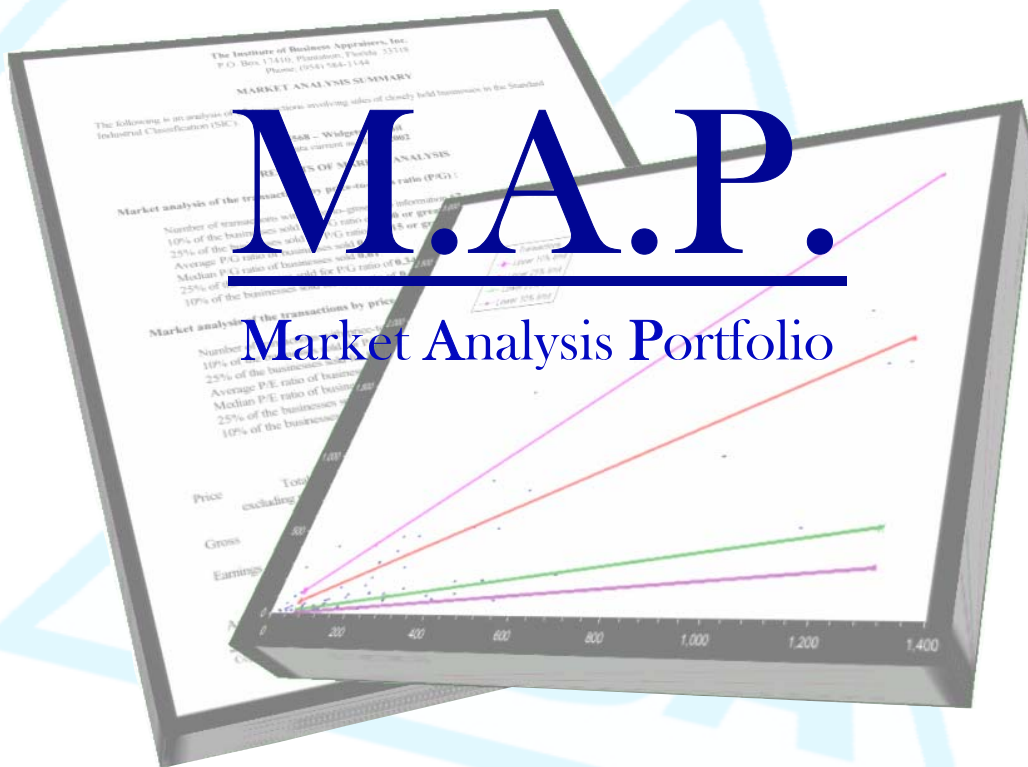


Market Analysis Portfolio



M.A.P.

Market Analysis Portfolio

MAP's assist professionals by:

- Providing a complete statistical analysis of the market.
- Providing business appraisers, brokers, clients, bankers, attorneys and the courts with a documented outlook on the target SIC industry.
- Increasing appraisal turn around time (MAP's can be completed in 24 hours).
- Providing a fundamental value added resource to any professional engagement

Only the IBA Database contains enough data for this detailed analysis.

M A P

Market Analysis Portfolio

A **M.A.P.** consists of:

1. A Market Analysis Summary.
2. Scatter grams of P/G and P/E Ratios.
3. The Risk Management Association (RMA) Annual Statement Studies.
4. IBA's Market Data Sheet.
5. Rules of Thumb (if available).

Three pages of complete statistical analysis of the SIC code. This summary is client friendly and also defines the terms and methodology used.

1.

