

Services Acquisition Corp. International  
Form PRER14A  
May 16, 2006  
UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- x Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- o Definitive Proxy Statement
- o Definitive Additional Materials
- o Soliciting Material Under Rule 14a-12

**SERVICES ACQUISITION CORP. INTERNATIONAL**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- o No fee required.
- x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 

(1)	Title of each class of securities to which transaction applies: Common Stock and Preferred Stock of Jamba Juice Company
(2)	Aggregate number of securities to which transaction applies: Acquisition of all of the outstanding securities of Jamba Juice Company
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): \$265,000,000 cash is being paid for outstanding capital stock of Jamba Juice Company
(4)	Proposed maximum aggregate value of transaction: \$265,000,000
(5)	Total fee paid: \$53,000
- x Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 

(1)	Amount Previously Paid:
(2)	Form, Schedule or Registration Statement No.:
(3)	Filing Party:
(4)	Date Filed:

**Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**



**SERVICES ACQUISITION CORP. INTERNATIONAL**

**401 East Olas Boulevard, Suite 1140**

**Fort Lauderdale, Florida 33301**

PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF  
SERVICES ACQUISITION CORP. INTERNATIONAL

To the Stockholders of Services Acquisition Corp. International ( SACI ):

You are cordially invited to attend a special meeting of the stockholders of Services Acquisition Corp. International, or SACI, relating to the proposed merger between Jamba Juice Company and SACI, which will be held at 10:00 a.m., Eastern Time, on [ ], 2006, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, 25th Floor, New York, New York 10017 (the Special Meeting ).

At this important meeting, you will be asked to consider and vote upon the following proposals:

- the merger proposal to approve the merger with Jamba Juice Company, a California corporation, pursuant to the Agreement and Plan of Merger, dated as of March 10, 2006, by and among SACI, JJC Acquisition Company, SACI s wholly-owned subsidiary, and Jamba Juice Company, and the transactions contemplated thereby, whereby SACI will acquire all of the outstanding securities of Jamba Juice Company and Jamba Juice Company will become a wholly-owned subsidiary of SACI ( Proposal 1 );
- the financing proposal to approve the issuance of 30,879,999 shares of common stock at \$7.50 per share in a private placement financing for the purpose of raising gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, substantially all of which will be used as a portion of the consideration required to merge with Jamba Juice Company, as well as for working capital and expansion capital ( Proposal 2 );
- the stock option plan proposal to approve the adoption of the SACI 2006 Employee, Director and Consultant Stock Plan (the Plan ) pursuant to which SACI will reserve up to 5,000,000 shares of common stock for issuance pursuant to the Plan ( Proposal 3 );
- the amendment to the certificate of incorporation proposal to approve an amendment to SACI s amended and restated certificate of incorporation, or certificate of incorporation, to (i) increase the number of authorized shares of common stock from 70,000,000 shares to 150,000,000 shares, which, when taking into account the number of preferred shares currently authorized, will result in an increase of the total number of authorized shares of capital stock from 71,000,000 to 151,000,000 and (ii) change SACI s name from Services Acquisition Corp. International to Jamba, Inc. ( Proposal 4 ); and
- to transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The board of directors of SACI has fixed the close of business on [ ], 2006, as the record date (the Record Date ) for the determination of stockholders entitled to notice of and to vote at the Special Meeting and at any adjournment thereof. A list of stockholders entitled to vote as of the Record Date at the Special Meeting will be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of ten calendar days before the Special Meeting at SACI s offices at 401 East Olas Boulevard, Suite 1140, Fort Lauderdale, Florida 33301, and at the time and place of the meeting during the duration of the meeting.

For purposes of Proposal 1, the affirmative vote of a majority of the shares outstanding as of the Record Date of SACI s common stock that were issued in SACI s initial public offering that are present in person or by proxy at the meeting is required to approve the merger proposal, and, less than 20% of the shares of SACI s common stock issued in SACI s initial public offering vote against the merger proposal and elect a cash conversion of their shares. For purposes of Proposal 2, the affirmative vote of a majority of



the shares of SACI's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the meeting is required to approve the financing proposal. For purposes of Proposal 3, the affirmative vote of a majority of the shares of SACI's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the meeting is required to approve the stock option proposal. For purposes of Proposal 4, the affirmative vote of a majority of the shares of SACI's common stock issued and outstanding as of the Record Date is required to approve the amendment to SACI's amended and restated certificate of incorporation. Each of Proposals 1, 2 and 4 are conditioned upon the approval of the other and, in the event one of those proposals does not receive the necessary vote to approve that proposal, then SACI will not complete any of the transactions identified in any of the proposals. If Proposal 3 is not approved but Proposals 1, 2 and 4 are approved, we will still consummate the merger. In the event that none of the transactions are undertaken, it is likely that SACI will have insufficient time and resources to look for another suitable acquisition target and will most likely have to liquidate the trust.

In addition, each SACI stockholder who holds shares of common stock issued in SACI's initial public offering or purchased following such offering in the open market has the right to vote against the merger proposal and, at the same time, demand that SACI convert such stockholder's shares into cash equal to a pro rata portion of the proceeds in the trust account, including interest, in which a substantial portion of the net proceeds of SACI's initial public offering is deposited, which as of March 31, 2006 is equal to \$7.48 per share. If the merger is not completed, then your shares will not be converted to cash at this time, even if you so elected. However, if the holders of 3,450,000 or more shares of common stock issued in SACI's initial public offering, an amount equal to 20% or more of the total number of shares issued in the initial public offering, vote against the merger and demand conversion of their shares into a pro rata portion of the trust account, then SACI will not be able to consummate the merger. SACI's initial stockholders, including all of its directors and officers and their affiliates, who purchased or received shares of common stock prior to SACI's initial public offering, presently own an aggregate of approximately 17.8% of the outstanding shares of SACI common stock, and all of these stockholders have agreed to vote the shares acquired prior to the public offering in accordance with the vote of the majority in interest of all other SACI stockholders on the merger proposal.

SACI's shares of common stock, warrants and units are listed on the American Stock Exchange under the symbols SVI, SVI.WS and SVI.U, respectively. If the merger, the financing and the amendment to the certificate of incorporation proposals are approved, the operations and assets of Jamba Juice Company will become those of SACI, and SACI's name will be changed to Jamba, Inc. upon consummation of the merger.

After careful consideration of the terms and conditions of the proposed merger with Jamba Juice Company, the financing, the adoption of a stock option plan, and the amendment to the certificate of incorporation, the board of directors of SACI has determined that such proposals and the transactions contemplated thereby are fair to and in the best interests of SACI and its stockholders. In connection with the merger proposal, the board of directors of SACI has received an opinion from North Point Advisors, or North Point, dated after the date that the merger agreement was signed, to the effect that as of the date of its opinion, and based on conditions that existed as of that date, upon and subject to the considerations described in its opinion and based upon such other matters as North Point considered relevant, the per share merger consideration to be paid by SACI in the merger pursuant to the merger agreement is fair to SACI from a financial point of view. The board of directors of SACI unanimously recommends that you vote or give instruction to vote (i) FOR the proposal to acquire Jamba Juice Company pursuant to the Agreement and Plan of Merger by and among SACI, Merger Sub and Jamba Juice Company; (ii) FOR the proposal to approve the private placement financing which will result in the issuance of 30,879,999 shares of common stock at \$7.50 per share to raise gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, substantially all of which will be used for the payment of the merger consideration of Jamba Juice Company, as well as for working capital and expansion capital; (iii) FOR the proposal to adopt the Plan; and (iv) FOR the proposal to

---

Edgar Filing: Services Acquisition Corp. International - Form PRER14A

approve an amendment to the certificate of incorporation to increase the authorized shares of common stock and to change SACI's corporate name, all as described in Proposals 1, 2, 3 and 4, respectively.

Enclosed is a notice of special meeting and proxy statement containing detailed information concerning the merger, financing, adoption of the Plan and amendment to the certificate of incorporation. Whether or not you plan to attend the special meeting, we urge you to read this material carefully. I look forward to seeing you at the meeting.

Sincerely,

Steven R. Berrard  
Chairman of the Board,  
President and Chief Executive Officer

**YOUR VOTE IS IMPORTANT. WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING OR NOT, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE IN THE ENVELOPE PROVIDED. IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, SINCE IT IS NOT AN AFFIRMATIVE VOTE IN FAVOR OF A RESPECTIVE PROPOSAL, IT (I) WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE MERGER PROPOSAL BUT WILL NOT HAVE THE EFFECT OF CONVERTING YOUR SHARES INTO A PRO RATA PORTION OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE NET PROCEEDS OF SACI'S INITIAL PUBLIC OFFERING ARE HELD, UNLESS AN AFFIRMATIVE ELECTION VOTING AGAINST THE MERGER PROPOSAL IS MADE AND AN AFFIRMATIVE ELECTION TO CONVERT SUCH SHARES OF COMMON STOCK IS MADE ON THE PROXY CARD, (II) WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE FINANCING PROPOSAL, (III) WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE STOCK OPTION PLAN PROPOSAL, AND (IV) WILL BE TREATED AS A VOTE AGAINST THE AMENDMENT TO THE CERTIFICATE OF INCORPORATION PROPOSAL.**

**SEE THE SECTION TITLED RISK FACTORS BEGINNING ON PAGE 18 FOR A DISCUSSION OF VARIOUS FACTORS THAT YOU SHOULD CONSIDER IN CONNECTION WITH THE MERGER WITH JAMBA JUICE COMPANY AND THE PROPOSED FINANCING SINCE, UPON THE MERGER WITH JAMBA JUICE COMPANY, THE OPERATIONS AND ASSETS OF SACI WILL LARGELY BE THOSE OF JAMBA JUICE COMPANY.**

This proxy statement incorporates important business and financial information about Services Acquisition Corp. International and Jamba Juice Company that is not included in or delivered with this document. This information is available without charge to security holders upon written or oral request. The request should be sent to: Thomas Aucamp, 401 East Olas Boulevard, Suite 1140, Fort Lauderdale, Florida 33301, (954) 713-1190.

To obtain timely delivery of requested materials, security holders must request the information no later than five days before the date they submit their proxies or attend the special meeting. The latest date to request the information to be received timely is [ ], 2006.

We are soliciting the proxy represented by the enclosed proxy on behalf of the board of directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock. We have engaged Morrow & Co., or Morrow, to solicit proxies for this special meeting. We are paying Morrow approximately \$7,000 for solicitation services, plus certain out-of-pocket expenses.

This proxy statement is dated [ ], 2006 and is first being mailed to SACI stockholders on or about [ ], 2006.

**SERVICES ACQUISITION CORP. INTERNATIONAL**

**401 East Olas Boulevard, Suite 1140**

**Fort Lauderdale, Florida 33301**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON [                      ], 2006**

TO THE STOCKHOLDERS OF SERVICES ACQUISITION CORP. INTERNATIONAL:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders, including any adjournments or postponements thereof, of Services Acquisition Corp. International, a Delaware corporation, will be held at 10:00 a.m. Eastern Time, on [                      ], 2006, at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, 25th floor, New York, New York 10017, for the following purposes:

- the merger proposal to approve the merger with Jamba Juice Company, a California corporation, pursuant to the Agreement and Plan of Merger, dated as of March 10, 2006, by and among SACI, JJC Acquisition Company, SACI's wholly-owned subsidiary, and Jamba Juice Company, and the transactions contemplated thereby, whereby SACI will acquire all of the outstanding securities of Jamba Juice Company and Jamba Juice Company will become a wholly-owned subsidiary of SACI ( Proposal 1 );
- the financing proposal to approve the issuance of 30,879,999 shares of common stock at \$7.50 per share in a private placement financing for the purpose of raising gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, substantially all of which will be used as a portion of the consideration required to acquire Jamba Juice Company, as well as for working capital and expansion capital ( Proposal 2 );
- the stock option plan proposal to approve the adoption of the 2006 Employee, Director and Consultant Stock Plan (the Plan ) pursuant to which SACI will reserve up to 5,000,000 shares of common stock for issuance pursuant to the Plan ( Proposal 3 );
- the amendment to the certificate of incorporation proposal to approve an amendment to SACI's amended and restated certificate of incorporation, or certificate of incorporation, to (i) increase the number of authorized shares of common stock from 70,000,000 shares to 150,000,000 shares, which, when taking into account the number of preferred shares currently authorized, will result in an increase of the total number of authorized shares of capital stock from 71,000,000 to 151,000,000 and (ii) change SACI's name from Services Acquisition Corp. International to Jamba, Inc. ( Proposal 4 ); and
- to consider and vote upon such other business as may properly come before the meeting or any adjournment or postponement thereof.

The board of directors of SACI has fixed the close of business on [                      ], 2006 as the date for which SACI stockholders are entitled to receive notice of, and to vote at, the SACI special meeting and any adjournments or postponements thereof. Only the holders of record of SACI common stock on that date are entitled to have their votes counted at the SACI special meeting and any adjournments or postponements thereof.

SACI will not transact any other business at the special meeting, except for business properly brought before the special meeting, or any adjournment or postponement thereof, by SACI's board of directors.

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the special meeting. If you are a stockholder of record of SACI common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

Edgar Filing: Services Acquisition Corp. International - Form PRER14A

The board of directors of SACI unanimously recommends that you vote FOR Proposal 1, the merger proposal, FOR Proposal 2, the financing proposal, FOR Proposal 3, the stock option plan proposal and FOR Proposal 4, the amendment to the certificate of incorporation proposal.

By Order of the Board of Directors,

Steven R. Berrard  
Chairman of the Board,  
President and Chief Executive Officer  
[            ], 2006

---



## **PROXY STATEMENT FOR SPECIAL MEETING OF STOCKHOLDERS OF SERVICES ACQUISITION CORP. INTERNATIONAL**

---

The board of directors of Services Acquisition Corp. International ( SACI ) has unanimously approved the merger with Jamba Juice Company pursuant to an Agreement and Plan of Merger whereby SACI will acquire all of the outstanding securities held by the shareholders of Jamba Juice Company. In connection with the merger, the board of directors also approved the issuance of up to 30,879,999 shares of SACI common stock at \$7.50 per share for aggregate gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, substantially all of which will be used to partially finance the merger with Jamba Juice Company. Since the funds from the anticipated private placement financing are necessary to merge with Jamba Juice Company, and the amendment to increase the authorized shares of common stock is necessary to provide for a sufficient number of shares in order to complete the financing and properly reserve shares underlying any options and warrants assumed in connection with the merger, if any of the merger proposal, the financing proposal or the amendment to the certificate of incorporation proposal is not approved, then none of the acquisition, the financing, or the amendment to the certificate of incorporation will be consummated. In such an event, it is likely that SACI will have insufficient time and resources to pursue an alternative acquisition target and in such an event SACI will most likely be forced to liquidate the trust.

If the merger is completed and you vote your shares for the merger proposal, you will continue to hold the SACI securities that you currently own. If the merger is completed but you have voted your shares against the merger proposal and have elected a cash conversion instead, your SACI shares will be cancelled and you will receive cash equal to a pro rata portion of the trust account, which, as of March 31, 2006, was equal to approximately \$7.48 per share. Because SACI is acquiring all of the outstanding securities of Jamba Juice Company, the shareholders (and certain optionholders and warrantholders) of Jamba Juice Company will receive cash in exchange for their shares (or applicable options or warrants) of capital stock of Jamba Juice Company.

SACI s common stock, warrants and units are currently listed on the American Stock Exchange under the symbols SVI, SVI.WS and SVI.U, respectively. Upon consummation of the merger, the operations and assets of Jamba Juice Company will become SACI s wholly-owned subsidiary, and SACI s name will be changed to Jamba, Inc. SACI s common stock, warrants and units will continue to be traded on the American Stock Exchange although we anticipate seeking to change our trading symbols.

We believe that, generally, for U.S. federal income tax purposes, the merger with Jamba Juice Company and the related financing will have no direct tax effect on stockholders of SACI. However, if you vote against the merger proposal and elect a cash conversion of your shares of SACI common stock into your pro-rata portion of the trust account and as a result receive cash in exchange for your SACI shares, there may be certain tax consequences, such as realizing a loss on your investment in SACI s shares. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**

This proxy statement provides you with detailed information about the merger, related financing, the proposed stock option plan, the amendment to the certificate of incorporation, and the special meeting of stockholders. We encourage you to carefully read this entire document and the documents incorporated by reference, including the Agreement and Plan of Merger, the form of Securities Purchase Agreement, the form of Registration Rights Agreement, the Plan and the fairness opinion of North Point attached hereto as Annexes A, B, C, D and E, respectively. **YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 18.**

The merger with Jamba Juice Company cannot be completed unless at least a majority of the shares of SACI s common stock issued in SACI s initial public offering, present in person or by proxy and entitled to vote at the special meeting as of [ ], 2006, approve the merger, and, less than 20% of the shares of SACI s common stock issued in SACI s initial public offering vote against the merger proposal and elect a

---

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

cash conversion of their shares. In addition the merger with Jamba Juice Company will not be completed unless the financing and the amendment to the certificate of incorporation proposals are also approved.

Your board of directors unanimously approved and declared advisable the merger, financing, adoption of the stock option plan and amendment to the certificate of incorporation and unanimously recommends that you vote or instruct your vote to be cast FOR Proposal 1, the merger proposal, FOR Proposal 2, the financing proposal, FOR Proposal 3, the stock option plan proposal and FOR Proposal 4, the amendment to the certificate of incorporation proposal.

This proxy statement may incorporate important business and financial information about Services Acquisition Corp. International and Jamba Juice Company that is not included in or delivered with this document. This information is available without charge to security holders upon written or oral request. The request should be sent to:

Thomas Aucamp  
Services Acquisition Corp. International  
401 East Olas Boulevard, Suite 1140  
Fort Lauderdale, Florida 33301  
(954) 713-1190

To obtain timely delivery of requested materials, security holders must request the information no later than five days before the date they submit their proxies or attend the special meeting. The latest date to request the information to be received timely is [ ], 2006.

We are soliciting the enclosed proxy card on behalf of the board of directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock. We are paying Morrow approximately \$7,000 for solicitation services, plus certain out-of-pocket expenses.

THIS PROXY STATEMENT IS DATED [ ], 2006, AND IS FIRST BEING MAILED TO SACI STOCKHOLDERS ON OR ABOUT [ ], 2006.

ii

---

**TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE PROPOSALS</u>	1
<u>SUMMARY</u>	5
<u>SELECTED HISTORICAL FINANCIAL INFORMATION</u>	14
<u>SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION</u>	16
<u>PER SHARE MARKET PRICE INFORMATION</u>	17
<u>RISK FACTORS</u>	18
<u>FORWARD-LOOKING STATEMENTS</u>	30
<u>THE SACI SPECIAL MEETING</u>	31
<u>PROPOSAL 1 THE MERGER PROPOSAL</u>	36
<u>THE AGREEMENT AND PLAN OF MERGER</u>	47
<u>MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF</u>	
<u>OPERATIONS OF JAMBA JUICE COMPANY</u>	55
<u>PROPOSAL 2 THE FINANCING PROPOSAL</u>	69
<u>PROPOSAL 3 THE STOCK OPTION PLAN PROPOSAL</u>	75
<u>PROPOSAL 4 AMENDMENT TO CERTIFICATE OF INCORPORATION PROPOSAL</u>	81
<u>INFORMATION ABOUT JAMBA JUICE COMPANY</u>	83
<u>INFORMATION ABOUT SACI</u>	100
<u>NORTH POINT FAIRNESS OPINION</u>	103
<u>UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS</u>	109
<u>DIRECTORS AND MANAGEMENT OF SACI FOLLOWING THE MERGER WITH JAMBA JUICE COMPANY</u>	122
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	129
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	130
<u>PRICE RANGE OF SECURITIES AND DIVIDENDS</u>	133
<u>DESCRIPTION OF SECURITIES</u>	134
<u>STOCKHOLDER PROPOSALS</u>	136
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	136
<u>INDEX TO FINANCIAL STATEMENTS</u>	F-1
<b>ANNEXES</b>	
<u>Annex A Agreement and Plan of Merger</u>	A-1
<u>Annex B Form of Securities Purchase Agreement</u>	B-1
<u>Annex C Form of Registration Rights Agreement</u>	C-1
<u>Annex D 2006 Employee, Director and Consultant Stock Plan</u>	D-1
<u>Annex E Fairness Opinion of North Point Advisors LLC</u>	E-1

## QUESTIONS AND ANSWERS ABOUT THE PROPOSALS

### What is being voted on?

There are four proposals on which you are being asked to vote. The first proposal is to approve the merger with Jamba Juice Company pursuant to an Agreement and Plan of Merger whereby JJC Acquisition Company, a newly-formed subsidiary of SACI, will be merged with and into Jamba Juice Company. As consideration for such merger and as further described herein, the shareholders of Jamba Juice Company will receive \$265,000,000 (less \$16,000,000 for certain existing indebtedness and the amount of certain Jamba Juice Company's transaction related expenses) in exchange for all of the issued and outstanding capital stock of Jamba Juice Company and the value of all shares of Jamba Juice Company capital stock issuable upon exercise of all in-the-money vested and unvested options and warrants of Jamba Juice Company. We may also assume certain outstanding options and warrants. Following the merger, Jamba Juice Company will become a wholly-owned subsidiary of SACI. We refer to this proposal as the merger proposal. The second proposal is to approve, as required by the shareholder approval rules of the American Stock Exchange (AMEX) Company Guide, the issuance of 30,879,999 shares of common stock at \$7.50 per share in a private placement financing for the purposes of raising gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, substantially all of which will be used as a portion of the consideration required to acquire Jamba Juice Company and to provide working capital and expansion capital for Jamba Juice Company. The third proposal is to approve the adoption of the 2006 Employee, Director and Consultant Stock Option Plan, or the Plan, pursuant to which 5,000,000 of shares of SACI common stock will be reserved for issuance in accordance with the terms of the Plan. The fourth proposal is to approve an amendment to SACI's certificate of incorporation increasing the authorized shares of SACI common stock from 70,000,000 to 150,000,000 and to change SACI's name to Jamba, Inc. after the merger. It is important for you to note that, except for the stock option plan proposal, each of the proposals is conditioned upon the approval of the others and, in the event the merger proposal, the financing proposal or the amendment to certificate of incorporation proposal does not receive the necessary vote to approve such proposal, then SACI will not consummate any of those proposals. If the stock option plan proposal is not approved, SACI will still consummate the merger if the other three proposals are approved.

### Why is SACI proposing the merger, the financing, the adoption of a stock option plan and amendment to SACI's certificate of incorporation?

SACI is a blank-check company formed specifically as a vehicle for the acquisition of or merger with a business whose net assets are at least 80% of the net assets of SACI. In the course of SACI's search for a business combination partner, SACI was introduced to Jamba Juice Company, a company the board of directors of SACI believes has growth potential. The board of directors of SACI is attracted to Jamba Juice Company because of its store economics, brand recognition, growth prospects and management team, among other factors. As a result, SACI believes that the merger with Jamba Juice Company will provide SACI stockholders with an opportunity to merge with, and participate in, a company with significant growth potential. The financing is being undertaken in order to raise a portion of the funds necessary to finance the merger with Jamba Juice Company and, since our shares of common stock are listed on the American Stock Exchange, the rules of such exchange require shareholder approval for such issuance. The adoption of the stock option plan is being undertaken because the board of directors of SACI deems it beneficial for the combined company going forward following the merger. The amendment to the certificate of incorporation is being undertaken since as a result of the proposed financing and adoption of the stock option plan, a greater number of shares of common stock may be required to be issued than is currently authorized and upon completion of the merger, management desires the name of the business to reflect its operations.

**What vote is required in order to approve the merger proposal?**

The approval of the merger with Jamba Juice Company will require the affirmative vote of a majority of the shares of SACI's common stock outstanding as of the Record Date that are present in person or by proxy at the special meeting. In addition, each SACI stockholder who holds shares of common stock issued in SACI's initial public offering or purchased following such offering in the open market has the right to vote against the merger proposal and, at the same time, demand that SACI convert such stockholder's shares into cash equal to a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering is deposited. These shares will be converted into cash only if the merger is completed. Based on the amount of cash held in the trust account as of March 31, 2006, without taking into account any interest accrued after such date, stockholders who vote against the merger proposal and elect to convert such stockholder's shares as described above will be entitled to convert each share of common stock that it holds into approximately \$7.48 per share. However, if the holders of 3,450,000 or more shares of common stock issued in SACI's initial public offering (an amount equal to 20% or more of the total number of shares issued in the initial public offering), vote against the merger and demand conversion of their shares into a pro rata portion of the trust account, then SACI will not be able to consummate the merger. SACI's initial stockholders, including all of its directors and officers, who purchased or received shares of common stock prior to SACI's initial public offering, presently, together with their affiliates, own an aggregate of approximately 17.8% of the outstanding shares of SACI common stock. All of these persons have agreed to vote all of these shares which were acquired prior to the public offering in accordance with the vote of the majority in interest of all other SACI stockholders on the merger proposal.

**What vote is required in order to approve the financing proposal?**

The approval of the issuance of the shares of common stock in the private placement financing, which is required by the AMEX Company Guide, will require the affirmative vote of a majority of the shares of SACI's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the special meeting. The officers and directors at SACI intend to vote all of their shares of common stock in favor of this proposal.

**What vote is required in order to approve the stock option plan proposal?**

The approval of the adoption of the stock option plan will require the affirmative vote of a majority of the shares of SACI's common stock issued and outstanding as of the Record Date that are present in person or by proxy at the special meeting. The officers and directors at SACI intend to vote all of their shares of common stock in favor of this proposal.

**What vote is required in order to approve the amendment to the certificate of incorporation?**

The approval of the amendment to the certificate of incorporation will require the affirmative vote of a majority of the shares of SACI's common stock issued and outstanding as of the Record Date. The officers and directors at SACI intend to vote all of their shares of common stock in favor of this proposal.

**If I am not going to attend the SACI special meeting of stockholders in person, should I return my proxy card instead?**

Yes. After carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy card. Then return the enclosed proxy card in the return envelope provided herewith as soon as possible, so that your shares may be represented at the SACI special meeting.

**What will happen if I abstain from voting or fail to vote?**

An abstention or failure to vote, since it is not an affirmative vote in favor of a respective proposal (i) will have the same effect as a vote against the merger proposal but will not have the effect of converting your shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held, unless an affirmative election voting against the merger proposal is made and an affirmative election to convert such shares of common stock is made on the proxy card, (ii) will have the same effect as a vote against the financing proposal, (iii) will have the same effect as a vote against the stock option plan proposal, and (iv) will be treated as a vote against the amendment to the certificate of incorporation proposal.

**What do I do if I want to change my vote?**

If you wish to change your vote, please send a later-dated, signed proxy card to Thomas Aucamp at SACI prior to the date of the special meeting or attend the special meeting and vote in person. You also may revoke your proxy by sending a notice of revocation to Thomas Aucamp at the address of SACI's corporate headquarters, provided such revocation is received prior to the special meeting.

**If my shares are held in street name by my broker, will my broker vote my shares for me?**

No. Your broker can vote your shares only if you provide instructions on how to vote. You should instruct your broker to vote your shares in accordance with directions you provided to your broker.

**Will I receive anything in the merger?**

If the merger is completed and you vote your shares for the merger proposal, you will continue to hold the SACI securities that you currently own. If the merger is completed but you have voted your shares against the merger proposal and have elected a cash conversion instead, your SACI shares will be cancelled and you will receive cash equal to a pro rata portion of the trust account, which, as of March 31, 2006, was equal to approximately \$7.48 per share. Because SACI is acquiring all of the outstanding securities of Jamba Juice Company, the shareholders (and certain optionholders and warrant holders) of Jamba Juice Company will receive cash in exchange for their shares (or applicable options or warrants) of capital stock of Jamba Juice Company.

**How is SACI paying for the merger?**

SACI will use the proceeds from its recently completed initial public offering, as well as the proceeds from the contemplated private placement financing that is being voted on as Proposal 2, the financing proposal, in order to finance the merger with Jamba Juice Company. As the funds from the financing proposal are necessary to complete the merger with Jamba Juice Company, in the event the merger proposal is not approved, the financing will not be completed, and those funds will not be available to us to finance any future acquisition that may be contemplated. If the merger is approved, the balance of the net proceeds from the private placement will be used for working capital and expansion capital.

**Do I have conversion rights in connection with the merger?**

If you hold shares of common stock issued in SACI's initial public offering, then you have the right to vote against the merger proposal and demand that SACI convert your shares of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held. These rights to vote against the merger and demand conversion of the shares into a pro rata portion of the trust account are sometimes referred to herein as conversion rights.

**If I have conversion rights, how do I exercise them?**

If you wish to exercise your conversion rights, you must vote against the merger and, at the same time, demand that SACI convert your shares into cash. If, notwithstanding your vote, the merger is completed, then you will be entitled to receive a pro rata share of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held, including any interest earned thereon through the date of the special meeting. Based on the amount of cash held in the trust account as of March 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$7.48 per share. If you exercise your conversion rights, then you will be exchanging your shares of SACI common stock for cash and will no longer own these shares of common stock. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the merger and then tender your stock certificate to SACI. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units in accordance with the terms thereof. If the merger is not completed, then your shares will not be converted to cash at this time, even if you so elected. See page 33.

**What happens to the funds deposited in the trust account after completion of the merger?**

Upon completion of the merger, any funds remaining in the trust account after payment of amounts, if any, to stockholders requesting and exercising their conversion rights, will be used to fund the merger.

**Who will manage SACI upon completion of the merger with Jamba Juice Company?**

Upon completion of the merger, SACI will be managed by the following persons: Paul E. Clayton, Donald D. Breen and Karen Kelley, who are currently and will remain Chief Executive Officer/President, Chief Financial Officer and Vice President of Operations respectively of Jamba Juice Company. It is anticipated that the board of directors of the combined company will consist of up to ten board members. The board of directors will initially consist of Steven R. Berrard (Chairman), Paul E. Clayton, Thomas C. Byrne, Richard L. Federico, Craig J. Foley and Robert C. Kagle, as well as additional members that will be appointed immediately prior to or upon consummation of the merger.

**What happens if the merger is not consummated?**

If the merger is not consummated, the contemplated financing will not be completed, the stock option plan will not be adopted, SACI's certificate of incorporation will not be amended and SACI will continue to search for a service business to acquire. However, SACI will be liquidated if (i) it does not consummate a business combination by January 6, 2007 or, (ii) if a letter of intent, agreement in principle or definitive agreement is executed, but not consummated, by January 6, 2007, then by July 6, 2007. In any liquidation, the net proceeds of SACI's initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of SACI's common stock.

**When do you expect the proposals to be completed?**

It is currently anticipated that the transactions and actions contemplated discussed in the proposals will be completed simultaneously as promptly as practicable following the SACI special meeting of stockholders to be held on [                      ].

**Who can help answer my questions?**

If you have questions about any of the proposals, you may write or call Services Acquisition Corp. International at 401 East Olas Blvd., Suite 1140, Ft. Lauderdale, Florida 33301, (954) 713-1190, Attention: Thomas Aucamp.

## SUMMARY

This summary is being provided with respect to each of the proposals, although the merger is the primary reason for the calling of the special stockholders meeting and (other than the stock option plan proposal) the other proposals are dependent upon approval of the merger proposal. All of the proposals are described in detail elsewhere in this proxy statement and this summary discusses the material items of each of the proposals. You should carefully read this entire proxy statement and the other documents to which this proxy statement refers you. See, "Where You Can Find More Information."

### **Merger Proposal Merger with Jamba Juice Company**

#### *Jamba Juice Company*

Jamba Juice Company is a retailer of premium quality blended-to-order fruit smoothies, squeezed-to-order juices, blended beverages, and healthy snacks. Founded in 1990, Jamba Juice Company has become a growing next generation lifestyle brand, positioned at the convergence of consumer demands for healthy living, convenience, and high-quality products. Jamba Juice Company's commitment to selling functional, yet great tasting, products has created a loyal and growing customer base for the brand. Furthermore, Jamba Juice Company has a veteran management team focused on creating opportunities for continued growth.

The principal executive office of Services Acquisition Corp. International is located at 401 East Olas Blvd., Suite 1140, Ft. Lauderdale, Florida 33301, (954) 713-1190. The principal executive office of Jamba Juice Company is located at 1700 17th Street, San Francisco, CA 94103, (415) 865-1100, which will be the combined company's headquarters after the merger.

### **The Merger**

The Agreement and Plan of Merger provides for the acquisition by SACI of all of the outstanding securities of Jamba Juice Company through the merger of JJC Acquisition Company, a wholly-owned subsidiary of SACI, or Merger Sub, with and into Jamba Juice Company and the assumption of certain options and warrants. The Agreement and Plan of Merger was executed on March 10, 2006. Following completion of the merger, Jamba Juice Company will be our wholly-owned subsidiary, and the business and assets of Jamba Juice Company will be our only operations. At the closing, and subject to certain reductions as hereafter described, the Jamba Juice Company shareholders will be paid an aggregate of \$265,000,000 in cash for all of the outstanding securities of Jamba Juice Company, including the value of all shares of Jamba Juice Company capital stock issuable upon exercise of all in-the-money vested and unvested options and warrants of Jamba Juice Company, subject to the optionholders and warrant holders, in certain instances, having the right to exchange their respective options and warrants into options and warrants of SVI, as further described herein. The amount to be paid to the Jamba Juice Company shareholders is subject to certain holdbacks and will be reduced by (i) \$16,000,000 for the assumption by SACI of Jamba Juice Company's line of credit and (ii) all third-party fees and expenses incurred by Jamba Juice Company in connection with the merger, including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by Jamba Juice Company in connection with the negotiation and completion of the Agreement and Plan of Merger and the transactions contemplated thereby. The merger will be financed through a combination of the approximately \$129,066,348 million raised in SACI's initial public offering and currently held in the trust fund, with the balance to be funded by the issuance in a private placement financing of 30,879,999 shares of common stock at a price per share of \$7.50, resulting in gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of certain fees. The balance of the net proceeds will be used for working capital and expansion capital.

At the effective time of the merger, Jamba Juice Company's obligations with respect to each outstanding unvested option (and unexercised vested option) and unexercised warrant (if amended in a



manner reasonably acceptable to SACI) will be assumed by SACI, and SACI shall thereafter be obligated to issue SACI common stock upon exercise thereof. Each such Jamba Juice Company warrant shall be exercisable on the terms, and into the number of shares of SACI common stock, as set forth in the warrant, as so amended. Each such Jamba Juice Company option so assumed by SACI shall be subject to the same terms and conditions set forth in the respective Jamba Juice Company stock option plan, pursuant to which such option was issued, as in effect immediately prior to the merger, and (i) such Jamba Juice Company option will be exercisable for that number of shares of SACI common stock equal to the product of the number of shares of Jamba Juice Company common stock that were issued pursuant to the exercise of such Jamba Juice Company option immediately prior to the merger multiplied by the Exchange Ratio (as defined below) rounded down to the nearest whole number of shares of SACI common stock, and (ii) the per share exercise price for the shares of SACI common stock issuable upon exercise of such assumed Jamba Juice Company option will be equal to the quotient determined by dividing the exercise price per share of Jamba Juice Company common stock at which such Jamba Juice Company option was exercisable immediately prior to the merger by the Exchange Ratio, and rounding the resulting exercise price up to the nearest whole cent. For purposes of the merger agreement, the Exchange Ratio shall be determined such that (a) the aggregate intrinsic value of the new SACI options is not greater than the aggregate intrinsic value of the Jamba Juice Company options immediately prior to the assumption and (b) the ratio of the exercise price per option to market value per share at the time of the exchange is unchanged. The parties have agreed that SACI will permit holders of vested Jamba Juice Company options to elect, on an individual basis, to either exercise such Jamba Juice Company options and participate in the merger or have those Jamba Juice Company options (up to one million options) assumed, on the same basis as the unvested Jamba Juice Company options, by SACI, unless there are, in the sole judgment and discretion of SACI, significant tax, accounting or securities laws issues (including any requirement of registering such securities on a form other than Form S-8) with treating vested options identically to unvested options. The parties have determined that all unvested Jamba Juice Company options will become options to acquire shares of SACI common stock on economically equivalent terms. Jamba Juice Company warrant holders will be given the option to exchange their warrants in Jamba Juice Company for economically equivalent warrants in SACI. The value of all in-the-money options and warrants assumed by SACI will reduce the \$265,000,000 cash payment to the Jamba Juice Company shareholders.

SACI, Merger Sub and Jamba Juice Company plan to complete the merger as promptly as practicable after the SACI special meeting, provided that:

- SACI's stockholders have approved the Agreement and Plan of Merger, the related private placement financing, and the amendment to SACI's certificate of incorporation;
- holders of less than 20% of the shares of common stock issued in SACI's initial public offering vote against the merger proposal and demand conversion of their shares into cash; and
- the other conditions specified in the Agreement and Plan of Merger have been satisfied or waived.

If SACI stockholder approval has not been obtained at that time, or any other conditions have not been satisfied or waived, the merger will be completed promptly after the stockholder approval is obtained or the remaining conditions are satisfied or waived.

The Agreement and Plan of Merger is included as Annex A to this proxy statement. We encourage you to read the Agreement and Plan of Merger in its entirety. See, Agreement and Plan of Merger.

#### **Approval of Jamba Juice Company's Shareholders**

As indicated in the Agreement and Plan of Merger, the approval of the shareholders of Jamba Juice Company is required to consummate the merger. On March 14, 2006, Jamba Juice Company sent a letter to its shareholders discussing the merger and seeking the shareholders' approval and consent for such merger. By March 20, 2006, Jamba Juice Company had received written consents approving the merger

from a sufficient number of its shareholders, pursuant to its articles of incorporation and the corporate law of the State of California. On March 22, 2006, Jamba Juice Company sent a notice and information statement to all of its shareholders announcing the approval of the merger. No further approval of Jamba Juice Company's shareholders is required.

### **Conversion Rights**

Pursuant to SACI's amended and restated certificate of incorporation, a holder of shares of SACI's common stock issued in the initial public offering may, if the stockholder votes against the merger, demand that SACI convert such shares into cash. This demand must be made on the proxy card at the same time that the stockholder votes against the merger proposal. If properly demanded, SACI will convert each share of common stock as to which such demand has been made into a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held, plus all interest earned thereon. If you exercise your conversion rights, then you will be exchanging your shares of SACI common stock for cash and will no longer own these shares. Based on the amount of cash held in the trust account as of March 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$7.48 per share. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the merger and then tender your stock certificate to SACI. If the merger is not completed, then these shares will not be converted into cash. If you convert your shares of common stock, you will still have the right to exercise the warrants received as part of the units in accordance with the terms thereof. If the merger is not completed, then your shares will not be converted to cash at this time, even if you so elected.

The merger will not be completed if the holders of 3,450,000 or more shares of common stock issued in SACI's initial public offering, an amount equal to 20% or more of such shares, vote against the acquisition proposal and exercise their conversion rights.

### **Appraisal or Dissenters Rights**

No appraisal rights are available under the Delaware General Corporation Law for the stockholders of SACI in connection with the proposals.

### **Financing Proposal**

The merger with Jamba Juice Company is being financed in part by the proceeds raised by SACI in connection with a private placement financing that is expected to result in gross proceeds to SACI of approximately \$231,600,000, and net proceeds of \$224,850,000 after deducting fees of \$6,750,000 payable to Broadband Capital Management, LLC. SACI's legal fees and expenses for the private placement financing, as well as the costs and expenses for the filing of a resale registration statement are incorporated within the total fees and expenses that SACI will pay for the merger. The private placement financing is being undertaken pursuant to identical Securities Purchase Agreements, dated March 10, 2006 and March 15, 2006, respectively between SACI and the investors identified therein, each of which is unaffiliated unless otherwise indicated, and such investors are receiving registration rights in connection with the shares of common stock they are receiving. Until such time as a resale registration statement is filed and declared effective by the Securities and Exchange Commission, the shares of common stock to be issued in the private placement financing will be restricted and not eligible for sale by the holders of such stock.

The following identifies such investors who have committed over \$5,000,000 to the private placement financing, as well as any investor in the private placement financing that is related to, affiliated with or has an ownership interest in either SACI or Jamba Juice Company:

- Tudor Investment Corporation(a)

- Blue Ridge Capital(a)
- Prentice Capital Management
- Och Ziff Capital Management
- Soros Fund Management
- Benchmark Capital(b)
- Omega Advisors
- Magnetar Capital(a)
- Robert C. Kagle(b)(c)
- Ronald Chez(b)
- Corsair(a)
- Joseph Vergara(b)
- Jeffrey and Linda Olds(b)
- Craig J. Foley(b)(c)
- Amberbrook IV LLC(b)
- Kevin Peters(b)
- Trevor H. Sanders(b)
- Creative Juices, Inc.(b)

One of the investors in the private placement financing, investing \$400,000, is Berrard Holding Limited Partnership, of which Steven R. Berrard, a current director and the Chief Executive Officer of SACI is the President. In addition, a family member of I. Steven Edelson, SACI's Vice Chairman and Vice President, has committed to investing \$50,000 in the private placement financing.

Robert C. Kagle, a director of Jamba Juice Company since 1994, is a founding general partner of Benchmark Capital, LLC. Benchmark Capital is an investor in Jamba Juice Company.

