



**Statement Regarding Work at Cal Cedar Site, McCloud
January 19, 2005**

Nestlé Waters North America (NWNA) was just notified by Cal Cedar Products Company that in the coming weeks and months they will begin work on moving out large milling equipment from the site located on Mill Road in McCloud. Cal Cedar still owns the property and all buildings associated with it.

In accordance with our commitment to keep the community informed, NWNA wanted to let community members in McCloud know that you will begin to see more activity and equipment movement as Cal Cedar begins removal of this equipment from their property.

We have been informed by Cal Cedar that, in an effort to get the equipment out of a building on the site, they will need to remove one or more walls from one of the buildings located on the property. The building is referred to as the Sawmill building which is north of the large Crane shed.

NWNA still holds an option to buy the Cal Cedar property and will continue that option until the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) reviews are completed and NWNA can move forward with plans to build a factory on the site for the purpose of bottling Arrowhead Mountain Spring Water.

Should you have any questions please feel free to contact NWNA's McCloud Project Manager, Dave Palais at 530-223-4430.

Thank you.