

JAVALUTION COFFEE COMPANY, INC. AND SUBSIDIARY  
BALANCE SHEETS

	Javalution	CLR	Elim Entry	AJE	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash	\$ 3,120	\$ 2,287			\$ 5,407
Accounts receivable, net of allowance for doubtful accounts of \$4,684	2,780	184,413			187,193
Inventories	74,989	82,110			157,099
Prepaid expenses and other	3,428				3,428
Due from CLR	58,018			(58,018)	-
Debt issue cost, net	-				-
	142,335	268,810			353,127
<b>PROPERTY AND EQUIPMENT, net</b>	<b>144,473</b>	<b>593,717</b>			<b>738,190</b>
<b>OTHER ASSETS:</b>					
Intangible assets, net		72,554			72,554
Deposits		27,159			27,159
Investment in CLR Roasters LLC	422,504			(422,504)	-
	422,504	99,713			99,713
<b>Total assets</b>	<b>\$ 709,312</b>	<b>\$ 962,240</b>			<b>\$ 1,191,030</b>
<b>LIABILITIES AND SHAREHOLDERS' DEFICIENCY</b>					
<b>CURRENT LIABILITIES:</b>					
Note payable, net	\$ 772,659				772,659
Accounts payable and accrued expenses	182,175	130,632			312,807
Factoring payable		106,168			106,168
Accrued expenses	-				-
Accrued salaries	201,825				201,825
Subscription payable	-				-
Due to Java		58,018		(58,018)	-
Due to related parties, net of debt discount of \$0 and \$7,997 at December 31, 2007 and December 31, 2006, respectively	73,550	11,377			84,927
Obligations under capital leases, current portion	40,001	25,415			65,416
	1,270,210	331,610			1,543,802
<b>Long-term liabilities:</b>					
Obligations under capital leases, net of current portion	88,522	71,512			160,034
Total long-term liabilities	88,522	71,512			160,034
<b>Total liabilities</b>	1,358,732	403,122			1,703,836
<b>MINORITY INTEREST</b>		223,647			223,647
<b>SHAREHOLDERS' DEFICIENCY:</b>					
Preferred stock, No par value, 100,000,000 shares authorized;					
		1,552,580			1,552,580
Common stock, No par value, 500,000,000 shares authorized;					
	8,688,263				8,688,263
Additional paid-in capital	421,010	398,545		(422,504)	397,051
Accumulated deficit	(11,311,273)	(63,074)			(11,374,347)
<b>Total shareholders' deficiency</b>	(649,420)	335,471			(736,453)
<b>Total liabilities and shareholders' deficiency</b>	<b>\$ 709,312</b>	<b>\$ 962,240</b>			<b>\$ 1,191,030</b>

See notes to consolidated financial statements.

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