



**Testimony of
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Vice President, Corporate Affairs
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Before the
House Oversight and Government Reform
Domestic Policy Subcommittee**

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Chairman Kucinich, Ranking Member Issa, and members of the Subcommittee, my name is Heidi Paul. I am Vice-President of Corporate Affairs at Nestlé Waters North America. My office is in Greenwich, Connecticut. Thank you for the opportunity to present this written testimony.

First, I'd like to offer a note of personal perspective. When I joined the company in 1992, bottled water was not nearly as prevalent as it now. Back then the nonalcoholic drink of choice was soda. Remarkably, soda passed tap water in per capita consumption in the mid 1980s. Today soft drinks still outsell bottled water almost two to one, but the growth of bottled water reflects consumers seeking healthier beverage choices. Three quarters of Americans drink bottled water.

We are a company known to most Americans by our brands, such as Arrowhead®, Deer Park®, Ice Mountain® and Poland Spring®. But we are known to our host communities by how we operate as a corporate citizen and neighbor. Part of my responsibility is to help shape the company's involvement in the communities in which we operate.

Our company is committed to success. We define success as producing healthful products and bringing good paying jobs to each of our operational locations, as well as being a good neighbor and protecting the springs we rely on. The company is committed to improving its performance in these areas. No one and no company is perfect, but I truly believe this company consistently tries to be fair, respectful and operate with integrity.

More than ten years ago, we began to actively lighten our environmental footprint. We know there is room for improvement and it is our responsibility to progress toward sustainability in every sense of the word.

Company background

Nestlé Waters North America Inc. and its affiliate, Nestlé Waters Canada, manage both U.S. and Canadian bottled water operations. Nestlé Waters North America Inc., with 9,000 employees, is based in Greenwich, Connecticut and is an affiliate of Paris-based Nestlé Waters, whose parent company is Nestlé S.A. of Vevey, Switzerland. Bottled waters are the only products produced by Nestlé Waters North America Inc., with 15 bottled water brands sold to consumers across the U.S. and Canada.

History

Our company history starts in 1976. At that time we were a small US-based business known as Great Waters of France, Inc., later to be The Perrier Group of America, Inc. We sold one brand, Perrier® Sparkling Natural Mineral Water, with a

handful of employees. Perrier was the beginning of a shift in Americans' beverage habits—bottled water was a socially acceptable alternative to alcohol and the drink of choice for active, health-minded individuals.

In 1980 we acquired our first domestic spring water brand, Poland Spring® Brand Natural Spring Water. We embraced its local heritage, nourished its growth and built it into a leading brand. We have done this with every brand we acquired since. Arrowhead® Brand Mountain Spring Water, Ozarka® Brand Natural Spring Water, Deer Park® Brand Natural Spring Water, Zephyrhills® Brand Natural Spring Water and Ice Mountain® Brand Natural Spring Water all started out as little-known brands with distinctive regional heritages and natural spring sources. Today these are our six core spring water brands, each a leader within its respective region of distribution.

Fast forward to 1992: Nestlé, the world's largest food and beverage company, purchased Source Perrier and acquired our company, then known as The Perrier Group of America. After joining Nestlé's global family of 72 bottled water brands, we became Nestlé Waters North America Inc. As part of Nestlé we have the corporate resources to expertly source, bottle and deliver exceptional water products. This strong and solid backing will continue to support our business and our employees in the U.S. and Canada.

Employment

Nestlé Waters currently has plant operations in 21 communities across the U.S. and 2 in Canada.

- Maine: 2
- Massachusetts: 1
- Pennsylvania: 2
- Florida: 2
- Texas: 3
- Michigan: 1
- Illinois: 1
- California: 5
- Tennessee: 1
- Virginia: 1
- Ohio: 1
- Colorado: 1
- Canada: 2

We employ 9,000 people (3,400 work in our plants) with a total payroll of \$561 million. Our employment taxes total \$20 million, and we've invested \$1.7 billion dollars in capital in the last 5 years. These operations have the following tax benefits: local property taxes of \$29 million, state sales taxes of \$21 million, state income taxes of \$27 million, and federal income taxes of \$125 million.

Corporate citizenship

In addition to economic benefits, Nestle Waters North America provides an invaluable product and service during times of disaster. In 2007 alone, we have donated to our partners Red Cross, AmeriCares, and to local emergency agencies well over 1,600,000 bottles of water to communities in times of need.

We also have contributed millions of dollars and hundreds of hours of volunteer time to support national and local efforts to protect watersheds, improve water education, help kids at risk, and particularly to partner with our local communities on projects and initiatives of local importance: parks, fire trucks, scholarships, beach clean ups, and hospitals to name but a few.

Having enumerated these benefits, we also acknowledge our impacts on the environment and society. While we have done much to address these impacts over the years, we need and want to do more. Our goal is to work with stakeholders to

operate in an economically, socially and environmentally sustainable manner, and to be transparent and accountable for our actions.

Siting new facilities

Every community has different priorities and circumstances—and different zoning and development regulations—to which we must be attentive. NWNA adjusts its siting activities to comply with a particular community's process. And in each community, we aspire to live by the same set of principles; these are called our Good Neighbor Policy.

The ten points of our Good Neighbor Policy include: 1. Open communication; 2. Environmental excellence; 3. Responsible spring water resource management; 4. Water resource relations; 5. Sustainable land use; 6. Traffic mitigation; 7. Exemplary employee practices; 8. Water education; 9. Emergency relief; and 10. Giving back.

We have many examples of this policy in action. In new communities, we post a website that provides information about the project and the process; we also participate in town meetings, and other gatherings to discuss the projects.

In general, we have done this well, and encourage you to contact our existing communities to investigate for yourself. In the handful of examples where we have not been as successful, we are learning. And pledge to continue working with stakeholders to do this better, in a way that is open, transparent, and empowering for local communities.

To demonstrate these efforts, please refer to case studies about our projects in Michigan and McCloud, CA, following my testimony.

Rural economic opportunity

Many of our bottling operations are located in more rural areas of the country. And, for good reason: Natural spring water is the core resource for our primary product. Spring water sources that are naturally clean and protected tend to be located in rural areas. In our experience, most of these communities welcome clean industry, like the kind Nestlé Waters offers. Our manufacturing jobs pay in the top half of comparable jobs and come with healthcare insurance and 401K benefits.

Small water user

- Bottled water is an obvious and visible user of water. In reality, bottled water actually uses only 0.02% of groundwater and 0.001% of freshwater used in the U.S., representing a tiny portion of our nation's overall water use.
- For another perspective, on average each year our plants each use about the same amount of water applied annually to keep a golf course green in Arizona.

Efficient water user

- Of all packaged beverages, bottled water uses the least amount of water to produce. Why? Because there are no ingredients to grow or process.
 - o For each gallon of packaged spring water, we use 1.37 gallons, including all water used in manufacturing.
 - o By comparison, soft drinks use three gallons of water to produce each gallon of product. Beer uses five gallons of water just to package one gallon of beer, not including the water to grow and process the ingredients (which requires the vast majority of water).

Spring water resource management

Nestlé Waters North America has an inherent interest in being a steward of a healthy environment at our spring sites. Our spring sources and the facilities that use them represent our most valuable investment, and using them in a responsible manner today is the only way to ensure our continued success.

Spring water is a renewable resource, and we carefully select springs that are continuously replenished by precipitation and the movement of groundwater.

Our operations are specifically managed for long-term sustainability. That means our water withdrawals are dictated by what the spring and surrounding watershed can provide within its natural cycle and that of the surrounding groundwater system. To accomplish this, we rely on an environmental and geological monitoring program, collection of data and scientific analysis of that data.

