

PREMIUM ENERGY *&* EXPLOSIVE TASTE



***THE XS™ ENERGY DRINK  
ADVANTAGE***

# XS™ Energy Drink Innovation

- ❖ Nutrition:
  - First sugar-free formula premium energy drink
- ❖ Taste:
  - First to focus on actual flavors in the energy drink market
- ❖ Flavors:
  - First brand to offer a variety of flavors
- ❖ Demographic:
  - First to capture family market by the case, rather than single can sales to Gen X.
  - First brand with significant market share for the “over 35” crowd.
- ❖ Distribution:
  - First to leverage online, direct sales versus traditional retail sales.



When XS™ Energy Drinks Launched in 2001 There were no diet or sugar free options - source: The Mintel Beverage Report 2001

In 2001 only Red Bull® and Hansen's® were available nationally in a 250ml can - Source: 2001 Mintell Beverage Report

# XS<sup>TM</sup> Energy Drink Success

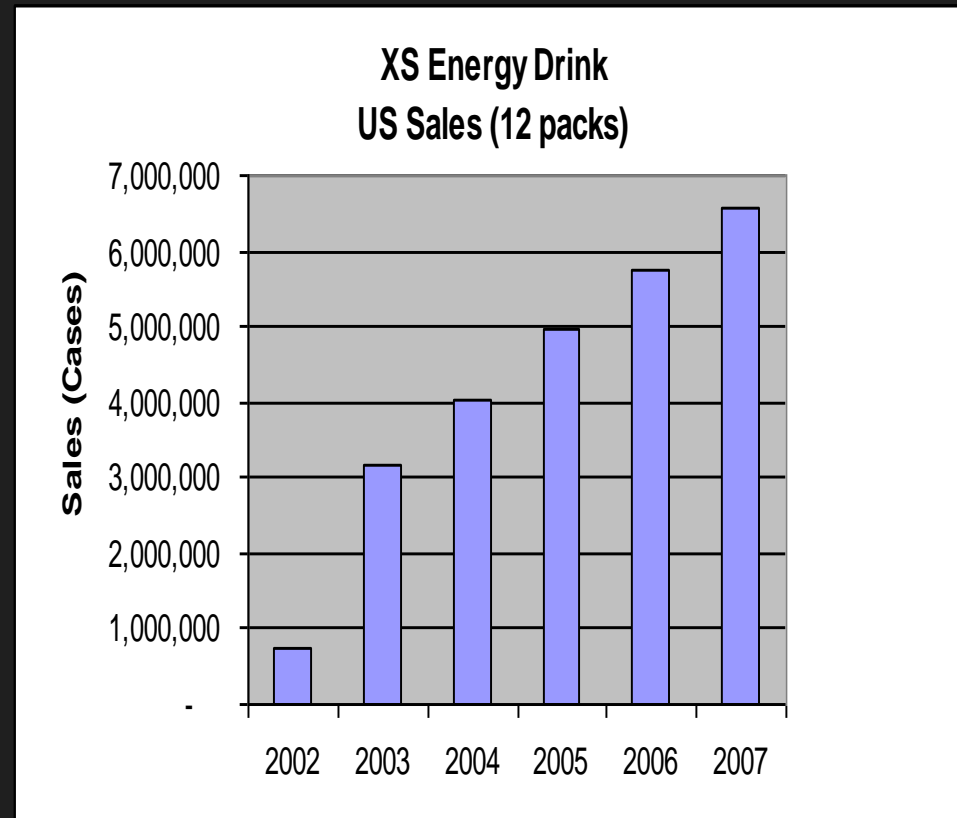
- ❖ According to Ball Corporation (major can manufacturer), XS became their largest customer in 2002.
- ❖ IBOs sell approximately one million cans every six days.
- ❖ IBOs have made XS one of the top selling brands in the USA based on Mintel's 2007 Energy Drink report for FDM<sup>1</sup>.
  - RedBull<sup>®</sup> was at \$272 million and Hansen's was \$102 million while XS is \$150 million. We are currently the largest producer of 8.4 oz cans in the USA according to Ball Corporation.

