

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 29, 2008

MRS. FIELDS FAMOUS BRANDS, LLC

(Exact name of registrant as specified in charter)

DELAWARE

(State or other jurisdiction of
incorporation)

333-115046

(Commission File Number)

80-0096938

(IRS Employer Identification
No.)

2855 East Cottonwood Parkway, Suite 400
Salt Lake City, Utah 84121-7050
801-736-5600

(Address of Principal Executive Offices and Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

The information required by Item 1.01 is incorporated by reference to Item 2.01 below.

Item 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

On January 29, 2008 (the "Closing Date"), Mrs. Fields Famous Brands, LLC ("Mrs. Fields") and its wholly-owned subsidiaries, Great American Cookie Company Franchising, LLC ("GACCF") and Great American Manufacturing, LLC ("GAM," and collectively with GACCF, the "Sellers"), completed the sale of substantially all of the assets of the Sellers pursuant to an asset purchase agreement (the "Agreement") with NexCen Brands, Inc., through its wholly-owned subsidiary, NexCen Asset Acquisition, LLC (collectively, "NexCen"), for a total purchase price of approximately \$93.6 million (the "Transaction"). The purchase price, which is subject to a typical working capital adjustment as set forth in the Agreement, consisted of \$89.0 million in cash and 1,099,290 shares of NexCen Brands, Inc. common stock (the "Shares").

Calculated using a valuation of \$4.23 per Share, the Shares were valued at the Closing Date at approximately \$4.65 million and were deposited by NexCen into an escrow account subject to an escrow agreement (the "Escrow Agreement") to indemnify NexCen for certain claims that may be made under the Agreement for a period ending nine months from the Closing Date. Additionally, Mrs. Fields was required to pay \$6.7 million of the Transaction proceeds to certain of GACCF's franchisees at the closing, in satisfaction of rights they held in connection with the sale of the Great American Cookie Company franchise system, as described in a Settlement and Release Agreement (the "Release") signed as of the Closing Date, by and among such franchisees, NexCen Brands, Inc., GACCF, Mrs. Fields, and Mrs. Fields' Original Cookies, Inc. Copies of the Agreement, the Escrow Agreement and the Release are attached hereto as Exhibits 10.1, 10.2 and 10.3, and are incorporated herein by reference.

The Transaction proceeds have been pledged to The Bank of New York to the extent required by the Indenture dated March 16, 2004, attached as Exhibit 4.2 to Mrs. Fields' Registration Statement on Form S-4/A (the "Registration Statement") filed with the Securities and Exchange Commission on July 2, 2004 (the "Indenture").

Under the Agreement, NexCen acquired substantially all of the assets related to GACCF's franchise system and GAM's manufacturing business, including its batter facility in Atlanta, Georgia, inventory, fixed assets, trademarks, trade names and other intellectual property, franchise agreements, license agreements, certain supply and distribution and other vendor contracts, goodwill and other intangibles. As of the Closing Date, GACCF had a network of approximately 300 franchised and licensed units. The parties made customary representations, warranties and indemnities that are typical for and consistent with a transaction of this size and scope, although the Agreement restricts the parties' rights to seek indemnification from the other party for certain breaches or misrepresentations, and the aggregate liability of NexCen, on the one hand, and the Sellers and Mrs. Fields, on the other hand, is limited to the final purchase price paid under the Agreement.

At the Closing Date, NexCen and Mrs. Fields also entered into a Transition Services Agreement, attached hereto as Exhibit 10.4 and incorporated herein by reference, to facilitate the transition of the Sellers' businesses and assets to NexCen.

The Sellers also entered into a Voting Agreement, attached hereto as Exhibit 10.5 and incorporated herein by reference, pursuant to which the Sellers agreed to vote all Shares owned by them in favor of matters recommended or approved by the Board of Directors of NexCen Brands, Inc., or, if such matters are neither recommended nor approved by the Board of Directors of NexCen Brands, Inc.,

then at the direction of the Board of Directors of NexCen Brands, Inc., in respect of all matters for which stockholder approval is sought or required. The Voting Agreement terminates automatically upon the sale, transfer or other disposition of all Shares held by the Sellers to persons or entities that are not Affiliates, in compliance with terms of the Voting Agreement.

