



Board Presentation
November 9, 2012

skinny
nutritional corp.

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Summary of Performance

(\$MM)	2012			2013*					% B/(W)
	3Q YTD	4Q FCST	FY FCST	1Q FCST	2Q FCST	3Q FCST	4Q FCST	FY FCST	
<i>Revenue</i>	730,409	1,216,635	4,558,311	1,380,897	1,753,716	2,048,686	2,343,655	7,526,554	65%
<i>COGS</i>	798,849	866,244	3,418,755	898,074	1,171,022	1,388,881	1,560,418	5,018,395	47%
<i>Gross Profit</i>	(68,440)	350,391	1,139,556	482,823	582,694	659,805	783,237	2,508,559	120%
<i>Marketing</i>	741,531	115,423	2,298,927	106,336	173,266	180,531	147,198	607,332	(74)%
<i>G&A</i>	497,151	170,954	3,687,848	166,682	215,976	197,623	229,143	809,425	(78)%
<i>Net Operating Profit (Loss)</i>	(1,307,122)	64,014	(4,847,219)	209,805	193,451	281,650	406,896	1,091,802	443%

* Assumes "mid" scenario shown on slide 4

* Cash operating profit (loss) (non-cash not reflected)

Skinny Summary Report

Skinny Water Monthly Production & Sales Report											
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
	4Q 2011	1Q 2012	2Q 2012	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	4Q 2012	FY 2012
Cases Shipped											
Skinny Water (12 Pack Equiv)	106,964	162,370	169,148	51,043	57,788	33,792	53,734	40,000	40,000	120,000	607,875
Skinny pH	0	0	0	0	0	0	3,264	5,000	10,000	20,000	18,264
Skinny Other	0	0	0	0	0	0	0	0	0	x	0
Total Cases Produced	x	x	x	x	x	x	x	x	x	x	0
Revenue	4Q 2011	1Q 2012	2Q 2012	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	4Q 2012	FY 2012
DSD											
Canda Dry Delaware Valley	\$58,329	\$211,197	\$118,466	\$56,511	\$30,367	\$48,411	\$70,717	\$23,040	\$39,360	\$133,117	\$598,069
Canada Dry of New York	\$41,699	\$123,884	\$107,287	\$21,784	\$60,056	\$46,068	\$62,400	\$23,040	\$39,360	\$124,800	\$483,879
Polar	\$87,339	\$148,417	\$120,291	\$44,928	\$43,067	\$20,343	\$36,288	\$23,040	\$23,040	\$82,368	\$459,414
█ Grocers	\$0	\$21,120	\$52,046	\$0	\$0	\$23,040	\$26,880	\$0	\$23,040	\$49,920	\$146,126
Canada Dry Potomac	\$54,223	\$62,037	\$13,974	\$20,694	\$31,460	(\$6,526)	\$19,874	\$11,520	\$11,520	\$42,914	\$164,554
Davis Beverage	\$21,828	\$62,833	\$65,405	\$21,009	\$19,076	\$15,695	\$19,200	\$0	\$23,040	\$42,240	\$226,257
Webb & Gerritsen Inc	\$17,976	\$28,824	\$5,917	\$10,856	\$11,520	(\$778)	\$11,520	\$0	\$11,520	\$23,040	\$79,379
Kay Beer Distributing	\$10,974	\$22,908	\$11,520	(\$768)	\$0	\$0	\$11,520	\$0	\$11,520	\$23,040	\$56,700
Serv U Success	\$40,320	\$16,320	\$25,183	\$11,520	\$19,200	(\$2,843)	\$9,600	\$0	\$11,520	\$21,120	\$90,500
KeHe	\$0	\$10,640	\$17,147	\$4,278	(\$977)	\$14,885	\$7,957	\$11,520	\$11,520	\$30,997	\$76,971
Global Group LLC	\$1,920	\$10,560	\$6,720	\$0	\$4,800	\$0	\$5,760	\$0	\$0	\$5,760	\$27,840
Davenport & Sons	\$0	\$0	\$0	\$0	\$24,480	\$0	\$4,080	\$0	\$0	\$4,080	\$28,560
Central	\$32,640	\$35,020	\$19,188	\$0	\$0	\$6,192	(\$1,143)	\$0	\$11,520	\$10,377	\$70,777
Seaview	\$8,286	\$18,113	\$20,625	\$12,996	\$0	\$8,314	\$0	\$5,760	\$5,760	\$11,520	\$71,567
LT Verrastro	(\$97)	\$18,997	\$41,650	(\$2,040)	\$21,738	(\$153)	\$0	\$0	\$11,520	\$11,520	\$91,711
All Other DSD	\$235,610	\$77,405	\$47,342	\$4,877	\$20,790	(\$1,142)	(\$53)	\$51,840	\$57,600	\$109,387	\$258,659
Sub-Total DSD	\$611,047	\$868,275	\$672,760	\$206,643	\$285,577	\$171,507	\$284,601	\$149,760	\$291,840	\$726,201	\$2,930,963
Warehouse											
CVS	\$111,384	\$299,452	\$439,512	\$186,892	\$72,216	(\$352,057)	\$112,608	\$29,376	\$58,752	\$200,736	\$846,751
Target	(\$2,306)	\$96,596	\$161,017	(\$1,881)	\$47,261	\$3,612	\$71,443	\$11,405	\$22,810	\$105,658	\$412,263
Harris Teeter	\$42,944	\$35,538	\$34,338	\$10,836	\$25,049	\$19,790	\$8,676	\$15,552	\$15,552	\$39,780	\$165,331
Brookshire	\$13,500	\$4,824	(\$1,044)	\$34,500	\$965	\$19,500	\$0	\$0	\$0	\$0	\$58,745
Food Lion (New pH)								\$0	\$116,100	\$116,100	\$116,100
Winn Dixie (New SW)								\$0	\$28,160	\$28,160	\$28,160
All Other WH	x	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total Warehouse	\$165,523	\$436,409	\$633,823	\$230,348	\$145,490	(\$309,156)	\$192,727	\$56,333	\$241,374	\$490,434	\$1,627,349
Total Revenue	\$776,570	\$1,304,684	\$1,306,583	\$436,991	\$431,067	(\$137,649)	\$477,328	\$206,093	\$533,214	\$1,216,634	\$4,558,312

