



November 5, 2009

AQUA AMERICA INC. (WTR)

Rating: NEUTRAL
Current Price: \$15.71
Target Price: NA

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Industry: Water Utilities							Valuation		Valuation	
Fiscal Year: Dec		1Q09A	2Q09A	3Q09A	4Q09E	FY09E	Multiple	FY10E	Multiple	
Market Cap (\$MM):	2,141	EPS:	\$0.14	\$0.19	\$0.25	\$0.21	\$0.78	20.1x	\$0.93	16.9x
		Prior:	-	-	\$0.26	\$0.20	\$0.79		\$0.91	
Net Debt (\$MM):	1,306	Consensus:			\$0.22	\$0.80	19.6x	\$0.91		17.3x
Enterprise Value (\$MM):	3,447	Last Year:	\$0.11	\$0.17	\$0.26	\$0.19	\$0.73			
Shares - FD (MM):	136.3									
		EBITDA:	\$0.56	\$0.64	\$0.74	\$0.67	\$2.62	9.7x	\$2.93	8.6x
Dividend:	\$0.58	Growth:	18%	13%	(1%)	8%	9%		12%	
Yield:	3.7%									
Beta:	0.72	Revenue:	\$154	\$167	\$181	\$169	\$672	5.1x	\$739	4.7x
Rel. P/E (FY2009E):	114%	Growth:	11%	11%	2%	6%	64%		10%	

WTR: Mostly In Line 3Q09 as Weather Offsets Costs Control; Maintain NEUTRAL

SUMMARY

- WTR reported 3Q09 EPS of \$0.25 vs. our \$0.26 estimate and consensus of \$0.25. Excluding an estimated \$0.03/share from the negative weather impact in 3Q09 and \$0.02/share in one-time gains in 3Q08, adjusted EPS would have grown ~16% y/y.
- Revenues of \$180.8M were ~\$10M below our estimate and wet weather in the Northeast led to 9% lower water use in PA and 19% lower water use in NJ. However, WTR's O&M ratio continues to lead the group at 37.9% in the quarter vs. our 38.9% forecast and 40.0% in 3Q08. Overall, the company expects costs to increase 3-4% next year, which should be recovered by our 10% revenue growth forecast next year driven in part by the timing of \$110M in rate increases filed in FY08 and FY09E.
- The company has purchased 15 systems YTD, more acquisitions than were completed in all of 2008. Management indicated that it expects to complete another 10 by the end of the year. Most acquisitions will be small tuck-ins as has been the pattern through the balance of the year.
- WTR reiterated its \$300M FY09 capex forecast. Its preliminary view on FY10 spending is for a ~\$10M y/y increase. While we expect WTR to meet 85-90% of its FY10E budget internally, we believe potential future debt offerings are likely to cover the balance.
- We are increasing our 4Q09E EPS to \$0.21 (+\$0.01) and our FY10E EPS to \$0.93 (+\$0.02) on lower O&M ratio assumptions. We are maintaining our NEUTRAL rating on the shares at this time.

DISCUSSION OF DETAILS

WTR reported 3Q09 EPS of \$0.25 vs. our \$0.26 estimate and consensus of \$0.25. Excluding an estimated \$0.03/share from the negative weather impact in 3Q09 and \$0.02/share in one-time gains in 3Q08, adjusted EPS would have grown ~16% y/y. Overall, believe WTR put up a solid quarter despite a sharp drop in consumption in a number of its major markets as this was offset by cost control and an adjusted lower efficiency ratio.