<sup>1</sup>Food Drug and Mass Merchant, excluding Wal-Mart<sup>®</sup> stores, convenience stores and on-premise sales



# XS™ Energy Drink Growth

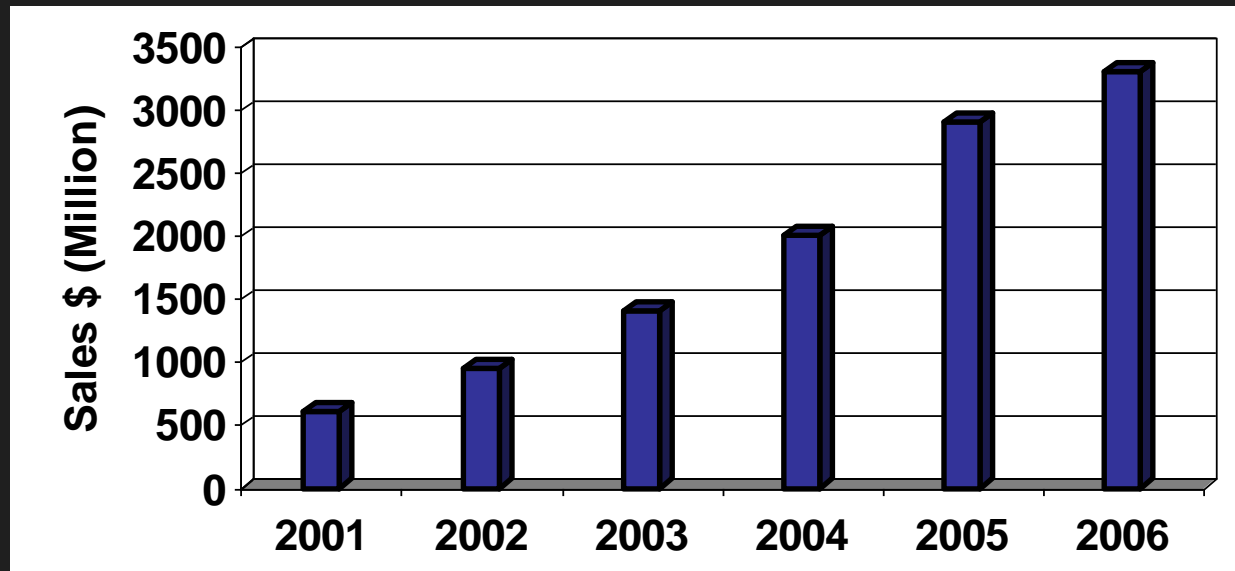
- ❖ **Sept. 2002:**  
XS launches into Quixtar IBO network
- ❖ **2002 to 2007:**  
Double digit annual growth
- ❖ **Jan. 2003:**  
XS launches in Canada
- ❖ **Jan. 2004:**  
XS launches in Australia / NZ
- ❖ **Jan. 2005:**  
XS launches in United Kingdom
- ❖ **Dec. 2007:**  
XS sales reach \$150 million at retail



# Beverage Market Magnitude

- ❖ The US energy drink market has grown significantly since 2001. It is projected to grow by 12% per year through 2010<sup>1</sup>. Currently, 54% of sales occur in convenience stores and supermarkets<sup>2</sup> which leaves plenty of room to earn new customers.

## United States Energy Drink Market



<sup>1</sup>Beverage Marketing Corporation

<sup>2</sup>Mintel Energy Drinks Report

# XS™ Energy Drink Flavors - Fruit

- ❖ The XS fruit flavors include:
  - Cranberry-Grape Blast
  - Citrus Blast
  - Tropical Blast
  - Cherry Blast
  - Electric Lemon Blast
- ❖ All the flavors you love with an energy boost to lift you up without letting you down.
- ❖ No sugar, low carbs, and low calories.



# XS™ Energy Drink Flavors - Soda

- ❖ The XS soda flavors include:
  - Cola Blast
  - Black Cherry Cola Blast
  - Rootbeer Blast
- ❖ No sugar, no carbs, and 8 calories.
- ❖ Enjoy your favorite soda flavors without the sugar rush.



# XS™ Energy Drink Flavors - Tea

- ❖ XS Tea flavors include:
  - Tea-Berry Blast: a blend of green & black teas.
  - Peach Tea Blast: a blend of green, black, & white teas
- ❖ XS Peach Tea is non-carbonated and has 90mg of EGCG - a powerful antioxidant
- ❖ No sugar, 1 carb and low calories.