This program is administered by a team of 11 on-staff professional geologists and hydrogeologists, together with third-party technical consultants throughout the US and Canada. As part of science-based and on-going resource management, these experts use instrumentation to measure, if applicable, stream flows, wetland water levels, and water table variations, assess the plant life and other biologic habitats of the site and monitor precipitation.

This level of science is considered by Nestlé Waters North America to be a requirement. It maintains our spring water sources, the surrounding environment, our neighbor's water supplies, and our company's investment. We hold ourselves to a standard of continuous improvement. We aim to have an exemplary record for sustainable water resources management through collecting and evaluating hydrologic and environmental information.

Impact of using spring water or groundwater for bottled water

Every withdrawal of groundwater – whether for potable supplies for our communities, crop irrigation, manufacturing, or any other purpose, including bottled water - has an effect on the flow or discharge of groundwater to surface water. We know there are complex interrelationships between surface water and groundwater. We employ our ongoing monitoring and management programs to ensure, to the best we can, that we understand the impacts, if any, from our operations.

By virtue of our practices, Nestlé's spring water operations are environmentally conservative. We select only those sites with a safe and sustainable yield, measuring any impacts of our withdrawals and understanding the cumulative impacts associated with other parties' use.

As well, the permitting process we undertake for each of our projects typically include extensive regulatory oversight. As applicable, agencies are responsible for assessing the effects of our spring water withdrawals and imposing on-going mitigation policies. Indeed, many jurisdictions impose "no impact" requirements. Thus, our operations are permitted within the context that they will create no adverse resource impacts.

Summary

Mr. Chairman, members of the Subcommittee, bottled water issues are more often in the spotlight in state capitals than here in the nation's capital. From Maine to Michigan, my company and other water bottlers—as you'll hear later from IBWA President Joe Doss—have, and will continue, to support comprehensive laws and

policies that regulate water withdrawals based on protecting the resource and ensuring long-term sustainability.

We are proud to have helped bring about what one Maine state legislator called one of the “few pleasant surprises” of the 2007 legislative session, by finding common ground on groundwater resources.

Maine’s new state law establishes a consistent, integrated and scientifically sound state policy that ensures the withdrawal of groundwater does not have an undue adverse effect on waters of the state. This new law will have a lasting impact on groundwater protection in Maine. We were only one of several participants in crafting that law, and you’ll hear from another participant, Mr. James Wilfong, the leader of H2O for Maine, in the second panel.

In Michigan, we supported landmark bipartisan legislation in 2006 that strengthened state water use laws, clarified permitting processes for all large quantity users of water, protected water resources and sensitive habitats, and enshrined in state law the prevention of wholesale diversions of water from the Great Lakes Basin.

These are two of the most recent cases that brought together people who had been adversaries, but, when all was said and done, shared a common commitment and concern for water resource sustainability. People of good will may still disagree over competing uses of water, but laws like these provide the framework for fair, resource-based, decision-making that is informed by sound science.

As you examine the regulatory structure of the environmental issues presented this afternoon, it is our hope that this discussion today will have a similarly constructive result, and we look forward to working with all of you toward that end.

Thank you.

Heidi J. Paul

Michigan Case Study

Nestlé Waters chose to expand its nationwide family of regionally based bottled water production facilities in Michigan in 2000. The company's Midwest Ice Mountain brand — previously produced at a Pennsylvania facility -- was experiencing marketplace growth as consumers increasingly chose healthier bottled water products over other packaged beverage products.

A multi-year site reconnaissance effort by company officials and scientists considered several hundred potential locations in Michigan and the Midwest. During the process, Nestlé scientists concentrated the site search in west Michigan for several reasons important to the company's primary product line of natural spring waters, including:

- The region's reliable and abundant precipitation (34 inches annual average), important for recharging – replenishing – groundwater systems
- Regional geology of sand and gravel aquifer systems, which provide efficient recharge of the groundwater systems, and which produce high quality and naturally good tasting water

The region presented other factors attractive to a major employer like Nestlé, including:

- Major market truck lane access and proximity to key Midwest markets
- Available workforce with production experience
- An area that appeared open to new business development leading to economic and job-base diversification
- Access to higher education institutions with technology training and other business and production management programs

Working with respected conservation organizations such as the Michigan Chapter of Trout Unlimited, Michigan United Conservation Clubs and others recognized for their mission to protect resources and habitats, Nestlé narrowed its site selection efforts to three prospective sites, two in southern Mecosta County and another in southern Osceola County. The counties abut one another, and adjoin four other counties that comprise a region centering on the City of Big Rapids as the largest urban area.

Plant site and spring water source selection process

Nestlé undertook a comprehensive site selection process that included community outreach and communications, scientific assessment of potential spring water sources and their environments, plant siting, governmental and regulatory agency interfacing, and permitting.

Plant Site Selection — In May 2001, Nestlé announced it would build its \$150 million bottling facility in Stanwood (since then, the actual investment has grown to approximately \$200 million), a community located in southern Mecosta County, eight miles south of the City of Big Rapids. The plant site was chosen because it provided close access (less than one mile) to major north/south truck route U.S. 131, thereby allowing Nestlé to address truck traffic, one of the leading concerns expressed by

local residents relative to future operations. The plant location significantly limited truck traffic impact on surface streets and neighbors.

Spring water source study, permitting — The company's team of scientists had identified a potential spring water source approximately 12 miles from the plant site. Nestlé negotiated an agreement with the landowner that allowed scientists to conduct a series spanning several years required by Nestlé to support investment in the project and to ensure long-term sustainability of water supply and environmental protection. These studies also supported applications to the State for permits required for public water suppliers, which include the state's water bottlers.

Getting to know a community, community relations and communications – Strong community relations were integral to the Michigan project development, as well as an open approach to communications with neighbors, community leaders, and project opponents. The company believes trust is one of the key factors behind the successful development of the Michigan project.

Relationships built starting in 2000 continue today, serving as a strong tie binding the company and community. Nestlé enjoys positive relationships with business, civic, philanthropic and elected leaders throughout the area. These relationships are important as the company works to address questions and concerns about its operations and practices, act as a responsible corporate citizen of the area, and manage day-to-day business challenges.

Every community is unique. While there are many aspects of project development that are consistent community to community, the company seeks to appreciate each community's own character, priorities and needs. In Michigan, the company aimed to communicate with openness, accuracy and timeliness on every aspect of its project development, recognizing the community's interest in having a say about project features. Beyond project features, benefits and considerations, Nestlé also provided information about the water cycle, scientific assessment processes, the experience of other communities where Nestlé was located, long term environmental protections, and responses to issues raised throughout the project development phase.

Ice Mountain today in Michigan

Today, nearly six years since operations started at Nestlé's Stanwood bottling facility, the Ice Mountain bottling facility stands as a major regional employer committed to the area. Ice Mountain is a good neighbor, contributing to the well being of the community and a wide range of organizations and efforts; a good steward of the environment; and a catalyst for economic activity benefiting other businesses in the area.

Economic impact

A summary of the economic impact of the Ice Mountain facility in Michigan includes:

- Employment of approximately 277 people
- Indirect, or spin-off, employment of 609
- Annual payroll of \$16.8 million, creating a total payroll impact of nearly \$40 million annually

- Average employee wage of \$60,000, adjusted for overtime pay, far above county wage and gross earning averages
- A benefits package including paid vacation and sick leave, medical, dental and vision insurance; retirement savings plans and profit sharing. Ice Mountain pays 80 percent of these benefits.
- Approximately 450 Michigan vendors service the Ice Mountain plant

It is important to note that Ice Mountain jobs are coveted. Evidence of this includes the volume of applications received relative to the number of jobs posted by Ice Mountain. Initially Ice Mountain announced the plant would open with 45 jobs. A job fair resulted in more than 4,000 applications submitted. As plant employment has grown since 2002, the ratio of applications submitted to positions available has remained high. For example, in 2005, 2,000 applicants applied for 30 positions; 1,000 applicants applied for 60 positions in 2006; and in 2007, 900 applicants sought 30 open positions. Also evidence of the quality of jobs Ice Mountain provides is the low employee turnover rate at the Stanwood facility. Voluntary turnover at Ice Mountain is 4.4 percent, significantly below U.S. Bureau of Labor Statistics data, which shows turnover of 13 percent regionally.

