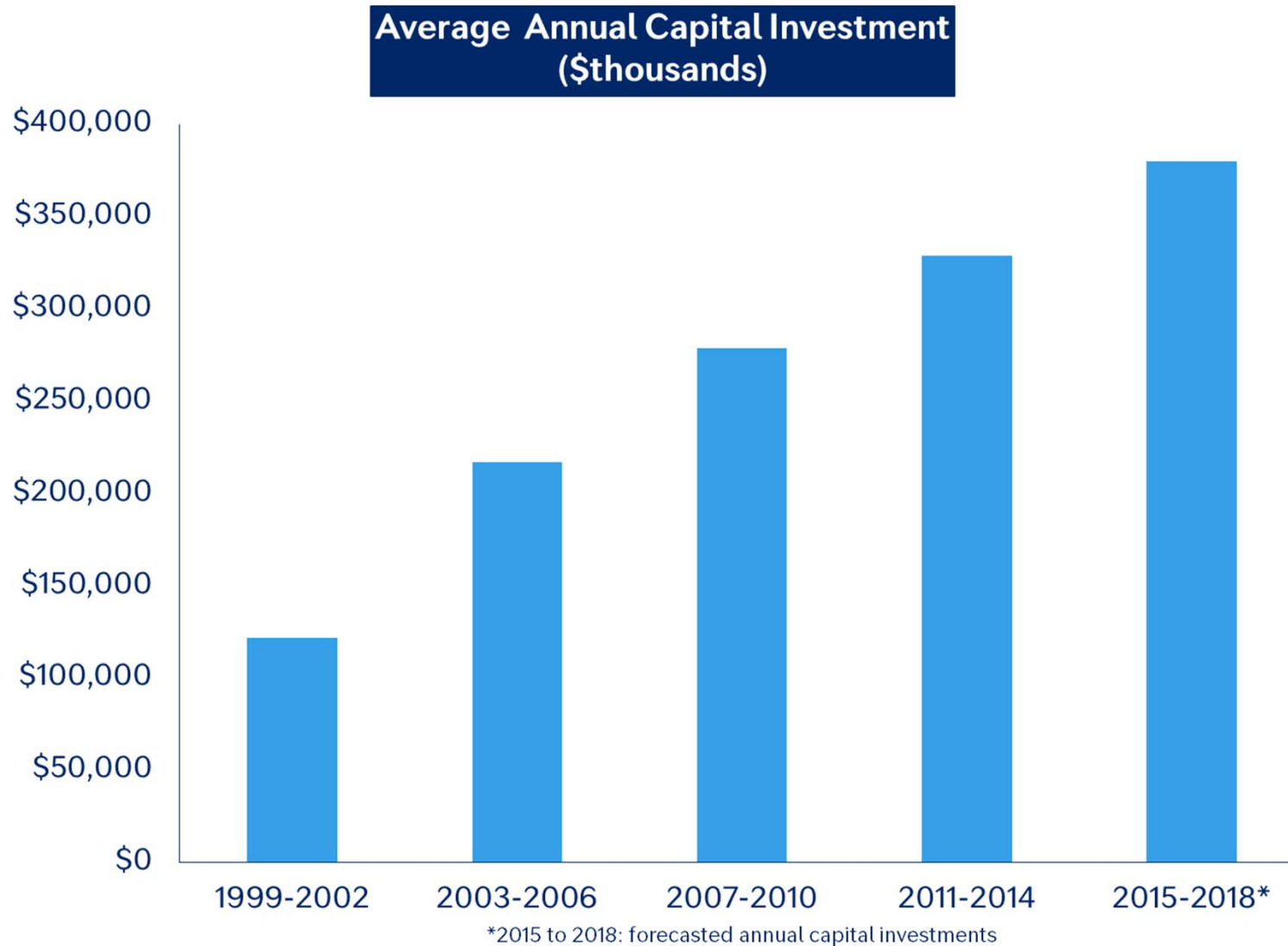


Investing in Our Communities



Building for the Future

Regulated Operations



+\$1.1 Billion Planned for Next 3 Years

2015 Highlights

Customer Growth

- 4 municipal, 12 private acquisitions
- 17,747 additional connections
- 1.9% customer growth

