**Sent:** Friday, February 06, 2004 1:54 PM

Subject: WATER TREATMENT SYSTEMS HAMMERING BOTTLED WATER

Dear Aquathin Dealer OnLine;

You've read in previous emails, that Aquathin (and many of you) enjoyed a record 2003. You will appreciate the article below regarding the accelerated growth of residential systems over bottled water usage.

Last week I read an article where bottled water producers are fighting over marketshare and slashing margins turning bottled water into a commodity. They think they are cannibalizing each other...and not understanding the in-roads our industry is making, from the fact that we pay attention to what the Customer wants...and **No One Does It Better Than You.** The Customer wants two parts hydrogen, one part oxygen and no parts anything else!

I love my Aquathin!

Warmest regards to all...as well, your comments are always welcome and very much appreciated.

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"Alfie" Alfred J. Lipshultz, President

P.S. "Splash NewsBulletins", "Forum Q & A", "Allergic Reaction", Biz Bank, Tech Bank and Quote Bank... <u>ARE ALL FREE</u> services to all Authorized Aquathin Dealers and their clients to keep you abreast of technology updates and industry news.

Market Updates - 2/5/2004 12:23:32 PM

## Filtered water takes on bottled water

PITTSBURGH — While both segments are growing, the oncedominant bottled water group has lost market share to filtered water systems, the *Pittsburgh Tribune-Review* reported. Filtered water systems are growing faster in homes and offices where consumers want an alternate drinking source, experts said in the article.

Demand for filtered water service is growing about 7 percent a year, with sales in 2002 reaching \$1.5 billion, the paper reported. Total sales of bottled water delivered to homes and businesses was around \$1.7 billion in 2002, but only grew about 1 percent from the previous year. 2003 figures aren't yet available.

Water supply companies, many of whom own stakes in both segments, told the paper that there's enough business for both markets.