BUSINESS PLAN

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I. EXECUTIVE SUMMARY

Introduction

Sweet Success™ diet meal replacement products ("Sweet Success" or the "brand") are among a select group of weight loss and health care brands to have established wide name identification with national consumers. Nestlé developed and launched the brand in 1993 as part of their Nestlé USA product line. Nestlé invested approximately 170 million in marketing and development costs in Sweet Success and achieved aggregate sales in excess of $300 million from 1993 to 2002. The brand gained approximately 18% market share and was second in sales only to market leader Slim-Fast and was sold in nearly all drug and grocery chains nationwide. The brand was sold to Nutrisystems.com in late 2000. However, the sudden downturn in the online retail segment (**the dot-com's**) led to Nutri/System.com's inability to adequately fund and execute a major product fulfillment system, thus Sweet Success™ was removed from the highly lucrative weight loss category by 2002. The Sweet Success diet product line consists of ready to drink beverages, snack bars and powder mixes. The ready to drink beverages account for approximately 80% of the brands overall sales volume.

It is the intent of Sweet Success Enterprises Inc. (the "Company") to distribute and market the popular ready-to-drink diet meal replacement products, building upon the product's solid foundation of consumer identification and satisfaction. Sweet Success™ meal replacements distinguished themselves over the competitors as the better tasting product, and despite being off the market for over a year, it is estimated that over 60% of all women still recognize the Sweet Success™ brand, unique in its position as part of a diet and health program that is efficient, great tasting, inspirational, contemporary and highly effective in achieving weight loss and fitness goals.

Along with the brand name, the Company has purchased all rights to the exclusive Nestlé formulas of all meal replacement products, including the most popular ready-to-drink diet shakes and other meal replacement products, all artwork, advertising, trademarks, patents, copyrights, research and records.

Toward achieving this objective, the company is in the process of completing a private placement of $1,000,000 in gross proceeds ($900,000 Net). This placement will be primarily used for its key accounts launch used to put product back on the shelves on a limited basis initially focusing on in the Texas market place. During this time the company will be repositioning itself seeking a minimum of $3,000,000 in equity financing to reintroduce Sweet Success™ ready-to-drink meal replacements via direct response and select accounts beginning in late fall 2004, with a mass-market retail rollout to follow shortly thereafter. (The Company's shares of common stock currently trade on the Pink Sheets of the National Quotation Bureau under the symbol "SWTS".)

Acquisition of Sweet Success Brand

In 1993, Nestlé USA developed a line of ready-to-drink diet meal replacement beverages ("diet shakes") under the "Sweet Success" brand name. Nestlé invested approximately 170 million in development and marketing costs from 1993 through 2000 to rapidly establish the brand on a national basis. By 2002, the product line had generated aggregate sales over $300 million, averaging $40 million per year as a weight loss and healthcare management product.

In late 2000, Nestlé sold Sweet Success to Nutri/System, Inc., in a stock transaction that was valued at that time for approximately $18,000,000. Nutri/System had intended to market Sweet Success as one of its Web based on-line diet products. However, due to funding problems associated with the decline of investor interest in Internet companies, Nutri/System was unable to finance the production of the Sweet Success line. Accordingly, by January 2002, sales of Sweet Success were discontinued.

In October 2002, Beverage Acquisition Corporation ("BAC") executed an Asset Purchase Agreement with Nutri/System to acquire the Sweet Success brand and all intellectual property rights associated with it. BAC merged in November 2002 with a publicly traded Nevada Corporation and subsequently changed its name to Sweet Success Enterprises Inc. The acquisition, which was completed in December 2002, included all rights to the "Sweet Success" brand name, formulas for all meal replacement products, all artwork, advertising, copyrights, research and records.

Products

Subject to funding, the Company plans to relaunch the Sweet Success product line beginning in late summer of 2004. Initially, the Company will only offer the Sweet Success diet shakes, which accounted for approximately 80% of the brands historical sales. The initial marketing strategy will be limited to direct marketing via an infomercial plus to key accounts such as HEB, Walmart, Costco and Military PX stores, which historically accounted for approximately 30% of the brands sales volume. The total product line is made up of the following:

Ready to Drink Shakes

- Creamy Milk Chocolate
- Creamy Vanilla
- Dark Chocolate Fudge
- Strawberry Cream
- Chocolate Moca
- Rich Chocolate Almond
- Pineapple Orange
- Strawberry Banana
- Carmel Chocolate

Powder

Carmel Chocolate
Dark Fudge
Vanilla

Snack Bars

Chewy Chocolate Brownie
Chewy Chocolate Chip
Chewy Peanut Butter

Carmel Nugget Peanut Butter Nugget

Sweet Success relaunch formula vs. Slim-Fast formula

"The Diet Shake for Today's Market!"

Ingredients	Slim-Fast	Sweet Success	Difference	
Serving Size	11oz	11oz	same	
Calories	**220**	**170**	**(23.7%)**	☑
Fat	**3gr**	**2gr**	**(50%)**	☑
Total Sugars	**34gr**	**25gr**	**(37.5%)**	☑
Total Carbohydrates	**40gr**	**20gr**	**(41.2%)**	☑
Protein	**10gr**	**11gr**	**10%**	☑
Fiber	5gr	5gr	same	
Vitamin C	100% RDA	100% RDA	same	
Vitamin A	**35% RDA**	**40% RDA**	**14.3%**	☑
Vitamin E	10% RDA	100 % RDA	same	
Calcium	40% RDA	40% RDA	same	

The Ready-To-Drink Diet Meal Replacement Market

In reintroducing Sweet Success to the market, the Company will seek to build upon the brand's previous name recognition as well as the growing demand for good tasting, convenient and nutritious weight loss alternatives. Consumers have become increasingly health conscious over the past decade, as reflected in the popularity of activities aimed at maintaining and improving health, including exercising, dieting and quitting smoking. Moreover, the Company believes that consumers have become more aware of the nutritional content of the foods they eat. In addition, sales of weight loss products are expected to continue to grow, in part because, according to the Centers for Disease Control, over 60% of American adults were considered overweight or obese as of 2002. Healthcare experts predict a continued increase in healthcare costs related to problems associated with obesity, creating an opportunity for weight loss products offering superior nutritional values and good taste.

Despite the ongoing concern for health and nutrition, consumers find themselves with little time for three nutritious meals a day. Today's lifestyle reflects the need for nutritious and convenient meal replacements that can be consumed at any time or place. The American Journal of Clinical Nutrition states," recent research shows that diets using meal replacement drinks lost five times more weight than on a standard diet". A continuation of the study showed meal replacements were effective in maintaining weight loss for up to four years.

Obesity Epidemic

Recently the center for disease control ranked obesity as the number one preventable disease in the United States. The center had already announced that over 60% of adults were considered overweight or obese. Health care experts predict a continued increase in health care costs relating to health problems caused by obesity such as diabetes, high blood pressure and heart disease. This growing problem has created an opportunity for weight loss products offering superior nutritional values, good taste and convenience. The obesity epidemic is now rapidly growing in overseas markets as well due to modern lifestyles combined with refined foods. (See Appendix V.)

Competition

Although the Company will compete with a variety of products in the weight loss industry, it will initially compete primarily with other producers of ready-to-drink diet meal replacement products. This category is dominated by one competitor, Slim-Fast Foods, owned by Unilever. With estimated global sales of $900 million in 2001, Slim-Fast Foods controls approximately 48% of the market in this category. Adkins is the most resent competitor to emerge on the market. Within a few short years Atkins was able to sell 50% of the company to Goldman Sachs for $750 million. The rest of the category is highly fragmented, consisting of private label brands and smaller competitors (including Kashi, produced by Kellogg) that offer a variety of diet foods, meal replacement bars, shakes, appetite suppressants and nutritional supplements. These products include Ensure, Sustacal, Snapple-A-Day and Edge along with private labels offered by most of the major retail food stores. In a broader sense, the Company will also compete with traditional weight loss centers, such as Jenny Craig and Weight Watchers (neither of which also offer their own liquid diet meal replacements) along with medically supervised programs, on-line diet oriented Web sites and other self administered products and programs. These competitors may operate in a variety of distribution channels, including on-line commerce, retail stores, catalog operations or direct selling.

