



MBD Acquisitions LLC
May 2012

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Assets & Transaction

Flagship Restaurant

Annual Revenue = \$12.5MM

EBITDA = \$1.9MM

Key Assets

- Iconic NY Brand
- Flagship Restaurant



Wholesale Food Products

Annual Revenue = \$9.0MM

EBITDA = \$1.0MM

Key Assets

- NJ Real Estate & Factory
- Excess Production Capacity
- Select Existing Distribution



Licensed Restaurant Deals

Annual Revenue = \$0.9MM

EBITDA = \$0.9MM

Key Assets

- MGM Mirage (LV)
- Sands (PA)
- Madison Sq Garden
- US Open



PURCHASE PRICE = \$27MM

\$ 21.0MM Cash at Closing
6.0MM 3-Year Seller Note

+

- 2-Yr Employment Contract with Sandy Levine
- Favorable lease terms on NYC flagship location
- Does not include \$3MM purchase of real estate (NJ factory)

Growth Strategy

Embrace the Brand

- Committed to the brand and culture that has been built over past 75 years
- Stay true to company legacy, brand and signature products
- Focus on flagship operations, customer experience & NYC locations

Leverage Expertise

- Seasoned central corporate team and infrastructure is ready to scale
- Well-positioned for the investment of time, money and reputation necessary to develop and operate the business

Capitalize on Potential

- Quickly extract and formalize the unique “DNA” of company
- Utilize brand equity and DNA to drive intelligent growth
- Build out key market operations (e.g., “express” model, new flagships)
- Capitalize on new licensing opportunities with proven market operators
- Expand wholesale & retail partnerships
- Develop wholesale product line extensions (e.g., mustard, pickles, etc.)
- Investigate international expansion in key, high-profile markets

Capital

Sources

Acquisition Financing		\$12,000,000	33.9%
Real Estate Mortgage	80.0%	2,400,000	6.8%
Seller Note		6,000,000	16.9%
Mezzanine Financing		7,000,000	19.8%
Equity Investment		8,000,000	22.6%
Total Sources		\$35,400,000	100.0%

Uses

Purchase of The Businesses		\$27,000,000	76.3%
Purchase of the NJ Real Estate		3,000,000	8.5%
Closing Costs		400,000	1.1%
Growth Capital		5,000,000	14.1%
Total Uses		\$35,400,000	100.0%

Projections

INCOME STATEMENT DATA	Current	1	2	3	4	5	6
Revenues by Unit							
The Deli	\$12,500,000	\$12,875,000	\$13,261,250	\$13,659,088	\$14,068,860	\$14,490,926	\$14,925,654
Existing Licensing Fees	900,000	927,000	954,810	983,454	1,012,958	1,043,347	1,074,647
Existing Wholesale	10,000,000	10,300,000	10,609,000	10,927,270	11,255,088	11,592,741	11,940,523
New Big Boxes	0	6,000,000	12,180,000	18,545,400	25,101,762	31,854,815	38,810,459
New Express Boxes	0	3,000,000	6,090,000	9,272,700	12,550,881	15,927,407	19,405,230
New Licensing Fees	0	360,000	370,800	741,924	764,182	1,147,107	1,181,521
New Wholesale	0	4,400,000	7,590,000	13,086,701	19,452,801	28,442,636	37,175,290
New Franchisees Royalties	0	120,000	360,000	840,000	1,800,000	3,000,000	4,200,000
Total Revenues	23,400,000	37,982,001	51,415,860	68,056,537	86,006,532	107,498,979	128,713,323
Unit Contribution							
The Deli	1,875,000	1,931,250	1,989,188	2,048,863	2,110,329	2,173,639	2,238,848
Existing Licensing	900,000	877,000	904,810	933,454	962,958	993,347	1,024,647
Existing Wholesale	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052
New Big Boxes	0	900,000	1,827,000	2,781,810	3,765,264	4,778,222	5,821,569
New Express Boxes	0	600,000	1,218,000	1,854,540	2,510,176	3,185,481	3,881,046
New Licensing	0	360,000	370,800	741,924	764,182	1,147,107	1,181,521
New Wholesale	0	528,000	910,800	1,570,404	2,384,336	3,413,116	4,461,035
New Franchisees	0	120,000	360,000	840,000	1,800,000	3,000,000	4,200,000
Total Unit Contribution	3,775,000	6,346,250	8,641,498	11,863,723	15,372,754	19,850,187	24,002,718
Corporate Overhead	1,170,000	1,519,280	2,056,634	2,722,261	3,440,261	4,299,959	5,148,533
Consolidated Operating Income	2,605,000	4,826,970	6,584,863	9,141,461	11,932,493	15,550,228	18,854,185
Depreciation & Amortization	3,175,000	3,475,000	3,775,000	4,075,000	4,375,000	4,675,000	4,975,000
Interest Expense	1,540,000	1,451,708	1,358,145	1,258,993	1,153,921	1,042,573	924,575
Pre-Tax Income	(2,110,000)	(99,738)	1,451,719	3,807,468	6,403,572	9,832,655	12,954,610
Income Taxes	0	0	0	1,067,307	2,241,250	3,441,429	4,534,114
Net Income	(\$2,110,000)	(\$99,738)	\$1,451,719	\$2,740,161	\$4,162,322	\$6,391,226	\$8,420,497

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Principals

- Entrepreneurs
- Owner / Operators
- Investors
- Advisors

David Mitchell

- Over 30 years of finance, M&A and real estate investment experience.
- President of Mitchell Holdings LLC, completing over \$3.7B in transactions since 1991.
- Managing Partner of Las Vegas Land Partners LLC, developing the new Las Vegas Civic Center.
- Experienced owner & operator of multiple businesses in the hospitality & gaming industries.

John Rigos / Andy Stern

- 10+ companies founded.
- 40 combined years investment and operations experience.
- 16 combined years in the restaurant / hospitality industry.
- 48 stores owned, developed and operated across 6 brands.
- 4 Board of Director seats across 3 non-profit organizations.

- Operators of Acquired, Franchised & Original Concept Businesses
- Broad Experience with Development & Growth Capital
- Robust Real Estate Investment Record
- Extensive Network of Industry Advisors & Experts
- Operational Focus on Human Capital
- NYC Market Expertise (site selection, labor pool, unit-level P&Ls)