SUPERIOR COURT OF QUEBEC
(COMMERCIAL DIVISION)
DISTRICT OF MONTREAL

COURT FILE NO. 500-11-022700-047

AMENDED PLAN OF ARRANGEMENT

OF

9161-5849 QUÉBEC INC. (formerly known as EAUX VIVES HARRICANA INC.)

AND

41902 DELAWARE INC. (formerly known as EVH U.S.A. INC.)

AND

9161-5286 QUÉBEC INC. (formerly known as LES SOURCES PÉRIGNY INC.)

PURSUANT TO

THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

(R.S.C. 1985 c.C-36)

TABLE OF CONTENTS

Each of the undersigned Applicants 9161-5849 Québec Inc. (formerly known as Eaux Vives Harricana Inc.), 41902 Delaware Inc. (formerly known as EVH U.S.A. Inc.) and 9161-5286 Québec Inc. (formerly know as Les Sources Périgny Inc.) hereby respectfully submits the following plan of arrangement pursuant to the *Companies' Creditors Arrangement Act* (Canada).

INTRODUCTION[1]

The Applicants availed themselves of the relieves and remedies provided by the CCAA, which ultimately allowed the sale of their assets as an operating unit, avoided a forced liquidation scenario and as such obtained a better value for all their Creditors.

The purpose of this Plan is to effect a compromise and arrangement between the Applicants and their Creditors with respect to all the debts and obligations of the Applicants.

As explained more fully below, the proposed Plan provides, further to the liquidation of the Applicants' assets, for the creation of a fund which, once the Secured Claims, the Crown's Claims, the Unaffected Claims, the DIP Loan and various expenses relating to the CCAA process have been paid, will be distributed to the Applicants' Unsecured Creditors. As more fully explained below, Parmalat Holdings Limited and 2975483 Canada Inc. will participate to the Plan as Unsecured Creditors.

Pursuant to the Plan, the Unsecured Creditors will receive full payment of the first $1,000 of their Claim and the balance of the Distribution Fund will be distributed between the Unsecured Creditors until the Distribution Fund has been exhausted, the whole in accordance with subsection 6.3.2 hereinafter.

SECTION 1

INTERPRETATION

1.1 DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings specified or referenced below unless otherwise expressly indicated herein or unless the context requires otherwise:

"**Accepted Claim For Voting Purposes**" means the Claim of a Creditor which is accepted for voting purposes as provided for in Sections 4 and 5 hereof;

"**Administration Charge**" has the meaning ascribed to such term in the Initial Order and/or any other Order;

"**Applicants**" means EVH, EVH U.S.A. and Périgny, or any of them, as the case may be;

"**Bar Date**" means 5:00 p.m. (Eastern Time) on July 30, 2004, which date has been determined by the Claim Process Order;

"***BIA***" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as from time to time amended;

---

[1] This Introduction is for information purposes only and is not part of the Plan.

"**Business Day**" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Montreal, Quebec;

"***CCAA***" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as from time to time amended;

"**Claim**" means any right of any Person against the Applicants or any of them in connection with any indebtedness, liability or obligation of any kind, in existence at the Determination Date and any interest then accrued thereon, whether or not such indebtedness, liability or obligation is reduced to judgment, or is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future based in whole or in part on facts which existed prior to or at the Determination Date. Without limitation, a Claim shall include any (i) Secured Claims, (ii) Crown's Claims, (iii) Unsecured Claims, or (iv) any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Determination Date. A Claim does not include an Unaffected Claim. A Claim shall not include any interest from and after the Determination Date, or any costs, except as expressly provided for in this Plan.

"**Claim Process Order**" means the Order rendered by the Honourable François Rolland J.S.C. (as he then was) on June 8, 2004, as may be amended;

"**Class**" shall have the meaning ascribed thereto at Section 4.1 hereof;

"**Closing Date**" means September 15, 2005;

"**Court**" means the Superior Court of Quebec (Commercial Division), District of Montreal;

"**Creditor**" means any Person having a Claim or an Unaffected Claim and may, if the context requires, mean an assignee of a Claim or a trustee, receiver, receiver manager or other Person acting on behalf of such Person. A Creditor includes a Creditor of Repudiated Contract;

"**Creditor of Repudiated Contract**" means a person with a Claim which results from a Repudiated Contract but only in respect of the portion of its Claim which result from a Repudiated Contract;

"**Crown's Claims**" means all amounts (including interests and penalties) owing to Her Majesty the Queen in right of Canada or a Province of Canada which are referred to in Subsections 18.2(1) and 18.3(2) of the *CCAA* (including amounts subject to Subsection 224(1.2) of the *Income Tax Act* (Canada) or under any substantially similar provision of provincial legislation) that were in existence on the Determination Date and remain outstanding;

"**Crown's Creditor**" means a Creditor having a Crown's Claim, but only in respect of the portion of its Claim which is a Crown's Claim;

"**Deposit**" shall have the meaning ascribed thereto at Section 2 hereof;

"**Determination Date**" means March 19, 2004, being the date of the Initial Order;

"**DIP Credit Agreement**" shall have the meaning ascribed thereto at Section 2 hereof;

"**DIP Charge**" has the meaning ascribed to such term in the Order rendered by the Honourable François Rolland J.S.C. (as he then was) on June 15, 2004, the Sale Order and/or any other Order;

"**DIP Lender**" means Royal Bank Asset Based Finance, a division of Royal Bank of Canada;

"**DIP Loan**" means the loan made by virtue of the DIP Credit Agreement, together with any amount payable pursuant to the DIP Credit Agreement;

"**Directors' Charge**" means all matters falling within the ambit of the "Directors' Charge" pursuant to the Initial Order and/or any other Order;

"**Distribution**" means a payment made in accordance with the Plan;

"**Distribution Fund**" shall have the meaning ascribed thereto at Section 3.1 hereof;

"**Effective Date**" means the first Business Day following the date at which all the conditions that must be fulfilled for the Plan to be implemented (as described in Section 9.10 hereof) are properly fulfilled or waived in writing by its beneficiary;

"**EVH**" means 9161-5849 Québec Inc. (formerly known as Eaux Vives Harricana Inc.);

"**EVH U.S.A.**" means 41902 Delaware Inc. (formerly known as EVH U.S.A. Inc.);

"***GAAP***" shall have the meaning ascribed thereto at Section 1.2 hereof;

"**Initial Order**" means the Order rendered by the Honourable François Rolland J.S.C. (as he then was) dated March 19, 2004, pursuant to which the Applicants were provided protection under the *CCAA*, as amended and extended;

"**Interim Period**" means the period from and including the Determination Date until the Effective Date;

"**Meeting of Creditors**" means the Creditors' meeting called for the purposes of considering and voting upon the Plan, or any subsequent such meeting;

"**Monitor**" means RSM Richter Inc. (formerly known as Richter & Associés Inc.) through Mr. Yves Vincent FCA, CIRP, and any successor thereto appointed in accordance with the Initial Order or any other Order;

"**Morgan Stanley**" shall have the meaning ascribed thereto at Section 2 hereof;

"**Order**" means any order of the Court in the present proceedings in the Court file No. 500-11-022700-047;

"**Périgny**" means 9161-5286 Québec Inc. (formerly known as Les Sources Périgny Inc.);

"**Person**" means any individual, partnership, joint venture, entity, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

"**Plan**" means the present plan of arrangement, as may be modified or amended as provided in Section 9.6 hereof;

"**Proof of Claim**" means a proof of claim form filed by a Creditor in accordance with the Claim Process Order or any Order of the Court;

"**Proceeds**" shall have the meaning ascribed thereto at Section 2 hereof;

"**Proven Claim**" means the amount and status of a Claim of a Creditor as determined in accordance with the procedure described herein;

"**Purchaser**" shall have the meaning ascribed thereto at Section 2 hereof;

"**Purchase Agreement**" shall have the meaning ascribed thereto at Section 2 hereof;

"**Remaining Assets**" means all remaining assets of the Applicants, as of the date hereof, not sold to the Purchaser pursuant to the Purchase Agreement, including without limitation, all cash and bank accounts (including any remaining portion of the Deposit), moneys and receivables of any kind and nature presently owed or which shall in the future become owing or payable to the Applicants, including, without limitation, any and all tax credit receivables, tax refunds and otherwise. The shares held by EVH in the share capital of each of Périgny and EVH U.S.A. are not part of the Remaining Assets;

"**Representatives**" shall have the meaning ascribed thereto at Section 8 hereof.