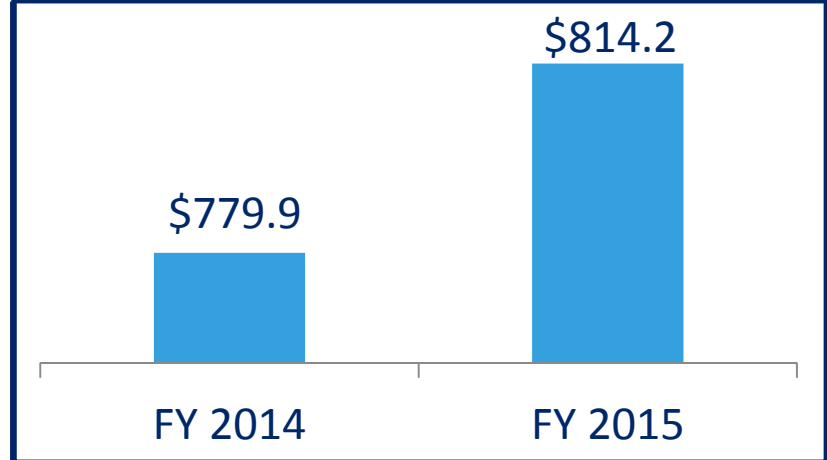
Annualized Dividend Rate of \$0.712

- 71st year of paying a consecutive quarterly dividend
- 25th dividend increase in 24 years

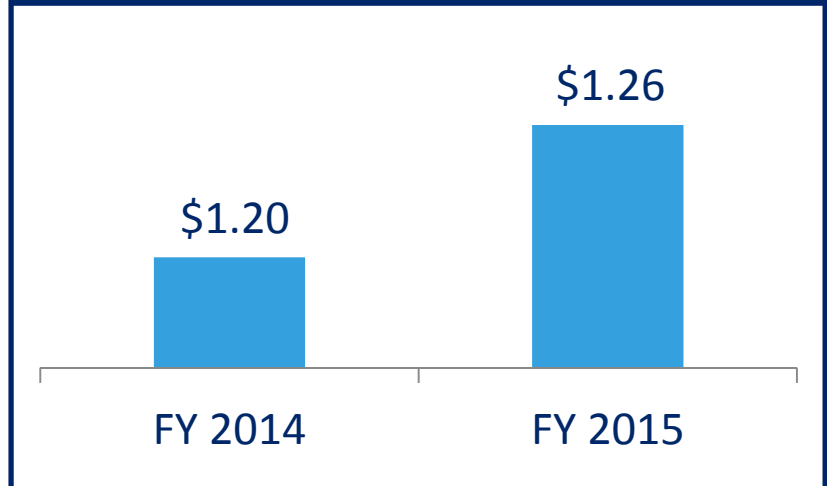
Credit Rating

- A+ rating from Standard & Poor's for Aqua Pennsylvania, the company's largest subsidiary

Operating Revenue (\$millions)

