



Dream Cones *Premium Gelato and Sorbets*

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Who We Are and What We Sell



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What is Gelato?

Gelato is the Italian word for ice cream. Commercial ice cream contains about 20% butterfat and 60% air. Gelato contains about 8% fat and 30% air. About half of the fat is zero cholesterol vegetable oil. This makes gelato more dense and much healthier than commercial ice cream. Since gelato is so much lower in fat its flavor are much more intense than commercial ice cream.

Gelato is a "home made" product made in small batches and decorated by hand. Its density makes it taste creamy although it actually contains very little cream. It is also available as a sugar-free product which is indistinguishable from gelato made with sugar.



Soy-So Delicious® Is an animal-product-free "gelato," made with soy. It is also available as a sugar-free product suitable for vegans, vegetarians and lactose-intolerant customers. It is available in most of the same flavors as regular gelato and tastes the same.

←soft serve crepe

Soft Serve

Soft serve is just a name for ice cream that is sold at a higher temperature than "hard" ice cream. Our soft serve base is a healthy product, low in fat and sugar. A favorite flavor is yoghurt flavored gelato made with 7% dried yoghurt. Soft serve can be sold as a cone, a sundae or in a crepe. Since soft serve is manufactured at point of sale it costs less and can sell for less.

What is Dream Cones?

Dream Cones Ltd. Is a Thai corporation which manufactures top-of-the-line, *halal*, super-premium Italian ice cream (gelato) and ice cream ingredients. We also sell ice cream manufacturing and display equipment. Most of our international customers are manufacturing franchisees, located in Thailand, Viet Nam, Brunei, New Zealand, Malaysia, Oman and China.

Our Thailand retail division operates a number of kiosks and small restaurants in the Bangkok area and supports franchise retail operations throughout the country. We also support franchise manufacturing operations in the city of Pattaya and other locations in Northern Thailand. Our main office is in Bangkok, Thailand with a corporate office in Beijing, China.

Thai retail operations consist of three kiosks and one restaurant plus forty-four franchise kiosks in Bangkok, Rayong, Pattaya and several cities in northern Thailand. In April, 2007 we added a line of baked goods which are used in our ice cream products and also sold retail thru our own outlets and to franchisees.

Gelato Specialty Products

Part of the Dream Cones image are a number of upscale ice cream specialties, including ice cream sandwiches (shown on the next page), cakes, rolls and chocolate ice cream balls, designed to offer a distinct line of specialty products which cannot be purchased elsewhere. Designed by our Paris-trained Chef Michael, these treats are both eye-catching and truly delicious.



Our truly delicious Dream Gelato Sandwiches, made from premium gelato sandwiched between layers of banana cake.

International Franchising

In September, 2006 our company began offering international manufacturing franchises, a completely unique product package available to prospective gelato manufacturers only from us. We provide complete service for the startup ice cream entrepreneur, including training, machinery, ingredients, marketing and support. Those manufacturing our products in their shops do not have to pay a franchise fee unless they want exclusive rights to a large area such as a city or state.

Factory operators with multiple retail outlets who want city or country rights have to pay a franchise fee used to amortize the very considerable assistance we provide during setup and cover travel expenses for on-going customer support. Large operators are also required to pay an annual fee which partially covers the cost of our semi—annual inspections and visits by our business development manager. We require franchisees to buy our machinery, products and ingredients for the life of the franchise.

Our ice cream products are considered “Super Premium,” because of the high quality of our ingredients, which are all-natural and without preservatives. In addition, the fat content of our gelato is about 40-60% less than other typical premium brands.

Our ingredients are unique because of their ease of use. This makes them particularly appealing to the startup ice cream entrepreneur. Whereas traditional gelato manufacturing requires considerable expertise, our gelato ingredients require only the addition of water, yet the resulting ice cream is very high in quality.

Joint-Venture Operations: We occasionally enter into joint-venture operations with companies who want to establish gelato operations in their country. They usually have business relationships which facilitate the development of retail outlets and a franchise network and but prefer to have us manage the manufacturing and supervisory part of the business. We design and build the manufacturing plant, hire and manage the employees and supervise the shops. The over-all operation is closely supervised by our upper management with an on-site representative provided by us.