Cash Flow Summary Variables

	Max	Med	Min
Case Sales			
Skinny	929,280	704,640	592,320
pH+	217,296	153,648	153,648
Total Cases	1,146,576	858,288	745,968
Net Revenue	\$ 10,073,107	\$ 7,526,554	\$ 6,539,693
Working Capital	2,781,049	2,017,276	1,789,407
Expenses			
Z-H	\$ 275,676	\$ 275,676	\$ 275,676
Payroll	714,816	641,875	617,562
Marketing	191,667	191,667	191,667
Professional	270,000	248,000	216,000
Debt Paydown	405,000	385,000	385,000
Other	346,087	335,215	324,679
Total Expense	\$ 2,203,245	\$ 2,077,433	\$ 2,010,583
Working Capital Cash Requirement	\$ (731,136)	\$ (788,790)	\$ (802,379)
Trim IP Repurchase	\$ 1,490,250	\$ 1,490,250	\$ 1,490,250
Convertible Note Repayment (Nov) Net of WC increase		\$ 97,071	\$ 210,281
Total Cash Requirement	\$ (2,221,386)	\$ (2,376,112)	\$ (2,502,910)

COGS Analysis

Skinny Water

	<u>Stock</u>	<u>Proprietary</u>
Bottle	2.03	2.30
Co-Pack Fee	2.68	3.25
Other	0.06	0.06
Freight Out	0.55	0.55
Total COGS	<u>5.32</u>	<u>6.16</u>
Net Selling Price	\$ 8.26	\$ 8.83
Standard Gross Margin	36%	31% *

* Includes price of increase of \$1 (\$8 to \$9 DSD) net of billbacks

pH+

	<u>Stock</u>
Bottle	2.09
Co-Pack Fee	1.41
Other Common	0.04
Labels	0.74
Freight Out	0.55
Total COGS	<u>4.83</u>
Net Selling Price	\$ 9.00
Standard Gross Margin	46% **

** Net of billbacks

Recommendation:
Raise DSD price by
\$1.00/case

Payables & Cap Ex/Slotting

Cott

- \$507,000; paid out at \$1.00 per case through UCF Directed Pay
- Maximum: Cott paid in full mid-June
- Minimum: Cott paid in full mid-July
- Current balance: \$372,627

