

## 2x TREND WATCH

News, notes and nuggets  
from the desktop of:

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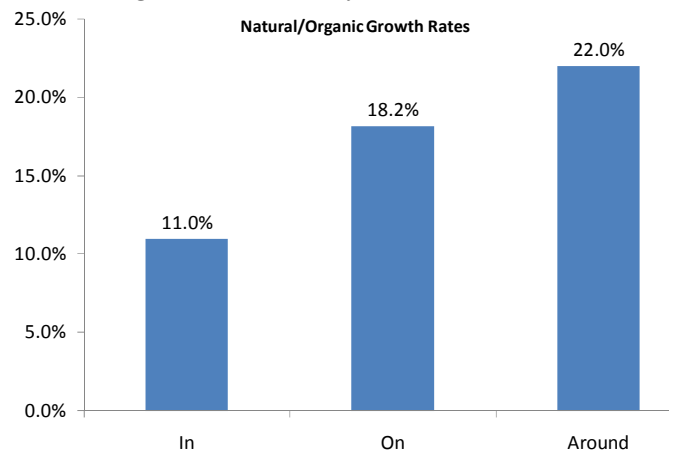
### --- ABBREVIATED BONUS EDITION ---

**Expo Crowd Comes To Beantown.** This year, *ExpoEast* was moved to Boston having been in the Washington and Baltimore markets for many years. Even in uncertain economic times, attendance slightly exceeded last year's record attendance of 25,000 industry participants ... although in a much larger convention center with 35% more square footage, the aisles were less busy. According to *Natural Foods Merchandiser's* annual Market Overview edition, the natural products industry grew 10% in 2007 to more than \$62 billion in sales. But where is the growth coming from?



**In / On / Around.** I can still remember memorizing a list of prepositions via a song that someone made up ... "about, above, across, after, against ...". Glad you can't hear me sing! That said, for years we've observed that consumers adopt organic/natural products first in food and nutritional supplements they consume, then in personal care and other products that they use topically and finally more natural/organic products for their surroundings. Hence the in/on/around metaphor. (No singing!)

In dissecting the data, this philosophy continues to play out ... with *Around* and *On* products growing far faster albeit off much smaller bases. Food and nutritional supplements still comprise the vast majority of the industry. Just take a walk around a natural retailer!



Source: SPINScan Natural/Conventional 52 weeks ending September 2008 plus 2x Consumer Products Growth Partners estimates for remaining channels.

**So What's New?** One way to "see the show" is to visit our friend Sara Snow's video journal available online at <http://www.cnn.com/video/?/video/living/2008/10/24/living.green.eco.parenting.cnn>.



But, in this bonus edition, we want to share one soon to be hot *In* product category – especially with a bit of a flashback. Several years ago we attended *Anuga* in Germany and featured *Fruitini Squeezie* as an example of a very large and growing category in Europe that did not exist here. (See the *2x TrendWatch* October 2005 entry at [www.2xPartners.com/news.html](http://www.2xPartners.com/news.html)). Fast forward several years later, *ExpoEast* marked the "coming out" party for 3 separate entries in this portable all-fruit and apple sauce space ... *Smashies* organic apple sauce and blends, *Mashups* (part of a broader line from Revolution Foods) and the *GoGo squeeZ* entry from the US arm of French food company Materne. Just as delicious today as they were in Germany quite a while back (good to know it was not the steins of beer talking)! What tasty timing for all three at once.  
*smashies.com, revfoods.com, materne.us*

Hope this information is helpful. If I can add perspective, please feel free to contact me at 312.629.5248 or [awhitman@2xPartners.com](mailto: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](http://www.2xPartners.com).

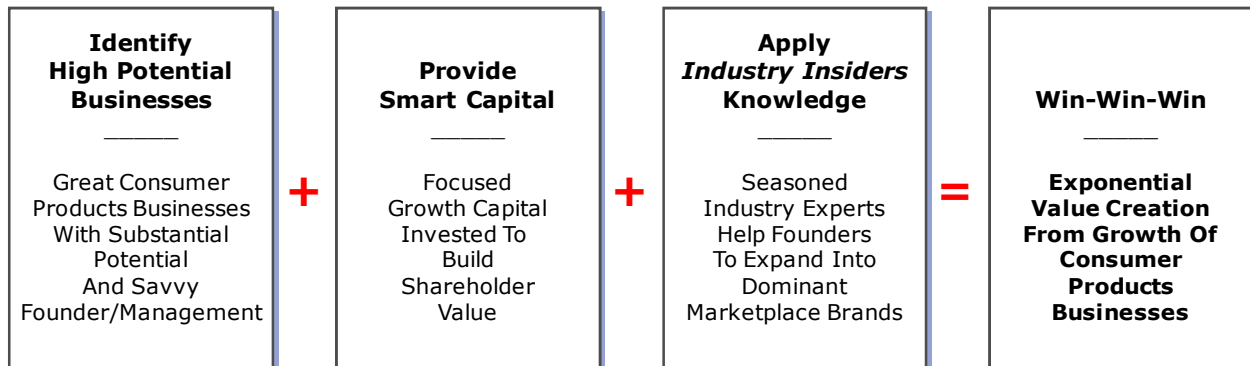
As you can see on the following page, we're partnering with and providing growth capital to emerging consumer products businesses (like *gDiapers*, the earth-friendly hybrid diaper that you can flush, compost or toss – [www.gDiapers.com](http://www.gDiapers.com)) ... have ideas?

## 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.

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

## 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*

## CONTACT INFORMATION

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