Retail Operations

Our mobile kiosk, easily assembled in a few minutes, designed for special events

The products sold in our retail outlets depend on the outlet size. Below and on the following pages are typical examples of our kiosks, small shops and small restaurants.

Kiosk

A kiosk is a free standing outlet or they can be located in a small space of about 9-12 s.m. such as the one above. Slightly larger kiosks, 12-16 s.m. can also have seating (see photo below).

Kiosk on right was built from plans shown above. The large box to the right of the display freezer conceals a column.





Minimum-space Kiosk with seating-13 s.m.฿฿

Kiosks sell a limited product line of ice cream sold in cones or cups, cake and pastries plus packaged cookies and confections. Franchise kiosks have advantages for the retailer. They are inexpensive, costing less than \$10,000. Typically, the ice cream is made off-site and “sold” to the kiosk. The typical mark-up for the “sale” is 40% and the retail net profit of the kiosk after everything is about 35%. The kiosk operation requires very little supervision. Both re-supply and theft control is simple.

PRODUCTS SOLD

Ice cream cones and cups
Cookies and confections

EQUIPMENT (cost: about \$10,000USD)

Display freezer
Cash counter/register
Chest freezer
Cone maker
Slush drink machine (optional)

ADVANTAGES

- Low cost
- Low rent/utilities
- Easy to set up
- Easy to move
- Easy training
- Minimal supervision

DISADVANTAGES

- Limited product line
- Usually no seating

Small Shop

Shops of 18-35 s.m. have seating and can offer a much larger product mix. In addition to a wider variety of ice cream products, they also sell a light food line plus drinks, coffee specialties, cakes and pastry. The shop shown below, consisting of 32 s.m. is typical.



PRODUCTS SOLD

Ice cream cones, cups, sundaes, rolls & cakes
 Cakes and pastry
 6-item light food menu (food made off site)
 Drinks including beer, slush, wine
 Take-out cookies and confections

EQUIPMENT (cost including fixtures \$25,000USD)

Display Freezer
 Chest freezer
 Upright glass door freezer
 Glass door refrigerator
 Cake case
 Espresso maker
 Blender
 Slush machine

6 tables
 12 chairs

ADVANTAGES

- Wider product line, incl. light meals
- Seating
- Pleasant décor and ambiance

DISADVANTAGES

- Higher cost
- Higher rent/utilities
- More staff, requires manager
- Some food-prep training
- Delivery of cooked food

Restaurant

A 40-60 s.m. restaurant requires considerably more investment, planning and operation attention but has the advantage of a much broader product line. In addition, a well designed restaurant is prestigious and can be a showcase enhancing the corporate image.



The restaurant shown above is 45 s.m., located in an upscale mall surrounding an artificial lake. It also has a 25 s.m. patio. The all-glass walls provide pleasant views of the lake, the patio and the landscaped walkway. The restaurant has six tables and two lunch counters: total inside seating 20. The patio has six tables and 24 chairs for a total seating capacity of 44. The patio is equipped with pressure-driven water spray and fan cooling.

The food line, cooked at our Bangkok factory is delivered several times daily. It consists of upscale but

inexpensive meals priced at about \$2.50 USD to compete with vendors in the non-air conditioned food court. A special feature is the ice cream buffet, consisting a serve-yourself ice cream freezer with 14 flavors and an elaborate topping bar with chocolate fountain. Priced by weight.