"**Repudiated Contract**" means an agreement or contract of any nature whatsoever, whether verbal or written (including but not limited to a contract of employment), to which any of the Applicants is a party and which has been terminated, repudiated, resiliated, cancelled, amended or withdrawn by any of the Applicants as per the terms of the Initial Order as amended and extended;

"**Sale Order**" means the Order rendered on July 29, 2005 by Mr. Chief Justice François Rolland approving the transaction contemplated in the Purchase Agreement and rendering various other remedies;

"**Sanction Order**" means the Order to be made pursuant to the *CCAA* sanctioning the Plan, (subject to Section 9.6 hereof), provided that such Order shall not be the Sanction Order until: (i) the expiry of the applicable appeal period without any appeal having been instituted; or (ii) in the event of an appeal or application for leave to appeal, final determination by the applicable appellate tribunal sanctioning the Plan;

"**Secured Claim**" means a Claim (including interests) which payment is guaranteed by a Security or which is based on a Security. For purposes of clarity, a Claim secured by the DIP Loan, the Administration Charge and the Directors' Charge shall not be considered as a Secured Claim. For purposes of clarity, a Crown's Claim shall not be considered as a Secured Claim. Moreover, should a portion of a Secured Claim be, in the opinion of the Monitor, in excess of the value at the date of this Plan of the assets charged or affected by such Secured Claim, said portion shall be considered as an Unsecured Claim and shall be governed by this Plan. Any Claim or demand that may result from the termination of any agreement entered into with any Secured Creditor shall be considered as an Unsecured Claim;

"**Secured Creditor**" means a Creditor having a Secured Claim, but only in respect of the portion of its Claim which is a Secured Claim;

"**Security**" means a valid and enforceable hypothec, mortgage, prior claim, pledge, charge, lien or other security interest on or against the property of the Applicants or any part thereof as security for a debt due or accruing due from the Applicant. For the purpose of clarity, a reservation of ownership does not constitute a Security;

"**Unaffected Claim**" means a claim resulting from an Unaffected Obligation;

"**Unaffected Creditor**" means a Creditor having an Unaffected Claim but only in respect of this Unaffected Claim and to the extent that this Plan does not otherwise affect said Claim;

"**Unaffected Obligation**" means any right of any Person against the Applicants or any of them in connection with any indebtedness, liability or obligation of any kind which came into existence during the Interim Period and any interest thereon, including any obligation of the Applicants toward Creditors who

have supplied or shall supply services, utilities, goods or materials or who have or shall have advanced funds to the Applicants during the Interim Period, but only to the extent of their claims in respect of the supply of such services, utilities, goods, materials or funds during the Interim Period and to the extent that the said claims are not otherwise affected by this Plan. An Unaffected Obligation shall, without limiting the generality of the foregoing, include a payment to an employees that has been employed by the Applicants after the Determination Date, which payment shall only include any regular pay and holiday pay to which said employee may be entitled during this period;

"**Unsecured Claim**" means a Claim that is not a Secured Claim or a Crown's Claim. Without limitation, Unsecured Claims shall include:

(i) Claims of Secured Creditors in respect of the portion of their Claims which exceeds, in the opinion of the Monitor, the value at the date of this Plan of the assets charged or affected by the Security held, as well as any Claim or demand that may result from the termination of any agreement entered into with any such Secured Creditor;

(ii) Claims of Her Majesty the Queen in right of Canada or a Province of Canada which are not Crown's Claims;

(iii) Claims of Creditors based on any volume, sale or purchase program, volume rebate, or any other like claims;

(iv) any Claim for goods supplied or sold within the thirty (30) day period prior to the Determination Date, or any other Claim of a like nature;

(v) any Claim which results from a Repudiated Contract, as per the terms of Section 5.3 hereof or otherwise;

(vi) any Claim of a Creditor which has a reservation of ownership and which has opted not to take back the sold property; and

(vii) the Claim of Parmalat Holdings Limited and 2975483 Canada Inc., as per Subsection 6.1.4 below (and only for the purpose of this Plan as set out in said Subsection 6.1.4).

"**Unsecured Creditor**" means a Creditor having an Unsecured Claim, but only in respect of the portion of its Claim which is an Unsecured Claim.

1.2 ACCOUNTING TERMS

All accounting terms not otherwise defined herein shall have the meanings ascribed to them, from time to time, in accordance with Canadian generally accepted accounting principles including those prescribed by the Canadian Institute of Chartered Accountants ("***GAAP***").

1.3 CURRENCY

All references herein to currency are to Canadian dollars unless otherwise expressly stipulated herein. If, for the purposes of voting or distribution, an amount denominated in a currency other than Canadian dollars must be converted to Canadian dollars then such amount shall be regarded as having been converted at the noon spot-rate of exchange quoted by the Bank of Canada for exchanging such currency into Canadian dollars at the Determination Date (being 1.3310 for the United States dollar, 0.9951 for the Australian dollar, 1.6329 for the Euro, 0.7859 for the Singapore dollar and 0.01244 for the Japanese yen).

1.4 INTERPRETATION NOT AFFECTED BY HEADINGS

The division of this Plan into Sections, sections, subsections, clauses and paragraphs and the insertion of an introduction as well as of a table of contents and headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan.

1.5 DATE OF ANY ACTION

In the event that any date on which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on the immediately next following Business Day.

1.6 TIME

All times expressed herein make reference to local time in Montreal, Québec, Canada unless otherwise stipulated.

1.7 NUMBERS AND GENDER

In this Plan, where the context requires, words importing the singular number shall include the plural and *vice versa* and words importing one gender shall include all genders.

1.8 STATUTORY REFERENCES

Reference in this Plan to any statute shall include all regulations made or adopted thereunder, all amendments to such statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation.

1.9 SUCCESSORS AND ASSIGNS

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assignees of any Person named or referred to herein.

SECTION 2

BACKGROUND

The Applicants

9161-5849 Québec Inc. (formerly known as EVH) is a company duly constituted in 1997 under the laws of Québec in order to source, bottle and distribute natural spring water from a pristine source located in Northern Quebec, in Saint-Mathieu-d'Harricana. The source of the water is an "Esker", a rare geological formation that produces spring water of exceptional quality through its natural filtration process.

41902 Delaware Inc. (formerly known as EVH U.S.A.) is a legal person duly constituted under the laws of Delaware, United States. EVH U.S.A. acted solely as a marketing, sales and distributing agent for EVH and had no customers other than EVH. As such, EVH U.S.A. is dependent upon EVH and cannot be dissociated therefrom, which explains the present joint Plan.

9161-5286 Québec Inc. (formerly known as Périgny) is a legal person duly constituted under the laws of Québec. Périgny is a wholly-owned subsidiary of EVH. While Périgny is a distinct legal entity from EVH, its assets and liabilities cannot be disassociated from EVH, which explains the present joint Plan.