WTR Summary 3Q09						
<i>FY Ends December 31</i>	3Q08A	3Q09A	y/y act.	LBR 3Q09	y/y est.	Actual/LBR
Total Revenue	177.1	180.8	2%	190.5	8%	-5%
Operations & Maintenance	70.8	68.5	-3%	74.1	5%	-8%
Depreciation and Amortization	24.6	28.5	16%	28.4	15%	0%
General Taxes	11.2	12.4	11%	12.4	11%	0%
Total Expenses	106.6	109.4	3%	114.9	8%	-5%
Income from Operations	70.5	71.5	1%	75.6	7%	-5%
Other Income & Expenses (net)	1.5	0.9	-40%	0.7		30%
EBIT	72.0	72.4	1%	76.3	6%	-5%
Interest Expense	17.0	17.3	1%	17.0	0%	2%
Income Before Taxes	55.0	55.1	0%	59.3	8%	-7%
Provision for Income Taxes	23.0	21.6	-6%	24.0	4%	-10%
Net Income	32.0	33.5	5%	35.3	10%	-5%
EPS (fully diluted)	0.24	0.25	4%	0.26	10%	-5%

*Q308A excludes \$4.1M benefit from system sale

Source: Company Reports, LBR Estimates

- Revenues of \$180.8M were ~\$10M below our estimate and wet weather in the Northeast led to 9% lower water use in PA and 19% lower water use in NJ. Consumption declined 11% overall in the Mid-Atlantic and 3% in the Midwest but was up low single-digits in the South, likely a result of new customer growth. Wet weather in October led to another 6% decline in consumption.
- Offsetting the consumption declines was 7% revenue growth from rate increases which contributed to a 2% overall increase in revenues during the quarter.
- While O&M costs were up 2.6% y/y, excluding a one-time gain recorded last year, costs declined 3% y/y.
- WTR's O&M ratio continues to lead the group at 37.9% in the quarter vs. our 38.9% forecast and 40.0% in 3Q08. The company implied that a sub-40% efficiency ratio is sustainable through the remainder of the year. Input costs remain flat sequentially with pension costs the largest likely increase going forward. Overall, the company expects costs to increase 3-4% next year, which should be recovered by our 10% revenue growth forecast next year driven in part by the timing of \$110M in rate increases filed in FY08 and FY09E.
- WTR also announced a 7% dividend increase effective 12/1/2009. The increase takes the annualized rate to \$0.58/share. The dividend yield on the new annualized rate is 3.6%. The company remains comfortable with up to a 70% payout ratio.
- The company has purchased 15 systems YTD, more acquisitions than were completed in all of 2008. These acquisitions have added a total of ~13,400 customers vs. ~10,000 added in 2008. Management indicated that it expects to complete another 10 by the end of the year. Most acquisitions will be small tuck-ins as has been the pattern through the balance of the year.
- The company has received \$29.3M of rate increases YTD and currently has \$12M of rate cases pending in NY, IN, MO, VA and NC, and is planning to file for another \$57M of rate case in 4Q09. Following the typical pattern, we expect 65-70% of the filing amount to be granted within 9-12 months of the filing date, subsequently impacting late 2010/2011E earnings.
- Capex of \$300M for the year was reiterated. Management indicated that for next year, capex could increase by \$10M from FY09 levels. We estimate that cash from operations (we are modeling \$275M in FY10) could fund 85-90% with a potential debt offering covering the rest. We remind investors that WTR should have access to low-cost debt through its A+/AA- rating.

INVESTMENT THESIS

We continue to rate WTR shares NEUTRAL. While the shares are trading at a 17% discount to its historical forward P/E of 23x, we see the potential upside relative to our preferred names of CWT and AWK as lower when looking at estimated 2010-2011 earnings power potential. Overall, we like WTR's position as one of the leading publicly traded water utilities serving approximately 3M people in 13 states. The water utilities industry is highly regulated, but also fragmented, which presents opportunities for acquisitive growth, especially as cash-strapped municipalities and smaller private participants look to raise cash to weather the current economic downturn by potentially selling off water systems. More important, we expect 2009 and 2010 to be catch-up years for rate increases. \$64.7M and \$29.3M in rate increases were approved in 2008 and 2009 YTD, respectively, and \$69M in increases are either pending or will be filed in the remainder of 2009. Additionally, WTR has surcharges in six of its 13 states of operations, which allows the company to start earning a return on its investment between rate increases. These factors, coupled with lower equity dilution from increased operating cash flow generation, should accelerate the pace of EPS growth in the next three years. We see WTR's estimated earnings growth of 12.23% from FY09E to FY11E outpacing the flat growth from FY05 to FY08.