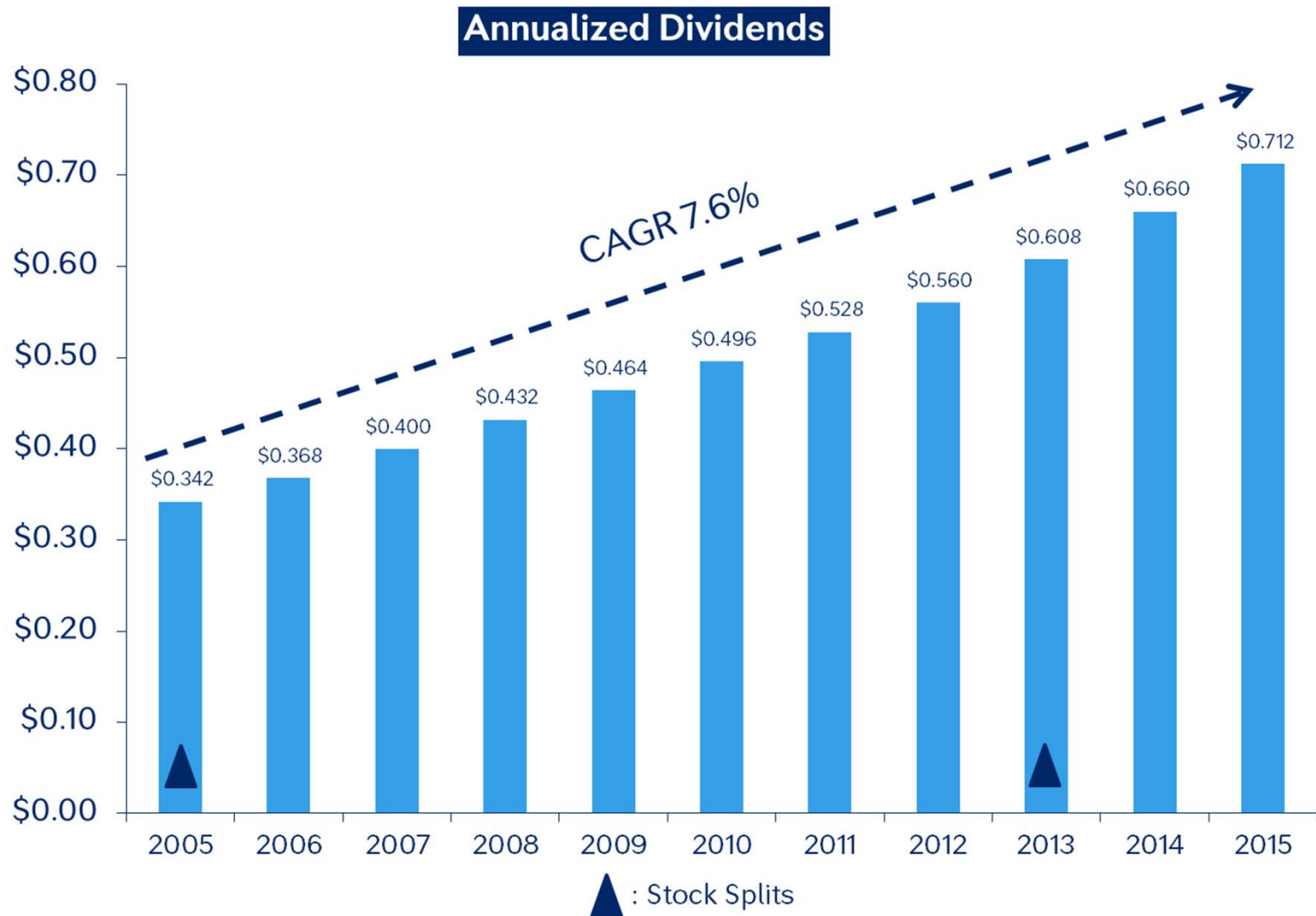


Adjusted Income from Continuing Operations per Share (Non-GAAP)