The principal competitive factors in the ready-to-drink diet meal replacement category are:

- Appetite satisfaction
- Brand recognition
- Taste
- Nutritional value
- Availability and convenience of obtaining the products
- Price

The Company intends to price its products competitively and believes its products will offer appetite satisfaction, taste and nutritional value at least equal to those of its competitors. During its ownership by Nestle, Sweet Success captured a significant portion of the ready-to-drink meal replacement market. Accordingly, the Company believes it will compete favorably with respect to brand recognition.

Seasonality

Because the Company's product is used for weight management and diet control, sales are subject to variation due to seasonality. Traditionally, the holiday season in November and December of each year are considered poor for diet control products and services. The Company expects January and February to show increases in sales as consumers prepare for the swimsuit season.

Operations

The Company's current operations have been limited to incorporating its operations, completing its share exchange agreement, acquiring the Sweet Success brand, negotiating strategic relationships with third-party producers and fulfillment companies, and seeking financing. The Company has not begun the production or marketing of its diet shakes and will be unable to do so until it raises sufficient equity financing to institute its business plan.

The Company plans to outsource the production and storage of its products through agreements with third-party producers. Following production and storage, products will be shipped by the Company's producer, or by third-party fulfillment companies, directly to consumers, food brokers and retailers.

Market Opportunity

In 1999, the domestic weight loss industry was estimated at $35 billion. By 2001, it had grown to over $40 billion, and experts forecast even greater growth in future years as over 60 percent of all American adults are considered overweight or obese as of 2002. Governments and health care experts are forecasting rapidly rising expenditures related to health problems associated with obesity, and while there is no question that the increased levels of obesity will be a challenge for society at large, this trend is creating vast opportunities for companies which can produce products that will enable individuals to lose weight while receiving superior nutrition. The domestic retail sales of meal replacement products are currently estimated at approximately $1.8 billion annually*with forecasted annual growth of approximately 10% for the foreseeable future. The original Nestlé launch of Sweet Success™ occurred in 1993 and achieved sales in excess of $300 million with average sales of approximately 40 million per year. Historically Sweet Success™ was the number 2 ranked brand behind market leader Slim-Fast™. Sweet Success™ was sold in the majority of nationally recognized, chain stores across the United States.

The company intends to build upon Sweet Success'™ storied history within the meal replacement category domestically and then explore international markets and other complementary line extensions as sales and profits increase. According to a recent report in *The Wall Street Journal,* "On every continent of the globe, even including regions where malnutrition is rife, the number of people who are either overweight or obese is rising at an alarming clip. The major culprit: the same combination of high-calorie diets and sedentary behavior that fuels the epidemic of fat in the U.S… Obesity in the U.S. has more than doubled in the past 20 years. In both Australia and Great Britain rates have tripled to about 21% since 1980." (*The Wall Street Journal,* July 1, 2002)

Marketing

The Company's goal is to reestablish Sweet Success ready-to-drink diet meal replacement products as a leading weight loss and weight management program. The Company believes that marketing its products through more than one channel will help diversify its business in the health and fitness industry. To meet this goal, the Company plans to market its diet shakes through the following channels:

Direct Response Marketing: The Company is developing and plans to air a 30-minute direct response infomercial during the third quarter of 2004. The infomercial is expected to feature two health and fitness experts who will promote the products' nutritional values, effectiveness and appetite satisfaction. One and two minute commercial radio and television spots may support the infomercial.

The Company believes the use of traditional marketing tools, such as print, radio, and television advertisements, direct mail and fitness expert endorsements will attract

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- Source: Market Data Enterprises, Inc.
- ** See table on financial projections (Historical Revenues)

consumer and media attention to the Sweet Success product and it plans to use these forms of media after the successful launch of the direct response campaign.

Retail Marketing: In tandem, the launch of the Sweet Success direct response campaign, initially the Company expects to make the product available to the retail market in key accounts such as HEB, COSTCO, Walmart, and Military PX stores. The Company will seek to develop relationships with food brokers, wholesale clubs, convenience stores, distributors, and foodservice vendors in each region.

Customer Support: The Company believes that successful weight loss programs require a continuing commitment by the consumer, in addition to providing a nutritious and good tasting product. In order to support the consumer, the Company intends to offer a complete plan to offer it's customers, which include the website, email support and other correspondence. Customer Service will support the following customer interests:

- high levels of interest and awareness of the ready-to-drink diet meal replacement product to encourage customers to purchase its proposed products at retail stores, through infomercials and off the Internet;
- Continuously improve its online and offline efforts and service;
- Build customer trust in diet shakes providing helpful product information to facilitate informed purchases;
- Reward customer loyalty;
- Take advantage of repeat purchase patterns;
- Ensure quick and efficient distribution;
- Enhance and form key relationships;
- Acquire new customers;
- Accelerate marketing initiatives; and
- Build strategic relationships.

Intellectual Property

The Company purchased all the assets of the Sweet Success brand in December 2002 including all intellectual property. The list of intellectual property is as follows:

A) Registered Trademarks

I. United States

II. Canada

B) Other Trademarks

I. Look and Feel Better
II. 2 Step Plan

All product specification, trade secrets, formula, graphics, trade dress and secret recipes related to production of products that are made and sold as part of Seller's business of marketing and/or selling production of any food products under the trademark *SWEET SUCCESS*™ that were developed by Nestlé.

Employees

As of the date hereof, the Company has 1 full-time employee including the Chief Executive Officer William A. Albright. The Company's performance and development are substantially dependent on the continued services of Mr. Albright and on the Company's ability to retain and motivate other key employees. The Company does not currently have "key person" life insurance policies on the lives of any of its executive officers or other employees.

Business Strategy & Operating Segments

Multi-Channel Marketing Strategy: The company is uniquely positioned to market the popular Sweet Success™ ready-to-drink meal replacement through a three-phase multi-channel marketing strategy that combines direct response and mass marketing programs, beginning with select direct accounts and growing nationally thereafter on a region-by-region basis. This will accomplished through:

<u>Direct Response Marketing</u>: The Company will drive sales and branding through short- and long-form infomercials featuring two well-known diet and fitness celebrities.

<u>Target Key Account Launch</u>: The Company plans to introduce product to the retail market on a regional basis, beginning with key direct accounts such as HEB, Walmart, Costco, ect.

<u>National Launch</u>: The Company will launch the product nationwide shortly after the key account launch, which should coincide with "Swimsuit Season." The initial objective is to restock the brand in its original major chain retail locations (i.e. Safeway, Walgreen's, ect.)

II. SUMMARY FINANCIAL DATA

The following are financial projections for the company through the first 3 years of operations as compiled by management.

3-Year Forecast

** Year 1 does not include Texas 2004 limited key account launch*

	Year 1*	Year 2	Year 3
Mass Markets	$ 6,701,231	$ 53,066,650	$ 125,129,550
Direct Response	$ 19,664,257	$ 41,526,417	$ 50,381,982
Total Revenue	$ 26,365,488	$ 94,593,067	$ 175,511,532
EBITDA	$ 1,419,238	$9,852,200	$26,643,158

(1) Forecasted financial results were developed using various business assumptions and estimates that the company believes to be reasonable.

(2) The company recently purchased the brand and plans to commence sales in 2004.

IV. USE OF PROCEEDS

The gross proceeds from this offering are projected to be a minimum of approximately $1,500,000. The Company expects to apply the proceeds towards production, marketing, distribution and working capital. However, the Company reserves the right to allocate the net proceeds to other uses that the Company considers to be in the best interests of its shareholders. Pending application, the net proceeds will be invested in bank deposits, investment grade securities and/or short-term income producing investments.

	Minimum Net Investment
Proceeds (minimum)	$3,000,000
Audit & Legal Fees	$50,000
Inventory & Fulfillment	$350,000
Media & Production	$225,000
Public & Investor Relations	$50,000
Working Capital	$1,575,000
Sellers Note	$50,000
Test Marketing	$350,000
Offering Cost	$350,000
	$3,000,000

The Company believes the net proceeds of the Offering will be sufficient to fund its operations for at least the next 12 months. However, the Company may seek additional financing, in the future, to further expand its business. There can be no assurance that additional financing, on acceptable terms, will be available to the Company, if at all.