Zuckerman-Honickman

- \$73,889 on December 31, 2012
- Balance = \$275,676
- Bottles: \$201,787; Mold: \$73,889
- \$0.50 per case of Skinny Water through UCF Directed Pay
- \$1.00 per case of pH+ Alkaline through UCF Directed Pay
- Maximum: ZH paid in full the mid-May
- Minimum: ZH paid in full mid-June

Cap Ex

- Required to change parts for new bottle
- \$70,000 Dunkirk
- \$50,000 Fontana

Slotting

- \$72,000 Food Lion
- \$48,000 Winn Dixie
- \$40,000 Walgreens (potential)

New Business / SKU Additions

Chain	# Stores	Authorized SKU's	Active Account Y or N	PH+ Presented Y or N	Varity Pack Presented Y or N	Set Date	Ad Calendar Confirmed Y or N	Appointments
█, Pathmark, Super Fresh, Waldbaums, Food Emporium	275	A,R,O,G	Y	Y	Y	May-12	N	Adding PH to set in Jan 2013
Big Y	63	NA	N			Jan-13		Authorized for Jan 2013
Giant Eagle	222	NA	N	Y	Y	Apr-13		Setting up Full Circle Distributors to service stores
Harris Teeter	201	A,R,O,G,L	Y	Y	N	1-Apr	N	Reviewing pH+ for next sets
Walmart	TBD					Feb-13		Licence through Cott
Raley's	133	NA	N			Apr-12		Meeting in Feb 2013
Rite Aid	4,700	NA	N	Y	N	Mar-13	NA	Appt for Jan
Safeway	1100	NA	N			13-Apr		Under review for apr-13 set
Save Mart / Lucky's	200	A,R,O,G	Y	N	Y		N	Kehe now distributor for Savemart stores
Sheetz	395	NA	N			Jan-13		No interest at this time
Stew Leonards	4	NA	N					Meeting will be week of July 30 - August 6
Food Lion	1400	A,R,O,G, pH	Y	Y	Y	Jan-13	N	PH to set in Jan, followed by SW in Apr -13
Winn Dixie	483	A,R,O,G	Y	Y	N	Jan-13	N	Jan 2013 set
Walgreens	7,500	A,R,O	N	Y	N	Apr-13	N	Requires new bottle
Wegmans	81	VP	Y	Y	Y	11/12/2012	N	Setting pH now

New pH+ UPDATE	Samples Set Y or N	Notes & Appointments
BJs	Y	Working with Polar
Bristol Farms	Y	Need west coast production
Costco	Y	Working with broker to expand club channel
█	Y	Will add pH in Jan
Gelsons	Y	Waiting for west coast production
Giant	Y	Will set Jan 2013
Fairway	Y	Authorized sets now
KeHE	Y	pH is now authorized
Kroger	Y	Working to get on buyer's calendar
McLane	Y	Sent samples to beverage buyer
Meijers	Y	Reviewing for Apr-13
Publix	Y	Presenting in Jan
A and P	Y	Authorized for Jan
Wegmans	Y	Authorized
Whole Foods	Y	Working locally and regionally
7-Eleven	Y	Sent samples ,working through McLane
Acme	Y	Authorized
Harris Teeter	Y	Reviewing pH for Apr-13
Raleys	Y	Set Apprpointment for Feb
Rite Aid	Y	Setting appointment
Stop&Shop	Y	Authorized for Jan
Target	Y	Presenting for Apr-13
Redners	Y	Presenting through Polar
Shop Rite	Y	Authorized for Jan



pH+ press kit

Marketing Expense: 2013

Goals

- Introduce new package: April 2013
- DSD Incentives
- Trial creation through coupons/free samples
- POS (Skinny Water, pH+)
- Redesign of website
- Lower marketing spend versus 2012
- Demo's/samplings in-store
- Packaging for club channel and multi-packs