The Institute of Business Appraisers, Inc.
P.O. Box 17410, Plantation, Florida 33318
Phone: (954) 584-1144

MARKET ANALYSIS SUMMARY

The following is an analysis of 67 transactions involving sales of closely held businesses in the Standard Industrial Classification (SIC):

5568 – Widgets - Retail
Data current as of 8/2/2002

RESULTS OF MARKET ANALYSIS

Market analysis of the transactions by price-to-gross ratio (P/G) :

Number of transactions with price-to-gross ratio information **67**
10% of the businesses sold for P/G ratio of **2.00 or greater**
25% of the businesses sold for P/G ratio of **1.15 or greater**
Average P/G ratio of businesses sold **0.93**
Median P/G ratio of businesses sold **0.61**
25% of the businesses sold for P/G ratio of **0.34 or less**
10% of the businesses sold for P/G ratio of **0.19 or less**

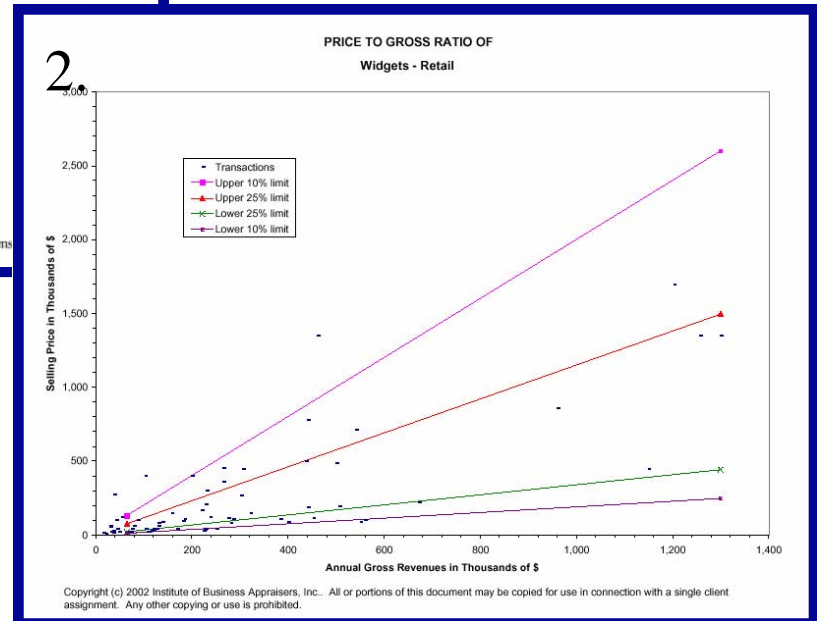
Market analysis of the transactions by price-to-earnings ratio (P/E) :

Number of transactions with price-to-earnings ratio information **54**
10% of the businesses sold for P/E ratio of **5.27 or greater**
25% of the businesses sold for P/E ratio of **3.17 or greater**
Average P/E ratio of businesses sold **3.90**
Median P/E ratio of businesses sold **1.62**
25% of the businesses sold for P/E ratio of **1.16 or less**
10% of the businesses sold for P/E ratio of **0.68 or less**

DEFINITIONS

Price	Total reported consideration; i.e. cash, notes, liabilities assumed, etc. excluding real estate.
Gross	Reported annual sales volume of business sold.
Earnings	Discretionary earnings (Reported annual earnings, excluding owner's compensation before interest and taxes).

Scatter grams of the Price to Gross (P/G) and Price to Earnings (P/E) ratios of the reported data are included.



5. "Rules of Thumb" are simple relationships that, while not necessarily accurate, can sometimes be used to obtain a general indication as to the value of a business.

- 70% of annual revenues (billings). May require earnout.
- 8 to 12 times SDC Add assets. May require earnout.
- Retail Widget companies have generally been selling for 1 to 1.5 times revenues.

3.



Also included is a special one-time license to use the Risk Management Association's Annual Statement Studies for the desired SIC code.

IBA's Market Data sheet comes from our Transaction Database, which has over 30,000 transactions of actual sales of closely held businesses. This is the largest database of its kind.

The IBA Database covers over 750 common business types, including retail and manufacturing companies, service businesses and professional practices.

Only the IBA Database contains enough data for this detailed analysis.

