

Charlie's Group Limited

2010 Annual Shareholders Meeting

Northern Club
Auckland, New Zealand
22 November 2010

2010 Meeting Agenda

- **Chairman's Address**
- **CEO's Address**
- **Questions & Discussion**
- **Resolutions**
- **Other Business**



Directors



Ted van Arkel
Independent Director
Chairman

Directors



Stefan Lepionka
CEO & Executive Director

Directors



Mark Darrow
Independent Director
Finance & Audit Committee Chair

Directors



Tim Cook
Director
Remuneration Committee Chair

Directors



Marc Ellis
Director

Senior Management

Stefan Lepionka

CEO & Executive Director

Adrienne Roberts

Chief Financial Officer

Nigel Uden

General Manager Sales

John Evans

Operations Manager

Ron Curteis

Marketing & Export Manager

Simon Neal

Logistics Manager

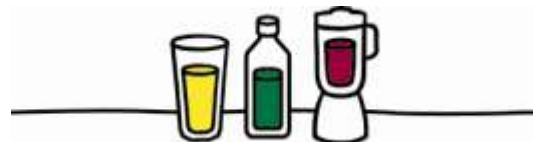


CHAIRMAN'S ADDRESS

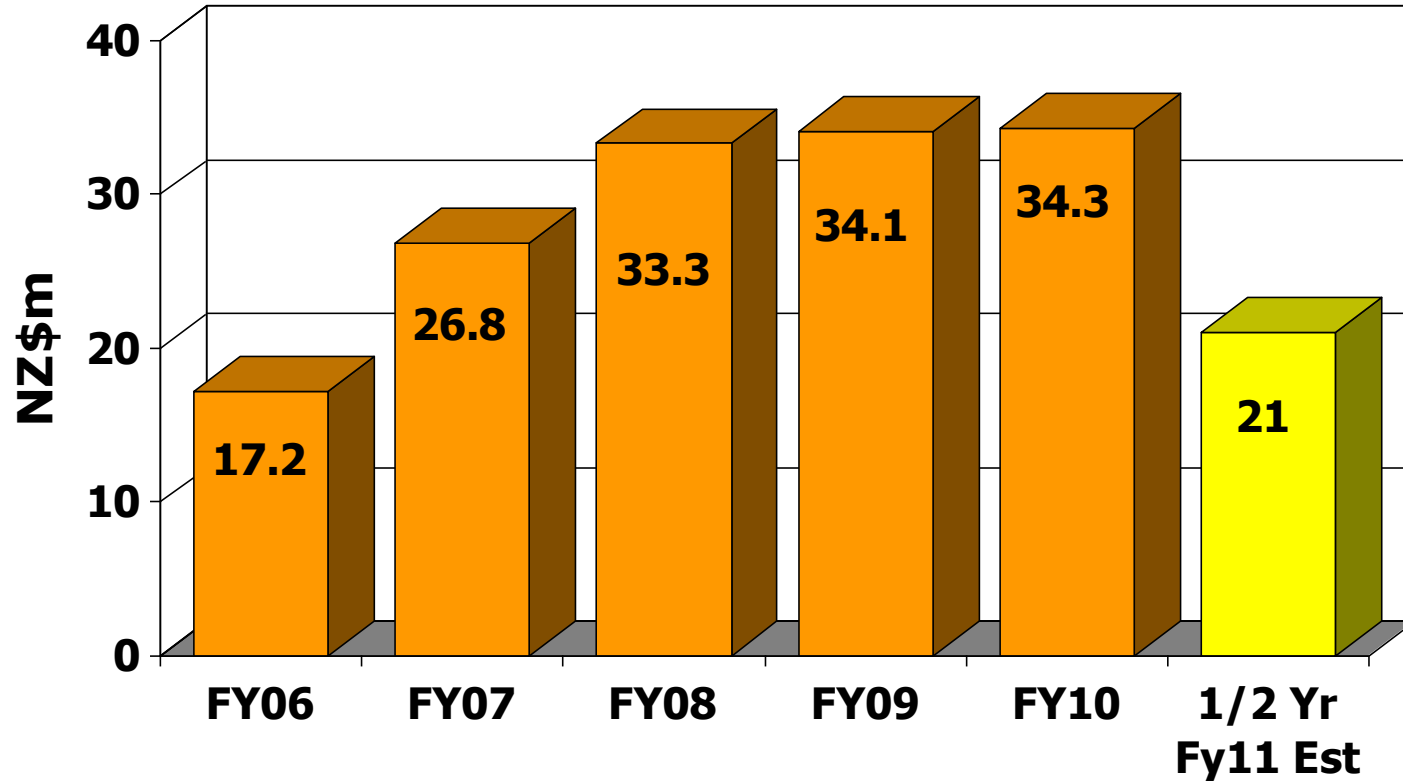
Ted van Arkel

2010 – A defining year

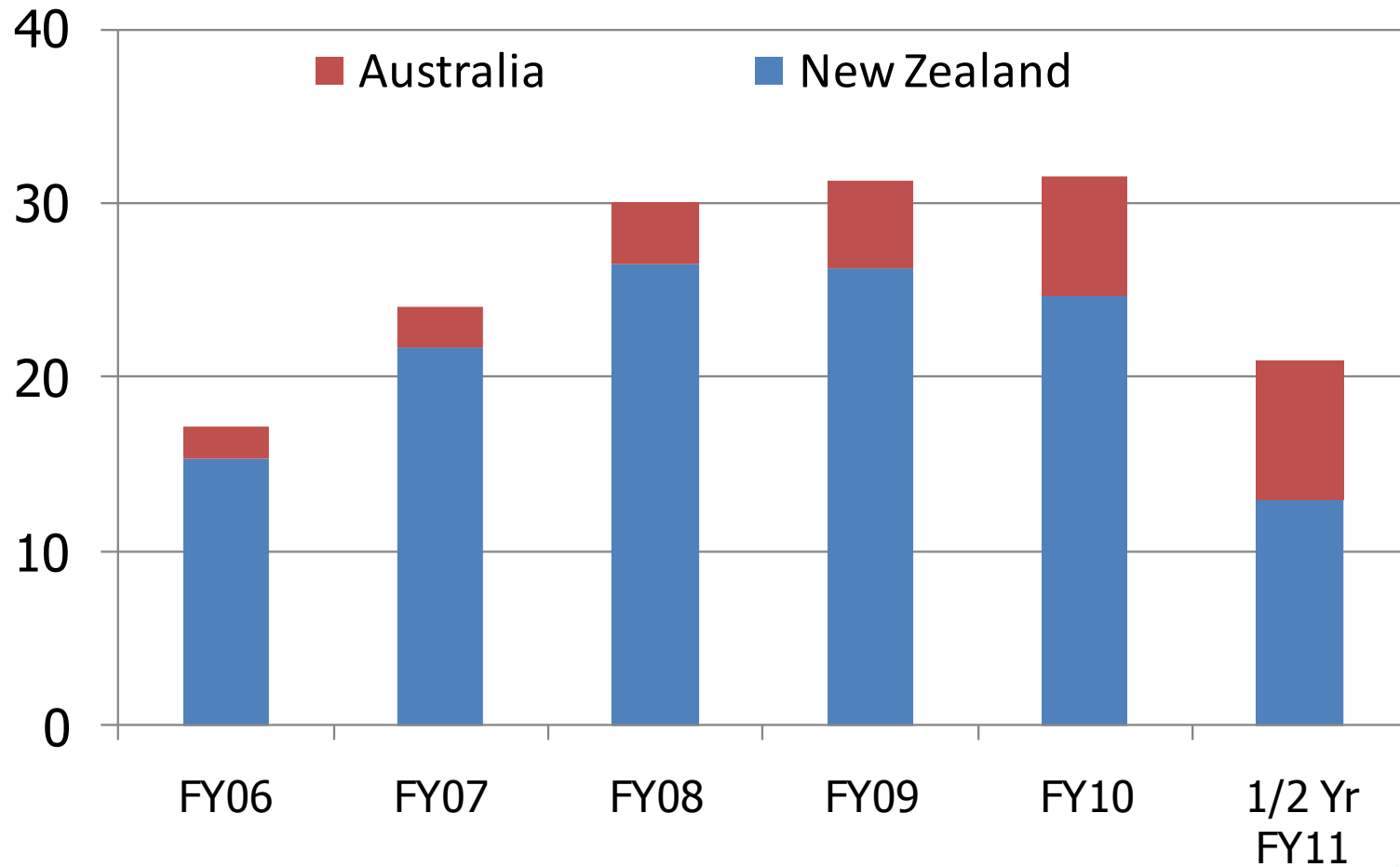
- Five years since NZX listing
- Profitability driven by returns on investment in:
 - product development
 - processing
 - establishing standalone operations in Australia
 - exploring other overseas markets



