

2x TREND WATCH

News, notes and nuggets
from the desktop of:

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Amazing! In the midst of an economic downturn, the 34th Winter *Fancy Food Show* matched all-time record with 16,000 attendees at San Francisco's Moscone Center last week to peruse the 1,250 exhibitors including more than 100 newcomers. Kudos to *NASFT*, the show organizers. Having walked all 198,000 square feet of the show (several times), I tried dutifully to sample each of the 180,000 specialty food and beverage products. Tough job but someone has to do it. ☺

Why so busy at the show? *NASFT* and *Mintel* remind us that few parts of the retail/grocery world show proof of over 90% of categories growing since 2004. Looking forward and amid current economic conditions, consumers are dining more often at home and specialty foods and beverages are and will benefit.



Two trends coming into their own ...



Amber is the New White! Well, only if you're referring to agave syrup (also called agave nectar) which is sweeter than honey but a bit less viscous. Many prefer agave to sugar or other natural sweeteners based on both taste and reduced impact to blood sugar levels (reduced glycemic spikes). In addition to being used in many emerging foods and beverages like *PranaBar* energy bars, *QTonic* premium tonic water and *Artisana* nut butters, some manufacturers are trying to ladder up the taste and health-oriented benefits to be more than just a sweetener. Two tasty frozen novelties doing exactly this are *Organic Nectars* raw agave gelatos (not exhibiting) and newcomer *Agave Dream* ice creams and granitas. Yummmm. Painful I know, but I tried each flavor. Twice!

pranabar.com, qtonic.com, premierorganics.org, organicnectars.com, agavedream.com



Flavors Busting Out All Over. While a bit weird for many, *BaconSalt* (not exhibiting) is a “zero calorie, zero fat, vegetarian and kosher (!) seasoning that makes everything taste like bacon.” Well, in order to keep the flavors flowing, a few artisan manufacturers have infused their sugars and salts with, some would say, more mainstream flavors. *Lords of Salt* serrano lime sea salt! Plus *SaltWorks* brings us *Fusions* black truffle sea salt and for our sweeter side *Essential Cane* all-natural flavored cane sugars in many flavors including these three: Ginger, Espresso and Vanilla Bean. Cool!!

Baconsalt.com, barhyte.com, essentialcane.com, seasalt.com

And, some other tasty vittles ...

Not Taste Free! Many people's perceptions of vegan, gluten-free or other restricted ingredient foods are summarized in one word: yuck. As we've profiled before, that need not be the case. Shocking as it may be to many, the folks at *Original Field Roast Grain Meat Co.* make one heck of a line of beautifully seasoned, non-meat sausages, cutlets and roasts to mention a few. I ate like the condemned, vacuuming up these delicious vegan samples. Yes – me. Wow!



fieldroast.com



Have Your Cake and Ghee It Too. If you're not familiar with ghee, you should be. In the same family as clarified butter, ghee is the "very best fat one can eat". Yes – healthy fat – and with a higher flash point than most conventional oils. *Ancient Organics Ghee* is rated #1 of all ghee (for those keeping score at home) and starts with the goodness of the Holstein cows from *Straus Dairy and Creamery*. For your health's sake, if you like to cook, don't miss out.

ancientorganics.com

A S'more of a Different Color. If you've never had a homemade marshmallow, you don't know what you're missing! Pure homespun sugars that melt on your tongue. Well, leave it to our neighbors to the north at *Butter* to have the next best thing – they did the work. Plus, they added some nifty flavors like strawberry, vanilla and toasted coconut. Sorry, the picture will be as close as you'll get if I'm in the room.



butterbakedgoods.com

Walked A Mile in These Shoes. Finally, tucked away in the last booth of the last row (at least in the order I walked the show) was a nifty little toffee company. Of course, I needed to taste and taste and taste some more. However, their story is as interesting as the toffee was tasty. Leah Post and Brandon "Brandini" Weimer, in their freshman year of high school, needed to pay for half of a school trip according to their parents. So, these best friends since pre-school were too young to get jobs, they started the company. Having paid for their trip and more, they're now saving for college and planning to turn the business over to their younger siblings to do the same. Clever kids with tasty toffee!



brandinitoffee.com

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Hope these thoughts are helpful. If I can add perspective, please feel free to contact me at 312.629.5248 or awhitman@2xPartners.com. A comprehensive archive of notes from prior trade shows of all types can be found in the news section of www.2xPartners.com.

