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CONTACT: DEBORAH MUCHMORE  
517-372-4400

**Oral Arguments Heard Today by Michigan Court of Appeals in  
Water Bottling Case**

*Ice Mountain water bottling operations comply with Michigan laws and permit requirements; water use is safe, responsible*

STANWOOD, MICH. (June 14, 2005) — Nestle Waters North America today presented legal arguments before the Michigan Court of Appeals in the appeal of a 2003 Mecosta Circuit Court ruling that would have deprived the company of the right to use wells that draw water supplies for the company's Ice Mountain water bottling facility near Big Rapids, Michigan. Nestle Waters said Ice Mountain's relatively small use of water complies with Michigan water use laws and is safe for the environment, local ecologies and surrounding water users.

"We are confident that our legal position in this case is correct and consistent with longstanding Michigan law," said Michael Haines, an attorney for Nestle Waters with the law firm of Mika Meyers Beckett and Jones. "We have always believed that Ice Mountain has operated in complete compliance with all Michigan laws and well within permit requirements."

The Mecosta Court ruled against Nestle Waters in November 2003, saying that the company had not obtained necessary permits required by Michigan to protect inland lakes and streams, although the company had, in fact, complied with all permit requirements in effect at the time. The Court ignored decades of general water use law relied upon by Michigan and most states that balances the use of water by society with environmental protection and rights of others to its use.

Nestle Waters filed its appeal of the ruling in the spring of 2004. A number of Michigan water use and conservation interests, including the National Wildlife Federation, the Michigan Water Environment Association and the Michigan Chamber of Commerce, have joined the appeal, filing "Friend of the Court" briefs with the Court of Appeals. Conservation and environmental organizations claim Ice Mountain's water resource

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protection program is a good example of how Michigan water users ought to operate. Business groups are concerned the Mecosta Court ruling, if upheld, would signal that that state's water resources are off limits for employers and manufacturers that need water to produce a wide range of Michigan-made products, ranging from food and beverage products to pharmaceuticals and automobiles.

Nestle Waters applied for and obtained from the Michigan Department of Environmental Quality (MDEQ) all permits required of water bottling operations in Michigan. Currently, there are more than 20 water bottlers operating in the state.

"Every step of the way in developing the Ice Mountain operations, we consulted with regulators to determine exactly the permits required to operate legally and appropriately," said Haines. "We believe Ice Mountain has operated in lockstep with its permits, and in many ways, has demonstrated its commitment to environmental stewardship and responsible resource management."

Ice Mountain continues to operate at reduced water use amounts under a stay order from the Court of Appeals while legal proceedings continue. The company employs nearly 160 people at its Stanwood facility, with a \$9.5 annual payroll.

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