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## Automated Retail Units Information Package 2010



[www.MiniMeltsBC.ca](http://www.MiniMeltsBC.ca)

## VENDING MACHINES

Consumers are shifting their consumption focus from “buying stuff” to “buying experience”. Mini Melts is perfectly positioned to take full advantage of this consumer shift, we offer a new experience through our unique product, as well as, the entertaining robotic show while Mini Melts are dispensed from the vending machine.

Our vending program in BC began in early 2008. Mini Melts US has grown its vending business over the past 6 years with phenomenal success. In many locations landlords have requested additional vending machines to meet demand and to replace other less profitable vending products. Mini Melts vending machines can be found in:

- movie theatres
- amusement parks
- malls
- family fun centres
- bowling alleys
- miniature golf courses
- skating rinks
- water parks
- and many other family oriented venues

Each vending machine contains 4 flavours of Mini Melts that are pre-packaged, sealed with a foil top and include a serving spoon. In total, there are 5 flavours available for selection to stock each vending machine:

- Banana Split
- Cotton Candy
- Mint Chocolate
- Cookies & Cream





## **SPECIFICATIONS**

The Mini Melts vending machines were designed and built by FastCorp, a dominant vending equipment manufacturer in the US. The machines are equipped with a robotic suction systems and specialized storage freezers that maintain a -40°Celsius temperature. The machines have minimal electrical requirement with one standard 115 V, 10 amp connection.

Each machine occupies approximately 9 square feet , with the dimensions being 36.75" x 35.35" x 72.0" (WxDxH).

## **BACKGROUND**

Mini Melts BC is the exclusive BC-wide distribution of Mini Melts , a patented cryogenically frozen ice cream. Mini Melts has grown rapidly since its inception in early 2004. Mini Melts ice cream is distributed throughout BC in retail locations ranging from permanent mall ins tallations, to seasonal vending carts, to mobile festival trailer units.

Mini Melts, "The Ice Cream Dream", offers something exciting and new in the traditional world of ice cream. It is a super-premium, kernel-shaped ice cream with a unique texture and flavour that has been flash frozen through a special manufacturing process which locks in all the flavour and taste. The end product is served and stored at an extreme low temperature of -40°C, the result being an outstanding cold sensation while the ice cream melts in your mouth. "Worlds Coldest Ice Cream"

Mini Melts are manufactured a round the world in twenty-eight different countries using specialized high tech equipment. The finest quality of ingredients and the richest cream content in Canada makes Mini Melts one of the highest quality ice cream products in the world.

Mini Melts are manufactured using cryogenics. Cryogenics uses liquid Nitrogen (which is totally inert and tasteless) to instantaneously freeze Mini Melts to less than -187°C; this is close to the coldest temperature achievable on earth. This rapid freezing process enables Mini Melts to "lock in" the flavour, while



specialized storage freezers are used to guarantee the highest levels flavour and quality are maintained.

Mini Melts ice cream is a patented product; Tom Mosey (the President and CEO of Mini Melts) and Nick Angus have been awarded a United States patent for a method of rapidly producing cryogenically frozen dessert particles. This patent, #6,349,549, was awarded on February, 26 2002 by the United States Patent and Trademarks Office.

## PRODUCT

Mini Melts are uniquely shaped, come in a wide variety of colours and are currently available in six different flavours:

- mint chocolate
- cookies & cream
- banana split
- cotton candy

This unique shape and texture makes Mini Melts quick and easy to serve. Consuming Mini Melts is much cleaner than "ordinary" ice cream, especially with young children. We frequently have parents tell us "my child had your Mini Melts and he's actually clean".

Ice cream conjures emotions of nostalgia, but not all ice creams are created equally. Most are plain and lack depth of flavour, Mini Melts offers something wholly different. It's colourful, kernel-shaped and is designed to give consumers levels of flavour and enjoyment unparalleled by any other ice creams.

The taste and quality of ice cream is determined by the quality of ingredients, the speed at which the product is frozen and the amount of air that is whipped into the product. Mini Melts has scoured the world in search of the highest quality ingredients while maintaining a cream content of 12% and flash freezing the ice cream mixture in a split second to lock in all the flavour. Furthermore, Mini Melts have no air whipped into the mix, resulting in a mouth watering exceptionally pure ice cream. "The Ice Cream Dream"





Mini Melts is served in a pre-packaged 5oz cup that includes a small serving spoon and a sealed foil top. Each cup is clear with an imprinted Mini Melts logo and is designed to ensure correct portioning.

## **MARKET SIZE & TRENDS**

Canadians are the fifth highest consumers of ice cream per capita in the world. Currently, on average each Canadian consumes over 9.0 litres of ice cream annually. The ice cream market is well established and mature; ice cream has become a staple and is readily available in numerous forms through various distribution channels, ranging from grocery stores to ice cream parlours. In the last decade however, little innovation has taken place aside from new flavour introductions and new packaging. As a result, combined with our aging population, overall ice cream sales growth has flattened and, most recently, declined by 2-3%. However, novelty/premium ice cream category sales in the same time period show a 4% growth year after year.

Mini Melts, a truly new and innovative product, is ripe for rapid growth in Canada. Sales are sky-rocketing in the United States and in other nations around the world. As with most innovative products and services originating in the US, it takes a few years to cross the border into Canada. Mini Melts are now here and Canadian consumer response has been very positive.

Mini Melts was initially launched in Ontario in 2004. All distribution locations have achieved higher sales than forecasted and the product has been well received by the public. In many cases, people are coming back for seconds and thirds after trying Mini Melts for the first time. Several existing Canadian locations hold the Worldwide Mini Melt Sales Record for most units sold in a single day, over 3000 units.

In the US, 60% of ice cream revenue comes from purchases made outside the home which accounts for 40% of the ice cream production. And, while 60% of the volume is consumed at home, it only accounts for 40% of all ice cream revenues. These statistics highlight the fact that people are treating themselves to premium/novelty ice creams while spending time outside their homes.

## DISTRIBUTION CHANNELS

As well as having a truly unique and exciting product, Mini Melts BC has developed a range of distribution channels to maximize brand awareness and product availability.



In most cases, Mini Melts BC grows its product distribution network through a licensing structure; however, in certain circumstances we will own and operate corporate locations. All other locations throughout BC are licensed to selected business partners. Five separate licensing options are available in certain markets: shopping centre retail kiosks, seasonal retail kiosks, special events vending kiosks, automated vending machines, and M2 implant packages for existing retail establishments.



**FINANCIAL PLAN**

Mini Melts ice cream is delicious, irresistible and highly profitable. The retail profitability analysis forecast what the expected revenues would be for an average machine in a mall environment or any other environment with similar traffic patterns.

<b>Monthly Sales Forecast</b>	<b>Below Average</b>	<b>Average</b>	<b>Above Average</b>
Daily Unit Sales	14	23	35
Monthly Unit Sales	420	690	1,050
Retail Price/unit	\$ 3.75	\$ 3.75	\$ 3.75
<b>Gross Sales</b>	<b>\$ 1,575.00</b>	<b>\$ 2,587.50</b>	<b>\$ 3,937.50</b>

**CONTACT INFORMATION**

For further information and to find out about existing opportunities in British Columbian please contact us by telephone or e-mail.

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