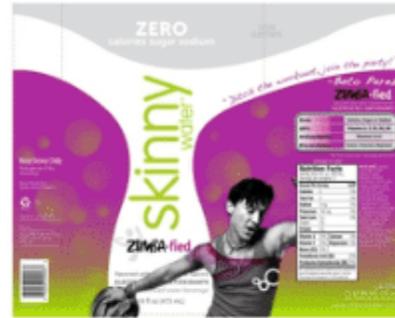
Budget

- *DSD incentives* (21%): \$40,000; 2 quarterly programs for CD Del Val, CDNY and Polar
- *POS* (13%): \$25,000; purchase 500,000 pieces at \$.05 per unit
- *Redesign corporate website* (8%): \$15,000
- *Branding / package design* (13%): \$25,000; design multi-packs, variety packs, new labels for line extensions
- *Coupons* (14%): \$26,000; 52,000 \$.50 off coupons
- *Sampling / free product* (5%): \$10,000; trial 25,000 bottles
- *In-store demos* (26%): \$50,000; 500 at \$100 per demo



	2012	2013	Decrease
<i>In-Store</i>	\$433,136	\$50,000	\$383,136
<i>DSD Incentives</i>	\$104,462	\$40,000	\$64,462
<i>POS</i>	\$105,339	\$25,000	\$80,339
<i>All Other</i>	\$166,120	\$76,667	\$89,453
<i>Marketing Expense</i>	\$809,057	\$191,667	\$617,390

Marketing Initiatives



skinny water Official Water of New Year Resolutions

New Year. New YOU!

Text "NYE 2013" to 81680 to WIN!

5 Grand Prize Winners could win:

- Grocery Shopping Spree
- Zumba® Exhilarate Body Shaping System
- Lululemon Apparel
- Nike® SportBands®
- And MORE!

visit skinnywater.com for additional prizes & official rules



The truth in ZERO

skinny water

0 calories 0 sugar 0 sodium 0 guilt

NEW look

calories
sugar
sodium
carbs
preservatives
artificial colors
artificial flavors
guilt

CRISPE CONTROL

raspberry pomegranate

SAVE \$1.00



skinny pH+

50¢ off

BODY IN BALANCE!

visit www.skinnywater.com



0 calories 0 sugar 0 sodium 0 guilt

great taste. zero guilt!

50¢ off one (1) skinny water

skinny water

0 calories 0 sugar 0 sodium 0 guilt

CRISPE CONTROL

smarter.

A balance of acidity and alkalinity achieves optimal health.

Skinny Water pH+ makes it easy to maintain that balance.

Hydrate often and enjoy.

pH+ BODY IN BALANCE

Proposed Offering

Convertible Preferred \$3 Million

- Unit includes 1 convertible share and ½ warrant coverage
- Units convert into 54% of post reversed common shares at \$1.25 per share
- Registration rights
- Warrants priced at \$1.50 per shares, 2 year term (mandatory redemption at \$1.50 for 15 straight trading days or \$2.00 for 5 straight trading days).
- Commission is 8 % (5% cash and 3% equity)

Post-Deal Capitalization

- 2,000,000 common shareholders
- 2,400,000 convertible preferred holders
- 1,200,000 warrants at \$1.50 per shares
- Total capital raised \$3,000,000 convertible preferred - \$ 4,800,000 convertible preferred + warrant conversion before commissions

Appendix: CVS BOGO

Issue

- Skinny Water launched a “buy-one, get one free” (BOGO) promotion with CVS in June 2012

Impact

- Of \$1.2MM revenue generated, CVS charged Skinny Water with total billbacks of \$425k which hit primarily in September.
- With BOGO cases sold hitting in June, this created an uneven revenue trend and drove negative net sales in the month of September.
- This will sharply reduce net revenue reported in the 3Q 2012 10Q.

Resolution

- Of the \$425k billback, \$115k represents a disputed charge whereby CVS billed Skinny Water full price for a flavor swap. Negotiations continue on this and an outcome will be reported back to the Board in a future meeting
- While costly, the BOGO actually generated a significant ramp-up in CVS revenue based on the increased trials:

CVS	Apr	May	Jun	2Q	Aug	Sep	Oct	3Q	B/(W) %
<i>Gross Cases</i>	59,352	116,628	237,948	413,928	97,488	144,267	123,085	364,840	(12%)
<i>BOGO Impact</i>	0	0	(127,383)	(127,383)	0	0	0	0	0
<i>Net Cases</i>	59,352	116,628	110,565	286,545	97,488	144,267	123,085	364,840	27%