



**FOR IMMEDIATE RELEASE**

## **Birch Hill Equity Partners Acquire the Leading Large Format Bottled Water Company in Canada**

(Toronto, August 22, 2006) Birch Hill Equity Partners Inc. announces that it has acquired Danone Waters of Canada (“DWOC”) from Groupe Danone. DWOC was the leading distributor and manufacturer of large format bottled water in Canada, under the Canadian Springs and Labrador Source banners.

The Company will now be called Aquaterra Corporation Ltd. and it will retain the Canadian Springs and Labrador Source brands. Aquaterra provides direct delivery of 18.5 L returnable and small format bottled water to over 177,000 customers in Canada through retail, office and home delivery channels. The Company also provides additional services such as water cooler rental, sales and cleaning, and services such as point of use water filtration systems.

Birch Hill is partnering with Richard Stephens who will be the CEO of Aquaterra. Mr. Stephens has over 20 years of successful management experience in the bottled water industry in both Canada and the U.K. “The combination of the strong market position of Aquaterra with the proven management experience of Richard Stephens is a compelling investment proposition for us,” said David Samuel of Birch Hill.

Mr. Stephens said, “I chose Birch Hill because I believed that they would provide more than just capital to the success of Aquaterra. In fact, after working closely with the Birch Hill team throughout the acquisition process, I am more confident than ever in the success of our partnership.”

Birch Hill Equity Partners Inc. invests in leading Canadian middle-market businesses. This investment is the fourth in its \$850 million fund, Birch Hill Equity Partners III, LP. The 23 member team at Birch Hill has many years of experience working together as an active partner with top management teams in building long term value.

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