- 
- (a) Shareholder of SACI
  - (b) Shareholder of Jamba Juice Company
  - (c) Board member of Jamba Juice Company

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

As of May 10, 2006 there are 21,000,000 shares of SACI common stock issued and outstanding. As a result of the issuance of shares of SACI common stock in the private placement financing, there are expected to be 51,879,999 shares, of SACI common stock issued and outstanding. As a result of the dilutive effect of the issuance, for purposes of illustration, a stockholder who owned approximately 5.0% of SACI's outstanding shares of common stock on March 10, 2006, would own approximately 2.02% of the outstanding shares of SACI's common stock immediately following the closing of the private placement financing (excluding dilution which may occur as a result of the assumption of Jamba Juice Company options and warrants as described in this proxy statement).

The SACI board of directors has determined that the private placement financing is fair to the current SACI stockholders because at the time of the marketing of the private placement financing and the initial sale pursuant to the March 10, 2006 Securities Purchase Agreement, the price being paid by investors was above the then current market price (which was \$7.48 at March 10, 2006), investors are not receiving

8

---

warrants (as is sometimes, typical in a private placement transaction) and the shares being acquired are not immediately liquid.

The terms and conditions of the private placement financing which, if approved along with the approval of the merger, will be completed pursuant to the provisions of Securities Purchase Agreements and Registration Rights Agreements, a form of each of which is attached hereto as Annex B and Annex C, respectively, is expected to be completed as promptly as practicable following the special meeting. For more information, see Section Proposal 2 - The Financing Proposal.

### Stock Ownership

Of the 21,000,000 outstanding shares of SACI common stock, SACI's initial stockholders, including all of its officers and directors and their affiliates, who purchased shares of common stock prior to SACI's initial public offering and who own an aggregate of approximately 17.8% of the outstanding shares of SACI common stock, have agreed to vote such shares acquired prior to the public offering in accordance with the vote of the majority in interest of all other SACI stockholders on the acquisition proposal.

Based solely upon information contained in public filings, as of the Record Date, the following stockholders beneficially own greater than five percent of SACI's issued and outstanding common stock, as such amounts and percentages are reflected in the public filing of such stockholder:

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
John A. Griffin (2)	1,490,000	7.1 %
Steven R. Berrard (3)(4)	937,535	4.5 %
Thomas E. Aucamp (4)(5)	562,493	2.7 %
Thomas C. Byrne (4)	562,493	2.7 %
I. Steven Edelson (4)(6)(7)	562,493	2.7 %
Nathaniel Kramer (4)(7)	562,493	2.7 %
Cris V. Branden (4)(8)	140,624	*
All directors and executive officers as a group (6 individuals)	3,328,131	15.8 %

\* Less than 1%

(1) Unless otherwise indicated, the business address of each of the individuals is 401 East Olas Blvd, Suite 1140, Fort Lauderdale, Florida 33301.

(2) Includes 923,800 shares owned by Blue Ridge Capital Holdings LLC and 566,200 shares owned by Blue Ridge Capital Offshore Holdings LLC. Mr. Griffin is the Managing Member of Blue Ridge Capital Holdings LLC and Blue Ridge Capital Offshore Holdings LLC, and in that capacity directs their operations. Blue Ridge Capital Holdings LLC is the general partner of Blue Ridge Limited Partnership and has the power to direct the affairs of Blue Ridge Limited Partnership, including decisions respecting the receipt of dividends from and the proceeds from the sale of common stock. Blue Ridge Capital Offshore Holdings LLC is the general partner of Blue Ridge Offshore Master Limited Partnership and has the power to direct the affairs of Blue Ridge Offshore Master Limited Partnership, including decisions respecting the receipt of dividends from and the proceeds from the sale of common stock. The business address for this individual is 660 Madison Avenue, 20th Floor, New York, New York 10021. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 3, 2006.

- (3) Mr. Berrard is our Chairman of the Board and Chief Executive Officer.
- (4) Each of these individuals is a director and such amounts do not include warrants to purchase shares of common stock which are held by certain of the directors, as such warrants are not exercisable until the later of the completion of the merger or June 29, 2006.
- (5) Mr. Aucamp is our Vice President and Secretary.
- (6) Includes 562,493 shares owned by The Edelson Family Trust, which is a trust established by Mr. Edelson for the benefit of his spouse and descendants, of which Mr. Edelson is the trustee. Mr. Edelson is our Vice Chairman and Vice President.
- (7) The business address for this individual is c/o Mercantile Capital Partners, 1372 Shermer Road, Northbrook, Illinois 60062.
- (8) The business address for this individual is 450 East Olas Blvd, Suite 1500, Fort Lauderdale, Florida 33301.

#### **SACI's Board of Directors Recommendation**

After careful consideration, SACI's board of directors has determined unanimously that the merger proposal is fair to, and in the best interests of, SACI and its stockholders. Accordingly, SACI's board has unanimously approved and declared advisable the acquisition and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the merger proposal.

The proposed private placement financing is required to consummate the merger with Jamba Juice Company. SACI's board of directors has determined unanimously that such financing is fair to, and in the best interests of, SACI and its stockholders. Accordingly, SACI's board has unanimously approved and declared advisable the financing and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the financing proposal.

SACI's board of directors has determined unanimously that the adoption of a stock option plan is fair to, and in the best interests of, SACI and its stockholders. Accordingly, SACI's board has unanimously approved and declared advisable the adoption of a stock option plan and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the stock option plan proposal.

Finally, the approval of the amendment to SACI's certificate of incorporation is a condition to the merger with Jamba Juice Company, the closing of the proposed financing and the adoption of the stock option plan. SACI's board of directors has determined unanimously that the amendment to the certificate of incorporation is fair to, and in the best interests of, SACI and its stockholders. Accordingly, SACI's board has unanimously approved and declared advisable the amendment to the certificate of incorporation and unanimously recommends that you vote or instruct your vote to be cast FOR the approval of the amendment to the certificate of incorporation proposal.

#### **Interests of SACI Directors and Officers in the Merger**

When you consider the recommendation of SACI's board of directors that you vote in favor of the merger proposal, you should keep in mind that certain of SACI's directors and officers have interests in the merger that are different from, or in addition to, your interests as a stockholder. These interests include, that if the merger is not approved and SACI fails to consummate an alternative transaction within the time allotted pursuant to its certificate of incorporation, SACI is required to liquidate, and the warrants owned by SACI's executives and directors and the shares of common stock issued prior to SACI's initial public offering to and held by SACI's executives and directors will be worthless because SACI's executives and directors are not entitled to receive any of the net proceeds of SACI's initial public offering that may be distributed upon liquidation of SACI. In addition, SACI's officers and directors who acquired

shares of SACI common stock prior to SACI's initial public offering at a price per share of \$0.008 will benefit if the merger is approved based on the current value of SACI's common stock of \$12.25 at May 12, 2006. Lastly, it is anticipated that after the consummation of the merger, Steven R. Berrard will remain the Chairman of the Board and Thomas C. Byrne will remain a director. All other current SACI directors will resign.

In addition, one of the investors in the currently contemplated private placement financing committing to invest \$400,000 is Berrard Holding Limited Partnership, of which Steven R. Berrard, a current director and the Chief Executive Officer of SACI, is the President. Furthermore, a family member of I. Steven Edelson, SACI's Vice Chairman and Vice President, has committed to investing \$50,000 in the currently contemplated private placement financing.

#### **Interests of Directors and Officers of Jamba Juice Company in the Merger**

You should understand that some of the current directors and officers of Jamba Juice Company have interests in the merger that are different from, or in addition to, your interests as a stockholder. In particular, Paul E. Clayton, Jamba Juice Company's current Chief Executive Officer and President, is expected to become SACI's Chief Executive Officer and President, and Donald D. Breen, Jamba Juice Company's current Chief Financial Officer, is expected to become SACI's Chief Financial Officer. Further, each of Paul E. Clayton, Donald D. Breen and Karen Kelley, who are referred to below as employees, have entered into employment agreements with SACI in connection with the merger. A summary of the employment agreements can be found under "Employment Agreements" on page 53. In addition, prior to closing of the merger, Jamba Juice Company will appoint a representative or representatives of the shareholders of Jamba Juice Company to make decisions on behalf of the Jamba Juice Company shareholders under the agreement and plan of merger and the escrow agreement. As such persons may also be shareholders of Jamba Juice Company, as well as the representatives of the shareholders of Jamba Juice Company, it is possible that potential conflicts of interest may arise with respect to their obligations as shareholders' representatives and their interests as shareholders of Jamba Juice Company.

#### **Conditions to the Completion of the Merger**

The obligations of SACI and the shareholders of Jamba Juice Company to complete the merger are subject to the satisfaction or waiver of specified conditions before completion of the merger, including the following:

*Conditions to SACI's and Jamba Juice Company's obligations:*

- receipt of stockholder approval from each of SACI and Jamba Juice Company;
- the absence of any order or injunction preventing consummation of the merger; and
- the absence of any suit or proceeding by any governmental entity or any other person challenging the merger.

*Conditions to SACI's obligations:*

The obligation of SACI to complete the merger is further subject to the following conditions:

- the representations and warranties made by Jamba Juice Company that are qualified as to materiality must be true and correct, and those not qualified as to materiality must be true and correct in all material respects, as of the closing date of the acquisition, except representations and warranties that address matters as of another date, which must be true and correct as of such other date, and SACI must have received a certificate from Jamba Juice Company to that effect;

- Jamba Juice Company must have performed in all material respects all obligations required to be performed by it under the terms of the Agreement and Plan of Merger; and
- there must not have occurred since the date of the Agreement and Plan of Merger any material adverse effect on Jamba Juice Company.

#### **Termination, Amendment and Waiver**

The Agreement and Plan of Merger may be terminated at any time prior to the completion of the merger, whether before or after receipt of stockholder approval, by mutual written consent of SACI and Jamba Juice Company.

In addition, either SACI or Jamba Juice Company may terminate the Agreement and Plan of Merger if:

- the merger is not consummated on or before August 15, 2006; or
- by either party, subject to a 30-day cure period, if the other party has breached any of its covenants or representations and warranties in any material respect.

If permitted under applicable law, either SACI or Jamba Juice Company may waive conditions for their own respective benefit and consummate the merger, even though one or more of these conditions have not been met. We cannot assure you that all of the conditions will be satisfied or waived or that the merger will occur.

#### **Regulatory Matters**

The merger and the transactions contemplated by the Agreement and Plan of Merger are not subject to any federal or state regulatory requirement or approval, except the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which approval has already been obtained), and except for filings necessary to effectuate the transactions contemplated by the acquisition proposal and the amendment to the certificate of incorporation proposal with the Secretary of State of the State of Delaware and the Secretary of State of the State of California, as applicable, and filings for the financing proposal with the American Stock Exchange.

#### **Financing Proposal**

In accordance with the rules of the American Stock Exchange, SACI is seeking stockholder approval in connection with the issuance of common stock in the contemplated private placement financing. The private placement financing is necessary in order to raise the funds to complete the merger with Jamba Juice Company. The material terms of the private placement financing are:

- The private placement financing will raise gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, to be used to partially fund the merger, as well as working capital and expansion capital;
- The private placement financing will result in the issuance of up to 30,879,999 shares of SACI common stock at \$7.50 per share;
- The investors in the private placement financing will receive registration rights which obligate SACI to register for resale the shares of SACI common stock issued to the investors;
- The investors in the private placement financing will own approximately 59.5% of SACI and the current shareholders of SACI will retain approximately 40.5% of the company ownership.





**The Stock Option Plan Proposal**

SACI is seeking stockholder approval for the adoption of the SACI 2006 Employee, Director and Consultant Stock Plan which will provide for the granting of options and/or other stock-based or stock-denominated awards. The material terms of such plan are:

- 5,000,000 shares of common stock reserved for issuance;
- the plan will be administered by the SACI board of directors and any particular term of a grant or award shall be at the board's discretion; and
- the plan will become effective upon the closing of the merger with Jamba Juice Company.

**The Amendment to Certificate of Incorporation Proposal**

SACI is seeking stockholder approval to amend SACI's certificate of incorporation. Any amendment will not become effective unless and until the merger with Jamba Juice Company is completed. The material terms of such amendment are:

- To change the corporate name to Jamba, Inc.
- To increase the authorized shares of common stock that are reserved for issuance from 70,000,000 to 150,000,000.

**SELECTED HISTORICAL FINANCIAL INFORMATION**

(in thousands)

SACI is providing the following financial information to assist you in the analysis of the financial aspects of the merger. We derived the Jamba Juice Company's historical information from the audited consolidated financial statements of Jamba Juice Company as of and for each of the years ended June 28, 2005, June 29, 2004 (53 weeks), June 24, 2003, June 25, 2002, and June 30, 2001, and from unaudited financial statements as of and for the 40 week periods ended April 4, 2006 and April 5, 2005. Jamba Juice Company has four quarterly reporting periods which are 16 weeks (1st period), 12 weeks (2nd period), 12 weeks (3rd period) and 12 weeks (4th period) (except fiscal year 2004) which typically account for approximately 34%, 16%, 22% and 28% of revenue respectively. The information is only a summary and should be read in conjunction with the historical consolidated financial statements and related notes contained elsewhere herein. The historical results included below and elsewhere in this document are not indicative of the future performance of Jamba Juice Company.

	40 Weeks Ended		Fiscal Years Ended(1)				
	April 4, 2006	April 5, 2005	June 28, 2005	June 29, 2004 (As Restated)	June 24, 2003 (As Restated)	June 25, 2002	June 26, 2001
<b>Consolidated Statements of Operations Data:</b>							
Revenue:							
Company stores	\$ 173,789	\$ 141,484	\$ 202,073	\$ 165,856	\$ 129,960	\$ 117,550	\$ 110,152
Franchise and other revenue	6,572	4,628	6,976	6,922	5,424	3,661	3,690
Total revenue	180,361	146,112	209,049	172,778	135,384	121,211	113,842
Operating expenses	179,845	148,636	206,214	167,594	135,237	117,933	135,407
Income (loss) from operations	516	(2,524 )	2,835	5,184	147	3,278	(21,565 )
Interest expense net	837	519	778	488	316	1,121	2,037
Income (loss) before income tax	(321 )	(3,043 )	2,057	4,696	(169 )	2,157	(23,602 )
Income tax (benefit) expense	(89 )	(1,539 )	1,095	(11,217 )	(820 )	37	6
Net income (loss)	\$ (232 )	\$ (1,504 )	\$ 962	\$ 15,913	\$ 651	\$ 2,120	\$ (23,608 )
<b>Selected Balance Sheet Data (at period end)</b>							
Total assets	\$ 100,250	\$ 87,559	\$ 92,607	\$ 71,139	\$ 51,447	\$ 44,491	\$ 45,358
Long-term debt and other	\$ 27,516	\$ 26,431	\$ 22,365	\$ 11,386	\$ 11,560	\$ 10,136	\$ 19,408
Redemption value of convertible preferred stock	\$ 52,162	\$ 52,162	\$ 52,162	\$ 52,237	\$ 50,532	\$ 51,040	\$ 46,800

(1) Fiscal year 2004 includes 53 weeks. All other fiscal years are 52 week periods.

## SELECTED HISTORICAL FINANCIAL INFORMATION

(in thousands, except for store count)

	Fiscal Years Ended(1)			40 Weeks Ended										
	June 28, 2005	June 29, 2004 (As Restated)	June 24, 2003 (As Restated)	June 25, 2002	June 26, 2001	April 4, 2006	April 5, 2005							
<b>Selected Operating Data:</b>														
EBITDA(2)	\$ 13,190	\$ 12,903	\$ 7,658	\$ 9,984	\$ (12,935 )	\$ 10,470	\$ 5,270							
<b>Store Count:</b>														
Company stores	301	243	198	179	174	325	283							
Franchise stores	202	188	171	167	159	213	199							
Total stores	503	431	369	346	333	538	482							
<b>System-wide Sales:</b>														
Company stores	\$ 202,073	\$ 165,856	\$ 129,960	\$ 117,550	\$ 110,152	\$ 173,789	\$ 141,484							
Franchise stores	107,112	96,721	82,591	74,528	65,586	87,571	77,722							
System-wide sales	\$ 309,185	\$ 262,577	\$ 212,551	\$ 192,078	\$ 175,738	\$ 261,360	\$ 219,206							
<b>Average sales per store:</b>														
Company stores	\$ 752	\$ 754	\$ 701	\$ 675	\$ 663	\$ 774	\$ 739							
Franchise stores(3)	\$ 547	\$ 522	\$ 494	\$ 477	\$ 447	\$ 582	\$ 532							
System-wide(3)	\$ 664	\$ 655	\$ 605	\$ 576	\$ 559	\$ 698	\$ 649							
<b>System-wide comparable sales growth(4)</b>														
	0.9	%	6.0	%	3.3	%	1.3	%	0.9	%	4.8	%	(0.8)	%
<b>Net cash provided by/(used in):</b>														
Operating activities	\$ 21,336	\$ 16,207	\$ 14,445	\$ 13,264	\$ 8,420	\$ 12,625	\$ 7,975							
Investing activities	(33,253 )	(20,080 )	(10,909 )	(4,878 )	(7,150 )	(17,488 )	(22,293 )							
Financing activities	10,188	(1,561 )	(468 )	(6,908 )	1,711	5,289	14,495							

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

- (1) Fiscal year 2004 includes 53 weeks. All other fiscal years are 52 week periods.
- (2) Represents net income (loss) before deductions for interest, income taxes, depreciation and amortization. We believe that adjusted EBITDA is useful to stockholders as a measure of comparative operating performance, as it is less susceptible to variances in actual performance resulting from depreciation and amortization and more reflective of changes in pricing decisions, cost controls and other factors that affect operating performance. We also present EBITDA because we believe it is useful to stockholders as a way to evaluate our ability to incur and service debt, make capital expenditures and meet working capital requirements. EBITDA is not intended as a measure of our operating performance, as an alternative to net income (loss) or as an alternative to any other performance measure in conformity with U.S. generally accepted accounting principles or as an alternative to cash flow provided by operating activities as a measure of liquidity. The following is a reconciliation of net income (loss) to EBITDA (in thousands):

	Fiscal Years Ended					40 Weeks Ended	
	June 28, 2005	June 29, 2004	June 24, 2003	June 25, 2002	June 26, 2001	April 4, 2006	April 5, 2005
Net income (loss)	\$ 962	\$ 15,913	\$ 651	\$ 2,120	\$ (23,608)	\$ (232 )	\$ (1,504 )
Interest expense, net	778	488	316	1,121	2,037	837	519
Depreciation and amortization	10,355	7,719	7,511	6,706	8,630	9,954	7,794
Income tax (benefit) expense	1,095	(11,217 )	(820 )	37	6	(89 )	(1,539 )
EBITDA	\$ 13,190	\$ 12,903	\$ 7,658	\$ 9,984	\$ (12,935)	\$ 10,470	\$ 5,270

- (3) System-wide and franchise average revenue per store includes the lower yielding Zuka Juice franchise stores acquired by Jamba Juice Company in 1999.
- (4) Comparable revenue growth is defined as year-over-year sales change for stores that are open at least 13 full periods. Comparable store sales growth begins in the first period that has a full period of comparable sales versus the prior year. System-wide sales, average system-wide sales per store and system-wide comparable sales growth are non-GAAP financial measures that includes sales at all Company-owned and franchisee-owned locations. Franchise store sales and average franchise store sales are non-GAAP financial measures that includes sales at all franchise locations, as reported by franchisees. Franchise store sales are not included in our financial statements. Jamba Juice Company uses system-wide sales and franchise store sales information internally in connection with store development decisions, planning, and budgeting analyses. Jamba Juice Company believes it is useful in assessing the consumer acceptance of our brand and facilitating an understanding of financial performance as our franchisees pay royalties and contribute to advertising pools based on a percentage of their sales.

**SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
(in thousands)

The following unaudited pro forma condensed consolidated financial information combines (i) the historical balance sheets of Jamba Juice Company as of April 4, 2006, and SACI as of March 31, 2006, giving effect to the merger of Jamba Juice Company and SACI as if it had occurred on March 31, 2006, and (ii) the historical statements of operations of Jamba Juice Company for the periods January 12, 2006 to April 4, 2006 and January 12, 2005 to January 11, 2006, and SACI for the periods from January 1, 2006 to March 31, 2006 and from January 6, 2005 (inception) to December 31, 2005, giving effect to the merger of Jamba Juice Company and SACI as if it had occurred in the beginning of the respective period.

They have been prepared using two different levels of approval of the merger by the SACI stockholders, as follows:

- Maximum Approval: assumes that 100% of SACI stockholders approve the merger; and
- Minimum Approval: assumes that only 80.1% of SACI stockholders approve the merger.

	Three months Ended March 31, 2006		Year Ended December 31, 2005	
	Maximum Approval	Minimum Approval	Maximum Approval	Minimum Approval
<b>Consolidated Statements of Operations Data:</b>				
Revenue:				
Company stores	49,365	49,365	\$ 229,955	\$ 229,955
Franchise and other revenue	2,060	2,060	8,056	8,056
Total revenue	51,425	51,425	238,011	238,011
Operating expenses	53,709	53,709	234,525	234,525
(Loss) income from operations	(2,284 )	(2,284 )	3,486	3,486
Interest income, net	697	520	2,716	2,042
(Loss) income before income tax	(1,587 )	1,764	6,202	5,528
Income tax (benefit) expense	(727 )	(737 )	2,204	2,167
Net (loss) income	(860 )	(1,027 )	\$ 3,998	\$ 3,361
<b>Selected Balance Sheet Data (at period end)</b>				
Cash and cash equivalents	95,179	69,935		
Total assets	403,571	378,327		
Total shareholders equity	353,934	328,690		
Selected data:				
Weighted Average shares outstanding				
Basic	51,880	48,430	42,658	40,977
Diluted	56,764	53,163	43,930	42,249
EBITDA(1)	770	770	\$ 15,534	\$ 15,534

(1) Represents net income (loss) before deductions for interest, income taxes, depreciation and amortization. We believe that EBITDA is useful to stockholders as a measure of comparative operating performance, as it is less susceptible to variances in actual performance resulting from depreciation and amortization and more reflective of changes in pricing decisions, cost controls and other factors that affect operating performance. We also present EBITDA because we believe it is useful to stockholders as a way to evaluate our ability to incur and service debt, make capital expenditures and meet working capital requirements. EBITDA is not intended as a measure of our operating performance, as an alternative to net income (loss) or as an alternative to any other performance measure in conformity with U.S. generally accepted accounting principles or as an alternative to cash flow provided by operating activities as a measure of liquidity. The following is a reconciliation of net income (loss) to EBITDA (such EBITDA is calculated after the pro forma expense of \$609 and \$2,435, for the three month period ended March 31, 2006 and the year ended December 31, 2005 respectively, for options granted and assumed by SACI pursuant to the merger) (in thousands):

	Quarter Ended March 31, 2006		Year Ended December 31, 2005	
	Maximum Approval	Minimum Approval	Maximum Approval	Minimum Approval
Net (loss) income	\$ (860 )	\$ (1,027 )	\$ 3,998	\$ 3,361
Interest expense (income), net	(697 )	(520 )	(2,716 )	(2,042 )
Depreciation and amortization	3,054	3,054	12,048	12,048
Income tax expense	(727 )	(737 )	2,204	2,167
EBITDA	\$ 770	\$ 770	\$ 15,534	\$ 15,534

#### PER SHARE MARKET PRICE INFORMATION

The shares of SACI common stock, warrants and units are currently quoted on the American Stock Exchange under the symbols SVI, SVI.WS and SVI.U, respectively. The closing prices per share of common stock, warrant and unit of SACI on March 10, 2006, the last trading day before the announcement of the execution of the Agreement and Plan of Merger, were \$7.45, \$1.20 and \$8.55 (the closing price on March 9, 2006), respectively. Each unit of SACI consists of one share of SACI common stock and one common stock purchase warrant. SACI warrants became separable from SACI common stock on July 28, 2005. Each warrant entitles the holder to purchase from SACI one share of common stock at an exercise price of \$6.00 commencing on the later of the completion of the Jamba Juice Company merger (or if the Jamba Juice Company transaction is not consummated, the first acquisition which is consummated) or June 29, 2006. The SACI warrants will expire at 5:00 p.m., New York City time, on June 28, 2009, or earlier upon redemption. Prior to July 6, 2005, there was no established public trading market for SACI's common stock.

There is no established public trading market for the securities of Jamba Juice Company.

The following table sets forth, for the calendar quarter indicated, the quarterly high and low sales prices of SACI's common stock, warrants and units as reported on the American Stock Exchange.

Quarter Ended	Common Stock		Warrants		Units	
	High	Low	High	Low	High	Low
March 31, 2006	\$ 11.80	\$ 7.06	\$ 5.50	\$ 0.67	\$ 17.16	\$ 7.70
December 31, 2005	\$ 7.16	\$ 7.03	\$ 0.96	\$ 0.73	\$ 8.15	\$ 7.80
September 30, 2005	\$ 7.20	\$ 6.99	\$ 1.05	\$ 0.89	\$ 8.09	\$ 7.84
June 30, 2005	\$	\$	\$	\$	\$ 8.05	\$ 7.84

## RISK FACTORS

*You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to adopt the merger proposal. As SACI's operations will be those of Jamba Juice Company upon completion of the merger, a number of the following risk factors relate to the business and operations of Jamba Juice Company and SACI, as the successor to such business.*

### **Risks Associated with Jamba Juice Company's Business and Industry**

***Changes in consumer preferences and discretionary spending may have a material adverse effect on Jamba Juice Company's revenue, results of operations and financial condition.***

Jamba Juice Company's success depends, in part, upon the popularity of its products and its ability to develop new menu items that appeal to consumers. Shifts in consumer preferences away from Jamba Juice Company's products, its inability to develop new menu items that appeal to consumers, or changes in its menu that eliminate items popular with some consumers could harm its business. Also, Jamba Juice Company's success depends to a significant extent on discretionary consumer spending, which is influenced by general economic conditions and the availability of discretionary income. Accordingly, Jamba Juice Company may experience declines in revenue during economic downturns or during periods of uncertainty, similar to those which followed the terrorist attacks on the United States. Any material decline in the amount of discretionary spending could have a material adverse effect on Jamba Juice Company's sales, results of operations, business and financial condition.

***Jamba Juice Company's inability to compete with the many food services businesses may result in reductions in Jamba Juice Company's revenue and profit margins.***

Jamba Juice Company competes with many well-established companies, food service and otherwise, on the basis of taste, quality and price of product offered, customer service, atmosphere, location and overall guest experience. Jamba Juice Company competes with other smoothie and juice bar retailers, specialty coffee retailers, yogurt and ice cream shops, bagel shops, fast-food restaurants, delicatessens, cafés, bars, take-out food service companies, supermarkets and convenience stores. Jamba Juice Company's competitors change with each of the four dayparts (breakfast, lunch, afternoon and dinner), ranging from coffee bars and bakery cafes to casual dining chains. Aggressive pricing by Jamba Juice Company's competitors or the entrance of new competitors into its markets could reduce its revenue and profit margins. Jamba Juice Company also competes with other employers in its markets for hourly workers and may become subject to higher labor costs as a result of such competition.

***Fluctuations in various food and supply costs, particularly fruit and dairy, could adversely affect Jamba Juice Company's operating results.***

The prices of fruit and dairy, which are the main products in Jamba Juice Company's offerings, can be highly volatile. Fruit of the quality Jamba Juice Company seeks tends to trade on a negotiated basis, depending on supply and demand at the time of the purchase. Supplies and prices of the various products that Jamba Juice Company uses to prepare its offerings can be affected by a variety of factors, such as weather, seasonal fluctuations, demand, politics and economics in the producing countries. An increase in pricing of any fruit that Jamba Juice Company uses in its products could have a significant adverse effect on its profitability. Jamba Juice Company experienced the impact of fruit price increase in fiscal year 2005 when orange prices rose nearly 500% for nearly four months after several hurricanes made landfall in Florida. In addition, higher diesel prices have, in some cases, resulted in the imposition of surcharges on the delivery of commodities to its distributors, which they have generally passed on to Jamba Juice Company to the extent permitted under Jamba Juice Company's arrangements with them. Additionally, higher diesel and gasoline prices may affect Jamba Juice Company's supply costs, near-term construction costs for its new stores and may affect its sales going forward. To help mitigate the risks of volatile commodity prices and to allow greater predictability in pricing, Jamba Juice Company typically enters into



fixed price or to-be-fixed priced purchase commitments for a portion of its fruit and dairy requirements. We cannot assure you that these activities will be successful or that they will not result in its paying substantially more for its fruit supply than would have been required absent such activities. While Jamba Juice Company does have some multi-year pricing agreements (with fixed processing costs), none of these agreements have guaranteed volume commitments.

***Jamba Juice Company is primarily dependent upon one supplier for a significant amount of its food distribution.***

***Jamba Juice*** Company maintains food distribution contracts primarily with one supplier. This supplier provided 87%, 94%, and 96% of product cost included in cost of sales for fiscal years 2005, 2004, and 2003, respectively, which potentially subjects Jamba Juice Company to a concentration of business risk. If this supplier had operational problems or ceased making product available to Jamba Juice Company, Jamba Juice Company's operations could be adversely affected.

***Litigation and publicity concerning food quality, health and other issues, which can result in liabilities and also cause customers to avoid Jamba Juice Company's products, which could adversely affect its results of operations, business and financial condition.***

Food service businesses can be adversely affected by litigation and complaints from customers or government authorities resulting from food quality, illness, injury or other health concerns or operating issues stemming from one retail location or a limited number of retail locations. Adverse publicity about these allegations may negatively affect Jamba Juice Company, regardless of whether the allegations are true, by discouraging customers from buying its products. Jamba Juice Company could also incur significant liabilities, if a lawsuit or claim results in a decision against it, or litigation costs, regardless of the result.

***Jamba Juice Company's business could be adversely affected by increased labor costs or labor shortages.***

Labor is a primary component in the cost of operating Jamba Juice Company's business. Jamba Juice Company devotes significant resources to recruiting and training its managers and hourly employees. Increased labor costs, due to competition, increased minimum wage or employee benefits costs or otherwise, would adversely impact Jamba Juice Company's operating expenses. In addition, Jamba Juice Company's success depends on its ability to attract, motivate and retain qualified employees, including managers and staff, to keep pace with its growth strategy. If Jamba Juice Company is unable to do so, its results of operations may be adversely affected.

***Instances of food-borne illnesses could adversely affect the price and availability of fruits and vegetables, cause the temporary closure of some stores and result in negative publicity, thereby resulting in a decline in revenue.***

Food-borne illnesses (such as e. coli, hepatitis A or salmonella) and injuries caused by food tampering have in the past, and could in the future, adversely affect the price and availability of affected ingredients and cause customers to shift their preferences, particularly if Jamba Juice Company chooses to pass any higher ingredient costs along to consumers. As a result, Jamba Juice Company's revenue may decline.

Instances of food-borne illnesses, real or perceived, whether at Jamba Juice Company's stores or those of its competitors, could also result in negative publicity about it or the products it serves, which could adversely affect sales. If Jamba Juice Company reacts to negative publicity by changing its menu or other key aspects of the Jamba Juice Company experience, it may lose customers who do not accept those changes, and may not be able to attract enough new customers to produce the revenue needed to make its stores profitable. In addition, Jamba Juice Company may have different or additional competitors for its intended customers as a result of making any such changes and may not be able to compete successfully against those competitors. If Jamba Juice Company's customers become ill from food-borne illnesses, it could be forced to temporarily close some stores. A decrease in customer traffic as a result of these health

concerns or negative publicity, or as a result of a change in the Jamba Juice Company menu or dining experience or a temporary closure of any of its stores, could materially harm its business.

The food service industry has inherent operational risks that may not be adequately covered by insurance after the closing of the merger.

The combined company can give no assurance that it will be adequately insured against all risks or that its insurers will pay a particular claim. Furthermore, in the future, the combined company may not be able to obtain adequate insurance coverage at reasonable rates for its operations. The combined company may also be subject to calls, or premiums, in amounts based not only on its own claim records but also the claim records of all other members of the protection and indemnity associations through which Jamba Juice Company receives indemnity insurance coverage for tort liability. The combined company's insurance policies will also contain deductibles, limitations and exclusions which, although the combined company believes are standard in the food service industry, may nevertheless increase its costs.

***Jamba Juice Company may face difficulties entering into new or modified arrangements with existing or new suppliers or new service providers.***

As Jamba Juice Company expands its operations, it may have to seek new suppliers and service providers or enter into new arrangements with existing ones, and it may encounter difficulties or be unable to negotiate pricing or other terms as favorable as those it currently enjoys, which could harm its business and operating results. However, because Jamba Juice Company currently has not begun to negotiate new or amended contracts with suppliers and service providers, it cannot now quantify with greater certainty potential increases in its expenses.

***The planned increase in the number of Jamba Juice Company stores may make its future results unpredictable.***

There were 325 Jamba Juice Company stores and 213 franchised stores at April 4, 2006. We plan to increase the number of Jamba Juice Company stores in the future. This growth strategy and the substantial investment associated with the development of each new store may cause our operating results to fluctuate and be unpredictable or adversely affect our profits. Our future results depend on various factors, including successful selection of new markets and store locations, market acceptance of the Jamba Juice Company experience, consumer recognition of the quality of our products and willingness to pay our prices (which reflect our often higher ingredient costs), the quality of our operations and general economic conditions. In addition, as with the experience of other retail food concepts who have tried to expand nationally, we may find that the Jamba Juice Company concept has limited or no appeal to customers in new markets or we may experience a decline in the popularity of the Jamba Juice Company experience. Newly opened stores may not succeed, future markets and stores may not be successful and, even if we are successful, our average store revenue may not increase at historical rates.

***Jamba Juice Company's revenue growth rate depends primarily on its ability to open new stores and is subject to many unpredictable factors.***

Jamba Juice Company may not be able to open new stores as quickly as planned. Jamba Juice Company has experienced delays in opening some stores and that could happen again. Delays or failures in opening new stores could materially and adversely affect Jamba Juice Company's growth strategy and expected results. As Jamba Juice Company operates more stores, its rate of expansion relative to the size of its store base will decline. In addition, one of Jamba Juice Company's biggest challenges is locating and securing an adequate supply of suitable new store sites. Competition for those sites in Jamba Juice Company's target markets is intense, and lease costs are increasing (particularly for urban locations). Jamba Juice Company's ability to open new stores also depends on other factors, including:

- negotiating leases with acceptable terms;
- hiring and training qualified operating personnel in local markets;

- managing construction and development costs of new stores at affordable levels, particularly in competitive markets;
- the availability of construction materials and labor;
- the availability of, and its ability to obtain, adequate supplies of ingredients that meet its quality standards;
- securing required governmental approvals (including construction, parking and other permits) in a timely manner; and
- the impact of inclement weather, natural disasters and other calamities, such as hurricanes Katrina and Rita in 2005.

***Jamba Juice Company's revenue and profit growth could be adversely affected if comparable store revenue are less than expected.***

While future revenue growth will depend substantially on Jamba Juice Company's plans for new store openings, the level of comparable store revenue will also affect its revenue growth and will continue to be an important factor affecting profit growth. This is because the profit margin on comparable store revenue is generally higher than the profit margin on new store openings, as comparable store revenue enable fixed costs to be spread over a higher revenue base. Its ability to increase comparable store revenue depends in part on its ability to launch new products and implement successfully its initiatives to increase throughput. It is possible that it will not achieve its targeted comparable store revenue growth or that the change in comparable store revenue could be negative. If this were to happen, revenue and profit growth would be adversely affected.

***Jamba Juice Company's failure to manage its growth effectively could harm its business and operating results.***

Jamba Juice Company's plans call for a significant number of new stores. Jamba Juice Company's existing store management systems, financial and management controls and information systems may be inadequate to support its expansion. Managing Jamba Juice Company's growth effectively will require it to continue to enhance these systems, procedures and controls and to hire, train and retain store managers and crew. Jamba Juice Company may not respond quickly enough to the changing demands that its expansion will impose on its management, employees and existing infrastructure. Jamba Juice Company also places a lot of importance on its culture, which it believes has been an important contributor to its success. As Jamba Juice Company grows, however, it may have difficulty maintaining its culture or adapting it sufficiently to meet the needs of its operations. Jamba Juice Company's failure to manage its growth effectively could harm its business and operating results.

***New stores, once opened, may not be profitable, and the increases in average store revenue and comparable store revenue that Jamba Juice Company has experienced in the past may not be indicative of future results.***

Historically, Jamba Juice Company's new stores have opened with an initial ramp-up period typically lasting approximately 24 months or more, during which they generated revenue and profit below the levels at which it expects them to normalize. This is in part due to the time it takes to build a customer base in a new market, higher fixed costs relating to increased construction and occupancy costs and other start-up inefficiencies that are typical of new stores. New stores may neither be profitable nor have results comparable to Jamba Juice Company's existing stores. In addition, Jamba Juice Company's average store revenue and comparable store revenue may not continue to increase at the rates achieved over the past several years. Jamba Juice Company's ability to operate new stores profitably and increase average store revenue and comparable store revenue will depend on many factors, some of which are beyond its control, including:

- executing its vision effectively;
- initial sales performance of new stores;

- competition, either from its competitors in the smoothie industry or its own stores;
- changes in consumer preferences and discretionary spending;
- consumer understanding and acceptance of the Jamba Juice Company experience;
- road construction and other factors limiting access to new stores;
- general economic conditions, which can affect store traffic, local labor costs and prices it pays for the ingredients and other supplies it uses; and
- changes in government regulation.

If Jamba Juice Company's new stores don't perform as planned, its business and future prospects could be harmed. In addition, changes in Jamba Juice Company's average store revenue or comparable store revenue could cause its operating results to vary adversely from expectations, which could cause the price of SACI's common stock to fluctuate substantially.

***Jamba Juice Company's expansion into new markets may present increased risks due to its unfamiliarity with those areas.***

Some of Jamba Juice Company's new stores are planned for markets where it has little or no operating experience. Those markets may have different competitive conditions, consumer tastes and discretionary spending patterns than its existing markets. As a result, those new stores may be less successful than stores in its existing markets. Consumers in a new market may not be familiar with the Jamba Juice Company brand, and it may need to build brand awareness in that market through greater investments in advertising and promotional activity than it originally planned. Jamba Juice Company may find it more difficult in new markets to hire, motivate and keep qualified employees who can project its vision, passion and culture. Stores opened in new markets may also have lower average store revenue than stores opened in existing markets, and may have higher construction, occupancy or operating costs than stores in existing markets. What's more, Jamba Juice Company may have difficulty in finding reliable suppliers or distributors or ones that can provide it, either initially or over time, with adequate supplies of ingredients meeting its quality standards. Revenue at stores opened in new markets may take longer to ramp up and reach expected revenue and profit levels, and may never do so, thereby affecting overall profitability.

***Jamba Juice Company's quarterly operating results may fluctuate significantly and, upon consummation of the merger, could fall below the expectations of securities analysts and investors due to various factors.***

Jamba Juice Company's quarterly operating results may fluctuate significantly because of various factors, including:

- the impact of inclement weather, natural disasters and other calamities, such as hurricanes Katrina and Rita in 2005;
- unseasonably cold or wet weather conditions;
- the timing of new store openings and related revenue and expenses;
- operating costs at its newly opened stores, which are often materially greater during the first several months of operation;
- labor availability and wages of store management and crew;
- profitability of its stores, especially in new markets;
- changes in comparable store sales and customer visits, including as a result of the introduction of new menu items;

- variations in general economic conditions, including those relating to changes in gasoline prices;

22

---

- negative publicity about the ingredients it uses or the occurrence of food-borne illnesses or other problems at its stores;
- changes in consumer preferences and discretionary spending;
- increases in infrastructure costs; and
- fluctuations in supply prices.

Because of these factors, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year. Average store revenue or comparable store revenue in any particular future period may decrease. In the future, operating results may fall below the expectations of securities analysts and investors. In that event, the price of SACI common stock, after the merger, would likely decrease.

***Jamba Juice Company's success depends substantially upon the continued retention of certain key personnel.***

Jamba Juice Company believes that its success has depended and continues to depend to a significant extent on the efforts and abilities of its senior management team. The members of its management team currently are employed on an at-will basis and may resign from employment at any time. In connection with the merger, Paul E. Clayton, Donald D. Breen and Karen Kelley have entered into employment agreements with SACI that are effective upon consummation of the merger. Our failure to retain any of these individuals could adversely affect our ability to build on the efforts they have undertaken with respect to the Jamba Juice Company business. While Jamba Juice Company typically reviews potentially hires before extending employment, we cannot assure you that the assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company as well as United States securities laws, which could cause the combined company to have to expend time and resources in helping them become familiar with such laws.

***Jamba Juice Company's franchisees could take actions that harm its reputation and reduce its royalty revenue.***

Franchisees are independent contractors and are not Jamba Juice Company's employees. Further, Jamba Juice Company does not exercise control over the day-to-day operations of its franchised stores. Any operational shortcomings of its franchised stores are likely to be attributed to its system-wide operations and could adversely affect its reputation and have a direct negative impact on the royalty revenue it receives from those stores.

***If Jamba Juice Company's franchisees cannot develop or finance new restaurants, build them on suitable sites or open them on schedule, Jamba Juice Company's growth and success may be impeded.***

Jamba Juice Company's growth depends in part upon its ability to successfully and effectively expand its franchise program and to attract qualified franchisees. If its franchisees are unable to locate suitable sites for new stores, negotiate acceptable lease or purchase terms, obtain the necessary financial or management resources, meet construction schedules or obtain the necessary permits and government approvals, its growth plans may be negatively affected. Jamba Juice Company cannot assure you that additional stores, if opened, will be profitable.

