



## BUSINESS SUMMARY

Access to clean air and safe drinking water are the fundamentals of human survival. But what if you needed only one of them to flourish? **WaterPure International, Inc. (OTCBB: WPUR)** markets a line of Atmospheric Water Generators (AWGs) that takes the air that we breathe and transforms it into fresh and safe drinking water. Operating on standard 110v power in the U.S., AGWs look and operate similar to five-gallon water coolers, but without the need for heavy lifting of water jugs and/or expensive water delivery. The key is the Company's unique condensation and purification process that takes water out of ambient air (humidity) and filters it into potable water free from foreign matter, bacterial, organic or other impurities. Tests performed on WaterPure's water confirmed a 99.9% level of purity, far exceeding today's EPA requirements.

In response to global warming and erratic weather patterns, WaterPure's AGWs can provide sustainable safe drinking water, even during natural disasters like hurricanes, in addition to their convenient daily use in any home, office or residence. In developing nations, AGWs are extremely efficient and provide a cutting-edge 'green' solution to help replenish the world's most precious commodity of water.

## PRODUCT PORTFOLIO

Three primary AGW models serve the unique needs of the Small Office/Home Office (SOHO) market, institutional and residential/consumers.



*The WaterPure Executive*

*The WaterPure Pro*

*The WaterPure Executive II*

Residential and SOHO units such as the Executive and Executive II can produce and store up to approximately five (5) gallons of water per day. The larger WaterPure Pro has a capacity of nine (9) gallons and is suited to higher consumption environments like multi-national corporations. The Company also markets a commercial-grade AWG capable of producing up to 3,500 gallons of water per day, and is ideal for institutional, military and community use.

How does it work? The WaterPure Atmospheric Water Generator (AWG) operates on the fundamental principle that there is always water present in the air. About 102,000 cubic miles of water are present in the earth's atmosphere at any given point in time. The AWG draws in

## STOCK INFORMATION



Business: Water Production & Purification Products

OTCBB Symbol: WPUR

Market Price: \$0.20 (2/20/08)

Shares Outstanding: 21.8 Million

52 Week Range: \$0.15 - 1.05

Avg. Daily Volume: 47,500

Market Cap: \$4.4 Million

Fiscal Year End: June 30

## KEY BENEFITS OF AWGs

### Energy Efficiency

- One Kwh to produce one gallon of water
- \$0.12 - \$0.14 Average cost per gallon

### Economics for Daily Use

#### Less expensive than bottled water

- \$1.25 - \$1.75 per gallon, bulk home delivery
- \$2.25 - \$3.00 per gallon store bought bottled
- \$0.09 - \$0.14 per gallon WaterPure AWG

### Ecology & Conservation

- Conserves traditional groundwater sources
- No plastic bottles, helping to reduce waste in landfills
- Reduces fuel and pollution associated with water deliveries

### Convenience

- No more lugging cases of bottled water or 40 lb 5-gallon jugs
- No more wasted space storing 5 gallon jugs

### Health

- No fear of contamination or tainted public water
- No uncertainty about the source of water
- Kills bacteria, viruses and inorganic minerals

### Value-Added Benefits

- Cleans air in home or office, while it dehumidifies and gathers water
- Permanence - "Water from air...its always there"

ambient air through a dual layer carbon filter and by means of evaporation and condensation processes, extracts water. The condensed water is collected in a reservoir and pumped through a series of high technology filters designed to remove odors, unwanted inorganic minerals, unpleasant tastes and sub-micron foreign particulate matter. As a final step toward preparing the water for safe, satisfying consumption, the filtered water is passed through an ultra violet light chamber, where it is cleansed of any microorganisms including all forms of bacteria and viruses. The end result is drinking water of the highest quality and purity ready for dispensing from a hot, cold or room temperature chamber.

## SUSTAINABLE ACCESS TO WATER

Uncertainty over the quality of tap water, combined with the fear of contamination since 9/11, has created enormous market potential for alternative sources of water in the U.S.. Sales of bottled water grew to \$10.8 billion in 2006, an 8.5% increase over 2005, according Beverage Marketing Corporation. Industry experts believe bottled water will eclipse sales of carbonated soda this year. However, the media recently reported that bottled water might not be safer or better for you compared to tap water. A four-year study by the National Development and Reform Commission (NRDC) tested thousands of waters bottles from over 100 brands. NRDC found one-third of these bottles contained illegal levels of contamination such as arsenic and carcinogenic compounds. The bottled water market is also under scrutiny by conservationists, including the World Wildlife Federation, who reported the consumption of bottled water creates an additional 1.5 million tons of trash in plastic every year.

America's search for better tasting, high-purity water continues. However, in many parts of the world, finding sustainable access to clean drinking water is simply a matter of life and death. The lack of potable water has reached crisis levels in many regions, including Africa, Asia and South and Central America. On average, a person in these areas spends three hours per day searching for water suitable for daily use. Close to half of people living within developing countries are suffering from a health problem caused by water and sanitation deficits, according to the United Nations. For children under five years old, water-related diseases are the leading cause of death.

