

# Executive Summary

## Executive Summary

*Pacific Fruit & Beverage Company* aims to be the largest premium brand seller of Calamansi fruit juice in America within the next 5 years.

For those of you unfamiliar with the fruit, Calamansi juice is a staple of the Filipino breakfast -- much like our orange juice in America. Yet despite 2.3 million Filipinos living in America (and another 7 million Asian-Americans), finding good-quality, natural Calamansi juice is a challenge. Most Calamansi juice sold in the U.S. is loaded with sugar or overly diluted so you can't taste the purity of the fruit.

*Pacific Fruit & Beverage Company* -- through much experimentation and sampling -- has developed a recipe for Calamansi juice that's nearly an exact replica of the Filipino version. With almost no other quality Calamansi juice sold in the states, *Pacific Fruit & Beverage Company* has a lucrative corner on a niche market. Once we establish ourselves in the Filipino and Asian communities as THE Calamansi juice maker, we'll branch out to non-Asian Americans introducing the unique taste of this exotic juice beverage.

Think of this enterprise as the next Acacia berry immigration into the U.S. The Acacia is native to the Amazon where it was discovered by two friends who brought it to the states. They grew their company to more than \$137 million. We aim to do the same with the Calamansi.

While there is competition, most of it is based overseas. They do not have a U.S. presence, and only sell through importers -- so they are unfamiliar with the American market. Their goal is to sell on price and their product is typically diluted and full of sugar. That's why our juice is going to become a strong player in the Filipino and Asian communities in America.

*Pacific Fruit & Beverage Company* uses the perfect blend of Calamansi fruit and natural sweeteners (honey and cane sugar). It's the only Calamansi juice of quality that we know of in the U.S., which is why we expect sales to take off as we gain recognition in the Asian communities.

Once we develop a strong foothold in the Asian communities we plan to branch out to non-Asian Americans yearning for something palatably different in their juice and cooking palates. (The juice makes an excellent marinade for meat as well as a delicious cocktail mix.)

Besides the Calamansi juice, we're also developing a whole line of other juice combinations such as Calamansi-Mango, Calamansi-Strawberry, and Calamansi-Peach ... a selection of fruit sorbets ... and meat dipping sauces, which are popular in the Filipino and Asian dishes. So, as you can see, *Pacific Fruit & Beverage Company* is a multifaceted organization with a multitude of products that have the ability turn a profit. At the same time we don't lose sight of the importance of maintaining our strong presence in a unique niche market with our original inspiration, the Calamansi juice. This is why we're expecting to grow sales from its current \$120,000 to \$31 million by 2013.

# Company

## Company Overview

*Pacific Fruit & Beverage Company* began as a simple craving. When Founder & CEO, Victor Elizaga came to the U.S. nearly a decade ago, he missed his habitual morning Calamansi juice. Calamansi juice in the Philippines is comparable to our orange juice in the states. It's the expected beverage for morning connoisseurs.

Victor couldn't find a suitable American version of his favorite drink (although there were some Calamansi beverages that could be obtained in the states) so he worked with a Filipino grower and distributor to create his own version: *Simply Calamansi* (concentrate) and *All-Natural Calamansi* (ready-to-drink). Along with his 3 partners Jerico (Jerry) Cacacho, Joel Kaplan, and Enrique (Ricky) Perez, Victor is bringing his memory of the popular Filipino drink to the states.

So far, the two Calamansi juice products are sold in a plethora of Asian food markets, Asian restaurants and casinos in Northern California. *Pacific Fruit & Beverage Company* intends to expand the exposure of these Calamansi drinks -- as well as a host of other natural juices, sorbets, and sauces we're currently developing -- to grocery stores, restaurants, bars, and casinos across the country both Asian and non-Asian.

## Company History

Victor Elizaga (CEO and Founder of *Pacific Fruit & Beverage Company*) came to the U.S. when he was 33, but never forgot the taste of his favorite fruit juice, Calamansi. The Calamansi fruit is a unique combination of sweet and sour -- much like a cross between a lime and mandarin orange. The higher acidity level in the Calamansi fruit gives it a lighter and more refreshing taste than orange or grapefruit juice.

When he came to the states, Victor searched for the taste of Calamansi juice but found the representatives few and far between -- and extremely disappointing. Their juices were too sweet, too watery, not enough of the fruit taste, etc.

So Victor took matters into his own hands, and experimented with different combinations of sweetening agents. He found that cane sugar and honey enhanced the flavors of the Calamansi fruit. Victor contacted a Philippine company that cultivated the fruit with whom he had a long-standing acquaintance with. Working closely with this distributor he sent them his concoction asking them to replicate it. He taste-tested the juice back and forth until the distributor hit on the right mixture and imported the juice in concentrate form. In September 2010, Victor created a company, *Pacific Fruit & Beverage Company*, and sold the juice as a concentrate (called *Simply Calamansi*). In July 2011, he offered a ready-to-drink version in 16 oz bottles called *All-Natural Calamansi*.

In January 2011, Victor and his two partners Jerico Cacacho and Enrique Perez joined forces with Joel Kaplan and changed his LLC into a C-Corp. Since then, the market for *Simply Calamansi* and *All-Natural Calamansi* have been growing at a rapid clip, and are now sold in select stores and served in dozens of restaurants and casinos including ...

