



FIJI Water's Path to Sustainable Growth

Climate Change Summit 2008
Sydney, Australia



FIJI[®]
WATER

Facts, Figures, and History





Australia is an appropriate venue for today's discussion

- FIJI Water and Australia are in the same boat...often literally when it comes to their products
- The effects of climate change are already apparent in both Fiji and Australia
 - Rising sea levels in Fiji
 - Heat waves, less rain, and increased drought in Australia
- The food & beverage category represents a vital export contributor and economic growth opportunity for both countries
 - FIJI Water comprised almost 20% of Fiji's exports in 2007
 - Food exports comprised almost 20% of Australian merchandise exports in 2005 – major contributors include beef, dairy, fish, grain, and wine
- Because of their distance from their major export markets, both FIJI Water and Australia are sometimes challenged by “food miles” misconceptions



FIJI Water is a relative newcomer to the global water industry and to Australia, and is in its infancy as a brand



1996:

Company founded; sales begin in Fiji



1997:

Launch into the U.S. market (mostly on premise)



2000:

Aggressive U.S. retail expansion; first sales via CSBG system (SoCal)



BOTTLING GROUP

2004:

Roll International acquires FIJI Water



2003:

International expansion begins in earnest (Europe, Australia, Latin America and Caribbean)

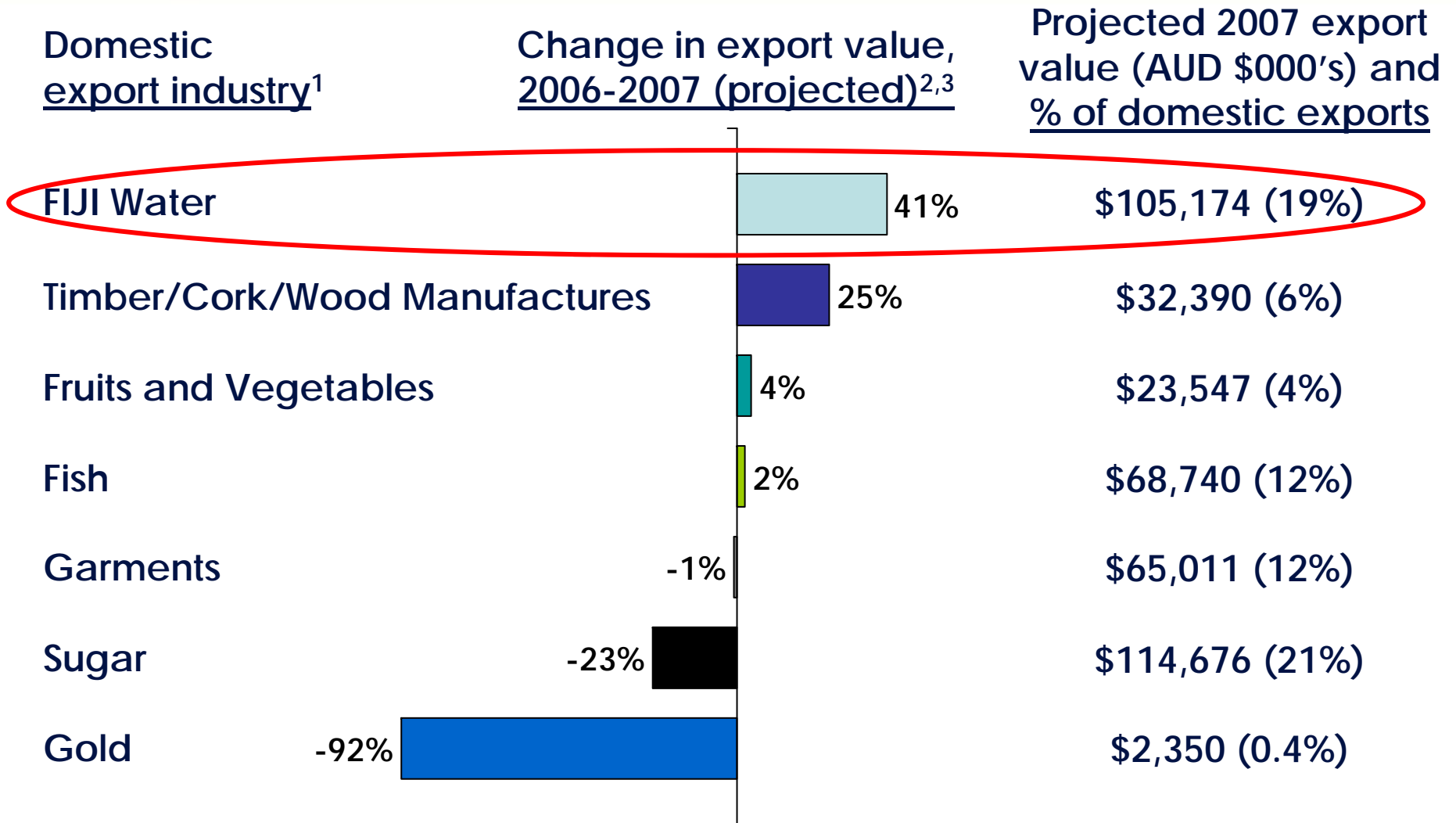


2008:

#1 premium brand in U.S. (2% share)



FIJI Water is Fiji's only major export with strong growth, and in 2008 it is likely to become the nation's largest exporter



Footnotes:

1. Domestic exports equal total exports less re-exports. They are projected to be 69% of total exports in 2006 and 2007.
2. Based on Overseas Merchandise Trade Key Statistics from Fiji Islands Bureau of Statistics, December 2007 (http://www.statsfiji.gov.fj/Key%20Stats/Foreign%20Trade/8.5_Major%20Domestic%20Exports.pdf); domestic export statistics for 2007 included first nine months of the year
3. Industries' projected export values in 2007 were calculated by multiplying YTD export value through September 2007 by 133%



Our bottling operation has brought world class technology and quality practices to Fiji



Injection molding equipment from Husky



Blow molding and filling equipment from Sidel and Krones



International Organization for Standardization

The plant is ISO certified



In-house lab is certified by NELAC



FIJI Water is an active members of IBWA & CBWA

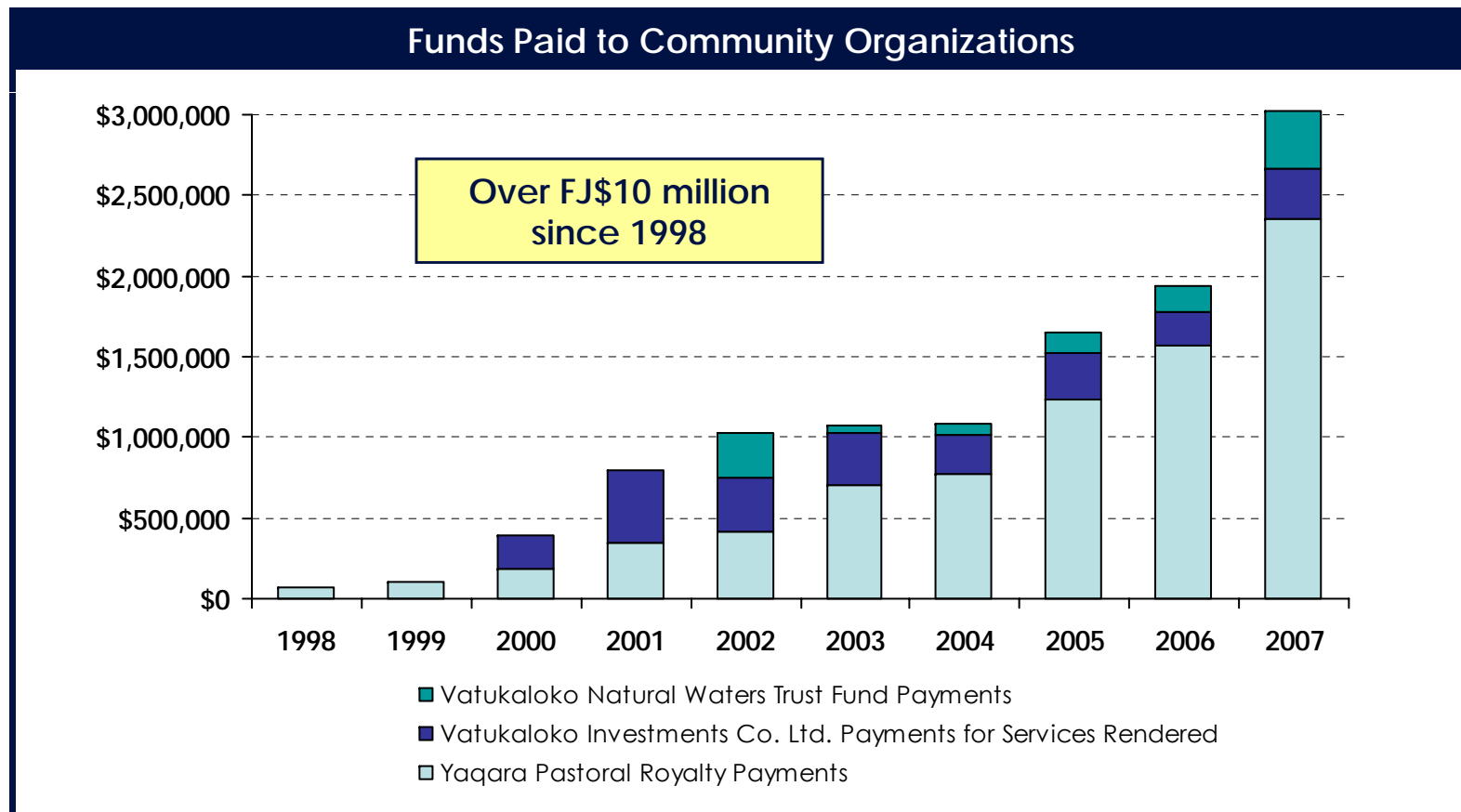
Economic contribution of FIJI Water 2007