# XS™ Energy Drink Flavors – Non-Caffeinated & Herb-Free

- ❖ XS Non-Caffeinated flavors include:
  - Cranberry-Grape Blast
  - Tropical Blast
  - Rootbeer Blast
- ❖ The XS non-caffeinated options are free of both caffeine and herbs and they have an added boost of folic acid and vitamin C.
- ❖ No sugar, no carbs and low calories.



# Proprietary Herb Blend

- ❖ The herbs in XS™ Energy Drinks are some of the most powerful herbs in the world
- ❖ They have the ability to:
  - Enhance the body and mind's capacity to adapt to changes in the environment
  - Build the body's resistance to stressors in the environment, including overwork and emotional factors
  - Increase endurance and reduce fatigue
  - Support adrenal function



# Proprietary Herb Blend in XS™ Energy Drinks

## ❖ Panax Quinquefolium:

- These ginseng roots boost the immune system and support the body during times of tiredness and overexertion

## ❖ Eleutherococcus Senticosus:

- was formerly known as Acanthopanax Senticosus and is a general tonic

## ❖ Panax Ginseng:

- Panax ginseng is famous in Asia for increasing energy

## ❖ Schisandra:

- This herb supports the liver, an important organ that helps our body cleanse itself of toxins

## ❖ Astragalus:

- The Astragalus root strengthens the immune system, which can become weakened during times of stress and fatigue

## ❖ Reishi:

- Gandoderma is a potent immune system enhancer that promotes wellbeing during times of stress and fatigue

# Sweetener: Acesulfame Potassium

- ❖ Introduced to the food market in 1988 after gaining FDA approval as a tabletop sweetener.
- ❖ Approved for beverages ten years later in 1998.
- ❖ Approximately 200 times sweeter than sugar.
- ❖ Acesulfame Potassium is technically an organic salt that is excreted unchanged from the body never getting absorbed into the blood stream.



# Sweetener : Sucralose

- ❖ Introduced in 1999 and approved by the FDA as a general sweetener.
- ❖ Approximately 600 times sweeter than sugar.
- ❖ The broad acceptance is due to over 100 studies during a 20 year period finding Sucralose both safe and inert - passing through the body unchanged and yielding no caloric density.



# B-Vitamins in XS<sup>TM</sup> Energy Drinks

- ❖ B3 (Niacin): 100% RDA
  - B3 plays a critical role in the energy production pathways within our body cells.
- ❖ B5 (Pantothenic Acid): 100% RDA
  - B5 is used by the body to break down carbohydrates, proteins, and fats for energy. B5 has been referred to as the “stress vitamin” because of its role in supporting the activity of the adrenal glands.
- ❖ B6 (Pyridoxine): 300% RDA
  - B6 is involved in more bodily functions than any other vitamin and as such can affect both mental and physical health. It is a requirement for normal brain function.
- ❖ B9 (Folic Acid): 100% RDA
  - Critical for the production and maintenance of new cells and promotes heart health.



# XS™ Energy Drink B12 Blast

- ❖ B12 (Cyanocobalamin): 4900% RDA
- ❖ The B12 found in XS is not from animal meats.
- ❖ B12 promotes normal cell growth and development. An adequate intake of B12 is needed to maintain normal nerve activity.
- ❖ B12 aids folic acid in the regulation of red blood cell formation and iron utilization.
- ❖ Required for proper metabolism of carbohydrates, proteins and fats. Also necessary for the synthesis of protein.



# Caffeine in XS™ Energy Drinks

- ❖ Contains 83mg of synthetic caffeine
- ❖ Approximate caffeine content of other beverages:
  - Drip Coffee (8 oz): 110-120mg
  - Espresso (1 shot): 80mg
  - Cola Beverage (12 oz): 30-38mg
  - Iced Tea (12 oz): 30 mg
  - RedBull® (8.4 oz): 80mg





# Taurine & Glutamine in XS™ Energy Drinks

- ❖ 1500mg of Taurine - 500mg of Glutamine
- ❖ These amino acids are important antioxidants in our body's cells
- ❖ Glutamine levels can drop very low when the body is exposed to excessive exercise or trauma.
- ❖ Examples of body functions that Taurine and Glutamine are associated with:
  - Regulation of the heartbeat
  - Muscle development
  - Cell membrane stability
  - Brain function



PREMIUM ENERGY & EXPLOSIVE TASTE