- Tastebuds (San Bruno, CA)
- Patio Filipino (San Bruno, CA)
- .Karilagan (South San Francisco, CA)
- Gerry's Grill (Union City, CA)
- Kalesa Restaurant (Milpitas,CA)
- Barrio Fiesta Restaurant (Milpitas, CA)
- Bamboo Grill (Newark, CA)
- Andreas Restaurant (Vallejo, CA)
- Boracay Garden & Grill (South San Francisco, CA)
- Kuya's Asian Cuisine (San Bruno, CA)
- .Kamameshi House Japanese Cuisine (South San Francisco, CA)
- .Mana Filipino Restaurant (San Mateo, CA)

- .Hula Hut (Benicia, CA)
- Pampanguena Cuisine (San Francisco, CA)
- Koh Samui & The Monkey (San Francisco, CA)
- .House of Sisig (Daly City, CA)
- Baby's Eatery & Palabok (San Francisco, CA)
- Pho Lee Hoa Phat 1 (Pleasant Hill, CA)
- Pho Lee Hoa Phat 2 (Vallejo, CA)
- Pho Lee Hoa Phat 3 (Vallejo, CA)
- Pho Lee Hoa Phat 4 (Vacaville, CA)
- Cha-Am Thai Restaurant (Vallejo, CA)
- Island Pacific Supermarket (Union City, CA)
- Island Pacific Supermarket (Vallejo, CA)
- Manila Oriental Market (Daly City, CA)
- Pacific Supermarket (San Francisco, CA)
- Pacific Supermarket (South San Francisco, CA)
- Pacific Supermarket (South San Francisco, CA)
- Pacific Supermarket (Daly City, CA)
- NTM Oriental Trading (Daly City)
- .County Square Market (Pleasant Hill, CA)

- Island Pacific Supermarket (Canoga Park, CA)
- Island Pacific SuperMarket (Panorama City, CA)
- Island Pacific Supermarket (N. Vermont Ave. LA, CA)
- Island Pacific Supermarket (S. Vermont Ave. LA, CA)
- Island Pacific Supermarket (West Covina, CA)
- Island Pacific Supermarket (Cerritos, CA)
- County Square Market (Vacaville, CA)
- Food 4 Less (Hammer Lane, Stockton CA)
- Food 4 Less (March Lane, Stockton CA)
- Rancho San Miguel (Stockton CA)
- Food 4 Less (Weston Ranch, Stockton CA)
- Suisun Seafood Center (Suisun, CA)
- Little Quiapo Asian Foods (Pacifica, CA)
- Roline's Asian Market (Vacaville, CA)
- RSM Oriental Food Mart & Restaurant (Hercules, CA)
- Lucky Chances Casino (Daly City, CA)
- Cache Creek Casino (Brooks, CA)
- Pacific Supermarket (Waipahu, Hawaii)

## **Distributors**

- Asian Commodities Co. (Los Angeles, CA)
- Philippine Foodtrade Corp. (Commerce, CA)
- Simex International (South San Francisco, CA)

## COMING SOON

- Ranch 99 (All 9 Northern California Branches)
- Ranch 99 (Seattle, USA)

## Management Team

### Who's who at Pacific Fruit & Beverage Company

- **Victor Elizaga**, CEO and Founding Owner *Pacific Fruit & Beverage Co.* is the creative inspiration behind *Simply Calamansi* and *All-Natural Calamansi* juices. He saw an opportunity in the Calamansi juice market when he couldn't find a sufficient version of the Filipino favorite in the U.S. With high Asian populations throughout the U.S., Victor realized this was a beverage that would be appreciated by many Asian-Americans who long for a taste of home-style Calamansi.

This is not Victor's first successful venture. He graduated from De La Salle University in the Philippines with a Bachelor of Science in Marketing Management. Victor hit the ground running. Degree in hand, he started up Miggy's Super Tacos Inc. Miggy's became the largest Mexican fast-food chain in Manila, growing to 34 franchise stores. Victor also started up Baker Brothers Artisan Bakery in Manila which was featured on several TV programs and magazines as one of the best European artisan bakeries in the area. In 2000, Victor was named "One of the Most Successful Young Entrepreneurs" by the Philippine Franchise Association.

After emigrating to the U.S. in 2002, Victor opened Suburbia Hair Studio in Walnut Creek, an upscale salon. The salon received much publicity as it was featured in a number of magazines and websites. Now Victor has set his sites on selling and

distributing all natural tropical fruit juices from the Philippines, starting with his line of Calamansi products. With nearly two decades of experience founding and growing successful businesses, Victor has a proven track record that makes it odds on his next venture is sure to be a success.

- Vice-President of Sales, **Jerico Cacacho** (Jerry), is also a fellow graduate of De La Salle University in Manila. He earned a double degree in Industrial Engineering and Mechanical Engineering. As VP of Sales, Jerry heads up the push to get *Simply Calamansi* and *All-Natural Calamansi* into restaurants, casinos, and grocery stores.

With over 15 years of sales management, direct sales, business development and marketing, Jerry is no stranger to the world of sales. He has worked with such big names as Shell (Manila and Brunei, as Senior Marketing Manager and Sales Manager) and AT&T (Global Account Manager). He currently is the Global Sales Director for KDDI America, Inc where he manages a team of global account managers in charge of US Fortune 1000 accounts.

Jerry's can-do attitude, enormous energy, combined with shrewd sales and marketing know-how makes him a valuable player on the *Pacific Fruit & Beverage Company* team. His skills in networking, sales, contract negotiations, and presentation shine as he helps to expand the presence of *Simply Calamansi* and *All-Natural Calamansi* on the market.

- Chief Financial Officer, **Joel Kaplan**, remembers the day Victor, Ricky and Jerry approached him to help manage the growth of *Pacific Fruit & Beverage Company*.

"After hearing their presentation, I did a little research of my own. Having never heard of the fruit before, I researched it and tried a sample bottle. I was so impressed with the taste and the flavor I accepted their offer as CFO and asked to become an equal partner in the business. I knew this was a good opportunity."

When it comes to picking out entrepreneurial startups and growing them to large corporations, Joel has a proven track record. After receiving his Bachelor of Arts from University of California Berkeley and MBA from Haas Graduate School of Business (and a few accounting and staff positions at General Motors), Joel worked his way through the Marriott Corporation. At 25, he became the youngest executive in the history of the Marriott Corporation to hold the title Director of Finance.



Joel later joined the Meyer Corporation, the second largest cookware manufacturer in the world, as Vice President of Finance. Under Joel's guidance, within the next decade, Meyer Corp.'s revenues increased from \$15 million to \$220 million per year. When Meyer Corp. faced \$3 million in past due royalties from a near-bankrupt licensee, Joel implemented a unique strategy to collect: Instead of insisting on a cash payment which the licensee couldn't possibly meet, Joel advised Meyer Corp. to accept payment in product in lieu of cash. Joel then helped sell the product in factory outlet stores and to third parties. He not only recovered the \$3 million owed, but generated a cool \$3.5 million profit to boot.