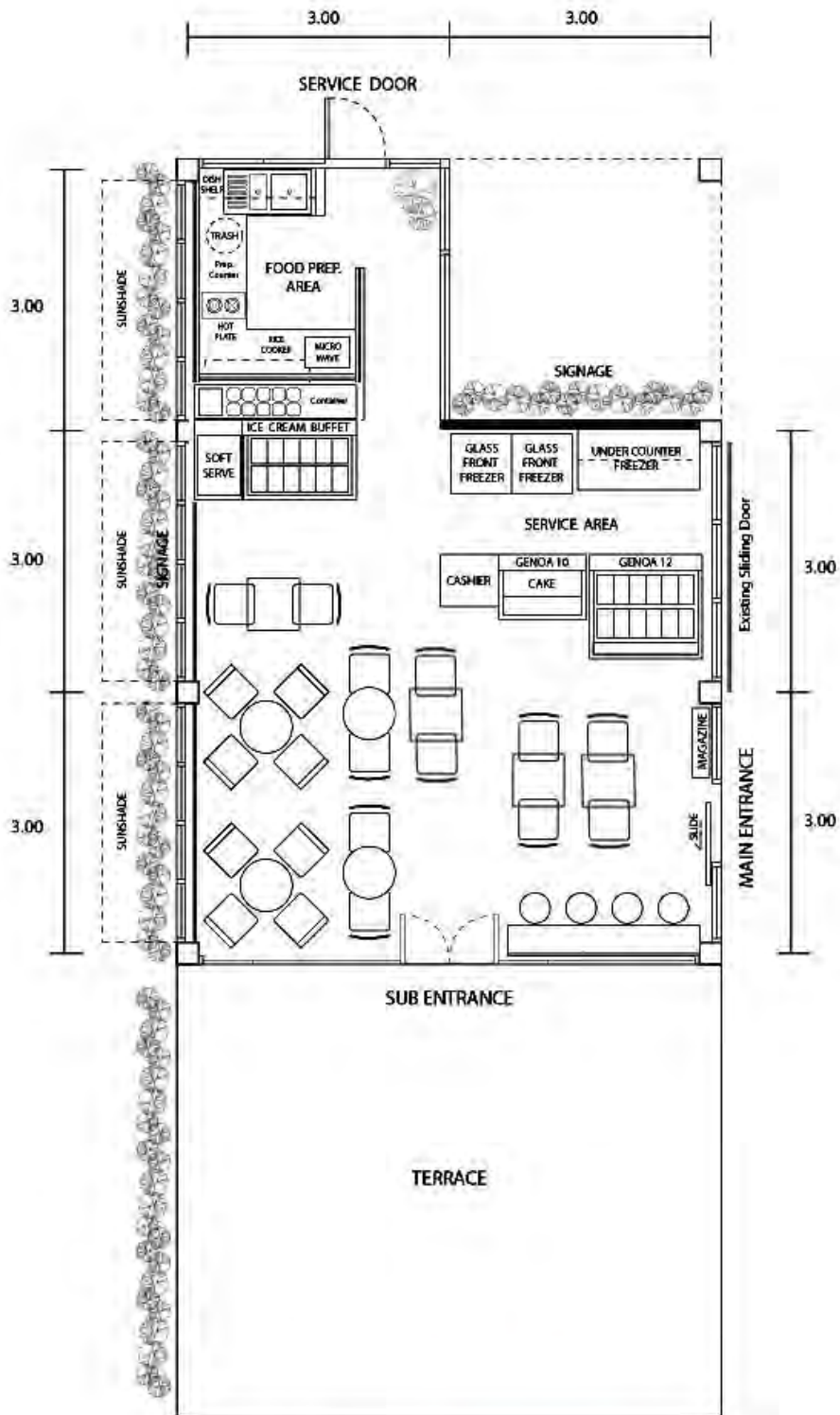
The restaurant is designed to be an air conditioned, upscale price-competitive alternative to the food court and is lower-priced than the surrounding restaurants.

PRODUCTS SOLD

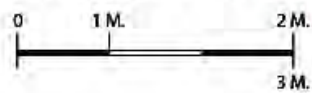
Ice cream products, all kinds
8-item food menu
2 daily specials
6-item sandwich line
On-site manufactured breads, rolls

pastry made from frozen ingredients
Cakes and tarts
Espresso bar
Drinks, slush, beer and wine
Soft serve yoghurt sundaes
Take-away products





LAY-OUT DREAM CONES **BON MACHE'**



EQUIPMENT (cost: about \$38,000USD)