In addition, the Sellers entered into a Registration Rights Agreement with NexCen Brands, Inc., attached hereto as Exhibit 10.6 and incorporated herein by reference, pursuant to which the Sellers were granted customary registration rights, obligating NexCen Brands, Inc. to use its best efforts to file registration statements covering the Shares.

Pursuant to the Indenture, Mrs. Fields may reinvest the proceeds from the Transaction in its remaining businesses, including completing potential acquisitions aligned with its core business strategies. Mrs. Fields intends to reinvest the proceeds in such a manner and will continue to work with Blackstone Advisory Services to explore reinvestment options. If such proceeds have not been reinvested within 360 days of the Transaction, the Indenture further provides that Mrs. Fields complete a pro rata net proceeds offer to Mrs. Fields' existing bondholders to repurchase bonds at par. However, it is unclear how much, if any, of the proceeds will be available at the time a pro rata offer is required.

Pursuant to the Tax Allocation Agreement dated March 16, 2004, attached as Exhibit 10.15 to Mrs. Fields' Registration Statement, Mrs. Fields expects to make distributions to its parent entities, Mrs. Fields' Companies, Inc. and/or Mrs. Fields' Original Cookies, Inc. ("MFOC"), in the amount of approximately \$3.9 million as a result of federal and state tax liabilities arising from the Transaction. Since MFOC's remaining net operating losses will largely be depleted in connection with this sale, other events are likely to occur during 2008, including potential future sales of Mrs. Fields' assets, which will require distributions to its parent entities for resulting tax obligations.

Mrs. Fields cannot be certain that the cash currently on hand and expected future cash flows from operations will be sufficient to meet its March 2009 interest payment. Mrs. Fields is pursuing various actions to improve its liquidity, financial condition and results of operations. These actions include, but are not limited to, the following:

- staff changes and investment initiatives to reduce costs and improve revenues;
- possible reinvestment of net proceeds from the sale of the Pretzel and the Great American Cookie businesses into higher yielding assets; and
- raising of additional equity capital.

Mrs. Fields and its major shareholder will continue to work with Blackstone Advisory Services to assist in reviewing Mrs. Fields' alternatives as part of its strategic review process.

Failure of these actions to improve Mrs. Fields' financial condition and operational performance may result in its inability to meet its March 2009 interest payment. Failure to make the payment could have a material adverse impact on Mrs. Fields' future operations and carrying value of assets. There can be no assurance that the planned actions will be successful or that Mrs. Fields' financial position will improve, absent successful execution of some or all of the actions being considered.

The foregoing descriptions of the Indenture and Tax Allocation Agreement, as well as the Agreement, Escrow Agreement, Release, Transition Services Agreement, Registration Rights Agreement and Voting Agreement (the "Transaction Documents") are qualified in their entirety by reference to the full text of the respective agreements. The Transaction Documents are modified by any applicable

attachments, exhibits and underlying disclosure schedules, which may not be included herein in their full or final form.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information

The pro forma financial information required by this item is included as Exhibit 99.1 to this report and incorporated herein by reference.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
| 10.1 | Asset Purchase Agreement, dated January 29, 2008, by and among NexCen Asset Acquisition, LLC, NexCen Brands, Inc., Great American Cookie Company Franchising, LLC, Great American Manufacturing, LLC, and Mrs. Fields Famous Brands, LLC * |
| 10.2 | Escrow Agreement, dated January 29, 2008, by and among NexCen Asset Acquisition, LLC, NexCen Brands, Inc., Great American Cookie Company Franchising, LLC, Great American Manufacturing, LLC and Wilmington Trust Company, as escrow agent * |
| 10.3 | Settlement and Release Agreement dated as of January 29, 2008, by and among NexCen Brands, Inc., Great American Cookie Company Franchising, LLC, Mrs. Fields Famous Brands, LLC, Mrs. Fields' Original Cookies, Inc. and certain franchisees of GACCF that are signatories thereto * |
| 10.4 | Transition Services Agreement dated January 29, 2008, between Mrs. Fields Famous Brands, LLC and NexCen Brands, Inc. * |
| 10.5 | Voting Agreement, dated January 29, 2008, by and among NexCen Brands, Inc., Great American Cookie Company Franchising, LLC and Great American Manufacturing, LLC * |
| 10.6 | Registration Rights Agreement, dated January 29, 2008, by and among NexCen Brands, Inc., Great American Cookie Company Franchising, LLC and Great American Manufacturing, LLC * |
| 99.1 | Pro Forma Financial Information |