History

In 2002, following extensive testing and development work, EVH proceeded to construct a bottling, warehousing and distribution facility. EVH invested almost Sixty Million dollars ($60,000,000) in order to build a facility considered to be "state of the art" within the beverage industry. While only operating a single shift in its initial operations, EVH employed over Sixty (60) people locally. It was anticipated that as volume increased, EVH would eventually move to a "three shift" operation, employing One Hundred and Fifty (150) to Two Hundred (200) people.

EVH introduced its bottled water, "ESKER" into select markets in Canada and southwest United States late in 2002. Significant investments were made by EVH in research, marketing, advertising and trade allowances during the first year of ESKER's launch. By late 2003, ESKER was beginning to develop a stable and growing loyal user group. EVH was revising its operating plan for 2004, incorporating test-market learning and modifying to optimize competitiveness within the bottled water category. EVH's intention was to further expand the launch into northeast United States and to launch nationally in Canada.

The CCAA Filing

In 2004, EVH was still anticipated to be in a development stage. It was not yet profitable, requiring ongoing investment to fund working capital as well as interest on loans. As EVH, at such time, was no longer able to meet its liability generally as they became due, EVH management and ownership began exploring financing alternatives. It was determined that the best alternative for current owners, employees, creditors and other interested parties was to seek the issuance of the Initial Order.

On March 19, 2004, the Court granted the Initial Order pursuant to the terms therein set forth, as contained in the record of the Court. On June 1st, 2004, the remedies and relieves contained in the Initial Order were extended to Périgny, with retroactive effect. The Initial Order has been amended and extended on various occasions and remains in force.

Further to the filing of the Initial Order, EVH liquidated all inventory in its possession and receivables were collected in respect of the same. Given, *inter alia*: (i) the limited revenues generated from the sale of the remaining inventory and the collection of the residual accounts receivable; and (ii) the fact that EVH had ceased to operate, additional funds became necessary.

On June 10, 2004, EVH, Perigny and the DIP Lender executed the DIP Credit Agreement providing for an advance of up to $3,578,000. On June 15, 2004, the Honourable François Rolland J.S.C. (as he then was) rendered an Order approving the DIP Credit Agreement and creating the DIP Charge.

Between the approval of the DIP Credit Agreement on June 10, 2004 and the Sale Closing in August 2005, EVH used the DIP Financing provided by the DIP Lender to finance its funding requirements.

Initial Marketing Process

After having explored their options, the Applicants determined that it was in the best interests of their creditors to sell their assets. The Applicants therefore commenced a sale process with the assistance of Scotia Capital ("**Scotia**").

The possibility of the purchase of assets of EVH was discussed with over sixty (60) prospective parties, including North American beverage companies, bottled water companies, bottled water industry participants, financial buyers, distressed asset purchasers and liquidators.

Between April 6, 2004 and June 16, 2004 in excess of 30 parties received information packages from Scotia. During that period, 14 parties executed confidentiality agreements. Out of such 14 parties, 9 visited

the data room established for the sale process, in order to examine the books, records and other documents regarding the Applicants therein contained, and 7 such parties conducted site visits of EVH's plant.

A total of 4 formal offers were received through the process.

Further to the receipt of the offers and pursuant to the recommendation of Scotia, the Applicants entertained discussions with the offeror it felt would provide the best purchase price.

On July 30, 2004, the said offeror submitted a revised offer to EVH which was accepted by it (the "**July 30 Offer**").

Unexpected problems were encountered after the acceptance of the July 30 Offer. Despite a demand letter and further communications, the offeror did not comply with its obligations pursuant to the Offer, and the Applicants had no choice but to terminate the negotiations with the offeror and to pursue other options.

Second Marketing Process

As a result of the failure to close the contemplated sale transaction, throughout the months of October and November 2004, Scotia and EVH re-established communications with all those parties that had been identified as potential buyers.

After having examined the alternatives available and due to the fact that interested parties had manifested their interest to acquire the Applicants' assets, the Applicants decided, in collaboration with the Monitor and Scotia, to launch a new sale process and, as such, to canvass, once again, the market in order to attempt to complete a sale transaction.

Pursuant to such new marketing process, the delay within which offers were to be filed was set to November 30, 2004.

During the months of October and November, in excess of 14 parties received an updated information package and/or were contacted by either the Applicants, Scotia or the Monitor. Moreover, representatives of Scotia, the Applicants and the Monitor had discussions with various potential bidders.

On November 30, 2004, offers and letters of interest were received from five (5) parties, but none of them contained terms and/or a purchase price that were acceptable. However, the Monitor, Scotia and EVH continued to entertain discussions with three (3) different parties.

Extension of the Marketing Process

The initial intention of the Monitor, EVH and Scotia was to make a final decision regarding the offers received by December 20, 2004. However, in the interests of fairness to the parties remaining in the process and with a view of concluding a transaction, it appeared that it would be beneficial to pursue such discussions through January 2005. The interested parties were advised by a letter sent on December 22, 2004 that it was the Monitor's intention to deal with those offerors who would submit an acceptable offer in form and substance by January 21, 2005.

A total of four (4) offerors and two (2) letters of interest were submitted to the Monitor on or before January 21, 2005.

Quebec Water Inc.'s Offer

Among the offers received on January 21, 2005 an Offer was received from a Delaware Corporation, Quebec Waters Inc. ("**Quebec Waters**").

After having reviewed the offers, the Monitor and EVH, with the assistance of Scotia, came to the conclusion that the offer presented by Quebec Waters was the best offer. Furthermore, the purchase price offered by Quebec Waters was greater than that provided for in any other offer received.

On January 21, 2005, EVH accepted the offer submitted by Quebec Waters, (as amended and improved further to its original submission, the "**Quebec Waters Offer**").

On February 23, 2005, the Court approved the sale of the Applicants' assets to Quebec Waters.

Pursuant to the Quebec Waters Offer, a sum of $1,000,000 was to be deposited with the Monitor upon the satisfaction of certain conditions set forth therein (the "**Deposit**"). This Deposit was received on March 21, 2005.

The Applicants and the Monitor made arrangements for closing, ultimately scheduled for May 4, 2005. Closing documents and agreements were circulated and agreed upon.

On May 4, 2005, a representative of Quebec Waters arrived at the time and place scheduled for closing. He indicated that no funds were available and that closing would not occur. As a result, the Deposit was confiscated. Quebec Waters did not contest the confiscation of the Deposit.

Further to the default of Quebec Waters under its obligations in the Quebec Waters Offer and the confiscation of the deposit the Court rendered on May 27 2005 an Order which, among other things (a) acknowledged the default of Quebec Waters and its failure to complete the transaction contemplated in the its offer; (b) declared that as a result of Quebec Waters' default, the conclusions contained in the February 23, 2005 Order of the Court ordering the Applicants and the Monitor to complete the transaction contemplated in the Offer were of no effect; and (c) declared that such foregoing orders do not affect the Applicants' rights and recourses against Quebec Waters or any other person as a result of Quebec Waters' default, including with respect to the confiscation of the Deposit.

Eaux Vives Water Bottling Corp.'s Offer

Since the termination of the agreement with Quebec Waters as a result of Quebec Waters' default, the Applicants assessed their alternatives.

Following the failed attempt to close the Quebec Waters transaction, the Applicants (directly and through counsel and the Monitor) received an expression of interest from Morgan Stanley & Co. ("**Morgan Stanley**"), a well-known and respected financial institution in the United States and Canada.

On May 25, 2005, the Monitor received from Morgan Stanley (on its behalf or on behalf of a nominee to be selected by it) a signed expression of interest indicating they were "highly interested" in acquiring the Applicants' assets.

