



Over the past 10 years, the “companion animal industry” has outpaced the annual CPI by as much as 40% as the U.S. pet population has grown twice as fast as the human population.

Much of the sales growth can be attributed to an emerging niche market catering to affluent dog and cat owners. These include young cosmopolitans, successful suburbanites, empty-nesters, and other upscale households able to afford personalized apparel, specialized diet products, digital identification tags, and numerous other high-margin products and services.

Offering discriminant consumers a product selection and service level that big-box stores cannot match, specialty retailers are uniquely positioned to capitalize on this market. But success also depends on the skill level of retail sales associates, who must exhibit a high level of product knowledge.

Marathon Shores, LLC represents a Midwestern based Company that operates a 12-store chain of upscale, mall-based stores selling premium products for dogs, cats and their owners. With a distinguishing mix of product, function, style and value, the Company has proven its concept in smaller markets and is now ready to expand the model to larger markets where greater sales volumes and financial returns can be achieved.

Given their track record to date, Marathon Shores, LLC believes that the Company’s innovative management team has created a platform to expand upon their success with an equity partner.

Opportunity:

- Only chain of its kind in the pet specialty arena.
- Positioned to grow to 32 stores in the next 3 years in lifestyle centers and upscale malls.
- Significant profitability growth going forward.
- Additional growth channels (veterinarians, pet resorts, internet and wholesale).

Competitive Advantages:

- Proven model and infrastructure in place to support growth.
- Significant profitability improvement as business grows.
- Attractive niche in premium pet category.
- Landlords seeking new, exciting formats.
- Additional growth opportunities in veterinary and online segments.
- Positioned to become the dominant mall-based retailer for unique dog and cat products.
- The current fleet of 12 stores has averaged \$56K of 4-wall profitability over the last three years. Projections of a 32 store fleet in 2016 average in excess of \$100K in 4-wall profits.

The Company is seeking an equity investment of up to \$3,000,000 to fund and support its business plan to substantially increase revenues. This business is poised for great success, and simply requires growth capital to fund additional store openings in new and existing markets.

Summary Financial Information
(000's omitted)

	2010	2011	2012	2013	2014	2015	2016
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast
Sales	\$4,540	\$4,726	\$5,068	\$5,585	\$8,045	\$12,235	\$18,831
Gross Margin	\$2,627	\$2,720	\$2,888	\$3,240	\$4,717	\$7,281	\$11,310
Operating Income	\$727	\$723	\$723	\$856	\$1,380	\$2,185	\$3,516
EBITDA	\$143	\$82	\$56	\$95	\$229	\$834	\$2,018

Any estimates or projections as to events that may occur in the future including projections of sales, gross margin, and EBITDA are based upon the best judgment of the Company as of the date hereof. The estimates and projections necessarily make numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the Company’s control. There is no guarantee that any of these projections will be attained. Actual results may vary from the projections, and such variations may be material.

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