V. FORWARD LOOKING STATEMENTS

This memorandum contains forward-looking statements. When used in this memorandum, the words "believe," "expect," "will," "anticipate," "estimate" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions, which are identified and described in the "Risk Factors" section below, as well as throughout this memorandum. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary from those anticipated, estimated, or projected and the variations may be material. We caution you not to place undue reliance on any such forward-looking statements, all of which speak only as of the date made.

VI. RISK FACTORS

This Registration Statement contains forward-looking statements that involve risks and uncertainties. These statements can be identified by the use of forward-looking terminology such as "believes," "expects," "intends," "plans," "may," "will," "should," or "anticipation" or the negative thereof or other variations thereon or comparable terminology. Actual results could differ materially from those discussed in the forward-looking statements as a result of certain factors, including those set forth below and elsewhere in this Registration Statement. The following risk factors should be considered carefully in addition to the other information in this Registration Statement, before purchasing any of the Company's securities.

- **The Company Has Had No Operations, Revenue or Earnings**

The Company was recently formed in September 2002, has not as yet commenced any business operations and has not generated any revenue or earnings. The Company will be subject to all of the risks inherent in starting a new business, and there can be no assurance it will generate revenue or earnings in the future.

- **The Company Faces Intense Competition**

Although the Company will compete with a variety of competitors in the weight loss industry, it will initially compete primarily with other producers of ready-to-drink diet meal replacement products. This category is dominated by one competitor, Slim-Fast Foods, owned by Unilever. With estimated sales of $900 million in 2001, Slim-Fast Foods controls approximately 48% of the market in this category. The rest of the category is highly fragmented, consisting of private label brands and smaller competitors (including Kashi, produced by Kellogg) that offer a variety of diet foods, meal replacement bars and shakes, appetite suppressants and nutritional supplements. These products include Ensure, Sustacal, Snapple-A-Day and Edge along with private labels offered by most of the major retail food stores. In a broader sense, the Company will also compete with traditional weight loss centers, such as Jenny Craig and Weight Watchers along with medically supervised programs, on-line diet oriented Web sites and other self administered products and programs. Current and new competitors may be able to quickly introduce products at relatively low cost. These competitors may operate in a variety of distribution channels, including on-line commerce, retail stores, catalog operations or direct selling.

- **The Company May Require Additional Capital**

The Company may need additional funds to complete the development of, and commence marketing for, the Company's ready-to-drink diet meal replacement product. The Company cannot guaranty that it will have access to these required funds in the future, or that such funds will be available on acceptable terms and conditions. If the Company is unable to raise additional funds, it will be unable to remain in business. If the Company is successful in raising funds, it may be required to issue additional equity securities which will dilute the ownership of its current stockholders.

- **The Company May be Subject to Product Liability Claims**

The Company faces risk of exposure to product liability claims if the use of its proposed products results in illness or injury. If the Company does not have adequate insurance or contractual indemnification from its manufacturers, product liability claims could have a material adverse affect on its business. Manufacturers and distributors of weight loss products and nutritional supplements are often named as defendants in product liability lawsuits. The successful assertion or settlement of an uninsured claim, a significant number of insured claims or a claim exceeding the limits of any insurance coverage that the Company may acquire would add additional costs to its business and divert the attention of its senior management from the operation of its business.

The Company depends upon customer perceptions about the safety and quality of its proposed products and similar products distributed by its competitors. The mere publication of reports asserting that a particular product may be harmful may substantially reduce or eliminate sales of the products, regardless of whether the reports are scientifically supported and regardless of whether the harmful affects would be present at recommended dosages.

- **The Company May be Subject to Health-Related Claims**

The Company's weight loss program does not include medical treatment or advice, and the Company does not engage physicians or nurses to monitor the progress of its members. Many persons who are overweight suffer from other physical conditions, and the Company's target consumers could be considered a high-risk population in some respects. A customer who experiences health problems could bring a lawsuit against the Company alleging that such problems were caused by participation in the weight loss program because certain side effects can be associated with weight loss. Persons who suffer side effects while participating in the program may assert claims against the Company whether or not the program was responsible for causing the effects. Although the Company carries general liability insurance, its insurance may not cover claims of these types.

- **Risks Associated with Adverse Publicity**

The Company is highly dependent upon consumer perception of the safety, quality, and possible dietary benefits of its products. As a result, substantial negative publicity concerning ready-to-drink diet meal replacement products or other nutritional foods similar to the Company's products could lead to a loss of consumer confidence in the Company's products, removal of the Company's products from retailers' shelves and reduced sales and prices of the Company's products.

- **The Company May be Unable to Protect Its Intellectual Property**

The Company will rely on a combination of common law trademark rights, U.S. federal registration rights, and trade secret laws to protect its product formulations. Nevertheless, these formulations may be duplicated by competitors. The Company protects its product formulations by confidentiality agreements with its employees and contract manufacturers. There can be no assurance that these agreements will not be breached, that the Company would have adequate remedies for any breach, or that the Company's trade secrets or those of its contract manufacturers will not otherwise become known or discovered independently by competitors. If the Company were to lose ownership of its product formulations, it could have a material adverse affect on the Company's competitive position.

- **Potential Limited Availability and Uncertain Costs of Raw Materials**

As with most food products, the availability and cost of raw materials used in the Company's products can be affected by a number of factors beyond its control, such as general economic conditions affecting growing decisions, weather conditions such as frosts, drought, and floods, and plant diseases, pests, and other acts of nature. Because the Company does not control the production of raw materials, it is also subject to delays caused by interruption in production of materials based on conditions not within its control. Such conditions include job actions or strikes by employees of suppliers, weather, crop conditions, transportation interruptions, natural disasters or other catastrophic events. There can be no assurance that the Company's contract manufacturers will be able to obtain alternative sources of raw materials at favorable prices, or at all, if they experience supply shortages.

- **The Company Depends on Its Key Personnel**

The success of the Company is significantly dependent on the personal efforts, performance, abilities, and continued service of a small number of its management and marketing personnel. The loss of service of any such personnel could have a material adverse affect on the Company's business, results of operations, and financial condition. In addition, the future success of the Company depends upon its ability to attract and retain highly qualified personnel in the future. Competition for such personnel is intense and there can be no assurance that the Company will be able to attract and retain such qualified personnel. A failure to do so could have a material adverse affect on the Company's business, results of operations, and financial condition.

- **The Company's Products are Subject to Government Regulation**

The processing, formulation, packaging, labeling and advertising of the Company's products are subject to regulation by several federal agencies, but primarily by including the Food and Drug Administration (the "FDA") and the Federal Trade Commission (the "FTC"). The Company must comply with the standards, labeling (including nutritional information) and packaging requirements imposed by the FDA and FTC for the marketing and sale of medical foods, food supplements, vitamins and nutritional products. Many FDA and FTC remedies and processes, including imposing civil penalties and commencing criminal prosecution, are available under federal statutes and regulations if product claims violate law. The FDA could, in certain circumstances, require the reformulation of certain products to meet new standards, require the recall or discontinuance of certain products not capable of reformulation, or require additional record keeping, expanded documentation of the properties of certain products, expanded or different labeling, and scientific substantiation.

- **The Company is Subject to Regulations Associated with Its Advertising**

The Company's advertising of its products is subject to regulation by the FTC under the Federal Trade Commission Act, which prohibits unfair or deceptive trade practices, including dissemination of false or misleading advertising. In addition, the National Advertising Division of the Council of Better Business Bureaus, Inc. ("NAD") administers a self-regulatory program by the advertising industry to insure truth and accuracy in national advertising. NAD monitors national advertising and entertains inquiries and challenges from competing companies and consumers. Although the Company does not believe that such changes will affect its marketing success, any future changes to the Company's advertising resulting from compliance with an adverse NAD determination or FTC action or fines or penalties assessed in connection therewith could adversely affect the Company's product marketing efforts.

- **The Company Must Establish Its Brand Quickly and Cost-Effectively to Remain Competitive**

The Company must reestablish, maintain and enhance the Sweet Success brand to generate revenue from sales of its proposed products. Brand recognition and customer loyalty will become increasingly important as more companies with established brands in dietary products offer competing products. Development of the Sweet Success brand will depend largely on the Company's success in providing a quality shopping experience supported by high levels of customer service.