Further to various discussions with the Applicants and the Monitor on May 26, 2005, Morgan Stanley sent to the Monitor a revised expression of interest with certain improved terms and provisions (the "**EOI**").

In view of several facts such as the content of the EOI, previous canvassings, offers received in the past, the emergency to close a transaction and the existence of indebtedness owing to the DIP Lender, the Applicants and the Monitor concluded that it was not appropriate to explore further options in order to attempt to complete a transaction and that a new sale process to canvass the market once again would not provide a better outcome than the EOI.

After having reviewed the terms and provisions contained in the EOI, the Applicants and the Monitor concluded that it was advantageous and in the best interest of all of the Applicants' creditors. In addition to the purchase price and terms contained in the EOI, one of the important considerations of the Applicant and

the Monitor was based on the understanding that Morgan Stanley would be able to close the transaction within a short timeframe and that the requisite funds were available.

As a result of the foregoing considerations, the Monitor, on behalf of the Applicants, accepted the EOI on May 27, 2005, subject to the approval of the Court.

Scotia did not participate in the matters leading up to the receipt by EVH of the EOI or in any of the discussions related thereto or subsequent thereto.

On July 15, the Applicants and Eaux Vives Water Bottling Corp., an entity affiliated with Morgan Stanley and selected by Morgan Stanley as its nominee for the transactions (the "**Purchaser**"), entered into an asset purchase agreement pursuant to which the Applicants agreed to sell all of their assets (save for some excluded assets) to the Purchaser, the whole on the terms and conditions more fully therein set forth (collectively with any amendments thereto agreed to between the parties, the "**Purchase Agreement**"). The contemplated transaction provided for a cash payment of $18,000,000 (the "**Proceeds**").

On July 29, 2005 the Court approved the transaction as contemplated in the Purchase Agreement (the "**Sale Order**").

On August 25, 2005, further to the accomplishment of all the conditions contemplated in the Purchase Agreement, the Applicants and the Purchaser completed the transactions of purchase and sale pursuant thereto. The entirety of the Proceeds was received by counsel to the Applicants to be disbursed to the Monitor upon the registration of all deeds and other instruments evidencing the said transactions. Accordingly, on September 15, 2005, the entirety of the Proceeds was transferred to the Monitor.

The Proceeds received pursuant to the execution of the Purchase Agreement are substantially higher than the realisation that would have been obtained through the forced liquidation of EVH assets on an individual basis.

Pursuant to the Sale Order, the Monitor was required to use the Proceeds to reimburse the DIP Credit Agreement upon the consummation of transactions related to the Offer. As a result thereof, on September 16, 2005, the DIP Lender was fully repaid, out of the Proceeds, in principal, interest and fees in an aggregate amount of $2,848,716.60. Furthermore, pursuant to the Sale Order, the Monitor reimbursed the amount then covered by the Administration Charge, as well as any and all outstanding Municipal and School taxes due and unpaid for the period up to and including the Closing Date.

SECTION 3

PURPOSE AND EFFECT OF THE PLAN

3.1 PURPOSE

The Applicants availed themselves of the relieves and remedies provided by the CCAA, which ultimately allowed the sale of their assets as an operating unit, avoided a forced liquidation scenario and as such obtain a better value for all their Creditors.

The purpose of this Plan is to effect a compromise and arrangement between the Applicants and their Creditors with respect to all the debts and obligations of the Applicants. In accordance with the Initial Order, the Sale Order, any other Order and the terms herein set forth, a fund will be constituted from:

a) the Proceeds; and

b) the Remaining Assets and the proceeds resulting from the liquidation of the Remaining Assets;

less

a) the amounts paid in virtue of Section 6.10 hereof as well as any other amounts covered by the Administration Charge and any amounts covered by the Directors' Charge;

b) any other amount the Monitor and the Applicant deem required for the completion of the CCAA process, including (without limitation) any amount that will be required in the future to pay the expenses referred to in Section 6.10 hereof;

c) the amount paid in reimbursement of the DIP Loan;

d) the amount paid in reimbursement of the Secured Claims, should there be any;

e) the amount paid in reimbursement of the Crown's Claims, should there be any;

f) the amount paid in reimbursement of the Unaffected Claims, should there be any.

(the net result of which will constitute "**Distribution Fund**").

The Distribution Fund will be used to pay the Unsecured Creditors in accordance with the Plan.

For greater certainty, any and all payments to the Creditors shall be made exclusively in accordance with this Plan and only to the extent the Proceeds and the Remaining Assets allow it.

Payments made in accordance with the Plan will provide to the Applicants (and the other beneficiaries enumerated in Section 8 below) the releases provided for in Section 8 below.

3.2 PERSONS AFFECTED

On and after its acceptance by the Creditors and its sanction by the Court, and as per the *CCAA*, this Plan will become effective and shall be binding upon the Applicants and the Creditors.

SECTION 4

CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND PROCEDURAL MATTERS

4.1 CLASSIFICATION OF CREDITORS

The Plan provides for four Classes of Creditors: Secured Creditors, Crown's Creditors, Unsecured Creditors and Unaffected Creditors.

As the Secured Creditors, the Crown's Creditors and the Unaffected Creditors will be paid in full pursuant to the Plan, their approval of the Plan is not required.

For the purposes of considering and voting upon the Plan, the Unsecured Creditors shall, to the extent herein provided, be entitled to vote upon the Plan.

4.2 MEETING OF CREDITORS

A Meeting of Creditors shall be held in accordance with the terms of the present Plan, the Claim Process Order and the applicable law:

4.2.1 Upon filing of the Plan, the Monitor will convene the Meeting of Creditors at a date to be determined by the Monitor and at a place that the Monitor will judge appropriate. The Meeting of Creditors will be convened for the purpose of voting on the Plan, unless the Creditors decide by ordinary resolution (in accordance with the definition of said expression under the *BIA*) to postpone said Meeting;

4.2.2 The notice of convocation will be sent in accordance with Section 7.1.1 of the Plan to all Creditors having filed a Proof of Claim before the Bar Date;

4.2.3 The Meeting of Creditors shall be conducted by the Monitor and all Proofs of Claim shall be delivered in accordance with the provisions of this Plan, the *CCAA*, the Claim Process Order and any other Order which may be rendered in respect of the procedure governing the Meeting of Creditors to be held for purposes of voting on the Plan; and

4.2.4 A representative of the Monitor shall preside as the chair of the Meeting of Creditors and shall decide upon all matters relating to the conduct of such Meeting of Creditors and any question or dispute arising at any meeting, from which any Creditors may appeal such decision to the Court, within five (5) days of the rendering of same. The only Persons entitled to attend the Meeting of Creditors are those Persons, including the holders of proxies, entitled to vote at the Meeting of Creditors and their legal counsel as well as the officers, directors, auditors and legal counsel of the Applicants. The Secured Creditors, Crown's Creditors and Unaffected Creditors shall also be entitled to attend the Meeting of Creditors. Any other Person may be admitted on invitation of the chair of the Meeting of Creditors or with the unanimous consent of the attending Creditors at the Meeting of Creditors;

4.2.5 Any Creditor which does not attend and is not represented by proxy shall be entitled to vote on the Plan by filing with the Monitor before the beginning of the Meeting of Creditors a voting letter expressing his vote, failing which such Creditor shall have no right to vote.

