

### Custom and Packaged Software Developer - ERP Specialist

Unique Business Model - Staff of trained consultants with domain expertise to develop applications for the environment they are intended to be used in.

Channel relationships in place with one of the top 5 international ERP software developers.

Est. 2006 Revenue: \$4.7MM

Est. 2006 Recast EBIT: \$860K

- **Advanced product knowledge:** The Company differentiates itself within the market by its in-depth industry knowledge of enterprise resource planning and warehouse management solutions. The Company has developed an approach whereby the consultant and developer are one and the same. Customers appreciate the ability to work directly with a trained professional that can understand their business need as well as develop the right solution.
- **Attractive market demographics:** Companies strive relentlessly for greater efficiencies to compete effectively in increasingly competitive markets. Our Client offers customized solutions to enable companies to get greater efficiencies from their technology investments.
- **Outstanding growth opportunities:** There exist a myriad of opportunities for the Company to significantly increase revenues and profits. Presently 47 % of the business is customization relating to the ERP environment. Leveraging the Company's internal knowledge base and expertise, the business could be grown in the custom development business, packaged software development or managed services in the network management markets. These opportunities are easily attainable; the only limiting factor historically has been appropriate investments of capital and human resources.
- **Experienced Professional Staff:** The Company maintains a professional staff of 26 employees with no key-person dependence. The Company has created a sustainable business model, transferable to a new owner.

Founded in 1997, the Company is a custom and packaged software developer that helps companies gain the greatest benefit from their ERP technology investments. The Company creates custom solutions that enhance companies' enterprise planning and warehouse management solutions,. Our Client also offers turnkey business systems solutions which combine packaged software and network infrastructure.

The Company is a software development firm with custom software (47% of annual revenue), packaged software (35%), third-party product resale (11%), and network infrastructure (7%) solutions.

The Company markets locally and nationally via its channel relationships Our Client has an active account base of 65 clients.

(Financial Summary on reverse side)

**Unique Concept:** The Company has developed a philosophy of training its software professionals to function as business consultants to their customers. Our Client's associates are trained to become *domain experts* in their customers' business. This domain expertise allows the Company to engage the customer and develop software to best solve their problems. Overseas developers cannot compete with this model.

This unique ability of the Company's professional staff to offer software development expertise along with face to face, business operations consulting sets the Company apart. Their customer receives a more fully featured application developed by a consultant developer that truly knows the business.

<b>Recast Historical and Pro Forma Statement of Income<sup>(a)</sup></b>									
<b>For the Fiscal Years Ended December 31</b>									
<b>(\$000)</b>									
	<b>Historical</b>			<b>Est.</b>	<b>Projected</b>				
	<b>2003</b>	<b>2004</b>	<b>2005</b>		<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Sales</b>	4,222	3,683	4,372	4,700	4,915	5,131	5,347	5,665	5,983
<b>Gross Profit</b>	3,466	3,067	3,551	3,868	4,044	4,221	4,397	4,660	4,923
% of Sales	82.1%	83.3%	81.2%	82.3%	82.3%	82.3%	82.2%	82.3%	82.3%
<b>Operating Profit</b>	381	141	642	854	897	940	984	1,051	1,123
% of Sales	9.0%	3.8%	14.7%	18.2%	18.3%	18.3%	18.4%	18.6%	18.8%
<b>EBITDA<sup>(b)</sup></b>	474	221	743	860	908	958	1,007	1,080	1,154
% of Sales	11.2%	6.0%	17.0%	18.3%	18.5%	18.7%	18.8%	19.1%	19.3%

(a) See Schedule 2 in the Financial Analysis section

(b) Earnings before Interest, Taxes, Depreciation and Amortization

<b>Adjusted Balance Sheet<sup>(c)</sup></b>			
<b>As of December 31, 2005</b>			
<b>(\$000)</b>			
Current Assets	749	Current Liabilities	140
Net Fixed Assets	16	Non-Current Liabilities	0
Other Assets	1	Equity	626
<b>Total Assets</b>	<b>766</b>	<b>Total Liability &amp; Equity</b>	<b>766</b>

(c) See Schedule 3 in the Financial Analysis section

For further information regarding **Client #32342** please contact:

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