Too bad most of the 2x crew didn't get to sample along with me. But, if you'll be attending *ExpoWest in Anaheim in March*, please let us know.

As you can see on the following page, we're partnering with and providing growth capital to emerging consumer products businesses (like *gDiapers*, the earth-friendly hybrid diaper that you can flush, compost or toss – www.gDiapers.com) ... have ideas?

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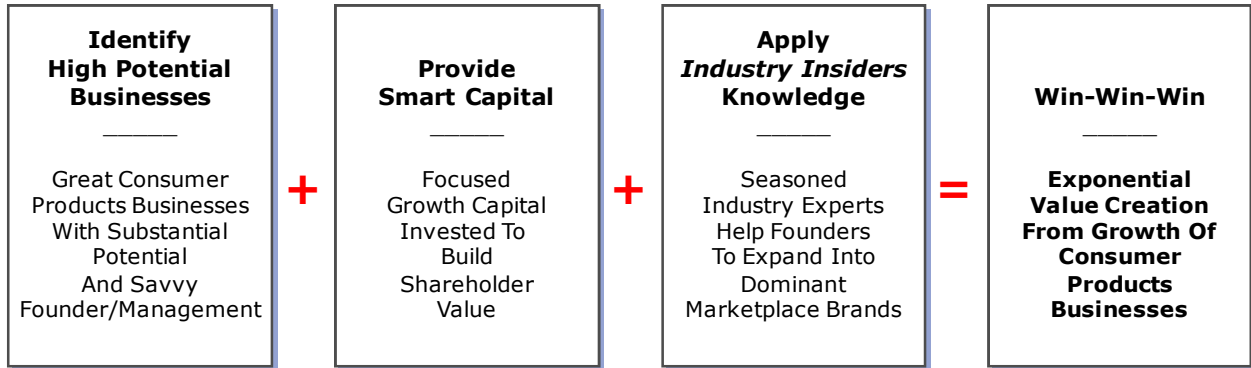
Andy

OVERVIEW

2x Consumer Products Growth Partners joins with founders and management of emerging consumer products businesses capable of growing exponentially via an infusion of capital and management expertise.

Focus:	Categories:	Due To Our Growth Perspective, Businesses Are Likely To Have Characteristics Of:
	<ul style="list-style-type: none"> ✓ Food ✓ Beverage ✓ Personal Care ✓ Home Care ✓ Pet Care ✓ Other Branded Consumer Products 	<ul style="list-style-type: none"> ✓ Natural ✓ Organic ✓ Ethnic ✓ Specialty ✓ Gourmet
Revenue:	Primarily within the \$1 million to \$15 million revenue range; Never pre-revenue businesses	
Ownership:	Minority ownership stake as part of a partnership most common; Majority interest or complete buyout not atypical	
Investment Criteria:	<ul style="list-style-type: none"> ✓ Founders/management team seeking a partner, not just an investor ✓ Powerful consumer-driven positioning with exceptional product fulfillment ✓ Strong sense of “proven-ness” based on in-market performance ✓ Exponential growth potential to at least \$30+ million in revenue within 3 to 5 years ✓ Categories that immediately leverage our expertise ✓ Attractive go-to-market approach leading to sound long-term financial proposition 	

FORMULA FOR SUCCESS



VALUE-ADDED RESOURCES

2x Consumer Products Growth Partners bring more than 250 years of directly relevant expertise to complement and support founders/management. We leverage our industry expertise, contacts and connections for the benefit of the companies. Our experience and operating approach is the main attraction for entrepreneurs.

“The unparalleled depth of experience in the industry is helping gDiapers achieve our goals ... business, social and environmental.”

– Jason Graham-Nye, CEO/dad and co-founder, gDiapers

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