4.3 APPROVAL BY CREDITORS

In order for this Plan to be binding upon the Creditors of the Applicants and the Applicants, in accordance with the *CCAA*, it must first:

4.3.1 be accepted as set forth by the CCAA, being by a majority in number (50% + 1) of the Unsecured Creditors (including Parmalat Holdings Limited and 2975483 Canada Inc.) who actually vote upon the Plan (in person or by proxy) at the Meeting of Creditors, representing two-thirds (2/3) in value of the Accepted Claims for Voting Purposes of the Unsecured Creditors who actually vote upon the Plan (whether in person or by proxy) at the Meeting of Creditors; and

4.3.2 then be sanctioned by the Court in accordance with the *CCAA*.

The only Unsecured Creditors entitled to vote on the Plan are those having filed a Proof of Claim with the Monitor in accordance with the Claim Process Order.

4.4 PROCEDURE FOR VALUING CLAIMS

The procedure for valuing Claims and resolving disputes shall be as set forth at Section 5 hereof and the Initial Order and the Claim Process Order. The Applicants (on their behalf and on behalf of the Monitor)

as well as the Monitor, hereby reserve their right to seek, if required, the assistance of the Court in valuing the Claim of any Creditor to ascertain the result of any vote on the Plan or the amount that is payable, or to be distributed, to such Creditor under this Plan, as the case may be.

4.5 CLAIMS FOR VOTING PURPOSES

4.5.1 Each Creditor having an Unsecured Claim shall be entitled to attend and to vote at the Meeting of Creditors. Each Unsecured Creditor who is entitled to vote shall be entitled to that number of votes at the Meeting of Creditors as is equal to the dollar value of its Unsecured Claim as determined by the Monitor or otherwise by the Court.

4.5.2 Where any Creditor appeals a Notice of Revision or Disallowance (as defined in the Claim Process Order) to the Court, but the Proven Claim has not been finally determined to the date of the Meeting of Creditors, the Monitor, in conjunction with the Applicants, will determine the amount of the Proof of Claim for the purpose of voting. The amount determined by the Monitor, in conjunction with the Applicants, shall be the amount of the Proof of Claim admitted for voting purposes;

4.5.3 If the holder of a Claim or any subsequent holder of the whole of a Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim transfers or assigns the whole of such Claim to another Person, neither the Monitor nor the Applicants shall be obligated to give notice to or to otherwise deal with the transferee or assignee of that Claim as if it was the Creditor in respect thereof, unless and until actual notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, have been received and acknowledged by the Monitor. Thereafter, such transferee or assignee shall for the purpose hereof constitute the Creditor in respect of such Claim. Any such transferee or assignee of a Claim shall be bound by any notices given or steps taken in respect of such Claim prior to receipt and acknowledgement by the Monitor of satisfactory evidence of such transfer or assignment;

4.5.4 If the holder of a Claim (or any subsequent holder of the whole of a Claim who has been acknowledged by the Monitor as the Creditor in respect of such Claim) transfers or assigns the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment. The Monitor and the Applicants shall in each such case not be bound to recognize or acknowledge any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last Holdings such Claim in whole as the Creditor in respect of such Claim. However, such Person may, by notice in writing to the Monitor, direct that subsequent dealings in respect of such Claim (but only as a whole) shall be with a specified Person and in such event, every Creditors, transferee(s) or assignee(s) of the Claim for the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim.

4.6 LOSS OF RIGHT TO PARTICIPATE IN THE PLAN

4.6.1 As stipulated in the Claim Process Order, a Creditor having a Claim (whether an Secured Claim, a Crown's Claim or an Unsecured Claim) (unless dealt with differently at Section 4.6.2 below) that has not filed a Proof of Claim by the Bar Date in accordance with the Claim Process Order:

(a) is not entitled to any further notice;

(b) is not entitled to participate as a Creditor in these proceedings;

(c) is not entitled to vote on any matter in these proceedings, including the Plan;

(d) is barred from receiving any Distribution in respect of such Claim; and

(e) is barred from seeking payment of said Claim;

In any such case, the Applicants have been discharged of said Claim;

4.6.2 As stipulated in the Claim Process Order, any Creditor of Repudiated Contract which has not filed a Proof of Claim in accordance with the Claim Process Order:

(a) shall not be entitled to any further notice; and

(b) shall not be entitled to participate as a Creditor in these proceedings (which, by way of example, includes, but shall not be limited to, the right to vote on the Plan or the right to receive any Distribution pursuant to the Plan) until such time as such Creditor of Repudiated Contract has filed a Proof of Claim, whereupon such Creditor of Repudiated Contract shall be entitled to participate in all steps which remain outstanding in the proceedings as long as such Creditor of Repudiated Contract has filed a Proof of Claim by a date which is the earlier of:

(i) thirty (30) days from the date at which its contract has been repudiated; or

(ii) the Effective Date;

failing which the claim of such Creditor of Repudiated Contract shall be forever barred, prescribed and extinguished. In any such case, the Applicants have been/will be discharged of said Claim.

4.6.3 Further to the acceptance of the Plan by the Creditors and its sanction by the Court, other than in respect of the Applicants' obligations pursuant to this Plan and subject to the fulfilment of such obligations, the Applicants shall be released from all Claims and Unaffected Claims of all Creditors, whether or not a Proof of Claim has been filed, in accordance with the terms of Section 8 below.

SECTION 5

PROCEDURE FOR VALUATION OF CLAIMS

5.1 DETERMINATION OF CLAIMS

As stipulated in the Claim Process Order, Proofs of Claim shall be governed by the following provisions:

5.1.1 The Monitor, with the assistance of the Applicants, shall review all Proofs of Claim filed on or before the Bar Date, and the Monitor, in consultation with the Applicants, shall accept, revise or disallow the amounts and/or terms set out therein for voting and distribution purposes under the Plan;

5.1.2 The Monitor will use reasonable discretion as to the adequacy of compliance in the manner in which a Proof of Claim is completed and executed and may, where it is satisfied a Claim has been adequately proven, waive strict compliance with the requirements of the Claim Process Order as to the form and content of a Proof of Claim;

5.1.3 Any Person who intends to dispute a Notice of Revision or of Disallowance shall make a Motion to the Court, on notice to the Monitor and the Applicants, returnable as soon as reasonably possible but in any event within ten (10) days from service of the Notice of Revision of Disallowance;

5.1.4 Where a Creditor receives a Notice of Revision or of Disallowance and fails to make a Motion to the Court within the time limit provided hereof, the value and status of such Creditor's Claim for

all purposes under the Plan shall be deemed to be as set out in the Notice of Revision or of Disallowance and such value and status, if any, shall constitute such Creditor's Proven Claim;

5.1.5 The Monitor, in conjunction with the Applicants, may consensually resolve and/or settle with any Creditor the amount of its Claim for voting and/or Distribution purposes;

5.2 SET-OFF TO APPLY

The Proven Claim of a Creditor shall be net of: (a) any amount owing by the Creditor to the Applicants (including, without limitation, on account of prompt payment, volume and financial rebates and discounts and other like allowances), the amount of which set-off will be verified in proving the Claim; and (b) damages caused to the Applicants by the Creditors, including as a result of the failure by this Creditor to release goods owned by the Applicants in violation of the Initial Order.

5.3 REPUDIATED CONTRACTS

In accordance with the Initial Order, the Applicants are entitled, upon the sending of a written notice to such effect, to terminate, resiliate and cancel any and all agreements it has entered into. Any Claim or alleged Claim arising from any Repudiated Contracts shall be dealt with as set forth in this Plan.

SECTION 6

TREATMENT OF CREDITORS' CLAIMS AND VOTING

6.1 SECURED CREDITORS

6.1.1 Voting

Secured Creditors are not entitled to vote upon the Plan as their Secured Claim will be paid (out of the Proceeds and the Remaining Assets) in full in accordance with the Plan. Accordingly, the Secured Creditors are deemed to have voted in favour of the Plan.

