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True Food International, Inc.
Comparative Statement of Earnings
Year ended December 31 2002
(In whole Dollars)

Company Number FCO17053

	2002	%	2001	%
Net sales	$ 9,862,173	100.00	$ 6,046,759	100.00
Cost of Sales				
Purchases	7,972,280	80.84	4,760,286	78.72
Packaging & handling	676,887	6.86	397,690	6.58
	8,649,167	87.70	5,157,976	85.30
Gross profit	1,213,006	12.30	888,783	14.70
Selling expenses				
Advertising	57,048	0.58	32,015	0.53
Automobiles	7,642	0.08	7,956	0.13
Freight & shipping	744,146	7.55	408,167	6.75
Group insurance	5,846	0.06	6,074	0.10
Literature	80,562	0.82	46,211	0.76
Meals & entertainment	53,062	0.54	43,565	0.72
Payroll taxes	33,088	0.34	31,532	0.52
Salaries	328,418	3.33	288,847	4.78
Sales commission	236,255	2.40	172,647	2.86
Sales commission - agents			2,621	0.04
Sales promotion	30,180	0.31	10,563	0.17
Telephone	46,846	0.48	41,097	0.68
Travel & convention	643,895	6.53	550,642	9.11
Warehouse	181,379	1.84	100,094	1.66
	2,448,367	24.86	1,742,031	28.82
Administrative expenses				
Bad debts	59,505	0.60	10,459	0.17
Depreciation	5,215	0.05	9,248	0.15
Dues & subscriptions	7,728	0.08	5,310	0.09
Employees' welfare & education	962	0.01	924	0.02
Insurance	12,267	0.12	16,657	0.28
Legal & audit	20,219	0.21	25,202	0.42
Miscellaneous	24	0.00	51	0.00
Office services	368,741	3.74	218,652	3.62
Office expense	43,347	0.44	52,680	0.87
Taxes & licenses	94	0.00	226	0.00
	518,102	5.25	339,409	5.62
Selling & administrative expenses	2,966,469	30.08	2,081,440	34.44
Operating loss	(1,753,463)	(17.78)	(1,192,657)	(19.74)
Other income (expense)				
Bad debt recoveries	10,130	0.10	9,137	0.15
Gain (loss) on sale of investment			(22,080)	(0.37)
Gain (loss) on foreign currency	231,638	2.35	(27,354)	(0.45)
Interest income	117,291	1.19	9,584	0.16
Interest expense	(2,016)	(0.02)	(2,287)	(0.04)
Miscellaneous income (expenses)	(1,057)	(0.01)	1,340	0.02
	355,986	3.61	(31,660)	(0.53)
NET LOSS	$ (1,397,477)	(14.17)	$ (1,224,317)	(20.28)

True Food International, Inc.
Comparative Balance Sheet
December 31 2002
(In whole Dollars)

ASSETS	2002	2001
CURRENT ASSETS		
Cash	$ 969,002	$ 578,266
Accounts receivable - trade	2,627,727	1,894,754
Accounts receivable - affiliates	13,084,218	7,062,416
Advances to employees	2,356	2,356
Miscellaneous receivables	0	216
Interest receivable	179	757
Prepaid expenses	56,787	75,350
Total current assets	16,740,269	9,614,115
PROPERTY & EQUIPMENT - NET	45,649	19,933
	16,785,918	$ 9,634,048
CURRENT LIABILITIES		
Accounts payable - trade	$ 52,437	$ 34,402
Accounts payable - affiliates	21,968,608	13,464,343
Employees' savings plans	42,536	38,302
Accrued liabilities	47,906	25,094
Total current liabilities	22,111,487	13,562,141
STOCKHOLDER'S EQUITY		
Retained deficit	(5,325,569)	(3,928,093)
	16,785,918	$ 9,634,048

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

		2002	%
Net Sales	$	9,862,173	100.00
Cost of Sales			
Purchases		7,972,280	80.84
Packaging & handling		676,887	6.86
		8,649,167	87.70
Gross Profit		1,213,006	12.30
Selling expenses			
Advertising		57,048	0.58
Automobiles		7,642	0.08
Freight & shipping		744,146	7.55
Group insurance		5,846	0.06
Literature		80,562	0.82
Meals & entertainment		53,062	0.54
Payroll taxes		33,088	0.34
Salaries		328,418	3.33
Sales commission		236,255	2.40
Sales promotion		30,180	0.31
Telephone		46,846	0.48
Travel & convention		643,895	6.53
Warehouse		181,379	1.84
		2,448,367	24.83
Administrative expenses			
Bad debts		59,505	0.60
Depreciation		5,215	0.05
Dues & subscriptions		7,728	0.08
Employees' welfare & education		962	0.01
Insurance		12,267	0.12
Legal & audit		20,219	0.21
Miscellaneous		24	-
Office services		368,741	3.74
Office expense		43,347	0.44
Taxes & licenses		94	-
		518,102	5.25
Selling & administrative expenses		2,966,469	30.08
Operating loss		(1,753,463)	(17.78)
Other income(expense)			
Bad debt recoveries		10,130	0.10
Gain(loss) on foreign currency		231,638	2.35
Interest income		117,291	1.19
Interest expense		(2,016)	(0.02)
Miscellaneous income(expense)		(1,057)	(0.01)
		355,986	3.61
NET LOSS	$	(1,397,477)	(14.17)

Signature Steven J. Tulenko

Date 01/12/03

True Food International, Inc.
Balance Sheet
December 31,

ASSETS		2002
CURRENT ASSETS		
Cash	$	969,002
Accounts receivable - trade		2,627,727
Accounts receivable - affiliates		13,084,218
Advances to employees		2,356
Miscellaneous receivables		-
Interest receivable		179
Prepaid expenses		56,787
Total current assets		16,740,269
PROPERTY & EQUIPMENT - NET		45,649
	$	16,785,918
CURRENT LIABILITIES		
Accounts payable - trade	$	52,437
Accounts payable - affiliates		21,968,608
Employees' savings plans		42,536
Accrued liabilities		47,906
Total current liabilities		22,111,487
STOCKHOLDER'S EQUITY		
Retained deficit		(5,325,569)
	$	16,785,918

Signature Steven J. Trulaske

Date 01/12/03