Gross sales growth average 18.9% pa



Sales mix by country

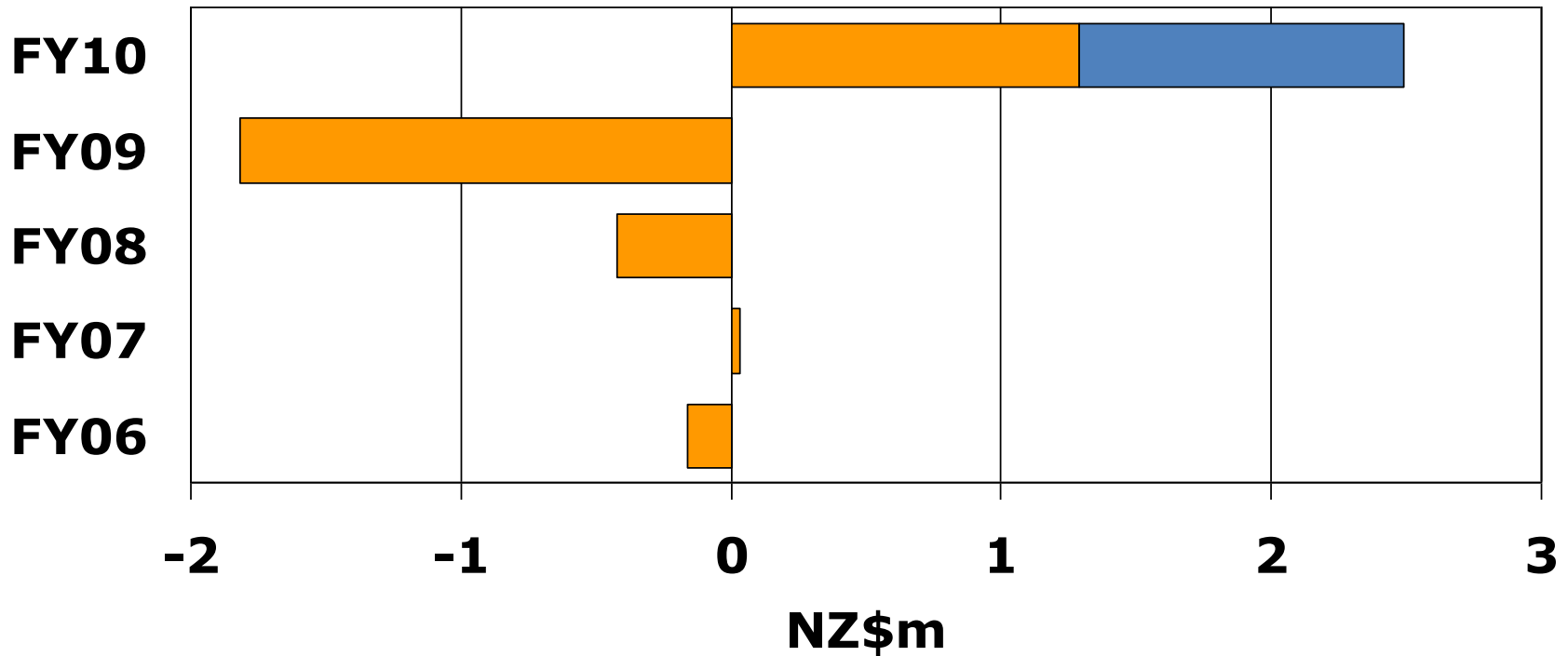


2010 key financial highlights

1. Group net profit after tax \$2.5m
2. Record EBITDA of \$3.4m
3. Reduction in net debt from \$7.1m to \$1.6m
4. Positive operating cash flows