6.1.2 Treatment of the Secured Creditors' Claims

Each Secured Creditor having filed a Proof of Claim in accordance with the Claim Process Order shall, in full and final satisfaction of its Secured Claim, be paid (out of the Proceeds and the Remaining Assets) an amount equal to its Secured Claim owing and determined to be a Proven Claim, in principal and accrued and unpaid interest determined as at the date of the payment to be made. The Monitor shall pay or cause to be paid in full to the Secured Creditors the amounts referred to in the present Section 6.1.2 against delivery by each such Secured Creditor of a full and complete discharge of all Secured Claims and all Security held by or on behalf of such Secured Creditor.

6.1.3 Effect of Plan Implementation

Further to the payment referred to in this Section 6.1.2, the Secured Claims shall be discharged and the Applicants and any Person that might be responsible in respect of such Secured Claims shall thereupon be forever and irrevocably released from all such Secured Claims in accordance with Section 8 below.

6.1.4 Secured Claim of 2975483 Canada Inc. and Parmalat Holdings Limited

The Sale Order expressly stated that the cancellation of 2975483 Canada Inc.'s hypothecs by effect of the Sale Order did not affect the rights and status of Parmalat Holdings Limited (formerly known as Parmalat Canada Limited) and/or 2975483 Canada Inc. as creditors of EVH (or of any of the Applicants) under this Plan. The Sale Order further declared that any and all rights and security that Parmalat Holdings Limited and/or 2975483 Canada Inc. had or may have had over or in respect of the assets sold to Eaux Vives Water Bottling Corp. shall charge and apply as against the Proceeds.

The Applicants have been informed that 2975483 Canada Inc. and Parmalat Holdings Limited, which have filed a proof of claim as Secured Creditors for an amount of 87,488 942.82 $, are agreeable to be treated as Unsecured Creditors for the purposes of the Plan, conditionally to the Plan being accepted by the Creditors and sanctioned by the Court in its present form. As a result, for the purposes of this Plan (including (without limitation) Subsections 4.2, 4.3 and 6.3), the Claim of 2975483 Canada Inc. and Parmalat Holdings Limited shall be treated as an Unsecured Claim and 2975483 Canada Inc. and Parmalat Holdings Limited shall vote, receive a Distribution and participate to the Plan as Unsecured Creditors. The payment of Parmalat Holdings Limited and 2975483 Canada Inc.'s dividend as Unsecured Creditors is conditional to the delivery by them of a release with respect to any Security held over the Proceeds by them or on their behalf.

Parmalat Holdings Limited and 2975483 Canada Inc. have however expressly reserved all their rights and recourses, including with respect to their charge over the Proceeds, should the Plan not be implemented for any reason whatsoever. The release by 2975483 Canada Inc. and Parmalat Holdings Limited of any Security they may have over the Proceeds is a condition for the implementation of the Plan.

6.2 CROWN'S CREDITORS

6.2.1 Voting

Crown's Creditors are not entitled to vote upon the Plan as their Crown's Claim will be paid (out of the Proceeds and the Remaining Assets) in full in accordance with the Plan. Accordingly, the Crown's Creditors are deemed to have voted in favour of the Plan.

6.2.2 Treatment of Crown's Claims

Each Crown's Creditor having filed a Proof of Claim in accordance with the Claim Process Order shall, in full and final satisfaction of their Crown's Claim, be paid (out of the Proceeds and the Remaining Assets) an amount equal to its Crown Claim determined to be a Proven Claim. The Monitor shall pay or cause to be paid to the Crown the amounts referred to in this Section.

6.2.3 Effect of Plan Implementation

Further to the payment referred to in this Section 6.2, the Crown's Claims shall be discharged and the Applicants and any Person that might be responsible in respect of such Crown's Claims will be forever and irrevocably released from all Crown's Claims in accordance with Section 8 below.

6.3 UNSECURED CREDITORS'

6.3.1 Voting

Each Unsecured Creditor having filed a Proof of Claim in accordance with the Claim Process Order shall be entitled to vote in the Unsecured Creditors' Class to the extent of the amount which is equal to its Unsecured Creditors' Claim which is an Accepted Claim for Voting Purposes.

6.3.2 Treatment of Unsecured Claims

Each Unsecured Creditor having filed a Proof of Claim in accordance with the Claim Process Order shall be entitled to receive, in full and final satisfaction of its Unsecured Claim, out of the Distribution Fund:

(1) with respect for the first $1,000 of their Unsecured Claim determined to be a Proven Claim, the lesser of $1,000 and the amount of the Creditor's Unsecured Claim determined to be a Proven Claim; and

(2) with respect to the portion of their Unsecured Claim determined to be a Proven Claim over $1,000, an amount corresponding to 20% of the balance of the Unsecured Claim determined to be a Proven Claim (net of the amounts paid pursuant to subparagraph (1) above).

In calculating the dividend payable to each Unsecured Creditor pursuant to the present paragraph (2), the amounts paid pursuant to paragraph (1) above shall be deducted from each Unsecured Claim determined to be a Proven Claim. (For example, if a Creditor has an Unsecured Claim determined to be a Proven Claim of $5,000, an amount of $1,000 will be paid in full pursuant to paragraph (1) above and the amount of its Proven Claim for the calculation provided for in the present paragraph (2) will be $4,000).

For purposes of clarity, should this Plan be implemented, 2975483 Canada Inc. and Parmalat Holdings Limited's Proven Claims will be treated as Unsecured Claims pursuant to the Plan and their dividend will be calculated in accordance with the present Subsection 6.3.2. Furthermore, the amount of 2975483 Canada Inc. and Parmalat Holdings Limited's Proven Claims shall be included into the aggregate amount of all Unsecured Claims of Unsecured Creditors determined to be Proven Claims. However, 2975483 Canada Inc. and Parmalat Holdings Limited have agreed to waive a portion of the dividend payable to them pursuant to the Plan in order to allow the other Unsecured Creditors having a Proven Claim to receive the dividend provided for in this subsection 6.3.2.

The Monitor shall pay or cause to be paid to the Unsecured Creditors the amounts referred to in this Section.

6.3.3 Effect of Plan Implementation

Further to the payments referred to in subsection 6.3.2, the Claims of all Unsecured Creditors shall be discharged and the Applicants and any Person that might be responsible in respect of such Unsecured Claims will forever and irrevocably be released from all such Unsecured Claims in accordance with Section 8 below.

6.4 UNAFFECTED CREDITORS

Unaffected Creditors are not entitled to vote upon the Plan as Unaffected Claims will be paid in full (out of the Proceeds and the Remaining Assets) to the Unaffected Creditors in accordance with this Plan. Accordingly, the Unaffected Creditors are deemed to have voted in favour of the Plan.

Further to the payment of the Unaffected Claims, the Applicants and any Person that might be responsible in respect of such Unaffected Obligation shall thereupon be forever and irrevocably released from all Unaffected Claims in accordance with Section 8 below.

6.5 INTEREST

Save as provided for by this Plan, no interest and/or penalty shall accrue or be paid on the Claims of Creditors from and after the Determination Date. Any such interest and/or penalty shall be released in accordance with the present Plan.

6.6 LIMITS AND PRIORITIES

Notwithstanding any provision hereof, payments shall be made as follows: (a) first, the payments provided for in Section 6.10 hereof (as well as any payment the Monitor and the Applicants deem required for the completion of the CCAA Process) shall be made; (b) then the payments provided for in Section 6.1 hereof shall be made; (c) then the payments provided for in Section 6.2 hereof shall be made; (d) then the payments provided for in Sections 6.4 hereof shall be made; (e) finally, the payments provided for in Section 6.3 shall be made until the Distribution Funds has been exhausted. In any event, no payment will be made in excess of the amount of the Proceeds and the Remaining Assets. A payment will only be made to the extent payments ranking in priority have been made in full.