***Jamba Juice Company's revenue is subject to volatility based on weather and varies by season.***

Seasonal factors also cause Jamba Juice Company's revenue to fluctuate from quarter to quarter. Jamba Juice Company's revenue is typically lower during the Winter months and the holiday season and during periods of inclement weather (because fewer people choose cold beverages) and higher during the Spring, Summer and Fall months (for the opposite reason). Jamba Juice Company's revenue will likely also vary as a result of the number of trading days, that is, the number of days in a quarter when a store is open.

***Jamba Juice Company could face liability from its franchisees.***

A franchisee or government agency may bring legal action against Jamba Juice Company based on the franchisee/ franchisor relationships. Various state and federal laws govern Jamba Juice Company's relationship with its franchisees and potential sales of its franchised restaurants. If it fails to comply with these laws, Jamba Juice Company could be liable for damages to franchisees and fines or other penalties. Expensive litigation with its franchisees or government agencies may adversely affect both its profits and its important relations with its franchisees.

***Jamba Juice Company may not be able to raise additional capital on acceptable terms.***

Developing the Jamba Juice Company business will require significant capital in the future. To meet its capital needs, Jamba Juice Company expects to rely on its cash flow from operations, the proceeds from the proposed financing and potentially, third-party financing. Third-party financing may not, however, be available on terms favorable to us, or at all. Our ability to obtain additional funding will be subject to various factors, including market conditions, Jamba Juice Company's operating performance, lender sentiment and our ability to incur additional debt in compliance with other contractual restrictions, such as financial covenants under our credit facility. These factors may make the timing, amount, terms and conditions of additional financings unattractive. Our inability to raise capital could impede our growth.

***Jamba Juice Company is subject to all of the risks associated with leasing space subject to long-term non-cancelable leases and, with respect to the real property that it may own, in the future.***

Jamba Juice Company competes for real estate and Jamba Juice Company's inability to secure appropriate real estate or lease terms could impact the ability to grow. Jamba Juice Company's leases generally have initial terms of between five and 15 years, and generally can be extended only in five-year increments (at increased rates) if at all. Additionally, in certain instances, there may be change in control provisions in the lease which put Jamba Juice Company in a competitive disadvantage when negotiating extensions or which require Jamba Juice Company to get landlord consent for certain transactions including, in some cases, the proposed merger. All of its leases require a fixed annual rent, although some require the payment of additional rent if store revenue exceeds a negotiated amount. Generally, Jamba Juice Company's leases are net leases, which require it to pay all of the cost of insurance, taxes, maintenance and utilities. Jamba Juice Company generally cannot cancel these leases. Additional sites that Jamba Juice Company may lease are likely to be subject to similar long-term non-cancelable leases. If an existing or future store is not profitable, and Jamba Juice Company decides to close it, it may nonetheless be committed to perform its obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, as each of its leases expires, Jamba Juice Company may fail to negotiate renewals, either on commercially acceptable terms or at all, which could cause it to close stores in desirable locations. Also, because Jamba Juice Company may purchase real property for various store locations from time to time, it is subject to all of the risks generally associated with owning real estate, including changes in the investment climate for real estate, demographic trends and supply or demand for the use of the stores, which may result from competition from similar smoothie and fresh juice stores in the area as well as strict, joint and several liability for environmental contamination at or from the property, regardless of fault. Current locations of Jamba Juice Company stores and franchised locations may become unattractive as demographic patterns change.

***Restaurant companies, including Jamba Juice Company, have been the target of class action lawsuits and other proceedings alleging, among other things, violations of federal and state workplace and employment laws. Proceedings of this nature, if successful, could result in our payment of substantial damages.***

Going forward, Jamba Juice Company's results of operations may be adversely affected by legal or governmental proceedings brought by or on behalf of employees or customers. In recent years, a number of restaurant companies, including Jamba Juice Company, have been subject to lawsuits, including class

action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial awards by the defendants. Similar lawsuits have been instituted against Jamba Juice Company in the past alleging violations of state and federal wage and hour laws and failure to pay for all hours worked. Although Jamba Juice Company is not currently a party to any material class action lawsuits, Jamba Juice Company could incur substantial damages and expenses resulting from lawsuits, which would increase the cost of operating the business and decrease the cash available for other such uses.

***Governmental regulation may adversely affect Jamba Juice Company's ability to open new stores or otherwise adversely affect its existing and future operations and results.***

Jamba Juice Company is subject to various federal, state and local regulations. Each of its stores is subject to state and local licensing and regulation by health, sanitation, food and workplace safety and other agencies. Jamba Juice Company may experience material difficulties or failures in obtaining the necessary licenses or approvals for new stores, which could delay planned store openings. In addition, stringent and varied requirements of local regulators with respect to zoning, land use and environmental factors could delay or prevent development of new stores in particular locations.

Jamba Juice Company is subject to the U.S. Americans with Disabilities Act and similar state laws that give civil rights protections to individuals with disabilities in the context of employment, public accommodations and other areas. Jamba Juice Company may in the future have to modify stores, for example by adding access ramps or redesigning certain architectural fixtures, to provide service to or make reasonable accommodations for disabled persons. The expenses associated with these modifications could be material.

Jamba Juice Company's operations are also subject to the U.S. Fair Labor Standards Act, which governs such matters as minimum wages, overtime and other working conditions, along with the U.S. Americans with Disabilities Act, family leave mandates and a variety of similar laws enacted by the states that govern these and other employment law matters. In addition, federal proposals to introduce a system of mandated health insurance and flexible work time and other similar initiatives could, if implemented, adversely affect Jamba Juice Company's operations.

In recent years, there has been an increased legislative, regulatory and consumer focus on nutrition and advertising practices in the food industry. Establishments operating in the quick-service and fast-casual segments have been a particular focus. As a result, Jamba Juice Company may in the future become subject to initiatives in the area of nutrition disclosure or advertising, such as requirements to provide information about the nutritional content of its products, which could increase its expenses.

***Jamba Juice Company may not be able to adequately protect its intellectual property, which could harm the value of its brand and adversely affect its business.***

Jamba Juice Company's intellectual property is material to the conduct of its business. Jamba Juice Company's ability to implement its business plan successfully depends in part on its ability to build further brand recognition using its trademarks, service marks, trade dress and other proprietary intellectual property, including its name and logos and the unique ambiance of its stores both domestically and overseas. Jamba Juice Company has secured the ownership and rights to its marks in the United States and has filed or obtained registrations for restaurant services in most other significant foreign jurisdictions. If its efforts to protect its intellectual property are inadequate, or if any third party misappropriates or infringes on its intellectual property, either in print or on the internet, the value of its brands may be harmed, which could have a material adverse effect on its business and might prevent its brands from achieving or maintaining market acceptance. While Jamba Juice Company has not encountered claims from prior users of intellectual property relating to restaurant services in areas where it operates or intends to conduct operations, there can be no assurances that it will not encounter such claims. If so, this could



harm Jamba Juice Company's image, brand or competitive position and cause it to incur significant penalties and costs.

***Jamba Juice Company could be party to litigation that could adversely affect it by distracting management, increasing its expenses or subjecting it to material money damages and other remedies.***

Jamba Juice Company's customers occasionally file complaints or lawsuits against it alleging that they are responsible for some illness or injury they suffered at or after a visit to its stores, or that it has problems with food quality or operations. Jamba Juice Company is also subject to a variety of other claims arising in the ordinary course of its business, including personal injury claims, contract claims and claims alleging violations of federal and state law regarding workplace and employment matters, discrimination and similar matters, and it could become subject to class action or other lawsuits related to these or different matters in the future. Regardless of whether any claims against Jamba Juice Company are valid, or whether it is ultimately held liable, claims may be expensive to defend and may divert time and money away from its operations and hurt its performance. A judgment significantly in excess of Jamba Juice Company's insurance coverage for any claims could materially and adversely affect its financial condition or results of operations. Any adverse publicity resulting from these allegations may also materially and adversely affect Jamba Juice Company's reputation or prospects, which in turn could adversely affect its results.

In addition, the food services industry has been subject to a growing number of claims based on the nutritional content of food products they sell and disclosure and advertising practices. Jamba Juice Company may also be subject to this type of proceeding in the future and, even if not, publicity about these matters (particularly directed at the quick-service and fast-casual segments of the industry) may harm Jamba Juice Company's reputation or prospects and adversely affect its results.

***Jamba Juice Company may also incur costs resulting from other security risks it may face in connection with its electronic processing and transmission of confidential customer information.***

Jamba Juice Company relies on commercially available software and other technologies to provide security for processing and transmission of customer credit card data. Approximately 20% of Jamba Juice Company's current revenue is attributable to credit card transactions, and that percentage is expected to climb. Jamba Juice Company's systems could be compromised in the future, which could result in the misappropriation of customer information or the disruption of systems. Either of those consequences could have a material adverse effect on Jamba Juice Company's reputation and business or subject it to additional liabilities.

***Failure of Jamba Juice Company's internal control over financial reporting could harm its business and financial results. The combined company will need to improve its operations financial systems and staff and if it cannot improve these systems or recruit suitable employees, the combined company's operations may not be effectively integrated.***

The management of Jamba Juice Company is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect Jamba Juice Company's transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of the financial statements; providing reasonable assurance that receipts and expenditures of Jamba Juice Company's assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of Jamba Juice Company assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of Jamba Juice Company's financial

statements would be prevented or detected. Jamba Juice Company's growth and entry into new markets will place significant additional pressure on Jamba Juice Company's system of internal control over financial reporting. Any failure to maintain an effective system of internal control over financial reporting could limit Jamba Juice Company's ability to report its financial results accurately and timely or to detect and prevent fraud. To date, the management at Jamba Juice Company have worked with its auditors to assess its internal controls over financial reporting and found them to be adequate for a private company. Jamba Juice Company, has not yet evaluated its adherence to Section 404 of the Sarbanes-Oxley Act but it is in the process of hiring consultants to help it assess its compliance with such Section. Jamba Juice Company understands that this disclosure does not release management of its obligation with respect to internal controls. In addition, Jamba Juice Company's initial operating and financial systems may not be adequate as it implements its plans to expand and its attempts to improve these systems may be ineffective. If Jamba Juice Company is unable to operate its financial and operations systems effectively or to recruit suitable employees as it expands its operations, it may be unable to effectively control and manage a larger operation. Although it is impossible to predict what errors might occur as the result of inadequate controls, it is the case that it is harder to oversee a sizable operation than a small one and accordingly, more likely that errors will occur as operations grow and that additional management infrastructure and systems will be required to attempt to avoid such errors.

***Jamba Juice Company will incur increased costs as a result of being a wholly-owned subsidiary of a public company.***

As a wholly-owned subsidiary of a public company, Jamba Juice Company will incur significant legal, accounting and other expenses that it did not incur as a private company. The U.S. Sarbanes-Oxley Act of 2002 and related rules of the U.S. Securities and Exchange Commission, or SEC, and the AMEX regulate corporate governance practices of public companies. We expect that compliance with these public company requirements will increase our costs and make some activities more time-consuming. For example, we will create new board committees and adopt new internal controls and disclosure controls and procedures. In addition, we will incur additional expenses associated with our SEC reporting requirements. A number of those requirements will require us to carry out activities we have not done previously. For example, under Section 404 of the Sarbanes-Oxley Act, for our annual report on Form 10-K for 2006 we, depending upon certain facts existing upon closing of the merger, may need to document and test our internal control procedures, our management will need to assess and report on our internal control over financial reporting and our independent accountants will need to issue an opinion on that assessment and the effectiveness of those controls. Furthermore, if we identify any issues in complying with those requirements (for example, if we or our accountants identified a material weakness or significant deficiency in our internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect us, our reputation or investor perceptions of us. We also expect that it will be difficult and expensive to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers. Advocacy efforts by shareholders and third parties may also prompt even more changes in governance and reporting requirements. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

***If third parties bring claims against us or if Jamba Juice Company has breached any of its representations, warranties or covenants set forth in the merger agreement, we may not be adequately indemnified for any losses arising therefrom.***

Although the merger agreement provides that the Jamba Juice Company shareholders will indemnify us for losses arising from a breach of the representations, warranties and covenants by Jamba Juice Company set forth in the merger agreement, such indemnification is limited to an aggregate amount of

\$19,875,000 (with an initial deductible of \$2,000,000 and a \$25,000 per occurrence threshold). In addition, the survival period for any claims under the merger agreement is limited to one year after the closing of the merger. Accordingly, we will be prevented from seeking indemnification for any claims above the aggregate threshold or arising after the one-year survival period.

### Risks Relating to the SACI Business

***If 20% or more of the holders of SACI's common stock issued in its public offering decide to vote against the proposed acquisition, SACI may be forced to liquidate, stockholders may receive less than \$8.00 per share and the warrants may expire worthless.***

Under the terms of SACI's corporate charter, if 20% or more of shares issued in SACI's initial public offering decide to vote against the proposed merger and opt to convert their shares to cash, SACI may ultimately be forced to liquidate. While SACI will continue to search to acquire an operating company in the service business industry, if (i) it does not consummate a business combination by January 6, 2007, or, (ii) if a letter of intent, agreement in principle or definitive agreement is executed, but not consummated, by January 6, 2007, then by July 6, 2007, it will be forced to liquidate. In any liquidation, the net proceeds of SACI's initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of SACI's common stock issued in its public offering. If SACI is forced to liquidate its assets, the per-share liquidation will be the \$7.35 deposited in the trust account at the time of the initial public offering, plus interest accrued thereon until the date of any liquidation; as of March 31, 2006, there was approximately \$7.48 per share. Furthermore, there will be no distribution with respect to SACI's outstanding warrants and, accordingly, the warrants will expire worthless.

If the merger's benefits do not meet the expectations of financial or industry analysts, the market price of SACI's common stock may decline.

The market price of SACI's common stock may decline as a result of the merger if:

- SACI does not achieve the perceived benefits of the merger as rapidly as, or to the extent anticipated by, financial or industry analysts; or
- the effect of the merger on SACI's financial results is not consistent with the expectations of financial or industry analysts.

Accordingly, investors may experience a loss as a result of a decreasing stock price and SACI may not be able to raise future capital, if necessary, in the equity markets.

***Failure to complete the merger could negatively impact the market price of SACI's common stock and may make it more difficult for SACI to attract another acquisition candidate, resulting, ultimately, in the disbursement of the trust proceeds, causing investors to experience a loss on their investment.***

If the merger is not completed for any reason, SACI may be subject to a number of material risks, including:

- the market price of SACI's common stock may decline to the extent that the current market price of its common stock reflects a market assumption that the merger will be consummated;
- costs related to the merger, such as legal and accounting fees and the costs of the fairness opinion, must be paid even if the merger is not completed; and
- charges will be made against earnings for transaction-related expenses, which could be higher than expected.

Such decreased market price and added costs and charges of the failed merger, together with the history of failure in consummating a merger, may make it more difficult for SACI to attract another

acquisition candidate, resulting, ultimately, in the disbursement of the trust proceeds, causing investors to experience a loss on their investment.

**Risks Relating to the Proposed Private Placement Financing**

*SACI will issue shares of its capital stock to complete the merger with Jamba Juice Company, which will reduce the equity interest of its stockholders.*

Without taking into account the approval of the amendment to our certificate of incorporation as discussed in Proposal 4, the certificate of incorporation authorizes the issuance of up to 70,000,000 shares of common stock, par value \$.001 per share, and 1,000,000 shares of preferred stock, par value \$.001 per share. After the initial public offering and the exercise of the underwriters' over-allotment option, there are 30,250,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and exercise of the underwriter purchase option to purchase 750,000 units) and all of the 1,000,000 shares of preferred stock available for issuance. In connection with the proposed financing we will issue 30,879,999 additional shares of our common stock at a price of \$7.50 per share before expenses. The issuance of such additional shares of our common stock:

- will significantly reduce the percentage of ownership of our current stockholders;
- is likely to be done at a price per share less than the quoted price per share at the time of the vote; and
- may adversely affect prevailing market prices for our common stock.

*The sale and issuance of additional shares of common stock pursuant to the proposed financing may have an adverse effect on the market price of our common stock.*

To the extent we issue shares of common stock in the proposed financing, and the potential for the issuance of substantial numbers of additional shares upon exercise of currently outstanding warrants, when exercised, will increase the number of issued and outstanding shares of our common stock and could have an adverse effect on the market price for our securities or on our ability to obtain future public financing. If and to the extent these shares are issued and the warrants are exercised, you may experience dilution to your holdings.

*The American Stock Exchange may delist our securities from quotation on its exchange which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.*

Our securities are listed on the American Stock Exchange, a national securities exchange, and have been since the consummation of the initial public offering. We cannot assure you that our securities will continue to be listed on the American Stock Exchange in the future. Additionally, in connection with the merger with Jamba Juice Company, the American Stock Exchange may require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If the American Stock Exchange delists our securities from trading on its exchange, we could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- a determination that our common stock is a penny stock which will require brokers trading in our common stock to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;
- a limited amount of news and analyst coverage for our company; and

- a decreased ability to issue additional securities or obtain additional financing in the future.

#### **FORWARD-LOOKING STATEMENTS**

SACI believes that some of the information in this proxy statement constitutes forward-looking statements. You can identify these statements by forward-looking words such as may, expect, anticipate, contemplate, believe, estimate, intends, and continue or similar words. You should read statements that contain these words carefully because they:

- discuss future expectations;
- contain projections of future results of operations or financial condition; or
- state other forward-looking information.

SACI believes it is important to communicate its expectations to its stockholders. However, there may be events in the future that SACI is not able to accurately predict or over which SACI has no control. The risk factors and cautionary language discussed in this proxy statement provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by SACI in its forward-looking statements, including among other things:

- the number and percentage of SACI stockholders voting against the merger proposal;
- changing interpretations of generally accepted accounting principles;
- outcomes of government reviews, inquiries, investigations and related litigation;
- continued compliance with government regulations;
- legislation or regulatory environments, requirements or changes adversely affecting the businesses in which Jamba Juice Company is engaged;
- statements about industry trends;
- general economic conditions; and
- geopolitical events and regulatory changes.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

All forward-looking statements included herein attributable to SACI or any person acting on either party's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, SACI undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the approval of the merger you should be aware that the occurrence of the events described in the Risk Factors section and elsewhere in this proxy statement could have a material adverse effect on SACI upon completion of the merger.

## THE SACI SPECIAL MEETING

### *The SACI Special Meeting*

SACI is furnishing this proxy statement to you as part of the solicitation of proxies by the SACI board of directors for use at the special meeting in connection with the proposed merger, the financing, the adoption of a stock option plan, and the amendment to our certificate of incorporation. This proxy statement provides you with the information you need to be able to vote or instruct your vote to be cast at the special meeting.

### *Date, Time and Place*

The special meeting will be held at 10:00 a.m., Eastern Time, on [ ], at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, 25th Floor, New York, New York 10017, to vote on each of the merger, the financing, the adoption of a stock option plan, and the amendment to our certificate of incorporation proposals.

### *Purpose of the Special Meeting*

At the special meeting, the holders of SACI common stock are being asked to:

- approve the merger with Jamba Juice Company pursuant to an Agreement and Plan of Merger by and among SACI, JJC Acquisition Company and Jamba Juice Company by means of a merger after which Jamba Juice Company will become a wholly-owned subsidiary of SACI;
- approve the issuance of 30,879,999 shares of common stock at \$7.50 per share in a private placement financing for the purposes of raising gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of certain fees, substantially all of which will be used as a portion of the consideration required to acquire Jamba Juice Company, as well as working capital and expansion capital;
- approve the adoption of the 2006 Employee, Director and Consultant Stock Plan; and.
- approve the amendment of SACI's certificate of incorporation to (i) increase the number of authorized shares of common stock of SACI from 70,000,000 to 150,000,000 shares and (ii) change the name of Services Acquisition Corp. International to Jamba, Inc.

The SACI board of directors:

- has unanimously determined that the merger, the financing, the adoption of a stock option plan, and the amendment to our certificate of incorporation proposals are fair to, and in the best interests of, SACI and its stockholders;
- has determined that the consideration to be paid by SACI in connection with the merger with Jamba Juice Company is fair to our current stockholders from a financial point of view and the fair market value of Jamba Juice Company is equal to or greater than 80% of the value of the net assets of SACI;
- has unanimously approved and declared advisable the merger, the financing, the adoption of a stock option plan, and the amendment to our certificate of incorporation proposals; and
- unanimously recommends that the holders of SACI common stock vote FOR the proposal to approve the merger with Jamba Juice Company, FOR the proposal to approve the issuance of 30,879,999 shares of common stock at \$7.50 per share in connection with a private placement financing, FOR the approval of the 2006 Employee, Director and Consultant Stock Plan and



## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

FOR the approval of SACI s certificate of incorporation in order to increase the number of SACI s authorized shares of common stock and change its name to Jamba, Inc.

### *Record Date; Who is Entitled to Vote*

The Record Date for the special meeting is [ ], 2006. Record holders of SACI common stock at the close of business on the Record Date are entitled to vote or have their votes cast at the special meeting. On the Record Date, there were 21,000,000 outstanding shares of SACI common stock.

Each share of SACI common stock is entitled to one vote per share at the special meeting.

Any shares of SACI common stock purchased prior to the initial public offering will be voted in accordance with the majority of the votes cast at the special meeting. The holders of common stock acquired in SACI s public offering or afterwards are free to vote such shares, as they see fit.

SACI s issued and outstanding warrants do not have voting rights and record holders of SACI warrants will not be entitled to vote at the special meeting.

### *Voting Your Shares*

Each share of SACI common stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of SACI common stock that you own.

There are two ways to vote your shares of SACI common stock at the special meeting:

- You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by the SACI board, FOR the approval of the merger proposal, FOR approval of the financing proposal, FOR the approval of the stock option plan proposal and FOR approval of the amendment to the certificate of incorporation proposal.
- You can attend the special meeting and vote in person. SACI will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way SACI can be sure that the broker, bank or nominee has not already voted your shares.

**IF YOU DO NOT VOTE YOUR SHARES OF SACI COMMON STOCK IN ANY OF THE WAYS DESCRIBED ABOVE, IT WILL HAVE (i) THE SAME EFFECT AS A VOTE AGAINST THE MERGER PROPOSAL, BUT WILL NOT HAVE THE EFFECT OF A DEMAND OF CONVERSION OF YOUR SHARES INTO A PRO RATA SHARE OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE PROCEEDS OF SACI S INITIAL PUBLIC OFFERING ARE HELD, AND (ii) THE EFFECT OF A VOTE AGAINST THE FINANCING, THE STOCK OPTION AND THE CERTIFICATE OF INCORPORATION AMENDMENT PROPOSALS.**

### **Who Can Answer Your Questions About Voting Your Shares**

If you have any questions about how to vote or direct a vote in respect of your SACI common stock, you may call Thomas Aucamp at (954) 713-1190.

### **No Additional Matters May Be Presented at the Special Meeting**

This special meeting has been called only to consider the approval of the merger, financing, stock option plan and amendment to certificate of incorporation proposals. Under SACI s bylaws, other than procedural matters incident to the conduct of the meeting, no other matters may be considered at the special meeting if they are not included in the notice of the meeting.





### **Revoking Your Proxy**

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

- You may send another proxy card with a later date;
- You may notify Thomas Aucamp, addressed to SACI, in writing before the special meeting that you have revoked your proxy; and
- You may attend the special meeting, revoke your proxy, and vote in person.

### **Vote Required**

The approval of the merger with Jamba Juice Company and the transactions contemplated by the Agreement and Plan of Merger will require the affirmative vote of a majority of the shares of SACI's common stock issued in its initial public offering that are present in person or by proxy and entitled to vote at the special meeting.

If you abstain from voting or do not vote, either in person or by proxy or by voting instruction, it will (i) have the same effect as a vote against the merger proposal but will not have the effect of converting your shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held, unless an affirmative election voting against the proposal is made and an affirmative election to convert such shares of common stock is made on the proxy card; (ii) have the same effect as a vote against the approval of the financing proposal; (iii) have the same effect as a vote against the approval of the stock option plan; and (iv) be treated as a vote against the approval of the amendment to the certificate of incorporation proposal.

### **Abstentions and Broker Non-Votes**

If your broker holds your shares in its name and you do not give the broker voting instructions, under the rules of the NASD, your broker may not vote your shares on the proposal to approve the merger with Jamba Juice Company pursuant to the agreement and plan of merger. If you do not give your broker voting instructions and the broker does not vote your shares, this is referred to as a broker non-vote. Abstentions and broker non-votes are counted for purposes of determining the presence of a quorum.

### **Conversion Rights**

Any stockholder of SACI holding shares of common stock issued in SACI's initial public offering who votes against the merger proposal may, at the same time, demand that SACI convert his shares into a pro rata portion of the trust account. If so demanded, SACI will convert these shares into a pro rata portion of funds held in a trust account, which consist of the approximately \$129,066,348, as of March 31, 2006, of net proceeds from the initial public offering deposited into the trust account, plus interest earned thereon after such date, if the merger is consummated. If the holders of 20%, or 3,450,000, or more shares of common stock issued in SACI's initial public offering vote against the merger proposal and demand conversion of their shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering are held, SACI will not be able to consummate the merger. Based on the amount of cash held in the trust account as of March 31, 2006, without taking into account any interest accrued after such date, you will be entitled to convert each share of common stock that you hold into approximately \$7.48 per share. If the merger is not consummated, SACI will continue to search for a business combination. However, SACI will be liquidated if (i) it does not consummate a business combination by January 6, 2007, or, (ii) if a letter of intent, agreement in principle or definitive agreement is executed, but not consummated, by January 6, 2007, then by July 6, 2007. In any liquidation, the net proceeds of SACI's initial public offering held in the trust account, plus any interest earned thereon, will be distributed on a pro rata basis to the holders of SACI's common stock who purchased their shares in SACI's initial public offering or thereafter.

If you exercise your conversion rights, then you will be exchanging your shares of SACI common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the closing date of the merger and then tender your stock certificate to SACI. The closing price of SACI's common stock on [ ], the most recent trading day practicable before the printing of this proxy statement, was \$ [ ] and the amount of cash held in the trust account is approximately \$129,066,348 as of March 31, 2006, plus interest accrued thereon after such date. If a SACI stockholder would have elected to exercise his conversion rights on such date, then he would have been entitled to receive \$7.48 per share, plus interest accrued thereon subsequent to such date. Prior to exercising conversion rights, SACI stockholders should verify the market price of SACI's common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights. As of [ ], 2006, the market price of \$[ ] per share was substantially higher than the amount which would be received upon conversion.

**Solicitation Costs**

SACI is soliciting proxies on behalf of the SACI board of directors. This solicitation is being made by mail but also may be made by telephone or in person. SACI and its respective directors and officers may also solicit proxies in person, by telephone or by other electronic means, and in the event of such solicitations, the information provided will be consistent with this proxy statement and enclosed proxy card. These persons will not be paid for doing this. SACI will ask banks, brokers and other institutions, nominees and fiduciaries to forward its proxy statement materials to their principals and to obtain their authority to execute proxies and voting instructions. SACI will reimburse them for their reasonable expenses. SACI has engaged Morrow & Co., or Morrow, to solicit proxies for the special meeting. SACI is paying Morrow approximately \$7,000 for solicitation services, plus certain of Morrow's out-of-pocket expenses.

**Stock Ownership**

SACI's initial stockholders, including all its officers and directors and their affiliates, who purchased or received shares of common stock prior to SACI's initial public offering and as of the record date, own an aggregate of approximately 17.8% of the outstanding shares of SACI common stock. All of such stockholders have agreed to vote such shares acquired prior to the public offering in accordance with the vote of the majority in interest of all other SACI stockholders on the acquisition proposal.

Based solely upon information contained in public filings, as of the Record Date, the following stockholders beneficially own greater than five (5%) percent of SACI's issued and outstanding common stock as such amounts and percentages are reflected in the public filing of such stockholder:

Name and Address of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percentage of Outstanding Common Stock
John A. Griffin (2)	1,490,000	7.1 %
Steven R. Berrard (3)(4)	937,535	4.5 %
Thomas E. Aucamp (4)(5)	562,493	2.7 %
Thomas C. Byrne (4)	562,493	2.7 %
I. Steven Edelson (4)(6)(7)	562,493	2.7 %
Nathaniel Kramer (5)(7)	562,493	2.7 %
Cris V. Branden (4)(8)	140,624	*
All directors and executive officers as a group (6 individuals)	3,328,131	15.8 %

\* Less than 1%

(1) Unless otherwise indicated, the business address of each of the individuals is 401 East Olas Blvd, Suite 1140, Fort Lauderdale, Florida 33301.

(2) Includes 923,800 shares owned by Blue Ridge Capital Holdings LLC and 566,200 shares owned by Blue Ridge Capital Offshore Holdings LLC. Mr. Griffin is the Managing Member of Blue Ridge Capital Holdings LLC and Blue Ridge Capital Offshore Holdings LLC, and in that capacity directs their operations. Blue Ridge Capital Holdings LLC is the general partner of Blue Ridge Limited Partnership and has the power to direct the affairs of Blue Ridge Limited Partnership, including decisions respecting the receipt of dividends from and the proceeds from the sale of common stock. Blue Ridge Capital Offshore Holdings LLC is the general partner of Blue Ridge Offshore Master Limited Partnership and has the power to direct the affairs of Blue Ridge Offshore Master Limited Partnership, including decisions respecting the receipt of dividends from and the proceeds from the sale of common stock. The business address for this individual is 660 Madison Avenue, 20th Floor, New York, New York 10021. The foregoing information was derived from a Schedule 13G, as filed with the Securities and Exchange Commission on February 3, 2006.

(3) Mr. Berrard is our Chairman of the Board and Chief Executive Officer.

(4) Each of these individuals is a director and such amounts do not include warrants to purchase shares of common stock which are held by certain of the directors, as such warrants are not exercisable until the later of the completion of the merger or June 29, 2006.

(5) Mr. Aucamp is our Vice President and Secretary.

(6) Includes 562,493 shares owned by The Edelson Family Trust, which is a trust established by Mr. Edelson for the benefit of his spouse and descendants, of which Mr. Edelson is the trustee. Mr. Edelson is our Vice Chairman and Vice President.

(7) The business address for this individual is c/o Mercantile Capital Partners, 1372 Shermer Road, Northbrook, Illinois 60062.

(8) The business address for this individual is 450 East Olas Blvd, Suite 1500, Fort Lauderdale, Florida 33301.

**PROPOSAL 1**  
**THE MERGER PROPOSAL**

The discussion in this proxy statement of the merger and the principal terms of the Agreement and Plan of Merger dated March 10, 2006, or merger agreement, by and among SACI, Merger Sub and Jamba Juice Company, is subject to, and is qualified in its entirety by reference to, the Agreement and Plan of Merger. A copy of the Agreement and Plan of Merger is attached as Annex A to this proxy statement and is incorporated in this proxy statement by reference.

**General Description of the Merger**

Pursuant to the Agreement and Plan of Merger, SACI will acquire 100% of the issued and outstanding securities of Jamba Juice Company.

**Background of the Merger**

The terms of the merger agreement are the result of arm's-length negotiations between representatives of SACI and Jamba Juice Company. The following is a brief discussion of the background of these negotiations, the merger and related transactions.

SACI was incorporated in Delaware on January 6, 2005, as a blank check company formed to serve as a vehicle for the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination with a then currently unidentified operating business.

A registration statement for SACI's initial public offering was declared effective on June 29, 2005. On July 6, 2005, SACI consummated its initial public offering of 15,000,000 units and on July 7, 2005, consummated the closing of an additional 2,250,000 units that were subject to the underwriters' over-allotment option. Each unit consists of one share of common stock and one redeemable common stock purchase warrant. Each warrant expires on June 28, 2009, or earlier upon redemption, and entitles the holder to purchase one share of our common stock at an exercise price of \$6.00 per share. The common stock and warrants started trading separately as of July 28, 2005.

The net proceeds from the sale of the SACI units were approximately \$127,837,468. Of this amount, \$126,720,000 was deposited in trust and, in accordance with SACI's amended and restated certificate of incorporation, will be released either upon the consummation of a business combination or upon the liquidation of SACI. The remaining \$1,117,468 was held outside of the trust for use to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. As of March 31, 2006, approximately \$129,066,348 was held in deposit in the trust account.

During the period from August 2005 through March 2006, SACI was involved in sourcing and evaluating prospective businesses regarding potential business combinations. SACI sourced opportunities both proactively and reactively, and given the mandate to find a suitable business combination partner, did not limit itself to any one industry or transaction structure (i.e. % of cash vs. % of stock issued to seller, straight merger, corporate spin-out or management buy-out, for example). Proactive sourcing involved SACI management attempting to initiate conversations (i) directly with third-party companies they believed may make attractive combination partners, (ii) with professional service providers (lawyers, accountants, consultants and bankers), (iii) with their own network of business associates and friends, and (iv) with third-party intermediaries, including investment bankers and finders with whom SACI entered into success-fee based engagement letters. Reactive sourcing involved fielding inquiries or responding to solicitations by either (i) companies looking for capital or investment alternatives, or (ii) investment bankers or other similar professionals who represented a company engaged in a sale or fund-raising process.

Based on their experience in sourcing investment opportunities, the SACI management team would characterize the competition for quality companies to be competitive and that a company which SACI may

have believed to have been a suitable business combination partner would typically have several alternatives to choose from, including remaining independent or selling itself to a third party, as well as sourcing capital either privately or publicly. Additionally, in many cases, SACI management had to spend time educating a prospective business combination partner about special purpose acquisition companies and explain, from SACI management's perspective, the benefits SACI may be able to offer versus other alternatives they may be considering. Prior to Jamba Juice Company, none of these discussions concerning potential business combination partners led to an offer by SACI.

Jamba Juice Company has, from time to time since its inception, explored potential strategic transactions. In early 2005, Jamba Juice Company received an unsolicited indication of interest to acquire Jamba Juice Company from a strategic buyer. In response, the Jamba Juice Company Board of Directors established a strategic planning committee comprised of three disinterested directors to evaluate that indication of interest and to analyze Jamba Juice Company's other strategic alternatives. The special committee then considered several candidates to provide financial advisory services and to assist Jamba Juice Company in considering strategic alternatives. As a result of that process, on July 29, 2005 the special committee engaged Piper Jaffray & Co., or Piper, as its exclusive financial advisor. Since that time, with the assistance of Jamba Juice Company's outside legal counsel, Piper and the special committee analyzed all potential strategic alternatives available to Jamba Juice Company, including an Initial Public Offering of the Company's stock (IPO), leveraged recapitalization transactions, acquisition transactions and the continued execution of Jamba Juice Company's strategic plan. With respect to the acquisition alternative, Jamba Juice Company requested that Piper approach a targeted group of strategic and financial acquisition partners. Jamba Juice Company prepared a Confidential Information Memorandum to facilitate those discussions. In August 2005 and over the course of the following three months, Piper approached a select group of potential strategic acquisition partners and financial acquisition partners to initiate discussions, which group did not include SACI. On November 10, 2005, the Jamba Juice Company Board of Directors held a meeting at which Piper presented an update of the process to date. At the meeting, Piper reported that, from the time of Piper's initial engagement through the end of November 2005, it had contacted eleven potential acquisition partners and delivered the Confidential Information Memorandum to six such potential acquisition partners. The Jamba Juice Company Board of Directors then discussed the next potential steps, including expanding the process and pursuing an IPO in 2007 or 2008. Finally, the Jamba Juice Company Board of Directors instructed Piper to expand the sales process to include other potential strategic and financial acquisition partners, while the Jamba Juice Board of Directors continued to evaluate the other strategic alternatives.

On January 27, 2006, Messrs. Steven Berrard and Thomas Byrne met with Mr. Greg Baty at a Swisher Hygiene franchise convention in Las Vegas. Messrs. Berrard and Byrne are members of the board of directors of Swisher Hygiene and have a financial interest in such company. Mr. Baty was a franchisee of Blockbuster Entertainment Corporation at the same time when Messrs. Berrard and Byrne were part of Blockbuster's senior management team, and was currently exploring the possibility of becoming a franchisee of Swisher Hygiene. Mr. Baty is also a current Jamba Juice Company franchisee, operating five franchise stores in Phoenix, AZ. During the conversation Mr. Baty mentioned that Jamba Juice Company might be looking for capital or exploring strategic alternatives. Messrs. Berrard and Byrne then asked if Mr. Baty could introduce them to the CEO of Jamba Juice Company. Mr. Baty agreed to provide such an introduction, and stated that he was already scheduled to meet with the CEO of Jamba Juice Company, Paul Clayton, during the following week.

On January 30, 2006 Mr. Baty contacted Mr. Clayton regarding a potentially interesting financing vehicle (SACI) for Jamba Juice Company. Based on that call, Mr. Baty asked SACI to prepare background information on SACI that he could provide Mr. Clayton on Wednesday February 1, 2006. Mr. Thomas Aucamp provided Mr. Baty background information on SACI on Thursday January 31, 2006 and SACI

began its due diligence review of Jamba Juice Company using publicly available information and by visiting store locations.

Mr. Baty and Mr. Clayton met on February 1, 2006 to discuss franchise matters unrelated to SACI. During the meeting, Mr. Baty provided Mr. Clayton the background information on SACI and discussed SACI's management team. Mr. Clayton indicated that Jamba Juice Company would be interested in learning more about SACI and speaking with SACI management.

On February 2, 2006 Mr. Baty notified Mr. Aucamp of Jamba Juice Company's interest in further discussions. On February 3, 2006 Messrs. Byrne and Aucamp had a call with Mr. Clayton, Donald D. Breen, Jamba Juice Company's CFO, Mr. Baty and John Twichell of Piper Jaffray & Co. During the call, Messrs. Byrne and Aucamp discussed the structure of SACI, the experience of the SACI management team and why SACI may be an attractive partner with which to continue discussions. Based on the call, the parties decided to negotiate a confidentiality agreement and exchange due diligence materials. Subsequently, Piper Jaffray & Co. sent Mr. Aucamp a confidentiality agreement for signature. Mr. Aucamp returned the confidentiality agreement with proposed changes, which were subsequently negotiated and incorporated into a final confidentiality agreement that was signed by SACI and Jamba Juice Company on February 4, 2006. On the same day SACI received due diligence materials on Jamba Juice Company from Piper Jaffray & Co., and SACI continued its due diligence review.

On February 6, 2006 Mr. Aucamp provided Piper Jaffray & Co. with an additional list of due diligence materials that SACI needed for its analysis of Jamba Juice Company. The parties then scheduled a Jamba Juice Company management presentation in San Francisco for February 8, 2006. On February 7, 2006 Piper Jaffray & Co. provided Mr. Aucamp with a list of questions that they would like SACI management to address in the upcoming management presentations.

On February 8, 2006 Messrs. Berrard, Byrne and Aucamp met with Messrs. Clayton and Breen and representatives of Piper Jaffray & Co. at Jamba Juice Company's San Francisco headquarters. Mr. Clayton discussed Jamba Juice Company and its prospects, and answered questions posed by Messrs. Berrard, Byrne and Aucamp. Messrs. Berrard, Byrne and Aucamp discussed SACI and addressed the questions raised by Messrs. Clayton and Breen, as well as the questions previously provided by Piper Jaffray & Co. In addition, Messrs. Byrne and Aucamp toured additional Jamba Juice Company locations in the area, including a newly developed store-in-store format.

After receiving additional due diligence information from Jamba Juice Company, SACI continued its due diligence investigation and began to evaluate the effects that additional capital may have on the growth potential of the business. Jamba Juice Company had not raised equity capital since 2001 and its growth of store units over the past several years had been financed primarily from cash from operations as well as a line of credit; SACI's belief was that additional equity capital may (i) allow for accelerated development of new Jamba Juice Company stores, (ii) improve Jamba Juice Company's negotiating position with potential landlords for new sites who prefer tenants to have a strong balance sheet, and (iii) potentially discourage companies which may consider competing with Jamba Juice Company.

On February 13, 2006 the Board of Directors of SACI met to discuss Jamba Juice Company as well as other potential opportunities that SACI was evaluating. The Board of Directors decided that, based on the information available at that time, the Jamba Juice Company opportunity would be the most attractive to the shareholders of SACI.

On February 15, 2006, Messrs. Berrard, Byrne and Aucamp met with the Board of Directors of Jamba Juice Company. In the meeting Messrs. Berrard, Byrne and Aucamp provided an overview of SACI, discussed the benefits of a transaction with SACI and highlighted the opportunities that it saw for Jamba Juice Company moving forward. SACI also discussed, on a preliminary basis, the general structure that SACI had proposed for a potential transaction, including total consideration of \$265 million less estimated indebtedness and transaction costs and expenses of \$22 million at that time, 60% of which would be paid in

cash and 40% in SACI stock, and requested a two week period to conduct its confirmatory due diligence, deliver a draft definitive merger agreement and raise additional capital of approximately \$60 million. The additional capital would augment the SACI trust balance of approximately \$129 million and fund the approximately \$145 million cash component of the potential transaction (60% of the estimated \$265 million less estimated indebtedness) and provide a post-closing cash balance of approximately \$50 million, which SACI believed would provide the benefits listed above (accelerated development of Jamba Juice Company stores, negotiation position with potential landlords, and discourage potential competitors).

On February 16, 2006 Mr. Clayton informed Mr. Berrard that the Board of Directors of Jamba Juice Company had approved SACI for a non-exclusive two week due diligence period. After this call, both SACI and Jamba Juice Company instructed their respective counsel, Manatt Phelps, LLP and Mintz Levin, et al., respectively, to begin a legal due diligence investigation of the other. SACI also retained third parties to conduct additional confirmatory due diligence on store leases, intellectual property, franchise matters, taxes, systems, internal controls and accounting matters of Jamba Juice Company.