While recent economic and population booms have placed additional constraints on nature's limited resources, unfavorable weather patterns have exacerbated water shortages. In China, a lack of rainfall has affected drinking water supplies for 9.8 million people and 9.1 million head of livestock, according to recent ministry reports in the Beijing Morning Post. Fresh water supply is critical to the health of all nations, and despite progresses to-date, new world economies will be unable to sustain growth without access to natural resources. WPUR is expertly timed to provide "green" solutions to replenish water supplies in a market (AWG) that has yet to be exploited.

## GLOBAL MARKETING & SALES

Despite being less than six months into its global marketing program, WaterPure has authorized dealers are located in the U.S., the Cayman Islands, Bermuda and Greece. In June 2007, WaterPure commenced a Pilot Program to place an AWG inside a U.S. nuclear power plant. By eliminating the need to use outsourced water suppliers, the use of AGWs demonstrated its ability to tighten enterprise-level security inside the power plant. WaterPure is now developing multiple, security related applications for the U.S. Department of Defense, government facilities and private enterprise.

In the U.S., WaterPure established a distribution and fulfillment facility in Miami, Florida, an ideal port to reach underserved markets such as Mexico, Central and South America. The Company also operates an administrative, sales and customer service center in Fort Lauderdale, Florida to sell direct to the South Floridian market, and heads up its corporate offices in Doylestown, Pennsylvania. Distribution channels continue to expand nationally. WaterPure has signed a Master Distributor covering the Indiana, Ohio, and Kentucky tri-state region, who is targeting military installations and large national businesses. WaterPure retained a 30-year veteran marketer, The Scardino Marketing Group, to retail AWGs in lower New York state and northern New Jersey.

In the Caribbean, Androgroup Ltd., the Company's distributor for the Cayman Islands, is currently undergoing orientation and technical training sessions to commence marketing of WaterPure's AWGs. WaterPure's first international customer, The Villages of Loreto Bay, is a seaside resort currently under construction in the luxurious Baja region of Mexico. Loreto Bay is now the largest development project committed to sustainability in North America. This five-star sustainable PRD (planned residential development) is a prime residential and commercial real estate endeavor of over 10,000 units. Initial estimates call for at least 300 AWGs to be purchased in 2007. The Baja entity can serve as a catalyst to expand WaterPure sales in Mexico and Central America.

A major transportation entity in Cameroon is currently evaluating WaterPure's AWGs at multiple bus terminal locations. The country of Cameroon in Western Africa is a region of stability, in an otherwise unstable continent, thanks to continued foreign aid and development. With the successful completion of this trial, WaterPure hopes to expand into serving other regions of the country.

## TARGETING MULTIPLE VERTICALS

### Residential

In the home, the WaterPure AWG is a major convenience delivering pure, good tasting, fresh water on demand. The AWG frees the consumer of the expense and chore of constantly replenishing bottled water supplies and provides peace of mind knowing that their drinking

## Corporate Highlights

❖ **Large Consumer Market.** According to Global Water Intelligence, worldwide sales of household water appliances will top \$14 Billion in 2007.

❖ **Solutions for Global Water Crisis.** A staggering 1.2 billion people worldwide are currently drinking contaminated water. (source: 2nd UN World Water Development Report). WaterPure's Atmospheric Water Generators (AWGs) create a high-purity, sustainable drinking water source, even during times of disaster, anywhere in the world.

❖ **Profitable Business Model.** WPUR solely focuses on marketing and distributing AWGs, outsourcing manufacturing and R&D, which maximizes profit margins.

❖ **Improving National Security.** A pilot program with a U.S. Nuclear Power plant demonstrated that by eliminating the need for delivered bottle water from outside vendors, WaterPure's AWGs can enhance on-premise security for any facility.

❖ **Expansive Distribution.** WPUR has secured dealerships in Greece, the Cayman Islands, Bermuda and several states in the U.S.

❖ **Key Business Development.** WPUR's AWGs are currently being evaluated by a luxury Baja, Mexico sustainable planned development community, and a transportation company in Cameroon, Africa, with hundreds of orders anticipated to follow on early 2008.

❖ **Expert Leadership.** Managers and advisory board comprise seasoned entrepreneurs, investment bankers and global business executives.

water is safe from natural or man-made contamination.

#### **SOHO/Business**

In the office, whether small office, home office or traditional business office, the WaterPure AWG carries significant value. Nearly every office is equipped with a conventional water cooler and purchases delivered bulk water. Businesses incur significant expense both in terms of direct cost of the cooler and water as well as the loss of expensive floor space required to store five-gallon water jug crates. In contrast to the ills and spills resulting from inverting the 40 lb water jug, the advantages and benefits of the AWG versus the standard water cooler are overpowering.

#### **Military**

The AWG has important applications in the military both in base and field operations. Most vital is the mission of provisioning water to troops in the field. Estimates from various branches of the military place the cost of provisioning water to troops in the field at \$37 per gallon. The WaterPure large-scale water maker will provide high grade, pure water on demand, on location, at a fraction of that cost.

