



## *The Ultimate Hookah Bar Experience!*

Sinbad Enterprises, Inc., operates and currently in the process of franchising **SINBAD CAFÉ** America's premier chain of Hookah Bars. A unique and exciting concept. Our competitive advantages stem from the foundation of our cafes through the corporate infrastructure, operational system and support, to the unique product line and unmatched quality. All of these elements make Sinbad Café a successful, rewarding franchise opportunity.

The Hookah is generating a tremendous amount of interest throughout the world. Development costs to sales ratio are very attractive, with 30%-100%<sup>(1)</sup> net return on investment per year within the first 36 months, making this retail venture a wonderful growth vehicle. After many studies conducted, and forecast on market trends, we are taking Sinbad Café as the next concept to bloom after the success of the "Coffee Shops" unknown just a few years ago. Join us in this Hot New adventure.

### **Our Goal**

Our goal is simple, just as Starbuck is the synonym for coffee today, Sinbad Café will be the synonym for Hookah tomorrow.

### **Proof**

Want proof of how successful this venture can be? Stop by a Sinbad Café one night. Not only will you see a lot of happy customers, you'll see many of them again and again and again. Because once they get a taste of just how a great a Sinbad Hookah Experience really is, they're hooked for good. And that's a fact.

Naturally, owning and operating a Hookah Bar as committed to quality and serves as Sinbad Café take a lot of work. That's where we come in to guide you every step of the way from site selection to hookah preparation. And, in the end, you'll find that the payoff is more than worth it in terms of profits and the sense of pride that comes from being associated with a first-class brand.

### **The System of Operation**

Based on our studies of other businesses similar in nature to Sinbad Cafe, that 90% of all new business ventures fail within the first year<sup>(2)</sup>. And another 10% within five years. Leaving only one out of twenty to survive and with real success.

*You ask why?*

Not because of their location or their food, or even their service. But, because of their lack of an operational system that works. That's the **key to success**. Just look at the Starbuck's, the McDonalds, or the In & Out's of the world. It's the System of Operation.



Our proven system of operation guides each franchisee through every aspect of the café's operation. Upon becoming familiar with our proven system, each franchisee will be able to train and develop each of their associates in all areas of the business. Our proven cafe franchising system revolves around the philosophy of "Continued Training" to guarantee our team meets and exceeds our customer's expectations.

All positional training techniques are clearly outlined in our operations manuals with easy to implement instructions. Our café/lounge cost management system, indexed in our manual, is designed to provide you with the necessary tools to completely analyze and understand your café/lounge business both from a sale and cost perspective. Along with a Marketing System that would insure success.

### **Advertising**

The Sinbad Café in house design team works hard to create powerful marketing and promotional campaigns that have proven very successful in each of our Hookah Bars. Our café/lounge advertising campaigns are designed to focus on local market penetration and maximization. Exciting in store and patio programs promotes further awareness, drive sales and increase bottom line results of each of our cafes. Franchisees are encouraged to contribute creative and innovative ideas for chain wide use.

### **Marketing System**

Sinbad Café is currently in development of a unique marketing system. One that would ensure customer flow to each and every Sinbad Café around the world, day in and day out. A system so unique that is bound to intrigue the savviest of businessmen. This system is due to be introduced September of 2006.

### **Team Builder Conference**

Sinbad Café a team oriented network, by working together we can achieve our goals much faster and maintain our competitive edge. Head Office hosts "Team Builder Conference" to promote the exchange of ideas. Franchisees are encouraged to attend these Conferences that address industry trends, new products and promotional material.

### **Share the Vision**

We are "Revolutionizing the cafe experience". We have a vision in our Hookah Bars, a vision in which people gather to have a good time, experience visual café enhancement, and enjoy the exotic smoke of the Hookah along with our unique food and beverage selection.