FOOD PREP AREA

Sink double with sprayer 1 m x 600 cm wide w grease trap

Stainless shelving x 5 shelves 600 x 50

Cabinet counter 500 cm 50 cm

Food prep counter 1 m x 60 cm Trash underneath

Microwave

Hot plate

Rice cooker

2 trash barrels

Chest freezer 120 x 75 x 93ht

Over-counter (for chest freezer) 1.5 m x 700

Bake oven

3-6 plants

SERVICE AREA

2 door under-counter reefer with wall cabinet 1360 x 700

Genoa 12 1262 x 1465

Genoa Cake display 1 m x 740

Cash counter 60 cm x 50 cm

Glass front upright freezer 685 x 668 d

ADVANTAGES

Wide product line including full meals

Attractive ambiance and décor

Air conditioning

Variety of take-away products

Taps large existing customer base

Glass front upright reefer 620 x 600 d

Soft serve 720 x 889

Cone maker

Espresso maker

Blender

Cash register

ICE CREAM BUFFET

Ice Cream Bar Samba AP 1242 x 916 mm

Topping bar, cabinet counter with over shelf 1242 x 500 mm

Fudge fountain

ELECTRICAL AND ELECTRONIC

Wi-fi

Sound system

Flat screen

Hot water

TABLES AND CHAIRS

1 Scale

8 Stools

44 Chairs

12 Tables 60 x 60

2 seating counters 220 x 50 and 215 x 50

DISADVANTAGES

Higher cost

Higher rent

Considerable off-site manufacturing

Full staff with manager

Offsite management and bookkeeping

Higher level of organization

Manufacturing Operations

Since our ingredients are easy to use they can be manufactured in a variety of ways. Shop and restaurant operators can manufacture in a kitchen (photo below left). Even our 6L air cooled batch freezer can produce enough gelato for TWO shops or 4-6 kiosks.

Owner of "Dream Cones Sabah," Borneo (Malaysia) pasteurizing base in her gelato shop kitchen

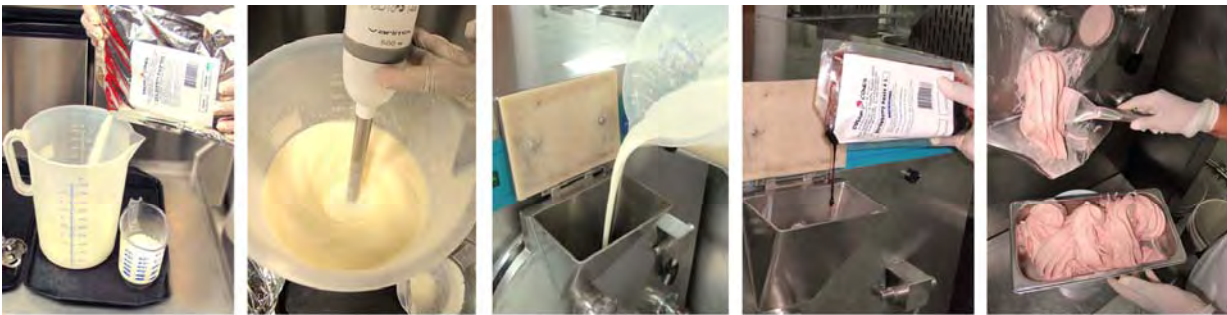


How to Make Our Gelato

Our gelato is made from a “base,” consisting of New Zealand powdered milk, vegetable fat, several sugars and an emulsifier/stabilizer. Since our base already contains all ingredients it just needs to be mixed with water. When liquid is added to base the result is called a “mix.” The base is also available without the powdered milk or sugar which may save cost but requires assembly.

Making gelato using our ingredients is very easy. Sherbets, sorbets, soft serve, soy frozen desserts, sugar-free—all are made the same way:

1. Add 1 bag base to 2L boiling water.
2. Add cream if you wish.
3. Mix, chill and pour into batch machine.
4. Add one of our many flavors
5. in 10-15 minutes you have delicious ice cream!



1. Add to 2 L boiling water 2. Add cream Mix & chill 3. Add to batch machine 4. Add flavor 5. Run 8-12 min. out comes gealto!

