



INVESTING FOR
change

CONFERENCE CALL

Monday, September 14th, 2009

11:00 AM - 12:00 PM PDT / 2:00-3:00 PM EDT

Dial-In: 1-866-226-1792 (toll-free)

Funding Change

Renewal is a collection of organizations using the powerful tools of business and philanthropy in support of long-term societal solutions. Renewal funds change through investments, grants and collaborations.

INVESTMENTS

Renewal places early stage capital in some of the best entrepreneurs in North America.

[Renewal Partners](#)

[Renewal2 Investment Fund](#)

[Social Purpose Real Estate](#)

GRANTS

Endswell Foundation is a private foundation, funding environmental and sustainability projects in BC.

[Endswell Foundation](#)

[Tides Canada Foundation](#)

COLLABORATIONS

Renewal works to build, activate and leverage progressive networks.

[Play BIG](#)

[Social Venture Institute](#)

[Innovative Initiatives](#)

[Tides Renewal Centre](#)

Renewal2 Investment Fund

Fund Focus	Early stage
Term	10 years
Portfolio Investments	\$250,000 to \$1.5 million (initial) with potential for follow on
Target Return	Minimum 3X
LP Investment	Minimum \$250,000
Renewal Investment	\$3,000,000
Target Size	\$30-\$50 million
Management Fees	2% per annum, plus management participation after return of capital and a LP priority return

Renewal2 Sectors

Organic & Natural Food

Green Building

Green Consumer Products

Social Finance

Environmental Innovation

Social Media

These sectors are:

- critical to a sustainable future
- underserved by the traditional venture community
- have a track record of sustainable growth in a down economy
- projected to grow much faster than the rest of the economy

Sector Updates



Organic & Natural Food

- US organic food market worth \$24.6 billion in 2008
- Organic food sales grew 15.8% to \$22.9 billion in 2008, non-food sales grew 39.4% to \$1.65 billion
- US market projected to reach \$38.2 billion by 2013

Source: Datamonitor United States Organic Food report-Dec 2008, OTA 2009 Survey



Green Consumer Products

- Sustainable-product launches increases from 500 in 2008 to +1,500 projected for 2009
- Green consumer product sales in natural-food store were up 10.9% to \$4.2 billion in 2008

Source: Datamonitor Product Launch Analytics, AdAge.com April 20, 2009

Sector Updates

Green Building

- Green building market worth \$149 billion in 2008 and expected to double by 2013
- Green commercial / institutional market to grow from \$20 billion in 2007 to \$70 billion by 2013
- Residential green building less affected by down market versus non-green buildings

Source: McGraw-Hill Construction Report 2008, 2009 IceStone Summary



Seventh Generation



Leading consumer brand of recycled, non-toxic and eco-friendly household goods and cleaning supplies

- 1996 Renewal Partners became an early stage investor
- Revenues last year of over \$100 million
- *The Better World Shopping Guide* named Seventh Generation the #1 best company on the planet.
- 2008 Renewal Partners sold a portion of its holdings at 30x initial purchase price



Horizon Distributors



Western Canada's largest distributor of natural and organic groceries.

- Renewal Partners provided a loan in 1995 to Horizon's predecessor, at the time the largest worker-owned co-op in Canada.
- Became an equity investor in 1998 when it restructured from a co-op.
- Significant owner in Planet Organics, a leading retailer of organic foods across North America.
- In 2007, Renewal Partners sold a portion of its holding at a price over 15X its average cost.
- Horizon doubled its warehouse facilities in British Columbia in 2008 to accommodate its 20% annual growth rate.
- Horizon team has grown its sales to over \$90 million.



Jantzi Research



Canadian leader in socially-responsible investment screening – providing social, environmental and governance performance evaluation of publicly traded securities.

- Renewal Partners provided the only outside seed investment in 1997 and remains the only outside investor.
- CEO and Founder, Michael Jantzi, is the pioneer in social screening of public companies in Canada.
- Created the critically acclaimed Jantzi Social Index; a key tool in answering, "*How does social screening affect investment performance?*"
- Barclay's launched the Jantzi Social Index iShare in 2007.
- The Royal Bank (Canada's largest bank) launched a line of co-branded mutual funds with Jantzi in 2008.