6.7 PROVISIONS WITH RESPECT TO DISPUTED CLAIMS

In the event there is a dispute as to the validity or the amount of a Proof of Claim or an Unaffected Claim or in the event a claim covered by the Directors' Charge is brought, the Monitor shall make any provision it considers appropriate to provide for the payment of the disputed claim in accordance with the Plan.

In the event a provision is taken in accordance with this Plan and the amount of the provision is not used in full, the balance of the provision shall be released and considered as available for distribution in accordance with the Plan.

6.8 INTERIM DIVIDEND

After having made the appropriate provisions and reserves, the Monitor may, at its entire discretion, proceed to the payment of an interim dividend to one or several Class(es) of Creditor(s).

6.9 DIVIDEND OF AN AMOUNT REPRESENTING LESS THAN CDN $10.00

In the event the Monitor pays a dividend (interim or final) in accordance with the Plan and the dividend payable to a Creditor is of less than CDN $10.00, then no amount shall be paid to that Creditor. Any such

amount shall, however, be taken into account in determining the amount of any further dividend payable to that Creditor.

6.10 MONITOR'S FEES AND EXPENSES AND OTHERS

Any and all fees and expenses of the Applicants and Monitor shall be paid currently, prior to any and all payment of any nature, including those referred to in Sections 6.1 to 6.4 hereof. Furthermore, any and all lawyers, consultants, advisors or any like person acting on behalf of the Applicants including those Persons whose claims are designated, pursuant to the Initial Order and/or any other Order, as constituting part of the Administration Charge, as well as any payment contemplated in paragraph 48 of the Initial Order, shall be paid in full, after the Monitor, but prior to any and all payment of any nature, including those referred to in Sections 6.1 to 6.4 hereof.

SECTION 7

POWERS AND OBLIGATIONS

7.1 POWERS AND OBLIGATIONS OF THE MONITOR

As per the terms of the Initial Order, the Claim Process Order, any Orders and in accordance with the Plan, the Monitor is empowered to:

7.1.1 send, by regular mail to all of the Creditors of the Applicants that have filed a Proof of Claim in accordance with the Claim Process Order, a copy of the Plan to be submitted to the Creditors, together with a notice of convocation, a proxy and a letter of votation for the purpose of the Meeting of Creditors which will be held with respect to the Plan to be filed, the whole at least fifteen (15) days prior to said Meeting of Creditors;

7.1.2 administer and adjudicate, in collaboration with the Applicants, any Proof of Claim submitted by any of the Creditors or alleged Creditors of the Applicants;

7.1.3 dismiss or review, in collaboration with the Applicants, any Proof of Claim filed by any Creditor or alleged Creditor of the Applicants, under reserve of the right of such Creditor to appeal to the Court to determine the same in accordance with this Plan within ten (10) days of such notice of disallowance, each Creditor having the burden of establishing its Claim;

7.1.4 file and present to the Court any proceeding, motion or petition, or any other demand, required or appropriate or that it may consider to be appropriate or required with respect to:

7.1.4.1 the affairs of the Applicants;

7.1.4.2 this Plan;

7.1.4.3 the determination of any right of the Applicants or any of their respective Creditors or co-contractors;

7.1.4.4 any advice or instructions it may require or to seek the help of this Court; and

7.1.4.5 any other matter it feels is required or appropriate;

7.1.5 preside over the first Meeting of Creditors and decide any questions or disputes arising at the Meeting, from which such decision any Creditor may appeal to the Court, within five (5) days of the rendering of the same;

7.1.6 proceed to the payment of monies which must be paid to the Creditors of the Applicants in the manner provided for in this Plan;

7.1.7 hire and retain, with the consent of the Applicants, the services of any professional required or desired, including, without limiting the generality of the foregoing, any accountant, lawyer, notary, or other;

7.1.8 delegate, if required or necessary, to any Person duly qualified in the sole opinion of the Monitor and the consent of Applicants, the powers enumerated herein (or any part thereof);

7.1.9 obtain from the Applicants the information which the Monitor considers useful;

7.1.10 execute any deed, contract or agreement or do anything necessary or required in order to give full effect to this Plan;

7.1.11 assist the Applicants in discussions with any of their respective Creditors, co-contractors or any other Person;

7.1.12 assist the Applicants in negotiating and settling Creditors' Claims;

7.1.13 file or oppose any Claim or proceeding filed with respect to any of the assets of the Applicants, the whole with the consent of the Applicants;

7.1.14 certify as a true copy, any copy of any Order;

7.1.15 send notices of a stay of proceedings, as if it were a trustee in bankruptcy, with respect to any proceedings, whether judicial, administrative or otherwise;

7.1.16 with the authorization of the Court, do anything or enter into any agreement whatsoever with a view to protecting the Applicants, their assets, their Creditors or in the best interests of the Applicants or this Plan; and

7.1.17 exercise any and all powers of a trustee in bankruptcy with a view to helping and assisting the Applicants in the filing of this Plan.

SECTION 8

RELEASES

The acceptance of this Plan by the majorities required in accordance herewith and the sanctioning of the Plan by the Court shall automatically, unconditionally and irrevocably confer upon the Applicants and all other Persons hereinafter referred to, the following releases, discharges and waivers from each and every Creditor, immediately upon receipt by each such Creditor of the amount to which it is entitled to receive pursuant to this Plan:

8.1.1 a full and final release and discharge in favour of the Applicants from and by each and every Creditor with respect to every Claim and Unaffected Claim of each such Creditor, and an irrevocable and unconditional waiver by each and every Creditor to exercise any and all personal and/or real rights in respect of their respective Claims and Unaffected Claims;

8.1.2 a full and final release and discharge from and by each and every Creditor with respect to any claim, other than a claim listed at Section 5.1(1) of the CCAA, which they have or may have, directly or indirectly against the Representatives of the Applicants in any way resulting from or relating to any Claim or Unaffected Claim, and an irrevocable and unconditional waiver by each and every Creditor to exercise any and real and/or personal rights in respect of any of the same;

8.1.3 a full and final release and discharge from and by each and every Creditor with respect to any claim (other than those claims contemplated by Sections 8.1.1, 8.1.2 or 8.1.4 hereof) which they have or may have, directly or indirectly, including any claim set forth at Section 5.1(2) of the CCAA, against the Representatives of the Applicants;

8.1.4 a full and final release and discharge from and by each and every Creditor and/or any other Person with respect to any claim they may have, directly or indirectly, against the Applicants or the Monitor or any of their respective Representatives in connection with or in any manner related to, directly or indirectly, the Proceedings, this Plan, the preparation and/or implementation of the same, and/or any contact, instrument, release, agreement or other document or any other action taken or omitted to be taken with respect to any of the foregoing. In all respects, the Applicants and the Monitor and their respective Representatives shall have the unfettered and unqualified right to rely upon legal advice with respect to their rights and obligations under the terms of this Plan; and

8.1.5 as of the Effective Date, the Applicants shall be deemed to have automatically, forever, irrevocably and unconditionally released their Representatives as well as the Monitor and its Representatives from any claim of any nature that may exist, may have existed, or may in the future exist in the context of, in connection with or in any manner related to, directly or indirectly, the Proceedings, this Plan, the preparation and/or implementation of the same, and/or any contact, instrument, release, agreement or other document or any other action taken or omitted to be taken with respect to any of the foregoing.

