

**CEO
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LIQUID™
NUTRITION

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Having Successfully Completed their IPO, Raised the Necessary Funds, and Launched their Franchise into 35 Markets Across Canada and the United States, with Additional Inquires from the Middle East, India and China, Liquid Nutrition Group Inc. and Its Impressive Team are All – Good to Go

**Health and Nutrition
Nutraceuticals
Functional Beverages - Retail
(Smoothie/Juice)**

(LQD-TSXV)

Liquid Nutrition Group Inc.

**1282, Cornwall Road, Loft A
Oakville, ON CA L6J 7W5
Phone: 905-815-1112**



**Glenn Young
President and CEO**

BIO:

Glenn Young is a senior executive with extensive experience and reach in the sports and entertainment industry with focus on sports marketing and forging win-win partnerships both in the profit and non-profit sectors. Mr. Young has most recently been appointed the President of LNGI. Previously as Senior Vice-President, Sports, Entertainment and Media for International Management Group Canada, the country's leading sports

and lifestyle marketing company, Mr. Young oversaw all media activity for all of the company's media assets and properties and over his ten years was directly involved in some of Canada's largest athlete and property commercial agreements. Before his tenure at IMG, Mr. Young broadened his sales and marketing skills in the broadcast industry at Western International Television as Vice-President, Sales and Marketing, overseeing one of the largest media markets in Canada. Currently, Mr. Young serves on the board of directors for the Sponsorship Marketing Council of Canada and advisory committee for the Ireland Fund of Canada.

Through his experience, Mr. Young has a network capable of reaching management teams across the world of professional sports, as well as direct access to top athletes in professional sports.

**Company Profile:
About Liquid Nutrition**

Liquid Nutrition Group Inc. (TSX: LQD.V) is an international functional beverage, food, vitamin and supplement store franchisor, headquartered in Montreal, Québec. LNGI is committed to bringing healthy and delicious eating to communities around the world. Through its wholly-owned subsidiary, Liquid Nutrition Franchising Corporation, LNGI is currently the franchisor of seven stores located in Montreal, with franchise expansion opportunities throughout Canada and the United States, as well as license opportunities internationally.

The company is comprised of pro-athletes and experts in the world of fitness and nutrition – "Team Liquid". These members were hand-selected based on their personal and professional beliefs in healthy, active living. The Team Liquid roster includes: Two-time NBA MVP Steve Nash, All-Star MLB player Russell Martin, NFL quarterback Matt Ryan, PGA Champion Suzann Pettersen, Olympic Gold Medalist & World Snowboarding Champion Torah Bright, training and conditioning coach Carmichael and sports nutritionist Elaine Hastings.

For store locations business opportunities or more information visit www.liquidnutrition.ca.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com**

CEOCFO: Mr. Young, what attracted you to Liquid Nutrition Group?

Mr. Young: I was directly involved with one of the original partners in the business. I had managed a good Canadian operation for IMG Canada for ten years and had some dealings with Greg Chamandy. Greg is a successful Canadian serial entrepreneur, and was one of the co-founders of Gildan Activewear, which is on the NYSE and is the largest tee-shirt and sock manufacturer in the world. We had done some business together and while I was still at IMG he approached me to help find him a spokesperson for Liquid Nutrition and at the time we were representing Steve Nash, who plays for the Phoenix Suns. Steve was the embodiment of this brand as

his lifestyle was all about health and wellness. So, I made the introduction in what was a very typical kind of athlete/brand endorsement agreement, but it turned into a partnership. It was actually Steve that turned the tables on us and said "Hey this is something that I would like to get more directly involved with". We negotiated an agreement with him that he would actually take equity in the company.

I was convinced shortly thereafter to join Greg as his partner and we have been working very diligently in the last twelve months to get to this point. We were not only working on getting our company listed on the Toronto Stock Exchange, but also building a team of athletes that I think put us in a position like no other company with the exception of maybe a Nike. In addition to Steve Nash, we have Matt Ryan - the starting quarterback for the Atlanta Falcons, Russell Martin - the starting catcher for the New York Yankees, Suzann Pettersen - the number two golfer in the world and Torah Bright - the number one ranked female snowboarder in the world. She won a gold medal in Vancouver in the last Winter Olympics. All of those athletes have agreed to join our team and all are equity partners in the business, so everyone has a vested interest in the performance of the company and all hold shares in the company. With my kind of marketing/sports background, and my interest and passion as it comes to health and nutrition and wellness, it was a perfect fit.

We have officially launched our franchise program in 35 markets across Canada and the United States. The response has been overwhelming. Last week alone we sent out just over 400 sales brochures to inquiries that we have been getting from virtually everywhere, including Canada, the U.S., internationally in the Middle East, India and even China. We are in a very hot category and we have a very sexy story with the management

team and the athletes involved in this company, but most of all we have a sound business plan and opportunity that not only have our partners recognized, but also the financial community has recognized. We had two very successful private placements prior to us being listed on the Toronto Stock Exchange, and in both cases we were over subscribed. Although we are considered to be small cap with less than \$20 million we have really positioned ourselves as a blue chip opportunity. We have implemented the best practices of what we have been involved with in the past and specifically Greg's involvement in building

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Gildan Activewear, which right now has a market cap of over \$3 billion. He and his wife Chantal, who co-founded the business back in 2005, both have a passion for this lifestyle. This was always the vision.