VALUATION

WTR shares closed yesterday at \$15.71, which is 20.1x our FY09E EPS of \$0.78 and 16.9x our FY10E EPS of \$0.93. The shares are trading at a discount to the company's historical 23x average and normalized range of 20-30x forward P/E.

RISKS

Potential downside risks to our investment thesis and estimates include, but are not limited to: 1) a delay in rate case processing or lower rate increases by the regulators than our expectations, 2) a significant revenue loss from lower water demand caused by weather or economic conditions, 3) a significant increase in input costs, including electricity, fuel, chemical and purchase water prices, and 4) large acquisition(s) at excessive valuation(s) (significantly above the rate base).

Potential upside risks to our investment thesis and estimates include, but are not limited to: 1) favorable rate case approvals above our expected ROE, 2) weather conditions leading to near-term revenue increases, and 3) a pullback in input costs.

Aqua America - Annual Income Statement																
Garik Shmois/ Vishal Khatriwal, CFA																
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216-525-8414																
(dollars in millions, except per share data)																
FY ends December 31	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09E	1Q10E	2Q10E	3Q10E	4Q10E
Total Operating Revenue	137.3	150.6	165.5	149.1	139.3	150.8	177.1	159.8	154.5	167.3	180.8	169.2	162.1	180.1	212.6	183.9
Operation & Maintenance	60.3	63.3	67.1	62.4	64.3	65.1	66.7	65.9	67.0	68.5	68.5	66.2	66.6	69.9	80.4	71.9
Depreciation	20.1	20.5	21.1	21.5	21.5	20.6	22.8	23.9	26.4	25.0	25.4	25.4	25.6	26.2	26.7	27.4
Amortization	1.2	1.2	1.2	1.2	1.2	1.0	1.8	1.5	2.8	3.1	3.0	3.0	3.0	3.0	3.0	3.0
General Taxes	11.9	10.8	10.8	11.8	12.1	10.8	11.2	10.6	11.6	11.9	12.4	11.8	12.2	12.6	12.8	12.9
Recovery of restructuring costs																
Total Expenses	93.6	95.9	100.1	96.9	99.1	97.6	102.5	102.0	107.7	108.5	109.4	106.4	107.4	111.7	122.8	115.2
Income from Operations	43.7	54.8	65.3	52.2	40.2	53.1	74.6	57.9	46.8	58.9	71.5	62.8	54.7	68.4	89.8	68.7
Operating Margin (%)	31.9%	36.4%	39.5%	35.0%	28.9%	35.2%	42.1%	36.2%	30.3%	35.2%	39.5%	37.1%	33.8%	38.0%	42.2%	37.4%
All. for Borrowed Funds Used in Const.	0.7	0.7	0.7	0.8	1.0	1.1	1.0	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.7	0.6