From February 16, 2006 to February 21, 2006, various telephone conferences were held among SACI's management, Jamba Juice Company's management and representatives of Piper Jaffray & Co. regarding due diligence, the business of Jamba Juice Company and the terms of the definitive merger agreement and the other related agreements for the proposed business combination.

SACI and Broadband Capital (the underwriter of SACI's initial public offering in June 2005) worked together to arrange meetings with potential investors that (i) had a relationship with or previously invested in other companies in which SACI management had been previously involved, and/or (ii) would possibly be interested in investing in the combined company. On February 21, 2006 and February 22, 2006, Messrs. Berrard, Byrne, Aucamp, Clayton, a representative of Piper and representatives of Broadband Capital met with several investors in New York City and Boston to discuss an approximately \$60 million financing transaction into SACI to fund a potential merger with Jamba Juice Company.

On February 23, 2006 Mr. Aucamp contacted Mintz Levin and asked them to begin drafting a definitive agreement between SACI and Jamba Juice Company.

From February 23, 2006 to March 5, 2006, additional telephone conferences were held among SACI's management, Jamba Juice Company's management and representative of Piper Jaffray & Co. regarding due diligence and the terms of the definitive agreement and the other related agreements for the proposed business combination. During the same period, SACI continued its due diligence process and received reports from third parties conducting due diligence reviews on its behalf.

From March 6, 2006 to March 9, 2006, the board of directors of SACI met several times to discuss the operations of Jamba Juice Company, the results of the due diligence reviews and the terms of the proposed definitive agreement. On March 8, 2006 Mr. Byrne provided the due diligence packages prepared by consultants on SACI's behalf to the board of directors of SACI.

On March 6, 2006, Messrs. Berrard, Byrne and Aucamp met with Jamba Juice Company management to complete their due diligence review and complete the terms of a definitive merger agreement. In light of the legal and financial due diligence conducted by both parties and their counsel, substantial negotiations took place over the terms of the merger agreement. On March 7, 2006, based on indications of interest from prospective investors, SACI revised the terms of the proposed acquisition to provide that Jamba Juice Company shareholders would receive 100% of the merger proceeds in cash. In addition, SACI management was satisfied from the discussions with the potential investors that they visited on February 21, 2006 and February 22, 2006 that there was sufficient capital available to SACI to support this transaction structure.

From March 6, 2006 through March 10, 2006, SACI's and Jamba Juice Company's respective counsel, had several telephone conference calls to negotiate the terms of the merger agreement and related



agreements. On March 8, 2004, SACI's board of directors met again to discuss the proposed merger and related transactions.

On March 10, 2006, the SACI board of directors met again to authorize the merger with Jamba Juice Company. SACI counsel, Mintz Levin, et al. reviewed the terms of merger agreement and related agreements, and answered questions directed by members of the SACI board of directors. During the meeting SACI's board of directors also discussed the option of obtaining a fairness opinion for the proposed merger. The SACI board of directors decided not to obtain such an opinion before signing the merger agreement based on its belief that its directors had the skill and experience to properly evaluate the fairness of a proposed transaction. In addition, the SACI board of directors considered the factors that SACI had a limited time frame within which to negotiate a definitive agreement and to review the detailed work of its consultants, in its determination not to obtain a fairness opinion prior to the signing of the merger agreement. The SACI board of directors did agree to reconvene and evaluate the benefits of obtaining a fairness opinion after the signing of the merger agreement. The SACI board of directors then unanimously approved the merger and related transactions. While no one factor determined the final agreed upon consideration in the merger, SACI's board of directors again reviewed various industry and financial data, including certain valuation analyses and metrics compiled by SACI and its consultants, in order to determine that the consideration to be paid to the shareholders of Jamba Juice Company was reasonable and that the merger was in the best interests of SACI's stockholders.

On March 10, 2006, the Jamba Juice Company board of directors met again to authorize a merger with SACI. The Jamba Juice Company board was joined by Jamba Juice Company counsel, Manatt Phelps and representatives of Piper Jaffray & Co. Jamba Juice Company's board of directors unanimously approved the merger and related transactions.

On March 10, 2006, SACI and Jamba Juice Company entered into the merger agreement and related agreements.

On March 12, 2006 Messrs. Berrard and Byrne met with North Point Advisors, LLC, or North Point, to discuss retaining North Point to render a fairness opinion to SACI.

On March 13, 2006 SACI and Jamba Juice Company and publicly announced their agreement through a joint press release.

On March 14, 2006, Jamba Juice Company sent a letter to its shareholders discussing the merger and seeking the shareholders' approval and consent for such merger. By March 20, 2006, Jamba Juice Company had received written consents approving the merger from a sufficient number of its shareholders, pursuant to its articles of incorporation and the corporate law of the State of California.

On March 14, 2006, the SACI board of directors met to discuss the merits and benefits of obtaining a fairness opinion including the potentially different interests between members of the SACI board of directors and SACI's stockholders.

On March 16, 2006, SACI's board of directors engaged North Point, to conduct a fairness opinion on behalf of the stockholders of SACI. On March 21, 2006, North Point delivered a fairness opinion analysis to the SACI's board of directors. Such opinion is attached hereto as Annex E.

On March 22, 2006, Jamba Juice Company sent a notice and information statement to all of its shareholders announcing the approval of the merger. No further approval of Jamba Juice Company's shareholders is required.

#### **Interest of SACI Directors and Officers in the Merger**

In considering the recommendation of the board of directors of SACI to vote for the proposals to adopt the merger, you should be aware that certain members of the SACI board have agreements or

arrangements that provide them with interests in the merger that differ from, or are in addition to, those of SACI stockholders generally. In particular:

- if the merger is not approved and SACI fails to consummate an alternative transaction within the time allotted pursuant to its amended and restated certificate of incorporation and SACI is therefore required to liquidate, the shares of common stock and warrants held by SACI's executives, directors and special advisors will be worthless because SACI's executives, directors and special advisors are not entitled to receive any of the net proceeds of SACI's initial public offering that may be distributed upon liquidation of SACI. SACI's executives, directors and special advisors own a total 3,750,000 shares of SACI common stock that have a market value of \$43,875,000 based on SACI's share price of \$11.70 as of March 24, 2006. SACI's executives, directors and special advisors also own a total 1,000,000 warrants to purchase 1,000,000 shares of SACI common stock that have a market value of \$5,250,000 based on SACI's warrant price of \$5.25 as of March 24, 2006. However, as SACI's executive officers, directors and special advisors are contractually prohibited from selling their shares of common stock prior to June 28, 2008 during which time the value of the shares may increase or decrease, it is impossible to determine what the financial impact of the merger will be on SACI's officers and directors; and
- one of the investors in the currently contemplated private placement financing committing to invest \$400,000 is Berrard Holding Limited Partnership, of which Steven R. Berrard, a current director and the Chief Executive Officer of SACI, is the President. Furthermore, a family member of I. Steven Edelson, SACI's Vice Chairman and Vice President, has committed to investing \$50,000 in the currently contemplated private placement financing.
- It is currently anticipated that both Steven R. Berrard and Thomas Byrne, both of whom are current directors of SACI, will continue as directors of the newly merged company.

#### **SACI's Reasons for the Merger and Recommendation of the SACI Board**

The SACI board of directors has concluded that the merger with Jamba Juice Company is in the best interests of SACI's stockholders.

Each member of SACI's board of directors is currently a partner or officer at a private equity or investment holding company and performs business valuations on a regular basis in their positions with their respective organizations. In arriving at its determination to approve the merger agreement with Jamba Juice Company, the board of directors of SACI relied on information (including financial information) relating to Jamba Juice Company, the regulatory environment, the industry dynamics, the reports of several outside due diligence consultants and their experience in building, managing and financing consumer branded growth companies.

During the due diligence process SACI's board of directors also discussed the option of obtaining a fairness opinion of the proposed merger between SACI and Jamba Juice Company. The board of directors decided not to obtain such an opinion before signing the agreement and plan of merger based on its belief that its directors had the skill and experience to properly evaluate the fairness of a proposed transaction. In addition, the board of directors considered the factors that SACI had a limited time frame within which to negotiate a definitive agreement and the detailed work of its consultants, in its determination not to obtain a fairness opinion prior to the signing of the agreement and plan of merger. The board of directors did agree to reconvene and evaluate the benefits of obtaining a fairness opinion after the signing of the agreement and plan of merger for the benefit of SACI's stockholders in determining whether to vote for or against the merger. On March 16, 2006, the board of directors of SACI determined to obtain a fairness opinion, as discussed below.

The SACI board of directors considered a wide variety of factors in connection with its evaluation of the merger. In light of the complexity of those factors, the SACI board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the SACI board of directors may have given different weight to different factors.

The analysis of the SACI board of directors in reaching this conclusion is described in more detail below. In considering the merger, the SACI board gave considerable weight to the following positive factors:

*Jamba Juice Company's record of store and revenue growth and high potential for future growth*

An important criteria to SACI's board of directors in identifying an acquisition target was that the company have strong existing operations, positive and growing EBITDA and have the opportunity for organic growth through market development, incremental marketing, or increases in working capital. SACI's board of directors believes that Jamba Juice Company has in place a strong brand, a proven store format with 532 (at the time of the board's deliberations) locations in 24 states and the District of Columbia and the Bahamas, attractive store economics and the infrastructure for additional growth. Jamba Juice Company commenced business operations in 1990 and grew its business to \$209 million in revenue for the fiscal year ended June 30, 2006. This record of consistent growth was impressive to SACI's board of directors. SACI's board of directors believes that Jamba Juice Company has the ability to continue this rapid rate of growth because opportunities exist to:

- continue development of new company stores in existing and new markets
- franchise additional stores domestically with existing franchises and new area developments
- pursue store development through non-traditional store formats
- pursue international franchise development opportunities
- leverage the Jamba Juice Company brand into new areas including the ready-to-drink market.

*The power of the Jamba Juice Company brand*

SACI's board of directors believes that certain companies that are focused on creating a brand (e.g. Nike, Starbucks, etc.) as opposed to delivering services under generic labels will continue to provide attractive investment opportunities. In addition, the SACI board of directors believes that companies that can attract and meet the growing needs and desires of the 78 million aging baby boomers, as well as the Gen Y population, are attractive, particularly those with an emphasis on providing health and wellness alternatives to the customer. SACI's board of directors believes that Jamba Juice Company's brand is well positioned at the convergence of several industry and consumer trends including the demand for convenience, healthy living trends, increased usage of energy drinks, demand for premium, nutritious and flavorful product offering and on-the-go lifestyles. In reaching this conclusion, SACI's board of directors relied on their cumulative experience in evaluating and operating business concepts and Jamba Juice Company research regarding consumer awareness of the Jamba Juice brand.

*The experience of Jamba Juice Company's management*

Another important criteria to SACI's board of directors in identifying an acquisition target was that the company must have a seasoned management team with specialized knowledge of the markets within which it operates and the ability to lead a growth company. Jamba Juice Company's management is led by Paul E. Clayton, who has significant operations and marketing experience, having served as President of Burger King North America and Senior Vice-President of Burger King

Worldwide Marketing. Mr. Clayton is complimented by a management team with relevant experience at companies including Baja Fresh, Taco Bell, Gap, Brinker and Disney.

*The complementary skills of SACI's management*

SACI's board of directors preferred a transaction where the skills of SACI's management could be leveraged to the benefit of the target company. Given its background in developing and growing consumer branded companies such as Blockbuster Entertainment and AutoNation, the SACI board of directors believes that its management can help guide the future growth of Jamba Juice Company. As such, two members of the SACI board of directors will maintain board seats and will assist in the recruitment of other directors with complementary business experience.

*The terms of the Merger Agreement*

The terms of the merger agreement with Jamba Juice Company including the closing conditions, restrictions on SACI's and Jamba Juice Company's ability to respond to competing proposals and termination provisions, are customary and reasonable. It was important to SACI's board of directors that the merger agreement include customary terms and conditions as it believed that such terms and conditions would allow for a more efficient closing process and lower transaction expenses.

SACI's board of directors believes that each of the above factors strongly supported its determination and recommendation to approve the merger. The SACI board of directors did, however, consider the following potentially negative factors, among others, including the Risk Factors, in its deliberations concerning the merger:

*Potential competition for other quick serve food providers.*

SACI's board of directors considered the fact that other competitors with greater resources might attempt to enter the retail blended beverage market and compete with Jamba Juice Company. SACI's board of directors believes that, due to its strong brand positioning, Jamba Juice Company can maintain its position as a preferred retail provider of blended beverages.

*The risk that its public stockholders would vote against the merger and exercise their conversion rights.*

SACI's board of directors considered the risk that the current public stockholders of SACI would vote against the merger and demand to redeem their shares for cash upon consummation of the merger, thereby depleting the amount of cash available to the combined company following the merger. Because of the capital raised in the private placement financing and other factors, SACI's board of directors deemed this risk to be less with regard to Jamba Juice Company than it would be for other target companies and believes that Jamba Juice Company will still be able to implement its business plan even if the maximum number of public stockholders exercised their conversion rights and the combined company received only 80% of the funds deposited in the trust account.

*Certain officers and directors of SACI may have different interests in the merger than the SACI stockholders.*

SACI's board of directors considered the fact that certain officers and directors of SACI may have interests in the merger that are different from, or are in addition to, the interests of SACI stockholders generally, including the matters described under *Interests of SACI Directors and Officers in the Merger* above. However, this fact would exist with respect to a merger with any target company.

The limitations on indemnification set forth in the merger agreement.

*SACI's board of directors considered the limitations on indemnification set forth in the merger agreement, see The Agreement and Plan of Merger Escrow and Indemnification. The board of directors of SACI determined that any definitive agreement with any target company would contain similar limitations.*

After deliberation, the SACI board of directors determined that these potentially negative factors were outweighed by the potential benefits of the merger, including the opportunity for SACI stockholders to share in Jamba Juice Company's future possible growth and anticipated profitability.

#### **Fairness Opinion**

North Point rendered its opinion to the SACI Board of Directors that, as of the date of its opinion, which was given after SACI had signed the merger agreement, and based on conditions that existed as of that date, upon and subject to the considerations described in its opinion and based upon such other matters as North Point considered relevant, the per share merger consideration to be paid by SACI in the merger pursuant to the merger agreement is fair to SACI from a financial point of view.

In rendering its opinion North Point conducted a Discounted Cash Flow Analysis, a Selected Companies Analysis and Selected Transactions Analysis among other procedures.

*Discounted Cash Flow Analysis* North Point performed a discounted cash flow analysis on Jamba Juice Company using Jamba Juice Company's management projections. North Point calculated implied prices per share of Jamba Juice Company Capital Stock using illustrative terminal values in the year 2010 based on multiples ranging from 12.0x EBITDA to 14.0x EBITDA. These illustrative terminal values were then discounted to calculate implied indications of present values using discount rates ranging from 15.0% to 20.0%. The various ranges for discount rates were chosen based on theoretical analyses of cost of capital.

Using a high growth model for store expansion (which means more expenditures on growing the number of stores and less cash flow left over from continuing operations) for Jamba Juice Company through 2010, the resulting enterprise values ranged from \$290,200,000 to \$446,600,000. Using a slow growth model for store expansion (which means less expenditures on growing the number of stores and more cash flow left over from continuing operations), the resulting enterprise values ranged from \$315,300,000 to \$466,600,000.

*Selected Companies Analysis* North Point calculated various financial multiples for companies comparable to Jamba Juice Company based on the ratio of such companies' operating data (obtained from SEC filings and Factset estimates as of March 13, 2006) to the enterprise value of such companies. North Point then compared the means and medians of such multiples with the multiples obtained for Jamba Juice Company.

When applying these mean and median multiples to Jamba Juice Company, the resulting enterprise values ranged from \$242,200,000 to \$578,700,000.

*Selected Transactions Analysis* North Point reviewed the terms of certain recent merger and acquisition transactions reported in SEC filings, public company disclosures, press releases, industry and popular press reports, data bases and other sources relating to selected transactions in the restaurant and food industry since 2003. For each of the selected transactions, North Point calculated and compared multiples for the target companies based on the ratio of the transaction value to the latest twelve months revenue and the transaction value to the latest twelve months EBITDA.

When applying these mean and median multiples to Jamba Juice Company, the resulting enterprise values ranged from \$137,200,000 to \$449,900,000.

As noted, the fairness opinion was obtained after SACI's board of directors approved the merger and after the merger agreement was signed. Under the merger agreement, obtaining a fairness opinion was not



a condition on SACI's obligation to close the transaction. Rather the board of directors of SACI, which is comprised of individuals experienced in evaluating businesses, relied on its own expertise to make its decision to approve the merger. In addition, at the time it approved the merger, SACI's board of directors was well aware of the significant interest potential investors had expressed in participating in the private placement transaction to be used to complete the merger.

These potential investors were similarly experienced in evaluating businesses and many were shareholders in Jamba Juice Company, and were knowledgeable regarding Jamba Juice Company's past performance and future potential. However, recognizing that some of SACI's stockholders may not have a similar depth of experience in assessing business combinations, the SACI board of directors determined that a fairness opinion could provide additional information valuable to SACI's stockholders in their assessment of whether to approve the merger.

In addition, the North Point Fairness opinion did not expressly cover SACI's requirement that a business combination have a value equal to 80% of its net assets at the time of the transaction. In light of the fact that the price being paid to the Jamba Juice Company shareholders is approximately twice the amount of SACI's net assets, the SACI board of directors did not consider the matter a difficult enough decision to require such an opinion. However, by stating that the price being paid is fair, the North Point fairness opinion does indirectly provide comfort that the fair market value of Jamba Juice Company exceeds 80% of SACI's net assets.

A more complete discussion of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion can be found on page 103 hereof. The full text of the North Point fairness opinion, dated as of March 21, 2006, (which date is after SACI had entered into the merger agreement) which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached hereto as Annex E.

#### **Merger Financing**

The merger with Jamba Juice Company is being financed in part by the proceeds raised by SACI in connection with a private placement financing that is expected to result in gross proceeds to SACI of approximately \$231,600,000 and net proceeds of approximately \$224,850,000 after the payment of financing fees. The private placement financing is being undertaken pursuant to Securities Purchase Agreements, dated March 10, 2006 and March 15, 2006, between SACI and the investors identified therein, and such investors are receiving registration rights in connection with the shares of common stock they are receiving. The terms and conditions of the private placement financing which, if approved along with the approval of the merger, will be completed pursuant to the provisions of Securities Purchase Agreements and Registration Rights Agreements, a form of each of which is attached hereto as Annex B and Annex C, respectively, is expected to be completed as promptly as practicable following the special meeting. For more information, see Proposal 2 The Financing Proposal.

#### **Appraisal or Dissenters Rights**

No appraisal rights are available under the Delaware General Corporation Law for the stockholders of SACI in connection with the merger proposal.

#### **United States Federal Income Tax Consequences of the Merger**

As the stockholders of SACI are not receiving any consideration or exchanging any of their outstanding securities in connection with the merger with Jamba Juice Company and related financing, and are simply being asked to vote on the matters, it is not expected that the stockholders will have any tax related issues as a result of voting on these matters. However, if you vote against the merger proposal and elect a cash conversion of your shares of SACI into your pro-rata portion of the trust account and as a result receive cash in exchange for your SACI shares, there may be certain tax consequences, such as

realizing a loss on your investment in SACI's shares. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**

### **Regulatory Matters**

The merger and the transactions contemplated by the Agreement and Plan of Merger are not subject to any federal or state regulatory requirement or approval, except the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which approval has already been obtained), and except for filings necessary to effectuate the transactions contemplated by the merger proposal and the amendment to the certificate of incorporation proposal with the Secretary of State of the State of Delaware and the Secretary of State of the State of California, as applicable, and filings for the financing proposal with the American Stock Exchange.

### **Consequences if Merger Proposal is Not Approved**

If the merger proposal is not approved by the stockholders, SACI will not merge with Jamba Juice Company and SACI will continue to seek other potential business combinations. In addition, SACI would not consummate the proposed financing, certificate of incorporation or stock option proposals. In such an event there is no assurance, and management of SACI believes that it is unlikely that SACI will have the time, resources or capital available to find a suitable business combination partner before (i) the proceeds in the trust account are liquidated to holders of shares purchased in SACI's initial public offering and (ii) SACI is dissolved pursuant to the trust agreement and in accordance with SACI's certificate of incorporation.

### **Required Vote**

Approval of the merger proposal will require the affirmative vote of a majority of the shares of SACI's common stock at the Record Date that are present in person or by proxy at the special meeting. In addition, each SACI stockholder that holds shares of common stock issued in SACI's initial public offering or purchased following such offering in the open market has the right to vote against the merger proposal and, at the same time, demand that SACI convert such stockholder's shares into cash equal to a pro rata portion of the trust account in which a substantial portion of the net proceeds of SACI's initial public offering is deposited. These shares will be converted into cash only if the merger is completed and the stockholder requesting conversion holds such shares until the date the merger is consummated. However, if the holders of 3,450,000 or more shares of common stock issued in SACI's initial public offering, an amount equal to 20% or more of the total number of shares issued in the initial public offering, vote against the merger and demand conversion of their shares into a pro rata portion of the trust account, then SACI will not be able to consummate the merger. Broker non-votes, abstentions or the failure to vote on the merger proposal will have no effect on the outcome of the vote.

### **Recommendation**

After careful consideration, SACI's board of directors has determined unanimously that the merger proposal is fair to, and in the best interests of, SACI and its stockholders. SACI's board of directors has approved and declared advisable the merger proposal and unanimously recommends that you vote or give instructions to vote **FOR** the proposal to approve the merger.

The foregoing discussion of the information and factors considered by the SACI board of directors is not meant to be exhaustive, but includes the material information and factors considered by the SACI board of directors.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE MERGER PROPOSAL TO ACQUIRE ALL OF THE OUTSTANDING SECURITIES OF JAMBA JUICE COMPANY.**



## THE AGREEMENT AND PLAN OF MERGER

The following summary of the material provisions of the Agreement and Plan of Merger, or merger agreement, is qualified by reference to the complete text of the merger agreement, a copy of which is attached as Annex A to this proxy statement. All stockholders are encouraged to read the merger agreement in its entirety for a more complete description of the terms and conditions of the merger.

### Structure of the Merger

At the effective time of the merger, JJC Acquisition Company, a newly-formed, wholly-owned subsidiary of SACI, will be merged with and into Jamba Juice Company and Jamba Juice Company will continue as the operating company and become a wholly-owned subsidiary of SACI.

### Purchase Price-Payment

At the closing and subject to certain reductions as hereafter described the Jamba Juice Company shareholders will be paid an aggregate of \$265,000,000 in cash for all of the outstanding securities of Jamba Juice Company, including the value of all shares of Jamba Juice Company capital stock issuable upon exercise of all in-the-money vested and unvested options and warrants of Jamba Juice Company, subject to the optionholders and warrantholders, in certain instances, having the right to exchange their respective options and warrants into options and warrants of SVI, as further described herein. The amount to be paid to the Jamba Juice Company shareholders is subject to certain holdbacks and will be reduced by (i) \$16,000,000 for the assumption by SACI of Jamba Juice Company's line of credit and (ii) all third-party fees and expenses incurred by Jamba Juice Company in connection with the merger, including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by Jamba Juice Company in connection with the negotiation and completion of the Agreement and Plan of Merger and the transactions contemplated thereby. A portion of the purchase price will be funded with cash currently being held in the trust fund established in connection with SACI's initial public offering and the balance of the purchase price will be funded from the proceeds of the financing that is the subject of the financing proposal.

### Closing of the Merger

Subject to the provisions of the merger agreement, the closing of the merger will take place no later than August 15, 2006, or, as soon as practicable after all the conditions described below under The Agreement and Plan of Merger Conditions to the Completion of the Merger have been satisfied, unless SACI and Jamba Juice Company agree to another time.

### Representations and Warranties

The Agreement and Plan of Merger contains a number of representations and warranties that each of Jamba Juice Company and SACI has made to each other. These representations and warranties include and relate to:

- organization and qualification;
- subsidiaries (Jamba Juice Company only);
- capitalization (Jamba Juice Company only);
- authorization, execution, delivery, and enforceability of the merger agreement and related agreements;
- absence of conflicts or violations under organizational documents, certain agreements and applicable laws or decrees, as a result of the contemplated transaction, receipt of all required consents and approvals;

- absence of certain changes or events since January 10, 2006;
- taxes (Jamba Juice Company only);
- employees and employee benefit plans (Jamba Juice Company only);
- title to properties and absence of liens and encumbrances, subject to certain exceptions (Jamba Juice Company only);
- litigation;
- compliance with applicable laws;
- material contracts (Jamba Juice Company only);
- liability for brokerage fees (Jamba Juice Company only);
- real property and leasehold interests (Jamba Juice Company only);
- related party transactions;
- permits (Jamba Juice Company only);
- insurance (Jamba Juice Company only);
- intellectual property (Jamba Juice Company only);
- accuracy of the information contained in financial statements;
- absence of undisclosed liabilities;
- environmental matters (Jamba Juice Company only);
- franchise matters (Jamba Juice Company only);
- accuracy of information relating to Jamba Juice Company to be contained in the proxy statement (Jamba Juice Company only); and
- the trust fund (SACI only).

**Materiality and Material Adverse Effect**

Certain of the representations and warranties are qualified by materiality or material adverse effect. For the purposes of the merger agreement, a material adverse effect on an entity means any change, event, violation, inaccuracy, circumstance or effect, individually or when aggregated with other changes, events, violations, inaccuracies, circumstances or effects, that is materially adverse to the business, assets (including intangible assets), revenue, financial condition or results of operations of such entity, it being understood that none of the following alone or in combination shall be deemed, in and of itself, to constitute a material adverse effect: (i) changes in general national or regional economic conditions, or (ii) any SEC rulemaking requiring enhanced disclosure of reverse merger transactions with a public shell.

**Interim Covenants Relating to Conduct of Business**

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

Under the Agreement and Plan of Merger, each of Jamba Juice Company and SACI has agreed, prior to completion of the merger, to conduct its business in the ordinary course consistent with past practice, except as expressly permitted by the merger agreement.

### **No Solicitations by SACI or Jamba Juice Company**

Until closing or the effective termination of the merger agreement, Jamba Juice Company has agreed that it will not, and will cause its affiliates, employees, agents and representatives not, directly or indirectly, to solicit or enter into discussions or transactions with, or encourage, or provide any information to, any

48

---

corporation, partnership or other entity or group (other than SACI and its designees) concerning any merger, sale of ownership interests and/or assets of Jamba Juice Company, recapitalization or similar transaction (an Acquisition Proposal), provided that this restriction shall not prohibit (i) negotiations with, and the provision of information to, any other person in connection with a superior Acquisition Proposal by such other person or (ii) recommending any superior Acquisition Proposal with such other person to the shareholders of the Company (which shall not constitute a breach of the merger agreement), if the board of directors of Jamba Juice Company determines, in good faith, after consultation with counsel, that the failure to take such actions could reasonably be expected to be inconsistent with their fiduciary obligations under applicable law. If Jamba Juice Company terminates the merger agreement because the board of directors of Jamba Juice Company has recommended a superior Acquisition Proposal and, within six months after the date of such termination, Jamba Juice Company either enters into a definitive agreement to consummate, or consummates any of the following transactions (whether in a single transaction or series of transactions) (i) a sale by Jamba Juice Company of all or substantially all of its assets or (ii) a sale of stock, merger, reorganization or other transaction that results in transfer of ownership of more than fifty percent of the capital stock of Jamba Juice Company outstanding on the date of termination of the merger agreement, then Jamba Juice Company shall promptly pay to SACI a fee in the amount of \$10,000,000.

SACI has agreed that it will not, and will cause its employees, agents and representatives not, directly or indirectly, to solicit or enter into discussions or transactions with, or encourage, or provide any information to, any corporation, partnership or other entity or group (other than Jamba Juice Company and its designees) concerning any merger, purchase of ownership interests and/or assets, recapitalization or similar transaction.

#### **SACI Stockholders Meeting**

SACI has agreed to call and hold a meeting of its stockholders, as promptly as practicable, for the purpose of seeking the adoption of the merger proposal by its stockholders. SACI has also agreed that it will, through its board of directors and subject to their fiduciary duties or as otherwise required by law, recommend to its stockholders that they approve and adopt the merger proposal.

#### **Access to Information**

During the period prior to the closing, each of Jamba Juice Company and SACI has agreed to give the other, its counsel, accountants and other representatives, reasonable access during normal business hours to the properties, books, records and personnel of the other to obtain all information concerning the business, including the status of product development efforts, properties, results of operations and personnel of the other, as such party may reasonably request.

#### **Jamba Juice Company Options and Warrants**

At the effective time of the merger, Jamba Juice Company's obligations with respect to each outstanding unvested option (and unexercised vested option) and unexercised warrant (if amended in a manner reasonably acceptable to SACI) will be assumed by SACI, and SACI shall thereafter be obligated to issue SACI common stock upon exercise thereof. Each such Jamba Juice Company warrant shall be exercisable on the terms, and into the number of shares of SACI common stock, as set forth in the warrant, as so amended. Each such Jamba Juice Company option so assumed by SACI shall be subject to the same terms and conditions set forth in the respective Jamba Juice Company stock option plan, pursuant to which such option was issued, as in effect immediately prior to the merger, and (i) such Jamba Juice Company option will be exercisable for that number of shares of SACI common stock equal to the product of the number of shares of Jamba Juice Company common stock that were issued pursuant to the exercise of such Jamba Juice Company option immediately prior to the merger multiplied by the Exchange Ratio (as

defined below) rounded down to the nearest whole number of shares of SACI common stock, and (ii) the per share exercise price for the shares of SACI common stock issuable upon exercise of such assumed Jamba Juice Company option will be equal to the quotient determined by dividing the exercise price per share of Jamba Juice Company common stock at which such Jamba Juice Company option was exercisable immediately prior to the merger by the Exchange Ratio, and rounding the resulting exercise price up to the nearest whole cent. For purposes of the merger agreement, the Exchange Ratio shall be determined such that (a) the aggregate intrinsic value of the new SACI options is not greater than the aggregate intrinsic value of the Jamba Juice Company options immediately prior to the assumption and (b) the ratio of the exercise price per option to market value per share at the time of the exchange is unchanged. The parties have agreed that SACI will permit holders of vested Jamba Juice Company options to elect, on an individual basis, to either exercise such Jamba Juice Company options and participate in the merger or have those Jamba Juice Company options (up to one million options) assumed, on the same basis as the unvested Jamba Juice Company options, by SACI, unless there are, in the sole judgment and discretion of SACI, significant tax, accounting or securities laws issues (including any requirement of registering such securities on a form other than Form S-8) with treating vested options identically to unvested options. The parties have determined that all unvested Jamba Juice Company options will become options to acquire shares of SACI common stock on economically equivalent terms. Jamba Juice Company warrant holders will be given the option to exchange their warrants in Jamba Juice Company for economically equivalent warrants in SACI. The value of all in-the-money options and warrants assumed by SACI will reduce the \$265,000,000 cash payment to the Jamba Juice Company shareholders.

### **Escrow and Indemnification**

As the sole remedy for the indemnity obligations set forth in the merger agreement, at the closing, the parties will deposit \$19,875,000 in cash, otherwise payable to each of the Jamba Juice Company's shareholders, to be held in escrow during the period ending one year from the closing, all in accordance with the terms and conditions of an escrow agreement to be entered into at the closing between SACI, a representative of the Jamba Juice Company shareholders (who shall be designated by Jamba Juice Company prior to the closing) and Continental Stock Transfer and Trust Company. The terms of such escrow provides that, depending on the amount of any paid claims, pending claims or claims that have not been applied against a \$2,000,000 deductible, \$4,968,750 shall be released to the Jamba Juice Company shareholders on each of the six-month and nine-month periods following closing. The balance of any amounts remaining in escrow against which no claims have been made shall be distributed to the Jamba Juice Company shareholders 12 months following the closing.

SACI and its representatives, successors and permitted assigns shall be entitled to indemnification out of the escrow fund for any damages, whether as a result of any third party claim or otherwise, and which arise from or in connection with the breach of representations and warranties and agreements and covenants of Jamba Juice Company under the merger agreement. The representations, warranties, covenants and agreements of Jamba Juice Company shall survive the closing for a period of one year. Subject to certain exceptions, claims may be asserted once an individual item exceeds \$25,000, and when total damages, exceed \$2,000,000, in the aggregate, at which time the full amount of any such claims, once resolved, will be paid out of the escrow. Additionally, the aggregate liability for losses under the merger agreement shall not exceed \$19,875,000.

### **Fees and Expenses**

Whether or not the merger is consummated, all fees and expenses incurred in connection with the merger including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of the merger agreement and the transactions contemplated thereby, shall be the obligation of the respective party incurring such fees and expenses. Jamba Juice Company has agreed to

provide SACI with a statement of estimated third party expenses incurred by Jamba Juice Company at least five (5) business days prior to the closing in a form reasonably satisfactory to SACI. Any third party expense in excess of the Jamba Juice Company third party expenses reflected on such statement of expenses will reduce the total merger consideration, will be subject to the indemnification provisions of the merger agreement and will not be subject to the indemnification basket.

#### **Public Announcements**

The parties have agreed to cooperate in good faith to jointly prepare all press releases and public announcements pertaining to the merger agreement and the related transactions, and no party shall issue or otherwise make any public announcement or communication pertaining to the merger agreement or the merger without the prior consent of the other, except as required by any legal requirement or by the rules and regulations of, or pursuant to any agreement of, a stock exchange or trading system. Each party has agreed not to unreasonably withhold approval from the other with respect to any press release or public announcement.

#### **Pre-Closing Confirmation**

Not later than 48 hours prior to the closing:

- SACI is required to give the trustee advance notice of the anticipated consummation of the merger; and
- SACI will cause the trustee to provide a written confirmation to Jamba Juice Company confirming the dollar amount of the account balance held by the trustee in the trust account to be released upon consummation of the merger.

#### **Conditions to the Completion of the Merger**

The obligations of SACI to consummate the merger are subject to, among other things, the following conditions (each of which may be waived by SACI):

- the representations and warranties of Jamba Juice Company must be true and correct in all material respects, as of the date of completion of the merger;
- Jamba Juice Company must have performed in all material respects all obligations that are to be performed by it under the terms of the merger agreement;
- there must not have occurred, since the date of the merger agreement, any material adverse effect on Jamba Juice Company;
- each of Paul E. Clayton, Donald D. Breen and Karen Kelley will have entered into employment agreements with SACI and/or Jamba Juice Company;
- the SACI stockholders shall have approved the transactions contemplated by the merger agreement and holders of twenty percent (20%) or more of the shares of SACI issued in SACI's initial public offering and outstanding immediately before the closing shall not have exercised their rights to convert their shares into a pro rata share of the trust fund;
- on or before April 30, 2006, all Jamba Juice Company warrants shall have either been (i) amended in a manner reasonably acceptable to SACI or (ii) exercised (subject to the occurrence of the closing);
- holders of no more than five percent (5%) of the shares of any class of securities of Jamba Juice Company outstanding immediately before the closing shall have taken action to exercise their appraisal rights pursuant to Section 1301 of the California General Corporations Law;



- all specified waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act shall have expired and no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the merger illegal or otherwise prohibiting the consummation of the merger, substantially on the terms contemplated by the merger agreement; and
- the absence of any action, suit or proceeding challenging or preventing the merger.

The obligations of Jamba Juice Company to consummate the merger is subject to, among other things, the following conditions:

- SACI's representations and warranties must be true and correct in all material respects, as of the date of completion of the merger;
- SACI must have performed in all material respects all obligations required to be performed by it under the merger agreement;
- the absence of any action, suit or proceeding challenging or preventing the merger;
- the SACI stockholders shall have approved the transactions contemplated by the merger agreement and holders of twenty percent (20%) or more of the shares of SACI issued in SACI's initial public offering and outstanding immediately before the closing shall not have exercised their rights to convert their shares into a pro rata share of the trust fund;
- all specified waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act shall have expired and no governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and which has the effect of making the merger illegal or otherwise prohibiting consummation of the merger, substantially on the terms contemplated by the merger agreement;
- there must not have occurred since the date of the merger agreement any material adverse effect on SACI; and
- SACI's common stock will be listed for trading on the AMEX or quoted for trading on NASDAQ, if the application for such listing is approved, and there will be no action or proceeding pending or threatened against SACI to prohibit or terminate the listing of SACI common stock on the AMEX.

#### **Termination**

The merger agreement may be terminated at any time, but not later than the closing, as follows:

- by mutual written consent of SACI and Jamba Juice Company;
- by either SACI or Jamba Juice Company if a governmental entity shall have issued an order, decree or ruling or taken any other action, in any case having the effect of permanently restraining, enjoining or otherwise prohibiting the merger, which order, decree, ruling or other action is final and nonappealable;
- by either SACI or Jamba Juice Company, if, at the SACI special meeting (including any adjournments thereof), the merger agreement and the transactions contemplated thereby are not approved and adopted by the affirmative vote of the majority of the holders of SACI common stock issued in SACI's initial public offering, or the holders of 20% or more of the number of shares of SACI common stock issued in SACI's initial public offering and outstanding as of the



Record Date exercise their rights to convert the shares of SACI common stock held by them into cash in accordance with SACI s certificate of incorporation;

52

---

- by either party, if the closing has not occurred by August 15, 2006; or
- subject to a 30-day cure period, by either party if such other party has breached any of its covenants or representations and warranties under the merger agreement in any material respect.

#### **Effect of Termination**

Except as otherwise provided in the merger agreement, in the event of termination by either Jamba Juice Company or SACI, the merger agreement will become void and have no effect, without any liability or obligation on the part of SACI or Jamba Juice Company. The sole remedy of any party for breach of the merger agreement occurring prior to closing by such other party shall be limited to termination of the merger agreement, and no party shall have any claim against the other for damages or equitable relief for breach of the merger agreement occurring prior to the closing; provided, however, that SACI shall retain the right to the termination fee described above. Notwithstanding the foregoing, the parties may sue for specific performance.

#### **Assignment**

The merger agreement and the rights and obligations of a party thereunder may not be assigned, transferred or encumbered without the prior written consent of the other parties.

#### **Further Assurances**

Each of SACI and Jamba Juice Company agree that it will execute and deliver, or cause to be executed and delivered, on or after the date of the merger agreement, all such other documents and instruments and will take all reasonable actions as may be necessary to transfer and convey the securities of Jamba Juice Company to SACI.

#### **Representative**

Prior to Closing, Jamba Juice Company will designate a representative or representatives with authority to make all decisions and determinations and to take all actions required or permitted under the merger agreement and the escrow agreement on behalf of the Jamba Juice Company shareholders. Any such action, decision or determination so made or taken shall be deemed the action, decision or determination of the Jamba Juice Company shareholders, and any notice, document, certificate or information required to be given to any Jamba Juice Company shareholder shall be deemed so given if given to the representative(s). As such representative(s) may also be shareholders of Jamba Juice Company, it is possible that potential conflicts of interest may arise with respect to their obligations as representatives and their interests as shareholders of Jamba Juice Company. In addition, \$2,000,000 of the total merger consideration will be placed into an interest bearing account, from which the representative(s) will have the right to withdraw amounts necessary to reimburse it for its fees and costs incurred in the performance of its duties as representative and to fund any costs of defense of any claims by SACI. Any remaining amount held in such account will be released to the Jamba Juice Company shareholders on the later of the first anniversary of the closing of the merger or such time that there are no unresolved claims for indemnification.

#### **Employment Agreements**

A condition to SACI's obligation to consummate the merger is that each of Paul E. Clayton, Donald D. Breen and Karen Kelley enter into employment agreements with SACI, in form and substance reasonably acceptable to SACI and such persons. Each of such persons have entered into substantially identical employment agreements with SACI, which are effective only upon consummation of the merger. The following description of such employment agreements describes the material terms of such

employment agreements and does not purport to describe all of the terms and conditions of the employment agreements.

### **Scope and Term of Employment**

The employment agreements provide that, after the merger, Paul E. Clayton will be employed as the President and Chief Executive Officer, Donald D. Breen as the Chief Financial Officer and Karen Kelley as Vice-President Operations of the combined company. Messrs. Clayton and Breen and Ms. Kelley are collectively sometimes referred to as the employees. Other than these differences in offices (and other requirements under applicable laws), the employment agreements are substantially identical. The term of the employment agreements are three years with automatic one year extensions until either party terminates the agreement with 120 days written notice prior to the expiration of the then current term.

### **Compensation**

Each employee:

- will be entitled to a an annual base salary as provided for in the agreements, which for Mr. Clayton is \$550,000, for Mr. Breen is \$300,000 and Ms. Kelley is \$265,000;
- will be eligible for an annual cash bonus which will be equal to a percentage of the base salary for each fiscal year. Any annual bonus targets will be determined and approved by the board of directors for each fiscal year. Payment of the annual bonus (if any) will occur within 90 days after the close of the fiscal year, but in no event, prior to the delivery of the annual audited financial statements; and
- will receive an initial grant of restricted shares and options having a strike price equal to the fair market value of SACI s shares on the date of grant. The annual grant shall be made in accordance with the terms and provisions as set forth in the Plan.

### **Fringe Benefits, Reimbursement of Expenses**

Each employee will be entitled to, among other things:

- participate in all benefit programs established and made available to similarly situated employees, if any; and
- reimbursement for reasonable expenses incurred or paid by the employee in connection with, or related to the performance of their duties, responsibilities or services, upon presentation by the employee of documentation, expense statements, vouchers and/or such other supporting information as may be reasonably requested.

### **Termination**

At any time during the term, the combined company shall have the right to terminate the agreement for cause (as defined in the employment agreement). Upon termination for cause, death or disability, the employee shall be entitled to that portion of unpaid salary through the date of termination.