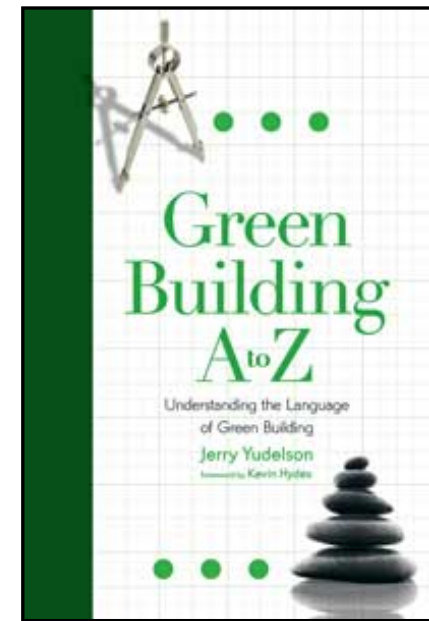


New Society Publishers



Canada's largest publisher of sustainability books

- 1996 Renewal Partners provided the only outside seed investment
- 2001, the first North American publisher to commit to publishing all regular books on acid-free paper that is 100% post-consumer recycled
- 2005, the first carbon neutral publishing company in North America
- Has saved 13,673 trees to date
- Sold to Douglas & McIntyre in 2008, one of Canada's largest independent book publishers
- Renewal Partners recognized a 4X return on investment



"Joel planted the idea in our hearts and minds, and it filled us with a new energy we still have today." Judith Plant, New Society Co-Founder

Renewal Partners Sample Investments



Renewal Partners Track Record

Capital Invested:	<u>\$7,062,475</u>
Exits:	\$5,045,741
Valuation of Active Portfolio Companies:	\$11,800,191

IRR: 12.2%[†]

Relevant Companies: 40

Full Exits: 6

Partial Exits: 2

Write-Offs: 8

Active Portfolio Companies: 24

Data as of July 2008

[†] Not including dividends, interest or associated costs

Renewal Partners Portfolio Criteria

- Equity and convertible debt investments of at least CDN \$50,000
- Renewal2 sectors
- 1993 first investment
- 5.5 years average investment period

Broader Mission Implementation

Renewal Partners has invested over \$20 million in:

- Land use and protection models
- Social purpose real estate
- Limited partnerships in colleague social venture funds
- Leadership and capacity building
- Foundation based program related investments
- Social enterprise loans

Renewal2 Investment Team



Paul Richardson | *President*

Paul has co-managed the Renewal Partners' venture portfolio since 2003. In that time, Renewal has been active in over 20 significant transactions with companies in its portfolio. From 2004 to 2006, Paul also led an international consortium of philanthropic foundations and private investors in successful negotiations with the Federal and Provincial governments and the Coastal First Nations to structure a financing deal that supported the conservation of the Great Bear Rainforest, the largest intact, coastal temperate rainforest left in the world.

Paul brings both legal and business experience to Renewal2. He practiced law at Fasken Martineau in Toronto for four years before leaving to co-found Strathy & Richardson, a leading Canadian litigation firm in Toronto, where he continued his legal practice as a senior partner for eight years. Paul is a graduate of Queen's University (Biology) and the University of Toronto (Law) and is active on a variety of Renewal Partners investee companies' boards, including Horizon Distributors and Communicopia as well as the boards of The Coast Opportunities Funds (Secretary and Chair of Governance Committee) and Ecojustice Canada (Vice Chair).



Joel Solomon | *Chairman*

Joel is Chairman for Renewal2 and President and CEO of Renewal; he brings a vast network and wealth of deal experience to Renewal2. Joel was instrumental in the development of Renewal Partners and the Endswell Foundation and has led them since their inception in 1994. Renewal Partners has invested in over 75 companies that share its commitment to socially responsible growth.

Prior to founding Renewal, Joel spent ten years building businesses in Nashville's decayed urban core where he co-founded Village Real Estate, CORE development, the Bongo Java chain of coffee houses and roasters and 32 West Corp. (a chain of three independent restaurants). Joel is a founding member of Social Venture Network (SVN), Business for Social Responsibility (BSR), and Tides Canada Foundation. He is Board Chair of Tides Foundation (US) and Hollyhock Foundation, and sits on numerous other Renewal Partners' investee boards throughout North America such as Happy Planet Foods, SPUD, and Strategic Communications.

Renewal2 Investment Team



Nicole Bradbury | *Vice President*

Nicole joined Renewal2 in 2008 as a member of the investment team from Phillips, Hager & North Investment Management Ltd. (PH&N), where she managed private client portfolios and was responsible for building their external distribution channel. To Renewal2, Nicole brings over 15 years experience as a portfolio manager for institutional and private clients with Merrill Lynch in London and Geneva, AllianceBernstein in New York, and Phillips Hager & North in Vancouver. Nicole is a CFA charterholder, holds an MBA from Columbia Business School (Finance focus on Value Investing), and a Bachelor of Commerce (Honours, Co-op) from Memorial University. Nicole currently serves on the board of Family Services of Greater Vancouver, a local non-profit that provides social services to children, youth, and families in crisis.



Mike Cormack | *Venture Partner*

Mike is a key member of the investment team and brings with him significant U.S. deal experience. Prior to joining Renewal2 in 2008, Mike oversaw planning and acquisitions for the New York Stock Exchange (NYSE) and was a key player in the Matchpoint Trading and Marco Polo Network transactions. He was the President of Archipelago Holdings, an electronic trading company, which in 2006 executed a historic merger enabling the NYSE to become a public company. At Archipelago, Mike was responsible for sales and operations, successfully executed several mergers, and took the firm into the public markets in 2004. He graduated from the Johns Hopkins University in 1991 with a Bachelor of Arts degree in Economics and currently sits on the boards of Recovery Point Systems and Ecojustice Canada.