Gain (loss) on sale of other assets	0.1	0.3	0.3	2.8		0.6	0.5	0.5	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1
Other																
EBIT	44.5	55.8	66.3	55.8	41.2	54.8	76.1	59.0	47.5	59.5	72.4	63.5	55.5	69.1	90.5	69.4
EBIT (%)	32.4%	37.1%	40.0%	37.5%	29.6%	36.3%	43.0%	36.9%	30.8%	35.6%	40.0%	37.5%	34.2%	38.4%	42.6%	37.8%
Interest Expense	16.5	16.4	17.1	16.8	17.1	17.1	17.0	17.4	16.6	16.8	17.3	17.2	17.6	18.0	18.4	18.6
Income Before Taxes	28.0	39.4	49.2	39.0	24.0	37.7	59.1	41.7	30.9	42.7	55.1	46.3	37.9	51.1	72.1	50.8
Provision for Income Taxes	11.1	15.7	19.6	14.1	9.7	15.2	23.7	16.0	12.5	16.9	21.6	18.3	15.2	20.5	28.9	19.8
Implied Tax Rate	39.8%	39.8%	40.0%	36.1%	40.4%	40.2%	40.1%	38.4%	40.5%	39.5%	39.3%	39.5%	40.0%	40.0%	40.0%	39.0%
Net Income before extraord. Item	16.9	23.7	29.5	24.9	14.3	22.6	35.4	25.7	18.4	25.9	33.5	28.0	22.7	30.7	43.3	31.0
Reclassification adj. for gains reported in net income				(1.3)			(0.2)			0.0						
Unrealized gain on securities																
Unrealized holding gain on investments	0.0	0.2	0.9	-	-	0.2	0.0		0.0	0.2	(0.1)					
Minimum pension liability adjustment																
Comprehensive Income	16.9	23.9	30.4	23.6	14.3	22.7	35.2	25.7	18.4	26.1	33.3	28.0	22.7	30.7	43.3	31.0
Diluted Net Income Per Share	0.13	0.18	0.22	0.19	0.11	0.17	0.26	0.19	0.14	0.19	0.25	0.21	0.17	0.22	0.31	0.22
Weighted Avg. Shares	133.2	133.5	133.8	134.0	134.0	134.1	135.3	135.6	135.9	135.9	136.3	136.4	136.8	137.3	137.7	138.2
Financial Summary (values in %)																
Revenue Growth	16.4%	14.3%	12.6%	8.9%	1.4%	0.1%	7.0%	7.2%	10.9%	11.0%	2.1%	5.9%	4.9%	7.6%	17.6%	8.7%
Operations & Maintenance/Revenue	43.9%	42.0%	40.5%	41.9%	46.2%	43.2%	37.7%	41.2%	43.4%	41.0%	37.9%	39.1%	41.1%	38.8%	37.8%	39.1%
EBIT (% of rev.)	32.4%	37.1%	40.0%	37.5%	29.6%	36.3%	43.0%	36.9%	30.8%	35.6%	40.0%	37.5%	34.2%	38.4%	42.6%	37.8%
General taxes as % of revenue	8.7%	7.2%	6.6%	7.9%	8.7%	7.2%	6.3%	6.7%	7.5%	7.0%	107.0%	7.0%	7.5%	7.0%	6.0%	7.0%
EBITDA	65.9	77.5	88.5	78.6	63.8	76.4	100.7	84.4	76.7	87.5	100.8	91.9	84.1	98.3	120.2	99.9
Net Income Growth	1.8%	6.0%	8.0%	-3.2%	-15.0%	-5.0%	19.9%	3.0%	28.3%	14.6%	-5.4%	9.2%	23.8%	18.7%	29.3%	10.7%
EPS Growth	0.0%	4.0%	7.1%	-3.6%	-15.5%	-5.3%	18.6%	1.8%	26.5%	13.0%	-6.1%	8.5%	22.9%	17.6%	28.0%	9.3%