* Previously filed

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MRS. FIELDS FAMOUS BRANDS, LLC

/s/ Michael Ward
Michael Ward
Executive Vice President and Chief Legal Officer

Date: April 11, 2008

EXHIBIT INDEX:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
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| 10.3 | Settlement and Release Agreement dated as of January 29, 2008, by and among NexCen Brands, Inc., Great American Cookie Company Franchising, LLC, Mrs. Fields Famous Brands, LLC, Mrs. Fields' Original Cookies, Inc. and certain franchisees of GACCF that are signatories thereto * |
| 10.4 | Transition Services Agreement dated January 29, 2008, between Mrs. Fields Famous Brands, LLC and NexCen Brands, Inc. * |
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| 99.1 | Pro Forma Financial Information |

* Previously filed

Mrs. Fields Famous Brands, LLC
Unaudited Pro Forma Condensed Consolidated Financial Statements

The following unaudited pro forma condensed financial statements present financial information to give effect of the sale of PTF, LLC (“PTF”), formerly Pretzel Time Franchising, LLC and PMC, LLC, formerly Pretzelmaker Franchising, LLC (collectively with PTF, “Pretzels) on August 7, 2007 and the sale of GACCF, LLC (“GACCF”), formerly Great American Cookie Company Franchising, LLC and GAMAN, LLC, formerly Great American Manufacturing, LLC (collectively with GACCF, “GAC”) to be accounted in accordance with Statement of Financial Accounting Standards No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets.” The unaudited pro forma condensed consolidated financial statements are based on the Company’s historical consolidated financial statements, adjusted to give effect to the dispositions of Pretzels and GAC in accordance with the underlying terms of the respective Asset Purchase Agreements thereto related to the sales. The unaudited pro forma condensed consolidated balance sheet assumes the disposition of GAC occurred on December 29, 2007. The unaudited pro forma condensed consolidated statements of operations for fiscal years 2005, 2006 and 2007 present the consolidated results of continuing operations of Mrs. Fields Famous Brands, LLC (the “Company”), assuming the sales occurred as of January 1, 2005. The unaudited pro forma condensed consolidated financial statements do not assume the use of any proceeds from the sale of Pretzels and GAC to invest in the Company, purchase a similar asset or reduce outstanding debt.

Management believes that the assumptions used to derive the unaudited pro forma condensed consolidated financial statements are reasonable under the circumstances and given the information available. Such pro forma financial data has been provided for informational purposes and is not necessarily indicative of the Company’s financial condition or results of operations that actually would have been attained had the transaction occurred at the dates indicated, and is not necessarily indicative of the Company’s financial position or results of operations that will be achieved in the future. As a result of the sales the historical operations of GAC/Pretzels will be shown as discontinued operations in the Company’s future consolidated financial statements beginning with the Form 10-Q for the first quarter of 2008 . In addition, these unaudited pro forma financial statements have been presented on a basis to eliminate the effects of reporting discontinued operations. The unaudited pro forma condensed consolidated financial statements together with the notes thereto should be read in conjunction with the Company’s historical consolidated financial statements and accompanying notes thereto, which can be found in our Annual Report on Form 10-K for the fiscal year ended December 29, 2007, filed with the Securities and Exchange Commission on March 28, 2008.

