

Contact:

Amy Logan

(415) 419-5557

amy@amylogan.com

www.imagineh2o.org

NEWS RELEASE

WATER CRISIS INSPIRES NEW PRIZE, INCUBATOR PROGRAM

*New Nonprofit Promotes Competition, Commercial Innovation
to Solve Rapidly Rising Water Problems*

SAN FRANCISCO, May 5, 2009 – The tide of progress in finding sustainable solutions to water problems is rising with the launch of [Imagine H2O](#) and its first innovation challenge, with \$50,000 in prizes for business plans promising the greatest breakthroughs in the efficient use of water.

With financial backing from RBC, the Full Circle Fund, Cooley Godward Kronish LLP and other private foundations, the annual Imagine H2O Prize will inspire solutions by encouraging the competitive and ambitious spirits of entrepreneurs, investors, experts, inventors and academics around the world, while focusing their energies specifically on water issues.

While the cash prize will incent participation, it's only the beginning. "What sets this prize apart is our Incubator Program and 'ecosystem' for water leaders," said Tamin Pechet, Imagine H2O's Chairman and Executive Director, who co-founded the organization at Harvard Business School in 2007. "The winners will also receive thousands of dollars in business and legal support and access to a network of partners, customers and financiers to help bring their ideas to market so they can make a real difference."

Kicking off in early May, Imagine H2O's vision to create opportunities out of crises is being bolstered by support from the San Francisco Public Utilities Commission, the National Water Research Institute, Babson College and Publicis In The West, among others.

"I applaud Imagine H2O for recognizing the importance of water conservation," said San Francisco Mayor Gavin Newsom. "In a state like California, where we are constantly facing drought restrictions, promoting innovation to more efficiently use water is a must."

The competition's inaugural prize will focus on water efficiency in agriculture, commercial, industrial or residential applications, such as water demand reduction, improved water use, water recycling and/or reuse. Entries will be accepted from anyone in the world beginning in

September, and winners will be announced at a showcase event in early 2010. Future years' competitions will have different prize topics addressing other critical water problems.

"Prizes are a unique and powerful tool that can change the public perception of specific issues by signaling their importance and highlighting the need for solutions, which attracts innovators to create those solutions," said Paul Jansen, Director of Knowledge for the Social Sector Practice at McKinsey & Company and a member of Imagine H₂O's Advisory Board.

The Imagine H₂O Prize has already attracted several major supporters. "RBC is proud to be a founding sponsor of this important innovation competition," said Gordon Nixon, President and CEO of RBC, Canada's largest bank and one of North America's leading diversified financial services companies. "Water is *the* problem of the ages, and clearly, there is a role for business in offering innovative solutions to the challenge of improving the efficiency of water usage."

"We're tremendously excited about Imagine H₂O because of the extraordinary potential for leveraged social good," said Josh Becker, Chairman of the [Full Circle Fund](#) that awarded a grant to Imagine H₂O and gave its 2008 Environmental Leadership Award to Pechet. "We see this as an effort that will focus entrepreneurs on the water space and lead to thousands of business plans, hundreds of successful businesses, and a few revolutionary ideas, all aimed at easing this crisis that is just now becoming apparent to all."

Indeed, two-thirds of the world's people may be living in water-stressed conditions by 2025, according to the UN Environment Program. "Few realize the severity and escalation of water problems in the developed world as well as in developing countries," said Pechet. According to the EPA, nearly three-quarters of the states in the US will incur water shortages by 2013.

With minimal awareness of these concerns, "we need a concerted effort to encourage entrepreneurship and innovation," said Pechet. "Water comprises just 0.5% of venture capital investment." But if there has been a market failure around water thus far, Pechet still sees the glass as half full. "The struggle for clean water is the challenge of our time. We're entrepreneurs, so to us, that means it's our greatest opportunity. The Imagine H₂O Prize is our answer."

For more information, please visit www.imagineh2o.org.

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