Now Joel is supplying his financial savvy and managerial expertise to grow *Pacific Fruit & Beverage Company* into a national marketer and distributor of premium imported fruit products. With his experience and talent, Joel is sure to help ensure the rapid expansion of the company through its existing products like *Simply Calamansi* and *All-Natural Calamansi* as well as their products on the horizon (dipping sauce for meats, sorbets, and additional line of juices including peach, mango, peach-Calamansi, mango-Calamansi and mango-peach) .

- **Enrique Perez** (Ricky) keeps the machine of *Pacific Fruit & Beverage Company* running smoothly by handling the logistics. He is in constant communication with the restaurants, stores, and casinos that stock *Simply Calamansi* and *All-Natural Calamansi* to make sure their provisions are well-stocked and in good condition.

As a self-employed contractor, Ricky is not only a skilled technician but he has developed excellent customer service skills. These are skills he carries over in his relationships with the vendors and suppliers who serve *Simply Calamansi* and *All-Natural Calamansi*. Ricky's superior relationship building skills and experience building a clientele base are essential talents he utilizes in his day-to-day communications with *Pacific Fruit & Beverage Company's* customers as well as building the customer base.

# Products and Services

## Products and Services

Our *Simply Calamansi* fruit juice is all-natural; no artificial colors, flavors, or preservatives. Picked only from the finest growers in the Philippines, the Calamansi fruit is sweetened with pure honey and cane sugar, so you get natural and wholesome refreshment with every sip. You can enjoy our Calamansi juice virtually off the tree with *All-Natural Calamansi* ready-to-drink 16 ounce bottle. Or, if you want to keep some Calamansi on hand, try *Simply Calamansi* concentrate. Each bottle contains at least 130 Calamansi fruits and makes close to 2 gallons of juice. Just add water and you have a deliciously exotic and flavorful drink.

*Simply Calamansi* is more than just a delectable juice. It's an exquisite marinade for your meats ... a new twist on your favorite cocktail drinks (Margaritas, Daiquiris, and Mojitos) ... you can even make it into a refreshing sorbet.

*Pacific Fruit & Beverage Company* is planning to branch out into other juice combinations including Calamansi-Mango, Calamansi-Peach, and Mango juices. Each will be available in ready-to-drink bottles and concentrate.

Likewise, *Pacific Fruit & Beverage Company* is currently developing a line of flavorful sorbets made with all-natural ingredients and flavors of the Calamansi fruit and other combinations.

COMING SOON: *Simply Calamansi* extract. This is the concentrated essence of the Calamansi, perfect for cooking, grilling, marinades, baking. Mix with a little soy sauce or fish sauce for a delicious meat sauce.

## Competitors

Most of our competitors in the Calamansi juice market are based in the Philippines and imported to the states through online retailers and distributors. Some of the main ones are ...

- **Pick & Squeeze** offers a 25-oz Calamansi concentrate in a clear plastic bottle for \$6.79. Pick & Squeeze holds fast to their claim that the juice is all natural and has no preservatives, additives, artificial coloring or flavoring. Juices are available through online Filipino markets such as PhilAmerica.com or Amazon.com
- **Citrus Farms** sells a 26-oz bottle of Calamansi concentrate for \$6.99. It is sweetened naturally with honey. The drink is popular in the Philippines often given as a gift. There is an American online retailer, Livestrong.com, that carries the juice. But the home base for Citrus Farms is in the Philippines so consumers are -- in essence -- importing from overseas.
- **Delight** makes a 500 ml foil Calamansi juice pouch, as well as a concentrate sweetened with honey. They also manufacturer a 10 ml Calamansi extract. The product can be found on Filipino-based food website, pinoygrocery.com. But once again, they are based in the Philippines so shipping of the product won't be as immediate.
- **Gina** (also based in the Philippines) produces Calamansi juice in an 8.5-oz can and 6.75-oz foil pouch which are available through online Filipino food websites like pinoygrocery.com.

The advantage that *Pacific Fruit & Beverage Company* has over these other juice companies is that we're located right here in the U.S. So when consumers purchase our Calamansi juice and concentrate, they're getting it direct from our warehouse in Northern California. This gives a "fresher" appeal than ordering from an online retailer in the Philippines.

Additionally, it is easier for us to approach retailers for the purpose of stocking their stores, bars, casinos, and restaurants with the juice. Not only do we have the advantage of knowing our market (since we're in the U.S.), but we'll be able to transport our juices to the retailer at a faster rate since our warehouse is located in the states and we're not shipping directly from an overseas merchant.

Our biggest competitor, **Sun Tropics**, does have the same homefield advantage we have. They are located in San Ramon, California, which is only about 12 miles from our offices in Walnut Creek, California. Sun Tropics has a multitude of products including a Calamansi-lime, Guava, Mango, Pineapple-Guava, Mango-Passion Fruit and

Soursop. Juices are available in an 8-oz can, half gallon carton and 64-oz "shelf stable" concentrates.

Although Sun Tropics boasts of "no high fructose corn syrup," they do pack a lot of sugar in their drinks (25 grams in the 64 oz concentrate), and you can taste it. Their juice is very sweet, much sweeter than orange juice. It tastes more like fruit punch than fruit juice. The edge our *Simply Calamansi* and *All-Natural Calamansi* have is that we use pure cane sugar and honey -- strictly natural sweetening agents -- and only the amount necessary to bring out the natural fruit taste of the Calamansi.

Additionally, Sun Tropics doesn't make a pure Calamansi juice, they sell a Calamansi-lime combination. Since the lime is also very acidic, it has the tendency to overpower the unique taste of the Calamansi -- and you taste more lime than Calamansi. This is why when we determined our combination juice mixtures we considered non-acidic agents like mango, peach, and strawberry (launching by second quarter 2012). Since *Simply Calamansi* and *All-Natural Calamansi* contain only the Calamansi fruit, the juice has a lighter, more acidic taste. You taste only the purity of the fruit. The result is a refreshing juice beverage.

In short, while much of our competition boasts of quality or convenience, we have both. *Simply Calamansi* and *All-Natural Calamansi* are a higher quality product made with all natural ingredients and sold locally so the consumer can find our product right on the store shelves.

