Ph. 409-383-0000

SIBÔN
Beverage Corporation
P.O. Box 1927
202 Simmons Way
Jasper, Texas 75951-1927
1-800-755-0000

Fax: 409-383-0000

Executive Summary

The "New Age" beverage market is the result of a spectacular boom in demand for drinks that have nutritional value, are made from environmentally safe ingredients, and use water that comes from deep, clear, clean springs free of chemicals and pollutants. SIBÔN Beverage Corporation ("SIBÔN") will produce and market a full line of sparkling fruit drinks, flavored waters, and sports drinks of the highest quality and purity. These drinks have taste appeal similar to that of soft drinks, while using the most healthful fruit juices, natural sugars, and the purest spring water—the hallmark of the New Age drink market.

New Age beverages are relatively new in the $28 billion soft drink market, growing in sales from $117 million (wholesale) in 1987 to over $1 billion in 1998. The industry has grown tenfold in sales in less than 2 years, and demand has simply outpaced supply. The product is distinguished by rich natural fruit concentrates, spring waters, and all natural ingredients. A New Age drink is defined as a beverage that is perceived by consumers as (1) healthy, allowing consumers to feel good about themselves, and (2) a natural product, free of artificial ingredients, preservatives, and flavors.

SIBÔN projects gross sales and earnings as follows:

	1999	2000	2001
Gross sales	$1,446,731	$5,082,302	$8,095,825
Pre-tax income	($ 169,719)	$ 307,146	$1,261,782

SIBÔN proposes to finance its building and land, located in the Jasper Industrial Park, with an acceptable Jasper Bank, using a financial guarantee from the Jasper Economic Development Corporation (JEDC). The following business plan details SIBÔN's projected operations to support JEDC's guarantee.

Business Plan

HISTORY In 1990, David Rault, president of U.S. Aquarius, Inc., purchased 110 acres of land in Stewartstown, New Hampshire with the intent of building a plant to produce bottled pure spring water and sparkling fruit juice drinks.

For several years, Mr. Rault and his wife, Mary Jo, consulted geologists and hydrologists to determine the best way to secure a long-term supply of the purest spring water. In addition, the Raults spent time and money developing formulas for plain and sparkling water fruit drinks and an isotonic sports drink. They subsequently applied for and were issued a trademark for each of their products.

In 1994, Mr. Rault placed a purchase option on a defunct Coca-Cola bottling plant in Bunkie, Louisiana. The purchase of the 30,000-square-foot plant and equipment gave rise to considerable obstacles. First, the equipment proved not to be satisfactory and was sold off to pay part of the debt incurred acquiring the property. In 1995, Mr. Rault and an investor attempted to finance the plant with a $2,000,000 loan. After 18 months of negotiation and over $125,000 in fees spent in an unsuccessful attempt to obtain the loan, the development was put on hold until proper financing could be arranged.

In 1998, Mr. Rault met with Kenneth R. Barnett of the Cypress Investment Group to determine if funding for the Company could be completed. After months of research and visits and discussions with people in the industry, the Cypress Investment Group made a commitment to raise the necessary funds to capitalize the Company and begin operations.

In February 1999, Mr. Barnett introduced a proposal to Robert J. Caskey, of Jasper, Texas, to relocate the company to Jasper, and in April 1999, SIBÔN Beverage Corporation was authorized by the state of Texas to begin operations.

PRODUCT DESIGN The product line will consist of

1. Aquaria, which is pure spring water from Buck Springs in Jasper, Texas.
2. SiBon, which is a carbonated natural fruit drink in four flavors, using pure fruit concentrates (not flavoring) and pure spring water. Since the carbonation is lighter than that of most sweetened competitors, SiBon uses less sweetener and has approximately 50 percent of the calories of a typical soft drink (68 calories per 12-ounce bottle). The Nutrasweet drink has only 2 calories per bottle.
3. Zingo, which is a lightly carbonated, fruit-flavored drink that tempts the palate by presenting a new taste in four flavors. Zingo will be as clear and pure as spring water.
4. Peppy-K, which is an isotonic sports drink bottled in four flavors with a new energy formula composed of a finely tuned balance of fruit juice flavors, vitamins and minerals, and electrolytes and carbohydrates. SiBôn is in negotiations with the inventor of the formula to license the Company with the exclusive worldwide right to market the formula in the beverage industry.

