



ACQUISITION OPPORTUNITY CONFIDENTIAL PROFILE

Offering #:	Industry: Wholesale Distribution
Location: Southern California	Segment: Industrial Manufacturing Supplies
2005 Revenues: \$5.3M	2005 Cash Flow \$203,000
2006 Revenues \$5.7M Est.	2006 Pre Tax \$285,000 Est.

- Well-managed 30 year wholesale distribution for manufacturing supplies in the Southern California market. Products are sold by the company's outside sales force to manufacturing companies. Sales are up \$1 million from 2004
- Company manages 15,000 SKU's with 200 manufacturers in a 15,000 square foot facility. Balance on lease is 4 ½ years at 70 cents per sq. ft., triple net
- State-of-the-art inventory/financial on line systems. Order fill rate is 95%
- Absentee President wants to retire. General Manager would stay. General Manager Salary & Benefits deducted from Cash Flow

The company's market niche is excellent customer service delivered through its 95% fill rate and next day delivery. The Company's long term relationship with 200 manufacturers gives them competitive purchasing power. The company has an excellent payment history with its vendors. The company knows through its on-line computer system, daily sales, gross margins, fill rates, stock status and purchasing requirements by vendor, customer, salesman and company. The company is managed day-by-day by the General Manager with nine other employees, including purchasing, accounting, customer service, warehousemen, drivers and outside salesmen. All employees except President are willing to continue with new Buyer.

The Buyer could bring sales & marketing skills to take the company to the next level and/or could function as an absentee owner. Growth opportunities would be to expand beyond the two Southern California Counties by adding salesmen, product categories and offering promotion of products. Active customers amount to more than 300. The average number of orders is 1,500 per month or more.

The company has established internal controls for inventory management. Daily cycle counts of inventory are made. Inventory is valued at \$1.2 million, with accounts receivable of \$530k, payables of \$175k, and fixed assets of \$100K as of 12/31/05. Sales are up from \$4.2 million to \$5.2 million from 2004 to 2005. The company expects higher profits in 2006 from 2005 purchasing negotiations with vendors.

The company has a modern 15,000 sq. ft. warehouse/offices facility with easy access to freeways and centrally located to customers. This wholesale distribution business model makes this a great business to operate and own. The President is now ready to retire after 30 years.

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