- **Consumers May Not Accept the Company's Products**

The Company's success depends on attracting and maintaining purchasers of meal replacement products through cost-efficient marketing and research. The weight loss market is extremely competitive, with a multitude of products available to consumers, ranging from other diet drinks, prescription and over-the-counter drugs, to a variety of herbal supplements. The Company may not be able to continue to attract consumers away from more traditional weight loss products. Factors that could prevent or delay consumer acceptance of the Company’s product, and consequently affect its ability to generate revenues, include:

- Pricing that does not meet consumer expectations when compared to the pricing of other ready-to-drink diet meal replacement products;
- Lack of consumer awareness of the Company’s proposed products;
- Customer concerns about the effectiveness of the Sweet Success product and its techniques for weight management;
- Release of scientific information that highlights a diet product or technique superior to the Company’s product; and
- Failure to obtain enough media exposure on the benefits of the Company’s proposed products, or losing publicity and subsequent public awareness of these products through media attention on another, competing diet product or technique.

- **Dependence on Third Party Manufacturers**

The Company does not own or operate any manufacturing facilities and therefore will be dependent on third parties for the manufacture of its products. If the Company’s contract manufacturers were unable or unwilling to produce and ship the Company’s products in a timely manner or to produce sufficient product quantities to support the Company’s growth. The Company would have to identify and qualify new contract manufacturers. There can be no assurance that the Company would be able to identify and qualify new contract manufacturers in a timely manner or that such manufacturers would allocate sufficient capacity to the Company in order to meet its requirements, which could adversely affect the Company’s ability to make timely deliveries of its products. In addition, there can be no assurance that the capacity of the Company’s contract manufacturers will be sufficient to fulfill the Company’s orders. Any significant delays in shipments of the Company’s products would have a material adverse affect on the Company’s business, results of operations, and financial condition.

- **Changes in Dietary Trends**

The diet and nutritional food industries are subject to changing consumer trends, demands, and preferences. Trends within these industries change often, and the failure of the Company to anticipate, identify or react to changes in these trends could lead, among other things, to reduced demand and price reductions. These changes might include consumer demand for new products or formulations that include different health promoting ingredients or appetite suppressants. The Company’s success depends, in part, on its ability to anticipate the tastes and dietary habits of consumers and to offer products that appeal to their preferences on a timely and affordable basis.

- **The Company's Stock Price May be Volatile**

The market price of the Company's Common Stock may be extremely volatile for many reasons, including:

- Variations in the Company's revenues and operating results;
- The use of new sales programs by the Company or its competitors;
- The introduction of new products into the weight loss market;
- General financial market conditions.

- **Control by the Company's Principal Stockholders; Authorization and Issuance of Preferred Stock; Prevention of Changes in Control**

The Company's officers and directors own more than 70% of the Company's issued and outstanding shares of Common Stock as of May 2003, and accordingly may continue to be able to elect all of the Company's directors and control the affairs of the Company. The Company's Articles of Incorporation authorize the issuance of up to 10,000,000 shares of Preferred Stock with such rights and preferences as may be determined by the Board of Directors. Accordingly, the Board of Directors may, without shareholder approval, issue preferred stock with dividend, liquidation, conversion, voting, redemption or other rights, which could adversely affect the voting power or other rights of the holders of the Common Stock. The issuance of any additional shares of Preferred Stock having rights superior to those of the Common Stock or shares in this offering, may result in a decrease of the value or market price of the Common Stock and Series A Preferred Stock and could further be used by the Company's Board of Directors as a device to prevent a change in control of the Company. The Company has no other anti-takeover provisions in its Articles of Incorporation. Holders of Preferred Stock may also have a right to receive dividends, certain preferences in liquidation and conversion rights.

VII. THE BUSINESS

Company Overview

Beverage Acquisition Corporation ("BAC"), a Delaware Corporation, was formed in September of 2002, for the purpose of acquiring all assets of the original Nestlé Sweet Success™ brand including the Sweet Success™ brand name, which has a heritage dating back to 1993, with household name identification built on over $170 million spent on development and brand equity expenditures.

Newbridge Reorganization Corp. ("Newbridge") was organized as a Nevada corporation in September 2001 in connection with the reorganization of its parent, Newbridge Products, Inc., which filed a petition in bankruptcy under Chapter 11 of the U.S. Bankruptcy Code, which was confirmed on June 17, 2002. The U.S. Bankruptcy Court for the District of Arizona approved the Company's plan of reorganization on September 2002, and the Company was discharged from bankruptcy at that time.

In November 2002, Newbridge acquired all 4,000,000 shares of the issued and outstanding common stock of Beverage Acquisition Company ("BAC") for 2,750,000 shares of the Company's common stock and subsequently changed its name to Sweet Success Enterprises, Inc. (the "Company"). On December 24, 2002, the company subsequently acquired the Sweet Success assets including the brand name, the formula of all meal replacement products, all artwork, advertising, trademarks, copyrights, research and records, and will operate competitively in the meal replacement category in the $40 billion plus weight loss market. In the premium-branded diet meal replacement category, Sweet Success™ is a known product with a successful history producing consistent annual profits for Nestlé USA, Inc., as the category in which it competed grew from $280 million in sales in 1993 to over $1.8 billion in 2001.

Sweet Success™ ready-to-drink diet meal replacement beverages established themselves as a select group of weight loss and health care products with wide national name identification. As part of the Nestlé USA product line, Sweet Success™ achieved aggregate sales in excess of $300 million (averaging over $40 million per year from 1993 through 2002), and gained as much as 18% of the market before being sold to Nutri/System.com in late 2000 in a stock transaction valued at $18 million at that time. Nutri/System.com had anticipated marketing Sweet Success™ meal replacements to the previously existing retail account base and as part of its online diet program. However, the sudden and extreme downturn in the consumer online retail industry led to Nutrisystem.com's inability to fund and execute a mass-marketing campaign. Thus, Sweet Success™ was removed from the highly lucrative weight loss category by 2002.

The Company plans to restock Sweet Success™ liquid meal replacements initially in Texas through a key account launch in the summer of 2004 to be followed by a coordinated direct and mass marketing campaign, scheduled to begin in late Fall 2004. The foundation of the marketing program will be a series of infomercials (30-minutes, two-minute and 60-second) featuring nationally renowned and highly trusted diet and fitness experts. This direct marketing strategy will drive a mass-market relaunch scheduled to begin shortly after introduction of the direct marketing program.

Obesity Epidemic

Recently the center for disease control ranked obesity as the number one preventable disease in the United States. The center had already announced that over 60% of adults were considered over weight or obese. Health care experts predict a continued increase in health care costs relating to health problems caused by obesity such as diabetes, high blood pressure and heart disease. This growing problem has created an opportunity for weight loss products offering superior nutritional values, good taste and convenience. The obesity epidemic is now rapidly growing in overseas markets as well due to modern lifestyles combined with refined foods.

Market Opportunity

The demand for liquid meal replacements has continued to increase dramatically as the number of overweight consumers has grown. In the mid-1990s, 55% of Americans were considered overweight or obese. Today more than 60% are in the category, with over 14% of them using liquid meal replacement within the course of a year, up from 8% in 1996. These trends have created a windfall for Slim-Fast Foods, which has been largely uncontested in the branded diet liquid meal replacement category since late 2001.

This growth in the liquid meal replacement category coincides with the overall weight loss industry. In 1999, the domestic weight loss industry was estimated at $35 billion. By 2001, it had grown to over $40 billion, and experts forecast even greater growth in future years. This trend is creating vast opportunities for companies that can produce products that enable individuals to lose weight while receiving superior nutrition. The domestic retail sales of meal replacement products are currently estimated at approximately $1.8 billion annually* with forecasted annual growth of 10-15%. The original Nestlé launch of Sweet Success™ occurred in 1993 and achieved average annual sales in excess of $40 million per year, as the number 2 ranked brand behind market leader Slim-Fast™.

The company plans to build upon Sweet Success'™ proven history within the meal replacement category and then explore other complementary line extensions as sales and profits increase, building the Sweet Success™ name into many high quality, proven diet and nutrition products.

The initial sales campaign will be targeting Texas through a key account launch followed by a national direct response (infomercial) marketing and simultaneously begin to market through club stores supported by continued infomercial airings and in store advertising.

