



# COHEN INDEPENDENT RESEARCH GROUP, INC.

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## BRAND NEUE CORP.

(OTC BB: BRNZ.OB)

Current Price: \$0.57

Current Recommendation: **BUY**

<b>Cohen Price Index Target</b>	<b>in \$</b>
<b>Cohen Short-Term Price Index Target</b>	<b>1.20</b>
<b>Cohen Medium-Term Price Index Target</b>	<b>2.86</b>
<b>Cohen Long-Term Price Index Target</b>	<b>7.43</b>

Brand Neue Corporation is a product innovation company dedicated to globally sourcing, developing, marketing, licensing and distributing innovative new products to food service, retail, manufacturing and industrial application clients worldwide. Brand Neue is an 'innovation incubator' founded by some of the most successful and brightest global sourcing, product development, licensing and distribution minds in the world. Brand Neue's flagship product is the German-manufactured, pressure-charged 'Gizmo' Closure for beverages and liquids. Through ten years in R&D in Europe, the Gizmo Closure technology is new to the marketplace and unique to Brand Neue.



### Sales, Earnings Margin 5 Year Forecast

<b>in \$ 000s;</b>	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
Revenues	1,000	11,329	29,133	57,390	100,080
Operating Margin	50.0%	39.8%	22.2%	13.3%	14.5%
Net Margin	31.0%	20.6%	12.2%	7.0%	8.8%
EPS - Diluted	0.02	0.12	0.19	0.21	0.46
EBITDA	500	4,511	6,463	7,614	14,508
Free Cash Flow to Firm	(595)	320	3,970	3,113	6,831

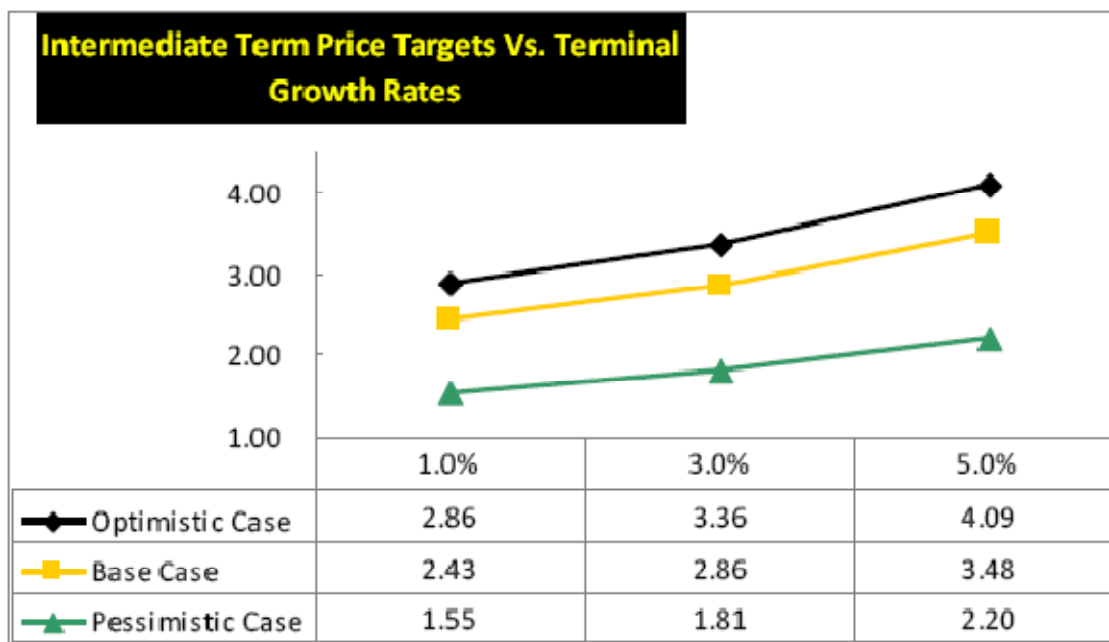
#### Revenues - All Scenarios

<b>All figures in \$'000</b>	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
Optimistic Case	1,000	12,454	37,380	70,048	114,575
Base Case	1,000	11,329	29,133	57,390	100,080
Pessimistic Case	1,000	10,813	24,022	42,950	67,445