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P.O. Box 17410, Plantation, FL 33318 Phone: (954)584-1144

SIC CODE: 5568

The information below is supplied in response to your request for data to be used in applying the "Market Data Approach" to business appraisal. Because of the nature of sources from which the information is obtained, we are not able to guarantee its accuracy. Neither do we make any representation as to the applicability of the information to any specific appraisal situation.

The following is an explanation of the entries in the data table:

Business Type Principal line of business.
SIC CODE Principal Standard Industrial Classification number applicable to the business sold.
Annual Gross Reported annual sales volume of business sold.
Discretionary Earnings Reported annual earnings, excluding owner's compensation and before interest and taxes.
Owner's Comp. Reported owner's compensation.
Sales Price Total reported consideration; i.e. cash, liabilities assumed, etc. excluding real estate.
Price/Gross Ratio of total consideration to reported annual gross.
Price/Earnings Ratio of total consideration to reported annual earnings.
YR/MO of Sale Year and month during which transaction was consummated.

Business Type	Annual Gross \$000's	Annual Earnings \$000's	Owner's Comp. \$000's	Sale Price \$000's	Price/Gross	Price/Earnings	Geographic	Yr/Mo of Sale
Widgets - Retail	1300			1350	1.04		FL	94/04
Widgets	1256	300		1350	1.07	4.50	FL	94/11
Widgets	1202	357		1700	1.41	4.76	FL	97/04
Widget Store	1149	208		450	0.39	2.16	CA	92/06
Widgets	960	432		860	0.90	1.99	CA	90/06
Widgets	671	105		225	0.34	2.14		98/02
Widgets	559	162		98	0.18	0.60	Texas	93/01
Widgets	550	102		85	0.15	0.83	Texas	95/01
Widgets	540	155		710	1.31	4.58		98/01
Retail Widgets	506	72		194	0.38	2.69		98/03
Widgets Store	500	150		488	0.98	3.25	NY	91/12
Widgets	460	132		1350	2.93	10.23		97/01
Widget Store	452	137		115	0.25	0.84	Texas	95/01
Widgets	441	136		190	0.43	1.40	FL	93/11
Widgets	441	81		780	1.77	9.63	IN	95/03
Widgets	437	183		500	1.14	2.73		96/05
Widgets	400	139		90	0.23	0.65	FL	01/03
Widgets	384	66		107	0.28	1.62		98/01
Retail Widgets	321	94		145	0.45	1.54		97/10
Widgets Store	306	138	45	450	1.47	3.26	New England	86/09
Widgets	301	91		266	0.88	2.92	FL	93/01
Widget Store	285	50		105	0.37	2.10	FL	
Widgets	280	79		80	0.29	1.01	FL	
Widgets	275	50		116	0.42	2.32		98/04
Retail Widgets	265	86		453	1.71	5.27	New England	87/09



Detach and send to us.

- YES! I want to purchase a Market Analysis Portfolio for SIC code _____ for \$265.
- YES! I want to purchase the RMA Studies only, for SIC code _____ for \$120.

Total: _____

Name: _____
 Firm: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Email: _____ Phone: _____

Payment Method: Visa MC AMEX
 Cardholder Name:: _____
 Card #: _____ Exp. _____
 Billing Address (If different from subscriber address): _____

Or check enclosed payable to *The Institute of Business Appraisers, Inc.*



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The Institute of Business Appraisers Market Analysis Portfolio



The **Market Analysis Portfolio** is a thumbnail of the marketplace for a target industry. It explains the marketplace to buyers, sellers, lenders, attorneys, etc., and is a springboard to the application of the Market Approach. IBA's technical staff will prepare custom reports using the transaction data. The **Market Analysis Portfolio** includes the transaction data, scatter grams of the P/G and P/E ratios, a complete statistical analysis, as well as organizing the data by quartiles. The Portfolio also includes RMA Annual Statement Studies with a license for one-time use.

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Visit us at www.go-iba.org

