

**ACQUISITION OPPORTUNITY #M-1942s
MANUFACTURER – KIDS CRAFTS PRODUCTS
MIDWEST**

PROFILE:

This arts and crafts Company has been a leader in the KIDS CRAFTS market for many years. In business over 30 years the Company produces a variety of everyday and seasonal products that are sold by major retailers and catalog companies.

The Company feels that in order to continue to compete in it's market it must start to source the majority of its products overseas. The owner, near retirement, wants to sell rather than reorganize the business.

This is an excellent acquisition opportunity for a company that a) already sources their products overseas, b) wants to expand their product line, and c) wants to expand their customer base.

INVESTMENT HIGHLIGHTS:

- ◆ Well established company – 30+ years
- ◆ Long-term working relationships with top craft retailers
- ◆ Shelf-space positions with top retailers
- ◆ Dominant market position with product niche

PURCHASE PRICE/DEAL STRUCTURE:

No asking price is being quoted. Different buyers will have different valuations.

An asset structured transaction is likely. A stock transaction will also be considered as it may be of interest to some buyers because of the Company's NOL carry forward of approximately \$840,000.

Financial Summary:

Income Statement (000's omitted)				
	FYE 2006 (6 mos)	FYE 2005 (12 mos)	FYE 2004 (8 mos)	FYE 2003 (12 mos)
Sales (net)	2,882	6,117	4,280	5,955
Gross Profit	748	547	984	1,306
% of Sales	25.9%	8.9%	23.0%	21.9%
EBDIT (recast)	331	112	386	325
% of Sales	11%	2%	9%	5%

EBDIT: Earnings Before Depreciation, Interest and Taxes.

Balance Sheet 4/30/06 (000's omitted)			
Current Assets	2,945	Current Liabilities	2,663
Fixed Assets	469	L/T Liabilities	446
Other Assets	16	S/H Equity	322
Total Assets	3,430	Total Liab. & S/H Equity	3,430

**FOR FURTHER
INFORMATION CONTACT:**

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