The Company has selected its diet shakes as its initial focus, which accounts for 80% of the category volume. Moreover, according to consumer testimony Nestlé diet shake was one of the best tasting products in its class. The Company's relaunch product will offer

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* Source: Market Data Enterprises, Inc.

substantially less carbohydrates than Slim-Fast, while increasing the protein content of each serving. The Company believes this formula will help differentiate it from its competitors.

The Sweet Success weight loss program substitutes two meals per day with a diet shake. Once the user's weight loss has been achieved, then one meal per day is substituted with a diet shake. The Company's diet shakes are milk-based and fortified with vitamins to enhance the nutritional content. The diet shakes are will contain 170 calories and two grams of fat per can and will be designed to provide sufficient nutrition plus increased calcium and protein. The fiber and texture in the shakes are designed to satiate, but contain no appetite suppressants. The products will be marketed in 11-ounce cans, packaged in cases of 24 cans each. Re-launch flavors are expected to include: creamy milk chocolate, dark chocolate fudge, creamy vanilla, strawberry cream, orange pineapple shake, and strawberry banana shake. The shakes are "shelf stable" for up to twelve months using a process in which the can and its contents are sterilized by heating over 250°F.

Business Strategy & Operating Segments

Multi-Channel Marketing Strategy – The Company is positioned to market the popular Sweet Success™ ready-to-drink meal replacement through a three-phase multi-channel marketing strategy that combines direct response and mass marketing programs, beginning with select key accounts and growing nationally thereafter. The potential for success with this multi-channel marketing strategy is confirmed by the manner in which trends shape sales in the weight loss and fitness industries, and the way in which trends are created through subsidized and profitable direct response marketing. According to *Chain Drug Review,* "hectic lives and the need for convenient sources of nutrition are driving sales…. The transition of products from the "As Seen on TV" arena to retail is one of the major trends in the category. Products that have sold extremely well via direct response have an already established customer base and traditionally make their retail debut at a lower price than their direct response price.

"The success of direct response is reflected in the attitude that buyers for drug chains have toward the weight-loss category. What buyers have traditionally been concerned with is what they are concerned with today – what kind of marketing is being done and how many dollars are being spent to drive retail sales.

"Companies continue to spend millions of media dollars to fuel direct response sales and continue with the strategy as products transition to retail. Virtually none of the 'straight to retail' products have the benefit of such spending." (Trends Play Big Role in Shaping Weight Loss, *Chain Drug Review,* 1 April 2002)

Direct Response Marketing: Beginning in late fall of 2004 the company plans to launch its direct response marketing strategy, featuring two well-known health and fitness experts who will introduce a total weight-loss/control and healthy living program, focusing on the product's effectiveness, ease-of-use, quality, nutrition, cost-effectiveness and great taste.

This strategy will not only provide an immediate and growing revenue stream – marketing product directly to consumers through 30-minute, two-minute and 60-second commercials – it will also drive mass market sales through subsidized advertising which will begin with a media buy of $7.7 million in year one, growing to $17.5 million in year three.

Assuming a media efficiency ratio (MER) of 2.3 – a moderate assumption based on the fact that the weight loss category is a lucrative and horizontal market – aggregate television sales over the three-year period are projected to exceed $100 million. The $37.6 million spent in fueling those sales will create major brand awareness, drive demand at retail and compel buyer interest.

<u>Key Account Launch</u>: Initially the company will reenter the Texas market place focusing on key accounts. The company will beta test different price points and promotions in order to fine tune the companies national marketing effort.

<u>Targeted Launch</u>: Shortly following the launch of the Sweet Success™ direct response marketing campaign, the company will use brand awareness and consumer interest created by the subsidized adverting effort to make available product to the trade market on a targeted basis, beginning with specific direct accounts.

Buyers should be encouraged by the company's multi-million dollar branding campaign, as well as by the fact that Sweet Success™ has already proven itself as an established and well-received category product. Likewise, buyers will be favorably disposed to having more than one popular item in the weight loss liquid meal replacement category.

Management already has long-term and well-established contacts and relationships with food brokers, wholesale clubs, convenience stores, distributors and foodservice vendors who will be instrumental to the success of the Company. Consumers will be aware of the brand via the show airings as well as its previously established name identification. The company will carefully monitor the sales velocity of each channel, which will enable management to properly forecast and eventually execute a nationwide launch.

<u>National Rollout</u>: The Company plans to make the product available nationwide after the initial target launch, which should coincide with the post holiday diet period in January 2004. The company plans to air the direct response show nationwide along with mass distribution via a Food Broker/Distributor Network.

This strategy of successfully using infomercial campaigns to drive both direct response and mass market sales is effectively used by many blue-chip corporations including Sears, Master Lock, Dell, Simonize, Gateway, the United States Armed Forces, ADT, Fidelity Investments, Oxiclean, and America Online, to name only a few. Re-entering the market through a surgically executed direct response program will allow the Company to reintroduce product on a controlled, cost-effective, and profitable regional basis, building brand awareness and increasing market share toward a planned national launch.

Community Development – The Company will use the direct response platform and the credibility of its nationally recognized health and fitness spokespersons to build a community of consumers, providing information, support, sales and interactive services via a sophisticated Internet site that builds on the Sweet Success™ theme, enlarging it from diet to total living.

At any one time, over a quarter of America's adult population is on a diet. The frustrations inherent in "yo-yo" dieting, and the constant temptations presented by a marketing environment pushing delicious, cheap and high-fat foods combine to sabotage most diet efforts and to undo the long-term success of those who eventually lose weight, causing them to regain their weight within five years. However, recent evidence indicates that nutrient-dense meal replacements are effective not only in losing weight, but in keeping it off over the long-term. When meal replacements therapies are combined with a community support program chances of success increase dramatically. Toward establishing a support community:

- **Continuity Club**: The Company will offer a continuity club program for clients of the direct response marketing campaign, facilitating the ordering and fulfillment process. Clients may elect to receive discounted and special purchases on Sweet Success™ product by enrolling in a continuity program that automatically ships a unit of 48 cans of product directly to their home on a monthly basis.

- **Internet Community Program**: Upon successful direct response relaunch of the product, consumers of Sweet Success™ will be invited to join sweetsuccess.com, a fully functional and integrated website the provides motivational support, nutritional information, recipe ideas, community bulletin boards, chat rooms, exercise programs and interactive monitoring support, allowing clients to chart weight loss, blood pressure, and cardiovascular fitness. Users of Sweet Success™ can sign up to receive regular e-mails, providing motivational tips, health news, information on new products and on goods and services provided by corporate partners of the Company.

- **Accessory Sales**: The Company will sell to consumers the fitness and motivational videos, proprietary software and other accessories that feature its two health experts. These will be provided as part of the direct response marketing program, but will also be available for purchase by those who acquire Sweet Success™ via mass market and desire to receive support materials.

The company plans to keep consumers engaged through its website by featuring special "Sweet Success™ Stories" where individuals post their accomplishments achieved by using the product and are awarded special prizes – perhaps even an annual Grand Prize.

The company plans to enhance the brand by continuing to evolve the product and engage its consumers and sellers.

Competition

One large competitor – Slim-Fast Foods, which is owned by Unilever and had estimated 2001 sales of $900 million or roughly 48% of the overall category, currently dominates the estimated $1.8 billon domestic meal replacement category. All other brands account for the balance of the category, yet not one single other brand accounts for more than a 2% market share except Sweet Success which achieved as much as 18% market share. The company believes that the current fragmented landscape presents a tremendous opportunity for the market of Sweet Success™. It is also noteworthy that there has been very little product innovation by Unilever in the 2 years that it has owned Slim-Fast™ brands. The company believes that this represents additional opportunity for Sweet Success™ as previous large corporate acquisitions of brands such as **Snapple™** and **Pace™ Picante Sauce** have often produced complacent brand management, which results in market opportunities for more nimble competitors to gain market share at the expense of the leading brand.

Mass Market Distribution Expenses

- **Broker and Warehouse Fees** – The Company has estimated broker fees of 5.5% and contract warehouse fees of 1%. These estimates are on the high end of those experienced historically, by Nestlé and other major brands.