Net profit (loss) after tax



■ Earnings ■ Property sales gain

2010 financial overview

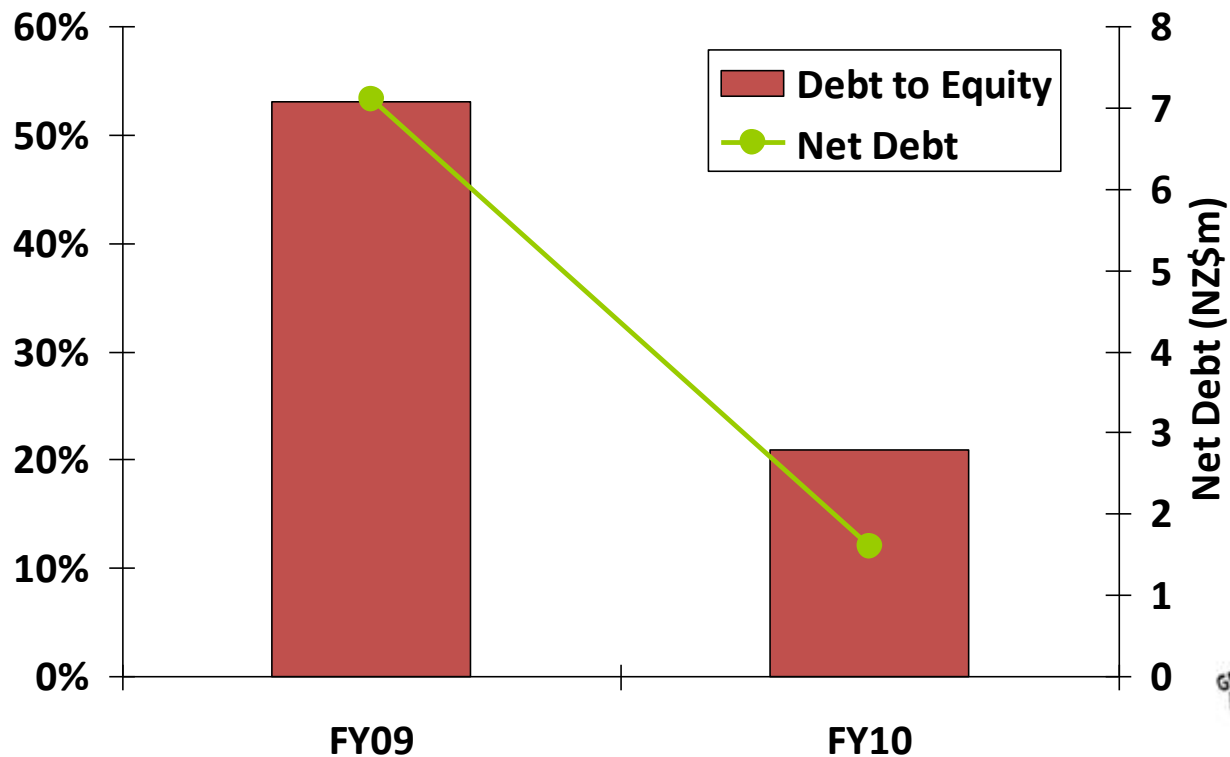
	FY09 (\$m)	FY10 (\$m)	
Gross sales	<u>31.2</u>	<u>31.6</u>	
NZ	26.2	24.6	
Australia	5.0	7.0	 
EBITDA	<u>(0.9)</u>	<u>3.4</u>	
NZ (incl. head office costs)	(1.3)	1.6	
Australia	0.4	1.8	 
Gain on sale of property		1.2	
Net profit / (loss)	(2.6)	2.2	 