Aquaria and Peppy-K, packaged in plastic bottles to prevent breakage, will be targeted toward active people. SiBon and Zingo will be sold in glass bottles to prolong carbonation and retain flavor. Beverages in plastic bottles lose carbonation more quickly and tend to absorb the taste of the plastic. If market changes require a change in the containers, making the adaptation will simply be a matter of printing new labels—no changes will be required in the production equipment. If there is demand for flavors other than the present projected flavors, again making the adaptation will simply be a matter of changing the fruit concentrates and printing new labels.

The spring water used in production will come from Buck Springs in Jasper, Texas. These natural flowing springs have the purest water quality and were the prime reason for locating the plant in Jasper.

Quality control is of paramount concern to the Company in all aspects of its business, but particularly in regard to the springs. The water will be tested daily at the springs, tested a second time when it is received at the bottling facility, and tested a final time as a finished product after bottling.

The Company has two sources for fruit concentrate. Both firms have a long history of dependably providing quality fruit concentrates to the beverage industry. One of the firms has provided assistance to the Company in developing formulas and samples for testing for over three years.

FORMULAS AND TRADEMARKS David Rault originated the formulas for Aquaria, SiBon, and Peppy-K, with the exception of the special energy-boosting formula for Peppy-K. He and his wife, Mary Jo, officially registered the labels as trademarks and have transferred all formulas and trademarks to SIBÔN Beverage Corporation.

MARKET ANALYSIS John C. Maxwell, Jr., *Beverage Industry* analyst, defines New Age beverages as nonalcoholic drinks containing natural ingredients without preservatives that are perceived by consumers as healthy alternatives to traditional soft drinks. Included are natural sodas, sparkling juices, and still or sparkling beverage waters that are either unflavored or flavored with juices or essences. According to Maxwell, "the New Age category is expected to grow in excess of 10 percent in volume in 2000 and should capture about 2 percent of the soft drink market." The premium-priced New Age market is expected to produce $1 billion in wholesale dollar sales in 2000, up from $117 million in 1990.

The Bottled Water Market report, a consumer survey of bottled water–purchasing behavior from Business Trend Analysts, Inc., indicates that health concerns and taste are the most important reasons for purchasing still and sparkling bottled water. Today's consumer is better educated and receives more information about his or her health than consumers at any other time in U.S. history. Consumers are demanding better products, packaging, and delivery systems to enhance their modern life-style.

Business Trend Analysts projects that bottled water production in the United States will increase annually by 9.6 percent between 1996 and 2006. SIBÔN is prepared to participate in this unprecedented expected growth of the New Age beverage market.

MARKET DEFINITION The Texas and Louisiana regional market for New Age beverages offers an unusual opportunity to produce and distribute a high-quality, fresh-tasting, sparkling fruit juice drink. Studies and reports by Beverage Marketing, the industry standard marketing research firm, and by *Beverage Industry* and *Beverage World*, the leading industry magazines, show high anticipated growth in the southeastern and southwestern United States for New Age beverages.

New Age beverages are sold in most retail outlets where soft drinks are sold—supermarkets, vending machines, convenience stores/gas marts/mom-and-pop operations, warehouse clubs, and restaurants.

Consumption of soft drinks, beer, wine, and liquor has consistently declined for the past eight years, according to all industry authorities. At the same time, the New Age category has been the fastest growing of any beverage category including bottled water, averaging over 40 percent annual growth since 1990. Most of the major players in beverages, particularly liquor producers, have tried to make inroads into this market, without much success. The reason is simply that consumers perceive liquor as they do colas—high in sodium, high in calories, and not as thirst quenching as New Age products.

DISTRIBUTION New Age products are distributed through food brokers, beverage distributors, or directly by the manufacturer. Getting a new product on supermarket shelves requires a manufacturer or its representatives to pay slotting fees to reserve shelf space. In addition, expensive media campaigns are required, especially if a product is to be distributed on a national basis. However, grocery and supermarket sales represent only 20 percent of the market.

SIBÔN will distribute the majority of its products through beverage and food distributors, which will have an exclusive marketing area in which to represent the Company. For the past two years, Mr. Rault and Lloyd L. Simmons have been meeting with many distributors' representatives who are willing to sign an exclusive distribution agreement with the Company when it is ready to deliver the final product.

