

Available for Acquisition

Manufacturer of Specialty Gift, Home Décor and Home Accessory Products

Est. 2010 Revenue: \$23,300,000.00

Est. 2010 EBITDA: \$4,357,000.00

- ***Increasing Sales During Recession:*** During the worst recession and financial/consumer economic melt down in contemporary history, the Company has grown its business. With economic recovery and continued targeted marketing and distribution, this trend should continue.
- ***High Barriers-to-entry:*** The cost of a custom production facility, sophisticated manufacturing equipment, trained and experienced staff, brand name, customer loyalty, product development and logistics of distribution represent a significant barrier to market entry. Moreover, winning sustainable market share through retail distribution creates a barrier to lock out competitors by having established these retail relationships.
- ***Consumable Yet Non-Perishable Product:*** The Company manufactures a diverse offering of branded consumable products. Unlike many gift, décor, or home accessory products, this product is consumable resulting in life long and repeat demand.
- ***Product Diversity:*** The Company offers a wide variety of products that fall into four basic categories. The Company offers a full spectrum of products to complement every décor. Furthermore, products come in a wide variety of visually appealing colors, appearances, packaging and images.
- ***Competitive Lockout:*** When a competitor attempts to displace the Company from the retail channel, that competitor must buy out the Company's inventory on the retailer's shelves or the retailer discounts products to sell them off. The competitor must make the retailer whole as part of displacing The Company. As the Company sells more products to the retailer, the cost to displace the Company is cost prohibitive to the competitor and too disruptive to the retailer.

For further information regarding **Client # 36099**
you are invited to contact:

eMerge M&A

eMerge M&A, Inc.
295 Madison Avenue, 12th Floor
New York, NY 10017
212.804.8282
www.eMerge-MA.com

Manufacturer of Specialty Gift, Home Décor and Home Accessory Products

Consumable products showing sustained growth during the recent economy

- **Superior Brand and Reputation:** The Company has carefully cultivated and protected its brand through development of quality products targeted towards to higher end of the market. This quality reputation opens doors with new customers and channels for the Company. Furthermore, it continues to evolve in order to meet the changing needs of its customers thus earning a reputation for providing high quality products for discriminating customers.
- **Blue Chip Yet Diverse Customer Base:** The Company's customer base includes well recognized large regional and national retail chains. Acquiring this Company will put a buyer into a lucrative position. However, the Company also has a large, growing and diverse base of specialty gift stores as well.

Recast Historical and Pro Forma Statement of Income
For the Fiscal Years Ended December 31
(\$000)

	<i>Historical</i>			<i>Est.</i> <i>2010</i>	<i>Pro Forma Period</i>				
	<i>2007</i>	<i>2008</i>	<i>2009</i>		<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Sales	17,434	20,035	21,593	23,300	27,200	29,200	31,400	33,800	36,300
% Growth		14.9%	7.8%	7.9%	16.7%	7.4%	7.5%	7.6%	7.4%
Gross Profit	7,037	7,882	8,478	9,250	12,621	13,724	14,789	15,954	17,170
% of Sales	40.4%	39.3%	39.3%	39.7%	46.4%	47.0%	47.1%	47.2%	47.3%
EBITDA	2,631	3,445	3,274	4,357	6,936	7,650	8,289	8,991	9,728
% of Sales	15.1%	17.2%	15.2%	18.7%	25.5%	26.2%	26.4%	26.6%	26.8%

Increases in EBITDA and revenue forecasts are based on a reduction in rent expense, reduction in labor costs through changes in production operations that will begin impacting Q1 2011 and price increases (already accepted by retailers) that will begin Q4 2010. In summary, factors increasing EBITDA have been identified, implemented or are being implemented, and quantified.

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