Debt overview

As at 30 June
Debt/ Equity Ratio
Net Debt

2009
53%
\$7.1m

2010
21%
\$1.6m



Half year outlook

	31 Dec 09 (\$m) actual	31 Dec 10 (\$m) estimate	% change	
Gross sales	<u>16.95</u>	<u>21.00</u>	24%	↑
EBITDA	1.75	2.00	14%	↑
Gain on sale of property	1.20	-		
Trading surplus	.70	1.00	43%	↑
Net profit after tax	1.90	1.00		



CEO'S ADDRESS

Stefan Lepionka

World famous for our drinks





Organic Soft Drinks



Organic Juices



Organic Sparkling Juice Drinks



Charlie's[®]
since 1999

HONEST QUENCHER

Old Fashioned
LEMONADE

1 Litre

LET'S NOT WORRY TOO FAR
TO BEING A GLASS. BUT WE
TRUST YOU.

IN THE PAST WE DECIDED
WHETHER WE'D DISCOVERED
THAT WE HAD TO GET ALL
THAT PART IN IT. THAT'S WHY
WE TO THE ORIGINAL.

FOR US, WHEN WE WOULD
POUR IN WITH A BIG BAG OF
PLUMP, TANGY LEMONS, WE
THOUGHT WE COULD BE TRYING
TO MAKE A SWEETLY
RECIPIENT. SOON WE GOT THE
TASTE OUT OF OURS, BUT THEN
WANTED WANT TO DO NEXT.

WE'D LIVED UP FROM THE
TASTE. THAT'S WHY WE WANTED
TO MAKE A REAL SWEETLY WE
WANTED AND A GOOD DEAL OF
PURE, CLEAN WATER, NATURAL
SUGAR AND OTHERS.

IN THOSE DAYS, WE WERE
AND WE'D WANT THIS OLD
FASHIONED LEMONADE TO
BE IN A GLASS.





Juicy Lucy

Without Preservatives

Chilled
ORANGE JUICE

Strategy Overview

- **Positioned in premium beverages sector**
- **Premium beverage sector represents 25% of non-alcoholic beverage markets around the world**
- **Target profitable niche opportunities**
- **Target high end outlets**
- **Keep our brands young and relevant**
- **Maintain the ability to demand higher price points**

Australian Marketing Activity



New Zealand



- A mature market
- Sales down 4% year on year
- Gross margins and profitability up
- Introduced new Juicy Lucy brand

Export markets (excl Aust)

South Korea, Singapore, Tahiti, Rarotonga, New Caledonia, Hong Kong, China, Japan, India, Philippines, Dubai, Saudi Arabia, Malaysia, The Maldives

- **International expansion builds on demand for healthy, natural beverages**
- **Also builds on demand from visitors to NZ**
- **Product supplied ex-NZ through distribution partnerships**
- **Products carried in premium outlets**
- **South Korea accounts for 40% of sales**
- **FY10 Gross sales \$0.9m**



Australia

- **39% sales growth in FY10 to \$7.0m (\$5.0m)**
- **22% of turnover in FY10 (16%)**
- **EBITDA: \$1.8m (\$0.3m)**
- **Plenty of capacity in existing Australian plant**
- **Infrastructure and people in place**
- **The Coles contract ...**

The Coles contract

- 37 store trial of smoothies and quenchers over the last 12 months
- Charlie's range to be stocked in 750 stores
- Potential to double Australian sales
- Expect to be at full run-rate in FY11
- Positioned superbly to capture additional retail opportunities



Outlook



- **Achieve financial objectives as outlined by Ted**
- **Drive and increase distribution in NZ, Australia and export markets**
- **Build brand profile**
- **Deliver shareholder value**

QUESTIONS

RESOLUTION ONE

**Re-elect Ted van Arkel
as a director of the board**

RESOLUTION TWO

**Re-elect Stefan Lepionka
as a director of the board**

RESOLUTION THREE

Authorise the directors to fix the auditors'
remuneration

Charlie's™
GROUP LIMITED

**PRESENTATIONS
WILL BE
AVAILABLE
ONLINE AT**

www.charliesgroup.co.nz

