



April 29, 2014

American Water Increases Quarterly Dividend by 11 Percent

The company has increased its dividend every year since IPO in 2008

VOORHEES, N.J.--(BUSINESS WIRE)-- American Water Works Company, Inc. (NYSE: AWK) announced today that its Board of Directors increased its quarterly cash dividend payment from \$0.28 to \$0.31 per share, an approximate 11 percent increase. The company has increased its dividend every year since its IPO in April 2008.

The increased payment is consistent with American Water's dividend practice, which is to link dividend increases to earnings per share growth and target a payout ratio between 50 to 60 percent of net income.

"American Water continues our commitment to pay dividends that are aligned with our financial performance," said Jeff Sterba, president and CEO of American Water. "This increase reflects the company's objective of striking the right balance between increased dividend payouts to shareholders and continued proactive investment in our systems on behalf of our customers."

The increased dividend will be payable on June 2, 2014 to all shareholders of record as of May 12, 2014.

American Water offers a dividend reinvestment and direct stock purchase plan called American Water Stock Direct, which enables stockholders to reinvest cash dividends and purchase additional American Water common shares without any brokerage commissions or service charges. Stockholders and other persons may obtain a copy of the Plan prospectus and an enrollment form by contacting American Stock Transfer & Trust Company ("AST") at 888-556-0423, visiting AST's website at www.amstock.com, contacting American Water's Investor Relations at 877-310-7174 or by visiting the [Investor Relations](http://www.amwater.com) page at www.amwater.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities. The offer is being made solely through the Plan prospectus.

Founded in 1886, American Water is the largest publicly traded U.S. water and wastewater utility company. With headquarters in Voorhees, N.J., the company employs approximately 6,600 dedicated professionals who provide drinking water, wastewater and other related services to an estimated 14 million people in more than 40 states and parts of Canada. More information can be found at www.amwater.com.

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