Construction of the now \$200 million facility has generated an estimated 1,250 contractor jobs.

It is common knowledge that Michigan continues to experience difficult economic times, primarily due to the loss of automotive manufacturing jobs, and the sequential loss of the thousands of jobs that previously were created by spin-off spending by the automotive industry. The west central region has not been spared.

According to government statistics, unemployment in Mecosta County was 7.4 percent during October 2007. The national rate for 2006 was 4.6%. Clearly, the state and region need the jobs made possible by Nwana.

Environmental Stewardship

LEED™ Certification — The Stanwood Ice Mountain plant was Nestlé Waters' first plant to be built for certification by the U.S. Green Building Council's LEED™ program (Leadership in Energy and Environmental Design), and also the nation's first food and beverage facility to meet LEED™ certification. The facility incorporates a number of resource conservation measures, including xeriscaping, low energy demand and motion sensitive lighting, daylighting, construction materials made of recycled material, and others. Nestlé now has six LEED™ certified bottling plants in the U.S., and is committed that any future facilities be LEED™ certified.

Water resource sustainability management — An extensive network of monitoring points in the area of Nestlé's wells provide an on-going record of water table measurements; wetland and stream levels; stream flows, and other environmental measures. Additionally, biologists periodically visit to the site to collect observations regarding the health of wetlands, streams and fisheries. Ice Mountain's natural resource manager utilizes the information in stewardship of the water resources and the environment. Ice Mountain provides this data to the MDEQ, which conducts

independent measures of these resources; the company also provides a quarterly report to local township officials and other interested parties.

Importantly, the monitoring record spanning seven years now, shows the water table, other water resources, and reliant ecosystems are not detrimentally affected by Nestlé's water withdrawals.

Reduce, reuse, recycle — Nestlé is committed to key conservation principles of reducing raw material and natural resource use, reusing materials whenever possible and encouraging recycling. Nearly every raw material used by Ice Mountain is recycled, including retail product pallets, corrugate, plastics and other materials. An efficient user of water, Nestlé bottling plants use, on average, just 1.3 gallons of water for every gallon of product produced.

Ice Mountain joined other Nestlé brands this past summer in launching "lightweight" bottles. Ice Mountain bottles are among the lightest in the market, using 30 percent less plastic than other bottles. The result is less demand on energy and less waste. All of Ice Mountain's bottles are recyclable.

Ice Mountain Environmental Stewardship Fund — Founded in 2002 by Nestlé Waters, the Ice Mountain Environmental Stewardship Fund is an endowment fund managed by the Fremont Area Community Foundation. The Fund provides grant monies to local organizations working to enhance or protect the Muskegon River watershed and its ecosystems. Ice Mountain has made annual contributions to the fund, part of which has been endowed for perpetual giving. A community-based advisory board that reports to the Fremont Foundation board of director assists the Fund. To date the fund has supported dozens of efforts, including fishery habitat restoration, research projects, and pollution prevention and education.

Support to others for the greater good and community involvement

Ice Mountain and its employees appreciate opportunities to support organizations throughout west Michigan, and beyond, through product donations, volunteerism and direct financial donations. In 2007 Ice Mountain will have contributed by year-end approximately 2 million bottles of water to 225 organizations. The plant will have also donated nearly \$60,000 in direct financial support of charitable and community organizations.

Support is given to a wide range of needs, including health, seniors, recreation and environmental stewardship. Some highlights of Ice Mountain's support include:

- Assistance to area hospitals in emergency preparedness planning
- Support for the Michigan United Conservation Clubs' youth conservation education magazine, "Tracks"
- Partnership with Americares and the American Red Cross for hurricane (including Katrina) and other emergency relief
- Donation of nearly one half million bottles to Detroit in response to an extended electrical power blackout in summer 2003
- Five semi-loads of bottled water product donated to the Michigan Food Bank System in anticipation of the 2007/2008 need

- Sponsorship as the official bottled water for the Fifth Third Riverbank Run in Grand Rapids
- Purchase of 4-H program livestock (donated to area food pantries)
- Funding for firefighting and other emergency response needs throughout the community
- Financial support of the Green River dam removal project in west Michigan

Ice Mountain people are also personally involved in a number of organizations that work for the betterment of the community and state, including the Mecosta and Ewart Chambers of Commerce, Ewart's annual 4-H and FFA Fair, Michigan Chamber of Commerce, Michigan Grocers Association and others.

Appropriate resolution of legal issues

Litigation brought in 2001 against Ice Mountain has largely been resolved by Michigan courts in Nestlé's favor. The original case involved several legal issues arising under Michigan groundwater and public trust law, as well as the Michigan Environmental Protection Act ("MEPA").

Key rulings by the Michigan courts have included:

- Bottled water is a proper and beneficial use of water in Michigan – in other words, water may lawfully be used for bottling as bottled water. Water bottling is part of the state's economic industrial base.
- Ice Mountain has the right to withdraw water at an appropriate rate determined under the state's reasonable use balancing test that considers numerous factors including competing uses of the water. This "common sense" common law has proved to be effective in allowing water use for a variety of purposes that society has chosen, and also in balancing of competing uses. Recent legislation in Michigan has implemented a regulatory and permitting system that supplements common law for the purpose of resource protection.
- Following a Court of Appeals ruling, the parties mutually agreed to a stipulation on Ice Mountain's allowable rate of water use, which they stipulated was reasonable and would not harm the environment. The agreement provides both parties the opportunity to seek adjustment of the water use amount in the future, based on the monitoring data and science.

Introduction to Ewart

A relationship between Nestlé Waters North America and the west central Michigan community of Ewart is a very good example of how corporate and community interests can work together to achieve objectives that benefit both. For Nestlé, this is an important element of its presence in any community, and represents the company's commitment to all aspects of the Sustainable Development platform: long-term economic, social and environmental performance.

History of a relationship

Beginning in 2005, Nestlé started purchasing spring water from the City of Ewart, located approximately 35 miles north of the company's Stanwood bottling plant. Water is purchased on contract with rates based on the City's published rate schedule for industrial/commercial customers. Water is piped to a Nestlé-owned tanker fill station in Ewart and then transported by tanker truck to the bottling facility.

The relationship between Nestlé Waters and the Evert community is long-standing, friendly and beneficial to both. It reaches back to 2000 when Nestlé first initiated its site selection process for a potential bottling facility in Michigan. While Nestlé eventually would choose Stanwood in which to make its first investment in Michigan, Evert remained an attractive location to Nestlé. A close and cooperative relationship between Nestlé and Evert has ensued ever since.

Nestlé began purchasing spring water from Evert in 2005 as a result of an invitation in 2004 from City administration and leadership. The City's waterworks department had identified surplus water capacity as an issue, as one of the largest industrial water customers announced it anticipated substantially reduced annual water purchases in coming years.

Following a period of extensive investigation and due diligence on the part of the City, Nestlé and other community groups, agreements were entered into between the parties. These agreements provided for a multi-million dollar investment to be made by Nestlé in the community to enhance groundwater protection for the City's Twin Creek well field, including water supply infrastructure within the city. The effort centered on important land use considerations to ensure long-term groundwater quality. Substantial land use changes were undertaken, which resulted in providing new and upgraded recreation and athletic facilities for city residents, the Evert schools, and the Osceola County 4-H and FFA Fair, an important economic asset to the community. These facilities are all better located to enhance groundwater protection to the City's Twin Creek well field.