CEOCFO: What is the business plan today for Liquid Nutrition?

Mr. Young: The business plan today is essentially to have a pure franchise play in the marketplace. We would over the next five years like to populate 350 locations in Canada, U.S., and some of the international territories. We are concurrent to that strategy and we are also building out what we believe to be a very strong brand

and product development strategy. In addition to the franchises the billboards and banners that these franchises will present to us, present the brand over the next handful of years, it gives us the ability to mainstream our brand. You consider the story of Vitamin Water and what they were able to accomplish in a relatively short period of time. We believe our brand has more potential than that. We know that our product is better so it is really how we effectively execute this plan going forward and we certainly have the financing to do it. We have surrounded ourselves with the very best partners whether it be communication, IR, marketing, or distribution. We are poised for pretty exciting times.

CEOCFO: What is special about the Liquid Nutrition products, as it is a crowded field?

Mr. Young: It is a crowded field if you put us in the very general category of smoothie and juice. Yes we understand that is kind of the general perception, but we are very much in the functional beverage space and in the last six months functional beverages have become a hot topic for the beverage companies including Coke and Pepsi. Even the chairman of Pepsi, just prior to Christmas, in the Wall Street Journal suggested that going forward in

the next ten years better than 30% of the overall growth will come from this functional beverage category. We have been perfecting this since 2005 and we believe we are a lot farther ahead than anyone else. The competitors that we have in the very general smoothie and juice category are not providing the same product offering as we are. It may be wrapped that way or positioned that way, but when I say we are real and authentic to this particular health and nutrition category, I mean that we are endorsed by the medical community. In addition to my athletes, we have two professional advisers, one on physical fitness side Chris Carmichael, who is renowned

for training some of the best cyclists in the world through his company called Carmichael Training Systems. We also have a renowned nutritionist based out of Florida by the name of Elaine Hastings. So we are completely transparent. For anybody who wants to look at what we are doing and offering to the marketplace, we post everything on our site, all of the nutritional facts are there. We do not use any syrups or refined sugars; everything is natural.

CEOCFO: Do you have different flavors and ingredients?

Mr. Young: We are in the area of functional beverages, which from a definition standpoint it is something that you are consuming for a very specific benefit and that benefit is diverse. It can be something like a meal replacement. One of our most popular drinks in our stores is something called an Early Bird, which essentially is a breakfast, where you would not consume anything else other than that 24 ounce drink. There are fruits, vitamin supplements, and granola in it. Essentially, you are getting the full nutritional value of a breakfast, which allows you to maintain a very high level of performance in whatever career you are pursuing. So meal replacement is one of those functions, but it is diabetics who may be considering carbohydrates or sugar intake. However, a diabetic is mostly concerned about those carbohydrates. An elderly person who may not have the same level of energy they used to have in the past may need the Early Bird. Not only do they need the support of the nutrients in the fruit, but they are also looking for a supplement, so we have beverages that are focused on that. We have beverages that are very focused on the athletic lifestyle. We target athletes who are trying to build muscle or looking at muscle recovery or even simple rehydration. We also have the business person who is on the go and does not have time for breakfast or lunch and just wants to grab something quick and know that it is good for them. It's for anyone who may be concerned about their calorie counts and more specifically the quality of the calories that they are taking in. They may be concerned about weight manage-

ment, maybe a young person who is concerned about their complexion or whatever. So that is the basis of what is a functional beverage. It is essentially liquefying snacks and snackifying liquids.

CEOCFO: How do you make your drinks taste good?

Mr. Young: When most people think about health and nutrition they think it is going to taste awful, but our products are the best in the marketplace. The reason for that is because we are not putting any crap in it. We do not use any dairy, we do not use any sorbets, and we do not use any ice cream or refined sugars. We use only fresh fruits and everything is absolutely pure and authentic.

CEOCFO: Is there shelf life on these?

Mr. Young: They are meant to be consumed immediately. Somebody walking into our store will look on our menu board where there are 25 different beverages and you are basically selecting the beverage you want. It is being made for you within two or three minutes and you are "good to go" as our tagline suggests. However, our goal down the road, sooner than later, is to get a beverage or list of beverages in stores so that there is a shelf life. Will it be the same consistency as what we are serving in stores? No, it will be a different product, but it will be shelf stable, real and authentic to this category. There will be no refined sugars. Vitamin Water has taken a ton of heat lately as far as this whole perception that they were nutritional. The heat is coming from the medical community as far as what is actually in these drinks because they contain 30 grams of sugar; well you will never see our product enter into that realm.

CEOCFO: What particular cities is Liquid Nutrition Group targeting for your rollout?