Source: Company reports and Longbow estimates



Aqua America - Annual Income Statement								
Garik Shmois/ Vishal Khetriwal, CFA								
Longbow Research								
216-525-8414								
<i>(dollars in millions, except per share data)</i>								
<i>FY ends December 31</i>	2004A	FY05A	FY06A	FY07A	FY08A	FY09E	FY10E	FY11E
Total Operating Revenue	442.0	496.8	533.5	602.5	627.0	671.9	738.7	811.9
Operation & Maintenance	178.3	203.1	219.6	253.1	262.1	270.2	288.8	317.5
Depreciation	54.6	60.7	70.9	83.2	88.8	102.2	105.9	112.8
Amortization	4.3	4.7	4.1	4.8	5.5	11.8	12.0	12.0
General Taxes	27.6	31.7	33.3	45.4	44.7	47.7	50.4	55.4
-	-	-	-	-	-	-	-	-
Total Expenses	264.8	300.3	327.9	386.5	401.2	432.0	457.1	497.7
Income from Operations	177.2	196.5	205.6	216.0	225.8	239.9	281.6	314.2
Operating Margin (%)	40.1%	39.6%	38.5%	35.9%	36.0%	35.7%	38.1%	38.7%
Allow. for Borrowed Funds Used in Const.	2.3	2.4	3.9	3.0	3.7	2.5	2.6	2.6
Gain (loss) on sale of other assets	1.3	1.2	1.2	3.5	1.6	0.5	0.5	0.5
Other	-	-	-	-	-	-	-	-
EBIT	180.8	200.1	210.7	222.5	231.1	242.9	284.6	317.2
EBIT (%)	40.9%	40.3%	39.5%	36.9%	36.9%	36.2%	38.5%	39.1%
Interest Expense	48.7	52.1	58.4	66.9	68.6	67.9	72.6	81.6
Income Before Taxes	132.1	148.1	152.3	155.5	162.5	175.0	212.0	235.6
Provision for Income Taxes	52.1	56.9	60.2	60.5	64.6	69.3	84.3	93.7
Implied Tax Rate	39.4%	38.4%	39.6%	38.9%	39.7%	39.6%	39.8%	39.8%
Net income	80.0	91.2	92.0	95.0	97.9	105.7	127.7	141.9
Reclassification adj. for gains reported in net income	(0.2)	-	-	(1.3)	(0.2)	-	-	-
Unrealized gain on securities	0.1	-	-	-	-	-	-	-
Unrealized holding gain on investments	-	-	0.2	1.1	0.2	0.1	-	-
Minimum pension liability adjustment	(1.7)	(1.3)	3.1	-	-	-	-	-
Comprehensive Income	78.1	89.8	95.3	94.8	97.9	105.8	127.7	141.9
Diluted Net Income Per Share	0.64	0.71	0.70	0.71	0.73	0.78	0.93	1.02
Weighted Avg. Shares	125.7	129.2	131.8	133.6	134.7	136.1	137.5	138.8
Financial Summary (values in %)								
Revenue Growth	20.4%	12.4%	7.4%	12.9%	4.1%	7.2%	9.9%	9.9%
Operations & Maintenance/Revenue	40.3%	40.9%	41.2%	42.0%	41.8%	40.2%	39.1%	39.1%
Dep/Net Fixed Asset	3.0%	2.9%	3.1%	3.3%	3.2%	3.4%	3.3%	3.3%
Depreciation Growth	12.5%	11.3%	16.7%	17.3%	6.7%	15.1%	3.7%	6.5%
General taxes as % of revenue	6.2%	6.4%	6.2%	7.5%	7.1%	7.1%	6.8%	6.8%
Interest Exp/ Average Net Debt	5.6%	5.3%	5.8%	5.9%	5.2%	5.3%	5.3%	5.6%
Interest Expense/Revenue	11.0%	10.5%	11.0%	11.1%	10.9%	10.1%	9.8%	10.1%
EBITDA	239.7	265.6	285.7	310.5	325.4	356.9	402.6	442.0
Net income growth	13.0%	13.9%	0.9%	3.3%	3.1%	8.0%	20.8%	11.1%
Average ROE	11.4%	11.7%	10.6%	10.0%	9.6%	9.7%	11.1%	11.6%
EPS Growth (exspecial items and FAS 123)	7.0%	10.9%	-1.0%	1.9%	2.2%	6.8%	19.6%	10.0%