In developing a water purchase agreement with Nestlé, the City carefully examined potential impacts to the quality or quantity of waters and water-dependent resources in the area as a result of the proposed arrangements between the City and Nestlé. The City also structured the water purchase agreement with Nestlé so that future water withdrawals from the well field would not exceed historical levels, thus assuring no increased demand on the resources. The agreement gives the City's water supply priority, including a provision that allows any well used for Nestlé supply to be redirected to the City's distribution system in the event this becomes necessary in order to serve the City's other customers.

Nestlé benefits / Community benefits

Nestlé agreed to purchase water from designated wells owned by the City and built facilities in the community for this purpose. Nestlé's Ice Mountain Evert Station serves as a tanker truck depot, generating tens of thousands of water purchase and property tax revenues to the City. Nestlé's water purchases are based on the City's published rate schedule, paid in addition to the \$200,000 infrastructure fee paid to the City. The Evert Station adds to Nestlé's investment in Michigan has allowed the company to grow employment in west central Michigan and supports the company's growing business. It also stands to serve as a catalyst for potential additional investment by Nestlé in the community.

Important to the City, Nestlé added to the diversification of commercial and industrial water customers, a goal the City had determined was needed to keep both

residential and business costs for water affordable, and to generate revenues needed to maintain water delivery infrastructure.

The City upgraded its groundwater protection program on a faster timeline than the City could have afforded to make such improvements without the involvement of Nestlé. These upgrades included, among others: removing certain existing infrastructure that posed contamination risk to the recharge area of the City's well field, implementing land use restrictions to improve groundwater protection and preserving undeveloped land in the area. The City also moved forward with long-term plans to diversify its water source assets by installing an additional well in a separate aquifer system, which ensures water capacity and quality protections.

While all of the groundwater protection measures undertaken by the City are of long-term importance to the City and its residents, the partnership also resulted in greatly enhancing several community and school-related resources that provide recreation and athletic enjoyment by residents, students and visitors. These resources are located now to allow valuable, low impact use of the land to protect groundwater quality.

Recreational and athletic infrastructure improvements funded and facilitated by Nestlé include the following, among others:

- Land acquisition and construction of a new community softball and tennis complex, with signage and parking;
- Land acquisition and construction of new athletic facilities for the Evert Schools, including two baseball fields, two softball fields, a utility/concession/restroom pavilion, a practice football field, a storage building, and parking area;
- Land acquisition and funding for new fairground camping infrastructure and improvements in fairground infrastructure.

These recreation and athletic infrastructure improvements will not only improve the quality of life, but also will have a significant economic benefit due to the several million dollars of construction investment, increased attendance at fairground events and the attraction of new events and visitors to the area for events such as the annual dulcimer festival, which are a major focus of cultural and social life in the community.

Potential for future investment

As popularity of bottled water products and Nestlé's market share in providing these products continues to grow, Nestlé may seek another location for an Ice Mountain brand bottling facility in the Midwest. The City and its economic development personnel have moved aggressively to lay into place key elements designed to attract Nestlé to select the City's industrial park as home for a second Ice Mountain brand bottling facility in Michigan as early as 2010. This effort by the City has included, among other things, the approval of a city charter amendment by voters related to water contract duration, and the execution of a purchase option agreement for 50 acres of industrial park property.

The Ewart community would very much like to secure this prospective investment by Nestlé in a Midwest bottling plant in Ewart. The investment would top \$150 million, spur the area's economy, create hundreds of local construction and operational jobs, and add another significant employer to the area.

McCloud, CA Case Study

The town of McCloud, located in Siskiyou County, California was built by a timber company in the late 1800s and remained a company-owned town through the early 1960s. As the timber industry reduced its presence, the company sold all of the houses to individuals and created the McCloud Community Services District to provide water, sewer and other local utility services to the residents. The timber mill located in McCloud changed ownership several times during the 1980s and 1990s, eventually closing for good in 2002. Nestlé Waters purchased the mill property in January 2006.

Today, McCloud and the surrounding Siskiyou County face serious economic challenges. The local unemployment is two to five percentage points higher than the California average. The median household income also stagnates, 30% lower than the state average. The county has fewer private-sector jobs than it did 10 years ago. Many families have had to leave McCloud to find work. The local schools are at the lowest enrollment levels ever -- the local high school, with a facility built to accommodate around 250, has a total enrollment of 8 students. The community's volunteer emergency services continues to lose staff as people move out of the area for other jobs and currently there is no one to staff the ambulance during the day for emergencies.

History of a relationship

The relationship between Nestlé Waters and the town of McCloud began in 1998 when the McCloud Community Services District (MCSD) contacted Nestlé Waters. MCSD had been pursuing several spring water bottling companies, offering to sell local spring water and a location to site a new water bottling facility. The McCloud community uses less than 20 percent of the approximately 10,000 acre-feet/year of the spring water flow generated locally. For over a decade, MCSD had been analyzing opportunities to use its surplus spring water capacity to generate added revenue to support community services and provide new light industrial jobs. In the mid-1990s MCSD began actively pursuing a spring water bottling deal and approached Nestlé Waters after negotiations with several other bottled water companies did not result in an agreement.

Nestlé Waters was not looking to site a factory in the northern part of California in 1998 but became interested in late 2002 and early 2003. In mid-2003, after preliminary investigations, due diligence and public discussions conducted at MCSD public meetings, an agreement was entered into between the parties. Subject to this agreement, Nestlé would purchase spring water as an MCSD customer and make a multi-million dollar investment in the McCloud community, resulting in a steady, guaranteed revenue stream to support district operations.

Nestlé benefits / Community benefits

Nestlé Waters has agreed to build a new LEED-certified bottling facility on the former mill property. It will bottle spring water purchased as a commercial customer of MCSD, just like any other business in town.

As documented by the Center for Economic Development at California State Chico, the proposed project would create up to 240 positions at full build out, and spur the creation of 240 secondary jobs. The University's analysis also found that at full build out Nestlé's project will bring at least \$23 million in income to residents and businesses in Siskiyou County each year. In McCloud, Nestlé's payments to MCSD

will increase District revenues by nearly 30% by the time the factory is built out. Those funds can be used to support all of the District's services including fire and ambulance, trash collection, snow removal, water and sewer services and street lighting.

The proposed plant will be the seed for economic development not just in McCloud but throughout the region, providing as much as \$1 million in annual property tax revenue. The communities in Siskiyou County, like many rural counties, are interdependent and so employment opportunities in McCloud will benefit the entire region. The support of business and civic groups throughout the region demonstrates county-wide support for the project.

Environmental stewardship

Before the project can be built, it must undergo extensive environmental review under the Californian Environmental Quality Act (see below). This analysis is in addition to Nestlé's traditional site selection and monitoring program.

Comprehensive Environmental Review Process (CEQA/NEPA)—The McCloud project proposal is subject to full environmental review under both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), under the supervision of Siskiyou County and the United States Forest Service. Begun in 2004, this multi-year environmental review is ongoing and the resulting Environmental Impact Report (EIR)/Environmental Assessment (EA) will evaluate the proposed project's potential impacts on every relevant environmental issue, including traffic and noise levels, historical resources, air quality, biologic resources, water quality and quantity and many other environmental resource areas.

The CEQA/NEPA process is widely regarded as one of the most stringent environmental reviews in the world. Before Nestlé Waters can build its plant and begin purchasing any water from MCSD, the County's EIR/EA must be completed and any potential impacts that are deemed "significant" must be addressed through adequate, appropriate and enforceable mitigation measures.

Compliance with CEQA and NEPA includes multiple opportunities for public input, review and comment. CEQA and NEPA's public participation requirements ensure that all relevant community concerns are addressed before the project can be approved. In response to concerns raised during the initial public comment period on the Draft EIR/EA, the County agreed to revise and recirculate its draft environmental impact studies to allow for additional public review and comment. This process is still ongoing.