# Target Market

## Market Overview

The Asian consumer in the U.S. is a large market weighing in at around 10,242,000. Of those, approximately 7 million are first-generation Asian who likely will have a strong connection with items that have that "taste of home", like the Calamansi fruit. (*Source: U.S. Census Bureau 2010*)

Looking just at one segment of the Asian community, there are 2.3 million Filipino-Americans in the U.S. 1.3 million migrated directly from the Philippines (*Source: U.S. Census Bureau 2010*) and most likely have grown up with the fruit as Victor Elizaga (CEO and Founder *Pacific Fruit & Beverage Company*) did. New generations we expect have been regaled with descriptions about the Calamansi and may have a curiosity factor about the fruit and juice which would lead them to seek it out for the experience.

What does this mean for *Simply Calamansi* and *All-Natural Calamansi*? We expect a typical Filipino household would consume about a half-gallon of Calamansi juice a week. At a retail price of \$4 per half gallon, this would be about \$330,000,000 retail and \$150,000,000 wholesale. Our goal is to capture about 25% of the market share in 5 years. Looking at consumption of the entire Asian population in the U.S., we expect to add about another \$1.1 billion in Calamansi juice sales per year (again we're aiming to take 25% of that market) .

The Calamansi (also known as Calamondin) originated in China. It is a small green fruit that turns orange when it is ripe. The best way to describe the Calamansi is a cross between a lime and mandarin orange. What we like about the Calamansi fruit juice is that it's higher in acidity than orange juice, giving it a lightness that creates an extremely refreshing beverage compared to the heaviness of orange juice

Today you can find the Calamansi fruit trees in regions of India, Hawaii, the West Indies, Southeast Asia, and North America (the latter mostly as an ornamental). The tree is native to the Philippines where it is grown year round and used in a variety of edibles -- juice, marinades, sauces, and marmalades. In its unripe state, the fruit is has been used to treat acne, insect bites, coughs, and stains. But the Calamansi in the

Philippines is most commonly consumed as a fruit juice, similar in its popularity to orange juice in the United States.

When Victor came to the United States in 2002, he craved the taste of the Calamansi fruit. He tried every Calamansi juice he could get his hands on in the U.S. (which wasn't many) but none of them lived up to his nostalgic expectations. They either had too much sugar, too much water, not enough of the fruit taste, etc. So he set out to make his own Calamansi fruit juice.

Victor experimented with the right balance of sweetening agents -- keeping it natural with cane sugar and honey. Boom! He found the perfect combination. Victor realized if he was missing the unique flavor of the Calamansi in the states, there had to be thousands of other Filipino-Americans and other Asian-Americans who were as well. So he contacted a Calamansi grower and distributor he knew in the Philippines (and had a long-standing relationship with) and asked them to replicate the Calamansi juice combination he had come up with. He taste-tested back and forth with the distributor until they got it right -- and *Simply Calamansi* and *All-Natural Calamansi* were born. Victor started *Pacific Fruit & Beverage Company*, importing the concentrate from the Filipino distributor and marketed his Calamansi juices to various Asian food stores, restaurants, and casinos.

Like Victor's nostalgic cravings when he came to the states, we expect that *Simply Calamansi* and *All-Natural Calamansi* will bring back a memorial taste of their ancestral homelands. We're sure anyone will be hard-pressed to find another Calamansi juice drink with the same close-to-home taste.

Beyond the Asian-American market, there's huge potential to grow the company as we broaden our scope to non-Asian Americans by exposing them to the unique taste and appeal of the Calamansi juices. We're confident that *Simply Calamansi* and *All-Natural Calamansi* will appeal to consumers who are yearning for something different than the everyday orange, apple, and grapefruit juices. We expect the Calamansi has the potential to be the next exotic flavor for non-Asian Americans searching for something unique and delicious in their juices and cooking experience, much like the Acacia berry was when it was introduced into the U.S. around 2005 by two enterprising friends. They found the berry in the Amazon, brought it here and grew their company to more

than \$130 million in sales in around 5 years. We expect a potential for similar growth with our Calamansi juice beverage.

On the plus side, the Calamansi has a stronger foothold than the Acai berry since much of the Asian market U.S. is familiar with the Calamansi fruit -- which the Acai berry did not have. Our strategy is to use the Asian population as the "seed" of our growth and create a marketing campaign that introduces the Calamansi to mainstream Americans who are yearning for new and exotic products. Calamansi fulfills that niche beautifully with a unique taste that's excellent for juices, cocktails (makes an excellent Margarita), marinades, sauces, and even a refreshing sorbet.

The introduction of the Calamansi fruit to mainstream Americans has the potential to grow the market on a massive scale. *Pacific Fruit & Beverage Company* aims to be at the forefront of this awakening with the right product, at the right place, at the right time with an abundant supply.

## Market Needs

Our first target market is the Asian communities living in America and abroad where Calamansi juices are difficult to find. *Simply Calamansi* and *All-Natural Calamansi* offer the closest taste of home-style Calamansi fruit juice that you can get in the states. Sure, there are competitors who market a Calamansi juice but we found that these versions paled in comparison. They added too much sweetener or didn't use natural sweetening agents like we do (honey and sugar cane). Some were too much water and not enough of the fruit juice taste. Victor experimented over and over again with different balances of ingredients to find the perfect blend that tasted most like the Calamansi juice he remembered from home.

Next, Victor contacted a Calamansi grower and distributor he knew in the Philippines (and had a long-standing relationship with) and asked them to replicate the Calamansi formula he had perfected. He taste-tested back and forth with the distributor until he was satisfied. The distributor then bottled the juice in concentrated form and sent it back to Victor who started *Pacific Fruit & Beverage Company* and began selling the juice to Asian food stores, restaurants and casinos.

With our second target market, the mainstream non-Asian audience, the focus is a little different. Here is a uniquely exotic juice to awaken the senses if they're feeling bored and tired of the staples like orange juice, grapefruit juice, apple juice and cranberry juice. So many of these juices are heavy and loaded with high sugars, *Simply Calamansi* and *All-Natural Calamansi* offer a lighter taste and healthier alternative to many of the staple juices.