MRS. FIELDS FAMOUS BRANDS, LLC
PRO FORMA CONSOLIDATED BALANCE SHEET
As of December 29, 2007
(Unaudited)
(Dollars in thousands)

| | As Reported | Pro Forma Adjustments | | Pro Forma |
|---|--------------------|----------------------------------|-----|-------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 11,425 | \$ - | | \$ 11,425 |
| Restricted cash | 19,965 | 81,853 | (1) | 101,818 |
| Marketable securities available-for-sale | 2,489 | - | | 2,489 |
| Receivables, net of allowance for doubtful accounts | 7,954 | - | | 7,954 |
| Amounts due from affiliates | 56 | - | | 56 |
| Inventories, net | 3,659 | (1,370) | (2) | 2,289 |
| Prepaid expenses and other | 900 | - | | 900 |
| Deferred tax asset | 710 | - | | 710 |
| Total current assets | 47,158 | 80,483 | | 127,641 |
| Property and equipment, net | 6,339 | (738) | (2) | 5,601 |
| Goodwill | 50,274 | (41,072) | (3) | 9,202 |
| Trademarks and other intangible assets, net | 8,347 | - | | 8,347 |
| Deferred loan costs, net of accumulated amortization | 4,917 | - | | 4,917 |
| Deferred tax asset | 760 | - | | 760 |
| Other assets | 3,003 | 3,837 | (5) | 6,840 |
| Total assets | \$ 120,798 | \$ 42,510 | | \$ 163,308 |
| LIABILITIES AND MEMBER'S DEFICIT: | | | | |
| Accounts payable | \$ 5,989 | \$ - | | 5,989 |
| Accrued liabilities | 13,966 | - | | 13,966 |
| Amounts due to affiliates | 7,610 | 2,800 | (4) | 10,410 |
| Current portion of capital lease obligations | 87 | - | | 87 |
| Current portion of deferred revenues | 807 | - | | 807 |
| Total current liabilities | 28,459 | 2,800 | | 31,259 |
| Long-term debt | 195,747 | - | | 195,747 |
| Capital lease obligations, net of current portion | 324 | - | | 324 |
| Deferred revenues, net of current portion | 433 | - | | 433 |
| Other liabilities | 1,066 | - | | 1,066 |
| Total liabilities | 226,029 | 2,800 | | 228,829 |
| Commitments and Contingencies | | | | |
| Member's deficit | (104,907) | 39,710 | (6) | (65,197) |
| Accumulated other comprehensive loss | (324) | - | | (324) |
| Total member's deficit | (105,231) | 39,710 | | (65,521) |
| Total liabilities and member's deficit | \$ 120,798 | \$ 42,510 | | \$ 163,308 |
| See accompanying notes to the unaudited pro forma condensed consolidated financial statements | | | | |

MRS. FIELDS FAMOUS BRANDS, LLC
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Dollars in thousands)

| | For The Fiscal Year Ended December 29, 2007 | | |
|---|--|----------------------------------|------------------|
| | As Reported | Pro Forma Adjustments | Pro Forma |
| REVENUES: | | | |
| Mrs. Fields | \$ 59,344 | \$ - | \$ 59,344 |
| GAC/Pretzels | 28,891 | (28,891) (7) | - |
| Dairy | 9,743 | - | 9,743 |
| Other | 90 | (90) (7) | - |
| Total revenues | 98,068 | (28,981) | 69,087 |
| OPERATING COSTS AND EXPENSES: | | | |
| Mrs. Fields | 48,737 | - | 48,737 |
| GAC/Pretzels | 14,655 | (14,655) (7) | - |
| Dairy | 5,909 | - | 5,909 |
| General and administrative | 10,721 | - | 10,721 |
| Depreciation | 2,166 | (142) (7) | 2,024 |
| Amortization | 2,499 | - | 2,499 |
| Gain on sale of intangible assets | (12,222) | 12,222 (8) | - |
| Gain on sale of land held for sale | (128) | - | (128) |
| Other, net | (3) | - | (3) |
| Total operating costs and expenses | 72,334 | (2,575) | 69,759 |
| Income (loss) from operations | 25,734 | (26,406) | (672) |
| Interest expense, net | (21,047) | - | (21,047) |
| Income (loss) before income tax provision (benefit) | 4,687 | (26,406) | (21,719) |
| Income tax provision (benefit) | 6,393 | (11,683) (7) | (5,290) |
| Net loss | \$ (1,706) | \$ (14,723) | \$ (16,429) |
| COMPREHENSIVE LOSS: | | | |
| Net loss | \$ (1,706) | \$ (14,723) | \$ (16,429) |
| Other comprehensive loss: | | | |
| Unrealized loss on marketable securities available-for-sale, net of income tax | (160) | - | (160) |
| Foreign currency translation adjustment | (14) | - | (14) |
| Comprehensive loss | \$ (1,880) | \$ (14,723) | \$ (16,603) |