- Exports
 - 13.6 million cases
 - \$100 million in export sales
- Port operations
 - \$7 million in revenue to Fiji ports (half of all Fiji ports revenues)
 - Jobs related to loading 10,000 containers
- Benefits to other exporters & importers, e.g. tuna, wheat
 - Lower port costs
 - Lower shipping rates
 - Reliable shipping service
- Jobs
 - Over 300 employees at Yaqara plant who earn very good wages
 - Additional jobs at our suppliers, e.g. Air Pacific, Golden, local hotels
- Foreign investment
 - Over \$100 million since 1996
- Promotion of Fiji as a highly desirable tourist destination
 - \$30 million spend by Fiji Water vs. FJ\$8 million by Fiji Visitors Bureau



We also help drive social welfare through royalties to landowners and the local community...

- Royalties allow us to share revenue with local landowners
- The investment company fosters entrepreneurship by purchasing products and services from members of our local community
- The trust fund provides water access, schools, and electrification for local villages



... and through the work of our charitable foundation, the largest of its kind in Fiji



- Established to invest in water access, education, and health projects
- Seeded by FIJI Water's owners, all worldwide employees may contribute
- Funded the Pacific Water for Life Trust to provide water access to over 100 new communities this year alone
- Provided vital health care funding including:
 - Heart surgery for children
 - Supplies for hospitals
 - Red Cross safety projects



That's all good, but...what makes FIJI Water so special that it's worth bottling and shipping around the world?



- FIJI is home to one of the purest water sources in the world
- Beneath the Yaqara Valley on the island of Viti Levu lies a vast artesian aquifer, a huge volcanic chamber encapsulated by the rock walls of the collapsed craters
- FIJI Water tastes soft and clean, light and refreshing because of its unique mineral mix: low in calcium and magnesium and other hard-tasting minerals, and rich in silica
- **Consumers can taste the difference**

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WATER

This is where people would drink water from
if they had the choice!





Environmental Stewardship Opportunities





Last November we decided to become more public regarding our environmental goals and efforts



- Our mission is to deliver the finest tasting natural artesian water with a commitment to do something great for the people of Fiji and for environment.
- We have partnered with Conservation International to become the **first carbon negative product** in our industry and to **save the largest rainforest in Fiji**.
- We are also **reducing the amount of packaging** in our products and leading the charge to **expand recycling** programs and incentives.