# Strategy and Implementation

## Marketing Plan

### Overview

We know our *Simply Calamansi* concentrate and *All-Natural Calamansi* ready-to-drink bottles are the closest you'll come to Calamansi juice from the ancestral homelands you'll find in the states. There's no question we've carefully developed a taste truest to its origins. Now the challenge is getting the word out.

Our strategy is to lay the foundation with the Asian communities in the U.S. In fact, we've already started this campaign by getting our two Calamansi drinks into Asian food markets, restaurants and casinos in the Northern California region. Next step is to expand our market to the rest of the Asian markets, restaurants and casinos in U.S. targeting both small independent business as well as franchises like Ranch 99.

After a firm foothold in the Asian-American markets we'll target non-Asian Americans who are yearning for something palatably different and exotic. More natural-oriented and gourmet grocery stores are a good bet for this such as Trader Joe's, Whole Foods, Rale'ys/Nob Hill, Andronicos, and the natural food sections in stores like Safeway and Ralphs/Vons. Another good venue will be mainstream restaurants, bars and casinos.

### Positioning

Sure, there are a few other companies offering Calamansi juice drinks out there, but they're lacking the same authentic taste. Hailing from the Philippines, Victor Elizaga, (Founder and CEO of *Pacific Fruit & Beverage Company*), grew up with the unique sweet-and-sour taste of the Calamansi fruit juice. When he found the drink offered in the U.S. he was overjoyed -- but that joy was soon replaced by disappointment when he discovered that the taste was an inadequate version of the juice he fondly remembered from his childhood. The proportions were never right -- too much sugar, not enough fruit, too much water, etc.

Victor decided if he wanted the ideal Calamansi juice he enjoyed as a child, he'd have to take matters into his own hands. He started to experiment with different sweetening agents and found that the right balances of honey and cane sugar were key which sweeten and enhance the flavor of the Calamansi fruit. Plus, they maintain the high-quality of natural ingredients that Victor strived for in perfecting the juice.

Victor shared his Calamansi concoctions with friends who asked where they could buy this distinctive juice. Victor realized the opportunity in this untapped market. Not only was there not a comparable Calamansi juice on the market close to the real taste of the Filipino version, but he expected that -- like himself -- there were thousands of other Asian consumers who may be yearning for Calamansi juice as well.

So he contacted a Calamansi grower and distributor he knew in the Philippines (and had a long-standing relationship with) and asked them to replicate the Calamansi juice combination he had come up with. Victor taste-tested the juice back and forth with the distributor until it was perfect.

*Simply Calamansi* and its ready-to-drink counterpart (*All-Natural Calamansi*) are the closest renditions of the popular Filipino drink you'll find in the U.S. or worldwide. That is why after we campaign across the U.S. we plan to take the drink to thirsty consumers on a global scale.

## Pricing

Both *Simply Calamansi* and *All-Natural Calamansi* are sold in Filipino and Asian food stores, Asian restaurants, and casinos across Northern California. The suggested retail price for the 800 ml concentrate is \$7.99. It makes about 2 gallons of Calamansi juice and has a shelf-life of about 18 months with no preservatives added.

The *All-Natural Calamansi* ready-to-drink 16-oz bottle retails for \$1.79, which is comparable to the suggested retail price for most individual-sized bottles of juice and soda.

We will occasionally offer a coupon on both *Simply Calamansi* and *All-Natural Calamansi* as part of various promotions to entice new customers into trying the juice. We will

also be performing demonstrations in grocery stores offering free samples of our Calamansi juice to enlighten the taste buds of potential customers.

## Promotion

*Simply Calamansi* and *All-Natural Calamansi* are already sold in many Filipino Food stores and restaurants throughout Northern California. With a large Filipino community in areas like San Francisco/Daly City (5% of the population), Fairfield/Vallejo (8% of the population), and San Jose areas (4% of the population), the Calamansi drinks strike a chord with Filipinos and other Asian-Americans giving it a popularity boost. Obviously the next goal is to get *Simply Calamansi* and *All-Natural Calamansi* in other Asian food stores and restaurants across the country as well as larger Asian grocery store chains.

Similarly while at the moment *Simply Calamansi* is present in stores that specialize in Asian groceries such as Ranch 99, Pacific Supermarket and Island Supermarket, we want to expand into larger mainstream chains such as **Whole Foods**, **Andronico's**, and **Trader Joe's**. The draw here is that these stores carry natural and specialty foods that you can't find on most supermarket shelves, and *Simply Calamansi* is a perfect addition to their stocked items. We do already have a presence in **Food 4 Less** in certain regions in California -- here we'd like to expand to other Kroger chain stores across the country (QFC, Fry's, Ralph's, Foods Co, etc).

Along those lines, the popularity of the **Farmer's Markets** that are springing up weekly across the West Coast would be another great place to sell *Simply Calamansi* and *All-Natural Calamansi*. With its exotic flavor and all-natural sweeteners of cane sugar and honey it's sure to be a hit among the health-conscious consumers that flock to the Farmer's Markets. Plan to set up a booth with information, samples, and bottles to sell as well as a list of where to buy the juice locally along with a coupon. This could also be accomplished on a local level with **Street Fairs**.

**Demonstration/tasting** at grocery stores along with samples and coupons is another good way to heighten prospective customer awareness of *Simply Calamansi* and *All-Natural Calamansi*, stressing the natural ingredients and sweeteners.

On a national level, find a list broker and eblast or print mail advertising to names of consumers who tend to purchase organic foods, vitamins, natural foods, and shop in natural food stores. Use postcard format with a small amount of copy on *Simply Calamansi* and *All-Natural Calamansi* and coupon with picture.

**Market to bars** as well either by print, eblast or live sales. *Simply Calamansi* makes a unique and delectable cocktail that's off the beaten path. Both the Elephant Bar (with chains across the country) and local places such as Trader Vic's which veers towards Polynesian cuisine are good places to start.

*Simply Calamansi* already has **space ads** in Filipino newspapers; branch out to other Asian newspapers, as well as newsletters devoted healthy living, cooking, and raising kids.

**Web presence:** Use Facebook, Twitter, MySpace to get the word out about *Simply Calamansi* and *All-Natural Calamansi*. Google ad words for the product when searching for things like "all natural juices" "healthy juices" "new drink mixers" and obviously "Calamansi juice" spelled with both a "C" and a "K" or "Calamondin".

