



Mineral Water Wells



Current Situation

The most valuable commodity in the world today, and likely to remain so for much of this century, is not oil, not natural gas, not even some type of renewable energy. It's water – clean, safe, fresh water.

Bottled water represents the fastest growing segment of the global beverage market. World bottled water market is expected to reach \$65.9 billion by 2012, stimulated by rising population, consumer spending patterns, lifestyle trends, and growing levels of health consciousness, among others. The market is expected to grow rapidly in the coming years due to growing consumer concerns about fitness, water quality and health.

Water, fresh potable water, is rapidly becoming a scarce resource worldwide. Although the majority of the (Western) world has not yet recognised this, many countries in arid regions of the world are already facing the problem of water shortage. And these arid regions are steadily growing.

Business Proposition

First Advisory Group is presenting the following mineral water package in the name of Mr. Herbert Mergener, who is the official mandated seller by the owner families. Mr. Herbert Mergener is a retired naturopath and initiated this very interesting water package over the last 5 years.

Available are 5 mineral water wells which are at two different locations in Spain. The package offers a market leading position in the water industry in both lands Spain and Portugal. The product overflow into other European countries will also guarantee a leading position in the world market. It would also be possible to deliver to countries outside of Europe, such as water poor Middle East, Africa etc., as one plant is strategically located near seaports. The package has in his disposal, after being set up, mineral water wells pouring almost 10 billion litres per year. Selling price for the whole package to include the appertaining land, wells, factories and bottling plants including all licenses is 37,7 million EUR.

The companies are equipped with modern bottling plants and have very engaged and capable staff who are working in the mineral water industry for many years selling the water mainly within the Spanish Peninsula.

The wells are located at strategic points in Central Spain with a total production and extraction permission of yearly 9,9 billion litres, which would allow to export billions of bottles to water poor countries.

All properties are subject to very strict EU laws for mineral water ([download PDF](#)) and fulfil all purity criterias. One of our proposed factor also has the very rare certification of Bureau Veritas on ISO Standard.

Several experts confirmed that the wells have one of the best mineral waters in Europe and the quality is comparable with the French luxury brands "Evian" and "Vittel".

Overview

Location	Number of Wells	Bottling Factory	plot size in hectares	liters per second	for bottling approved and licensed per second	for bottling approved and licensed per year
A	2	yes	0.5	300	300	9.5 billion
B	3	yes	2.4	45	15	460 million
Total	5	–	2.9	345	315	9.96 billion

Investment Highlights

5 Mineral Water Wells at 2 locations within Spain

- The wells are located in middle Spain which guarantees the best logistical service and lowest costs to sell the water within the country
- Major seaport is close to one of the biggest wells, which allows to export the bottled water overseas, which will increase the profit margin immensely

Almost 10 billion liters of finest mineral water per year, approved and licensed for bottling by the Spanish Authorities

- a fast takeover of the operation is guaranteed as all paperwork, approvals, licenses, analyses are in place and valid

Highly attractive margins, fast growth, low risk and limited investment

- The factories are producing and selling bottled mineral water to major local supermarket chains within Spain, based on multi year agreements will guarantee a low risk
- Modern bottling plants in both locations will guarantee a limited investment
- Possibility to export the water to water poor countries such as the Middle East, Africa etc. guarantees attractive selling margins and a fast growth
- Selling Margin approx. 45% based on current prices for Production, Shipment, Endseller Margin and Selling Price

Experienced management with a total commitment to success

- the companies are managed by a professional being in the water industry since more than 18 years knowing the market well. The CEO has exceptional track record and is fully engaged to continue managing the companies as profitable as he did over the last years. The team of about 70 employees are totally engaged to continue the operation under the highest quality and profitability

Low-risk investment

- The asking price of 37,7 million EUR for the whole package is under market niveau. Due to the growing demand of clean drinking water and the water's extraordinary quality, the value of the wells are increasing steadily
- Existing delivery agreements with major, local supermarkets

Financial Overview

Example on Profitability

Production costs per 1,5 liter bottle	9 %
Shipping costs – average – ship to MENA region	6 %
Selling Margin for Distributor/Endseller	40 %
Total costs (Production, Shipping, Selling Margin)	55 %
Profitability/ Margin	45 %

This is one example based on the current production, shipping and selling costs.

Disclaimer

This document is a general, basic overview on an investment opportunity in mineral water wells. The structure of the transaction and investment will be tailored to suit the specific needs of the individual investor.

A detailed information memorandum will be made available to potential interested investors upon signature of a non-disclosure agreement, furthermore, investors will be offered suitable and complete information and documentation to allow the investor to complete standard due diligence checks and procedures before deciding to invest in this project.

This document must further not be considered as advice or recommendation to invest, furthermore, figures, percentages and margins mentioned are estimates, which have been made to the best of our knowledge, and which are non-binding. This document is neither a prospectus nor an offering memorandum in the sense of applicable financial market regulation, furthermore, this project is not subject to supervision of national financial market authorities.

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