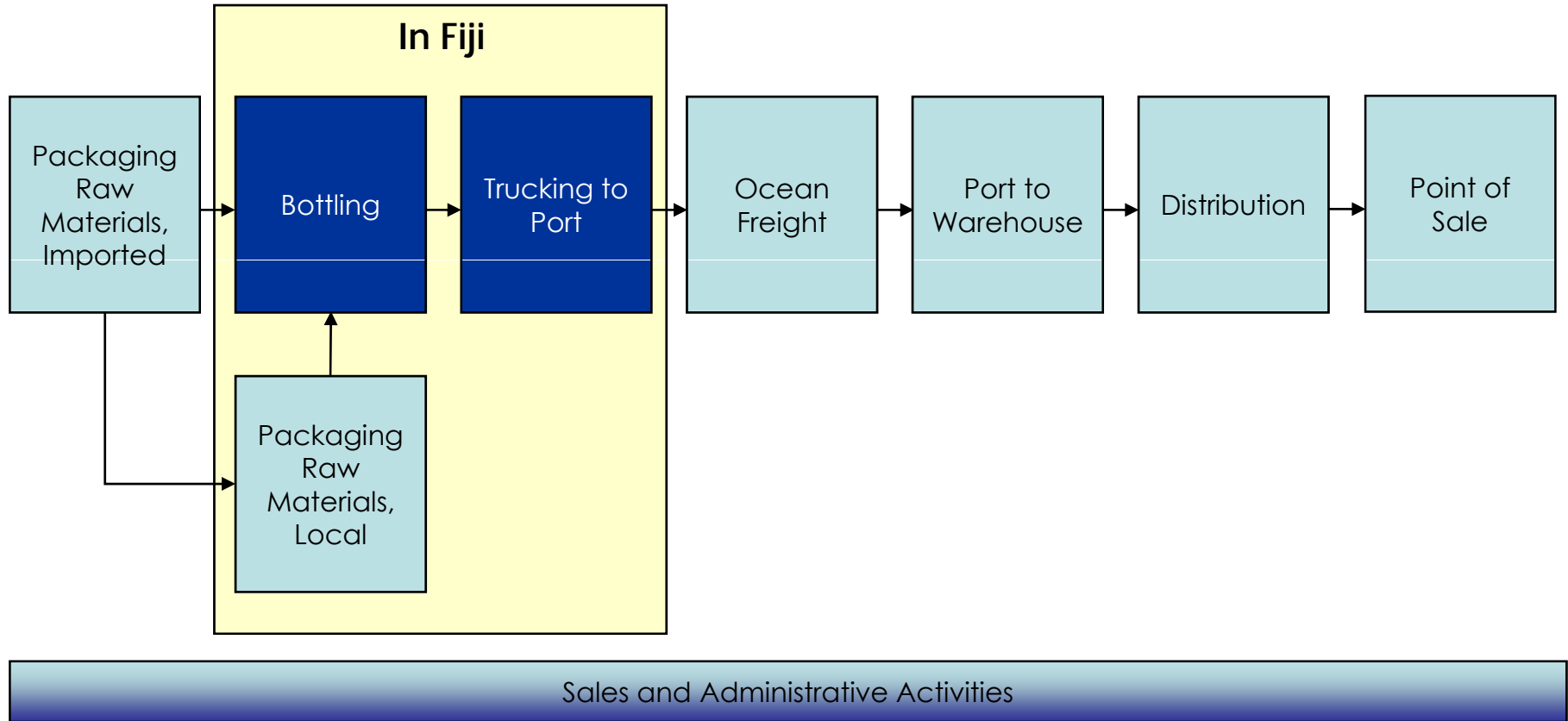


What does “carbon negative” mean?

- FIJI Water is the first major beverage brand ever to become carbon negative
- We started by measuring the carbon emissions for every activity required to get FIJI Water to the consumer
 - FIJI Water is also the first bottled water brand ever to account for all such emissions
 - ICF International, a leading authority in this field, provided third-party verification



- All Kyoto greenhouse gases included
- Product, not company focus (i.e., Scopes 1, 2 & 3)
 - Scopes 1 & 2: Emissions from sources the company owns or controls, or electricity purchased
 - Scope 3: Emissions that are a consequence of the activities of the company, but occur outside the company
- Every supporting business activity included
- Post-consumer impact not included (more on this later)
- Finally... although not related to becoming carbon negative, our efforts in the Sovi Basin to avoid deforestation address the key missing element in the Kyoto Protocol