The Company has hired four regional district managers, located in Texas, Oklahoma, Louisiana, and Mississippi, who will begin taking distributor applications on September 1, 2001. SIBÔN has already received a letter of intent from two distributors that would require 17,500 cases per month of initial distribution. The projected break-even point is 18,600 cases per month. The following bottlers and distributors have expressed interest in distributing the Company's products as soon as possible:

Buck Springs	10,000 to 20,000 cases/month
Shreveport Beverage Distributors	7,500 cases/month

All American Bottling Corporation has 16 Royal Crown Cola bottling plants. This major bottler is seeking a fruit drink that will increase its profits. A list of its distribution centers follows.

States	Number of Sales Centers	Percentage of Area Covered
Alabama	2	12%
Georgia	1	4
Illinois	3	10
Indiana	2	20
Kentucky	3	50
Minnesota	3	65
Mississippi	5	70
North Dakota	2	10
Ohio	2	10
Oklahoma	1	18
South Dakota	2	65
Tennessee	5	65
Virginia	2	20
Washington, D.C.	2	100
West Virginia	3	30
Wisconsin	4	65

Areas in which All American has less than 50 percent coverage require additional distributors to deliver to areas and stores not served.

Additional direct-deliver distributors that have expressed interest in distributing Company products are as follows:

Tulsa 7-Up, northeast Oklahoma
Little Dixie Distributing, southeast Oklahoma
Lawton 7-Up, southwest Oklahoma
Pope Distributing, northwest Oklahoma
Clark Bottling/Distributing, central Mississippi, Louisiana, and western Kentucky

Food brokers that are interested in distributing Company products are

W. J. Jones, Oklahoma and the Texas panhandle
Acosta Sales, Alabama
Tennessee Valley Marketing, eastern Tennessee
J. A. Richardson, North Carolina and South Carolina

COMPETITION As with any consumer-oriented product, competition for sales requires dedicated focus and resources. The New Age beverage market is a highly competitive arena with premium-priced products. The competition is taken very seriously by all New Age beverage producers. The following competitive issues have been given careful consideration by the management of SIBÔN:

- *Capital resources.* A well-capitalized company can weather market aberrations, miscalculations, and new competitive products in the marketplace. Major companies such as Coca-Cola, Pepsi, and Perrier are well positioned to participate in this market.
- *Technological advances.* New high-speed computerized bottling equipment has allowed bottlers to cut costs. New processing equipment has introduced innovative products to the market.
- *Distribution methods.* The largest producer of New Age beverages, Clearly Canadian, does not have any production facilities in the United States; all product sold in the United States is contract bottled. In management's opinion, problems and delays in filling orders result when the contract bottler is busy bottling its own product. When a company experiences extended delays in getting the product on the shelf for sale, market share is quickly eroded.
- *Marketing strategy.* Major competitors spend up to 8 to 9 percent of sales on advertising and marketing, trying to capture a larger share of this $1 billion market. The Company's initial strategy is to offer distributors what they want most—more profit per case sold (see SIBÔN's marketing strategy).
- *Consumer acceptability.* A majority of consumers will purchase a new product because of the appeal of the label or a special advertising offer or coupon. It is extremely important to establish and maintain consumer confidence in the product. This is accomplished through eye-catching labels, bottles, and point-of-sale advertising.

MARKETING STRATEGY SIBÔN's marketing strategy is to produce a superior spring water, sparkling fruit juice, and isotonic sports drink made with the purest spring water and the highest-quality fruit concentrates available. By providing distributors, wholesalers, and retailers with more profit per case sold and more service and support than they might expect, the Company will establish a strong regional distributor network by laying a foundation for national distribution.

COMPREHENSIVE PLAN The overall marketing plan for SIBÔN's products is based on the following objectives:

1. Establish a financially strong, regional New Age beverage company by providing initial capital funding for the Company through private investor contributions
2. Work with the city and county of Jasper and the state of Texas to establish more jobs, an enhanced economic development, and a better community in which to work and play
3. Produce unique-tasting pure spring water and fruit concentrate products to meet today's health-conscious consumers' demands for a better alternative to colas
4. Create an exclusive distributor network that will participate in a greater share of the profits from retail sales and will therefore help the Company grow faster
5. