

Tutorial #1: Case #2 (Page 2 of 2):

Profitability

- Seafood sales leveled off in early 1990s, but still strong in 2003
- Projected steady sales
- 2002 gross revenues: \$17.5 million
- 2003 gross revenues: \$16.8 million
- 19% to 28% profit margin over last ten years

Financial Arrangements

- Asking price: \$3.7 million
- Requirements: \$800,000 down, \$2-million preapproved Small Business Administration loan
- Remainder financed by seller's mortgage

Summary

- Great investment opportunity
- Thriving business
- Potential for high profits
- Excellent location