LEED™ Certified Facility—The McCloud facility will be built to meet the U.S. Green Building Council's LEED™ (Leadership in Energy and Environmental Design) standards for green buildings. The environmental benefits of LEED™-certified buildings include significant water conservation, energy conservation, criteria and greenhouse gas emissions reduction, waste reduction, healthy workplaces, open space preservation, native plantings, constructed wetlands, among others.

As with all Nestlé Waters' facilities, the McCloud project will include an extensive long-term spring water and natural resource monitoring program to ensure the health of McCloud's spring sources and surrounding environment.

Nestle is a committed community partner

Strong community relations, ongoing stakeholder engagement and an open approach to communications with neighbors, community leaders, and project

opponents are an integral part of the McCloud project. In McCloud, as in all of our spring communities, we continue to work to maintain open communication and be an active and contributing community member.

The company has been working with MCSD, the residents of McCloud and the greater community of Siskiyou County for more than four years in evaluating the proposed local bottling plant. Over this period, the company has met numerous times with community members, seeking input and answering questions about the proposed project and anticipated operations. MCSD has also provided multiple opportunities for the public to give input into the planning and ongoing operations of the proposed project.

Nestlé Waters' is also in an ongoing dialogue with respected conservation organizations such as California Trout and Trout Unlimited, as well as with the McCloud Watershed Council, a local group, to ensure that their concerns are addressed in the final project proposal.

Appropriate resolution of legal issues

Immediately after Nestle completed its agreement with the McCloud Community Services District (before any of the required environmental review was completed or the project was presented to Siskiyou County for permitting), a small group of community members sued the County, MCSD and Nestle. This lawsuit has been fully resolved in Nestlé's favor, and the environmental review and community outreach process continues as planned.

Local support for the proposed water bottling plant

While the siting of any light industrial facility is not without controversy, the proposed McCloud project has the support of the majority of the McCloud Community. This support was demonstrated by the election of three pro-project candidates to the MCSD Board of Directors in November 2006. This election was widely regarded as a referendum on the bottling plant project and confirmed that the majority of McCloud residents support the proposed project.

Support for the Nestlé project has coalesced in the formation of the McCloud Grassroots Committee, made up of many life-long McCloud residents who are working together to help ensure that there are jobs and other vital community services available for full-time McCloud residents now and into the future. The Grassroots Committee support for the McCloud project and the high quality jobs and other benefits it provides is shared by many other Siskiyou County residents who have signed a petition supporting the project.

At the same time, Nestle continues to communicate with environmental groups (primarily Cal Trout and Trout Unlimited), and the McCloud Watershed Council, to address their concerns over the project.

We believe the company continues to build its positive relationship with the McCloud community and improve its outreach with other interested stakeholders including business, civic, philanthropic and elected leaders throughout the area. These relationships are important as the company works to address questions and concerns about the project, future operations and practices, and act as a responsible corporate citizen of the area.



Nestlé Waters North America

Corporate Citizenship Vision And Commitment



Our vision of corporate citizenship is focused on the waters and lands that support our business, along with the well-being of our neighbors, consumers and employees.

We aspire to be a leader in corporate citizenship by collaborating with stakeholders to operate in an economically, socially and environmentally sustainable manner, and to be transparent and accountable for our actions.

Nestlé Waters North America is committed to:

- Promoting healthy hydration
- Managing water resources for long-term sustainability
- Reducing our environmental footprint
- Supporting the 3Rs: Reduce, reuse, recycle
- Providing a safe source of water when otherwise unavailable
- Being a good neighbor in our communities



Promoting Healthy Hydration

What does water do for you?

Our bodies require water to function properly. In fact, while the amount varies with age, at maturity the human body generally contains between 65% and 70% water.

Counting Calories		
Average calories for a 12-ounce beverage		
	Calories	Teaspoons of Sugar
Bottled water	0	0
Sports drinks	110	6
Sweetened teas	130	7
Lemonade	140	9
Soft drinks	150	10
Fruit punch/"drinks"	180	11

Water saves calories

Water provides hydration without adding sugar, caffeine or artificial ingredients.

- People are drinking 225 more calories every day than they did 10 years ago¹
- In 2006, people switching to bottled water avoided consuming 356 billion calories
- All told, that's an estimated savings of 110 million pounds



YOUR BODY NEEDS WATER TO...

Keep your brain active and alert

Control body temperature

Digest food for energy

Keep muscles toned and skin supple

Move waste out of your skin

Help kidneys and large intestine remove waste

Help joints move smoothly

Help fluids like blood to carry nutrients

Consider these facts:

- There has been a 370% increase in childhood obesity in the last 30 years.²
- Two-thirds of U.S. adults are obese or overweight.³
- If this continues, by 2015, 75% of adults and 23% of children will be overweight or obese.⁴
- By switching from one carbonated soft drink a day to one a week, you can skim 50,000 calories and 65 cups of sugar a year from your diet.

NWNA's commitment to research and education

- 1) Nestlé continues to fund health research. Current hydration studies include:
 - Effects of water on diabetes, lipids and cholesterol
 - Effects of water on children and mental acuity
- 2) As a founding sponsor of the Project WET Foundation, a non-profit water science and education program, we help support the training of over 400,000 teachers and millions of children in water stewardship and water for health. Today, Project WET is in 29 countries and on 5 continents.



FYI:

- Your brain is 75% water.
- You exhale carbon dioxide and water.

Supporting A Healthier Lifestyle

Managing Water Resources for Long-Term Sustainability

The key to harvesting water sustainably is the science used to select the spring sources, and the ongoing monitoring of the springs and their immediate watersheds.

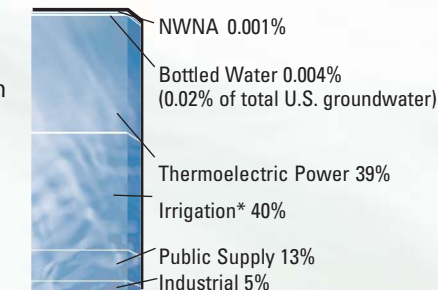
Selecting our sources:

- We look for healthy ecosystems and abundant water supplies
 - Spring sources must satisfy strict quality and regulatory criteria, as well as unique taste profiles
- Extensive hydrogeological studies and groundwater modeling are used to assess sustainability of the water source
- We also test for water quality, including mineral content, chemical analysis and taste profile

Monitoring our sources:

- We collect data, both manually and electronically, to manage our spring resources, balancing over the long-term water withdrawal and natural recharge through rain and snowmelt. (See schematic below.)

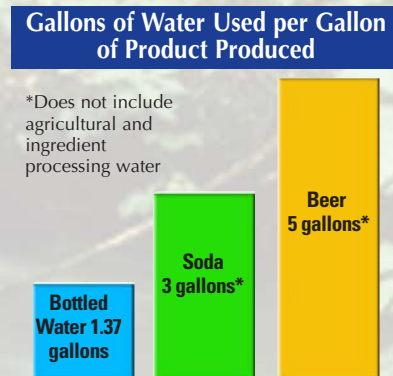
Percentage of Total U.S. Renewable Fresh Water Annually



*If you exclude thermoelectric power, irrigation represents 65% of freshwater withdrawals annually. Source: <http://water.usgs.gov>

A small, but careful user

Although bottled water is an obvious user of water, it is actually a very small user. Of the total