## Distribution

You can buy our Calamansi juice two ways:

- *Simply Calamansi* concentrate which is sold in 800 ml. bottles and makes approximately 2 gallons of the juice
- *All-Natural Calamansi* ready-to-drink 16 ounce bottles

Both are sweetened only with cane sugar and honey and made with real Calamansi fruit. Victor Elizaga (CEO and Founder *Pacific Fruit & Beverage Company*), taste-tested the precise combination of honey, cane sugar, and Calamansi fruit to come up with the perfect juice blend.

Since there are no preservatives, there is a shelf life. The concentrate can last up to 18 months, so it can be transported anywhere in the United States -- or the world easily without flavor breakdown.

Currently, *Simply Calamansi* and *All-Natural Calamansi* are sold in a number of Filipino and Asian food stores, restaurants and casinos. We plan to expand to larger Asian supermarkets and restaurants as well as more mainstream grocery store chains as well as restaurant and casino franchises.

## Milestones

In September 2010, Victor took his love of Calamansi juice, bottled it, and created a company around it called *Pacific Fruit & Beverage Company*. He, along with his 3 partners (Joel Kaplan, Jerico Cachaco, and Enrique Perez), have been developing and growing *Simply Calamansi* concentrate and *All-Natural Calamansi* ready-to-drink bottle ever since.

- **November 2010**, *Simply Calamansi* is sold in a variety of Asian grocery stores and franchises in Northern and Southern California.
- **January 2011**, the company was formed as a California C-Corp and sales teams were approaching restaurants, grocery stores and casinos to stock and sell *Simply Calamansi*.
- **January 2011**, *Simply Calamansi* signs a deal with Lucky Chances casino and several other Asian restaurants as well as some local casinos to offer the juice as a beverage option on their menu.
- **July 2011**, *Simply Calamansi* launches its ready-to-drink 16 oz bottle called *All-Natural Calamansi*.
- **Currently**, *Simply Calamansi* is currently working to close a deal to sell *Simply Calamansi* and *All-Natural Calamansi* to all Ranch 99 stores in Northern California.
- **Currently**, working to perfect the packaging that *Simply Calamansi* and *All-Natural Calamansi* are presented in. Tinted bottle, different bottle shape, etc.

**NEXT STEPS include ...**

- Get presence of *Simply Calamansi* and *All-Natural Calamansi* into larger chain grocery stores such as Whole Foods, Andronicos, Trader Joe's and Kroger stores (QFC, Foods Co, Ralph's, Fry's)
- Expand from Calamansi juice and concentrate to other flavors including Calamansi-Mango, Calamansi-Peach, Calamansi-Strawberry.
- Develop *Simply Calamansi* juice into a selection of sorbets including Calamansi, Calamansi-Peach, Calamansi-Mango and Calamansi-Strawberry. A refreshing and delectable treat -- imagine the tartness of the Calamansi combined with the ultra sweetness of fresh peaches. Delicious!
- Grow consumer base and market to larger chain grocers like Safeway, Raley's/Nob Hill, Lucky.
- Extend to Asian and Filipino chain restaurants to offer *Simply Calamansi* and *All-Natural Calamansi* as a beverage of choice including Jollibee, Red Ribbon, Chow King, Panda Express, PF Chang's and more local Asian restaurants including Trader Vic's.
- Expand presence in restaurant chains to include larger non-Asian franchises such as Elephant Bar, TGI Fridays, Applebees.
- Expand into growing large quantities of the Calamansi in the U.S. since California's geographical terrain and climate are conducive to the cultivation of the fruit. Right now *Pacific Fruit & Beverage Company* uses a distributor from Manila whom Victor has a long-standing business relationship with and worked closely with to develop the perfect combination of sweetening agents (honey and cane sugar) for the perfect taste. They send the juice in bulk concentrate form. *Pacific Fruit & Beverage Company* will be able to slash costs by importing the fruit and making the juice from within the United States rather than overseas.

