



## **Aqua America Adds Another North Carolina Wastewater System**

BRYN MAWR, Pa., Dec 27, 2005 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its North Carolina subsidiary acquired the Chatham Water Reclamation/Carolina Meadows wastewater system for the purchase price of approximately \$350,000.

The system purchased by Aqua North Carolina, Inc. provides wastewater services to approximately 2,000 residents in various residential developments and nine commercial customers, including an 86-bed nursing care facility. It is located on the outskirts of Chapel Hill and is adjacent to the Governor's Club wastewater system that Aqua acquired last month. The \$2.2 million Governor's Club transaction expanded the company's base by nearly 2,100 residents, with an additional 1,500 residents expected when the development is built out.

"This is another valuable 'tuck-in' acquisition that we can integrate into our existing North Carolina operations, helping us achieve greater economies of scale. Furthermore, we continue to create new growth opportunities in one of the state's high-profile areas," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis. The company operates water and wastewater systems across the state serving more than 225,000 residents in 31 counties.

As part of the transaction, the company plans to invest nearly \$1 million in capital improvements to upgrade and expand the existing facility to provide state-of-the-art wastewater treatment.

Aqua America, Inc. is the largest U.S.-based publicly-traded water company, serving more than 2.5 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, New York, 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, including, among others, projected investment in the acquired systems, the assimilation of the acquired systems, economies of scale from the acquired systems and the potential for additional customer growth from 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: general economic business conditions, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives, and other factors discussed in our filings with the Securities and Exchange Commissions.

WTRF

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