*Does not include agricultural and ingredient processing water

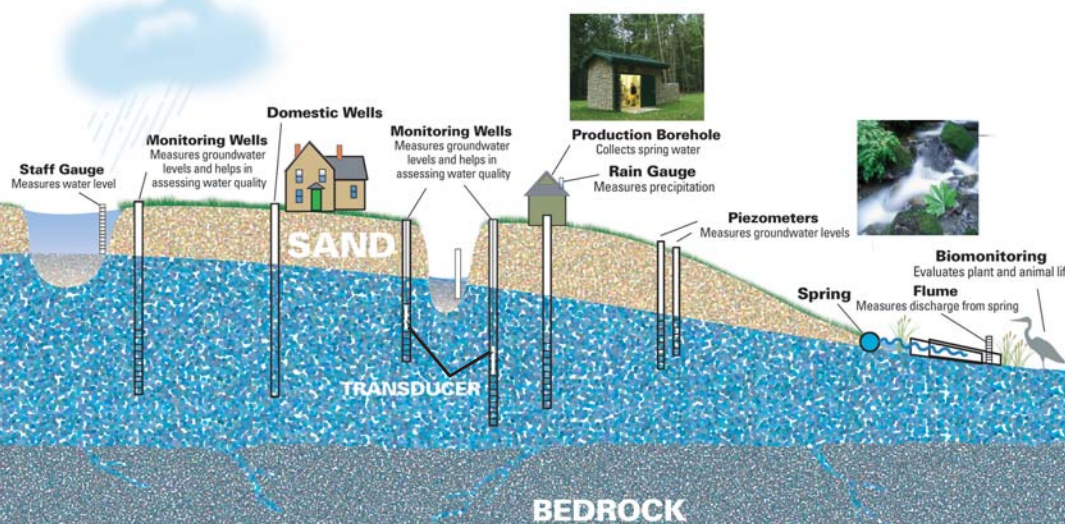
renewable fresh water used annually in the United States, NWNA is a small consumer, using less than 1/1000 of 1%.

An efficient user

Bottled water requires less water to produce than any other bottled beverage. A gallon of bottled water takes just 1.37 gallons of water* to produce – this includes water in the product and water used for production, in addition to all activities within the plant.

*NWNA 2006 water usage

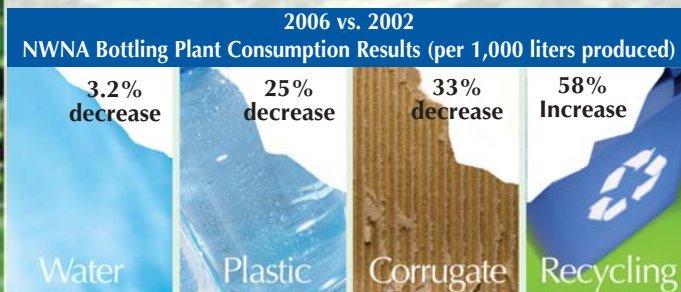
Long-term monitoring schematic of Maine spring



Reducing Our Environmental Footprint

Environmentally responsible manufacturing

NWNA is reducing use of all raw materials and energy in its manufacturing plants.



Using less packaging

- NWNA reduced the shrink-wrapping on half-liter cases by 11% over the last three years, a significant savings of plastic
- In the last 9 years, reduced the size and weight of labels, saving millions of pounds of paper
- Within the last 10 years, eliminated millions of pounds of corrugated cardboard

Greening our buildings

Our first LEED (Leadership in Energy and Environmental Design) certified plant also was the first in the food and beverage industry. Today, we have 6 manufacturing plants, and over 2.5 million square feet designed and built to meet LEED certification.

- Stanwood, Michigan (full LEED Certification)
 - One of the first U.S. industrial plants to earn award
- Cabazon, California (Silver rating) – First U.S. food manufacturing facility to earn silver
- Hawkins, Texas (Silver rating)
- Red Boiling Springs, Tennessee (Silver rating)
- Madison County, Florida (Silver rating)
- Allentown, Pennsylvania (East Bottling Plant registered with the U.S. Green Building Commission pending LEED Silver Certification)

Like our existing LEED plants, every new Nestlé Waters North America green field site will be designed to achieve LEED certification – that is several sites over the next five years.

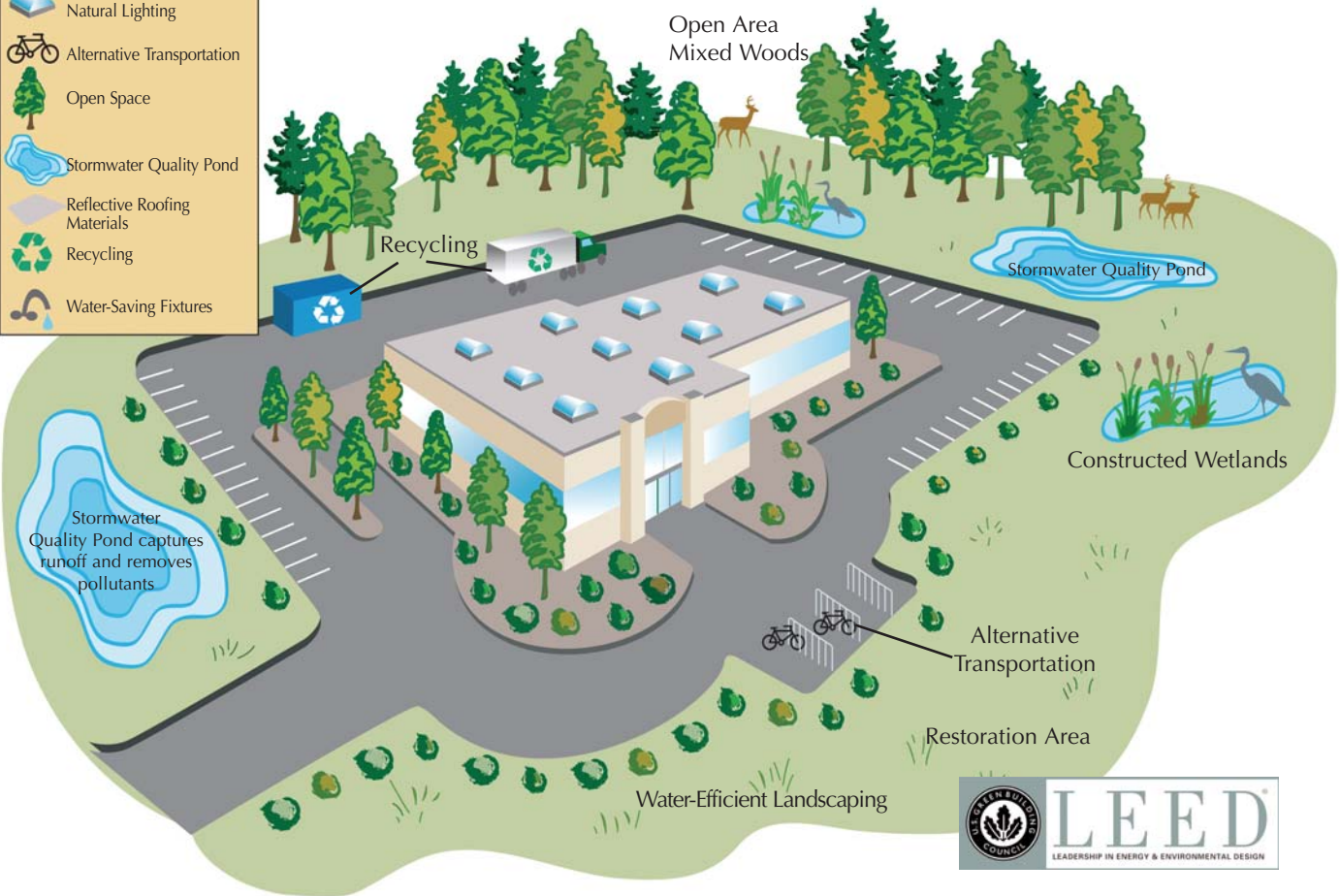


Lighter
Packaging
Green
Buildings

Examples of Features

-  Constructed Wetlands
-  Water-Efficient Landscaping
-  Natural Lighting
-  Alternative Transportation
-  Open Space
-  Stormwater Quality Pond
-  Reflective Roofing Materials
-  Recycling
-  Water-Saving Fixtures

LEED™ Green Building Site



Environmentally friendlier transportation and logistics

Nestlé Waters North America has also developed more efficient processes to save transportation energy.