If the combined company terminates the employee without cause, the employee will be entitled to receive any unpaid portion of the employee s salary, bonus, benefits and un-reimbursed expenses, payable when and as the same would have been due and payable but for such termination. In addition, the combined company will also continue to pay employee, as severance, base salary for a period of twelve (12) months following the date of termination.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS OF JAMBA JUICE COMPANY**

The following is a discussion of Jamba Juice Company's financial condition and results of operations comparing the fiscal years ended June 28, 2005, June 29, 2004 and June 24, 2003, as well as the 40 weeks ended April 4, 2006 and April 5, 2005. You should consider the foregoing when reviewing Jamba Juice Company's consolidated financial statements and this discussion. You should read this section together with Jamba Juice Company's consolidated financial statements including the notes to those financial statements for the years mentioned above.

**Management's Discussion and Analysis of Financial Condition and Results of Operations**

Dollar amounts of \$1.0 million or more are rounded to the nearest one tenth of a million; all other dollar amounts are rounded to the nearest one thousand and all percentages are stated to the nearest one tenth of one percent.

**General**

Jamba Juice Company's fiscal year ends on the Tuesday preceding June 30. The fiscal years ended June 28, 2005 and June 24, 2003 include 52 weeks, and the fiscal year ended June 29, 2004 includes 53 weeks.

**JAMBA JUICE COMPANY OVERVIEW**

Jamba Juice Company is a leading retailer of premium quality blended-to-order fruit smoothies, squeezed-to-order juices, blended beverages and healthy snacks.

Jamba Juice Company has grown from the first store opening in San Luis Obispo, California in 1990 to 538 locations in 25 states, consisting of 325 company-owned locations and 213 franchisee-owned locations (as of April 4, 2006). Of the 538 locations, there are 290 located in California. Within California, 242 of these stores are Company-owned locations and 48 are franchisee-owned locations.

One of Jamba Juice Company's primary growth strategies is to continue to increase brand awareness through accelerated store development and penetration in existing markets with Company-owned stores. While Jamba Juice Company has selectively utilized area developers to franchise in the past, Jamba Juice Company has focused its growth strategy on company operated stores. Jamba Juice Company intends to continue to grow the brand through a company growth strategy in its core California markets, emerging markets and in new markets throughout the United States. As a complement to this strategy, Jamba Juice Company intends to continue to supplement company store growth through selective franchising or joint venture agreements. Jamba Juice Company is testing numerous types of nontraditional locations including store-within-a-store formats, airport locations, shopping malls, and university campus locations.

Jamba Juice Company management believes that the foundation for building shareholder value has three principal strategies. The first is to continue to develop California and build out its core market. The second is to increase market penetration and build brand awareness in new markets creating geographic diversification, and the third is to increase sales at existing locations.

In order to support the increased development, Jamba Juice Company intends to increase its spending on real estate managers and consultants to develop the real estate pipeline. Jamba Juice Company also plans to bring on additional management to help grow and develop the nontraditional locations and franchise growth. Geographic diversification is important to Jamba Juice Company in order to reduce its dependence on the California economy and the impact of regional weather conditions. Nontraditional growth is important in helping to support additional brand exposure as well as diversify the seasonal nature of Jamba Juice Company's business.

Increasing revenue at new and existing locations are key pillars in driving unit level economics and shareholder value. Jamba Juice Company's strategy is to drive new usage occasions and increase customer frequency through product innovation, to educate customers on the benefits of its products, to engage and delight customers with the positive Jamba experience and to support the community in which we live and work.

Jamba Juice Company will invest in development of new company stores, nontraditional stores and franchise development with the long-term objective of growing revenue over time in the range of 20% to 30% per year. The sustainability of that long-term growth will be dependant on Jamba Juice Company's ability to execute the development strategy and increase sales.

#### **RESULTS OF OPERATIONS 40 WEEK PERIOD ENDED APRIL 4, 2006 COMPARED TO APRIL 5, 2005**

Net revenue for Jamba Juice Company is comprised of revenue from Jamba Juice Company-owned stores ( Company Stores ) and royalties and fees from franchised locations. For the 40 week period ended April 4, 2006 net revenue increased 23.4% to \$180.4 million from \$146.1 million for the same period in 2005, primarily driven by the increase in Company Store revenue. The total number of Company Stores and franchise stores increased to 538 stores at the beginning of April 2006, up from 482 stores at the end of the comparable period in 2005.

Jamba Juice Company received 96.4% of its total revenue during the 40 week period ended April 4, 2006 from its Company Stores. Company Stores revenue increased 22.8% to \$173.8 million from \$141.5 million as compared to the same period in 2005. This increase was primarily due to net unit growth of 42 stores to 325 stores at the end of the period and an increase of 4.0% in comparable store sales. The increase in comparable store sales is a function of pricing increases that accounted for 2.5% of the growth with the remainder from increased average check size. Jamba Juice Company undertakes periodic reviews of its pricing and generally uses price increases to offset increasing costs and inflation and tries to grow revenue primarily through increasing frequency of visits and higher average check size.

Comparable store sales through Jamba Juice Company's first two fiscal quarters were up 7.7%, however, sales in the most recent fiscal quarter were impacted by record rainfall in California. Although comparable store sales performance for Company Stores, outside of California was positive, it was not enough to offset the effects of the California comparable store sales.

Franchise and other revenue represented the remaining 3.6% of revenue in period 2006. Franchise and other revenue increased 42.0% to \$6.6 million from \$4.6 million for the comparable 2005 period. This \$2.0 million increase was made up of increases of \$52,000 in franchise territory fees, \$517,000 in franchise royalties, \$1.1 million in franchise support revenue and \$315,000 in other franchise revenue. Franchise royalties increased by \$517,000 or 14.5% as a result of net unit growth of 14 stores to end at 213 stores, up from 199 stores at the end of fiscal year 2005, and a 5.6% increase in comparable store sales for the period. During the period in 2006, Jamba Juice Company recognized \$270,000 of other franchise revenue from Whole Foods Market. Jamba Juice Company agreed to terminate its development agreement with Whole Foods Market in September 2005. Under the terms of the agreement, the franchisee may elect to close certain locations. As they close a location, they are obligated to pay a termination fee per store, which varies based on profitability. During this period, there were nine locations closed. The \$270,000 in revenue attributable to this agreement was recognized as the stores were closed. The total amount of revenues related to these closures is estimated to be \$360,000 and is expected to be recognized over the next (6-18 months). There was also an increase of \$1.1 million related to fees that Jamba Juice Company receives for franchise employee support provided in the period. This is a reimbursement of employment services that Jamba Juice Company provides for a Midwest franchisee and a joint venture in Florida. Under the terms of a management agreement with its Midwest franchisee, Jamba Juice Company employs and manages the eight stores in the Minneapolis market. In addition, on December 14, 2005, Jamba Juice

Company entered into an agreement with its Florida joint venture to employ and manage the 15 stores in Florida. This increase in fees is a reimbursement for employment services and is primarily attributable to entering into the management agreement in Florida.

Cost of sales and other occupancy costs for Company Stores increased by 22.8% for the 40 week period ended April 4, 2006 to \$64.5 million compared to \$52.5 million for the same period in 2005, primarily due to new store growth, however, as a percentage of revenue, these costs decreased to 35.8% from 36.0% in the prior year. Cost of sales as a percentage of net revenue decreased to 23.9% from 24.7% due to the relatively lower costs for oranges during this period versus a year ago when orange prices spiked, as a result of significant crop damage from hurricanes in Florida. This change represented approximately \$800,000 in cost reduction. The orange price decline was partially offset by higher fuel surcharges for store deliveries of approximately \$250,000. Occupancy costs increased \$4.6 million, as a result of \$4.1 million increased rent costs partially as a result of lease renewals and relatively higher costs in New York and Chicago where Jamba Juice Company has recently opened stores. Jamba Juice Company intends to supplement its urban development with additional locations in suburban market locations outside the major markets. These locations typically have lower occupancy costs than the major urban central business district locations. Jamba Juice Company's strategy has been to first enter into the major urban markets to help increase brand awareness and then migrate out into the suburban locations.

Store operating expenses increased 20.5% in the 40 week period ended April 4, 2006 to \$74.1 million as compared to \$61.4 million for the same period last year and decreased as a percentage of revenue from 42.1% to 41.1% in the current period. While labor costs continued to decrease as a percentage of sales, this was partially offset by \$762,000 of higher expense for performance based bonuses and \$731,000 of higher costs for repairs and contract services. Jamba Juice Company experienced more efficient labor management in part to due to the implementation of a new labor scheduling tool. In 2005, Jamba Juice Company retained a centralized dispatching and service company and made a greater effort to provide preventative maintenance. Although Jamba Juice Company has experienced higher maintenance costs, it is expected that the new program will help avoid expensive emergency repairs in the future as the average age of Company stores increase. Jamba Juice Company has also hired regional facilities managers to help manage these costs and repair programs.

Other operating expenses increased by 28.8% to \$5.2 million in the 40 week period ended April 4, 2006 from \$4.0 million in the prior year's period and were higher as a percentage of revenue, increasing to 2.9% in 2006 from 2.7% of revenue in 2005. This is primarily due to an increase in marketing expenses of 35.0%.

Depreciation and amortization increased 27.7% in the 40 week period ended April 4, 2006 to \$10.0 million from \$7.8 million in the same period last year and grew as a percentage of revenue from 5.3% to 5.5%. This increase is a result of new store growth, additional depreciation for nine stores that were remodeled and the higher store development costs particularly in New York, where Jamba Juice Company now has 18 stores.

General and administrative expenses include not only the costs associated with Jamba Juice Company's Support Center in San Francisco, but also include regional general and administrative cost for store supervision, recruiting, training, human resources and local marketing personnel. General and administrative expenses increased 21.4% period over period, but decreased as a percentage of revenue from 13.2% for the 40 week period in 2005 to 13.0% for the same period in 2006. Jamba Juice Company incurred higher performance-based bonus expenses of \$1.6 million and had an increase of \$1.0 million for consultants and external services. The higher bonuses for Support Center employees are based on profit performance versus plan, comparable store sales and personal goals. The year-to-date profit performance against plan exceeded the same period for last year. These cost increases were partially offset by \$278,000 lower legal expenses and \$330,000 less in relocation and recruiting expenses in the period.

Store pre-opening costs are largely costs incurred for training new store personnel and some pre-opening marketing. These expenses decreased by 23.0% for the 40 week period ended April 4, 2006 to \$1.7 million from \$2.2 million for the same period in the prior year, which resulted in a decrease from 1.5% to 0.9% as a percent of revenue. The year-over-year decrease was due to a reduction of the number of unit openings during the current period. There were 25 stores opened in the current period versus 41 stores opened in the same period last year. This reduction is due to the relative slow period of growth in this 40 week period and is expected to increase in the future as expansion ramps up.

Franchise support expenses increased 230.6% in the current 40 week period to \$1.5 million as compared to \$460,000 for the same period in the prior year and increased from 0.3% to 0.8% of revenue. This increase is attributable to an increase in the amount of franchise support that was provided to a Midwest franchisee and to new support provided to a Florida joint venture. This franchise support is directly related to employment services and is an offset with franchise support revenue that results in no net margin or income.

Loss on asset impairment, store closures and disposals decreased 0.3% in the 40 week period ended April 4, 2006 to \$937,000 as compared to \$940,000 for the same period in the prior year, a small decrease as a percentage of revenue from 0.6% to 0.5%.

Jamba Juice Company recognized \$1.4 million of income from gift certificate breakage. Jamba Juice Company has done extensive research into the likelihood of redemption of these gift certificates and recognized this revenue after determining that these gift certificates would not be redeemed. Jamba Juice Company will continue to monitor the liability for gift certificates and jambacards and will make adjustments based on actual and projected redemption patterns.

Net interest expense increased 61.3% in the current period to \$0.8 million from \$0.5 million in the same period in the prior year. This is a function of both of higher interest rates and borrowings on the credit line during the period with an average loan amount of \$14.3 million in the current period versus \$10.4 million in same period in the prior year.

Income tax benefit decreased to \$0.1 million in the current period from \$1.5 million in the same period last year. This is a function of lower net losses during the current period versus last year.

The net loss for the 40 week period ended April 4, 2006 was \$0.2 million, which is an improvement as compared to \$1.5 million net loss for the same period last year.

#### **RESULTS OF OPERATIONS FISCAL YEAR 2005 COMPARED TO FISCAL YEAR 2004**

Net revenue for the fiscal year ended June 28, 2005 increased 21.0% to \$209.0 million from \$172.8 million in fiscal year 2004, primarily driven by the increase in Company Store revenue. Jamba Juice Company received 96.7% of total revenue from its own stores and for the fiscal year ended June 28, 2005 Jamba Juice Company increased Company Store revenue by 21.8% to \$202.1 million from \$165.9 million for the comparable 2004 period. This increase was primarily due to net unit growth of 58 stores to 301 stores at the end of the period and a 0.2% increase in comparable store sales. Total number of Company Stores and franchise stores increased to 503 stores at the end of fiscal 2005, up from 431 stores at the end of fiscal 2004.

Franchise and other revenue represented the remaining 3.3% of revenue in fiscal 2005. Franchise and other revenue increased 0.8% to \$7.0 million from \$6.9 million for the comparable 2004 period. During 2005 franchised stores experienced net unit growth of 14 stores to end at 202 stores, up from 188 stores at the end of fiscal 2004. Franchise royalties increased by \$745,000 or 17.4% as a result of new store unit growth and a 2.2% increase in comparable store sales. During 2005, Jamba Juice Company recognized \$658,000 in franchise revenue for the recognition of deferred development fees. These deferred development fees were primarily related to expired or terminated development agreements with licensees as Jamba Juice Company had no further obligations under these contracts and the fees were not

refundable. These increases were partially offset by a \$1.2 million decrease in revenue related to franchise support fees. The support fees were lower because during the period Jamba Juice Company purchased 8 of the stores that it had previously been managing for a franchisee. There was also lower revenue from territory fees, partially as a result of a greater emphasis on Company Stores and lower increase in net new franchise stores opened in fiscal 2005. In fiscal 2005, franchisees net unit growth was 14 stores versus 17 in fiscal 2004.

Cost of sales and other occupancy costs increased by 34.2% to \$73.7 million in fiscal 2005 from \$54.9 million in the prior year, primarily due to new store growth. Cost of sales and other occupancy costs as a percentage of sales increased from 31.8% in fiscal 2004 to 35.2% in fiscal 2005. Cost of sales as a percentage of net revenue was higher primarily due to a significant increase in the cost of oranges during the year. Severe weather caused by hurricanes in Florida in addition to wet, cold weather in California, created product shortages for oranges. This increased the costs for oranges by \$1.0 million. A shift in product mix towards the Enlightened Smoothies and the new product, the Sixteen, and increased distribution expenses related to entering new markets all served to increase costs. These products were introduced as a response to consumer desire for lower calorie products, which have a slightly lower margin. Jamba Juice Company may introduce products that have lower margins if management believes that such products will generate incremental sales or drive increased visit frequency. The other reason for the increased costs is due to expansion into new areas and stores. Costs in a new market are traditionally somewhat higher due to the relatively higher freight costs that continue until volumes can support full truck load deliveries. Occupancy costs increased primarily as a result of the \$5.4 million increase in rent expense which reflected higher average rent costs in new areas that Jamba Juice Company is currently developing. Jamba Juice Company added 10 stores in New York City and six stores in the Chicago area.

Store operating expenses increased 24.4% in fiscal year 2005 to \$85.0 million from \$68.4 million and are slightly higher as a percentage of revenue, increasing to 40.7% from 39.6%. Labor costs decreased as a percentage of sales, primarily due to \$1.2 million lower of store general manager profitability-based bonuses. This was partially offset by \$1.3 million in higher repair and maintenance costs. During fiscal 2005, Jamba Juice Company retained a centralized dispatching and service company, which represented approximately \$100,000 of the increase. The tracking of service calls gave visibility to store level calls and more detailed information about required maintenance. Increased building, plumbing, HVAC and refrigeration maintenance represented \$578,000.

Other operating expenses increased 32.9% year-over-year to \$8.5 million from \$6.4 million and increased from 3.7% to 4.0% of revenue. These increases were attributable to \$443,000 of increased losses in JJC Florida, LLC a Florida joint venture, which is an unconsolidated affiliate, \$880,000 in consulting and severance arrangements with two former executives and an increase in 401K costs. Please find more information on unconsolidated affiliates, including condensed financial information, in the notes to audited consolidated financial statements for Jamba Juice Company.

The Florida joint venture has 15 stores which are experiencing year-to-date sales increases. Jamba Juice Company's plan is to continue to build market share and brand awareness through opening more Company owned locations and through local store marketing. With the increase in brand awareness and market penetration, management believes that the unit sales volumes will increase and the stores will be individually and collectively profitable. Jamba Juice Company assumed the management of JJC Florida, LLC's stores as of December 14, 2005 via a Management Agreement. All the team members are now Jamba employees, which will lead to consistency of management as additional stores are opened. Since the assumption of management, sales have continued to increase and some of the stores are beginning to show profitability. With the opening of additional stores in the market, product and labor costs should continue to decrease as the market is able to take advantage of economies of scale in purchases and staffing. Although the joint venture has historically sustained losses, management does not believe that it is indicative of future performance.



Depreciation and amortization increased 34.1 % in fiscal 2005 to \$10.4 million from \$7.7 million and grew as a percentage of revenue from 4.5% in fiscal year 2004 to 5.0% in the current year. While this is a function of store unit growth, it is also a reflection of the higher development costs of expanding into new urban markets. The average cost to develop a store in New York City is \$575,000. In a traditional suburban area, the development costs typically range from \$300,000-\$400,000.

General and administrative expenses for both the Support Center and field increased 7.0% year-over-year to \$24.2 million in fiscal 2005 from \$22.7 million in 2004, and decreased as a percentage of revenue from 13.1% in fiscal 2004 to 11.6% in fiscal year 2005. This was primarily due to \$1.5 million reduced profitability-based corporate bonuses and reduced litigation activities resulting in a \$486,000 reduction of legal expenses.

Store pre-opening costs increased by 15.7% in fiscal year 2005 to \$3.1 million from \$2.7 million and stayed constant at 1.5% of revenue. The year-over-year increase was attributed to 60 Company store openings during fiscal year 2005, an increase of 22 stores over the prior year.

Franchise support expenses decreased \$3.1 million or 87.2% in fiscal year 2005 to \$460,000 from \$3.6 million in the prior year and decreased from 2.1% to 0.2% of revenue. This reduction is attributable to a significant reduction in the amount of franchise support that was provided to a Midwest franchisee after Jamba Juice Company acquired 8 stores during fiscal 2005 that the Midwest franchisee previously owned in the Chicago area. After the purchase, the labor expense associated with the employees for these stores is reflected on Jamba Juice Company's consolidated financial statement as part of store operating expense. The franchise support expenses will continue on a reduced basis going forward as these services are still provided for seven franchised stores in Minnesota, that are owned by the Midwest franchisee.

Loss on asset impairment, store closures and disposals decreased 28.2% in fiscal year 2005 to \$1.0 million from \$1.4 million. During fiscal year 2005, there was only one store closure while there were two closures in fiscal year 2004.

In fiscal year 2005, Jamba Juice Company received a litigation settlement of \$2.7 million from its insurance company, in connection with an insurance-coverage lawsuit related to the settlement of underlying lawsuits between Jamba Juice Company and the landlord of its corporate headquarters and other related parties. Jamba Juice Company settled these underlying lawsuits by paying \$2.8 million in 2003, of which \$1.8 million and \$1.0 million were recognized as expenses in fiscal years 2003 and 2002, respectively.

During fiscal 2005, Jamba Juice Company settled a California sales tax audit for \$2.6 million and recognized the expense.

Net interest expense increased 59.4% in the fiscal year 2005 to \$778,000 from \$488,000 in the prior year. This is a function of increased borrowings on the credit line during the period, with an average loan amount of \$11.9 million in the period 2005, versus \$3.5 million in 2004.

Income tax expense increased to \$1.1 million in the fiscal year 2005 from an income tax benefit of \$11.2 million in 2004. This is primarily due to the reversal of \$12.9 million valuation allowance of deferred tax in 2004 that was reversed when management determined that it was more likely than not that Jamba Juice Company would be able to utilize its deferred tax credits.

Net income for the fiscal year of 2005 was \$962,000, which is significantly lower than the \$15.9 million net income for the same period in 2004 primarily as a result of the aforementioned reversal of deferred tax valuation allowances aggregating \$12.9 million. However, net income before tax decreased 56.2% to \$2.1 million in fiscal 2005 from \$4.7 million in fiscal 2004.

**RESULTS OF OPERATIONS FISCAL YEAR 2004 COMPARED TO FISCAL YEAR 2003**

Net revenue for the fiscal year ended June 29, 2004 increased 27.6% to \$172.8 million from \$135.4 million in fiscal year 2003, primarily driven by the increase in the number of stores. The total number of Company Stores and franchise stores increased to 431 stores at the end of fiscal year 2004, up from 369 stores at the end of fiscal year 2003.

During fiscal year 2004, Jamba Juice Company received 96.0% of total revenue from Company Stores. Company Store revenue for the fiscal year ended June 29, 2004 increased 27.6% to \$165.9 million from \$130.0 million for the comparable 2003 period. This increase was mainly due to an increase in comparable Company Store sales of 7.2% and net unit growth of 45 stores to 243 stores at the end of the period. The comparable Company Store revenue increase was a function of a 5.7% increase in traffic at the stores and an increase of 1.5% in the average check size.

Franchise and other revenue represented the remaining 4.0% of revenue in fiscal year 2004, which increased 27.6% to \$6.9 million from \$5.4 million for the comparable 2003 period. Franchise royalties increased \$672,000 or 18.6% as a result of net unit growth of 17 stores to end at 188 franchise stores, an increase from 171 stores at the end of 2004, and a 4.1% increase in comparable store sales for the period. During 2004, franchise territory and front end fees increased by \$357,000 as a result of an increase in the number of franchisee-owned store openings. There was also an increase of \$244,000 in fees related to franchise support.

Cost of sales and other occupancy costs increased by 25.1% in fiscal year 2004 to \$54.9 million from \$43.9 million, primarily as a result of increased volumes; however, these costs decreased as a percentage of revenue to 31.8% in 2004 from 32.4% in fiscal year 2003. The cost of sales as a percentage of revenue was flat and occupancy costs as a percentage were slightly lower, partially due to a 7.2% increase in Company Store comparable sales.

Store operating expenses grew 30.5% year-over-year to \$68.4 million in fiscal 2004 from \$52.4 million in fiscal 2003 and are slightly higher as a percentage of revenue, increasing to 39.6% in fiscal year 2004 from 38.7% in fiscal year 2003. Labor costs were higher, mostly as a result of a \$1.0 million increase in store general manager profitability-related bonuses and increased health insurance costs of \$441,000.

Other operating expenses increased 52.4% year-over-year to \$6.4 million in fiscal 2004 from \$4.2 million, an increase from 3.1% to 3.7% of revenue. This increase was primarily due to incremental \$1.1 million in advertising and marketing efforts, to support the launch of the new Enlightened Smoothie line and the new product size, the Sixteen.

Depreciation and amortization increased by 2.8 % to \$7.7 million in fiscal year 2004 from \$7.5 million, a decrease as a percentage of revenue from 5.5% in fiscal year 2003 to 4.5% in fiscal year 2004. This is due primarily to increase in write-offs, closures and impairments in the prior period. A majority of Company store s additions did not open until the end of the year and therefore did not have a significant impact on depreciation.

General and administrative expenses increased 28.4% year-over-year to \$22.7 million from \$17.7 million, and was approximately flat as a percentage of revenue. The increase in expenses was the result of higher headcount to support future growth, \$769,000 of higher profitability-based bonuses for support center personnel and \$683,000 of increased external consulting fees.

Store pre-opening costs increased by 174.4% to \$2.7 million in fiscal year 2004 from \$1.0 million, an increase as a percentage of revenue from 0.7% in fiscal year 2003 to 1.5% in fiscal year 2004. These increases are directly attributable to the significant number of unit openings during fiscal year 2004, which included 38 opened stores versus 21 opened stores in 2003.

Franchise support expenses increased by \$1.6 million or 76.6% to \$3.6 million in fiscal year 2004 from \$2.0 million, an increase from 1.5% of revenue in fiscal year 2003 to 2.1% of revenue in fiscal year 2004. This is the result of franchise support provided to a Midwest franchisee beginning in fiscal year 2003.

Losses on asset impairment, store closures and disposals, decreased by 8.6% in fiscal year 2004 to \$1.4 million from \$1.6 million in fiscal year 2003. During fiscal year 2004, there was one store closure while there were four closures in fiscal year 2003.

During the fiscal year 2003, Jamba Juice Company settled a dispute with its corporate support center landlord and a class-action lawsuit that alleged that Jamba Juice Company failed to pay overtime wages to its California employees. Jamba Juice Company recognized \$5.1 million of litigation settlement expense. In fiscal year 2004, Jamba Juice Company reduced the estimate of payroll taxes related to the previous settlement and accordingly reduced the accrual by \$85,000.

Net interest expense increased 54.4% in the fiscal year 2004 to \$488,000 from \$316,000 in the prior year. In 2004, net interest expense included \$212,000 in charges related to a class-action settlement with Jamba Juice Company California employees and the purchase of development rights from the Midwest Developer. Without those charges, the amount would have been \$276,000 and would have decreased in 2004 versus 2003 by 13.1%. This is a function of lower borrowings on the credit line during the period, with an average loan amount of \$3.5 million in the period 2004 versus \$5.0 million in 2003.

Jamba Juice Company reversed a valuation allowance for deferred income taxes of \$12.9 million during fiscal 2004. This caused Jamba Juice Company to have a net income tax benefit of \$11.2 million for fiscal year 2004 versus an income tax benefit of \$820,000 in 2003. Prior to 2004 Jamba Juice Company recorded a full valuation on its deferred taxes as it did not have a history of earnings. The valuation allowance was reversed when management determined after four consecutive years of profitability, it was more likely than not that Jamba Juice Company would be able to realize all of its deferred tax assets.

Net income for the fiscal year of 2004 was \$15.9 million, which is significantly higher than the \$651,000 for the period in 2003 due primarily to the aforementioned reversal of a tax valuation allowance against deferred taxes. Taking out the effect of the tax allowance reversal, the net income before taxes increased substantially also to \$4.7 million in fiscal 2004, from a loss of \$169,000 million in fiscal 2003.

#### **Liquidity and Capital Resources**

As of April 4, 2006, Jamba Juice Company's liquidity and capital resources included cash and cash equivalents of \$1.8 million compared to \$1.4 million as of June 28, 2005. The \$0.4 million increase in total cash and cash equivalents from June 28, 2005 to April 4, 2006, was primarily due to cash provided by operating activities and increased draw on Jamba Juice Company's revolving credit facility, partially offset by \$17.5 million in capital expenditures.

Cash provided by operating activities totaled \$12.6 million in the first 40 weeks of fiscal 2006 and was generated primarily by increased sales of jambacards of \$4.0 million partially offset by decreased accounts payable.

Cash used by investing activities totaled \$17.5 million in the first 40 weeks of fiscal 2006 primarily attributable to opening 25 new Company Stores and remodeling certain existing stores.

Cash provided by financing activities in the first 40 weeks of fiscal 2006 totaled \$5.3 million, mainly from increased debt under Jamba Juice Company's line of credit.

Cash provided by operating activities totaled \$21.3 million in fiscal year 2005 compared to \$16.2 million in fiscal year 2004. The increase was primarily due to changes in working capital, accruals of compensation, other liabilities and jambacards.

Cash used by investing activities totaled \$33.3 million in fiscal year 2005. Net capital additions to property, fixtures and equipment was \$31.8 million, primarily attributable to opening 60 Company Stores and remodeling certain existing stores. During fiscal year 2005, Jamba Juice Company increased its equity ownership in its licensed operations in Florida by \$484,000 and also acquired a portion of the assets of a franchisee in the Midwest region of the United States, mainly consisting of eight stores for a cash payment of \$942,000, see footnote 2 to the consolidated financial statements.

Cash provided by financing activities in fiscal year 2005 totaled \$10.2 million, mainly from increased debt under the Jamba Juice Company line of credit.

Jamba Juice Company intends to use its available cash resources, including any borrowings under its revolving credit facility described below, to invest in its core business and other new business opportunities related to its core business and that such investments or opportunities are not dependent upon the proposed private placement financing. Jamba Juice Company may use its available cash resources to make capital contributions or purchase larger ownership interests in its equity method investees.

Jamba Juice Company management believes that cash flows generated from operations, existing cash and cash equivalents, borrowing capacity under the revolving credit facility, as well as the excess proceeds from the proposed private placement financing transaction, should be sufficient to finance capital requirements for its core business for the foreseeable future. Significant expansion of new stores, new joint ventures, acquisitions and/or other new business opportunities may require additional outside funding. In the event that the merger with SACI is not consummated, Jamba Juice Company believes it will have sufficient liquidity to meet its current capital requirements.

Other than normal operating expenses, cash requirements for fiscal year 2006 are expected to consist primarily of capital expenditures for new Company Stores and the remodeling and refurbishment of existing Company Stores. For fiscal year 2006, Jamba Juice Company management expects capital expenditures to be in the range of \$23 million to \$28 million, related to opening approximately 45 Company Stores, remodeling certain existing stores and enhancing the information systems.

Jamba Juice Company has a revolving line of credit (the Line) for a maximum principal of up to \$35,000,000 or 1.5 times trailing earnings before interest, taxes, depreciation and amortization (EBITDA), as defined by the agreement for the Line. Borrowings bear interest at either the London Inter Bank Offering Rate (LIBOR) plus a margin of 2.25% to 3.5% or a Base Rate (determined by certain base rates such as Prime, Federal Funds Effective Rate or Base CD rate) plus a margin of 0% to 1.5%, depending on Jamba Juice Company's adjusted leverage ratio (as defined by the Line). The Line is secured by substantially all of the assets of the Jamba Juice Company and requires compliance with certain quarterly financial covenants. The Line expires December 2007. As of April 4, 2006, June 28, 2005 and June 29, 2004, Jamba Juice Company was in compliance with each of these covenants. Total outstanding on the Line as of April 4, 2006 was \$18.0 million.

Jamba Juice Company has sold the Jamba card since November of 2002. The Jamba card works as a reloadable gift or debit card. At time of the initial load, in an amount between \$5 and \$500, Jamba Juice Company records an obligation that is recorded as stored value cards on the balance sheet. Jamba Juice Company relieves the liability and records the related revenue at the time a customer redeems any part of the amount on the card. The card does not have any expiration provisions and is not refundable. During the nine-month period ended April 4, 2006 and year ended June 28, 2005, respectively; Jamba Juice Company sold \$16.0 million and \$18.8 million, respectively, of new cards and reloaded old cards for \$3.0 and \$5.0 million, respectively. Customers redeemed \$14.7 million and \$19.0 million, respectively, at the stores, which equals the revenue recorded in the financials statements. At the end of the respective period the total liability recorded for unused cards amounted to \$14.6 million and \$11.9 million, respectively. Jamba Juice Company has not made an analysis on lag time between loading the card and its usage, but based on volumes and outstanding balances, the average time lag time is estimated to be between two and four months.

In March 2006, Jamba Juice Company entered into a merger agreement with Services Acquisition Corp. International which will substantially change its financial situation. Upon completion of the proposed merger, Jamba Juice Company expects the Line to be paid-off and canceled and expects to have sufficient cash available to fund next year's planned store openings and other initiatives. In addition, Jamba Juice Company expects to increase its growth plans for new locations.

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

The following table summarizes contractual obligations and borrowings as of June 28, 2005, and the timing and effect that such commitments are expected to have on Jamba Juice Company's liquidity and capital requirements in future periods (in thousands). Jamba Juice Company expects to fund these commitments primarily with operating cash flows generated in the normal course of business.

Contractual Obligations	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Debt obligations(1)	\$ 15,080	\$ 1,040	\$ 14,040	\$	\$
Operating lease obligations	147,621	21,879	40,869	32,114	52,759
Litigation settlement payable	1,633	645	988		
Purchase obligations(2)					
<b>Total</b>	<b>\$ 164,334</b>	<b>\$ 23,564</b>	<b>\$ 55,897</b>	<b>\$ 32,114</b>	<b>\$ 52,759</b>

(1) The amount includes interest accrued during the future period.

(2) Jamba Juice Company negotiates pricing and quality specifications for many of the products used in Company Stores and franchise stores. This allows for volume pricing and consistent quality of products that meet Jamba Juice Company's standards. Although Jamba Juice Company negotiates and contracts directly with manufacturers, co-packers or growers for its products, Jamba Juice Company purchases these products from third-party centralized distributors. These distributors source, warehouse and deliver specified products to both Company Stores and franchise stores. While Jamba Juice Company does have multi-year pricing agreements with its two frozen yogurt suppliers and with its supplier of liquid dairy products and soy milk, none of these agreements have guaranteed volume commitments. The agreements with the liquid dairy and soy milk supplier is exclusive and runs through June 30, 2008. Jamba Juice Company's frozen yogurt suppliers have exclusive agreements, but are limited to currently specified products. If Jamba Juice Company were to change specifications for its yogurt products, the current suppliers would have a right of first negotiation to meet the new specifications.

### Contingent Liabilities

Jamba Juice Company is the guarantor on three store leases for two franchisees and would be liable for lease payments in the event either of these parties defaulted on their lease obligations. The potential amount of this liability is \$1,025,000 as of June 30, 2005.

Jamba Juice Company has commitments under contracts for the construction of leasehold and other improvements for stores to be opened in fiscal year 2005. Portions of such contracts not completed at the end of fiscal year 2005 are not reflected in the consolidated financial statements. These unrecorded commitments were \$137,000 at June 30, 2005.

### Related Party Transactions

On December 8, 2004 Jamba Juice Company entered into a four year consulting agreement with Kirk Perron, its founder and a shareholder. Mr. Perron assists and advises Jamba Juice Company and its board of directors in connection with certain projects, public appearances, promotional events and such other matters as agreed between Jamba Juice Company and Mr. Perron. The terms of the agreement are to make consulting payments of \$150,000 per year. In addition, Jamba Juice Company reimburses Mr. Perron for certain expenses.

In fiscal year 2000, Jamba Juice Company made a loan to Paul Clayton, Jamba Juice Company's Chief Executive Officer, in the amount of \$750,000. The loan bears interest at 6.3% per annum and was forgiven in annual installments on the anniversary of such officer's employment. Jamba Juice Company also agreed to reimburse such officer for taxes on income associated with the loan forgiveness. The loan and tax liability was charged to expense on a pro rata basis over the five year vesting period.

#### **COMMODITY PRICES, AVAILABILITY AND GENERAL RISK CONDITIONS**

Jamba Juice Company contracts for significant amounts of IQF (instant quick freeze) fruit, fruit concentrate and dairy products to support the needs of its Company Stores and franchise retail stores. The price and availability of these commodities directly impacts Jamba Juice Company's results of operations and can be expected to impact its future results of operations.

#### **SEASONALITY AND QUARTERLY RESULTS**

Jamba Juice Company's business is subject to seasonal fluctuations. Historically, significant portions of Jamba Juice Company's net revenue and profits were, and may continue to be realized during the first and fourth quarters of Jamba Juice Company's fiscal year, which includes the warmer summer season. In addition, quarterly results are affected by the timing of the opening of new stores, weather conditions and Jamba Juice Company's rapid growth may conceal the impact of other seasonal influences. Because of the seasonality of Jamba Juice Company's business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

#### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the appropriate application of certain accounting policies, many of which require Jamba Juice Company to make estimates and assumptions about future events and their impact on amounts reported in Jamba Juice Company's consolidated financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results may differ from Jamba Juice Company's estimates. Such differences may be material to the consolidated financial statements.

Jamba Juice Company believes its application of accounting policies, and the estimates inherently required therein, are reasonable. These accounting policies and estimates are periodically reevaluated, and adjustments are made when facts and circumstances dictate a change. Historically, Jamba Juice Company has found its application of accounting policies to be appropriate, and actual results have not differed materially from those determined using necessary estimates.

Jamba Juice Company's accounting policies are more fully described in Note 2 Summary of Significant Accounting Policies in the Notes to the Consolidated Financial Statements, included elsewhere in this proxy. Jamba Juice Company has identified the following critical accounting policies:

##### **Leasehold Improvements, Property and Equipment**

Jamba Juice Company states the value of its leasehold improvements, property and equipment, including primarily store equipment, furniture, fixtures and smallwares, and its leasehold improvements at cost, less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method of accounting over the estimated useful lives of the related assets. Jamba Juice Company amortizes its leasehold improvements using the straight-line method over the shorter of the lease term (including reasonably assured renewal periods) or the estimated useful lives of the related assets. Estimated useful lives generally used are between three and seven years for equipment; between three and seven years for furniture and fixtures; and over the shorter of their useful lives or the related leases terms, which is generally ten years, for leasehold improvements. Jamba Juice Company expenses repairs and maintenance

as incurred, but capitalizes major improvements and betterments. Judgments and estimates related to the expected useful lives of these assets are made and are affected by factors such as changes in economic conditions and changes in operating performance. If Jamba Juice Company changes those assumptions in the future, it may be required to record impairment charges for these assets.

#### Impairment of Long-Lived Assets

When facts and circumstances indicate that the carrying values of long-lived assets may be impaired, Jamba Juice Company makes an evaluation of recoverability by comparing the carrying values of the assets to projected future cash flows, in addition to other quantitative and qualitative analyses. For goodwill and other intangible assets, Jamba Juice Company performs impairment tests annually and more frequently if facts and circumstances indicate goodwill carrying values exceed estimated reporting unit fair values and if indefinite useful lives are no longer appropriate for Jamba Juice Company's trademarks. Upon indication that the carrying values of such assets may not be recoverable, Jamba Juice Company recognizes an impairment loss as a charge against current operations. Property, fixtures and equipment assets are grouped at the lowest level for which there are identifiable cash flows when assessing impairment. Jamba Juice Company identifies cash flows for retail assets at the individual store level. Long-lived assets to be disposed of are reported at the lower of their carrying amount or fair value, less estimated costs to sell. Jamba Juice Company makes judgments related to the expected useful lives of long-lived assets and its ability to realize undiscounted cash flows in excess of the carrying amounts of such assets are affected by factors such as the ongoing maintenance and improvements of the assets, changes in economic conditions and changes in operating performance. As Jamba Juice Company assesses the ongoing expected cash flows and carrying amounts of its long-lived assets, these factors could cause Jamba Juice Company to realize material impairment charges.

#### Self-Insurance Reserves

Jamba Juice Company uses a combination of insurance and self-insurance mechanisms to provide for the potential liabilities for workers compensation, healthcare benefits, general liability, property insurance, director and officers' liability insurance and vehicle liability. Liabilities associated with the risks that Jamba Juice Company retains are not discounted and are estimated, in part, by considering historical claims experience, demographic factors, severity factors and other actuarial assumptions. The estimated accruals for these liabilities, portions of which are calculated by third party actuarial firms, could be significantly affected if future occurrences and claims differ from these assumptions and historical trends.

#### Income taxes

In establishing deferred income tax assets and liabilities, Jamba Juice Company makes judgments and interpretations based on enacted tax laws and published tax guidance applicable to its operations. Jamba Juice Company records deferred tax assets and liabilities and evaluates the need for valuation allowances to reduce deferred tax assets to realizable amounts. Changes in Jamba Juice Company's valuation of the deferred tax assets or changes in the income tax provision may affect its annual effective income tax rate.

#### Stock-Based Compensation

Jamba Juice Company uses the intrinsic value method of accounting for employee stock options in accordance with APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and has adopted the disclosure provisions of SFAS No. 148, *Accounting for Stock Based Compensation Transition and Disclosure*, which requires pro forma disclosure of the impact of using the fair value of the option at date of grant method. In December 2004, FASB issued SFAS No. 123R, *Share-Based Payment*, which replaces SFAS No. 123 and supersedes APB Opinion 25. SFAS No. 123R requires the measurement of all share-based payments to employees, including grants of employee stock options, using a fair-value-based

method and the recording of such expense. The accounting provisions of SFAS No. 123R are effective for Jamba Juice Company beginning in the first quarter of fiscal year 2007.

For Jamba Juice Company's SFAS No. 123 disclosure requirements, to calculate fair value, Jamba Juice Company used risk free interest for the estimated life of the option and 0% volatility, the minimum-value method. Jamba Juice Company is evaluating the requirements under SFAS No. 123R and expects the adoption will have an impact on its consolidated results of operations and net income (loss) per share. Jamba Juice Company has not yet quantified this impact; however, it will not have an effect on Jamba Juice Company's cash flow.

#### Leases

Jamba Juice Company leases all of its store locations. Jamba Juice Company accounts for its leases under FASB Statement No. 13, Accounting for Leases ( SFAS 13 ) and subsequent amendments, which require that its leases be evaluated and classified as operating or capital leases for financial reporting purposes. Jamba Juice Company recognizes rent expense for its operating leases, which have escalating rentals over the term of the lease (which includes reasonably assured renewal options), on a straight-line basis over the initial term. In addition, the lease term is deemed to commence when Jamba Juice Company takes physical possession of the leased property. Jamba Juice Company currently expenses the straight-line rent amounts during the period prior to store opening. Jamba Juice Company uses a consistent lease term when calculating depreciation of leasehold improvements, when determining straight-line rent expense and when determining classification of its leases as either operating or capital. Contingent rents are generally amounts Jamba Juice Company must pay to landlords when it has sales in excess of certain thresholds stipulated in certain store leases and are included in rent expense as they accrue. Some of Jamba Juice Company's leases contain tenant improvement allowances. For purposes of recognizing tenant improvement allowances, Jamba Juice Company amortizes the incentives over their estimated useful lives.