#### Earnings Per Share - Diluted

<b>All figures in \$'000</b>	<b>2009E</b>	<b>2010E</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
Optimistic Case	0.02	0.14	0.22	0.27	0.53
Base Case	0.02	0.12	0.19	0.21	0.46
Pessimistic Case	0.02	0.12	0.14	0.16	0.27

### Price Targets (vs. Range of Growth Rates)





## Price and Volume



	Open	High	Low	Close	Volume
2009/10/02	0.57	0.57	0.57	0.57	25,000

	Last Month	Last 3 Months	Last 6 Months	Last 9 Months	Last 12 Months
High Price	0.57	0.57	0.57	0.57	0.57
Low Price	0.56	0.45	0.17	0.17	0.17
Close Price	0.56	0.50	0.00	0.00	0.00
Total Volume	13,900	715,800	808,500	808,500	808,500
Average Daily Volume	7,000	16,300	7,500	4,800	3,500
Price Change vs Market (%)	105	110	0	0	0

	Last 4 Weeks	Last 13 Weeks	Last 26 Weeks	Last 52 Weeks
High Price	0.57	0.57	0.57	0.57
Low Price	0.52	0.40	0.17	0.17
Close Price	0.52	0.50	0.00	0.00
Total Volume	398,100	750,700	808,500	808,500
Average Daily Volume	21,000	11,700	6,400	3,200
Price Change (%)	9.6	14.0	0.0	0.0
Price Change vs Market (%)	109	100	0	0

**Price and Volume (continued)**

Current Market Value	87,360,882
Reported Shares Out. (2008/10/01) (#)	153,264,706

This Week Vol. Times Week's \$ Change (\$000s)	3
This Week's Dollar Volume (\$000s)	43
Weekly Volume As % Of Shares Out.	0.07
Liquidity Ratio (\$000s)	12.30
On-Balance Volume Index Last 4 Weeks (%)	221

5 Day Moving Average	0.55
10 Day Moving Average	0.54
10 Week Moving Average	0.51



## OVERVIEW OF COMPANY OPERATIONS

Brand Neue is a product innovation company that globally sources, develops, markets, licenses and distributes innovative new products to food service, retail, manufacturing and industrial applications. The flagship innovation is the pressure-charged Gizmo Closure that can be used with a wide array of beverages and liquids. The Gizmo holds an active ingredient in a pressurized chamber. Vitamins, nutrients, or a special purpose item(s) are released into the container just before use. In this way, the integrity of the ingredient(s) is assured, the consumer is ensured of receiving the correct dosing, and shelf life of the product is enhanced. Additionally, the “Wow Factor” from the vigorous mixing is likely to attract many consumers.

The product has a wide range of applications including sports drinks, vitamin water, juice drinks, tea drinks, coffee, wine, beer, pharmaceuticals, cosmetics and nutraceuticals. Many high growth niches for packaged drinks include special ingredients for taste and/or energy enhancement. Shelf life for these products is a concern primarily due to the deterioration of the active ingredient once it is mixed with liquid and/or exposed to light and oxygen. Keeping the active ingredient(s) separate and protected from light and only mixing when the consumer opens the container has several key advantages. For some active ingredients, the amount used may be reduced due to the lack of deterioration. Freshly mixing ingredients can also enhance the flavor.

Appropriate dosing of active ingredients in beverages has become a significant issue due to a class action lawsuit that accuses Coca-Cola of making deceptive health claims concerning Vitamin Water beverages. The Gizmo Closure specifically addresses this issue for beverage manufacturers. We believe the market opportunities for the Gizmo Closure is very large. The Company has an exclusive licensing agreement with the developer of the Gizmo, to brand and distribute it on a worldwide basis.

The product has over 70 patents and is manufactured in Germany. Brand Neue is actively working with several large beverage producers that are testing the Gizmo Closure and we expect initial licensing agreements in 2009. Our forecasts assume the Gizmo Closure will be introduced to consumers in Q210, and we expect production to ramp up quickly in several different beverage niches.