#### **Security**

Since 911, strategic facilities, both government owned and in the private sector, have been on high alert and are taking extraordinary measures to tighten security. Notable among these are nuclear power plants. WaterPure AWGs have been approved for use by a major utility in their nuclear facilities. With 30-40 employees in these enclosed plants, a constant supply of bottled drinking water must be brought in by outside vendors. This places a serious burden on security enforcement requiring the checking of every truck, driver and the contents of every bottle to certify that no terrorism is being perpetrated under the guise of delivering bottled water.

WaterPure's AWG produces a continuous supply of safe, pure water for plant employees. More than 400 nuclear power plants operate worldwide, 100 of which are in the U.S. and 260 U.S. embassies are located around the world. Collectively, these facilities represent a high-value sales opportunity in excess of \$10 million, according to WPUR. When government offices, financial institutions and foreign embassies of other nations are added, the total addressable market in this security application is immense.

#### **Sustainable Communities**

Driven by growing concerns over rampant depletion of global resources, both natural and man made, developers around the world

are moving in the direction of building "sustainable communities." With a unique conservation philosophy, these communities create self-sufficient systems for energy, water, landscape and commerce. The AWG fits perfectly in this model by conserving natural water sources and consuming little energy. WaterPure has arranged a placement of an Executive II in such a sustainable community in Baja Mexico, where 10,000 residential units are under construction. The Company is seeking out similar developments and plans to leverage the Baja experience as a case history to promote new business.

#### **Hurricane/Emergency**

Florida, the Caribbean islands, Yucatan Peninsula and the entire southeastern U.S. are particularly vulnerable to harsh tropical storms. In these situations, the loss of power, combined flooding and contaminated water, create disaster zones. The standby power generator industry has rapidly become a booming industry, and AWGs could very well parallel its growth. WaterPure believes AWGs are a perfect companion product when sold alongside power back-ups. WaterPure plans to secure value added reseller arrangements with power generator OEMs to increase its market share in at-risk regions.

## **POISED FOR GROWTH**

WaterPure is among only a handful of AWG suppliers operating worldwide. With the market for AWG offering plenty of room for appreciation, WaterPure is carving an early leadership position. WaterPure has retained a reliable source of high-quality manufacturing in North America, and has thus avoided recent low-grade production problems in Asian manufacturing, still widely used by its competitors. WaterPure has obtained advanced AWG Intellectual Property rights from its R&D partner and is now equipped to become an AWG provider to other marketers under OEM/private label agreements.

Economics, safety, convenience and the escalating emphasis on ecological issues all mitigate favorably toward the attractiveness of WaterPure AWGs. Retailers, master distributors, and key pilot programs are underway and should propel WaterPure into a record year of growth in its first year of operations. The universal need for fresh water consumption lends itself to nearly limitless applications of AWGs. WaterPure has the product, technology and management expertise to tap into AWG's immense market potential for the benefit of its shareholders.

## **Experienced Leadership**

#### **Management Board**

**Paul S. Lipschutz, President.** More than 30 years of experience managing public companies. Recognized professional in the licensed sports products industry. Graduate of Wharton School of Finance and Commerce, University of Pennsylvania.

**Robert F. Orr, Chief Financial Officer and Director.** More than 15 years of providing accounting, consulting and valuation services to public and closely held companies. Currently a CPA with the accounting firm of Stein, Feldman & Sampson, LLC. CFO of iDayo Investor and the managing partner of GTBL, Investment Group and Internet Investors, LLC.

**Brian Lee Allen, Chief Operating Officer.** Previously an Administrator of a 240-bed skilled nursing facility with 212 employees in Bradenton, Fla. which received Superior Rating and was the second most profitable in the state.

#### **Advisory Board**

**Phillip A. Verruto.** Former CEO and Chairman of Data Stream Global Communications; built the company from a start-up in 1996 to a \$40-million revenue run rate by 1999; helped raise more than \$40 million in capital.

**David Goodstein.** Key principal of Brookside Home Sales, Inc., a leading modular homebuilder founded in 1969, which has built over 3000 homes in New York, New Jersey, Connecticut and Pennsylvania.

**James Beshara.** Nearly 35 years experience in real estate development. An entrepreneur and CEO of B&B Construction and Development Co. of Ohio, where he manufactured, financed & distributed products in the US, Europe, Taiwan and China. Financed construction, renewable energy and entertainment companies in Florida, St. Louis and Seattle.

**Terence Herzog.** Over 40 years in business and investment banking, holding advisory positions for numerous corporations and entrepreneurial endeavors. Currently CEO, Fuelling Capital Management. Previously co-founder of Elms Capital Management Corp., which oversaw more than \$12 billion in market value securities for individual and institutional clients.

**Robert E. Campbell.** President, Campbell Agencies, Inc. Seaplane and helicopter pilot recognized by Red Cross for organizing and flying Airlift '89 after Hurricane Hugo. Recipient of numerous major awards for community service. Appointed to Board of Doylestown Hospital and raised \$40 million for expansion of health care facility.

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