Our Advisors

David Berge: President & Founder Underdog Ventures – Island Pond, VT

David Boyd: Environmental lawyer, professor and writer – Victoria, BC

Melissa Bradley-Burns: Entrepreneur & social venture capitalist – Washington, DC

Anthony Griffiths: Business consultant & corporate director – Toronto, ON

Gary Hirshberg: Co-founder & President of Stonyfield Farm – Londonderry, NH

Lisa Lorimer: Former President of Vermont Bread Company - Brattleboro, VT

Jim Morrisey: Treasurer of Tides Canada Foundation – Ottawa, ON

Gordon Russell: General Partner of Sequoia Capital (retired) – San Francisco, CA

Marjorie Torres: Social Venture Real Estate Entrepreneur – New York, NY

Tamara Vrooman: CEO of Vancity – Vancouver, BC

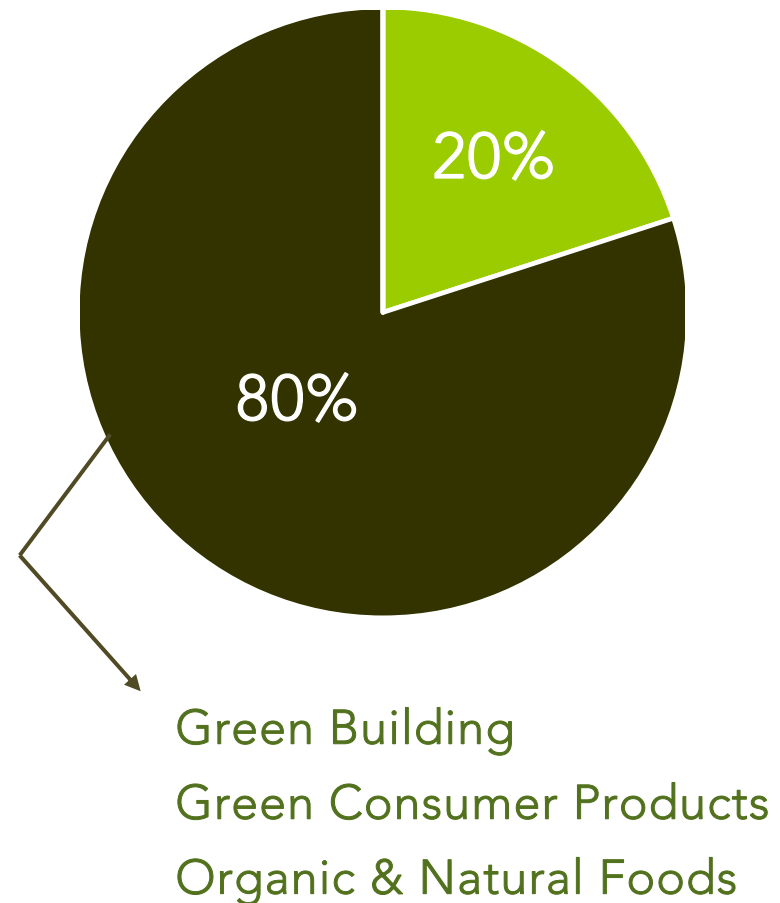
Bill Young: President & Founder of Social Capital Partners – Toronto, ON

Brad Zumwalt: President of Zinc Ventures – Calgary, AB

Renewal2 Deal Flow

Our deal flow:

- is over 80% concentrated in our first three investment sectors
- comes from sources across North America
- is unique from 15 years of investing and networking in these sectors
- is strong, we see 5-10 interesting deals every week



Renewal2 Investments

2 investments with terms in place

- Hoping to close this month
- One in organic food sector and the other green consumer products

5 more in active discussions on deal terms

- Likely to do at least one more investment before the end of the year

Fund Update – Where We Stand

Fund Status

- Raised over \$18M in committed capital
- Five foundations have invested
- First close took place at the end of May 2009
- One of a very select group of funds to close in the first half of 2009

The Opportunity

- Our capital is needed more now than ever
- Entrepreneurs are realistic about their valuations and our 10 year time horizon should allow for healthy exits for LPs and our portfolio companies
- Raising money may prove challenging but we have a wonderful and growing group of committed LPs

Contact Us

For more information please contact:

Nicole Bradbury, *Vice President*

nicole@renewal2.ca

604-844-7474 ext. 626

Jennifer Merryman, *Executive Assistant*

jennifer@renewal2.ca

604-844-7474 ext. 625

Tides Renewal Centre

2nd Floor, 163 West Hastings Street

Vancouver, BC V6B 1H5

t 604-844-7474 | f 604-844-7441

www.renewal2.ca