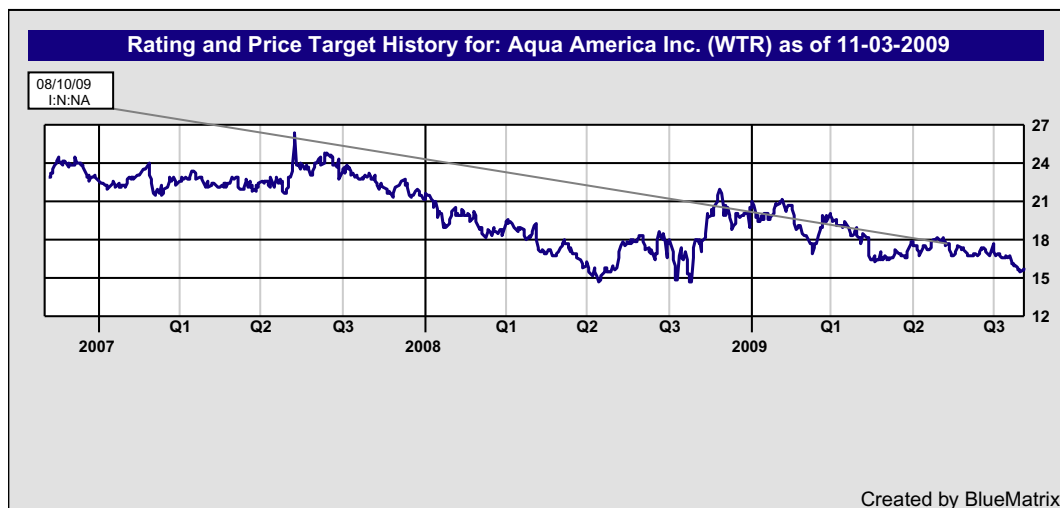
Source: Company reports and Longbow estimates

WATER INDUSTRY PEER VALUATION
(\$ in millions, except per share data)