#### Recent Accounting Pronouncements

In December 2003, the FASB issued FIN No. 46(R), *Consolidation of Variable Interest Entities - an interpretation of ARB No. 51*. FIN 46(R) provides clarification on the consolidation of certain entities in which equity investors do not have sufficient equity at risk for the entity to finance its activities as variable interest entities ( VIEs ). FIN 46(R) requires that VIEs be consolidated by the entity considered to be the primary beneficiary of the VIE. FIN 46(R) is effective for newly created VIEs after December 31, 2003, and effective in fiscal year 2005 for any VIEs created prior to December 31, 2003. The Company has evaluated the provisions of FIN 46® and the overall financial relationship with all of its franchisees and determined that consolidation was not necessary.

In May 2003, the FASB issued SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity*. SFAS No. 150 clarifies the accounting for certain financial instruments with characteristics of both liabilities and equity and requires that those instruments be classified as liabilities in statements of financial position. Previously, many of those financial instruments were classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003 and otherwise is effective at the beginning of the fiscal year 2004. The Company's adoption of SFAS No. 150 did not have an impact on its consolidated financial statements.

In December 2004, the FASB issued SFAS 123R, a revision of SFAS 123. SFAS 123R will require Jamba Juice Company to, among other things, measure all employee stock-based compensation awards using a fair value method and record the expense in Jamba Juice Company's consolidated financial statements. The provisions of SFAS 123R, as amended by SEC Staff Accounting Bulletin No. 107, *Share-Based Payment*, are effective no later than the beginning of the next fiscal year that begins after December 15, 2005. Jamba Juice Company will adopt the new requirements using the prospective transition method in its first fiscal quarter of 2007. Jamba Juice Company will continue to account for



equity awards outstanding at the date of adoption of Statement 123R in the same manner as they have been accounted for prior to adoption, that is, following the provisions of APB25. All awards granted, modified, or settled after the date of adoption will be accounted for using the measurement, recognition and attribution provisions of Statement 123R. Jamba Juice Company has not yet determined the impact of the adoption of SFAS 123R on its consolidated financial statements.

In March 2005, the FASB issued Interpretation No. 47, Accounting for Conditional Asset Retirement Obligations, an interpretation of FASB Statement No. 143 (Fin 47). Fin 47 requires the recognition of a liability for the fair value of a legally-required conditional asset retirement obligation when incurred, if the liability's fair value can be reasonably estimated. Fin 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. Fin 47 is effective for fiscal years ending after December 15, 2005. Jamba Juice Company has not yet determined the impact of the adoption of Fin 47 on its consolidated financial statements.

#### **Quantitative and Qualitative Disclosures About Market Risk**

Jamba Juice Company is exposed to financial market risks due primarily to changes in interest rates, which Jamba Juice Company manages primarily by managing the maturities of its financial instruments. Jamba Juice Company does not use derivatives to alter the interest characteristics of its financial instruments. Jamba Juice Company does not believe a change in interest rate will materially affect its financial position or results of operations. One percent in change of the interest rate would approximately mean an annual change in the result of operations of \$130,000.

Jamba Juice Company purchases significant amounts of fruits and dairy products to support the needs of its Company Stores. The price and availability of these commodities directly impacts the results of operations and can be expected to impact the future results of operations.

Jamba Juice Company purchases fruit based on short-term seasonal pricing agreements. These short-term agreements generally set the price of procured frozen fruit and 100% pure fruit concentrates for less than one year based on estimated annual requirements. In order to mitigate the effects of price changes in any one commodity on its cost structure, Jamba Juice Company contracts with multiple suppliers both domestically and internationally. These agreements typically set the price for some or all of Jamba Juice Company's estimated annual fruit requirements, protecting Jamba Juice Company from short-term volatility. Nevertheless, these agreements typically contain a force majeure clause, which, if utilized (such as when hurricanes in 2004 destroyed the Florida orange crop), subjects Jamba Juice Company to significant price increases.

Jamba Juice Company's pricing philosophy is not to attempt to change consumer prices with every move up or down of the commodity market, but to take a longer term view of managing margins and the value perception of its products in the eyes of its customers. Jamba Juice Company's objective is to maximize revenue through increased customer frequency. In cases such as the recent increase in orange prices, Jamba Juice Company attempted to manage margins by promoting and featuring other menu items.

**PROPOSAL 2**  
**THE FINANCING PROPOSAL**

**Background**

We are seeking your approval of the issuance of common stock representing greater than 20% of our common stock outstanding as of the date of such issuance, in connection with a contemplated private placement of our common stock, which is a condition to the consummation of the merger proposal described previously.

On March 10, 2006 and March 15, 2006, SACI entered into identical Securities Purchase Agreements and Registration Rights Agreements, with prospective investors, that, simultaneously with the closing of the merger with Jamba Juice Company, irrevocably bind such prospective investors to purchase shares of SACI common stock which will result in the issuance of up to 30,879,999 shares of our common stock at \$7.50 per share resulting in aggregate gross proceeds of approximately \$231,600,000, and net proceeds of approximately \$224,850,000 after the payment of financing fees, to SACI, which funds will be partially used to fund the merger with Jamba Juice Company, as well as working capital and expansion capital. In connection with the financing pursuant to the Securities Purchase Agreements, SACI has also granted the investors certain registration rights pursuant to the Registration Rights Agreements, in which SACI is obligated to register the resale of the shares of common stock that are issued to the investors in the financing. Until such time as a resale registration statement is filed and declared effective by the Securities and Exchange Commission, the shares of common stock to be issued in the private placement financing will be restricted and not eligible for sale by the holders of such stock. In the event the merger proposal is not approved or if the merger is not consummated, the contemplated financing will not be completed.

The following identifies such investors who have committed over \$5,000,000 to the private placement financing, as well as any investor in the private placement financing that is related to, affiliated with or has an ownership interest in either SACI or Jamba Juice Company:

- Tudor Investment Corporation(a)
- Blue Ridge Capital(a)
- Prentice Capital Management
- Och Ziff Capital Management
- Soros Fund Management
- Benchmark Capital(b)
- Omega Advisors
- Magnetar Capital(a)
- Robert C. Kagle(b)(c)
- Ronald Chez(b)
- Corsair(a)
- Joseph Vergara(b)
- Jeffrey and Linda Olds(b)
- Craig J. Foley(b)(c)

- Amberbrook IV LLC(b)
- Kevin Peters(b)

69

---

- Trevor H. Sanders(b)
- Creative Juices, Inc.(b)

One of the investors in the private placement financing, investing \$400,000, is Berrard Holding Limited Partnership, of which Steven R. Berrard, a current director and the Chief Executive Officer of SACI is the President. In addition, a family member of I. Steven Edelson, SACI's Vice Chairman and Vice President, has committed to investing \$50,000 in the private placement financing.

Robert C. Kagle, a director of Jamba Juice Company since 1994, is a founding general partner of Benchmark Capital, LLC. Benchmark Capital is an investor in Jamba Juice Company.

As of May 10, 2006 there are 21,000,000 shares of SACI common stock issued and outstanding. As a result of the issuance of shares of SACI common stock in the private placement financing, there are expected to be 51,879,999 shares, of SACI common stock issued and outstanding. As a result of the dilutive effect of the issuance, for purposes of illustration, a stockholder who owned approximately 5.0% of SACI's outstanding shares of our common stock on March 10, 2006, would own approximately 2.02% of the outstanding shares of SACI common stock immediately following the closing of the private placement financing (excluding dilution which may occur as a result of the assumption of Jamba Juice Company options and warrants as described in this proxy statement).

The SACI board of directors has determined that the private placement financing is fair to the current SACI stockholders because at the time of the marketing of the private placement financing and the initial sale pursuant to the March 10, 2006 Securities Purchase Agreement the price being paid by investors was above the then current market price (which was \$7.48 at March 10, 2006), investors are not receiving warrants (as is sometimes, typical in a private placement transaction) and the shares being acquired are not immediately liquid.

The terms and conditions of the private placement financing which, if approved along with the approval of the merger, will be completed pursuant to the provisions of Securities Purchase Agreements and Registration Rights Agreements, a form of each of which is attached hereto as Annex B and Annex C, respectively, is expected to be completed as promptly as practicable following the special meeting. For more information, see Section Proposal 2 - The Financing Proposal.

Because the private placement described in this financing proposal involves the issuance by us of shares of common stock that would represent more than 20% of our currently outstanding common stock in connection with a financing, the proceeds of which are being used for the acquisition of a company, stockholder approval of the financing is required to maintain our listing on the American Stock Exchange. In addition, the stockholder approval rules of American Stock Exchange require stockholder approval prior to the issuance of securities to any insider at a price that is below market, as is being undertaken in the private placement financing.

- 
- (a) Shareholder of SACI
  - (b) Shareholder of Jamba Juice Company
  - (c) Board member of Jamba Juice Company

### Description of the Private Placement Financing

The private placement financing is a condition to the consummation of the merger with Jamba Juice Company, as described in the merger proposal. The private placement will consist of shares of our common stock. As the per share price of the common stock being issued in the financing is fixed, and not subject to adjustment at or prior to closing, the price per share price of our common stock that will be issued to the investors may be at a significant discount or premium to the closing price of our common stock as listed on the American Stock Exchange depending on the closing price of the common stock on the date of the closing of the financing. The issuance of the shares of common stock in the private placement will be substantially dilutive to our current stockholders.

The Securities Purchase Agreements contain a number of closing conditions, representations and warranties of SACI, as well as provisions for termination. These conditions, representations and provisions are discussed below and for the complete text of the Securities Purchase Agreement, reference is made to Annex B .

The obligations of SACI and the investors to consummate the private placement financing are subject to certain closing conditions, including, (i) trading in SACI's common stock shall not have been suspended; (ii) the approval of the private placement transaction by SACI's stockholders; and (iii) the merger with Jamba Juice Company shall have been approved by SACI's stockholders and the merger shall have closed. The respective obligations of the investors to consummate the private placement transaction is subject to certain closing conditions, including: (i) all representations and warranties of SACI in the Securities Purchase Agreement shall be true and correct in all material respects as of the closing; (ii) all obligations, covenants and agreements of SACI required to be performed at or prior to closing shall have been performed in all material respects; (iii) there shall be no material adverse effect with respect to SACI; (iv) the consummation of the private placement transaction by SACI (A) does not violate, conflict with, or constitute a default under, any provision of any law, regulation or rule, or any order of, or any restriction imposed by, any court or U.S. state or federal or foreign governmental agency or authority, or self-regulatory organization applicable to SACI and (B) does not require from SACI any notice to, declaration or filing with, or consent or approval of any governmental authority or other third party, except for the approval of SACI's stockholders; and (v) investors shall have in the aggregate purchased shares of SACI common stock for a total investment amount of at least \$150 million.

In connection with the execution of the Securities Purchase Agreements, SACI made certain representations and warranties to the investors, including representations and warranties with respect to due incorporation and good standing, requisite corporate power and authority to enter into the private placement transaction, capitalization, SEC filings and financial statements, litigation, compliance with laws and agreements, permits, Form S-3 eligibility and taxes.

The Securities Purchase Agreements may be terminated by any investor, as to such investor's obligations only and without any effect whatsoever on the obligations between SACI and the other investors, on the earlier of (i) 180 days from the date of the Securities Purchase Agreement or (ii) the termination of the Jamba Juice Company merger agreement.

We anticipate that the private placement financing will close, simultaneously with the closing of the merger with Jamba Juice Company, as soon as practicable following receipt of stockholder approval. The complete text of a form of Securities Purchase Agreement is attached hereto as Annex B and is incorporated by reference to this proxy statement.

The principal purpose of the private placement financing is to obtain the funds necessary to pay the purchase price and complete the merger with Jamba Juice Company as described in the merger proposal. We believe that a portion of the proceeds from the private placement, approximately \$80 million, will remain after completion of the merger that will be used for expansion and general working capital purposes.

The issuance of common stock to investors in the private placement will be made in reliance upon an available exemption from registration under the Securities Act of 1933, by reason of Section 4(2) thereof or other appropriate exemptions, to persons who are accredited investors, as defined in Regulation D promulgated under the Securities Act and who meet other suitability requirements established for the private placement. The investors have represented in the Securities Purchase Agreements that each is an accredited investor, which representations have been relied upon by SACI to support the reliance upon such claimed exemption.

Pursuant to the Registration Rights Agreements, SACI has granted the investors certain rights to register the resale of their shares of common stock that they will receive upon completion of the financing. Any costs associated with filing of the registration statement will be paid by SACI. In the event the financing is completed, if SACI does not timely file the registration statement (the later of 30 days following the closing of the financing or July 7, 2006), or have it declared effective in a timely manner (within 60 days, or 90 days if reviewed by the Securities and Exchange Commission, of filing of the registration statement), then SACI may be subject to a penalty (an amount equal to 0.5% of the financing amount payable in cash to the investors for every 30 days such delinquencies are not cured). SACI may also be subject to the same penalty if the registration statement, once effective, ceases to be usable for a period of time. The complete text of a form of Registration Rights Agreement is attached hereto as Annex C and is incorporated by reference to this proxy statement.

### **Necessity of Stockholder Approval**

The AMEX Company Guide requires stockholder approval in connection with the issuance of shares of common stock equal to 20% or more of the presently outstanding shares of common stock that results in proceeds to the company, which proceeds are then used to finance the acquisition of a company. In addition, shareholder approval is also required when a company issues its securities to insiders at a price considered below market.

The number of shares of Common Stock outstanding on March 10, 2006 was 21,000,000. The provisions of the Securities Purchase Agreements provide for the issuance of 30,879,999 shares of common stock and the proceeds from such issuance are being substantially used for the merger with Jamba Juice Company and such issuance is greater than the AMEX 20% limitation. Pursuant to the Securities Purchase Agreement, a condition to closing of the financing is the closing of the merger with Jamba Juice Company, which also requires stockholder approval. Accordingly, if either the merger proposal or the financing proposal is not approved, then neither the merger with Jamba Juice Company nor the financing pursuant to the Securities Purchase Agreements will be completed.

We are therefore now asking that the stockholders approve the issuance by us (i) of greater than 20% of our outstanding common stock and (ii) to certain of our insiders, in connection with the private placement financing.

### **Effect of the Financing on Existing Stockholders**

*Advantages.* Prior to voting, each stockholder should consider the fact that the private placement financing will provide additional financing, substantially all of which will be used to complete the merger with Jamba Juice Company and provide working capital and expansion capital. Each stockholder should consider the fact that if we do not complete the merger and related financing, we will continue as a blank check company until we find another suitable company to acquire or the trust is liquidated and SACI ceases to operate as a public blank check company. Later financings may not be available to us in connection with another potential acquisition, or may be available but not on the same acceptable terms and conditions as contained in the Securities Purchase Agreement.

*Disadvantages.* The private placement will have a substantial dilutive effect on our current stockholders. Our current stockholders' aggregate percentage ownership will decline significantly as a

result of the private placement. The number of shares issued pursuant to the private placement will increase substantially the number of shares of common stock currently outstanding. This means that our current stockholders will own a smaller interest in the Company as a result of the private placement. On a primary basis, current stockholders will be reduced from owning 100% of the outstanding common stock to owning approximately 40% of the outstanding common stock.

All shares of common stock issued in the private placement financing will be entitled to registration rights. Consequently, if these shares are registered, the shares may be freely transferable without restriction under the Securities Act of 1933, as amended, absent other securities law restrictions. Such free transferability could materially and adversely affect the market price of our common stock if a sufficient number of such shares are sold in the market.

As a result of the dilutive effect of the issuance, for purposes of illustration, a stockholder who owned approximately 5.0% of our outstanding shares of common stock on March 10, 2006, would own approximately 2.02% of the outstanding shares of our common stock immediately following the closing of the private placement financing (excluding dilution which may occur as a result of the assumption of Jamba Juice Company options and warrants).

We are therefore now asking that the stockholders approve the issuance by us of greater than 20% of our common stock outstanding as of the date of such issuance and the issuance to certain of our insiders at a below market price, in connection with the private placement.

Solely for illustrative purposes, the following table is designed to set forth information regarding the beneficial ownership of the common stock of SACI of each person who is anticipated to own greater than 5% of SACI's outstanding common stock and each of SACI's officers and directors who will act in such capacity immediately following the closing of the merger with Jamba Juice Company, based on the following assumptions:

- The current ownership of the entities and individuals identified remains unchanged, except for shares acquired as a result of certain insiders participating in the private placement financing;
- The issuance of 30,879,999 shares of common stock as a result of the private placement financing; and
- The capital structure of SACI remains unchanged such that 21,000,000 shares of common stock will continue to remain outstanding and has not increased as a result of any warrant exercises.

Name of Beneficial Owner <sup>(1)</sup>	Amount and Nature of Percentage of Outstanding Beneficial Ownership Common Stock		
Soros Strategic Partners, L.P.	2,666,667	5.1	%
Tudor Related Entities <sup>(1)</sup>	9,333,334	18.0	%
John Griffin <sup>(2)</sup>	4,823,333	9.3	%
PCM I, LLC	3,333,333	6.4	%
Och Ziff Related Entities <sup>(3)</sup>	3,333,333	6.4	%
Robert Kagle <sup>(4)</sup>	3,333,333	6.4	%

(1) The Altar Rock Fund, L.P., Tudor Proprietary Trading, LLC, The Raptor Global Portfolio, LTD and the Tudor BVI Global Portfolio LTD.

(2) Blue Ridge Limited Partnership and Blue Ridge Offshore Master Limited Partnership.

(3) Och Ziff Master Fund, LTD, Och Ziff Global Special Investment Master Fund, LP, Fleet Maritime, Inc. and GPC LVII, LLC.

(4) Includes shares of Benchmark Capital Partners IV, L.P. (2,222,222 shares) but does not include shares of common stock which may be issued in exchange for warrants of Jamba Juice Company held by Mr. Kagle as such amount is not determinable at this time.





**Required Vote**

To be approved by the stockholders, the proposal to approve the issuance of the shares of common stock in connection with the private placement financing must receive the affirmative vote of a majority of the votes cast, in person or by proxy, at the Special Meeting. Abstentions are treated as shares present or represented and entitled to vote at the Special Meeting and will have the same effect as a vote against this proposal. Broker non-votes are not deemed to be present and represented and are not entitled to vote, and therefore will have no effect on the outcome of this proposal.

**Recommendation**

The Board of Directors believes that it is in the best interests of SACI that the stockholders authorize such issuance.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE FINANCING TO APPROVE THE ISSUANCE OF UP TO 30,879,999 SHARES OF COMMON STOCK IN CONNECTION WITH THE PRIVATE PLACEMENT FINANCING, ALL THE PROCEEDS OF WHICH WILL BE USED TO FINANCE THE MERGER WITH JAMBA JUICE COMPANY AND TO PROVIDE WORKING CAPITAL AND EXPANSION CAPITAL.**

74

---

### PROPOSAL 3

#### THE STOCK OPTION PLAN PROPOSAL

##### Background

We are seeking your approval on the adoption of the SACI 2006 Employee, Director and Consultant Stock Plan (the Plan) providing for the issuance of a maximum of 5,000,000 shares of common stock in connection with the grant of options and/or other stock-based or stock-denominated awards.

On March 10, 2006, our board of directors unanimously approved the Plan, and recommended that the Plan be submitted to the stockholders for approval at the special meeting. If approved by the stockholders at the special meeting, the Plan will become effective as of the closing of the merger. A copy of the Plan is attached as Annex D.

The Plan being submitted under this proposal does not have any securities issued pursuant to it and, except as set forth in the New Plans Benefit Table below, no future issuances which may be awarded have been determined, approved or granted.

The Plan includes the following features that protect the interests of our stockholders:

- Administration by a Compensation Committee composed entirely of independent directors;
- Exercise prices for stock options and certain stock-based awards must be at least 100% of fair market value on the grant date of the award;
- The Plan sets the maximum number of options, stock grants or stock-based awards to any one employee during any fiscal year of SACI at 600,000;
- Awards may not be re-priced; and
- No material amendments will be made to the Plan without the approval of SACI stockholders.

##### Termination of the Jamba Juice Company's 1994 and 2001 Plans Assumed as Part of the Merger

If the proposal to adopt the Plan is approved, the 1994 and 2001 Plans will be terminated. Awards previously granted under the 1994 and 2001 Plans will continue to be governed by the terms of the respective plans under which they were issued and will not be affected by their termination. If the merger proposal is approved and the merger is consummated, we intend to file a registration statement on Form S-8 under the Securities Act of 1933, as amended, registering the shares under the 1994 and 2001 Plans. However, no new grants will be made under the 1994 or the 2001 Plans, and no additional shares will become available for grant thereunder.

##### Description of the SACI 2006 Employee, Director and Consultant Stock Plan

The following is a brief description of certain important features of the Plan, the full text of which is attached as Annex D. This summary does not purport to be complete and is qualified in its entirety by reference to Annex D. **If the proposal to adopt the Plan is approved, we intend to promptly file a registration statement on Form S-8 under the Securities Act of 1933, as amended, registering the shares available for issuance under the Plan. If proposals 1, 2 and 4 are not approved, then SACI will not adopt the Plan and Jamba Juice Company's 1994 and 2001 Plans will not be affected.**

*General.* The Plan is intended to encourage ownership of shares by employees and directors of and certain consultants to SACI in order to attract and retain such people and to induce them to work for the benefit of SACI or of an Affiliate of SACI (as defined in the Plan). The Plan provides for the granting of incentive stock options, non-qualified options, stock grants and stock-based awards.

*Administration.* The Plan will be administered by the board of directors of SACI, except to the extent the board of directors delegates its authority to the Compensation Committee of the board (the Administrator). All members of the

## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

Compensation Committee must satisfy the requirements for independence of SEC Rule 16b-3 and remain qualified as outside directors within the meaning of Section 162(m) of the Code.

The Administrator has the authority to administer and interpret the Plan, to determine the employees to whom awards will be granted under the Plan and, subject to the terms of the Plan, the type and size of each award, the terms and conditions for vesting, cancellation and forfeiture of awards and the other features applicable to each award or type of award. The Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, waive any conditions or restrictions imposed with respect to awards or the stock issued pursuant to awards and make any and all other determinations that it deems appropriate, subject to the limitations contained in the Plan, including minimum vesting requirements, prohibitions against re-pricing, and provisions designed to maintain compliance with the requirements of Sections 422 (for incentive stock options), 162(m) and 409A of the Code, as well as other applicable laws and stock exchange rules.

*Eligibility.* All employees of SACI, defined by the Plan to include any employee of SACI or of an Affiliate, including employees who are also serving as an officer or director of SACI or of an Affiliate, are eligible to receive awards under the Plan. Incentive stock options may be granted only to employees. All other awards may be granted to any participant in the Plan. Participation is discretionary, and awards are subject to approval by the Administrator.

*Shares Subject to the Plan.* The maximum number of shares of common stock that may be subject to awards during the term of the Plan is 5,000,000 shares. The AMEX closing price of a share of SACI's common stock on May 12, 2006, was \$12.25.

The maximum number of shares of common stock that may be issued under the Plan will not be affected by or awards that are granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who have become employees as a result of a merger, consolidation, or acquisition or other corporate transaction involving SACI or a subsidiary. Additionally, shares used by a participant to exercise an option, and shares withheld by SACI to cover the withholding tax liability associated with the exercise of an option, are not counted toward the maximum number of shares that may be issued under the Plan and, accordingly, will not reduce the number of shares that will be available for future awards.

Shares of common stock issued in connection with awards under the Plan may be shares that are authorized but unissued, or previously issued shares that have been reacquired, or both. If an award under the Plan is forfeited, canceled, terminated or expires prior to the issuance of shares, the shares subject to the award will be available for future grants under the Plan. Shares subject to outstanding awards granted under other plans shall not be subject to future issuance under the Plan, if such awards are forfeited, canceled, terminated or expire prior to the issuance of shares.

*Limits on Awards.* The aggregate number of shares of common stock subject to awards that may be granted to any one participant during any fiscal year of SACI may not exceed 600,000.

*Types of Awards.* The following types of awards may be granted under the Plan. All of the awards described below are subject to the conditions, limitations, restrictions, vesting and forfeiture provisions determined by the Administrator, in its sole discretion, subject to such limitations as are provided in the Plan. The number of shares subject to any award is also determined by the Administrator, in its discretion. At the discretion of the Administrator, awards may be made subject to or may vest on an accelerated basis upon the achievement of performance criteria related, which may be established on a Company-wide basis or with respect to one or more business units or divisions or subsidiaries, and may be based upon the attainment of criteria as may be determined by the Administrator and set forth in the participant's award agreement. None of the awards available under the Plan may be granted to any participant who is subject to United States federal income tax, unless such grant would not constitute deferred compensation within the meaning of Section 409A of the Code.

*Stock Grants.* A stock grant is an award of outstanding shares of common stock that does not vest until after a specified period of time, or upon the satisfaction of other vesting conditions as determined by the Administrator, and which may be forfeited if conditions to vesting are not met. Participants generally receive dividend payments on the shares subject to a restricted stock grant award during the vesting period, and are also generally entitled to vote the shares underlying their awards.

*Non-Qualified Stock Options.* An award of a non-qualified stock option under the Plan grants a participant the right to purchase a certain number of shares of common stock during a specified term in the future, after a vesting period, at

an exercise price equal to at least 100% of the fair market value of the common stock on the grant date. The term of a non-qualified stock option may not exceed 10 years from the date of grant. The exercise price may be paid by any of the means described below under Payment of Exercise Price. A non-qualified stock option is an option that does not qualify under Section 422 of the Code.

*Incentive Stock Options.* An incentive stock option is a stock option that meets the requirements of Section 422 of the Code, which include an exercise price of no less than 100% of fair market value on the grant date, a term of no more than 10 years, and that the option be granted from a plan that has been approved by stockholders. Additional requirements apply to an incentive stock option granted to a participant who beneficially owns stock representing more than 10% of the total voting power of all outstanding stock of SACI on the date of grant. If certain holding period requirements are met and there is no disqualifying disposition of the shares, the participant will be able to receive capital gain (rather than ordinary income) treatment under the Code with respect to any gain related to the exercise of the option.

*Stock-Based Awards.* A stock-based award is a grant by SACI under the Plan of an equity award or an equity based award which is not a non-qualified stock option, an incentive stock option, or a stock grant. The Administrator has the right to grant stock-based awards having such terms and conditions as the Administrator may determine, including, without limitation, the grants of shares based upon certain conditions, the grant of securities convertible into shares and the grant of stock appreciation rights, phantom stock awards or stock units. The principal terms of each stock-based award will be set forth in the participant's award agreement, in a form approved by the Administrator and shall contain terms and conditions which the Administrator determines to be appropriate to be appropriate and in the best interest of SACI.

*Payment of Exercise Price.* Payment of the exercise price of a non-qualified stock option or incentive stock option may be made in cash or, if permitted by the Administrator, by tendering shares of common stock owned by the participant and acquired at least six (6) months prior to exercise, having a fair market value equal to the exercise price, by a combination of cash and shares of common stock or by authorizing the sale of shares otherwise issuable upon exercise, with the sale proceeds applied towards the exercise price. Additionally, the Administrator may provide that stock options can be net exercised that is exercised by issuing shares having a value approximately equal to the difference between the aggregate value of the shares as to which the option is being exercised and the aggregate exercise price for such number of shares.

*Prohibition Against Re-pricing.* The Plan prohibits the issuance of awards in substitution for outstanding awards or any other adjustment that would constitute a re-pricing (within the meaning of U.S. generally accepted accounting principles or any applicable stock exchange rule) of awards.

*Additional Forfeiture Provisions.* Awards granted under the Plan are subject to forfeiture if, after a termination of employment, the participant engages in certain activities that breach an obligation or duty of the participant to SACI, or that are materially injurious to or in competition with SACI.

*Deferrals.* Subject to the limitation described below, the Administrator may postpone the exercise of awards, or the issuance or delivery of shares or cash pursuant to any award for such periods and upon such terms and conditions as the Administrator determines. In addition, the Administrator may determine that all or a portion of a payment to a participant, whether in cash and/or shares, will be deferred in order to prevent SACI or any subsidiary from being denied a United States federal income tax deduction under Section 162(m) of the Code with respect to an award granted under the Plan. If any of such deferrals, however, would cause the Plan to become subject to Section 409A of the Code, the Administrator generally may not take such actions unless it affirmatively determines to subject the Plan to all of the requirements of Section 409A.

*Non-Transferability.* By its terms, awards granted under the Plan are not transferable other than (i) by will or the laws of descent and distribution or (ii) as approved by the Administrator in its discretion and set forth in the applicable

agreement with the participant. Notwithstanding the foregoing, an incentive stock option transferred except in compliance with clause (i) above will no longer qualify as an incentive stock option. During a participant's lifetime, all rights with respect to an award may be exercised only by the participant (or by his or her legal representative) and cannot be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and cannot be subject to execution, attachment or similar process.

*Adjustments.* Subject to certain limitations, the maximum number of shares available for issuance under the Plan, the number of shares covered by outstanding awards, the exercise price applicable to outstanding awards and the limit on awards to a single employee may be adjusted by the Administrator if it determines that any stock split, extraordinary dividend, stock dividend, distribution (other than ordinary cash dividends), recapitalization, merger, consolidation, reorganization, combination or exchange of shares or other similar event equitably requires such an adjustment.

*Corporate Transaction.* Upon the occurrence of a Corporate Transaction, as defined in the Plan, the Administrator, may, in its discretion and as it deems appropriate as a consequence of such Corporate Transaction, accelerate, purchase, adjust, modify or terminate awards or cause awards to be assumed by the surviving corporation in the transaction that triggered such Corporate Transaction. Any such actions that would cause the Plan to become subject to Section 409A of the Code, however, generally may not be taken unless the Administrator affirmatively determines to subject the Plan to all of the requirements of Section 409A.

*Amendment and Termination.* The Plan will terminate ten years after adoption, the date which is ten years from the earlier of the date of its adoption by the board of directors and the date of its approval by the stockholders of SACI. The Plan may be amended or terminated by the Administrator at an earlier date, provided that no amendment that would require stockholder approval under any applicable law or regulation (including the rules of any exchange on which SACI's shares are then listed for trading) or under any provision of the Code, may become effective without stockholder approval, and, provided further, that no amendments to the Plan will permit SACI to re-price any outstanding awards. A termination, suspension or amendment of the Plan may not adversely affect the rights of any participant with respect to a previously granted award, without the participant's written consent; provided, however, that any award may be amended, revised or revoked as deemed necessary by the Administrator to avoid penalties under Code Section 409A. Additionally, SACI's board of directors has the power, without further approval of SACI's stockholders, to amend the Plan in any respect necessary at any point in time to permit the Plan, and awards granted thereunder, to continue to comply with Rule 16b-3 under the 1934 Act and with Code Section 422.

#### **Certain United States Federal Income Tax Consequences**

The following is a brief summary of the principal United States federal income tax consequences of transactions under the Plan, based on current United States federal income tax laws. This summary is not intended to be exhaustive, does not constitute tax advice and, among other things, does not describe state, local or foreign tax consequences, which may be substantially different.

*Stock Grants.* A participant generally will not be taxed at the time a stock grant is awarded, but will recognize taxable income when the award vests or otherwise is no longer subject to a substantial risk of forfeiture. The amount of taxable income recognized will equal the fair market value of the shares subject to the award (or the portion of the award that is then vesting) at that time. Participants may elect to be taxed based on the fair market value of the shares at the time of grant by making an election under Section 83(b) of the Code within 30 days of the award date. If an award with respect to which a participant has made such an election under Section 83(b) is subsequently canceled, no deduction or tax refund will be allowed for the amount previously recognized as income.

Unless a participant makes a Section 83(b) election, dividends paid to a participant on shares of an unvested restricted stock grant will be taxable to the participant as ordinary income. If the participant made a Section 83(b) election, the dividends will be taxable to the participant as dividend income, which generally is subject to the same rate as capital gains income.

Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, SACI will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant with respect to a stock grant award. Unless a participant has made a Section 83(b) election, SACI will also be entitled to a deduction, for federal income tax purposes, for dividends

paid on awards of unvested restricted stock grants.

*Non-Qualified Stock Options.* Generally, a participant will not recognize taxable income on the grant of a non-qualified stock option provided the exercise price of the option is equal to the fair market value of the underlying stock at the time of grant. Upon the exercise of a non-qualified stock option, a participant will recognize ordinary income in an amount equal to the difference between the fair market value of the common stock received on the date of exercise and the option cost (number of shares purchased multiplied by the exercise price per share). The participant will recognize ordinary income upon the exercise of the option even though the shares acquired may be subject to further restrictions on sale or transferability. Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, SACI will ordinarily be entitled to a deduction on the exercise date equal to the ordinary income recognized by the participant upon exercise.

Generally, upon a subsequent sale of shares acquired in an option exercise, the difference between the sale proceeds and the cost basis of the shares sold will be taxable as a capital gain or loss.

*Incentive Stock Options (ISOs).* No taxable income is recognized by a participant on the grant of an ISO. If a participant exercises an ISO in accordance with the terms of the ISO and does not dispose of the shares acquired within two years from the date of the grant of the ISO, nor within one year from the date of exercise, the participant will be entitled to treat any gain or loss related to the exercise of the ISO as capital gain or loss (instead of ordinary income), and SACI will not be entitled to a deduction by reason of the grant or exercise of the ISO. The amount of the gain or loss upon a subsequent sale will be long-term capital gain or loss equal to the difference between the amount realized on the sale and the participant's basis in the shares acquired. If a participant sells or otherwise disposes of the shares acquired without satisfying the required minimum holding period, such *disqualifying disposition* will give rise to ordinary income equal to the excess of the fair market value of the shares acquired on the exercise date (or, if less, the amount realized upon disqualifying disposition) over the participant's tax basis in the shares acquired. Additionally, the exercise of an ISO will give rise to an item of tax preference that may result in alternative minimum tax liability for the participant. Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, SACI will ordinarily be entitled to a deduction equal to the amount of the ordinary income taxable to a participant as a result of any disqualifying disposition.

*Stock-Based Awards.* A participant will recognize taxable income on the grant of unrestricted stock, in an amount equal to the fair market value of the shares on the grant date. Except as provided under *Certain Limitations on Deductibility of Executive Compensation* below, SACI will ordinarily be entitled to a deduction at the same time and in the same amounts as the ordinary income recognized by the participant with respect to such a stock award. Other rules apply with regard to other forms of stock-based awards.

*Withholding.* SACI retains the right to deduct or withhold, or require the participant to remit to his or her employer, an amount sufficient to satisfy federal, state and local and foreign taxes, required by law or regulation to be withheld with respect to any taxable event as a result of the Plan.

*Certain Limitations on Deductibility of Executive Compensation.* With certain exceptions, Section 162(m) of the Code limits the deduction to SACI for compensation paid to certain executive officers to \$1 million per executive per taxable year unless such compensation is considered *qualified performance based compensation* within the meaning of Section 162(m) or is otherwise exempt from Section 162(m). The Plan is designed so that options and SARs qualify for this exemption, and it permits the Committee to grant other awards designed to qualify for this exemption.

*Treatment of Excess Parachute Payments.* The accelerated vesting of awards under the Plan upon a change of control of SACI could result in a participant being considered to receive *excess parachute payments* (as defined in Section 280G of the Code), which payments are subject to a 20% excise tax imposed on the participant. SACI would not be able to deduct the excess parachute payments made to a participant.

## New Plan Benefits

The following table shows stock options that the individuals referred to below will receive if the merger proposal is approved and the stock option plan proposal is approved by the SACI stockholders at the special meeting. It is anticipated that the individuals referred to below, upon consummation of the merger, will serve in the capacities as set forth below.

## New Plan Benefits

## 2006 Director, Employee and Consultant Stock Plan

Name and Position	Dollar Value\$(a)	Number of Units(b)
Paul E. Clayton	\$	580,000
Director, President and Chief Executive Officer		
Donald D. Breen	\$	315,000
Chief Financial Officer		
Karen Kelley	\$	202,500
Vice President of Operations		
Executive Group	\$	<b>1,097,500</b>

(a) Dollar value will be based upon the fair market value, as defined in the Plan, of SACI common stock on the date of grant.

(b) For the amounts disclosed for Messrs. Clayton and Breen and Ms. Kelley, 70,000, 40,000 and 27,500 are shares of restricted stock, as opposed to option grants, which is the balance of the amounts indicated.

**Required Vote**

To be approved by the stockholders, the proposal to approve the adoption of SACI's 2006 Employee, Director and Consultant Stock Plan must receive the affirmative vote of a majority of the votes cast, in person or by proxy, at the Special Meeting. Abstentions are treated as shares present or represented and entitled to vote at the Special Meeting and will have the same effect as a vote against this proposal. Broker non-votes are not deemed to be present and represented and are not entitled to vote, and, therefore, will have no effect on the outcome of this proposal.

**Recommendation**

The board of directors believes that it is in the best interests of, and fair to, SACI and its stockholders that the stockholders approve SACI's 2006 Employee, Director and Consultant Stock Plan.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE STOCKHOLDERS VOTE FOR THE ADOPTION OF THE 2006 EMPLOYEE, DIRECTOR AND CONSULTANT STOCK PLAN.**

**PROPOSAL 4  
AMENDMENT TO CERTIFICATE OF INCORPORATION PROPOSAL**

**Background**

We are seeking your approval to authorize the Board of Directors, to amend our certificate of incorporation to (i) increase the number of authorized shares of common stock from 70,000,000 shares to 150,000,000 shares, which will result in an increase of the total number of authorized shares of capital stock from 71,000,000 to 151,000,000 and (ii) change our name from Services Acquisition Corp. International to Jamba, Inc. The management of SACI has not reserved or determined to set aside any securities of the increased amount of authorized common stock pursuant to this proposal.

The increase in the number of authorized shares of common stock and the name change are being undertaken as a result of and in conjunction with the merger with Jamba Juice Company and the related private placement financing. As a result of the issuance of shares of common stock as contemplated in the financing proposal, and the potential assumption of options and warrants and adoption of a new stock option plan, as described in the stock option plan proposal, we will require additional shares of common stock to be reserved in our Amended and Restated Certificate of Incorporation. In addition, in the event that the merger is completed, we will change our name to Jamba, Inc. Accordingly, this proposal to amend our certificate of incorporation is conditioned upon and subject to the approval of the merger proposal and the financing proposal.

Of the 70,000,000 shares of common stock currently authorized, as of March 24, 2006, 21,000,000 shares were issued and outstanding, 17,250,000 shares were reserved for issuance upon exercise of our currently outstanding publicly traded warrants and 1,500,000 shares were reserved for issuance for the shares underlying the underwriter's purchase option to purchase 750,000 units. As a result, only 30,250,000 shares of common stock remain available for future issuance. It is anticipated that pursuant to the proposed financing proposal and the stock option plan proposal, as described in Proposals 2 and 3, and the transactions conditioned on such issuances, that we will issue 30,879,999 shares of our common stock. Accordingly, an increase in the number of authorized shares of common stock is necessary in order to insure a sufficient number of shares are available for issuance upon the transactions described in Proposals 2 and 3. Accordingly, this proposal to increase the authorized number of shares of common stock is conditioned upon the approval of the merger proposal and financing proposal, and the Board of Directors, even if approved, will not undertake to amend our certificate of incorporation if those other proposals are not approved. Additionally, our current name will not adequately reflect our business operations in the event the merger with Jamba Juice Company is consummated. Accordingly, we believe that changing our name to Jamba, Inc. in connection with the merger will better reflect our operating business upon completion of the merger.

**IF OUR STOCKHOLDERS DO NOT APPROVE THIS PROPOSAL 4, WE MAY NOT BE ABLE TO EFFECTUATE THE TRANSACTIONS DISCUSSED IN PROPOSALS 1, 2 AND 3.**

**Proposal**

Under the proposed amendment, Article First of our certificate of incorporation would be amended as follows:

FIRST: The name of the corporation is Jamba, Inc. (hereinafter sometimes referred to as the Corporation ).



Further, under the proposed amendment, Article Fourth of our certificate of incorporation would be amended as follows:

FOURTH: The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 151,000,000 of which 150,000,000 shares shall be Common Stock of the par value of \$.001 per share and 1,000,000 shares shall be Preferred Stock of the par value of \$.001 per share.

A. *Preferred Stock.* The Board of Directors is expressly granted authority to issue shares of the Preferred Stock, in one or more series, and to fix for each such series such voting powers, (full or limited, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issue of such series (a Preferred Stock Designation ) and as may be permitted by the GCL. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, without a separate vote of the holders of the Preferred Stock, or any series thereof, unless a vote of any such holders is required pursuant to any Preferred Stock Designation.

B. *Common Stock.* Except as otherwise required by law or as otherwise provided in any Preferred Stock Designation, the holders of the Common Stock shall exclusively possess all voting power and each share of Common Stock shall have one vote.

The proposed amendment does not change the number of authorized shares of preferred stock. Our board of directors has recommended that our stockholders approve the amendment to the certificate of incorporation. The proposed amendment would provide a sufficient number of available shares to enable us to close the transactions discussed in Proposals 1, 2 and 3 and would provide the board of directors with the ability to issue additional shares of common stock without requiring stockholder approval of such issuances except as otherwise may be required by applicable law or the rules of any stock exchange or trading system on which the securities may be listed or traded, including the American Stock Exchange. Other than as previously disclosed, our board of directors does not intend to issue any common stock except on terms that the board of directors deems to be in the best interest of SACI and our stockholders.

