

## Premier Floor Coverings Company With 6 Strategic Locations Throughout Eastern US

Ideal for expanding into these lucrative geographic markets and perfect synergistic fit when looking to expand into commercial markets

**Est. 2004 Sales: \$15 million**

**EBIT: \$837K**

- ★ 6 Strategic locations provide immediate market presence for an acquirer.
- ★ Strong presence in commercial markets....multi unit dwelling and property management markets.
- ★ Operational, management, customer base and facility platform available to grow sales exponentially.
- ★ Continually increasing revenues averaging 14.4% annually.
- ★ Complete product line and “one stop shop” for current and future customers.

### Business Description

The Company's niche is to serve customers that need dealers in multiple markets. The Company is uniquely positioned as a regional platform company serving the east coast market in prime “up and coming” locations.

Founded in 1988, the Company serves customers in the Washington D.C. (61% of 2003 sales), Atlanta (22%), Boston, Hartford, CT (17%) metro areas and Florida. The Company's customer base of over 1,000 accounts consists of property management companies of multi-family properties (58% of 2001 sales), builders (10%), commercial general contractors (10%), businesses (10%), homeowners (8%) and residential contractors and decorators (4%).

For further information regarding Client #174366 please contact:

**eMerge M&A**

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## Investment Highlights

- **Easy-to-replicate, standardized growth formula:** *With six operating locations in five states, the Company has developed a “cookie cutter” approach to opening new locations. The Company’s model is proven to be easily implemented, financially sound, and operationally stable.*
- **Favorably compares to industry ratios:** *The Company’s operating profit margin on a recast basis outperforms industry averages.*
- **Broad product line:** *Offering a wide selection of floor coverings, the Company is a “one stop -shop” for its customers.*
- **Outstanding name and reputation:** *The Company has a long-standing (14 years) reputation for quality products and service.*

## Financial Highlights

### Pro Forma Income Statement Summary for the Years ending December 31 (\$000)

	--- Historical ---			--- Pro Forma ---		
	2001	2002	2003	2004	2005	2006
Revenue	10,067	11,367	13,162	15,000	16,500	18,200
Gross Profit	2,027	2,566	2,597	31,50	3,465	3,822
% of Sales	20.1%	22.6%	19.7%	21%	21%	21%
EBIT <sup>(a)</sup>	521	686	465	837	938	1,058
% of Sales	5.2%	6.0%	3.5%	5.6%	5.7%	5.8%

(A) Earnings before interest and taxes

### Recast Balance Sheet Summary December 31, 2003 (\$000)

Current Assets	1,723	Current Liabilities	730
Fixed Assets	79	Long Term Liabilities	0
Other Assets	30	Stockholders' Equity	1,103
<b>Total Assets</b>	<b>1,833</b>	<b>Total Assets and Liabilities</b>	<b>1,833</b>

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