- **Promotional and Slotting Allowance** – The Company has budgeted a promotional allowance of 16% of mass-market retail sales in year 1, 15% of sales in year 2, and 14% of sales in year 3 respectively. This allowance includes price promotions and slotting fees, coupon production and redemption, ad allowances and rebates. This estimate is consistent with historical Nestlé expenses.

- **Other Significant Expenses** – The Company has estimated the following other mass market expenses:

  1. Spoilage: 3.5% of sales
  2. Display POS Expense: 2% - year 1; 1.75% - year 2; 1.5% - year 3
  3. Bad Debt: 1/2 of 1% (.5%) of sales

  The Company believes these expense estimates to be consistent with industry averages.

Direct Response Marketing Expense Overview

- **<u>Infomercial Production</u>** – The Company estimates that cost of producing the series of three direct response infomercials (30-minutes, 2-minute and 60 second) will be $150,000 in year 1. To keep the direct response campaign fresh, the Company will produce a second series in year 2 at an estimated cost of $250,000, and in year 3 at an estimated cost of $300,000.

- **<u>National Spokespersons</u>** – Well-known nutrition and fitness experts (male and female) will be used as national spokespersons to drive direct response and retail sales. The Company estimates the production costs associated with these two individuals will be $50,000 in year 1; $75,000 in year 2; and, $90,000 in year 3.

- **<u>Producer and Talent Royalty</u>** – The Company has estimated that it will pay a Producer and Talent Royalty fee not to exceed 3% of EBITDA on direct response sales only.

- **<u>Intellectual Scripting Production</u>** – The Company will provide value-added intellectual property products including exercise and motivational videotapes featuring its renowned national fitness experts as part of the direct response campaign. Consumers of the retail product will be able to order these products, as well. Estimated productions costs: $25,000 in year 1, $50,000 in year 2, $75,00 in year 3.

- **<u>Inbound Telemarketing</u>** – Costs associated with inbound telemarketing have been estimated at $4.00 per order in year 1 and increase by 2% annually in year 2 and year 3 to conform to estimated CPI increases.

- **<u>Bad Debt</u>** – The Company estimates bad debt related to direct market sales to be 4%.

- **<u>Returns</u>** – Returns on television sales are forecast at 5%.

Consumer Satisfaction and Testimonials

Sweet Success™ is not only known for its effectiveness in weight loss and weight maintenance, but it has established a reputation as the best tasting of the ready-to-drink liquid meal replacement products.

The following reviews are among many cited on **epinions.com**, a popular consumer product review site on the Internet:

> **"Tastes Great, Smooth and Creamy. When you pour Nestle Sweet Success into a cup or glass, the first thing you notice is the smoothness. It is not thick. I am able to finish the entire can. I cannot say I do that all the time when I use Slim-Fast."**
>
> **- Bonnie Sayers, Top Reviewer, HEALTH**

> **"My Morning Is Not Complete Without Nestle Sweet Success! Delicious taste. Over the course of the past 3 years I have gained over 15 pounds, with most of these extra pounds residing on or around my stomach. I have tried many different ways to shed these pounds including cutting back on fatty type foods, walking every day, and riding my exercise bike - but nothing seemed to work for very long - so I simply gave up. This past June, I finally decided to be serious about shedding my excess weight, after I found myself horrified at my swimsuit clad image in the mirror. A good friend of mine, who had recently lost 30 pounds in five months by combining exercise and diet, suggested I try Nestle Sweet Success. She had been using this weight loss shake in conjunction with her diet, and said that it was absolutely delicious! So off I was to my local grocery store in search of this "miracle" weight loss shake that my friend had talked so highly of. I found Nestle Sweet Success in the same aisle as *Slim-Fast* and other brand diet foods. I have tried Slim-Fast Shakes in the past, and absolutely detested the flavor - even the chocolate flavor tasted horrible to me; so I was a bit hesitant to purchase more than 3 or 4 cans of Nestle Sweet Success - just in case I didn't like the taste of this shake either. The next morning I tried the Creamy Milk Chocolate, as a replacement for breakfast - and boy was I ever glad I did. This shake was absolutely delicious!!! The chocolate flavor was not too sweet, and it did not have the "artificial" taste that Slim-Fast does. I have found that by drinking this weight loss shake, in the morning - in place of my breakfast, that I am not hungry until it is time for lunch! No more growling stomach between breakfast & lunch!"**
>
> **- Maren Trammell, Frederick, MD**

> **"What a wonderful way to diet! Nestlé's Sweet Success shakes were the best tasting diet shake I have ever tried. I had issues with Slim-Fast and that it made me ill, and wasn't quite sure if the same was going to happen with Sweet Success. It didn't. I love the rich creamy taste and my eight-year old son loved it too! I like the portion size because it was enough to make you full and it carried me quite awhile before I even started to think about being hungry. They are great frozen also. Someone at work had suggested freezing it. It could have been a real shake for all that I was concerned."**
>
> **- G.S. Malone**

> **"I'm writing this review to tell you of my experience with this drink. I was 12 or 13 years old. I was horribly overweight. Over the summer break I started on the liquid diet. I never really cared for the chalky taste of the Slim-Fast drinks, so I was excited to see these. I brought them home and the next morning I had one for breakfast. I couldn't believe that there was no chalky taste to the drink. It went down completely smooth. I couldn't believe how good they tasted. At the time that I was on that diet, I was already 5'10" and had a doctor's approval. This was in the early days of liquid diets. I was extremely successful. I lost over 50 lbs."**
>
> **- Serena, Cape Coral, Florida**

VIII. INVESTMENT MERITS

1. **<u>The Diet Industry is Rapidly Growing</u>.** Obesity is becoming epidemic throughout the world. The diet industry is projected to grow at double-digit rates as consumers seek to combat obesity and improve fitness. Not only will current products continue to find growing market popularity, companies that continue to develop and market real solutions to obesity will capitalize on these trends.

2. **<u>Comparable Sector Valuations</u>.** Successful companies in the same sector have enjoyed premium valuations that have provided excellent returns to their investors. Examples of this include:

   - **Slim-Fast Foods** – sold to Unilever in 2000 for $2.3 billion, or an estimated **<u>revenue</u>** multiple of four.

   - **Weight Watchers International** (WTW) – was priced over $42 on April 22, 2004. This valuation represents a **<u>revenue</u>** multiple of four.

   - **MediFast, Inc.** (MED) – was priced at over $8 per share as of April 23, 2004 – an all-time high. MediFast, a Maryland based company, is currently valued in excess of 10 times trailing 12 months revenues, due to its recent successful direct response nutrition product known as "Take Shape for Life".
   - **Adkins –** Recently sold 50% of the company to Goldman/Sachs for $750,000,000.

   Assuming that management can execute the business plan outlined in this document, the potential valuation of Sweet Success in the next few years versus the current valuation represents a compelling investment opportunity.

3. **<u>Sweet Success™ is a Proven Brand in a Proven Category</u>.** Sweet Success™ under Nestlé ownership achieved aggregate sales in excess of $300 million in six years and was the number two brand behind market leader Slim-Fast™ with distribution in most major chain stores. Moreover, Nestlé invested over $170 million in branding the Sweet Success™ name. The Company believes there is considerable residual value in this brand and that coupled with a very targeted launch strategy will quickly re-establish Sweet Success™ as the challenger to Slim-Fast's™ market dominance.

4. **<u>The Meal Replacement Category is Highly Fragmented</u>.** The meal replacement category is highly fragmented with only one major competitor. Only Slim-Fast™ commands more than 2% of the meal replacement category. Management believes this fragmented market will allow Sweet Success™ to achieve significant growth and market share by offering consumers and retailers a true and already well-established alternative to Slim-Fast™. Sweet Success™, which historically rated as the best tasting of meal replacement beverage, will offer proprietary flavors and fortification. In addition, Sweet Success has

developed a low-carb formula and is contemplating an all natural version to be positioned in the cold box with fresh milk. These characteristics will differentiate Sweet Success™ from competitors.

IX. CAPITALIZATION

The following table sets forth the capitalization of the Company as of May 31, 2003.