#### **Required Vote**

The approval of the amendment to the certificate of incorporation requires the affirmative vote of holders of at least a majority of the outstanding shares of our common stock. Abstentions and broker non-votes, because they are not affirmative votes, will have the same effect as a vote against this proposal.

#### **Recommendation**

The board of directors believes that it is in the best interests of SACI that the stockholders approve the proposal to authorize the board of directors, in its discretion, to amend our certificate of incorporation.

**THE BOARD OF DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS OF SACI VOTE FOR THIS PROPOSAL 4 TO AUTHORIZE THE BOARD OF DIRECTORS, IN ITS DISCRETION, TO AMEND SACI S CERTIFICATE OF INCORPORATION TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF COMMON STOCK FROM 70,000,000 TO 150,000,000 AND TO CHANGE OUR NAME TO JAMBA, INC.**

## INFORMATION ABOUT JAMBA JUICE COMPANY

### Background of Jamba Juice Company

Initially founded as Juice Club by founder Kirk Perron, Jamba Juice Company opened its first store in San Luis Obispo, California in April 1990. The company began with a franchise strategy and opened its second and third stores in Northern and Southern California in 1993. In 1994, management decided that an expansion strategy focusing on company stores would provide a greater degree of quality and operating control. In 1995, the company changed its name to Jamba Juice Company to provide a point of differentiation as competitors began offering similar healthy juices and smoothies in the marketplace. To gain significant scale and pursue its aggressive expansion strategy, in March 1999, Jamba Juice Company merged with Zuka Juice Inc., a smoothie retail chain that owned or franchised 98 smoothie retail units in the Western United States; as a result of such merger, Zuka Juice branded stores were converted to Jamba Juice Company stores and those stores that were franchises of Zuka Juice were converted to franchises of Jamba Juice Company.

In the last six years, Jamba Juice Company has followed a strategy of expanding its store locations in existing markets and opening stores in select new markets. Jamba Juice Company has grown its concept and brand through several channels simultaneously, including Company Stores, franchised stores, and other retail channels. As of April 4, 2006 there were 538 locations, 325 company-owned and 213 franchised, operating in 24 states, the District of Columbia and the Bahamas; notwithstanding the single Bahamas location, Jamba Juice Company has no other international locations. Jamba Juice Company also has multi-unit license agreements with area developers including, Hawaii, California, and Texas/Kansas/Missouri to develop and operate additional store locations in their respective local markets. In addition, Jamba Juice Company has agreements with retailers to operate store-within-a-store formats and is actively testing this sales channel. Jamba Juice Company also operates in non-traditional locations such as college campuses and airports. For the 40 weeks ending April 4, 2006, system-wide sales were \$261.4 million, which included sales of \$173.8 million or 66.4% from Company Store locations. Jamba Juice Company has achieved an annual growth rate of 20.3% per year over the last three fiscal years.

The table below highlights certain key statistics for Jamba Juice Company (in thousands, except for store count).

	Fiscal Years Ended (1)						40 Weeks Ended							
	June 28, 2005	June 29, 2004	June 24, 2003	June 25, 2002	June 26, 2001	April 4, 2006	April 5, 2005							
Store Count:														
Company stores	301	243	198	179	174	325	283							
Franchise stores	202	188	171	167	159	213	199							
Total stores	503	431	369	346	333	538	482							
System-wide sales:														
Company stores	\$ 202,073	\$ 165,856	\$ 129,960	\$ 117,550	\$ 110,152	\$ 173,789	\$ 141,484							
Franchise stores	107,112	96,721	82,591	74,528	65,586	87,571	77,722							
System-wide sales	\$ 309,185	\$ 262,577	\$ 212,551	\$ 192,078	\$ 175,738	\$ 261,360	\$ 219,206							
Average sales per store:														
Company stores	\$ 752	\$ 754	\$ 701	\$ 675	\$ 663	\$ 774	\$ 739							
Franchise stores(2)	\$ 547	\$ 522	\$ 494	\$ 477	\$ 447	\$ 582	\$ 532							
System-wide(2)	\$ 664	\$ 655	\$ 605	\$ 576	\$ 559	\$ 698	\$ 699							
System-wide comparable sales growth(3)														
	0.9	%	6.0	%	3.3	%	1.3	%	0.9	%	4.6	%	(0.8	)%

(1) Fiscal 2004 includes 53 weeks. All other years are 52 week periods.

(2) System-wide and franchise average revenue per store includes stores which were initially opened as Zuka Juice franchise locations prior to 1999 but which became Jamba Juice Company franchise locations as a result of Jamba Juice Company's acquisition of Zuka Juice in 1999.

(3) Comparable revenue growth is defined as year-over-year sales change for stores that are open at least 13 full periods. Comparable store sales growth begins in the first period that has a full period of comparable sales versus the prior year. System-wide sales, average system-wide sales per store and system-wide comparable sales growth are non-GAAP financial measures that includes sales at all Company-owned and franchise-owned locations. Franchise store sales and average franchise store sales are non-GAAP financial measures that includes sales at all franchise locations, as reported by franchisees. Franchise store sales are not included in our financial statements. Jamba Juice Company uses system-wide sales and franchise store sales information internally in connection with store development decisions, planning, and budgeting analyses. Jamba Juice Company believes it is useful in assessing the consumer acceptance of our brand and facilitating an understanding of financial performance as our franchisees pay royalties and contribute to advertising pools based on a percentage of their sales.

### Overview of Jamba Juice Company's Menu

Jamba Juice Company provides a range of blended beverages and healthy snacks in its stores. While the largest portion of sales are generated in the lunch daypart, stores generate sales throughout the day. During fiscal year 2005, no one daypart (breakfast, lunch, afternoon or dinner) represented more than 30%, or less than 18.0% of average daily sales. The following products and services are provided in company stores and franchised outlets:

- **Jamba Smoothies:** Made with real fruit and 100% fruit juices, these natural, freshly blended-to-order fruit smoothies provide 4-6 of the daily-recommended servings of fruits and vegetables. Jamba smoothies have significant Vitamin C, Vitamin A, calcium, fiber and potassium and are available in a variety of sizes. Smoothies represent over 85% of company revenue. During fiscal year 2005, smoothies represented 89% of company store sales.
- **Jamba Boosts :** To supplement the natural nutrients in Jamba smoothies, Jamba Boosts are a selection of high-quality, blended vitamin, mineral, and herbal dietary supplements designed to give the mind and body a nutritious boost. A complimentary Boost is offered with each Jamba smoothie.
- **Fresh Squeezed Jamba Juices:** Jamba Juice Company offers a line-up of fresh squeezed juices, including orange, carrot, wheatgrass, lemonade, and juice combinations such as the Vibrant-C, a slushy blend of fresh orange juice, pineapple juice, bananas, and botanicals loaded with 1,400% Daily Value of Vitamin C. During fiscal year 2005, fresh squeezed juices represented 6% of company store sales.
- **Jamba Breads, Jamba Pretzels and packaged snacks:** Most Jamba Juice Company locations offer a combination of breads, pretzels and packaged snacks. Each of these items is made only with natural ingredients and offers customers a complement to Jamba smoothies and juices. During fiscal year 2005, breads and snacks represented 4% of company store sales.
- **Jambacard :** The jambacard is a re-loadable gift card that can be used to purchase goods at participating store locations.
- **Jamba Go-Go :** This off-site catering and event service blends up smoothies for office lunches, corporate meetings, fundraisers, school lunch programs, outdoor events, and other special functions. Go-Go activities are an opportunity to sample and engage with the community, introducing the brand to those that may not yet be familiar with the Jamba Juice Company or concept. Jamba Go-Go has created awareness and brought customers into stores by involving Jamba Juice Company in unique venues such as the Winter Olympics in Salt Lake City, the Sundance Film Festival, E! Entertainment ten year anniversary party, and many other fundraisers and charitable events.
- **Jamba Merchandise:** Most Jamba Juice Company stores carry a limited supply of related merchandise, including books and smallwares. This is not a core component of revenue but contributes to the overall store experience. During fiscal year 2005, merchandise represented 1% of company store sales.



## Industry Overview and Trends

The National Restaurant Association estimates that the U.S. restaurant industry's sales in 2005 will reach \$476 billion (about 4.0% of the U.S. gross domestic product) at 900,000 locations nationwide. The Association further predicts that, by 2010, food purchased away from home will represent more than half of all consumer food purchases, and that the number of restaurants around the country will swell to more than a million locations.

Jamba Juice Company believes that its highly portable and convenient offerings appeal to that growing number of consumers who choose to eat away from home yet still desire a broad selection of flavorful choices. As Jamba Juice Company continues to add locations nationwide, we believe it will be increasingly viewed as an attractive option for consumers purchasing food away from the home.

Jamba Juice Company believes that the appeal of its stores also lies in the fact that its products embody or satisfy a number of aspirational, demographic and health related cravings in today's consumer, including the following:

### Healthy Living

The growing number of consumers focused on living a healthy lifestyle has had far-reaching ramifications on the grocery, restaurant, apparel, and healthcare industries amongst many others. Consumers are demanding products that support their interests in fitness and nutrition but are not willing to sacrifice quality. Major beneficiaries of this consumer trend have been retailers of natural products. Jamba Juice Company's commitment to fresh fruits and natural products has bolstered its image as a leading provider of premium natural food and beverages and positions it well to benefit from this trend.

Notwithstanding the growing number of consumers demanding more nutritious dining options, consumers still seek taste and flavor in their dining experience. Research from *Nations Restaurant News* (NRN) indicates that while consumers are pursuing more healthful options they also remain interested in taste and an occasional indulgence. Jamba Juice Company provides an excellent combination of value and fresh, nutritional foods while offering guests a variety of flavorful offerings. Again, Jamba Juice Company can satisfy that desire.

### Energy Beverages

Changing consumer trends and preferences are also driving growth in the energy drink market, broadly defined as beverages, lightly carbonated or not, often artificially enhanced with caffeine and herbal extracts. With consumers increasingly living highly active and on-the-go lifestyles, demand for a convenient source of energy and refreshment has grown dramatically. According to a July 2005 report by Mintel International, a market research group, since 2000 sales of energy drinks have experienced a four year compound annual growth of over 70% and are a \$1.15 billion market.

Jamba Juice Company seeks to capitalize on the size of the energy drink market and differentiates itself from many energy drink alternatives by catering to the growing number of consumers seeking a healthy (i.e. natural) source of energy. Rather than using processed sugars, processed caffeine and carbonation typically found in many energy drinks. Jamba Juice Company's line of beverages and boosts combine natural caffeine sources such as Matcha Green Tea and Guarana with the nutritional benefits of fruit to provide a healthy and flavorful source of sustained energy.

**Jamba Juice Company Stores**

Jamba Juice Company currently serves its customers through a combination of Company Stores and franchise stores in 24 different states and the District of Columbia and the Bahamas.

	Store Count as of April 4, 2006		
	Company Stores	Franchise Stores	Total
Arizona	3	19	22
California	242	48	290
Colorado	14	7	21
Illinois	24		24
New York	18		18
Utah	6	8	14
Washington	18	2	20
Bahamas		1	1
District of Columbia		3	3
Florida		15	15
Hawaii		33	33
Idaho		5	5
Massachusetts		1	1
Maryland		1	1
Minnesota		7	7
North Carolina		2	2
New Jersey		1	1
New Mexico		1	1
Nevada		9	9
Oklahoma		6	6
Oregon		10	10
Pennsylvania		1	1
Texas		30	30
Virginia		1	1
Wisconsin		1	1
Wyoming		1	1
<b>Total</b>	<b>325</b>	<b>213</b>	<b>538</b>

The color scheme employed is consistent among stores, providing a bright and cheerful marketplace theme with colors that embody Jamba Juice Company's commitment to fresh and healthy juices, smoothies, and other energizing products.

The highly interactive Jamba experience is designed to attract customers with the enticing aroma of fresh fruit, vegetables, and wheatgrass and the high-energy sounds of whirring blenders and team members calling out greetings. To highlight Jamba Juice Company's commitment to providing a high-quality customer experience and facilitate high foot traffic through its stores, Jamba Juice Company has worked with a retail design consultant to formulate a model plan for its stores which showcases natural materials used in construction, highlights the high-quality natural ingredients used in Jamba Juice Company's juices and smoothies, and also provides for efficient customer flow. Additionally, stores focus on the theater aspect of smoothie making by providing an environment in which all food preparation is conducted behind glass and in the open for customers to watch as the juices and smoothies are made with all-natural ingredients. The layout offers a casual bar-type atmosphere using interior stools and exterior tables and chairs. Glass cases display baked goods and shelving in front of cash registers allows for the sale of prepackaged healthy snack items.

Jamba Juice Company generally characterizes stores as (i) either traditional or non-traditional locations, and (ii) owned by either Jamba Juice Company or a franchisee, area developer or joint venture. Traditional locations include strip malls and various retail locations, while non-traditional locations include alternative distribution channels such as colleges and universities, airports, and store-within-a-store locations.

#### **Traditional Stores**

Traditional stores average approximately 1,400 square feet in size and are designed to be fun, friendly, energetic, and colorful to represent the active, healthy lifestyle that Jamba Juice Company promotes. These stores are located in either in major urban centers or in suburban strip centers.

#### **Non-Traditional Stores**

Jamba Juice Company and its franchisees operate 73 non-traditional stores as of April 4, 2006. Jamba Juice Company believes significant opportunities exist to expand its presence in non-traditional locations. Jamba Juice Company leverages the non-traditional locations to generate awareness and trial that fuel the core business. Jamba Juice Company's non-traditional opportunities include

- **Store-within-a-Store:** Jamba Juice Company is developing franchise partner relationships with major grocers and retailers to develop store-within-a-store concepts. The franchise partnerships provide it with the opportunity to reach new customers and enhance the brand without making significant capital investments. Jamba Juice Company's premium brand and attractive unit level economics appeal to major retailers with a focus on enhancing their in-store experience. Jamba Juice Company believes that the flexibility of the Jamba Juice Company concept to fit into many formats enables Jamba Juice Company to build awareness and trial outside of its traditional locations.
- **Airports:** Jamba Juice Company currently operates one airport location in Charlotte, NC, has executed a franchise agreement for the airport in Portland, OR and has the opportunity to develop additional airport locations. Jamba Juice Company's highly portable product appeals to travelers on the go and provides an energizing boost to tiring air travel.
- **Shopping Malls:** Jamba Juice Company has opportunistically established stores in shopping malls that present attractive expansion opportunities. In addition, like the airport locations, the indoor setting will alleviate weather and seasonal vulnerabilities that challenge traditional locations.
- **Colleges & Universities:** The Jamba Juice Company brand is believed to be extremely appealing to the average college student's active, on-the-go lifestyle and Jamba Juice Company expects to continue to develop on-campus locations.

#### **Company Stores**

As the name implies, company stores are not franchised locations. Substantially all of Jamba Juice Company Stores are traditional locations, meaning they operate in strip-malls and various retail locations. Jamba Juice Company leases real estate for all its Company Stores.

#### **Franchise Stores**

Jamba Juice Company's franchising program is currently conducted via (a) single store franchises to an existing franchisee or with respect to non-traditional store venues such as airports, universities, store-in-store, and other commercial sites, and (b) exclusive multi-unit license agreements in which the franchisee

develops and operates a specified number of stores within a specified period of time within a specified geographic area.

#### **Area Development Agreements**

As of May 3, 2006, Jamba Juice Company had seven area developers operating 110 stores under multi-unit license agreements. Each area developer is generally required to enter into two types of agreements: a multi-unit license agreement which establishes the number of stores to be developed in an area and a franchise agreement for each store opened. Three of the seven area developer agreements have expired, and as a result those area developers no longer have either exclusive development rights to a particular geographic territory or new store development obligations. However, each store opened by area developers is protected by the franchise agreements they have entered into with Jamba Juice Company for each store, which are typically consistent with franchise agreements Jamba Juice Company has entered into with franchisees who are not area developers.

The territories subject to the remaining four area developer agreements include the Hawaiian Islands, and parts of Texas, Kansas, Missouri, and northern California. As of May 3, 2006, these four area developers have contractual commitments to open 38 new franchise stores by no later than May 6, 2010. The agreement for development of stores in the Hawaiian Islands expires 2018, the agreement covering development of franchise stores in parts of Texas, Kansas, and Missouri expires in 2010, and two agreements covering development of stores in parts of California expire at the end of 2008.

If an area developer fails to develop stores on schedule, Jamba Juice Company has the right to terminate the agreement and develop Company Stores or develop stores through new area developers in the territory. None of the currently active multi-unit license agreements provide Jamba Juice Company the right to re-purchase the rights to the agreements as well as the stores that have been opened under such agreements in the event of a failure by the licensee to meet certain minimum development obligations.

So long as a multi-unit license developer is in compliance with the terms of its development agreement, including the opening of the requisite number of new franchise locations, Jamba Juice Company may not open traditional, stand-alone stores in that area. Notwithstanding, Jamba Juice Company may open in such market non-traditional stores such as store-in-store locations, airport locations, and college campus locations. Once the multi-unit license development agreement expires, the area developer is no longer obligated to open additional Jamba Juice locations, and the only obligation is that Jamba Juice Company typically must honor is a one-mile protected radius around each of the individual franchises developed under that multi-unit license agreement.

Franchisees subject to multi-unit license agreements generally pay 1/2 of the initial fee, or \$12,500 currently, for each store required to be developed upon execution of the multi-unit development agreement as a development fee. The development fee is then credited against the initial fee, currently \$25,000, due for each store then developed.



### **Franchise Agreements**

The Jamba Juice Company current franchise agreement provides for a 10-year term. The agreement is renewable for an additional 10-year term, subject to various conditions and state law. The royalty rate is currently 5% of sales and franchisees are required to contribute up to 4% of sales (2% for a non-traditional store) to a company-administered marketing fund. At the present time, Jamba Juice Company is only charging 2% of sales as the marketing contribution. There is typically a one-mile geographic radius restriction for traditional stores in non-downtown areas.

Franchisees typically pay an initial fee ranging from \$15,000 for non-traditional store locations to \$25,000 for traditional store locations.

Jamba Juice Company does not provide financing to its franchisees. Jamba Juice Company may consider a joint venture investment in certain circumstances.

### **Store Selection Process**

Jamba Juice Company carefully screens prospective locations for visibility, traffic patterns, demographics, convenience, and co-tenancy for both Jamba Juice Company owned and franchise locations. Jamba Juice Company selects locations for new markets by targeting concentrations of early adopters that they believe will try the Jamba experience and spread positive word-of-mouth about the brand. In addition, Jamba Juice Company looks for high traffic locations within urban areas before eventually spreading the concept to more suburban settings. Jamba Juice Company's expansion strategy involves using the clustering approach. Jamba Juice Company believes this approach has the potential to increase brand awareness and improve operating and marketing efficiencies. Jamba Juice Company believes that clustering helps to reduce costs associated with regional supervision of store operations, increase distribution efficiencies, and provide it with the opportunity to leverage marketing costs over a greater number of stores. In addition, Jamba Juice Company believes its ability to hire qualified team members is enhanced in markets in which it is well known.

### **Seasonality**

Jamba Juice Company sales are subject to day to day volatility based on weather and vary by season. Jamba Juice Company's fiscal year is based on 13 four week periods ending on the final Tuesday in June. Sales for Jamba Juice Company's first fiscal quarter comprised of four, four week periods ending in mid-October represent approximately 34% of annual sales. The second quarter which includes the winter holiday period ends the second week in January and is our lowest sales volume quarter, representing approximately 16% of store sales. Jamba Juice Company's third quarter which covers the second week in January to the first week in April generates approximately 22% of store sales, while the fourth quarter, which encompasses the springtime period from the second week in April until the last week in June, is Jamba Juice Company's second strongest sales quarter generating approximately 28% of sales. The second, third and fourth quarters are each comprised of three, four week periods, or twelve weeks in total.

### **Store Operations**

#### **Customer Service**

Jamba Juice Company tries to provide its customers a positive experience by promoting interaction with its team members and encouraging a healthy, active lifestyle. Jamba Juice Company's goal is to build a powerful relationship with customers that transcends its core smoothie product line and goes beyond four walls of its stores. Jamba Juice Company strives to form this bond with its customers based on quality, trust, and integrity. To achieve this goal, Jamba Juice Company seeks to hire customer-service-oriented people who exhibit Jamba Juice Company's culture and values. Jamba Juice Company trains members to

deliver a high-quality customer experience and Jamba Juice Company provides team members with financial incentives and opportunities for advancement when they fulfill service expectations. Supported by the theater of the fully displayed production process, Jamba Juice Company believes that the Jamba Juice Company experience is a competitive advantage.

### **Store Management**

Jamba Juice Company's Operations team is the foundation for Jamba Juice Company's performance and vital to long-term growth. Jamba Juice Company recruits and retains leaders with broad experience in management and industry.

Jamba Juice Company supports its store operations with a combination of Regional Directors of Operations, District Manager, and General Managers at each store.

Jamba Juice Company's team of Regional Directors of Operations (RDO's) average more than 15 years of industry experience. Their backgrounds include experience in full-service restaurants and high growth retailers, with several RDO's having previously held Vice President of Operations titles. RDO's manage teams of District Managers and report directly to two experienced retail zone vice presidents who in turn report to the Vice President of Operations. Jamba Juice Company's District Managers have deep experience with leading beverage companies, full-service restaurants, and high growth retailers. In addition, 40% of District Managers have been internally developed and promoted to the District Manager level.

Maintaining the Jamba Juice Company corporate culture is essential as Jamba Juice Company continues to expand, and Jamba Juice Company believes that it is critical to developing its brand and ensuring its continued success. Jamba Juice Company believes team members are the key to its success and that its culture fosters personal interaction, mutual respect, trust, empowerment, enthusiasm and commitment. Jamba Juice Company carefully screens potential team members to ensure that they hold many of its core values and fit into the culture. By placing an emphasis on its mission statement and values, and encouraging responsibility and accountability at every level, Jamba Juice Company believes that it has created a sense of team member loyalty and an open and interactive work environment, resulting in a highly passionate workforce. Team members are paid competitive wages and are offered opportunities for rapid advancement. As a result, Jamba Juice Company believes the turnover of both its store-level general managers and store level non-manager employees is in line with other similar concepts that have seasonal labor at approximately 25% and 100% annually. In addition to competitive wages, store managers are eligible for performance based bonuses and a retention bonus. The performance bonus is paid out five times per year based on meeting certain profit targets. In addition to these periodic base bonus payments made during the year, at year end managers are eligible for a bonus equal to 10% of profit delivered above their target. Jamba Juice Company also pays managers a retention bonus. Managers who stay with Jamba Juice Company for three years are paid a \$10,000 one time bonus.

### **Training**

Jamba Juice Company conducts various training programs for team members, support center staff, and its leadership team. Jamba Juice Company's training program has received numerous accolades, including the 2004 Winning Workforce Award, presented by the National Restaurant Association Educational Foundation and Coca-Cola, for the innovative training program supporting the launch of the Sixteen. In 2005, Jamba Juice Company received the 2004 Catalyst Award presented by People Report to Jamba Juice Company that made significant advances in their people practices and has sustained the results for at least one year. Jamba Juice Company is dedicated to providing a meaningful experience for all team members, with ample opportunity to develop leadership skills as they move up through the organization. Jamba Juice Company's training programs include formal programs such as the Manager-in-

Training programs for new managers and the more informal one-on-one discussions held between General Managers, District Managers, and RDO s. The goals of all the programs are to shorten the learning curve while creating greater confidence in order to achieve success through strong performance and results.

### **Advertising and Marketing**

Jamba Juice Company s marketing strategy focuses on communicating the benefits of the products and the brand s values through many creative and non-traditional avenues. Marketing efforts are concentrated on store locations to build memorable experiences that will generate positive word-of-mouth. As Jamba Juice Company enters new markets it must communicate the Jamba Juice Company story, the benefits of its products, and its usage occasions. Emotional connections are developed as the messages are delivered consistently and with a freshness that appeals to consumers. Jamba Juice Company augments its in-store communications with small promotional events, community involvement, and opportunistic grass-roots marketing.

Jamba Juice Company believes that it benefits from national media attention, providing it a significant competitive advantage. Historically, Jamba Juice Company has not engaged in any mass media marketing programs, relying instead on word-of-mouth, trade-area marketing, and in-store promotions to increase customer awareness. Nevertheless, Jamba Juice Company has been featured in stories appearing in *The Wall Street Journal*, *The New York Times*, *USA Today*, and a host of local newspapers and magazines. Jamba Juice Company has also been featured in television shows such as *Dateline NBC*, *The Oprah Winfrey Show*, *Saturday Night Live*, *The Sopranos* and *Late Night with David Letterman*. Jamba Juice Company s fundraising events also capture a significant amount of coverage from local TV stations.

In fiscal year 2005, Jamba Juice Company spent 2.4% of company store net sales on marketing efforts. In addition, franchisees contribute to the development and deployment of system-wide marketing programs. Franchisees also spend to market the Jamba Juice Company brand in their local market area. In fiscal year 2005, total system-wide advertising expenditures were approximately \$6.0 million.

In addition, Jamba Juice Company capitalizes on the openings of new sites as opportunities to reach out to the media. Jamba Juice Company tries to secure live local television, radio broadcasts and coverage in local newspapers for each store opening. In addition, openings are frequently associated with a charitable event to reinforce Jamba Juice Company s strong commitment to its communities.

### **Food Purchasing**

Smoothie and juice products depend heavily upon supplies of fresh and fresh-frozen fruit. The quality of each smoothie depends to a large degree on the quality of the basic fruit ingredients from which it is made. It is therefore essential that the supply of fruit is of the highest quality and is consistent throughout the year. To achieve these dual goals, and realize the lowest possible purchase costs, Jamba Juice Company purchases all of its projected requirements for the coming year of a given type of fruit from suppliers at the height of the season for that particular fruit. Jamba Juice Company conducts quality assurance testing at the time of packing to ensure that the fruit meets its high standards, which meet or exceed USDA Grade-A standards. The fruit is then flash-frozen and stored by the supplier(s) for shipment to distributors throughout the year.

Jamba Juice Company contracts with independent distribution companies to distribute products to the stores. The contracts generally are short-term. Contracts with current distributors were recently renegotiated with three to five year terms. Given the density of stores in California, the costs of goods sold in California is lower than other regions of the country. Jamba Juice Company believes that by clustering future store development it can begin to lower distribution costs, and therefore reduce cost of goods sold, in non-California markets.

Southwest Traders, Inc. is a distributor of proprietary products to Jamba Juice Company Stores and franchise stores. Southwest Traders distributes ingredients that make up approximately 87% of Jamba Juice Company's cost of sales for fiscal year 2005. Southwest Traders does not manufacture or negotiate pricing agreements for products sold in Jamba Juice Company stores. They serve solely in a warehousing and distribution capacity and receive a fixed percentage mark up on the independently negotiated cost of Jamba Juice Company's ingredients. Jamba Juice Company's contract does provide that during the term we will use Southwest Traders as our exclusive distributor within certain territorial boundaries provided they meet required service levels. The contract is firm through December 31, 2007 and is not subject to cancellation unless either party defaults within the contract due to non-performance.

All of Jamba Juice Company's nutritional supplements (i.e., Boosts<sup>®</sup>), soups, pretzels, and breads are produced to very exacting specifications. After quality control checks at the support center, all products are shipped directly to stores using outside distributors. Jamba Juice Company does not maintain central warehousing facilities.

### **Competition**

The restaurant industry is highly competitive and fragmented. All restaurants compete based on a number of factors, including taste, quickness of service, value, name recognition, restaurant location and customer service. For further information about the restaurant industry, see [Industry Overview and Trends](#) above.

Jamba Juice Company competes with all purveyors of quick, convenient food and beverage products, including quick service restaurants, coffee shops and grocery stores. Jamba Juice Company competes most directly with regional smoothie stores, most of which are franchises of other smoothie brands including Smoothie King, Planet Smoothies, Robecks, Tropical Smoothie, Freshens, Juice It Up, Maui Wowi and others. Based on available public information, including the websites of such franchisors, their Uniform Franchise Offering Circulars (if available), and news articles, Jamba Juice Company believes that its Company Stores generate average unit volumes of more than double that of these regional smoothie stores.

Jamba Juice Company is unable to define exactly why there appears to be this discrepancy in Jamba Juice Company's favor, but believes that it is the cumulative impact of a number of factors, including (i) that Jamba Juice Company is more focused on the development of company-owned stores, (ii) that a corporate store approach typically results in a higher percentage of better real estate selections, as Jamba Juice Company believes that franchisees of competitive brands are both at a financial disadvantage when negotiating real estate leases and often unwilling to pay the rents that landlords are seeking and (iii) that Jamba Juice Company has a consistent and refined store model, product offering, and operating culture, which may have helped create a positive and discernable brand-image in consumers' minds.

### **Business Strategy**

Jamba Juice Company follows a fundamental business strategy focused on Brand, Business and Culture.

### **Brand**

Jamba Juice Company believes the Jamba brand communicates the passion and positive energy of the Jamba Juice experience. Jamba Juice Company's focus on its brand is designed to ensure that customers are aware of the positive product attributes and the vision and values of the Jamba team. Jamba Juice Company believes the branding efforts are instrumental to generating strong same store sales growth and laying the foundation for new unit growth. The brand initiatives encompass the following:

- **Brand Communications:** Generating awareness and loyalty through the communication of the product benefits and the eventual development of an emotional connection with the customer.
- **Product Optimization and Innovation:** Devoting additional resources to optimizing the current menu and developing new appealing menu items.
- **Store Environment:** Building a store environment that is an energizing and memorable experience for customers.
- **People:** Attracting and developing high-quality team members that deliver energy and superior service to customers.

#### **Business**

Jamba Juice Company's leadership team tries to maintain a focus on business performance that enables the long-term growth of Jamba Juice Company. Jamba Juice Company's growth strategy is to expand its existing markets and develop new markets while leveraging its support infrastructure. Jamba Juice Company understands that it requires strong unit level economics across regions and platforms to continue growth. As a result, Jamba Juice Company strives to achieve the following:

- **Unit Economics:** Continue to improve on store profitability.
- **New Unit Growth:** Continue to expand in existing markets as well as emerging and new markets.
- **Leverage Infrastructure:** Continue to build upon and leverage existing infrastructure to improve profitability.

#### **Culture**

Jamba Juice Company strives to provide a unique culture where team members execute at high levels while expressing their passion for the brand. Jamba Juice Company believes its vision and values are more than bulletin board postings; they are embodied in the store teams, the support staff, and the leadership team. Jamba Juice Company's ability to execute its growth strategy is highly dependent on the maintenance and enhancement of its unique culture. To ensure that the culture will continue to drive business execution, Jamba Juice Company's leadership team attempts to focus on the following:

- **F.I.B.E.R:** The core values of Jamba Fun, Integrity, Balance, Empowerment, and Respect must continue to be embodied and communicated throughout Jamba Juice Company.
- **Leadership Capability:** Attracting and retaining high capability individuals that execute the business strategy while building the platform for future growth.
- **Store Level Capability:** Jamba stores are the foundation of the business and must execute flawlessly. Jamba leadership ensures that stores are fully staffed and trained in order to provide the energetic and memorable Jamba store experience.
- **Community:** A key to developing and sustaining emotional connections with customers is the shared appreciation of community involvement. Jamba Juice Company's commitment to the communities where it operates is vital to customer loyalty and sustaining the passion of Jamba team members.

#### **Growth Strategy**

Jamba Juice Company has a multi-pronged growth strategy including the development of new stores, increasing same store sales, increase customer frequency and developing alternative channels for its brand. The Jamba Juice Company store cash build out costs, net of tenant

improvement allowances, range from

93

---

approximately \$300,000 to over \$500,000 in major metropolitan areas such as New York, but average approximately \$360,000 outside of such major metropolitan areas.

#### **Development of New Stores**

Jamba Juice Company's management believes that Jamba Juice Company enjoys significant market expansion options both nationwide and internationally. During fiscal year 2005 Jamba Juice Company opened 60 locations and its franchisees opened 20. During the fiscal year ending June 27, 2006, Jamba Juice Company plans to open approximately 47-52 stores and anticipates that its franchisees will open an additional 33-38 locations. Jamba Juice Company anticipates that it will continue to open a combination of traditional and non-traditional stores in both existing and new domestic markets. It is anticipated that this growth will be accomplished through the development of Company Stores as well as franchise stores opened by area developers. Jamba Juice Company's management expects that international development opportunities will primarily be pursued through area development or joint venture agreements with third-parties.

#### **Increase Same Store Sales**

- ***Jamba Juice Company's Journey from Initial Trial to Regular Healthy Habit:*** The mission of Jamba Juice Company is to fuel its customers' active lifestyles by encouraging a healthy habit consisting of a regular dose of Jamba Juice. By communicating to its customer base that it will be a source of energy and enjoyment throughout all stages of their journey, Jamba Juice Company is building deep customer loyalty. Jamba Juice Company views the conversion of light users (two or less times per month) to heavy users (eight or more times per month) as a significant opportunity that will drive same store sales growth while reducing weather and seasonal vulnerabilities. Jamba Juice Company's product innovations and expanded marketing communications have the potential to convert light users to heavy users by increasing the purchase occasion opportunities and strengthening the customer's emotional connection with the brand.
- ***Brand Communication and Awareness:*** Jamba Juice Company's strategy for brand communication focuses on delivering a clear message of the benefits of its products and the principles behind the Jamba brand. The delivery of the message must be fresh, interesting, and relevant to establish an emotional connection with the customer. As it does not engage in mass media communications, Jamba Juice Company employs the store experience as its primary communication vehicle, concentrating on ensuring that all touch points are consistent and clear in order to build brand awareness that will result in initial trial followed by repeat visits and positive word-of-mouth. The communications encompass the colors, smells, displays, and merchandise found in the store in addition to the energy of the team members. Jamba Juice Company anticipates driving same store sales growth by educating consumers on the benefits of Jamba products, its usage occasions, and the story of Jamba Juice Company. The clarity and harmony of the message will create emotional connections with customers and build brand loyalty.
- ***Devoting Additional Resources to Product Optimization and Innovation:*** Jamba Juice Company's research team continually seeks to enhance the product offerings available to customers, and where possible, reduce product and labor costs at the store level. This process includes both the development of new products and the optimization of the menu to ensure only the most appealing products are offered to customers. As new products are introduced to the menu, usage occasions increase and positive word-of-mouth is spread. Jamba Juice Company was extremely successful with this approach when it introduced the Enlightened Smoothiest<sup>TM</sup> and the All Fruit<sup>TM</sup> line of beverages to satisfy customers concerned with calorie and sugar levels; those two product lines, introduced in 2004 and 2006 respectively, now account for over 20% of sales. Jamba Juice Company is passionate about creating fresh new products that meet an even greater variety of customer needs. Jamba Juice





Company prides itself on listening carefully to customer feedback, an example being the introduction of the Sixteen, a 16-ounce size offering, introduced to satisfy customers' demands for smaller smoothies and increase usage occasions. As energy drinks continue to gain momentum, Jamba Juice Company introduced its Matcha Green Tea Creations™ and the Acai Supercharger™ with Guarana to provide a healthy, inventive, and high energy option for its customers. Jamba Juice Company anticipates devoting additional resources to its research and development team in an effort to build upon recent new product successes and take its product innovation abilities to the next level. While there is no certainty that product development efforts will lead to the introduction and success of new product offerings as well a potential increases in gross margins, Jamba Juice Company will continue to use these new resources try to develop fresh concepts that appeal to customers at any time of day and in any weather or season.

- **Customer Service:** Jamba Juice Company team members are responsible for the high level of customer service that is a key component of its success. Team members warmly greet customers upon entering the store and efficiently deliver their order in a timely manner. With a highly customized product, operational efficiency is vital to achieving high levels of throughput. Jamba Juice Company team members not only deliver the customers' orders quickly, they also transfer the enjoyment and energy they gain from working at Jamba Juice Company to the customers. Jamba Juice Company's management believes continuing to deliver high-quality customer service will differentiate Jamba Juice Company in the marketplace and drive long-term customer loyalty.

#### **Brand Extensions**

The successful development of the Jamba brand has positioned Jamba Juice Company well to extend its product offerings outside of its stores. While Jamba Juice Company's product is already highly portable and convenient, the opportunity to develop a Jamba product line available in other outlets and formats would expand the brand touch points and product usage occasions available to consumers. Jamba Juice Company's branding team will ensure that any product extensions fit the Jamba message and standard of product quality. The following is a sample of the types of opportunities for product extensions that Jamba Juice Company is currently considering, either alone or in concert with strategic partners:

- **Ready-To-Drink Beverages:** Jamba Juice Company's strong association with premium, flavorful beverages translates well into Ready-To-Drink beverages available in a variety of retail locations. Energy drinks, Ready-To-Drink Teas, and premium juices are all options for brand extensions available to Jamba Juice Company.
- **Shelf-Stable Packaged Goods:** Consumers look for healthy, flavorful products in many formats. The positive associations of the Jamba brand are expected to enable Jamba Juice Company to develop products outside of its smoothie and juice offerings that will be well received by consumers.
- **Jambacard in Retailers:** Jamba Juice Company has recently entered into an agreement with Blackhawk Marketing Services, Inc. whereby Blackhawk will offer and distribute the Jambacard for sale at mutually-agreed upon third-party retailers. The initial roll-out of this program commenced during the holiday season of 2005 through Safeway, Vons, and SaveMart stores. Jamba Juice Company expects this program to help drive both brand awareness and sales.

#### **Jamba Juice Company Management Directors and Executive Officers**

##### **Paul E. Clayton** Chief Executive Officer and Director

Mr. Clayton, 47, has been Jamba Juice Company's Chief Executive Officer since February 2000. Mr. Clayton was with Burger King Corporation from 1984 to January 2000 in increasingly responsible positions in marketing, operations and development. Mr. Clayton was President of Burger King North



America in Miami Florida from March 1997 to January 2000, Senior Vice President, Worldwide Marketing from March 1994 to March 1997, and Vice President, Marketing USA from July 1993 to March 1994. He received his BS/BA degree from Boston University, and his MBA from the University of North Carolina at Chapel Hill.

**Donald D. Breen** Chief Financial Officer

Mr. Breen, 48, has been Jamba Juice Company's Chief Financial Officer since June 2005. Mr. Breen was with Fresh Enterprises, the Parent Company of Baja Fresh Mexican Grill, in Thousand Oaks, California from July 1999 to December 2004, where he was the Senior Vice President and CFO. Prior to Baja Fresh, Mr. Breen was employed by Brothers Gourmet Coffees, Inc., a wholesale and retail coffee roaster in Boca Raton, Florida, serving as President, Chief Executive Officer and Chief Financial Officer from January 1996 to May 1999. Prior to that, Mr. Breen was Finance Director, Assistant Secretary and Assistant Treasurer for Adolph Coors Company. Mr. Breen earned both his BS in Finance and an MBA from the University of Connecticut.

**Karen Kelley** Vice President of Company Operations

Ms. Kelley, 40, has been Jamba Juice Company's Vice President of Company Operations since March 1998. From 1994 to 1998, Ms. Kelley was with Boston Market. She was Managing Partner of Boston Market from 1994 to 1995; Director of Operations - Northern California from 1995 to 1997, and Vice-President of Operations - Northern California from 1997 to 1998. Ms. Kelley attended the University of Colorado.

**Beth Lombard** Vice President of Development

Ms. Lombard, 43, has been Jamba Juice Company's Vice President of Development since February 2004. Before Jamba Juice Company, Ms. Lombard worked for Brinker International in Dallas, Texas as Director of Concept Development from 2002 to 2003. From 1997 to 2001, she was with Gap Inc. in San Francisco, California as Director of Real Estate and Director of Strategic Initiatives. From 1993 to 1997, Ms. Lombard was with Coopers & Lybrand Consulting in Associate and Sr. Associate positions. Ms. Lombard earned her B.S. degree in Civil Engineering from Clemson University and her MBA from Pepperdine University.

**Russell Testa** Vice President of Human Resources

Mr. Testa, 49, has been Jamba Juice Company's Vice President of Human Resources since February 2004. His most recent employment prior to joining Jamba Juice Company was with Mervyn's in Hayward, California, a division of Target Corporation, from May 1993 through January 2003 where he was as Senior Vice President of Human Resources from September 2001 and Vice President of Human Resources prior to that time. Mr. Testa earned his A.B. degree in Economics from the University of California, Davis.

Three current directors of Jamba Juice Company that will be appointed to the SACI board of directors at closing of the merger are:

**Robert C. Kagle** Director

Mr. Kagle, 50, has served as a director of Jamba Juice Company since 1994. Mr. Kagle has been a Member of Benchmark Capital, the General Partner of Benchmark Capital Partners, L.P. and Benchmark Founders Fund, L.P., since its founding in May 1995. Mr. Kagle also has been a General Partner of Technology Venture Investors since January 1984. Mr. Kagle also serves on the board of directors of eBay, Inc. and ZipRealty, Inc. Mr. Kagle holds a B.S. degree in Electrical and Mechanical Engineering from the General Motors Institute (renamed Kettering University in January 1998) and an M.B.A. degree from the Stanford Graduate School of Business.