Company	Ticker	FY End	Rating	Target	% Upside	Share Price	52 Week		Mkt Cap	Revenue FY			Earnings per Share			P/E		Dividend Rate	Price/Book
							Hi	Lo		End	Last FY	Current FY	Next FY	Current FY	Next FY				
U.S. WATER UTILITIES																			
American Water Works	AWK	Dec.	BUY	\$24	20%	\$ 19.28	\$22.35	\$16.22	\$ 3,476	\$ 2,337	1.17	1.29	1.50	15.0x	12.9x	4.3%	0.8x		
Aqua America	WTR	Dec.	Neutral			\$ 15.71	\$22.00	\$15.39	\$ 2,139	\$ 627	0.73	0.78	0.93	20.2x	16.9x	3.7%	2.6x		
American States Water	AWR	Dec.	Neutral			\$ 32.84	\$38.79	\$27.56	\$ 618	\$ 319	1.56	1.85	1.97	17.8x	16.6x	3.1%	1.8x		
California Water Service Group	CWT	Dec.	BUY	\$45	26%	\$ 35.75	\$48.28	\$33.49	\$ 759	\$ 410	1.90	2.00	2.20	17.9x	16.3x	3.2%	2.4x		
Southwest Water Company	SWWC	Dec.	NR			\$ 5.68	\$8.74	\$2.67	\$ 141	\$ 222	-0.19	0.17	0.39	33.4x	14.6x	3.5%	0.7x		
Artesian Resources Corporation	ARTNA	Dec	NR			\$ 15.65	\$18.14	\$12.81	\$ 119	\$ 56	0.86	1.03	1.11	15.2x	14.1x	4.7%	1.3x		
Consolidated Water Co	CWCO	Dec	NR			\$ 14.44	\$21.29	\$6.35	\$ 218	\$ 60	0.50	0.79	0.82	18.3x	17.6x	2.0%	1.5x		
Connecticut Water Service	CTWS	Dec	NR			\$ 22.67	\$26.51	\$17.31	\$ 193	\$ 61	1.12	1.06	1.06	21.4x	21.4x	4.0%	1.9x		
Middlesex Water Company	MSEX	Dec	NR			\$ 15.58	\$17.93	\$11.64	\$ 210	\$ 91	0.90	0.71	0.81	21.9x	19.2x	4.6%	1.7x		
Pennichuck Corporation	PNNW	Dec	NR			\$ 23.14	\$24.80	\$14.75	\$ 100	\$ 31	0.57	0.54	0.76	42.9x	30.4x	3.0%	1.8x		
York Water Company	YORW	Dec	NR			\$ 13.75	\$17.95	\$9.74	\$ 164	\$ 33	0.57	0.66	0.69	20.8x	19.9x	3.5%	2.0x		
U.S. Water Utility Average													22.2x	18.2x	3.6%	1.7x			
EQUIPMENT/FILTRATION/TREATMENT SECTOR																			
Calgon Carbon Corp.	CCC	Dec.	NR			\$ 16.11	\$19.31	\$10.00	\$ 882	\$ 400	0.56	0.5	0.77	32.2x	20.9x	0.0%	3.3x		
Danaher	DHR	Dec.	NR			\$ 68.98	\$72.78	\$47.20	\$ 22,056	\$ 12,697	4.23	3.44	3.86	20.1x	17.9x	0.2%	1.8x		
ITT Technologies	ITT	Dec.	NR			\$ 51.31	\$56.95	\$31.94	\$ 9,359	\$ 11,695	4.04	3.75	3.92	13.7x	13.1x	1.7%	2.7x		
Layne Christensen	LAYN	Jan.	NR			\$ 26.85	\$35.14	\$10.36	\$ 523	\$ 1,008	2.20	0.63	0.91	42.6x	29.5x	0.0%	0.7x		
Mueller Water Products	MWA	Sept	NR			\$ 4.96	\$8.55	\$1.48	\$ 536	\$ 1,428	0.46	(0.32)	0.17	-15.5x	29.2x	1.5%	0.8x		
Nalco	NLC	Dec.	NR			\$ 21.17	\$23.13	\$7.80	\$ 2,926	\$ 4,212	1.30	0.84	1.23	25.2x	17.2x	0.7%	4.0x		
Pall Corp.	PLL	Jul.	NR			\$ 21.16	\$34.54	\$18.20	\$ 3,814	\$ 2,329	1.94	1.85	2.08	11.4x	10.2x	1.8%	3.2x		
Pentair	PNR	Dec.	BUY	\$37	31%	\$ 29.69	\$34.27	\$17.23	\$ 2,929	\$ 3,382	2.20	1.42	1.80	20.9x	16.5x	2.4%	1.2x		
Watts Water Technologies	WTS	Dec.	Neutral			\$ 28.33	\$32.88	\$15.85	\$ 1,080	\$ 1,459	1.83	1.54	1.52	18.4x	18.6x	1.5%	1.1x		
Equipment/Filtration/Treatment Average (*exBWTR and CCC)													18.8x	19.2x	1.1%	2.1x			
WATER RESOURCES/INFRASTRUCTURE																			
Insituform Technologies	INSU		NR			\$ 21.90	\$22.77	\$11.02	\$ 879	\$ 537	0.77	1.10	1.20	20.6x	18.8x	0.0%	1.5x		
Lindsay Manufacturing	LNN		NR			\$ 33.57	\$51.46	\$20.89	\$ 425	\$ 336	3.11	0.86	1.22	31.1x	27.8x	0.9%	2.5x		
Tetra Tech	TTEK		NR			\$ 25.78	\$32.00	\$14.20	\$ 1,580	\$ 2,145	1.02	1.24	1.42	18.3x	19.1x	0.0%	2.8x		
Water Resources/Infrastructure Average													23.3x	21.9x	0.3%	2.3x			
Relevant Indices						Share Price													
Dow Jones Industrials	DJ30	\$ 9,771.91																	
S&P 500	SPX	\$ 1,045.41																	
Nasdaq Composite	NDX	\$ 1,679.20																	

Source: Baseline; Company reports and LBR Estimates. EPS reflects diluted EPS, excluding extraordinary items. Numbers in italics reflect consensus estimates.

** Time period for annual estimates may vary based on reporting date.



APPENDIX

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Covered Companies Mentioned In This Report:

California Water Service Group	CWT	\$36.57	Buy
American Water Works Company, Inc.	AWK	\$18.97	Buy
Aqua America Inc.	WTR	\$15.71	Neutral

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