See accompanying notes to the unaudited pro forma condensed consolidated financial statements

MRS. FIELDS FAMOUS BRANDS, LLC
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Dollars in thousands)

| | For The Fiscal Year Ended December 30, 2006 | | |
|---|--|----------------------------------|------------------|
| | As Reported | Pro Forma Adjustments | Pro Forma |
| REVENUES: | | | |
| Mrs. Fields | \$ 52,029 | \$ - | \$ 52,029 |
| GAC/Pretzels | 31,832 | (31,832) (7) | - |
| Dairy | 12,727 | - | 12,727 |
| Total revenues | 96,588 | (31,832) | 64,756 |
| OPERATING COSTS AND EXPENSES: | | | |
| Mrs. Fields | 47,650 | - | 47,650 |
| GAC/Pretzels | 15,006 | (15,006) (7) | - |
| Dairy | 6,429 | - | 6,429 |
| General and administrative | 11,803 | - | 11,803 |
| Depreciation | 2,442 | (243) (7) | 2,199 |
| Amortization | 2,111 | - | 2,111 |
| Impairment of goodwill | 14,568 | - | 14,568 |
| Total operating costs and expenses | 100,009 | (15,249) | 84,760 |
| Loss from operations | (3,421) | (16,583) | (20,004) |
| Interest expense, net | (20,892) | - | (20,892) |
| Other expense | (28) | - | (28) |
| Loss before income tax benefit | (24,341) | (16,583) | (40,924) |
| Income tax benefit | (2,413) | (7,834) (7) | (10,247) |
| Net loss | \$ (21,928) | \$ (8,749) | \$ (30,677) |
| COMPREHENSIVE LOSS: | | | |
| Net loss | \$ (21,928) | \$ (8,749) | \$ (30,677) |
| Other comprehensive loss: | | | |
| Foreign currency translation adjustment | (1) | - | (1) |
| Comprehensive loss | \$ (21,929) | \$ (8,749) | \$ (30,678) |

See accompanying notes to the unaudited pro forma condensed consolidated financial statements

MRS. FIELDS FAMOUS BRANDS, LLC
PRO FORMA CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(Dollars in thousands)

| | For The Fiscal Year Ended December 31, 2005 | | |
|---|--|------------------------------|--------------------|
| | As Reported | Pro Forma Adjustments | Pro Forma |
| REVENUES: | | | |
| Mrs. Fields | \$ 43,658 | \$ - | \$ 43,658 |
| GAC/Pretzels | 29,711 | (29,711) (7) | - |
| Dairy | 14,583 | - | 14,583 |
| Total revenues | <u>87,952</u> | <u>(29,711)</u> | <u>58,241</u> |
| OPERATING COSTS AND EXPENSES: | | | |
| Mrs. Fields | 32,597 | | 32,597 |
| GAC/Pretzels | 14,283 | (14,283) (7) | - |
| Dairy | 4,577 | - | 4,577 |
| General and administrative | 8,585 | | 8,585 |
| Depreciation | 1,145 | (288) (7) | 857 |
| Amortization | 2,831 | - | 2,831 |
| Impairment of goodwill | 43,707 | - | 43,707 |
| Total operating costs and expenses | <u>107,725</u> | <u>(14,571)</u> | <u>93,154</u> |
| Loss from operations | (19,773) | (15,140) | (34,913) |
| Interest expense, net | (20,943) | - | (20,943) |
| Loss before income tax benefit | (40,716) | (15,140) | (55,856) |
| Income tax benefit | (2,808) | (5,797) (7) | (8,605) |
| Net loss | <u>\$ (37,908)</u> | <u>\$ (9,343)</u> | <u>\$ (47,251)</u> |
| COMPREHENSIVE LOSS: | | | |
| Net loss | \$ (37,908) | \$ (9,343) | \$ (47,251) |
| Other comprehensive loss: | | | |
| Foreign currency translation adjustment | (13) | - | (13) |
| Comprehensive loss | <u>\$ (37,921)</u> | <u>\$ (9,343)</u> | <u>\$ (47,264)</u> |