Our Flavors

Flavors (also called “pastes”) are made from fruits; nuts; extracts (such as vanilla) and chocolate. They are “cooked” by warming for hours below boiling temperature to protect flavor. The flavors are all-natural and very intense. They are added to the mix as shown above or swirled into the finished ice cream as it comes out of the machine (photo left).



blueberry paste being swirled into yogurt base

Decorating →

Gelato is decorated with fruit, nuts, candies and syrups to make it more appealing.

Blast Freezing



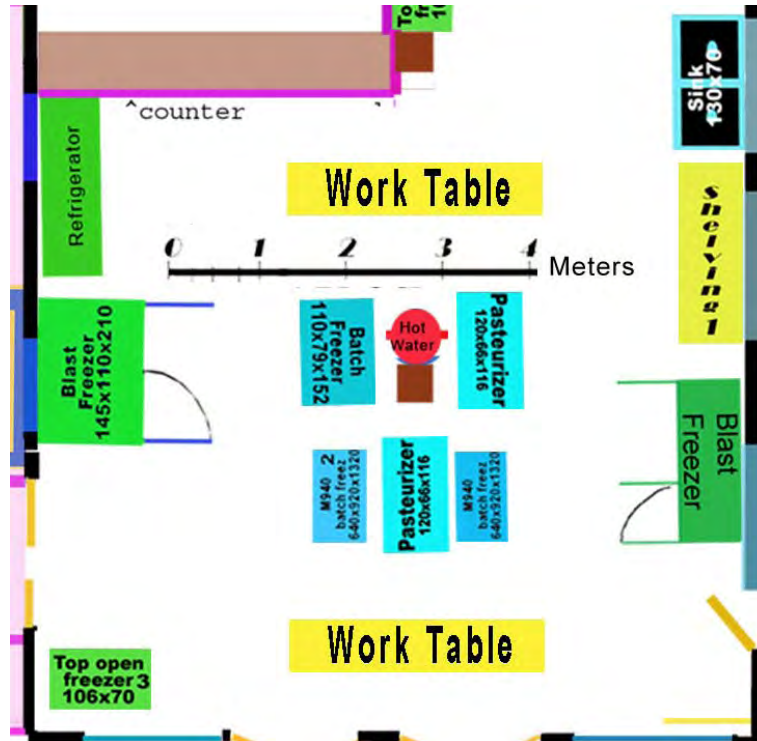
Once the ice cream has been made it has to be frozen very quickly to prevent large ice crystals from forming. So, it is placed in a blast freezer until it is as hard as cement. It is then ready for sale.

Factory Operation



Our Bangkok Factory capable of producing 1.5 tons of ice cream per day

Factory operation consists of manufacturing gelato, ice cream cakes and rolls using Dream Cones ingredients. The floor plan below corresponds to the photo above. This factory contains 3 Batch freezers, 2 Pasteurizers, 2 blast freezers, master supervisor and 5 employees. Office: bookkeeper, manager, sales personnel, delivery man and truck.



A factory designed to service 20-30 shops or small restaurants consists of the following equipment:

QTY	DESCRIPTION
2	18 L batch machines, 3-phase, water cooled
1	120 L pasteurizer, 3-phase, water cooled
2	4 half-door batch freezer
1	chiller, 220v air cooled

Other Equipment needed:

- Large glass door refrigerator*
- Hot water heater
- 2 chest freezers
- Work tables and shelving
- Air conditioning
- Water filtration plant
- Water storage tanks
- Hand tools
- Ingredients
- Air conditioning

COST OF MACHINERY €25,200 Euro TOTAL COST ESTIMATE ABOUT €42,000 Euro



18L batch freezer

4 half-door blast freezer

chiller

120 L pasteurizer

Factory Capacity

- 75 Kg/hour
- 600Kg./day
- 7,500 (80 gr.) scoops/day

As maximum capacity is approached output can be doubled by adding a 30 L batch freezer and 120L pasteurizer for €18,000. The factory on the previous page contains such equipment.

