

The
Famous
Narragansett
Beer



Bifurcated Brand Opportunity: *Tapping the Retro Vein, Reconnecting with 45+*

- Macro consumer trend rejecting mass market and embracing local:
 - Regional heritage beers occupy a defendable, growing segment of the beer market
 - Yuengling and Pabst two of the top five fastest growing brands
- New England beer is big at \$1B+
 - 2-10% regional share = \$20M+ to \$100M
- Consumers in other regions have their Lone Star, Old Style, Yuengling, Rainier, etc, **the New England niche is void**

Product & Package



- Classic drinkable American lager
 - Premium beer segment approx 62% of N.E. beer by volume
- Re-formulated brew
 - based on heritage formula launched 10/05
 - Strong acceptance among full calorie beer drinkers
 - Contract brewed @ Genesee Brewery
- New packaging launched Fall '05
 - Successfully repositioned the brand from popular (discount) to premium (mass market) segment
- Line extension opportunities include Light, Bock and other “craft-like” beers

Distribution and Pricing Strategy

- Distributed to retailers by third party beer distributors
 - Coors/Miller network = approximate market share of 20-35%
 - New England coverage with 13-16 dist.
- Middle market segment pricing with Bud, Miller & Coors
- Targeted price features and merchandising

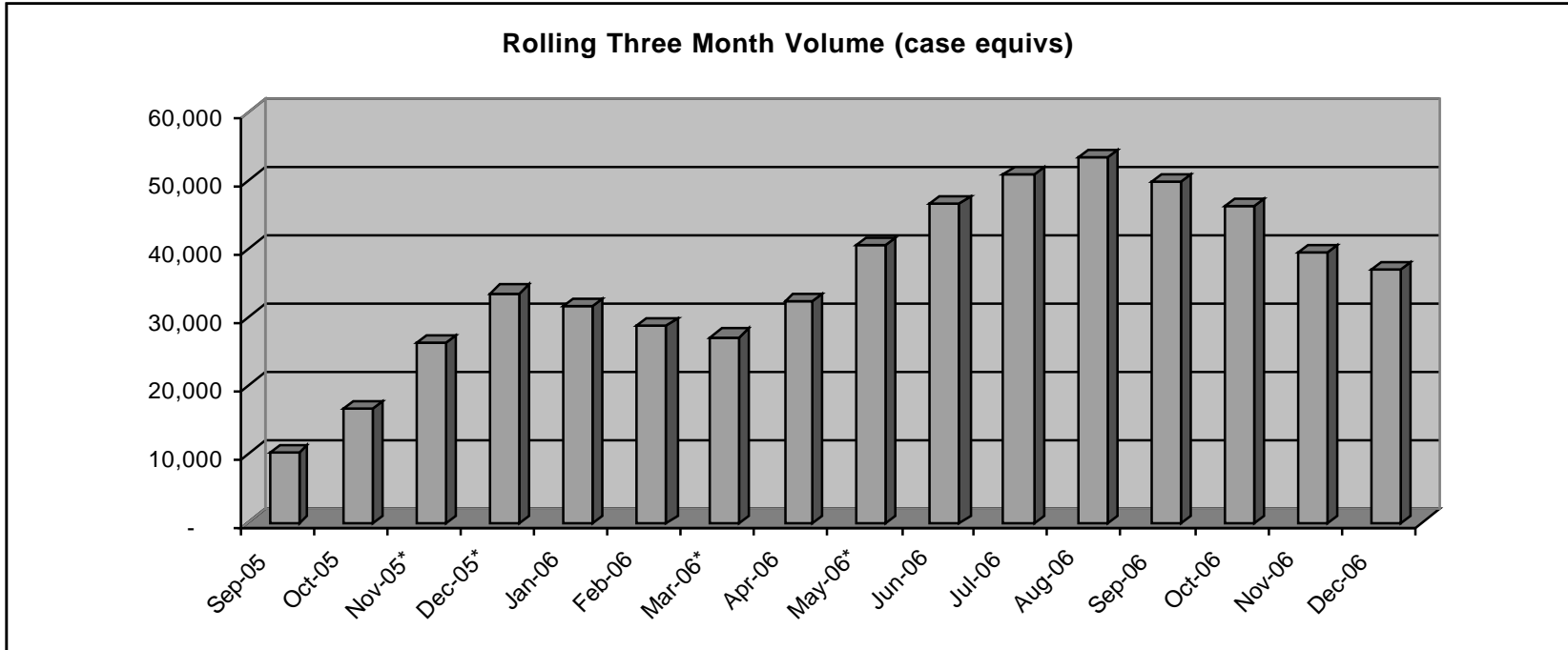
Sales & Marketing Strategy

Grass roots tactics to develop brand ambassadors

- Awareness: PR, sponsorships, billboards, targeted print, merchandising, radio
- Trial: package store tastings, bar promotions, goodwill
- Viral: targeting consumers who have a latent awareness of the brand or are early adopters of new brands to become brand ambassadors

Management Team / Board / Advisors

- Mark Hellendrung CEO, former pres Nantucket Nectars
- Jim Crooks VP S&M, 10 years beverage industry exp
- Board:
 - Kevin Kotecki, CEO Pabst, country's 4th largest brewer
 - Kevin Murphy, former CEO Fishery Products, COO with Ocean Spray and Wolf Assoc.
 - David Martirano, partner, Point Judith Capital
 - Jack Early, Cherrystone Angels
- Key Advisors: numerous distributor, supplier and beverage industry contacts available on an as needed basis



- Strong franchise in RI
- Developing franchise in SEMA & Worc Cty

Series B Round

- \$2.0M request, \$1.0M from inside investors
- Structure:
 - Participating preferred with liquidation preference
 - Put after 5 years
- Valuation:
 - Pre-money \$4.8M
 - Series B will own 21% on as converted basis, plus liquidation pref

Series B Return:

		Exit Multiple of Sales			
		0.5 X	1 X	1.5 X	2 X
		<i>Return Multiple</i>			
Sales	\$15,000	1.5	2.6	3.7	4.8
	\$17,500	1.7	3.0	4.2	5.5
	\$20,000	1.9	3.3	4.8	6.2
	\$22,500	2.1	3.7	5.3	6.9
	\$25,000	2.3	4.0	5.8	7.6
	\$27,500	2.4	4.4	6.4	8.3
	\$30,000	2.6	4.8	6.9	9.0

- Several recent transactions at 1X sales multiple: Rolling Rock (A-B), Grolsch (A-B), Goose Island (A-B), Sparks & Steel Reserve (Miller)