See accompanying notes to the unaudited pro forma condensed consolidated financial statements

Mrs. Fields Famous Brands, LLC
Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements

On August 7, 2007 Mrs. Fields Famous Brands, LLC (the “Company”) and its wholly owned subsidiaries, PTF, LLC (“PTF”), formerly Pretzel Time Franchising, LLC and PMC, LLC, formerly Pretzelmaker Franchising, LLC (collectively with PTF, “Pretzels), completed a sale of certain assets, consisting primarily of identifiable intangible assets of Pretzels, to NexCen Brands, Inc. (“NexCen Brands”), through its wholly owned subsidiary, NexCen Asset Acquisition, LLC (collectively with NexCen Brands, “NexCen”) for \$29.3 million, consisting of \$22.0 million in cash and 997,671 shares of NexCen Brands common stock valued at \$7.35 per share on the date of the sale. The net proceeds of the sale, taking into effect the 25 percent discount for the restricted stock (based on the restrictions for the transfer of the stock), totaled \$26.1 million (net of \$1.4 million of direct costs of the sale) and resulted in a gain on sale totaling \$12.2 million.

On January 29, 2008, the Company and its wholly owned subsidiaries, GACCF, LLC, formerly Great American Cookie Company Franchising, LLC (“GACCF”) and GAMAN, LLC, formerly Great American Manufacturing, LLC (collectively with GACCF, “GAC”) completed the sale of substantially all of the assets of GAC to NexCen for \$93.6 million, which consisted of \$89.0 million in cash and 1,099,290 shares of NexCen Brands common stock valued at \$4.23 per share. The accompanying unaudited pro forma condensed consolidated financial statements do not assume the use of any proceeds from the sale of GAC to invest in the Company, purchase similar assets or reduce long-term debt.

The unaudited pro forma condensed balance sheet presented herein assumes the GAC business unit sale occurred as of December 29, 2007. The unaudited pro forma condensed consolidated statements of operations are presented if the sale occurred as of January 1, 2005. Such pro forma information is based on the consolidated historical audited balance of the Company.

1. The pro forma adjustments to increase restricted cash represents the purchase price of \$93.6 million, less \$4.7 million NexCen Brands common stock, \$6.7 million payment the Company paid to certain GACCF’s franchisees in satisfaction of rights that they held in connection with the sale of the GAC franchise system, and other closing costs of \$300,000.
2. The pro forma adjustments to assets, which includes inventory and property and equipment, reflects the disposition of these assets in connection with the sale of GAC.
3. The pro forma adjustment represents goodwill that was associated with the GAC/Pretzels reporting unit was removed as a result of the sale of GAC.
4. The pro forma adjustment represents \$2.8 million income tax payable to affiliate associated with the gain on sale of GAC.
5. The pro forma adjustment to other assets represents the 1,099,290 shares of NexCen Brands common stock received in connection with the sale of GAC.
6. The estimated after-tax gain of approximately \$39.7 million is reflected as an adjustment to member’s deficit. The after-tax gain includes the tax impact described in note (4). This estimate is based on the historical information as of December 29, 2007. Actual adjustments may differ from the information presented.
7. The pro forma adjustments represent the discontinued operations of GAC/Pretzels.
8. The adjustment to gain on sale of intangible assets represents the gain the Company recognized on the sale of Pretzels on August 7, 2007.