We have a sound future with expanded franchise opportunities. Our direction ensures that our name, **Sinbad Cafe** will be the synonym for Hookah's and not only live up to but also exceeds our vision and our customer's expectations. A direction that will continue to create brand recognition and emphasize our unique Hookah Bar concept to heights unparalleled in our business. We invite you to share the vision. Seize the franchise opportunity along with us.



### **Commitment**

The Sinbad Cafe franchising system promotes the Owner/Operator scenario. A complete commitment to following our proven systems is critical to the success of each Hookah Bar. A pro-active, performance-driven, hands-on management style has proven most effective to date in our cafes. Success of each Hookah Bar is a direct reflection of the amount of effort put into the business by the franchisee. Our experience has shown that customer loyalty and sales performance and overall business profitability depend on our franchisee's positive on-site influence, management style and commitment to the franchised cafe system.

### **Our Energy**

Our ongoing effort to introduce new and innovative products to the industry is unparalleled. We manufacture our own brand of Hookah Tobacco, hookah products, our own line of Coffee, Cigars, Beer, and we ensure a competitive edge by continually introducing new products. Currently, we import numerous products from manufacturers and distributors from around the world. This energy and effort will keep the network of all Sinbad Cafés ahead of the competition, and all our customers coming back again and again.

### **A Solid Investment**

The Sinbad Cafe franchising opportunity allows you to achieve the dream of owning your own business. Our proven Hookah Bar franchise concept is unique, exciting and has evolved to become an industry leader. The success of our Hookah Bars indicates high consumer demand, and the café/lounge hookah bar concept is growing rapidly.

Our strategic marketing plan, your ability to follow a proven system of operation, work hands on, and be a team player will all contribute to the success of your Sinbad Cafe franchise.

### **Fees, Royalty, and Marketing Contributions**

Initial Franchise Fee: under \$20,000. As added help to our new franchisees, up to \$10,000. of the initial franchise fee can be finance through Sinbad Enterprise, Inc.

Royalty: The royalty is a flat 5% of sales, which is paid monthly.

Marketing Contributions: The marketing contribution is a 1% of sales and is paid directly to Sinbad Franchise Group, Inc. National 1% Marketing Fund. You are also required to spend an additional 2% of sales in your local markets. Our in house design team can work with you one on one to implement an ongoing or special event marketing program.

*What does my Franchise Fee cover?*

The fee secures the right to own and operate a Sinbad Café hookah bar unit in a protected territory, and the use of our name, trademarks, recipes, distinctive décor, and manner of doing business.



Franchise Fee also includes:

- Site selection
  - Negotiate the lease
  - Design assistance
  - Assist in Build-Out
  - Initial Training
- Additional Assistance in
    - Purchasing equipment
    - Establishing relationships with vendors
    - Purchase of opening inventory
    - Menu implementation

*What does my Royalty Fee cover?*

The fee allows the continued use of our name, trademarks, recipes, etc. and continued updates and revisions to our Successful System of Operation.

Royalty Fee also includes:

- Retail/Wholesale of our Products
  - Access to our Marketing System
  - Unlimited Help & Support
  - Access to Marketing Materials
  - Nationwide Marketing & Exposure
  - Website & Website Maintenance
  - Superb Product Line, through research and development
- System of Operation including but not limited to:
    - Scheduling & Labor cost control
    - Inventory control
    - Overhead & Expense control
    - Maintenance and care of premises
    - Operational Procedures
    - And Much More

## Help & Support

*What kind of help and support can I expect from Sinbad Enterprises, Inc. the Franchisor?*

After you have completed the required training and understand the Sinbad Café System of Operation, we will make periodic visits to your location. Our franchise team will be available to consult with you and your personnel regarding operational procedures, guest relations, purchasing, merchandising, inventory control, marketing and any other area in which you need assistance. And of course, our entire staff from Field Support Supervisors to the Chief Executive Officer are only a telephone call away.

- (1) Based on a five year projection, with certain assumption as to store size, location, projected visitors, etc.
- (2) USA TODAY – Money May 6, 2004; TV reality show, "The Restaurant"

