

Global Coffee House Chain with Integrated Supply



Disclaimer

We have in preparing this information used our best endeavours to ensure that the information contained therein is true and accurate, but accept no responsibility and disclaim all liability in respect of any errors, inaccuracies or misstatements contained herein. Prospective investors should make their own enquiries to verify the information contained herein.



Vision



To be the worlds' leading Organic and Fairtrade Coffee retailer.





Snapshot



»» Listed on the NZAX, valuation c. \$40m
We are raising \$6.75m by way of SPP
to enable further growth to occur.

We have obvious exit options e.g.
the large global café chains

Global & operationally profitable - 64 stores today



Total : 64 – 78 including Canada

Note: there are also 40 stores in Oz/NZ, now owned by Retail Food Group

Growth plans by 2020



Total : 400





High growth sector



▶ Starbucks

- 21,000 stores today
- Aiming to double retail footprint in next 5 years
- China predicted to be as big as USA by 2020

▶ Dunkin' Donuts

- 11,000 stores today
- Mainly in the USA

▶ Costa

- 2,437 stores today
- Aim = 3,500 by June 2016

▶ Café Nero

- 600 stores, expanding at one store per week

*Retail growth p.a.
(UK, past 3 years)*

Overall	0% -1%
Coffee retail	7%
Branded coffee houses	10%



Poised to grow



► Expansion under way

- 12 new stores under construction or design today –
 - China accelerating
- Minimum of 400 projected by 2020

► Strategic position in place

- Cooks owns the International IP
- Own Esquires UK & Irish Master Franchises
- Agreement reached to acquire Canadian Master Franchise
- Progressive Processors ingredient supplier of Kiwifruit
- Scarborough Fair – Organic Teas, Coffee and Chocolate

Current stores

UK	28
Canada	14
Ireland	6
China	14
Saudi Arabia	9
UAE	3
Bahrain	2
Kuwait	2

USA represents major opportunity

▶ **Very large market**

- Starbucks is the dominant player

▶ **Our positioning = Organic Fairtrade**

- Clearly defined appetite for Organic Fairtrade retail brands
- e.g. Whole Foods

▶ **Timing for entry ideal**

- Lack of competition, low rents, reduced fit out costs, strong NZ dollar and US economic downturn

▶ **Risk mitigated by approach**

- => sell numerous regional franchises, LA, Chicago, etc

No major 'branded Organic' competition
in the Café chains segment



Scalable model



Our model allows for rapid growth in turnover and store numbers with minimal capital requirements and low exposure to risk

Efficient supply chain

- » ✓ Supply of products from lowest cost location
- ✓ Acquire businesses that add value
- ✓ Lowest cost



Motivated executive



▶ **Stuart and Lewis Deeks**

- Founded and then opened all 49 Esquires stores in NZ in 8 years
- Sold the franchise to Retail Food Group (RFB.AX) for \$11.6m
- Retained franchise rights for ROW outside Australasia, UK, Ireland & Canada

▶ **Stuart Macintosh**

- Experienced senior executive with Cerebos Greggs
- Responsible for Operations, Exports, Mergers & Acquisitions, Coffee acquisitions (Robert Harris, Café Lafarre, Atomic)

▶ **Keith Jackson**

- MD of Tegel Foods for 16 years, Director & CEO of Ernest Adams, MD of Independent Dairy Processors (sold to Goodman Fielder)
- Founder of Cooks Food Group, Dairy Farm Investments and Dairyland Products

▶ **John Mac-Donald**

- Founded Design Environments in 1990
- Has a lifetime of diverse retail and design expertise
- Worked in various industries including apparel, hospitality and environmental

Talented and dedicated board

▶ **Andrew Kerlake**

- Logistics background
- Numerous business interests
- Major franchise expertise

▶ **Mike Hutcheson**

- Guru of advertising and branding
- Former Colenso, HKM and Saatchi CEO
- Author and popular media commentator
- Director of Image Group

▶ **Norah Barlow**

- MD of Summerset Retirement Group
- Retiring from this role end of March 2014



Summary



- ▶ **Coffee retailing a high growth sector**
- ▶ **64 stores in place TODAY**
 - Experienced and proven management
 - 400 stores in process
- ▶ **M&A opportunities abound**
- ▶ **Strategic value milestone in sight**
 - => 1st XV of international coffee chains