For the purposes of this Section 8, the term: (a) "**Representative**" of a Person includes any and all past and present directors, officers, shareholders (direct and indirect), related companies (direct and indirect), employees, advisors, lawyers, accountants, mandataries, agents and any other representatives of such Person; and (b) "**Proceedings**" means any and all matters directly or indirectly related to any matters contemplated or having arisen within the context of the CCAA proceedings of the Applicants since the date of the Initial Order until the Effective Date.

SECTION 9

MISCELLANEOUS

9.1 SANCTION ORDER

In the event that this Plan is approved by the required majority of the Unsecured Creditors, the Applicants shall, unless otherwise provided by the Court, then seek the Sanction Order for the sanction and approval of the Plan. Subject to the Sanction Order being granted and to the conditions enumerated in Section 9.10 below being satisfied, this Plan shall be implemented by the Applicants and the Monitor and will be binding upon all the Creditors of the Applicants.

9.2 PARAMOUNTCY

From and after the Sanction Order, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, hypothec, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, by-laws of the Applicant, lease or other agreement or any other instrument, whether written or oral, and any and all amendments or supplements thereto existing between a Creditor and the Applicants as at the date of the Sanction Order will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order, which shall take precedence and priority.

9.3 WAIVER OF DEFAULTS

From and after the Sanction Order, each Creditor shall be deemed to have waived any and all defaults then existing or previously committed by the Applicants in any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, agreement, mortgage, hypothec, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, lease or other agreement or any other instrument, whether written or oral, and any and all amendments or supplements thereto, existing between a Creditor and the Applicants and any and all notices of default and demands for payment under any instrument, including without limitation, any guarantee, shall be deemed to have been irrevocably and forever rescinded.

9.4 COMPROMISE EFFECTIVE FOR ALL PURPOSES

The payment, compromise or other satisfaction of any Claim under the Plan, if sanctioned and approved by the Court shall be binding upon all Creditors and their respective heirs, executors, administrators, successors and assignees, for all purposes and, to such extent, shall also be effective to relieve any third party directly or indirectly liable for such indebtedness, whether as guarantor, indemnitor, tenant, director, joint covenantor, principal or otherwise.

9.5 PARTICIPATION IN DIFFERENT CAPACITIES

Creditors whose Claims are affected by this Plan may be affected in more than one capacity. Each such Creditor shall be entitled to participate hereunder in each such capacity. Any action taken by a Creditor in any one capacity shall not affect the Creditor in any other capacity unless the Creditor agrees in writing or otherwise set forth herein.

9.6 MODIFICATION OF PLAN

The Applicants reserve the right to file any modification of or amendment to the Plan by way of a supplementary or amended plan or plans of arrangement filed with the Court at any time or from time to time prior to the Creditors considering and voting upon the Plan, in which event, any such amended or supplementary plan or plans of arrangement shall, for all purposes, be and be deemed to be, a part of, and incorporated into, the Plan. The Applicants shall give notice by publication or otherwise to all Creditors in an affected Class of the details of any such modifications or amendments prior to the vote being taken to approve the Plan. The Applicants may propose an amendment or modification to the Plan at any Meeting of Creditors. After such Meeting of Creditors, the Applicants may at any time and from time to time vary, amend, modify or supplement the Plan if the Court authorizes the same or determines on notice that such variation, amendment, modification or supplement is of a technical nature that would not be materially prejudicial to the interests of any of the Creditors under the Plan or the Sanction Order and is necessary in order to give effect to the substance of the Plan or the Sanction Order. Finally, the Applicant may, at any time after the Sanction Order, and from time to time, vary, amend, modify or supplement the Plan with a variation, amendment, modification or supplement other than of a technical nature that would not materially prejudice the interest of any of the Creditors, without a Meeting of Creditors provided that the same is sanctioned by the Court. Such approval by the Creditors and by the Court shall be under the same terms as provided for in this Plan. The Applicants may withdraw the Plan at their entire discretion at anytime before the Effective Date.

9.7 CONSENTS, WAIVERS AND AGREEMENT

Upon the rendering of the Sanction Order, each Creditor shall be deemed to have consented and to have agreed to all of the provisions of this Plan in its entirety. In particular but without limitation, each Creditor shall be deemed:

9.7.1 subject to the Applicants having fulfilled their respective obligations under the Plan, to have executed and delivered to the Applicants all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety;

9.7.2 subject to the Applicants having fulfilled their respective obligations under the Plan, to have waived any default by the Applicants in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Applicants that has occurred on or prior to the Effective Date; and

9.7.3 to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Applicants as at the date of the Effective Date (other than those entered into by the Applicants on, or with effect from, the Effective Date) and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

9.8 AGREEMENTS AND TRANSACTION

Any agreement or transaction entered into by the Applicants shall be deemed to have been ratified and approved by the Creditors, and any of the Claims shall be paid and settled exclusively as per the provisions of Section 6 hereof. Neither the Monitor nor any Creditor shall have any right, recourse, action, cause of action or otherwise against the Applicants, their respective assets, directors, officers or against any other Person that may have entered into an agreement with the Applicants, of any nature whatsoever.

9.9 DEEMING PROVISIONS

In this Plan, the deeming provisions are not rebuttable and are forever conclusive and irrevocable.

9.10 CONDITIONS OF IMPLEMENTATION

The implementation of the Plan by the Applicants shall be conditional upon the fulfilment or satisfaction of the execution and delivery, to the entire satisfaction of the Applicants of: (a) all documents and instruments contemplated by the Plan; (b) the acceptance of the Plan by the majorities required as set forth in this Plan; (c) the obtaining of the Sanction Order; and (d) within five (5) days of the obtaining of the Sanction Order, the obtaining of a release (to become effective upon full payment of the amount to which they are entitled pursuant to the Plan) by Parmalat Holdings Limited and 2975483 Canada Inc. of any charge held by them covering the Proceeds (being understood that the Monitor will be entitled, from the Effective Date, to proceed to the Distributions provided for in the Plan).

9.11 NOTICES

Any notices of communications to be made or given hereunder shall be in writing and shall refer to this Plan and may, subject hereto, be made or given by personal delivery, by courier, by prepaid mail or by telecopier addressed to the respective parties as follows:

9.11.1 if to the Applicants:

Davies Ward Phillips & Vineberg
1501 McGill College
26th Floor
Montreal, Québec H3A 3N9

Attention: Denis Ferland
Louis-Martin O'Neill

Tel.: (514) 841-6423
Fax: (514) 841-6499

9.11.2 if to the Monitor:

RSM Richter Inc.
2 Place Alexis-Nihon
Suite 1820
Montreal, Quebec H3Z 3C2

Attention: Yves Vincent, FCA
André Hébert, CA
Tel.: (514) 934-3400
Fax: (514) 934-3504

with a copy to:

Davies Ward Phillips & Vineberg
1501 McGill College
26th Floor
Montreal, Québec H3A 3N9

Attention: Denis Ferland
Louis-Martin O'Neill
Tel.: (514) 841-6423
Fax: (514) 841-6499

9.11.3 if to a Creditor :

to the address for such Creditor specified in the Proof of Claim filed by a Creditor or, if no Proof of Claim has been filed, to such other address at which the notifying party may reasonably believe that the Creditor may be contacted.

IN THE EVENT OF ANY DISCREPANCY BETWEEN THE ENGLISH AND THE FRENCH VERSIONS OF THIS PLAN OF ARRANGEMENT, THE ENGLISH VERSION SHALL IN ALL EVENTS AND FOR ALL MATTERS PREVAIL.

SIGNED IN MONTRÉAL ON THIS 2ND DAY OF FEBRUARY 2006.

per: (S) Tony Cugliari
Tony Cugliari
Duly authorized representative of:
9161-5849 Québec Inc.
41902 Delaware Inc.
9161-5286 Québec Inc.