	Actual[(1)(2)]	Proforma[(3)(4)]
Stockholders' Equity:		
Preferred Stock, no par value, 10,000,000 shares authorized, 3,529,412 shares issued and outstanding [(3)]		$2,900,000
Common Stock, $.0001, 60,000,000 shares authorized. 3,840,833 shares issued and outstanding [(1)]	$4,106,560	$4,106,560
Exercise of Class B & C Warrants [(4)]		$1,500,000
Retained Earnings (deficit) [(2)]	($3,928,200)	($3,928,200)
Total Stockholders' equity	$178,360	$4,578,360
Total Capitalization	$178,360	$4,578,360

(1) Reflects the issuance of (1) 3,125,000 shares of common stock in November 2002 to founders as consideration all the outstanding stock of Beverage Acquisition Corp. (2) 85,833 Shares in connection with a warrant exercise in December 2002 in which the company received $172,500 in proceeds and (3) 220,000 shares issued to consultants in January 2003. There was no independent valuation conducted and no assurance that this valuation is consistent with generally accepted accounting principles, and as such this valuation may not be ultimately reflected in the Company's financial statements.

(2) Retained earnings from operations of Newbridge Reorganization Corp prior to its merger with Beverage Acquisition Corp. Sweet Success Enterprises, Inc. (the "Company") has yet to commence operations as of the date of this memorandum.

(3) Reflects the maximum proposed sale of Series A 10% Convertible Preferred, less estimated offering expenses.

(4) Reflects the full exercise of the registered Class B and Class C Warrants described on page 33.

X. SHAREHOLDER SUMMARY

	Common Stock (As of 5/31/2003)		Preferred Stock (Projected)	
Shareholders in this offering			3,529,412	
William J. Gallagher	975,000			
Joe Fazzone	213,000			
Other Shareholders	2,652,833			
Warrants – seller[1] (issued)	200,000			
Warrants – Class B & C[2]	600,000			
	4,640,833	56.8%	3,529,412	43.2%

Total Shares (Common & Preferred) (Assuming offering maximum and full exercise of Class B and Class C Warrants.)	8,170,245	100.0%

1 Warrants issued to Nutri/System, Inc. as part of the purchase of Sweet Success brand assets by the Company in December 2002. These Warrants for Common Stock have a strike price of $5.00 per share.
2 Warrants registered and issued by Newbridge Reorganization Corporation in September 2002.

XI. DESCRIPTION OF SECURITIES

Common Stock

The Company is authorized to issue 60,000,000 shares of no par value common stock. The holders of common stock are entitled to one vote for each share of common stock held on all matters voted upon by shareholders, including the election of directors at any meeting of shareholders, a quorum requires the presence in person or proxy of holders of the majority of the outstanding common stock. Subject to the rights of any then outstanding units of preferred stock, the holders of common stock are entitled to dividends as may be declared in the discretion of the board of directors out of funds legally available for the payment of dividends. The holders of common stock are entitled to share ratably in the Company's net assets upon liquidation after we pay or provide for all liabilities and for any preferential liquidation rights of any preferred stock then outstanding. The common shareholders have no preemptive rights to purchase units of the Company's stock and no cumulative voting rights in the election of directors. Shares of common stock are not subject to any redemption provisions and are not convertible into any of our other securities.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of no par value preferred stock. Our board of directors has the authority, without further action by shareholders, to issue shares of preferred stock from time to time in one or more series and to fix the related number of shares and the designations, voting powers, preferences, optional and other special rights, and restrictions or qualifications of that preferred stock. The rights, preferences, privileges and restrictions or qualifications of different series of preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions, sinking fund provisions and other matters. The issuance of preferred stock could:

Registered Warrants

300,000 Class B warrants are exercisable at $2.00 per common share[*] until December 31, 2007.
300,000 Class C warrants are exercisable at $3.00 per common share[*] until December 31, 2007.

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* These registered Warrants were issued and approved upon acceptance of the Newbridge Reorganization Corporation plan approved in September 2002.

XII. CERTAIN TRANSACTIONS

Issuance of Common Stock

The Company issued a total of 2,750,000 shares to certain key officers and directors. These shares were allocated to Arsenal Holdings Inc (1). 1,375,000 shares, William Albright Family, 1,375,000 shares.

(1) Arsenal holdings is a company wholly owned by William J. Gallagher (Chairman and CEO)

XIII. MANAGEMENT

William Gallagher, Chairman & CEO, has been in investment banking for over 40 years specializing in food distribution and grocery store development. Bill was the founder and Chairman of three restaurants chains including WaterMarc Food Management, Inc. with forty full service restaurants. In addition, WaterMarc also owned and marketed *Chris & Pitts Barbecue Sauce* nationally and was Founder and Chairman of *Sunny's national Stores*, a chain of 150 convenience stores. Over his professional career he has been responsible for private placements, syndications, corporate restructurings, re-capitalizations, asset divestitures, real estate financings, and IPO's totaling over one billion dollars in transaction value.

Joseph Fazzone, Chief Financial Officer, has major accounting firm background and SEC experience. Mr. Fazzone was CFO for a well known food products company.

Greydon D. Webb, Director, From February 2001 – November 2002 Mr. Webb was Chief Operating Officer of Diet Centers of America, a 300 unit chain. Mr. Webb is a graduate of Ohio State University and participated in its executive MBA Program. Mr. Webb served as Vice President of franchise sales for Wendy's from 1973 – 1980. He founded G.D. Ritzy's Inc., a fast food franchiser, in 1980 and served as chairman in 1988.. From 1991 – 1998, he was founder and sole proprietor of Auric Group, a consulting group, specializing in restaurant and general franchising activities. Auric's clients include Pepsi Co., Bunge Foods International and Rally's. Since 1996, he has been Managing Director of Chapman Partners, LLC, a company engaged in mergers and acquisitions for food related companies.

APPENDIX 1

Historical performance of the Sweet Success™ brand from 1997 - 2002

Nestlé stated in their 2001 management discussion and analysis of the product, "Net sales were negatively impacted between 1997-1998 primarily to product supply issues. In preparation for the 1998 diet season (January – March) corporate packing production was significantly reduced. At that time the business was unable to secure adequate production capacity from third party contractors." This resulted in product shortages and some "out of stocks". This scenario represents the loss of over $6.5 million dollars in potential sales. This was further exacerbated by 30% growth in the RTD segment for this category.

During the years of 1997 through 2000 the sales averaged $43,250,000 dollars annually, although there were no sales reported over the last three months of 2000 due to the Nestlé / Nutri-Systems transaction. Nutri-System had agreed to move the remaining inventory of Nestlé / Sweet Success™ post acquisition. This resulted in sales of approximately $1,500,000 dollars per month through COSTCO and the U.S. Military. During that time Nutri-system (a dot.com company) in 2001 found that the dot.com financial environment had disabled their ability to finance the production of additional inventory.

In 2002, trade journals report the continuous movement of the brand due to remaining inventory in grocery chain warehouses. It has recently been brought to our attention that the product continues to have space allocated in certain super market chain schematics.

It is our opinion that the Nestlé / Nutri-systems sale took place for two reasons.

1. Conflict of Interest:

Nestlé's bottom line has historically been driven by high fat products and marketing a diet meal replacement product appeared to be a conflict of interest with their core product lines

2. Opportunity Costs:

The company had packaged Nestlé Quick (the leading brand) as an RTD product with annual sales of $108 million. The company's internal capacity to produce this product was strained, creating competition for production capability with Sweet Success™ (approximately $40 million annual sales). Slim-Fast the only true competitor "a single product company" had none of the Nestle' / Sweet Success™ challenges.