Manufacturing Overview

1. Water is produced by a reverse osmosis filtration plant and stored in 2-3 1,000 L stainless tanks
2. the water is heated to 68°C and used to fill pasteurizers
3. base is added to the pasteurizer which cycles every 90 minutes
4. cold base is decanted into buckets and poured into batch machines

5. flavor is added
6. ice cream is extruded and decorated
7. finished product is blast frozen
8. frozen product is packed in Styrofoam boxes with dry ice and shipped to outlets

Cost of Goods

The spread sheet below shows cost in Euros up to 30% discount but we also discount up to 40% for larger orders.

Cost per scoop (in Euros) for powdered milk base

Flavor	Base /Bag	Paste/kg	Paste / tub (250g)	Euro 8 /kg	Topping (100g)	Fresh fruit (Euro)	Total cost / tub	No. of scoops (60g)/ tub	Cost /scoop (Euro)	15% Discount	20% Discount	30% discount
Vanilla	7.60	8.71	2.18				9.78	55	0.18	0.15	0.14	0.12
Yoghurt	8.50	8.71	2.18	0.80			11.48	55	0.21	0.18	0.17	0.15
Rum raisin	7.60	8.71	2.18	0.80			10.58	55	0.19	0.16	0.15	0.13
Butterscotch	7.60	8.71	2.18				9.78	55	0.18	0.15	0.14	0.12
Hazelnut	7.60	21.79	5.45				13.05	55	0.24	0.20	0.19	0.17
Tiramisu	7.60	8.71	2.18				9.78	55	0.18	0.15	0.14	0.12
Strawberry sorbet	4.20	8.71	2.18	0.80	1.50		8.68	55	0.16	0.13	0.13	0.11
												€0.13

As a rule-of-thumb add 30% for overhead= €0.169/80 gr. scoop,

The Benefits of Branding

Branding is a way to gain financial benefits from the collective power of the group. When many stores with identical names and looks sell similar food products and promote them in the same way, the collective power of their advertising and their customer base multiplies sales. This is a powerful business tool that you should consider.

In fact, branding is particularly effective when selling food because food habits, once established, usually last a lifetime.

A brand must create the image of inflexible cleanliness and consistency. Therefore we demand high standards of quality and sanitation from our franchisees. That is why we charge franchisees an annual fee—so we can inspect their operation and make suggestions to improve cleanliness and offer marketing tips. A Dream Cones Gelato kiosk must look “high class” use our corporate colors and display our logo. Every time a new franchise opens anywhere in the world it increases the strength of the brand.

Soon, millions of people will want ice cream as soon as they see this logo:



Training



The best way to learn how to operate a gelato factory is to train in one!

Our four-day course costs €600 Euro for 1-2 persons. It consists of daily lectures by Chef Michael plus hands-on training in the factory. Trainees are required to purchase the eBook “Startup and Stay Up in Ice Cream” available from our website..

Most trainees think they have come to our gelato school to learn how to make ice cream. Chef Michael thinks they have come to learn how to make MONEY selling ice cream! His lectures reveal many money-saving tricks-of-the-trade and specialized techniques to help make your gelato business a success.

**LEFT: Chef Michael explaining
The use of toppings**



The morning lectures are followed by intensive factory training in gelato manufacture by Big Boss (Chef Apple) and our flavor Master Chef. Trainees also visit some of our many shops and restaurants and train in them.

Of course learning to make ice cream using our ingredients is absurdly simple and takes a just a day. The rest of the course is devoted to presentation and decoration.

RIGHT: Hong Kong trainees proudly show their beautifully decorated product at graduation.



Graduated trainee proudly showing her diploma and Dream Cones chef hat

Supplementary Baking and Ice Cream Cake Course

Students who become franchisees also get our additional 3-day baking and ice cream cake-making course. This course costs €300 Euros but this amount is credited to your first ingredient order. The baking course is completely unique. It is oriented to train the ice cream entrepreneur to make baked-goods which are added to the ice cream as "inclusions" to make its flavor and texture more exciting and complex.

The ice cream cake-making course is conducted by Chef Apple and our pastry chef.



Big Boss (right) supervising ice cream cake training





You can do this!





Join the Family!

We think of our franchisees as family. Their success is our success. Join the family!



Chef Michael and student going a little crazy at graduation