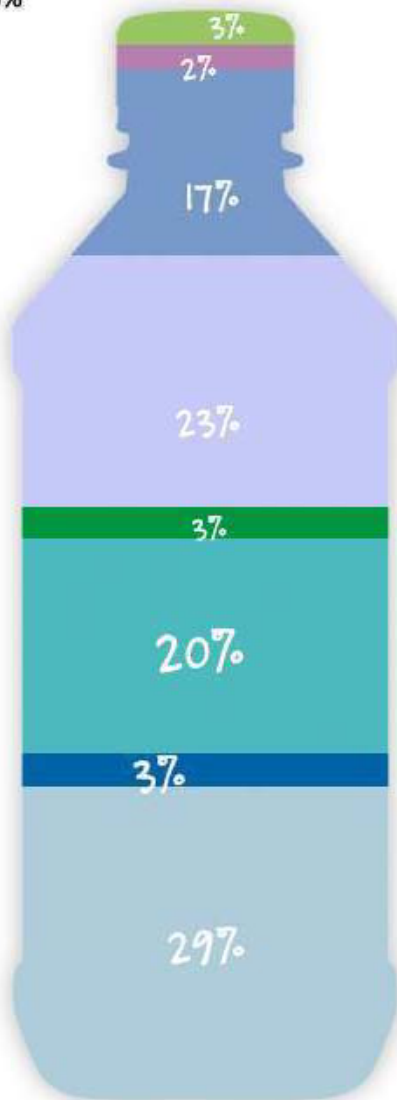
Scopes 1 and 2

Scope 3



Now that we understand our footprint, we have pledged to reduce emissions by 25% in 2010

100%



Total emissions:
85,396 tonnes CO₂ eq

- Sales and administrative
- Consumption
- Distribution
- Ocean freight
- Trucking to port
- Bottling
- Raw packaging materials and equipment transport
- Raw packaging materials manufacturing

0%

- **Packaging**

- Largest contributor to the product's carbon footprint and a driver of several other emissions sources
- Opportunity to use less material and increase the amount of recycled content

- **Bottling**

- We can be more efficient in terms of our energy usage
- And we will invest in renewable energy sources for what we do use

- **Logistics**

- We can reduce emissions by focusing on shipping modalities, not shipping distance
- Land transportation is high carbon and we can minimize it

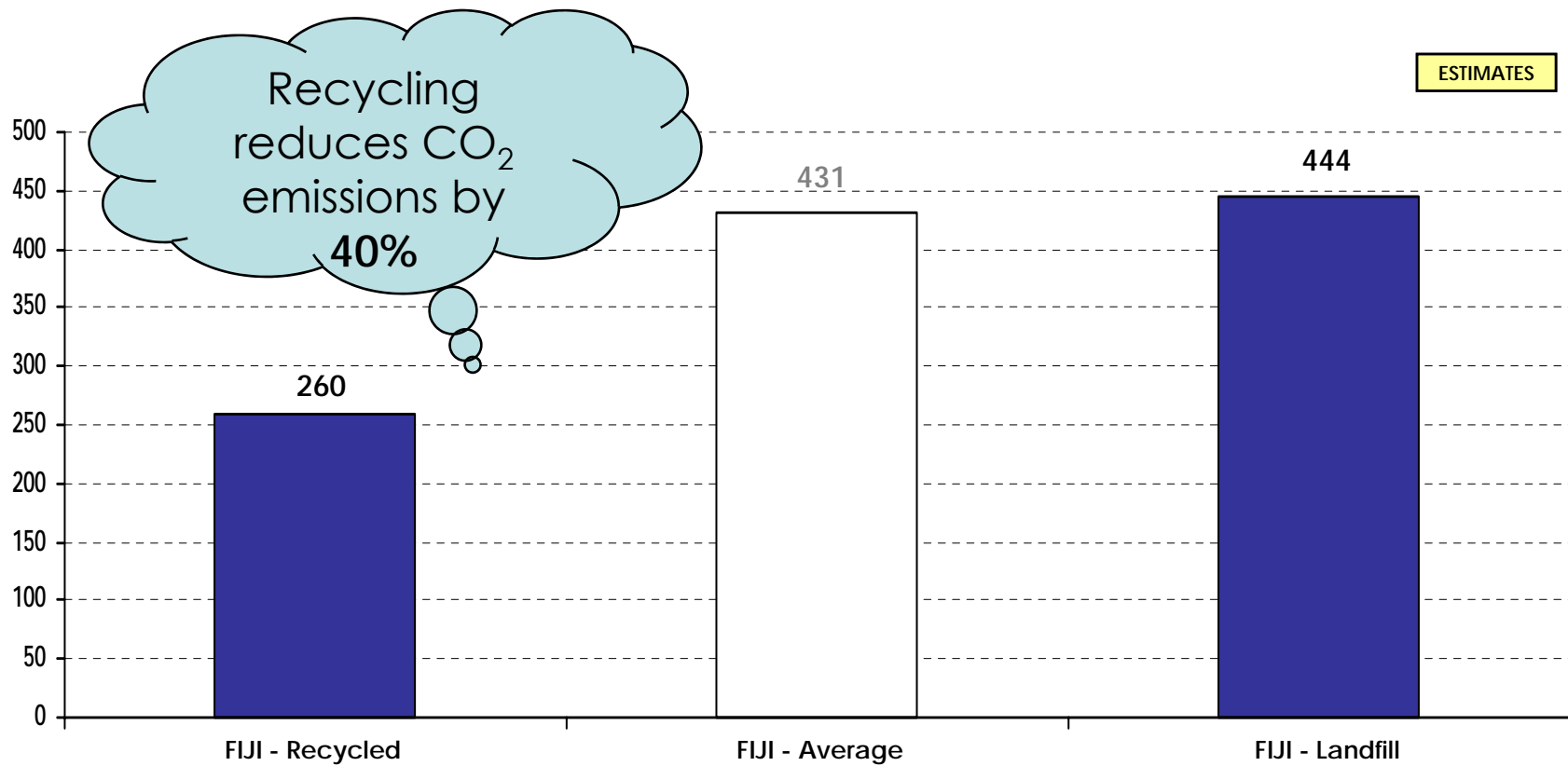
- **Recycling is the single biggest opportunity to reduce emissions**

