

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): May 4, 2005

Aqua America, Inc.

(Exact Name of Registrant Specified in Charter)

Pennsylvania	001-06659	23-1702594
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

762 West Lancaster Avenue
Bryn Mawr, Pennsylvania

19010-3489

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (610) 527-8000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 4, 2005, Aqua America, Inc. issued a press release announcing its financial results for the quarter ended March 31, 2005.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

99.1 Press Release, dated May 4, 2005, issued by Aqua America, Inc.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AQUA AMERICA, INC.

By: ROY H. STAHL

Roy H. Stahl
Executive Vice President and General Counsel

Dated: May 4, 2005

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Exhibit

FOR RELEASE: May 4, 2005

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AQUA AMERICA NET INCOME INCREASED 21 PERCENT FOR
FIRST QUARTER 2005

BRYN MAWR, PA, May 4, 2005 - Aqua America, Inc. (NYSE: WTR) today reported net income for the quarter ended March 31, 2005 grew to \$18.9 million, a 21.2 percent increase from \$15.6 million in the first quarter of 2004. Diluted earnings per share increased 17.6 percent for the current quarter to \$0.20, up from \$0.17 for the same period in 2004, on three percent more shares outstanding.

Operating revenues increased 14.3 percent to \$114.0 million for the first quarter 2005 from \$99.8 million in the same period in the year prior. The revenue increase is a result of rate awards received in 2004 and 2005 as well as customer growth, particularly from the mid-2004 acquisitions of Heater Utilities in North Carolina and 63 systems from Florida Water Services.

The company's ratio of operating and maintenance expenses to revenues (efficiency ratio) for the quarter ending March 31, 2005 was 41.5, including the higher expense ratio from the newly acquired operations from Heater Utilities and Florida Water Services, an improvement from 41.9 percent for first quarter 2004. Aqua America Chairman and CEO Nicholas DeBenedictis said, "We are pleased with the significant progress we are making with the integration of our newly acquired systems and the improvement in our efficiency. Cost controls remain a top priority and we are seeing the benefits of economies of scale. Going forward, we plan to tightly manage costs throughout all of our systems and to continue to file for rates in our newly acquired operations that are not yet earning their fair return. Our goal is to continue to improve our efficiency ratio, which is a key performance benchmark."

As part of Aqua America's continuing growth-through-acquisition strategy, year-to-date the company has completed eleven acquisitions and growth ventures throughout several states. "These bread and butter acquisitions form the building blocks for our future growth. They provide us with new platforms for future expansion and consolidation as well as new opportunities to invest needed capital, which in turn helps to support our earnings growth," said DeBenedictis.

The company recently completed its evaluation of internal control over financial reporting, as required by the Sarbanes-Oxley Act. As outlined in the company's Annual Report on Form 10-K, management concluded that, as of December 31, 2004, Aqua America's internal control over financial reporting was effective. The company's independent registered public accounting firm has issued an unqualified opinion as a result of its audit of Aqua America's consolidated financial statements, internal control over financial reporting and management's assessment of internal control over financial reporting.

As the company prepares to enter the higher customer demand period of May through September, it is pleased to report that all reservoirs are filled to capacity. "From late spring throughout the summer, hot, dry weather drives incremental water sales. Weather can impact earnings during this period from five to 10 percent, so it is important that our reservoirs are full at this time of year in anticipation of the summer weather," said DeBenedictis.

The company's conference call with analysts will take place on Wednesday, May 4,

2005 at 10:00 a.m. Eastern Daylight Time. The call will be web cast so that interested parties may listen over the Internet by logging on to www.aquaamerica.com. The conference call will be archived in the investor relations section of the company's Web site for 90 days following the call. Additionally, the call will be recorded and made available for replay for 10 business days after the call, beginning at 12:00 p.m. Wednesday, May 4, 2005 through Wednesday, May 18, 2005. The dial-in telephone number for the audio replay is (877) - 519 - 4471 (PIN# 5983348).

Aqua America, Inc. is the largest U.S.-based publicly-traded water utility, 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, the impact of customer growth on revenues and earnings, increased opportunities to invest and earn on infrastructure improvements, opportunities to reduce expenses, the growth prospects and the effect on operating expense levels associated with 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 Commission.

The following table shows selected operating data for the quarters ended March 31, 2005 and 2004 (in thousands, except per share data) for Aqua America, Inc.

	(Unaudited)	
	Quarter Ended March 31	
	2005	2004
	-----	-----
Operating revenues	\$113,988	\$99,768
	=====	=====
Net income	\$ 18,871	\$15,575
	=====	=====
Basic net income per share	\$ 0.20	\$ 0.17
	=====	=====
Diluted net income per share	\$ 0.20	\$ 0.17
	=====	=====
Average common shares outstanding:		
Basic	95,521	92,688
	=====	=====
Diluted	96,665	93,806
	=====	=====

(Unaudited)

	Quarter Ended March 31,	
	2005	2004
Operating revenues	\$113,988	\$99,768
Cost & expenses:		
Operations and maintenance	47,309	41,831
Depreciation	14,683	13,674
Amortization	1,228	670
Taxes other than income taxes	7,997	7,149
Total	71,217	63,324
Operating income	42,771	36,444
Other expense (income):		
Interest expense, net	12,795	11,802
Allowance for funds used during construction	(364)	(609)
Gain on sale of other assets	(481)	(450)
Income before income taxes	30,821	25,701
Provision for income taxes	11,950	10,126
Net income	\$ 18,871	\$15,575
Net income	\$ 18,871	\$15,575
Other comprehensive income (loss), net of tax:		
Unrealized gain on securities	-	59
Reclassification adjustment for gains reported in net income	-	(230)
Comprehensive income	\$ 18,871	\$15,404
Net income per common share:		
Basic	\$ 0.20	\$ 0.17
Diluted	\$ 0.20	\$ 0.17
Average common shares outstanding:		
Basic	95,521	92,688
Diluted	96,665	93,806

Aqua America, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In thousands of dollars)
(Unaudited)

	March 31, 2005	December 31, 2004
Net property, plant and equipment	\$2,088,799	\$2,069,812
Current assets	86,313	90,127
Regulatory assets and other assets	173,440	180,309
	\$2,348,552	\$2,340,248

Stockholders' equity	\$ 760,237	\$ 748,468
Long-term debt, excluding current portion	811,000	784,461
Current portion of long-term debt and loans payable	108,179	135,310
Other current liabilities	74,814	82,072
Deferred credits and other liabilities	594,322	589,937
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	\$2,348,552	\$2,340,248
	=====	=====