# Financial Plan

## Sales Forecast

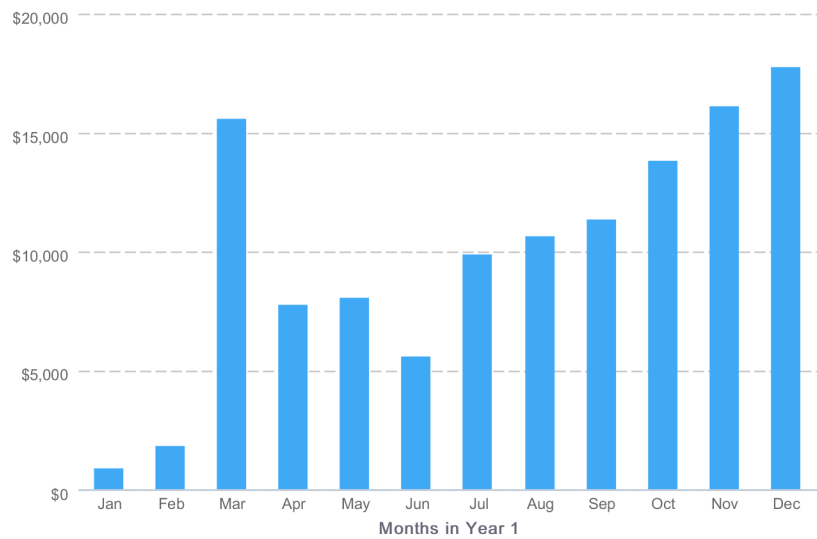
### Sales Forecast Table

	FY2011	FY2012	FY2013
<b>Unit Sales</b>			
Calamansi Concentrate	1,260	35,000	100,000
Calamansi Ready to Drink	1,185	120,000	700,000
Calamansi Extract	180	7,500	60,000
<b>Price Per Unit</b>			
Calamansi Concentrate	\$62.40	\$65.52	\$68.80
Calamansi Ready to Drink	\$28.80	\$30.24	\$31.75
Calamansi Extract	\$38.40	\$40.32	\$42.34
<b>Sales</b>			
Calamansi Concentrate	\$78,624.00	\$2,293,200.00	\$6,880,000.00
Calamansi Ready to Drink	\$34,128.00	\$3,628,800.00	\$22,225,000.00
Calamansi Extract	\$6,912.00	\$302,400.00	\$2,540,400.00
<b>Total Sales</b>	<b>\$119,664.00</b>	<b>\$6,224,400.00</b>	<b>\$31,645,400.00</b>
<b>Direct Cost Per Unit</b>			
Calamansi Concentrate	\$37.44	\$39.31	\$41.28
Calamansi Ready to Drink	\$18.72	\$19.66	\$20.64
Calamansi Extract	\$21.12	\$22.18	\$23.29
<b>Direct Cost</b>			
Calamansi Concentrate	\$47,174.40	\$1,375,920.00	\$4,128,000.00
Calamansi Ready to Drink	\$22,183.20	\$2,358,720.00	\$14,446,250.00
Calamansi Extract	\$3,801.60	\$166,320.00	\$1,397,220.00
<b>Total Direct Cost</b>	<b>\$73,159.20</b>	<b>\$3,900,960.00</b>	<b>\$19,971,470.00</b>
<b>Gross Margin</b>	<b>\$46,504.80</b>	<b>\$2,323,440.00</b>	<b>\$11,673,930.00</b>

Gross Margin %	39%	37%	37%
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Sales by Month



About the Sales Forecast

Three primary revenue streams, all of which contain Calamansi fruit, are forecasted over the three year period. They are Calamansi concentrate, Calamansi ready to drink (RTD) and Calamansi extract. Although it is likely that various sized bottles within each primary revenue category will be sold, assume for forecasting purposes that concentrate will be sold in a 800 ml plastic bottle, ready to drink in a 16 oz plastic bottle, and extract in a 5 oz glass bottle. Assume 90% of the revenue comes from these sizes. Case pack sizes are assumed to be 12, 24 and 12 containers per carton respectively. The average unit sale price per case pack is assumed to increase at a 5% rate per year. In the RTD category, aside from the original formulation consisting of Calamansi juice, honey and sugar cane, assume in 2012 that other fruit additives will be combined with the Calamansi juice and sold separately as brand extensions. Examples of other fruit to be married with the Calamansi juice include mango, peach, and strawberry.



Unit sales, for each revenue category, are projected to increase significantly in years 2012 and 2013. This increase will come as a result of increased marketing expenditures and promotional efforts along with wider distribution channels as the company's products become more established in the marketplace. The forecast assumes that in 2012 the company will move beyond its San Francisco Bay Area with its products having a national presence in the Asian community. In 2013 assume the company's products cross over to mainstream America, which accounts for growth exploding from \$6 million in annual sales to more than \$31 million in sales.

Overall gross margins are assumed to hold steady at 37-38% over the three year period. The actual Calamansi fruit will be sourced from overseas, most notably the Philippines, where the fruit is currently grown and prepared under strict FDA manufacturing guidelines. Bottling for the RTD products will occur in third party manufacturing plants in the US, while the concentrate and extract products are assumed to be finished overseas.

## Personnel Plan

### Personnel Table

	FY2011	FY2012	FY2013
CEO	\$2,500	\$120,000	\$140,000
VP Sales	\$2,500	\$110,000	\$125,000
Sales Manager	\$0	\$90,000	\$100,000
VP Ops/Logistics	\$2,500	\$100,000	\$115,000
CFO	\$2,500	\$100,000	\$115,000
Customer Service	\$0	\$70,000	\$300,000
Office Manager	\$0	\$50,000	\$55,000
<b>Total</b>	<b>\$10,000</b>	<b>\$640,000</b>	<b>\$950,000</b>

## About the Personnel Plan

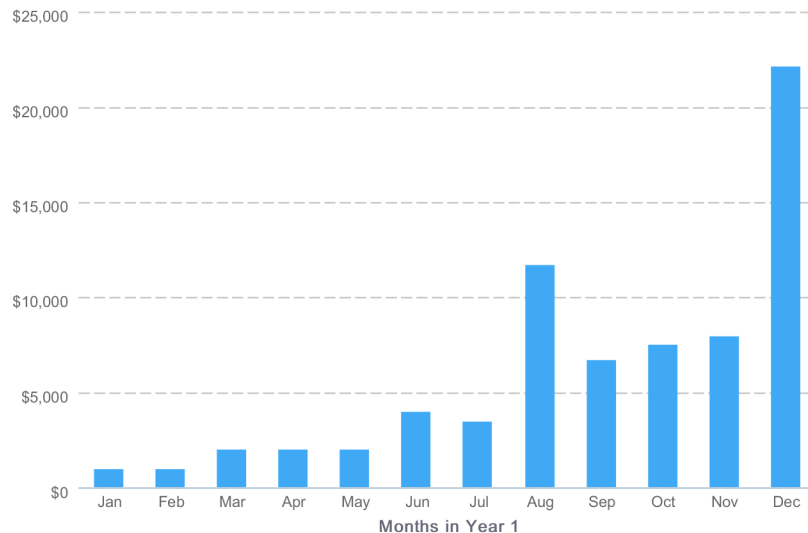
The company plans to outsource most of its overhead functions to various third party operators. By doing this, it can keep staffing costs manageable and allow the company to focus on hiring and developing employees that have direct contact with our customers. This way it hopes to attain a high level of customer satisfaction and encourage repeat business. By the end of 2013, it is assume the company will have approximately 15 full time employees on staff, generating over \$2 million in revenue per employee.

## Budget

### Budget Table

	FY2011	FY2012	FY2013
<b>Expenses</b>			
Salary	\$10,000	\$640,000	\$950,000
Employee Related Expenses	\$2,200	\$140,800	\$209,000
Marketing & Promotion	\$23,000	\$500,000	\$2,500,000
Sales Rep Commissions	\$1,900	\$270,000	\$1,500,000
Rent	\$0	\$6,000	\$50,000
Freight Expense	\$11,000	\$130,000	\$1,500,000
Fulfillment Expense	\$2,500	\$100,000	\$750,000
Misc	\$21,000	\$60,000	\$400,000
<b>Total Expenses</b>	<b>\$71,600</b>	<b>\$1,846,800</b>	<b>\$7,859,000</b>
<b>Taxes</b>	<b>\$0</b>	<b>\$200,189</b>	<b>\$1,602,271</b>
<b>Total Other Spending</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Expenses by Month



## About the Budget

Marketing and promotion expense will constitute the single largest component of expense, except for cost of goods sold. Funds will be spent on nurturing the product brands by investing in extensive advertising and an active product demo program. This category also includes samples expense. In 2013, \$2.5 million is planned to be spent on marketing and promotion.