What we cannot reduce, we will offset by at least 120%

- We are developing a reforestation project in Fiji with Conservation International to remove 120% of this year's remaining emissions
- This is the first reforestation project of its kind in Fiji
 - It is intended to restore the original rainforest habitat, rather than create a monoculture plantation
 - Offsets are generated by planting native species in degraded areas
- The project also provides livelihood opportunities for local residents
 - Plantings will include sandalwood (an endangered species) and mango, which can be harvested and sold for income
 - Supplementary fuelwood plantations will also be provided
- We will continue to remove 120% of our carbon footprint every year through additional reforestation and renewable energy projects

FIJI Water's carbon negative commitment in 2008 will have the same net impact as *planting a new tree every minute*

Total CO₂ emissions per 1L bottle in Australia (g)



- **What works?**
 - Consumers respond to a financial incentive to recycle
 - In South Australia – the only state with a bottle bill – the PET recycling rate is 74%, double the national average
 - In Switzerland, where a “pay as you throw” scheme is in place, PET recycling is around 80%
 - In the U.S., states with bottle bills recycle PET at 2.6 times the rate of other states
 - In the above examples, consumers are only “taxed” if they do not return used containers
- **In the case of bottle bills, what do we need to fix?**
 - Everyone should be on board... no special preferences
 - Unclaimed deposits should help fund these programs
 - Fair costs should be borne by the appropriate party

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Saving the Fijian Rainforest



Fiji is in the Polynesia-Micronesia Biodiversity Hotspot, with over 3,300 species that cannot be found anywhere else



- Largest intact unprotected forests in hotspot
- Key opportunity for regional forest conservation
- Critical watersheds in Viti Levu, Fiji's largest island:
 - Yaqara Valley
 - Sovi Basin
- Threats to Fiji's environment:
 - Deforestation
 - Invasive species
 - Socioeconomic pressures



- The Sovi Basin covers over 50,000 acres on Viti Levu
 - It keeps over 10 million tons of carbon dioxide out of the atmosphere
 - This has the same effect as taking over 2 million cars off the road every year
- The Sovi Basin Trust Fund will provide for:
 - 99-year lease of Native Lands (lease and timber royalty replacement included)
 - Management of leased area
 - Community trust



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Educating Consumers





Two new back labels will communicate the carbon negative and conservation messages

Every drop is green.



FIJI Water is committed to reducing carbon in the atmosphere. We are cutting emissions across our product's entire life cycle and supporting reforestation and renewable energy projects that take us beyond carbon neutral to carbon negative.

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Typical Analysis in mg/liter:

| | | | | | |
|---------|----|-----------|-----|------------------------|-----|
| Silica | 85 | Magnesium | 12 | Sulfonates | 140 |
| Calcium | 17 | pH | 7.5 | Total Dissolved Solids | 270 |

 Please Recycle
Bottled at Source
Source: Taveuni, Viti Levu, Fiji Islands. Bottled by: Natural Water of Fiji Limited, 1 Naisoran Rd, Taveuni, FIJ
PRODUCT OF FIJI
For water quality and information: 1.877.435.3309
CA 021 (10/10/05) 08 IN
CT#411, INV08402, NYDND Care# 1132



6 32565 00001 2

Saving the Fijian rainforest.