- 1 Hearst Op Ed & Popkins, Barry M., L. Armstrong, G.M. Bray, B. Caballero, B. Frei, and WC Willett. (2006) A new proposed guidance system for beverage consumption in the United States. *American Journal of Clinical Nutrition* 83: 529-542.
- 2 Obesity and Overweight. CDC. NHANES data for various age groups, beginning with NHANES I (1971-1974) and ending with NHANES 2003-2004
- 3 Fourth annual report from the Trust for America's Health
- 4 Wang et al. The Obesity Epidemic in the United States - Gender, Age, Socioeconomic, Racial/Ethnic and Geographic Characteristics: A Systematic Review and Meta-Regression Analysis. Study supported by grants from the Johns Hopkins Bloomberg School of Public Health, the National Institute of Diabetes and Digestive and Kidney Diseases/National Institutes of Health and the U.S. Department of Agriculture. 2007.
- 5 NAPCOR, Oct.29, 2007, "2006 Rate Report Shows PET Container Recycling Rate Up For Third Year At 23.5%"

Transportation

NWNA Action	Results
Produce 98% of our own single-serve PET* bottles in our plants	Eliminates the need to truck 160,000 loads of empty bottles into our plants – saving 6.6 million gallons of fuel per year
Increase the volume of product in each truck traveling to retail locations	Reduces trucks on the road, miles traveled and fuel consumption
Testing the use of bio-fuel with Poland Spring tanker trucks	Could reduce greenhouse gases by 20% or over 21 tons per year Fuel is domestically produced from renewable resources
Route redesign	Reduced fleet size by approximately 10% by increasing efficiency of deliveries

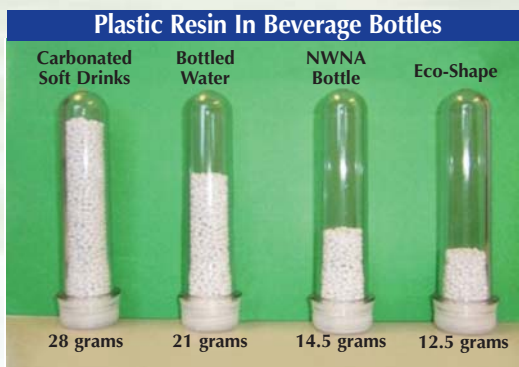
*Polyethylene terephthalate

Supporting The 3Rs: Reduce, Reuse, Recycle

Reduce

New Eco-Shape™ bottle: 12.5 grams of plastic on average!

- The lightest half-liter PET plastic beverage bottle ever produced in the U.S.
- 30% lighter than average water bottles
- 50% lighter than average carbonated soft drink containers
- 65 million pounds of plastic to be saved in 2008



Reuse

Our Home & Office division is the largest returnable bottled beverage company in America.

- 3-gallon and 5-gallon containers are each reused about 35 times
- When they are no longer useable, 3-gallon and 5-gallon containers are recycled, becoming automobile parts, playground equipment, lawn furniture and other products

Recycle

100% of NWNA bottles are recyclable. Recycled PET is in high demand for fabric, carpeting and other consumer goods.

But recycling is falling short of its potential in the U.S.

Like most Americans, Nestlé Waters North America is concerned about water bottles that are not recycled and end up in landfills. The U.S. PET container recycling rate is 23.5%⁵. NWNA is working with environmental stakeholders and industry colleagues to support a comprehensive 21st-century recycling solution for America.

“It is our goal to help promote a comprehensive recycling program that significantly improves recycling rates in this country.”

Kim Jeffery

President and CEO, NWNA



Providing a Safe Source of Water When Otherwise Unavailable

There when you need it most!

In partnership with the American Red Cross, AmeriCares and other organizations, Nestlé Waters North America has responded to natural disasters hundreds of times over the last 30 years, providing a safe, clean source of water for victims, first responders and volunteers.

Committed community partner

California fires (2007)

- Working with the American Red Cross, Federal Emergency Management Agency and other organizations, Nwana donated over 1 million bottles of Arrowhead spring water.
- We coordinated, through our retail partners, the movement of 3 million bottles to rescue workers, evacuees and residents affected by the Southern California wildfires.



"The American Red Cross is very grateful for the generous donations that Nestlé is making in support of our Southern California wildfires relief efforts. Access to safe, clean drinking water and food products is essential during natural disasters. We applaud the company's longstanding, continuous support and fast response in times of need." – Kathleen Loehr, Interim Sr. VP of Development, American Red Cross

"Million bottle reserve"

AmeriCares 2006

Nwana donated 1 million bottles of water to AmeriCares in advance of the 2006 hurricane season to allow bottled water staging in areas that may be in need of disaster assistance.

Quenching a thirst for Gulf Coast housing **Hurricane Katrina 2005**

- When public water supplies were interrupted during Hurricane Katrina, Nestlé Waters North America, through the American Red Cross and AmeriCares, donated more than 1.5 million bottles to storm victims.
- Nestlé Waters North America partnered with Lowe's and donated bottled water to the workers building "Katrina" Cottages, like the one pictured here.



Center of relief

Hurricanes Francis and Jeanne 2004

- Nestlé Waters North America Florida bottling facilities suffered through hurricanes Francis and Jeanne in 2004 and then became central to the relief efforts as hundreds of thousands of residents were suddenly without drinking water.
- Nwana provided more than 700,000 bottles of water to relief agencies for distribution.
- Nwana employees, dealing with their own hardships due to the storms, continued to keep needed water supply going to customers and consumers.

A day to remember

September 11, 2001

Every American was touched in some way by the events of September 11, 2001. In addition to donating large quantities of water, Nestlé Waters North America is proud to have had hundreds of employees contribute to the relief efforts.



Responding To Disasters

Being a Good Neighbor in Our Communities

The Nestlé Waters North America Good Neighbor Policy, established to show our commitment to the communities in which we work and live, and the environments that support us, has 10 points.

Our policy in action

There are many examples of how Nestlé Waters North America implements this policy by supporting environmental, community, education, health and fitness programs, and events locally and nationally, including:

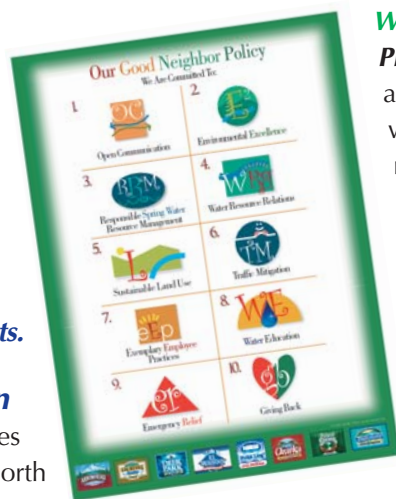
Open Communication

Project Websites: Beyond participating in town meetings, communicating with officials and neighbors, Nestlé Waters also activates a community website for ongoing communication. This ensures that a new community receives information about our company and the NWNA project within the community. It also enhances community dialogue with plant leadership.

Sustainable Land Use

Preserving open space: NWNA typically leases or purchases large tracts of land around our spring sources and leaves most of the land undeveloped, providing watershed protection, as well as good habitat for local plant and animal life. To date, NWNA has over 14,000 acres around its spring sources, as natural lands and open space.

The Nature Conservancy: Since 1999, Nestlé Waters North America has supported the visionary work of The Nature Conservancy in directly protecting 426,000 acres of land and water across the U.S.



Water Education

Project WET: Providing training and materials, and connecting educators worldwide, this program reaches children, teachers and communities with water resource education, including water conservation, watershed protection, health, hydration and sanitation.