The sales force will consist mostly of an independent sales rep force. Due to the large commitment the company is making in marketing funds, only the best and most reputable sales rep groups will be sought out to represent the company's products. Commissions paid will range from 3 to 7% depending upon product line.

The company will incur freight costs to get product to its customers. Most of this cost is assumed to be absorbed by the company until such time the brands are well established. Once this occurs, the company will consider changing its freight policy from FOB origin to FOB destination. However, for forecasting purposes, assume the company pays for freight.

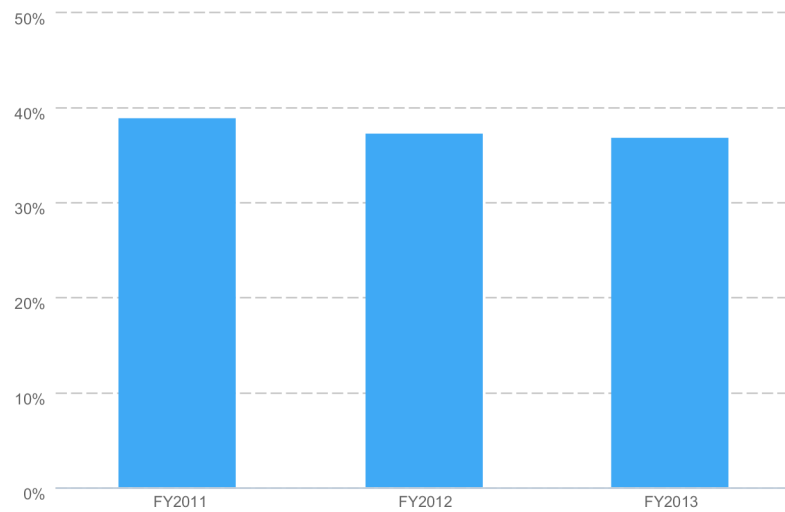
The company will use a third party warehouse to ship its products. Fulfillment expense is expected to grow to \$750K by 2013.

## Projected Profit and Loss Statement

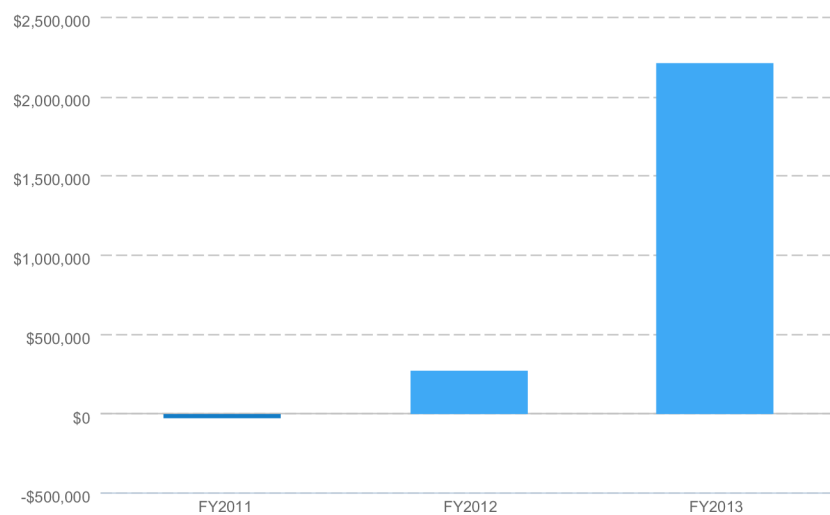
### Projected Profit and Loss Table

	FY2011	FY2012	FY2013
<b>Income</b>	<b>\$119,664</b>	<b>\$6,224,400</b>	<b>\$31,645,400</b>
<b>Direct Cost</b>	<b>\$73,159</b>	<b>\$3,900,960</b>	<b>\$19,971,470</b>
<b>Gross Margin</b>	<b>\$46,505</b>	<b>\$2,323,440</b>	<b>\$11,673,930</b>
Gross Margin %	39%	37%	37%
<b>Expenses</b>			
Salary	\$10,000	\$640,000	\$950,000
Employee Related Expenses	\$2,200	\$140,800	\$209,000
Marketing & Promotion	\$23,000	\$500,000	\$2,500,000
Sales Rep Commissions	\$1,900	\$270,000	\$1,500,000
Rent	\$0	\$6,000	\$50,000
Freight Expense	\$11,000	\$130,000	\$1,500,000
Fulfillment Expense	\$2,500	\$100,000	\$750,000
Misc	\$21,000	\$60,000	\$400,000
<b>Total Expenses</b>	<b>\$71,600</b>	<b>\$1,846,800</b>	<b>\$7,859,000</b>
<b>Operating Income</b>	<b>(\$25,095)</b>	<b>\$476,640</b>	<b>\$3,814,930</b>
Taxes	\$0	\$200,189	\$1,602,271
<b>Net Profit</b>	<b>(\$25,095)</b>	<b>\$276,451</b>	<b>\$2,212,659</b>
<b>Net Profit/Sales</b>	<b>-21%</b>	<b>4%</b>	<b>7%</b>
<b>Total Other Spending</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Gross Margin by Year



## Net Profit (or Loss) by Year



## About the Projected Profit and Loss Statement

The company started operations in 2011. Sales are projected to be about \$120K for the year, with a \$25K loss. In 2012, as the company receives expansion capital, revenues are expected to grow more than \$6 million and generate a pre-tax profit of about \$500K. In 2013, sales are planned to exceed \$31 million. It is assumed that the company will dominate the premium calamansi market in the US in the Asian community by then. Also it is assumed that the company will have introduced calamansi products to mainstream America with a strong foothold taking place. Profits are projected to rise to close to \$4 million pre-tax.