Together with the people of Fiji and Conservation International, we are helping to preserve Fiji's largest lowland rainforest, the Sovi Basin. This refuge is habitat to plant and animal species not found anywhere else in the world. Forever protecting this biologically rich area also preserves Fiji's most precious resource - its natural environment.

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The front labels and other packaging will highlight our sustainability program





Our advertising will focus on our sustainability efforts

Every drop is green.



FIJI Water is not merely the best-tasting water, it is also the most environmentally responsible choice. Together with Conservation International, we are helping to save Fiji's largest lowland rainforest, the Sivi Basin, in perpetuity. We're also reducing CO₂ emissions in every way possible. This includes our raw materials, the eventual recycling of our bottles and every process in between. We then offset the remaining carbon footprint by 120%, making FIJI Water not just carbon-negative, but positively green.

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A convenient truth.



FIJI Water is not just the best-tasting bottled water, it's truly eco-friendly. We've reduced all energy use related to our product, in every way possible. Together with Conservation International, we're leading reforestation and renewable energy projects that take us beyond carbon neutral to carbon negative. And through this partnership we're preserving Fiji's largest rainforest – a habitat to plant and animal species not found anywhere else in the world. Sip with a clear conscience.

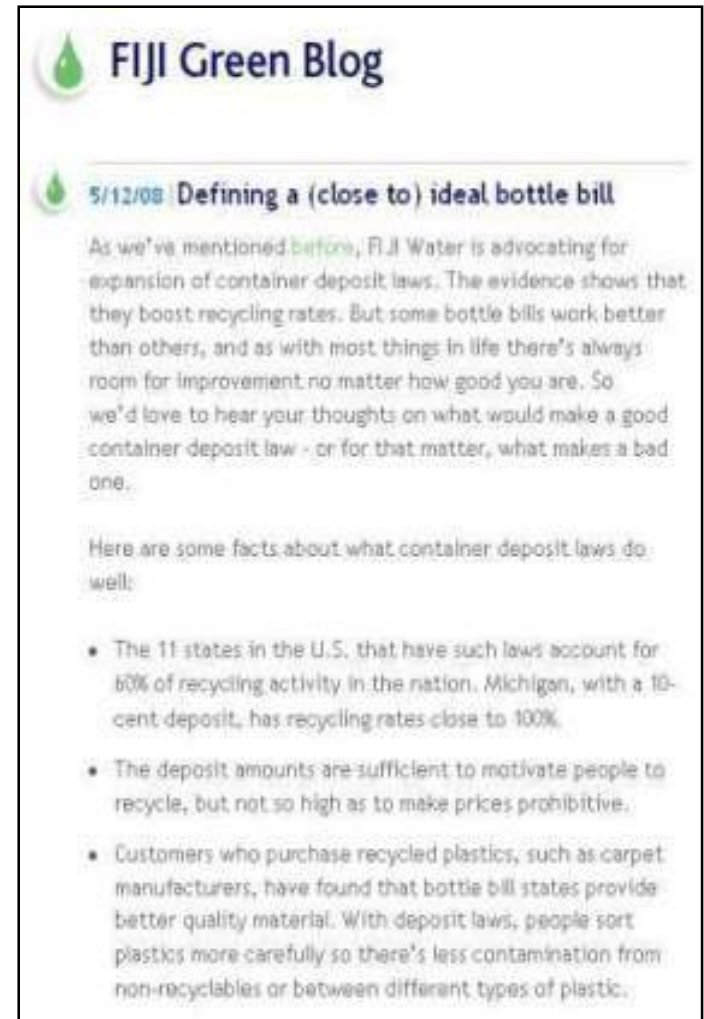
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FIJI Green site



FIJI Green blog



In conclusion, all of us can help make a positive difference for the environment and for our communities

- FIJI Water is a small brand offering a product that is good for people and for the environment
 - Despite our size, we hope our initiatives will have a big impact by encouraging others in our industry and beyond to follow suit
- Companies must first measure their emissions in order to manage them
 - The scope of the carbon footprint matters
 - Companies need to understand full lifecycle impacts, including that of the supply chain
- Trusted brands and companies have a great opportunity to educate and empower customers and consumers
 - First, be transparent
 - Provide the information people need to make the responsible decisions they are trying to make
 - Make a difference and help others to do the same

From the islands of

FILJI®

NATURAL ARTESIAN WATER