Mr. Young: We have basically identified 35 cities. We are looking for cities that have a large urban base so that there is a downtown and a vibrant downtown. From a population standpoint I would say within our top twenty we are looking at population north of 500,000. For Canada specifically Montreal, Toronto, Calgary, Vancou-

ver and then essentially we are looking at the top ten markets in the United States. That would include LA to New York, to Atlanta. In the short-term, it will be dictated by demand as well. As I said, we have been getting hundreds of inquiries, so if somebody approaches me about Las Vegas as an example, we are definitely going to look at that opportunity. We would like to get to 100 stores ASAP. Once we get to that hundred it allows us to present ourselves as a real national brand in both countries and allows us to really take advantage of the product development side.

CEOCFO: What is the Liquid Nutrition strategy for locations?

Mr. Young: NOT about seven hundred locations across the United States. We do not see ourselves being about the numbers. It is about the quality of the cities that we are going in, and the quality of the operators. We are rewarding these franchises and that is a big difference. We are not selling franchises; we are rewarding franchises. We believe we have created a turnkey opportunity that does not exist anywhere else, within our category or outside of our category, within the food category generally. I know it sounds corny, but I truly believe it is a once in a lifetime opportunity. Not only is it where partnerships are concerned, but to be involved in an industry that is making people feel better, when two thirds of the population in Canada and the United States are overweight you would think there has got to be a right time. We believe now is the present time for a product like this; one that has a great brand image, tastes great and is convenient. In our opinion, the value stands on its own.

CEOCFO: As you roll out and start to get many franchisees, how do you prepare to manage them well?

Mr. Young: The franchise model is very low overhead. You are operating with a small staff, so where you are spending your money is in the field. However, as multiple stores open you need to hire people to basically support those markets so that they can be your feet on the ground. It is not about baby sitting and it is not about policing. It is about supporting the

franchisees so that they are successful, because their success is our success. The more money that they generate in the store, the more money our company generates in franchise fees and such. We believe we have the best people in the industry working for us from our CFO to our franchise development people, product development people and sourcing team. Really, the feet on the street are those operational people that are going to be responsible for working with the hub. Our strategy is to go into a market and find an operator who is prepared to purchase the minimum ten-store hub. Then that would be their market. They would not have to worry about territorial issues, as they are basically buying exclusivity. Where we have priced our franchises you can basically open a six hundred square foot store in virtually any major market in Canada or the United States for \$150,000 and this includes our franchise fee. For someone seeing the bigger picture and saying here is an opportunity for me to basically own a marketplace for this particular brand and concept, it would benefit them best by committing to a minimum of ten stores. The total investment would be somewhere in the range of \$1.5 million. There are a lot of franchises out there right now including Buffalo Wild Wings that the initial investment is in the \$3, \$4 and \$5 million range for one location. And you still have to worry about exclusivity and all the rest of it.

CEOCFO: What is more important for you, previous franchise owners or nutrition oriented people?

Mr. Young: We set a pretty strict criteria. It is not necessarily franchise operators. It is business operators, someone who has proven themselves whether that be in their own company or within another company. It is someone that is savvy, but also is very passionate about this whole lifestyle, because first and foremost we are a lifestyle brand and we are a lifestyle company. Many people say that, but we are right in the heart of a very passionate lifestyle that people believe; Steve Nash is a great example of that. He lives the lifestyle like no one else and he is an elite athlete, so he has made that obligation to himself. I have been involved with big brands throughout my career, but I have never seen such affinity and such passion. The reason for that is because we are changing people's lives, so we want to find operators that are saying, "I want to be part of that lifestyle, I want to present that lifestyle, because it is my lifestyle and I want to make the world a better place".

CEOCFO: What is the financial picture like for Liquid Nutrition Group today?

Mr. Young: We are a fairly new entity. Essentially Liquid Nutrition Group Inc. started in the first week of December as a registered company. Now we are publicly listed, well financed and we are in the midst of

rolling out that franchise program. Within the first twelve months of operation, we will be cash positive.

CEOCFO: In closing, why should potential investors pay attention to Liquid Nutrition Group today?

Mr. Young: We know the market has struggled, especially late in the last month and we know the challenges of the public marketplace. There are a lot of very large institutional brokers and firms that are looking at small cap companies because if they pick the right ones, they are of the belief that their margins are going to be a lot higher than just keeping the focus and attention on those Fortune 500 companies. We have gone through the process of being liquid as a public company and we all know that does not happen unless you have the legitimacy of a business plan and a business story. We have built a team, not only of athletes, but our management team to all of our third-party suppliers and everything else that is like nothing else out there. In addition, we are in a very hot category being the sole functional beverage category. We are very confident that our business goals and objectives are going to be met and truthfully in our first almost month of being a public company many of those goals and objectives have been exceeded as far as the benchmarks that we have placed for ourselves.

The logo for Liquid Nutrition features the word "LIQUID" in a large, bold, dark brown font with a green outline for the letter 'Q'. Below it, the word "NUTRITION" is written in a smaller, green, sans-serif font with wide letter spacing. A small "TM" trademark symbol is located to the upper right of the word "LIQUID".

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Oakville, ON CA L6J 7W5
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