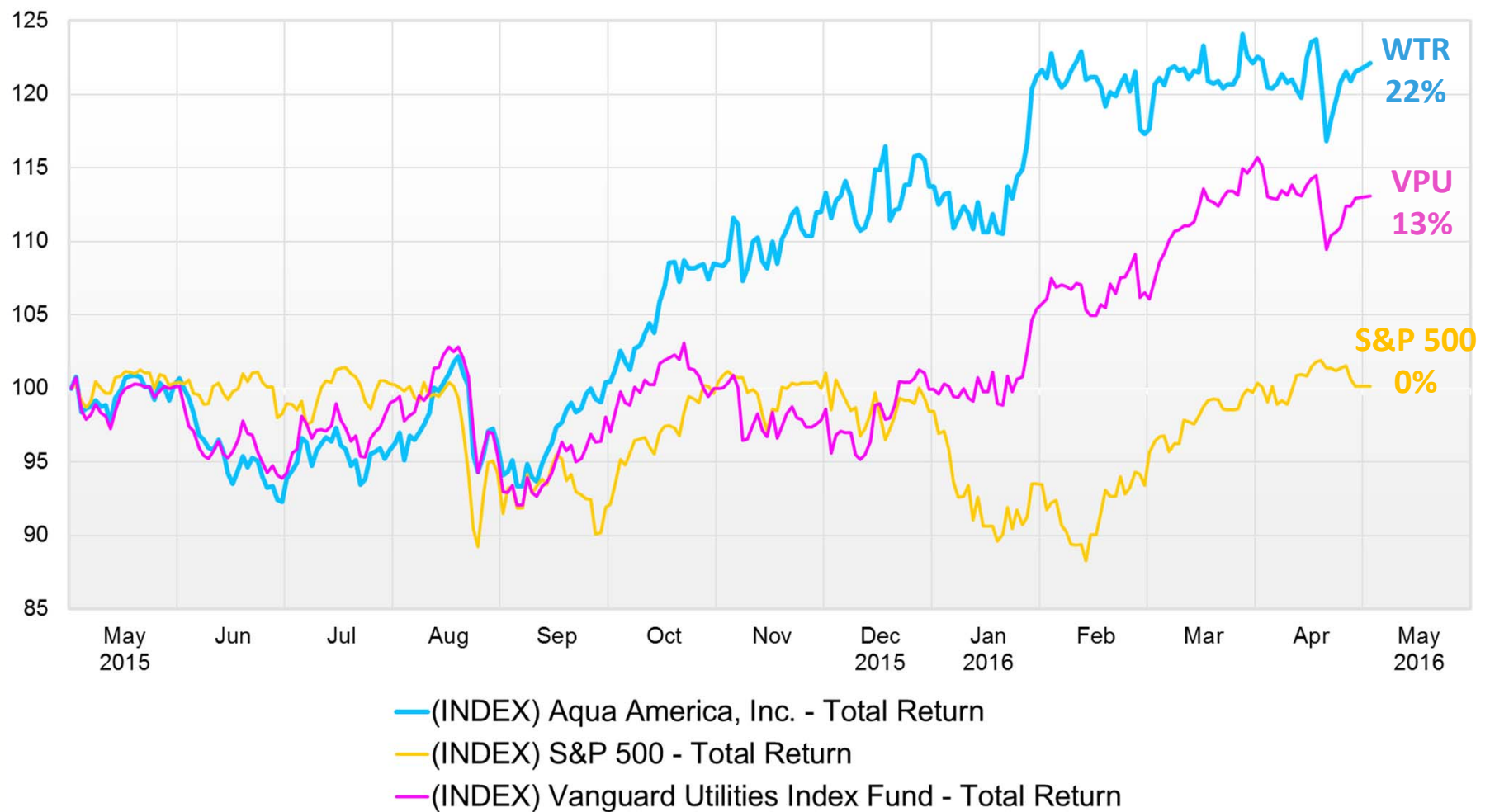
Dividend History

7.9% increase to annualized dividend rate of \$0.712 effective 9/1/2015



Source: Aqua Annual Reports

1 Year Total Shareholder Return



Source: FactSet

2016 Guidance

Earnings

- Full-year earnings per share between \$1.30 – \$1.35

Customer Growth

- 1.5 – 2.0% year-over-year customer growth

Capex

- More than \$350 million
- More than \$1.1 billion through 2018
- Ongoing rate base growth of approximately 6 – 7%

Operations and Maintenance Expense

- Same-system O&M increase of 1 – 2% for full year

Thank You For Attending

For more information contact:
Brian Dingerdissen
Chief of Staff and Head of Investor Relations
610.645.1191
BJDingerdissen@AquaAmerica.com

Questions



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