## KEY CORPORATE DEVELOPMENTS

As mentioned in or initiating coverage report, the key strengths of the Company include; strong product portfolio, significant market opportunity, unique business model and exceptional management capabilities. The Company continues to make significant progress by leveraging its strategic advantages to build a strong future for itself and enhancing shareholder wealth. This is proved by the fact that a recent trade industry media campaign undertaken by the Company in Europe generated much interest and inquiry across a range of categories.

### ***Unique Business Model with Innovative Product Portfolio***

Brand Neue's business model is to build their own business by quickly incubating new and existing products or ideas, and licensing or delivering them directly to ready markets globally. This allows the Company to significantly reduce development and manufacturing costs, source or create innovative new product applications, shorten or eliminate the supply chain, and ensure highest margins possible.

Brand Neue's flagship product is the German-manufactured, pressure-charged 'Gizmo' Closure for beverages and liquids. Though ten years in R&D in Europe, the Gizmo Closure technology is new to the marketplace and unique to Brand Neue. There is no demonstrable category competition and potential end-user interest is high.

Several other new products are currently in advanced stages in Brand Neue incubation and we expect the Company to make encouraging announcements in this regards pretty soon. A joint venture agreement with a national consumer goods (grocery sector) manufacturer and distributor is being finalized and should be also announced soon.

### ***Significant Market Opportunity***

The fastest growing beverage markets can all benefit by the Gizmo Closure. These include bottled water, enhanced water, sports drinks, energy drinks and flavored alcoholic beverages. The growth of the bottled water, energy drinks and sports drinks points to the movement towards consumption of more healthy beverages as opposed to carbonated soft drinks (CSD). The major opportunities for the Gizmo Closure in the above beverage segments coupled with the significant pace of growth bodes well for the



Company. The global bottled water market should exceed \$94 billion by 2012. Childrens' waters, Sports waters (\$35 billion by 2012) Pet waters, Neutraceutical (\$116 billion annually in vitamin, mineral and nutrient enhanced) waters, fortified clear alcoholic beverages and beer, (\$100 billion annually) and oxidized-on-demand wines are all growing at a significant pace, thus attracting a lot of competition. We believe this increase in competition will help Brand Neue, as its product shall enable beverage suppliers to improve product quality and also provide it a strong competitive advantage.

### ***Strong Management Team***

The management team has a history of branding consumer products, and a wealth of experience in distributing consumer products worldwide. They are former and current Fortune 100, 500, and 1000 company executives which in addition to priceless experience also bring current, door-opening relationships with inventors, suppliers, manufacturers, buyers and top-level decision makers. The Company is actively looking at further additions to its management team and advisory team and news of these developments will be forthcoming.



## CONCLUSION

We reiterate our BUY rating for Brand Neue, Corp. (OTC BB: BRNZ), with an intermediate term target price range to \$2.43-\$3.48, as per our Base Case forecast. We are excited and optimistic about BRNZ'S long-term prospects. Brand Neue has licensed a truly innovative product that directly addresses a fast growing market. For some applications, the Gizmo can significantly improve the availability of active ingredients; for others it provides enhanced taste. The end market for Company's product, both carbonated and non-carbonated soft drink (CSD), has been the fastest growing market for several years. We believe the quality enhancement from using the Gizmo in many applications will drive its adoption. We expect to see the Gizmo on many bottled products in the next few years. Its flavor enhancing capabilities for alcoholic beverages are remarkable. Other potential markets include nutraceuticals, pharmaceuticals and coffee drinks. The management team is well seasoned with a depth of experience in consumer product branding and distribution. We expect the Company to finalize several licensing agreements within the next six months and begin to ramp up production in 2010. Further, given the Company's focus on incubating innovative products enhances its chance of hitting another home run as it has done with its initial product, the Gizmo Closure. We conclude that Brand Neue is an attractive opportunity for investors seeking long term appreciation and exposure to the branded consumer market.

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