HISTORICAL SALES BY RETAIL CLASS

	1997	%	1998	%	1999	%	2000 (6 Mo.)	%
GROCERY	$ 23,558,944.00	53.7	$ 28,222,767.00	55.4	$ 23,416,083.00	58.3	$ 10,802,038.00	52.8
MASS MERCH./CLUB STORES	$ 12,462,527.00	28.6	$ 14,270,964.00	28.1	$ 9,949,740.00	24.9	$ 5,617,018.00	27.6
OTHER(DISTRIBUTORS)	$ 4,035,933.00	9.2	$ 3,730,307.00	7.3	$ 2,748,056.00	6.8	$ 1,976,552.00	9.7
MILITARY	$ 1,549,508.00	3.5	$ 1,520,942.00	3.0	$ 1,625,545.00	4.1	$ 1,366,494.00	6.8
DRUG STORES	$ 2,199,483.00	5.0	$ 3,151,409.00	6.2	$ 2,349,542.00	5.9	$ 640,447.00	3.1
GAS / CONVENIENCE	$ 11,880.00	0.0	$ 22,387.00	0.0	$ 17,421.00	0.0	$ 17,572.00	0.0
COMPANY(EMPLOYEE SALES)	$ 28,595.00	0.0	$ 44,457.00	0.0	$ 64,011.00	0.0	$ 56,755.00	0.0
TOTALS=	**$ 43,846,870.00**	**100.0**	**$ 50,963,233.00**	**100.0**	**$ 40,170,398.00**	**100.0**	**$ 20,476,876.00**	**100.0**

Annualized 2000 = $ 40,953,754.00

APPENDIX 2

MANAGEMENTS DISCUSSION OF RELAUNCH STRATEGY

The Company is planning to relaunch the Sweet Success diet shakes via a combination of direct response media (“DR”) as well as a select number of key accounts such as Walmart, Costco, and Military commissaries. The expected order of events would place the DR launch ahead of the key account distribution by 45 to 60 days. This initial DR exclusive period would serve the purpose of informing the consumer public of the renewed availability of the brand as well as aid efforts to secure distribution to targeted key accounts by increasing demand. The company will initially execute a test media buy of approximately $100,000 in order to establish the effectiveness of the DR media prior to committing funds towards a larger scale campaign. The results of the test will allow the company to fine tune its DR revenue model that will then dictate actual media purchases.

Management believes its’ DR forecasts are reasonable based on the following factors:

1) **SWEET SUCCESS IS A KNOWN AND TRUSTED BRAND –** The Company believes that a majority of its target consumers are familiar with *Sweet Success* which should contribute positively to the DR response rate.
2) **LARGE TARGET MARKET –** The Center for Disease Control (“CDC”) reported in August 2002 that 61% of Americans were defined as overweight or Obese. The sheer size of the target audience should increase the odds of a successful DR campaign.
3) **PREVIOUS SUCCESS OF DIET RELATED DIRECT RESPONSE CAMPAIGNS –** There have been numerous successful DR campaigns in the Weight loss and nutrition category such as the EAS product line which then made the transition from solely DR to mass market and DR. Weight loss is the single most successful category in DR media.
4) **PRODUCT INNOVATION –** The company believes that its product composition will compare very favorably to its competitors due to its much lower carbohydrate content combined with higher protein and great taste. The DR format is ideal for communicating product innovations and major differentiators to specific target consumers. Management believes that this innovation will create further category growth by filling a demand for better performing meal replacement products.
5) **EXPERIECED DIRECT RESPONSE TEAM –** The Company has selected a team of vendors who have a deep understanding of how DR works and the methods which produce maximum response and revenues. These partners have worked with management to produce an offering which should resonate favorably with the target market.

In the event that the test indicates that the response rates will not meet expectations, the company will be in a position to use the media for specific branding purposes that will support the products' distribution in its key account launch and later to the original 57,000 mass market points of distribution. A targeted DR campaign will, in the worst case, provide subsidized branding by generating incremental sales revenue to offset branding expenditures. The Company will also leverage the DR production costs by producing some traditional non - DR spots at the same time as the DR media. The company will also use DR to communicate to consumers via enclosed printed flyers of product availability at major retail accounts. The company will eliminate channel conflict with its retail accounts due to higher costs on DR consumer purchases associated with shipping and handling charges that do not exist with retail consumer sales.

The long- term strategy will be to use DR mainly for line extension introductions and new product launches.

The company expects that while the DR revenue should grow in absolute terms, it will become a smaller percentage of sales compared to the mass- market channel as time goes by. The Company forecasts the percentage of DR sales to overall sales as follows:

Year one – 74%

Year two - 43%

Year three – 28%

Year four – <15%

Year five - **<**10%

APPENDIX 3

FINANCIAL PROJECTIONS

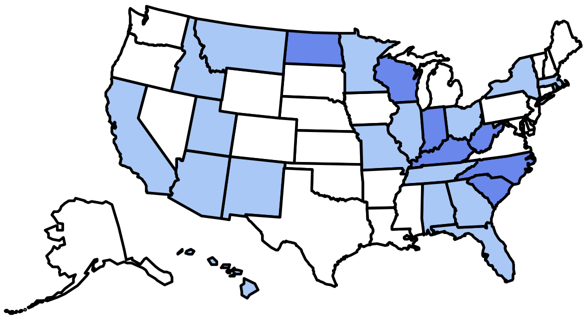
APPENDIX 4

Obesity* Trends Among U.S. Adults

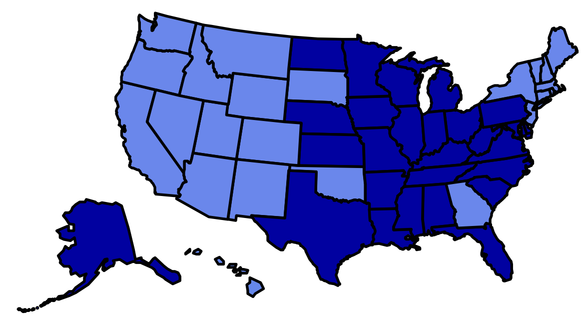
BRFSS, 1986, 1988, 1991, 1995, 1997 and 2000

(*BMI ≥ 30, or ~ 30 lbs overweight for 5'4" person)

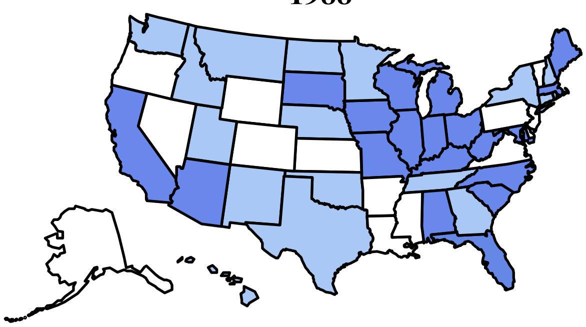
1986



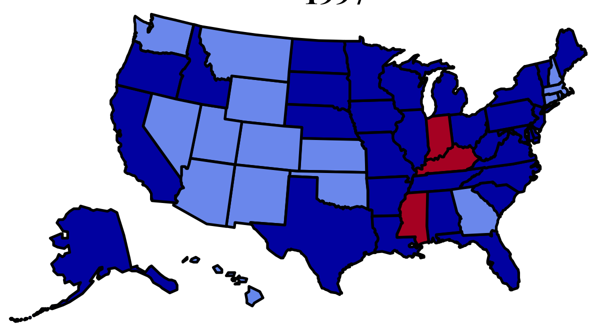
1995



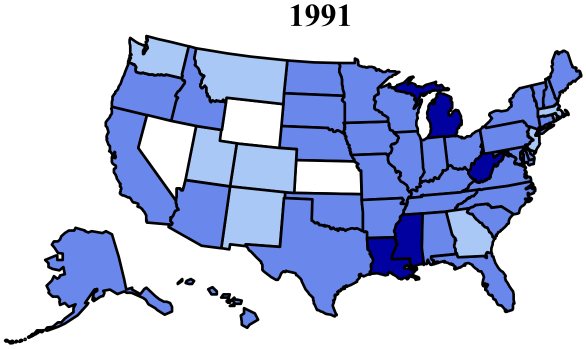
1988



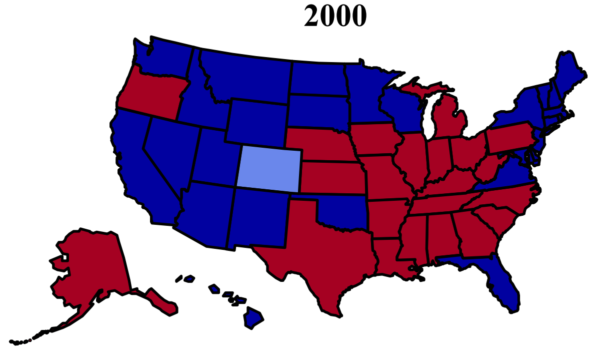
1997



1991



2000



No Data | <10% | 10%-14% | 5-19% | ≥20%

Source: Mokdad A H, et al. *JAMA* 1999;282:16, 2001;286:10.

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