**Richard L. Federico** Director

Mr. Federico, 51, has served as a director of Jamba Juice Company since October 2004. Since September 1997, Mr. Federico has been the Chief Executive Officer of P.F. Chang and a Director of P.F. Chang since February 1996. In December 2000, Mr. Federico was named Chairman of the Board of P.F. Chang. From February 1989 to January 1996, Mr. Federico served as President of the Italian Concepts division of Brinker International, Inc. (NYSE:EAT), where he was responsible for concept development and operations. Under Mr. Federico's direction, this division grew from one unit in 1989 to more than 70 units by 1996.

**Craig J. Foley** Director

Mr. Foley 62 has served as a director of Jamba Juice Company since 1994. Mr. Foley is Managing Partner of Wickham Capital Partners, a private investment partnership formed in 1994. He was founding investor in Chancellor Capital Management (now INVESCO Private Capital) and served as a member of its Board of Directors. At Chancellor, he headed the Venture Capital Group, which he established in 1982. Prior to Chancellor, he was affiliated with major New York banking and investment firms. Mr. Foley was an early or lead investor in Starbucks, COSTCO, Staples, PetSmart, Gadzooks, Noah's Bagels, Jamba Juice Company, and The White House/Black Market (acquired by Chico's). Mr. Foley has served as a director of various private companies and was a fifteen year member the Starbucks Corporation Board of Directors, where he served on the Compensation Committee and Chaired the Audit Committee. Mr. Foley graduated from Kenyon College, and served as a Trustee of the Bronxville Board of Education and as a Trustee of Kenyon College, where he was Vice Chair of the Board and Chair of the Investment Committee.

**Government Regulation and Environmental Matters**

*Government Regulation.* Jamba Juice Company is subject to extensive and varied federal, state and local government regulation, including regulations relating to public health and safety and zoning codes. It operates each of its stores in accordance with standards and procedures designed to comply with applicable codes and regulations. However, if Jamba Juice Company could not obtain or retain food or other licenses, it would adversely affect its operations. Although Jamba Juice Company has not experienced, and does not anticipate, any significant difficulties, delays or failures in obtaining required licenses, permits or approvals, any such problem could delay or prevent the opening of, or adversely impact the viability of, a particular store or group of stores.

California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of a Jamba Juice Company store, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the store premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food; special health, food service and frozen dessert machine licensing requirements; restrictions on smoking; restrictions on the sale of alcoholic beverages and required posting of notices regarding the risks of alcohol consumption, exposure to tobacco smoke or other carcinogens or reproductive toxicants and saccharin; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) govern the use of vending machines; (f) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials; (g) establish general requirements or restrictions on advertising containing false or misleading claims, or health and nutrient claims on menus or otherwise, such as low calorie or fat free; and (h) establish requirements concerning withholdings and employee reporting of taxes on tips.

In addition, in order to develop and construct more stores, Jamba Juice Company needs to comply with applicable zoning, land use and environmental regulations. Federal and state environmental regulations have not had a material effect on its operations to date, but more stringent and varied requirements of local governmental bodies with respect to zoning, land use and environmental factors could delay or even prevent construction and increase development costs for new stores. Jamba Juice Company is also required to comply with the accessibility standards mandated by the U.S. Americans with Disabilities Act, which generally prohibits discrimination in accommodation or employment based on disability. It may, in the future, have to modify stores, for example, by adding access ramps or redesigning certain architectural fixtures, to provide service to or make reasonable accommodations for disabled persons. While these expenses could be material, Jamba Juice Company's current expectation is that any such action will not require it to expend substantial funds.

In addition, Jamba Juice Company is subject to the U.S. Fair Labor Standards Act, the U.S. Immigration Reform and Control Act of 1986 and various federal and state laws governing various matters including minimum wages, overtime and other working conditions. It pays a significant number of its hourly staff at rates consistent with but higher than the applicable federal or state minimum wage. Accordingly, increases in the minimum wage would increase its labor cost. Jamba is also subject to various laws and regulations relating to its current and any future franchise operations. See Risk Factors Risks Associated with Jamba Juice Company's Business and Industry Governmental regulation may adversely affect Jamba Juice Company's ability to open new stores or otherwise adversely affect its existing and future operations and results.

Jamba Juice Company is also subject to various federal and state laws that regulate the offer and sale of franchises and aspects of the licensor-licensee relationship. Many state franchise laws impose restrictions on the franchise agreement, including the duration and scope of non-competition provisions, the ability of a franchisor to terminate or refuse to renew and the ability of a franchisor to designate sources of supply. The Federal Trade Commission, or the FTC, and some state laws also require that the franchisor furnish to prospective franchisees a franchise offering circular that contains prescribed information and, in some instances, require the franchisor to register the franchise offering circular.

*Environmental Matters.* Jamba Juice Company is subject to federal, state and local environmental laws and regulations concerning the discharge, storage, handling, release and disposal of hazardous or toxic substances ( environmental laws ). These environmental laws provide for significant fines, penalties and liabilities, sometimes without regard to whether the owner or operator of the property knew of, or was responsible for, the release or presence of the hazardous or toxic substances. Third parties may also make claims against owners or operators of properties for personal injuries and property damage associated with releases of, or actual or alleged exposure to, such substances. Jamba Juice Company cannot predict what environmental laws will be enacted in the future, how existing or future environmental laws will be administered or interpreted, or the amount of future expenditures that it may need to make to comply with, or to satisfy claims relating to, environmental laws. While, during the period of its ownership, lease or operation, its stores have not been the subject to any material environmental matters, it has not conducted a comprehensive environmental review of its properties or operations. Jamba Juice Company has not conducted investigations of its properties to identify contamination caused by third-party operations; in such instances, the contamination must be addressed by the third party. If the relevant third party does not or has not addressed the identified contamination properly or completely, then under certain environmental laws, Jamba Juice Company could be held liable as an owner and operator to address any remaining contamination. Any such liability could be material. Further, Jamba Juice Company may not have identified all of the potential environmental liabilities at its properties, and any such liabilities could have a material adverse effect on its operations or results of operations.

### **Employees**

Jamba Juice Company has a total of 9,223 employees as of May 10, 2006. Management of Jamba Juice Company believes its commitment to its team members has resulted in a turnover rate that is significantly lower than its competitors. Management of Jamba Juice Company believes that its relationship with its team members is exceptional.

### **Properties**

Jamba Juice Company's corporate headquarters are located at 1700 17th Street, San Francisco, California. This facility is occupied under a lease for approximately 30,000 square feet, at a cost of approximately \$498,000 per year, and it terminates on December 31, 2006 (Jamba Juice Company is actively looking for new headquarters in anticipation of the expiration of its current lease).

Jamba Juice Company currently operates all of its stores under leases and typically signs five to fifteen year leases. Jamba Juice Company does not intend to purchase real estate for any of its sites in the future. Jamba Juice Company believes that the size and flexibility of its format provide it with a competitive advantage in securing sites.

### **Legal Proceedings**

In January 2006, a lawsuit was filed against Jamba Juice Company by Foodie Partners in a Federal District Court in Texas (E. Dist. Texas, Civ. No. 2:06-cv-012). The lawsuit alleges infringement of U.S. Patent No. 5,950,448. The patent in question describes dispensing and combining refrigerated source liquids, ice, and flavoring additives to create a smoothie type beverage, and is generally directed to locating various ingredients (source liquids, flavor additives, ice) as well as processing mechanisms (blender, beverage tap, sink, etc.) in relation to specific locations. The plaintiffs seek injunctive relief, damages, and attorney's fees and costs. Due to the early status of this case, Jamba Juice Company cannot estimate the possible loss, if any. Based on a preliminary analysis, Jamba Juice Company believes the claims are without merit and intends to vigorously defend the lawsuit.

Other than above, Jamba Juice Company is not a party to any legal proceeding that the management of Jamba Juice Company believes would have a material adverse effect on the financial position or results of operations of Jamba Juice Company.

## **INFORMATION ABOUT SACI**

### **Business of SACI**

#### **General**

We were incorporated in Delaware on January 6, 2005, as a blank check company formed to serve as a vehicle for the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business whose fair market value is at least equal to 80% of our net assets at the time of such acquisition.

A registration statement for our initial public offering was declared effective on June 29, 2005. On July 6, 2005, we consummated our initial public offering of 15,000,000 units. On July 7, 2005, we consummated the closing of an additional 2,250,000 units that were subject to the underwriters' over-allotment option. Each unit consists of one share of common stock and one redeemable common stock purchase warrant. Each warrant entitles the holder to purchase from us one share of our common stock at an exercise price of \$6.00 per share. Our common stock and warrants started trading separately as of July 28, 2005.

Our net proceeds from the sale of our units were approximately \$127,837,468. Of this amount, \$126,720,000 was deposited in trust and the remaining \$1,117,468 was held outside of the trust. The proceeds held outside the trust are available to be used by us, and are being used by us, to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. We evaluated a number of candidates before moving forward with Jamba Juice Company. If the merger with Jamba Juice Company is not consummated, we may not have enough time or resources to continue searching for an alternative target. In such event, we would, if able, continue to conduct a search for a possible candidate in accordance with the criteria as previously disclosed in our publicly available filings with the Securities and Exchange Commission.

#### **Employees**

We have three officers, all of whom are also members of our board of directors. These individuals are not obligated to contribute any specific number of hours per week and intend to devote only as much time as they deem necessary to our affairs. The amount of time they will devote in any time period will vary based on the availability of suitable target businesses to investigate. We do not intend to have any full time employees prior to the consummation of a business combination.

#### **Properties**

We maintain our executive offices at 401 East Las Olas Boulevard, Suite 1140, Fort Lauderdale, Florida 33301. The cost for this space provided by SB Management Corp., a corporation solely owned by Steven Berrard, our Chairman and Chief Executive Officer, is approximately \$4,875 per month and includes certain other additional services provided by SB Management Corp. pursuant to a letter agreement between us and SB Management Corp. We believe that based on rents and fees for similar services in the Fort Lauderdale area, that the fee charged by SB Management Corp. is at least as favorable as we could have obtained from an unaffiliated person. We consider our current office space adequate for our current operations.

#### **Periodic Reporting and Audited Financial Statements**

SACI has registered its securities under the Securities Exchange Act of 1934 and has reporting obligations, including the requirement to file annual and quarterly reports with the Securities and Exchange Commission. In accordance with the requirements of the Securities Exchange Act of 1934, SACI's annual reports will contain financial statements audited and reported on by SACI independent

accountants. SACI has filed a Form 10-K with the Securities and Exchange Commission covering the fiscal year ended December 31, 2005.

### **Legal Proceedings**

To the knowledge of management, there is no litigation currently pending or contemplated against us or any of our officers or directors in their capacity as such.

### **Management's Discussion and Analysis of Financial Condition and Results of Operations of SACI**

The following discussion should be read in conjunction with SACI's Financial Statements and related Notes thereto included elsewhere in this proxy statement.

SACI was formed on January 6, 2005, to serve as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business that provides services. SACI's initial business combination must be with a target business or businesses whose fair market value is at least equal to 80% of net assets at the time of such acquisition. SACI has the ability to utilize cash derived from the proceeds of its public offering, its capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination.

Prior to entering into the Agreement and Plan of Merger with Jamba Juice Company SACI was engaged in sourcing a suitable business combination candidate. SACI had met with target companies, service professionals and other intermediaries to discuss with them SACI, the background of SACI's management and SACI's combination preferences. In the course of these discussions, SACI had also spent time explaining the capital structure of the initial public offering, the combination approval process, and the timeline under which SACI was operating before the proceeds of the offering are returned to investors.

Overall, SACI would conclude that the environment for target companies has been competitive and believes that private equity firms and strategic buyers represented its biggest competition. SACI's management believes that many of the fundamental drivers of alternative investment vehicles like SACI are becoming more accepted by investors and potential business combination targets; these include a difficult IPO environment, a cash-rich investment community looking for differentiated opportunities for incremental yield, and business owners seeking new ways to maximize their shareholder value while remaining invested in the business.

From January 2005 (inception) until December 31, 2005, SACI had net income of approximately \$1,171,279, derived from dividend and interest income less operating expenses and taxes.

On July 6, 2005, SACI consummated its initial public offering of 15,000,000 units. On July 7, 2005, SACI consummated the closing of an additional 2,250,000 units that were subject to the underwriters' over-allotment option. Each unit consists of one share of common stock and one redeemable common stock purchase warrant. Each warrant entitles the holder to purchase from us one share of SACI's common stock at an exercise price of \$6.00. SACI's common stock and warrants started trading separately as of July 28, 2005.

SACI's net proceeds from the sale of its units, after deducting certain offering expenses of approximately \$1,887,468, including \$1,200,000 evidencing the underwriters' non-accountable expense allowance of 1% of the gross proceeds (excluding the proceeds from the underwriters' over-allotment), and underwriting discounts of approximately \$8,280,000, were approximately \$127,837,468. Of this amount, \$126,720,000 was placed in trust and the remaining \$1,117,468 was held outside of the trust. The remaining proceeds are available to be used by SACI to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. Given the proposed business combination with Jamba Juice Company, SACI anticipates that all of the net proceeds of the initial public offering held outside the trust (\$1,117,468) will have been exhausted by the time of closing of the proposed



## Edgar Filing: Services Acquisition Corp. International - Form PRER14A

combination. The table below compares the use of net proceeds from SACI's initial public offering held outside of the trust estimated at the time of the public offering (June 29, 2005) versus those estimated by SACI as of May 3, 2006.

	S-1	Currently estimated(1)
<i>Net Proceeds</i>		
Held in trust	126,720,000	126,720,000
Not held in trust	1,300,000	1,117,468 (2)
<i>Use of proceeds not held in trust</i>		
Legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiation of a business combination.	180,000	1,350,000 (2)
Payment of \$7,500 in administrative fees to SB Management Corp. and Mercantile Companies	180,000	120,000
Due diligence of prospective target business	100,000	100,000
Legal and account fees related to SEC reporting obligations	50,000	90,000
Working capital to covers other expenses	790,000	350,000

(1) Assumes the proposed business combination with Jamba Juice Company is consummated prior to August 15, 2006.

(2) Existing available funds are not sufficient to satisfy estimated transaction costs prior to the merger with Jamba Juice Company.

As of March 31, 2006, SACI had (i) \$741,417 in cash outside the trust and (ii) \$1,147,360 in current liabilities including accrued legal fees, due diligence expenses and related transaction expenses and taxes. Given that the total currently estimated use of proceeds exceeds the net proceeds held out of trust, it is unlikely that SACI will be able to complete a business combination other than the proposed combination with Jamba Juice Company. Additionally, SACI's ability to manage cash through the consummation, if approved, of the business combination, will dictate whether SACI is required to raise additional funds in order to meet the expenditures required for operating its business through either the business combination or going forward in the event the business combination is not completed. SACI could try to raise any required funds via a private offering of debt or equity securities, however there is no guarantee that SACI would be successful in completing such fundraising on terms acceptable to SACI and SACI may be forced to liquidate. *See Risk Factors.*

### **Off-Balance Sheet Arrangements; Commitments and Contractual Obligations**

As of December 31, 2005, SACI did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K and did not have any commitments or contractual obligations other than our payments to SB Management Corp. and Mercantile Companies, Inc. as described above. No unaudited quarterly operating data is included in this prospectus as SACI has conducted no operations to date.

## NORTH POINT FAIRNESS OPINION

North Point was retained by the board of directors of SACI on March 16, 2006. North Point rendered its opinion to the SACI Board of Directors that, as of March 21, 2006, (which date is after SACI had signed the merger agreement) and based upon and subject to the factors and assumptions set forth therein, the per share merger consideration to be paid to the holders of Jamba Juice Company capital stock and vested Jamba Juice Company options in the merger pursuant to the merger agreement is fair from a financial point of view to SACI.

The full text of the North Point fairness opinion, dated as of March 21, 2006, (which date is after SACI had signed the merger agreement) which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex E . North Point provided its opinion to the SACI Board of Directors in order to provide further information to SACI stockholders. The North Point fairness opinion is not a recommendation as to how any holder of SACI capital stock should vote with respect to the merger. North Point has consented to the disclosures regarding its fairness opinion in this proxy statement.

Once the decision was made to have a fairness opinion rendered, SACI received proposals (two written and two verbal) from four firms and the SACI board of directors discussed the merits of each; in the course of such discussions the SACI board considered the cost, timing, experience in mergers and acquisition transactions and industry expertise of each firm. No single item was the deciding factor, however the SACI board decided that North Point Advisors represented the best choice given that it is based in San Francisco, was competitively priced and that the principals of North Point (i) have been involved with over 175 mergers and acquisition transactions and (ii) within the combined food & beverage and restaurant industries, have been involved in over 60 transactions representing more than \$12 billion in transaction value.

In connection with rendering the opinion described above and performing its related financial analyses, North Point reviewed, among other things:

- the merger agreement;
- certain publicly available financial, operating and business information related to Jamba Juice Company, including certain audited and unaudited financial statements of Jamba Juice Company;
- certain internal information prepared and furnished by Jamba Juice Company's management with respect to the business, operations and prospects of Jamba Juice Company, including financial forecasts and projected financial data;
- to the extent publicly available, information concerning selected transactions deemed comparable to the proposed merger;
- certain publicly available financial and securities data of selected public companies deemed comparable to Jamba Juice Company; and
- certain publicly available press releases and research reports.

North Point also had discussions with members of the management of Jamba Juice Company concerning the financial condition, current and historical operating results for Jamba Juice Company, and the business outlook for Jamba Juice Company. In addition, North Point compared certain financial information for Jamba Juice Company with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent business combinations in the quick service, specialty restaurant, specialty foods and premier food brand industries and performed such other studies and analyses, and considered such other factors, as it considered appropriate.

North Point relied upon and assumed the completeness, accuracy and fairness of (and the absence of any misleading statements in) Jamba Juice Company's financial statements, financial forecasts, management estimates as to the future performance, and other information made available to North Point, and North Point did not assume responsibility for the independent verification of that information.

North Point's opinion does not address the basic business decision to proceed with or effect the merger, on the one hand, or any alternative business strategies or alternative transactions that may be available to SACI, on the other hand, or any tax consequences of the merger. North Point did not structure the merger or negotiate the terms of the merger. In addition, North Point did not perform any appraisals or valuations of any specific assets or liabilities of Jamba Juice Company (including derivative or off-balance sheet assets and liabilities), nor were any such appraisals or valuations furnished to North Point.

The following is a summary of the material financial analyses delivered by North Point to the SACI Board of Directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by North Point, nor does the order of analyses described represent relative importance or weight given to those analyses by North Point. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of North Point's financial analyses. Except as otherwise noted, the following quantitative information for Jamba Juice Company, to the extent that it is based on market data, is based on market data as it existed on or before the March 13, 2006, announcement of the merger and is not necessarily indicative of current market conditions.

*Discounted Cash Flow Analysis.* North Point performed a discounted cash flow analysis on Jamba Juice Company of the estimated cash flow of Jamba Juice for fiscal years 2006 through 2010. North Point considered two projected financial cases (a slow growth and higher growth case), the primary difference of which was the number of new store openings during the forecast period. North Point estimated a range of terminal values in the year 2010 based on multiples ranging from 12.0x EBITDA to 14.0x EBITDA. These terminal values were then discounted to calculate implied indications of present values using discount rates ranging from 15.0% to 20.0%. The discount rates used in this analysis were chosen based accepted industry averages for the cost of capital for companies in the food and restaurant industries. North Point used these discounted terminal values to calculate a range of enterprise values for Jamba Juice. Using a high growth model for store expansion (which means more expenditures on growing the number of stores and less cash flow left over from continuing operations) for Jamba Juice through 2010, the resulting enterprise values ranged from \$290,200,000 to \$446,600,000. Using a slow growth model for store expansion (which means less expenditures on growing the number of stores and more cash flow left over from continuing operations), the resulting enterprise values ranged from \$315,300,000 to \$466,600,000. North Point compared this range of enterprise values to the implied transaction value of \$249,000,000 for the merger (based on the total merger consideration of \$265,000,000 less \$16,000,000 of indebtedness).

*Selected Companies Analysis.* North Point reviewed and compared certain financial information and valuation multiples for Jamba Juice to corresponding financial information and public market multiples for the following publicly traded corporations in the quick service, specialty restaurant, specialty food and premier food brand industries:

- |                              |                                       |
|------------------------------|---------------------------------------|
| •Caribou Coffee Co., Inc.    | • Green Mountain Coffee Roasters Inc. |
| •Chipotle Mexican Grill Inc. | • Hain Celestial Group Inc.           |
| •CKE Restaurants Inc.        | • Hansen Natural Corp.                |
| •Cosi, Inc.                  | • Jones Soda Co.                      |
| •Jack in the Box Inc.        | • Lifeway Foods Inc.                  |
| •McDonald's Corp.            | • SunOpta Inc.                        |

•Panera Bread Co.	• Cadbury Schweppes PLC
•Peet's Coffee & Tea Inc.	• Campbell Soup Co.
•Sonic Corp.	• Coca-Cola Co.
•Starbucks Corp.	• General Mills Inc.
•United Natural Foods Inc.	• H.J. Heinz Co.
•Wendy's International Inc.	• Hershey Co.
•Whole Foods Market Inc.	• J.M. Smucker Co.
•Wild Oats Markets Inc.	• Kellogg Co.
•Yum! Brands Inc.	• Kraft Foods Inc.
•Dean Foods Co.	• PepsiCo Inc.

These companies were selected for this analysis because like Jamba Juice Company their operations reflect a mix of retail, food and restaurant businesses. Although none of the selected companies is directly comparable to Jamba Juice Company, each of the companies included has operations in the retail, food or restaurant category and the operations of the selected companies as a whole for purposes of analysis may be considered similar to the operations of Jamba Juice Company.

North Point calculated various financial multiples for such comparable companies based on the ratio of the enterprise value of these companies to the last twelve months revenue and last twelve months earnings before interest, taxes and depreciation and amortization, or EBITDA, of these companies for calendar year (CY) 2005 and the estimated revenue and estimated EBITDA for CY 2006 and 2007 of these companies (obtained from SEC filings and Factset estimates as of March 13, 2006). North Point then used the average of the means and medians of such multiples to calculate a range of enterprise values of Jamba Juice Company based on the operating data of Jamba Juice Company (provided by Jamba Juice Company's management) set forth below.

- enterprise value (which is the market value of common equity plus the book value of debt, less cash) as a multiple of latest twelve months revenue;
- enterprise value as a multiple of latest twelve months earnings before interest, taxes and depreciation and amortization, or EBITDA;
- enterprise value, as a multiple of revenue for 2005 and estimated revenue for 2006 and 2007; and
- enterprise value, as a multiple of EBITDA for 2005 and estimated EBITDA for 2006 and 2007.

The results of these analyses are summarized as follows:

<b>Enterprise Value as a multiple of current year:</b>	<b>Range</b>	<b>Mean</b>	<b>Median</b>
2005 Revenue	0.6x-7.1x	2.3x	2.1x
2005 EBITDA	6.9x-23.8x	13.7x	12.5x
2006 Estimated Revenue	0.5x-5.0x	2.0x	2.0x
2006 Estimated EBITDA	6.3x-46.4x	13.1x	11.6x
2007 Estimated Revenue	0.4x-4.1x	1.8x	1.8x
2007 Estimated EBITDA	5.2x-37.1x	11.6x	10.7

When applying these mean and median multiples to this operating data of Jamba Juice Company, the resulting enterprise values for Jamba Juice Company ranged from \$242,200,000 to \$578,700,000. North Point compared this range of enterprise values to the implied transaction value of \$249,000,000 for the merger.



*Selected Transactions Analysis.* North Point reviewed the terms of certain recent merger and acquisition transactions reported in SEC filings, public company disclosures, press releases, industry and popular press reports, data bases and other sources relating to the following selected transactions (listed by target/acquirer) in the restaurant industry since 2003:

<b>Comparable Restaurant Transactions Target</b>	<b>Acquiror</b>
Checkers Drive-In Restaurants Inc	Wellspring Capital Management LLC
Sticky Fingers Inc	Quad-C Management
Dave & Buster's Inc	Wellspring Capital Management
Dunkin' Brands, Inc.	Bain Capital / Carlyle Group / Thomas H Lee
Fox & Hound Restaurant Group	Newcastle Partners / Steel Partners
Del Taco, Inc.	Sagittarius Brands Inc (Captain D's)
El Pollo Loco Inc.	Trimaran
Garden Fresh Holdings, Inc.	Capital Partners, Inc
Claim Jumper Restaurants	Black Canyon Capital / Leonard Green
Perkins Restaurant & Bakery	Castle Harlan Inc
Worldwide Restaurant Concepts Inc	Pacific Equity Partners
Taco Bueno Restaurants	Palladium Equity Partners
Quality Dining	Management / Fitzpatrick Group
Elmer's Restaurants Inc	Acquisition Group
Charlie Brown's Inc. (Castle Harlan)	Trimaran Capital Partners
Captain D's	Charlesbank Capital / Grotech Capital
Church's Chicken	Crescent Capital Investments
Chevys Mexican Restaurant	Bruckmann, Rosser, Sherrill & Co
Mimi's Cafe	Bob Evans
Garden Fresh Restaurant Corp.	Centre Partners/Fairmont Capital/Management
Piccadilly Cafeterias, Inc	Piccadilly Investments LLC
Tumbleweed Inc	Tumbleweed Inc (Management)
Ninety Nine Restaurant & Pub	O'Charleys

Comparable Food Transactions Target	Acquiror
Del Monte Pacific Limited	First Pacific Company Limited
Bolthouse Farms, Inc.	Madison Dearborn Partners, LLC
Silhouette Brands	Dreyer's Grand Ice Cream Inc
Eight O'Clock coffee	Gryphon Investors Inc
Horizon Organic Holding Corporation	Dean Foods Company
ZonePerfect Nutrition	Abbott Laboratories
Century Foods International	Hormel Foods Corporation
Rexall Sundown Inc	NBTY, Inc.
Dole Food Company Inc	DHM Holding Company, Inc.
Diamond Crystal Brands, Inc.(Dry Food/Beverage)	Hormel Foods Corporation
Imagine Foods	The Hain Celestial Group Inc
Chef America Inc	Nestle Holdings Inc.
Stearns & Lehman Inc	Kerry Group plc
Dean Foods Company	Suiza Foods Corp.
Odwalla, Inc.	The Coca-Cola Company
Stonyfield Farm Inc	Danone Group
The Earthgrains Company	Sara Lee Corporation
The Quaker Oats Company	PepsiCo, Inc.
Bestfoods Baking Company	George Weston Ltd
Keebler Foods Co.	Kellogg Company
Snapple Beverage Group	Cadbury Schweppes plc
Lightlife Foods Inc	ConAgra Foods Inc
Celestial Seasonings	Hain Food Group
Slimfast Foods Company	Unilever Group
Ben & Jerry Homemade Ice Cream Inc.	Unilever Group
Balance Bar Company	Kraft Foods Inc.
Powerbar Inc.	Nestle SA

These transactions were selected because the target companies were involved in a mix of food and restaurant businesses. Although none of the selected transactions involved businesses that are directly comparable to Jamba Juice Company, each of the target businesses involved in the selected transactions had operations in the food or restaurant business and the operations of the target businesses involved in the selected transactions as a whole for purposes of analysis may be considered similar to the operations of Jamba Juice Company.

For each of the selected transactions, North Point calculated financial multiples for the target companies based on the ratio of the transaction value to the latest twelve months revenue and the transaction value to the latest twelve months EBITDA of the target companies prior to the consummation of the transaction. North Point then used the average of the means and medians of such multiples to calculate a range of enterprise values of Jamba Juice Company based on the operating data of Jamba Juice (provided by Jamba Juice Company's management) set forth below. For comparable restaurant transactions are summarized as follows:

Transaction Value as a multiple of last twelve months:	Range	Mean	Median
Revenue	0.3x-1.8x	0.8x	0.7x
EBITDA	5.1x-12.0x	7.7x	7.1x

For comparable food transactions:

Transaction Value as a multiple of last twelve months	Range	Mean	Median
Revenue	0.5x-4.1x	1.8x	1.6x
EBITDA	7.1x-28.0x	14.3x	13.1x

When applying the average of these mean and median multiples to Jamba Juice Company, the resulting enterprise values for Jamba Juice Company ranged from \$137,200,000 to \$449,900,000. North Point compared this range of enterprise values to the implied transaction value of \$249,000,000 for the merger

*Additional Considerations.* The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying North Point's opinion. In arriving at its fairness determination, North Point considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, North Point made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Jamba Juice Company or the contemplated transaction.

North Point prepared these analyses for purposes of providing its opinion to the SACI Board of Directors as to the fairness to SACI from a financial point of view of the consideration to be paid to the holders of Jamba Juice Company capital stock and vested Jamba Juice Company options in the merger pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Jamba Juice Company, SACI, JJC Acquisition Corp. nor North Point or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arms-length negotiations between Jamba Juice Company and SACI and was approved by the SACI Board of Directors. North Point did not recommend any specific amount of consideration to the SACI Board of Directors or that any specific amount of consideration constituted the only appropriate consideration for the merger.

The foregoing summary does not purport to be a complete description of the analyses performed by North Point in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of North Point attached as Annex E.

North Point, as part of its customary investment banking practice, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, competitive biddings, corporate and other purposes. North Point acted as financial advisor to SACI in connection with the merger for the purpose of providing the fairness opinion and received a fee of \$140,000 plus reimbursement of approximately \$10,500 in expenses incurred in connection with the engagement. North Point did not provide any other financial advisor services. The fee received by North Point was not contingent on the consummation of the merger or the conclusions expressed in the opinion. SACI also agreed to indemnify North Point against certain liabilities incurred in connection with its services.



## UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

On March 10, 2006, Services Acquisition Corp. International ( SACI ) and JJC Acquisition Company ( JJC ), a wholly-owned California corporate subsidiary of SACI, and Jamba Juice Company, a California corporation ( Jamba Juice Company ), entered into an Agreement and Plan of Merger (the Merger Agreement ), pursuant to which JJC will merge into Jamba Juice Company and Jamba Juice Company will become a wholly-owned subsidiary of SACI. Following completion of the merger, it is anticipated that SACI will change its name to Jamba, Inc. Because SACI will have no other operating business following the merger, Jamba Juice Company will effectively become a public company at the conclusion of the merger.

The accompanying unaudited pro forma condensed balance sheet combines the historical balance sheets of Jamba Juice Company and Subsidiaries ( Jamba Juice Company ) as of April 4, 2006 and Services Acquisition Corp. International ( SACI ) as of March 31, 2006, under the purchase method of accounting, giving effect to the transaction described in the Agreement and Plan of Merger dated March 10, 2006 (the Transaction ) as if it had occurred on March 31, 2006.

The accompanying unaudited pro forma condensed statements of operations combine the historical statements of operations of Jamba Juice Company for the period January 12, 2005 to January 10, 2006 and January 11, 2006 to April 4, 2006, and SACI for the periods from January 6, 2005 (inception) to December 31, 2005 and from January 1 to March 31, 2006, giving effect to the Transaction as if it had occurred in the beginning of the respective period.

The unaudited pro forma condensed balance sheet at December 31, 2005 and the statement of operations for the period ended December 31, 2005 have been prepared using two different levels of approval of the Transaction by the SACI stockholders, as follows:

- Assuming Maximum Approval: This presentation assumes that 100% of SACI stockholders approve the Transaction; and
- Assuming Minimum Approval: This presentation assumes that only 80.1% of SACI stockholders approve the Transaction.

Under the purchase method of accounting, the total preliminary purchase price has been allocated to the net tangible and intangible assets acquired and liabilities assumed, based on various preliminary estimates, which assume that historical cost approximates fair value of the assets and liabilities of Jamba Juice. The intangible assets acquired will include property leases, franchise agreements, the Jamba Juice brand/trademarks, intellectual property in juice recipes and other goodwill. Some of these assets, such as goodwill and the Jamba Juice brand/trademarks will be non-amortizable; other assets will be amortized over their useful lives ranging from one to more than 10 years. Management estimates that the majority of the excess purchase price will be allocated to non-amortizable intangible assets. These estimates are subject to change upon the finalization of the valuation of certain assets and liabilities and may be adjusted in accordance with Statement of Financial Accounting Standard ( SFAS ) No. 141, *Business Combinations*.

The estimated total purchase price is summarized follows:

•Cash payment to Jamba Juice Company shareholders	\$ 220,081
•Net cash settlement of Jamba Juice Company s options and warrants	18,316
•Bargain purchase element of assumed vested options	2,784
•Estimated transactions expenses	1,450
•Deferred tax assets created in connection with settlement of options	(6,120 )
•Total purchase consideration	\$ 236,511



SACI is providing this information to aid you in your analysis of the financial aspects of the Transaction. The unaudited pro forma condensed combined financial statements are based on the estimates and assumptions set forth in the notes to such statements, which are preliminary and have been made solely for purposes of developing such pro forma information. The unaudited pro forma condensed financial statements described above should be read in conjunction with the historical financial statements of Jamba Juice Company and SACI and the related notes thereto. The unaudited pro forma information is not necessarily indicative of the financial position or results of operations that may have actually occurred had the Transaction taken place on the dates noted, or the future financial position or operating results of the combined company.

110

---

**WITH MAXIMUM APPROVAL**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2006**

	SACI	Jamba Juice	Pro Forma Adjustments	Pro Forma Combined
	(In thousands, except for share data)			
<b>Revenue:</b>				
Company stores	\$	\$ 49,365	\$	\$ 49,365
Franchise revenue		2,060		2,060
Total revenue		51,425		51,425
<b>Operating expenses:</b>				
Cost of sales and related occupancy costs		19,212		19,212
Store operating expense		21,319		21,319
Other operating expense		1,664		1,664
Depreciation and amortization		3,054		3,054
General and administrative expense	174	7,371	609 (a)	8,154
Store pre-opening expense		371		371
Franchise support expense		649		649
Loss on asset impairment, store closures and disposals		685		685
Gift certificate breakage income		(1,399 )		(1,399 )
<b>(Loss) income from operations</b>	(174 )	(1,501 )	(609 )	(2,284 )
<b>Interest income (expense)</b>	901	(315 )	111 (b)	697
<b>Income (loss) before tax</b>	727	(1,816 )	(498 )	(1,587 )
<b>Income tax expense (benefit)</b>	39	(647 )	(119 )(c)	(727 )
<b>Net income (loss)</b>	\$ 688	\$ (1,169 )	\$ (379 )	\$ (860 )
Weighted average shares outstanding:				
Basic				51,880
Diluted				56,764
Earnings per share:				
Basic				\$ (0.02 )
Diluted				\$ (0.02 )

**WITH MAXIMUM APPROVAL**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
(in thousands, except for share data)

	SACI	Jamba Juice	Pro Forma Adjustments	Pro Forma Combined
<b>Revenue:</b>				
Company stores	\$	\$ 229,955	\$	\$ 229,955
Franchise revenue		8,056		8,056
Total revenue		238,011		238,011
<b>Operating expenses:</b>				
Cost of sales and related occupancy costs		83,590		83,590
Store operating expense		95,539		95,539
Other operating expense		9,286		9,286
Depreciation and amortization		12,048		12,048
General and administrative expense	197	26,966	2,435 (A)	29,598
Store pre-opening expense		2,749		2,749
Franchise support expense		915		915
Loss on asset impairment, store closures and disposals		881		881
Litigation settlement reimbursement		(2,650)		(2,650)
Sales tax audit expense		2,569		2,569
<b>(Loss) income from operations</b>	(197)	6,118	(2,435)	3,486
<b>Interest income (expense)</b>	1,453	(981)	2,244 (B)	2,716
<b>Income (loss) before tax</b>	1,256	5,137	(191)	6,202
<b>Income tax expense (benefit)</b>	85	2,602	(483) (C)	2,204
<b>Net income</b>	\$ 1,171	\$ 2,535	\$ 292	\$ 3,998
Weighted average shares outstanding:				
Basic				42,658
Diluted				43,930
Earnings per share				
Basic				\$ 0.09
Diluted				\$ 0.09

The accompanying notes are an integral part of these pro forma condensed unaudited consolidated financial statements.

**WITH MAXIMUM APPROVAL**  
**PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS**  
**March 31, 2006**  
**(in thousands)**

	SACI	Jamba Juice	Pro Forma Adjustments	Pro Forma Combined
<b>Assets</b>				
Current Assets:				
Cash and cash equivalents	\$ 741	\$ 1,794	\$ 92,644 (d)(n)	\$ 95,179
Notes and accounts receivable, net		1,443		1,443
Inventories		2,480		2,480
Prepaid expenses & other current assets	56	8,854		8,928
<b>Total current assets</b>	<b>797</b>	<b>14,571</b>	<b>92,644</b>	<b>108,012</b>
Cash held in trust	129,066		(129,066 (e))	
Deferred transaction cost	1,010			1,010
Property, fixtures and equipment, net		71,797		71,797
Goodwill & other intangible assets		2,977	202,750 (o)	205,727
Other long-term assets		10,905	6,120 (f)	17,025
<b>Total assets</b>	<b>\$ 130,873</b>	<b>\$ 100,250</b>	<b>\$ 172,448</b>	<b>\$ 403,571</b>
<b>Liabilities and Shareholders Equity</b>				
Current Liabilities:				
Accounts payable	\$ 487	\$ 6,897	\$	7,384
Accrued compensation and benefits		10,521		10,521
Accrued store value cards		14,579		14,579
Line of credit note payable		18,000	(18,000 (g))	
Current portion of litigation settlement payable		1,091		1,091
Other accrued expenses	661	5,885		6,546 (h)
<b>Total current liabilities</b>	<b>1,148</b>	<b>56,973</b>	<b>(18,000 (g))</b>	<b>40,121</b>
Deferred rent, revenue and other long-term liabilities		9,516		9,516
Commitments and contingencies				
Convertible Redeemable Preferred Stock		52,162	(52,162 (i))	
Common stock, subject to redemption	25,241		(25,241 (j))	
Common Stockholders Equity:				
Common stock	21	103	(72 (k))	52
Additional paid-in-capital	102,604	11,978	237,441 (l)	352,023
Accumulated income (deficit)	1,859	(30,482 (m))	30,482 (m)	1,859
<b>Total shareholders equity/(deficit)</b>	<b>104,484</b>	<b>(18,401 (m))</b>	<b>267,851 (n)</b>	<b>353,934</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 130,873</b>	<b>\$ 100,250</b>	<b>\$ 172,448</b>	<b>\$ 403,571</b>

The accompanying notes are an integral part of these pro forma condensed unaudited consolidated financial statements.

**WITH MINIMUM APPROVAL**  
**PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE MONTHS ENDED March 31, 2006**  
(In thousands, except for share data)

	SACI	Jamba Juice	Pro Forma Adjustments	Pro Forma Combined
	(In thousands, except for share data)			
<b>Revenue:</b>				
Company stores	\$	\$ 49,365	\$	\$ 49,365
Franchise revenue		2,060		2,060
Total revenue		51,425		51,425
<b>Operating expenses:</b>				
Cost of sales and related occupancy costs		19,212		19,212
Store operating expense		21,319		21,319
Other operating expense		1,664		1,664
Depreciation and amortization		3,054		3,054
General and administrative expense	174	7,371	609 (a)	8,154
Store pre-opening expense		371		371
Franchise support expense		649		649
Loss on asset impairment, store closures and disposals		685		685
Gift certificate breakage income		(1,399 )		(1,399 )
<b>(Loss)/income from operations</b>	(174 )	(1,501 )	(609 )	(2,284 )
<b>Interest income (expense)</b>	901	(315 )	(66 )(b)	520
<b>Net income (loss) before tax</b>	727	(1,816 )	(675 )	(1,764 )
<b>Income tax expense (benefit)</b>	39	(647 )	(129 )(c)	(737 )
<b>Net income (loss)</b>	\$ 688	\$ (1,169 )	\$ (546 )	\$ (1,027 )
Weighted average shares outstanding				
Basic				48,430
Diluted				53,314
Earnings per share				
Basic				\$ (0.02 )
Diluted				\$ (0.02 )

The accompanying notes are an integral part of these pro forma condensed unaudited consolidated financial statements.

**WITH MINIMUM APPROVAL  
PRO FORMA CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEAR ENDED december 31, 2005  
(in thousands, except for share data)**

	SACI	Jamba Juice	Pro Forma Adjustments	Pro Forma Combined
<b>Revenue:</b>				
Company stores	\$	\$ 229,955	\$	\$ 229,955
Franchise revenue		8,056		8,056
Total revenue		238,011		238,011
<b>Operating expenses:</b>				
Cost of sales and related occupancy costs		83,590		83,590
Store operating expense		95,539		95,539
Other operating expense		9,286		9,286
Depreciation and amortization		12,048		12,048
General and administrative expense	197	26,966	2,435 (A)	29,598
Store pre-opening expense		2,749		2,749
Franchise support expense		915		915
Loss on asset impairment, store closures and disposals		881		881
Litigation settlement reimbursement		(2,650)	)	(2,650)
Sales tax audit expense		2,569		2,569
<b>Income (loss) from operations</b>	(197)	6,118	(2,435)	3,486
<b>Interest income (expense)</b>	1,453	(981)	1,570 (B)	2,042
<b>Income (loss) before tax</b>	1,256	5,137	(865)	5,528
<b>Income tax expense (benefit)</b>	85	2,602	(520) (C)	2,167
<b>Net income</b>	\$ 1,171	\$ 2,535	\$ 345	\$ 3,361
Weighted average shares outstanding:				
Basic				40,977
Diluted				42,249
Earnings per share:				
Basic				\$ 0.08
Diluted				\$ 0.08

The accompanying notes are an integral part of these pro forma condensed unaudited consolidated financial statements.



**WITH MINIMUM APPROVAL**  
**PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEETS**  
**March 31, 2006**  
**(in thousands)**

**Jamba**      **Pro Forma**