Crystal Springs Preserve: On November 19, 2004, Crystal Springs – source for Zephyrhills spring water – completed its transformation to world-class environmental education center.

Emergency Relief

American Red Cross: Nestlé Waters North America has worked with the American Red Cross since 1989, both locally and nationally.



Giving Back

Supporting Local Causes: Within plant and spring communities, Nestlé Waters North America strives to be a good neighbor by supporting local causes, such as school and scholarship programs, watershed protection and open space preservation.

High School Baseball Field Complex: As part of NWNA's Good Neighbor Policy, Ice Mountain brand sponsored construction of a baseball field complex for Ewart (Michigan) High School, as part of the "Ewart Vision." The ceremonial first pitch will be thrown in spring of 2008. Ewart Public Schools Superintendent watched with other local VIPs as Ewart teammates broke ground.



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Nestlé Waters North America

At A Glance

Bottled Water Leader For Two Decades

Nestlé Waters North America Inc. was formed in 1976 with just one brand, Perrier® Sparkling Natural Mineral Water. Today, we sell 15 of Europe's and North America's pre-eminent bottled water brands to our loyal consumers across the U.S.



Our Credo

"Respect for each other, respect for the environment and respect for community." These simple words are brought to life every day by our team of employees and are reflected in a dynamic and positive work setting, the provision of high-quality products, a dedicated environmental protection program, and cooperative efforts with communities.

Our Nestlé Family

Nestlé Waters North America and its affiliate, Nestlé Waters Canada, manage both the U.S. and Canadian bottled water operations. Nestlé Waters North America is related to Nestlé Waters, which is based in Paris, France. Nestlé Waters is the world's leading bottled water company:

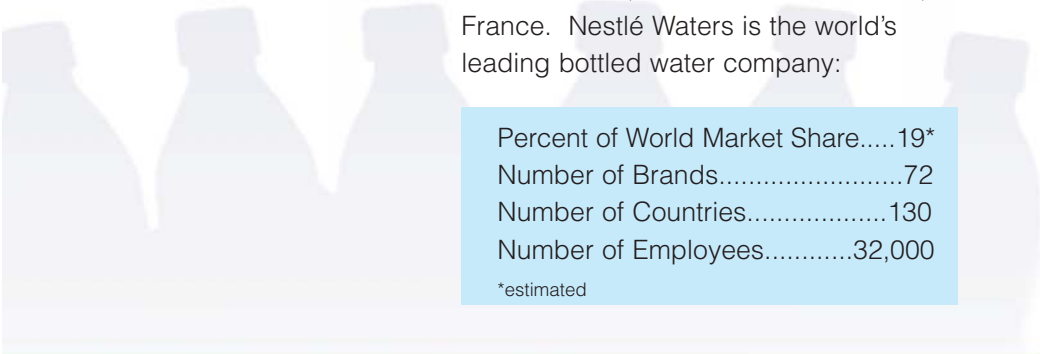
Percent of World Market Share..... 19*
Number of Brands.....72
Number of Countries.....130
Number of Employees.....32,000

*estimated

Nestlé Waters is a division of Nestlé S.A., headquartered in Vevey, Switzerland. Founded by Henri Nestlé in 1866, Nestlé S.A. is the leading food and beverage company in the world, with more than 260,000 employees. Consumers know Nestlé best for its respected brands, including Nestlé chocolate, Nescafé coffee and Coffee-mate, Stouffer's and Lean Cuisine frozen foods, and Purina pet products.

Nestlé aspires to become the world's leading nutrition, health and wellness company. Its desire to provide consumers with "the very best" food throughout their lives is reflected in the famous Nestlé logo depicting a mother bird feeding her young in the nest. This design is also inspired by the coat of arms of the Nestlé family name, which means "little nest."

As part of Nestlé, we have the corporate resources to expertly source, bottle and deliver exceptional water products. This strong and solid backing will support our position as a leader in the U.S. bottled water industry well into the future.



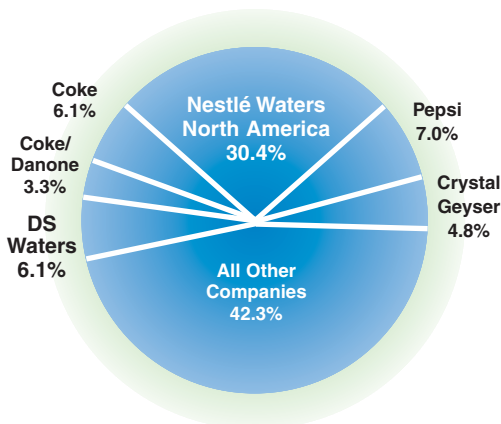
Our Business

Nestlé Waters North America is unique in the bottled water industry because of its comprehensive water portfolio. As the industry leader, we bring to market a great variety of brands and package sizes.

Sales.....\$3.846 billion
 U.S. Market.....\$3.567 billion
 Canada Market...\$279 million USD
 U.S. Market Share.....32.4 percent (\$)

Top 6 Companies

Leading U.S. bottled water companies;
 2006 volume share (all channels)



Source: Beverage Marketing Corporation

Employees.....9,000
 Bottling facilities.....23
 Home Delivery customers.....720,000

Water Used by NWNA: 0.001 Percent
 of Total U.S. Renewable Fresh Water
 Annually

Our Brands

Nestlé Waters North America bottles and distributes 15 well-known bottled water brands. Most of these are sold regionally and are leaders in their distribution areas. NWNA's North American brand, Nestlé® Pure Life®, is sold throughout the U.S. and Canada. Non-sparkling water represents more than 90 percent of sales. Each brand has its own distinctive character, water source and story.

From grocery stores, restaurants and convenience stores, to vending machines, concession stands at stadiums and school cafeterias, our brands are widely distributed.

To suit versatile needs, we provide package sizes ranging from single-serve plastic bottles, to one-gallon jugs, to five-gallon containers delivered to people's kitchens and offices.

Bottled Water Customer Profile:

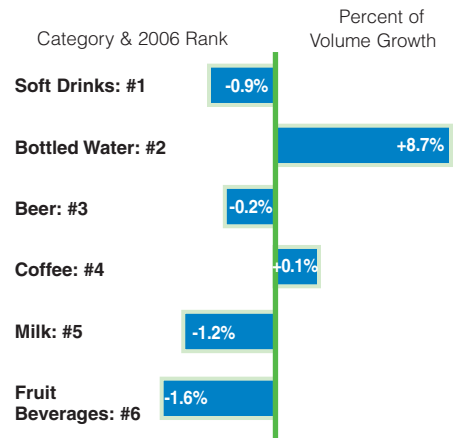
- All Ages
- Active People
- 82 percent of adults, ages 18-59, consume bottled water; 70 percent consume at least one bottle per week.*

Our Industry

Bottled water is a simple refresher, free of calories and additives. With its convenient packaging, clean taste and reliable quality, bottled water is second only to soft drinks in popularity.

- To fully appreciate the growing popularity of bottled water, compare the 2006 sales volume trends of bottled water with other beverage categories:

2006 U.S. Sales Volume Trends**



- In 2006, per capita consumption of bottled water reached 27.6 gallons, growing from only 13 gallons a decade ago. And, it is gaining all the time.**

- Bottled water wholesale dollar sales in 2006 were \$10.9 billion in the U.S., an increase of 8.5 percent. Total volume reached 8.25 billion gallons.**

- Packaged in single-serve PET containers, bottled water is convenient and a favorite alternative beverage. In 2006, PET accounted for 64.1 percent of bottled water sales and for almost two-thirds of industry revenue.

*Source: FRC Research, an Internet survey of 7,622 adults across the U.S., February to August 2005 (margin of error +/- 1.3%).

**Source: Beverage Marketing Corporation

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Revised: 7/07, for 2006 results

