

True Food International, Inc.
Comparative Statement of Earnings
Year ended December 31
(In whole Dollars)

Company Number FCO17053

	2000	%	1999	%
Net sales	\$ 5,556,330	100.00	\$ 3,082,743	100.00
Cost of Sales				
Purchases	4,298,106	77.36	1,555,269	50.45
Packaging & handling	348,608	6.27	134,056	4.35
	<u>4,646,714</u>	<u>83.63</u>	<u>1,689,325</u>	<u>54.80</u>
Gross profit	909,616	16.37	1,393,418	45.20
Selling expenses				
Advertising	24,152	0.43	30,743	1.00
Automobiles	6,657	0.12	10,506	0.34
Freight & shipping	254,308	4.58	270,873	8.79
Group insurance	8,197	0.15	9,844	0.32
Literature	40,351	0.73	34,646	1.12
Meals & entertainment	43,058	0.77	32,999	1.07
Payroll taxes	34,264	0.62	37,182	1.21
Salaries	322,104	5.80	437,282	14.18
Sales commission	125,041	2.25	60,795	1.97
Sales commission - agents	-	-	588	0.02
Sales promotion	25,611	0.46	19,088	0.62
Telephone	47,099	0.85	34,444	1.12
Travel & convention	714,731	12.86	427,493	13.87
Warehouse	332,383	5.98	364,101	11.81
	<u>1,977,956</u>	<u>35.60</u>	<u>1,770,584</u>	<u>57.44</u>
Administrative expenses				
Bad debts	21,373	0.38	21,741	0.71
Collection fees	-	-	-	-
Depreciation	4,979	0.09	8,526	0.28
Dues & subscriptions	7,317	0.13	2,896	0.09
Employees' welfare & education	683	0.01	7	-
Insurance	17,666	0.32	8,513	0.28
Legal & audit	45,144	0.81	64,286	2.09
Miscellaneous	22	-	24	-
Office services	199,657	3.59	92,688	3.01
Office expense	82,552	1.49	40,730	1.32
Taxes & licenses	1,349	0.02	643	0.02
	<u>380,742</u>	<u>6.85</u>	<u>240,054</u>	<u>7.79</u>
Selling & administrative expenses	2,358,698	42.45	2,010,638	65.22
Operating loss	(1,449,082)	(26.08)	(617,220)	(20.02)
Other income (expense)				
Bad debt recoveries	2,988	0.05	4,319	0.14
Gain (loss) on foreign currency	(178,636)	(3.21)	(30,909)	(1.00)
Interest income	15,820	0.28	9,704	0.31
Interest expense	(2,657)	(0.05)	(1,783)	(0.06)
Miscellaneous income (expenses)	(124)	-	(14,445)	(0.47)
	<u>(162,609)</u>	<u>(2.93)</u>	<u>(33,114)</u>	<u>(1.07)</u>
NET LOSS	\$ <u>(1,611,691)</u>	<u>(29.01)</u>	\$ <u>(650,334)</u>	<u>(21.10)</u>



True Food International, Inc.
Comparative Balance Sheet
December 31
(In whole Dollars)

ASSETS		
	2000	1999
CURRENT ASSETS		
Cash	\$ 789,700	\$ 423,445
Accounts receivable - trade	1,705,861	630,452
Accounts receivable - affiliates	4,963,590	3,216,875
Advances to employees	2,356	3,123
Miscellaneous receivables	1,508	5,874
Interest receivable	1,892	1,579
Inventory - finished goods	-	429,829
Prepaid expenses	72,442	328,109
Total current assets	7,537,349	5,039,286
PROPERTY & EQUIPMENT - NET		
	57,601	34,104
	<u>\$ 7,594,950</u>	<u>\$ 5,073,390</u>
CURRENT LIABILITIES		
Accounts payable - trade	\$ 5,162	\$ 32,486
Accounts payable - affiliates	10,151,206	6,071,868
Employees' savings plans	25,379	27,613
Accrued liabilities	116,979	33,508
Total current liabilities	10,298,726	6,165,475
STOCKHOLDER'S EQUITY		
Retained deficit	(2,703,776)	(1,092,085)
	<u>\$ 7,594,950</u>	<u>\$ 5,073,390</u>