

INFANT CARE PRODUCTS MANUFACTURER

FEATURING A FULL LINE OF INNOVATIVE, HIGH-QUALITY PRODUCTS SPECIFICALLY DESIGNED FOR THE EVERYDAY NEEDS OF MOTHERS AND BABIES

<i>Location:</i>	<i>Northeast</i>	<i>Revenue:</i>	<i>\$7,200,000</i>
<i>FYE:</i>	<i>2/28/05</i>	<i>EBITDA:</i>	<i>\$1,839,000</i>

Our client manufactures a full line of nationally recognized infant care products sold through major national retailers. The company's products include a diverse line of both disposable and washable quilted and non-quilted, highly absorbent and 100% leak proof pads designed for cradles, bassinets, changing tables, feeding, burping and many other uses. The company also manufactures numerous other products, which are all vital during feeding, changing, playing and clean up for "mothers on the go".

- Nationally recognized highly innovative trademarked brand name products
- Longstanding relationships with nationally recognized major retailers
- Recession resistant line of "must use" products
- Growing market for company's products. Estimated increase in birth rates assures steady and increased demand.
- Turnkey infrastructure in place to continue and grow business with existing or newly developed products
- Capacity exists for additional growth in both product development and manufacturing

For more information regarding Client 20051, please contact:

eMerge M&A

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BUSINESS SUMMARY

Our client represents an opportunity to acquire a highly profitable growing company in the recession-resistant infant care products industry. The company manufactures and distributes infant care products specifically geared towards the everyday needs of new mothers. These products are well-recognized, attractively packaged and sold at national “big-box” retailers. All of the company’s products are complementary from a manufacturing, marketing and sales standpoint thus increasing sales and reducing costs.

The company produces highly absorbent, waterproof, washable and disposable lines that are far superior to the competition in quality, performance and value. The company currently has broad product line with over 50 SKUs. The company’s production facility is currently operating one shift and has ample room for expansion. In addition, the manufacturing operation is highly adaptive and has the capacity for adding many additional product lines. By utilizing a unique manufacturing process, our client produces superior products while limiting production costs.

An acquirer with a marketing focus could easily take this company to the next level as sales and marketing activities have been limited.

*Pro Forma Income Statement Summary
for the Years ending February 28
(\$000)*

	---Historical---			Est.* 2005	—Pro Forma—	
	2002	2003	2004		2006	2007
Revenue	5,506	6,165	6,318	7,200	8,500	10,500
Gross Profit	2,435	2,741	3,698	3,096	3,740	4,620
<i>% of Sales</i>	44.2%	44.5%	42.7%	43.0%	44.0%	44.0%
EBITDA*	1,169	1,518	1,521	1,839	2,288	2,871
<i>% of Sales</i>	21.2%	24.6%	24.1%	25.5%	26.9%	27.3%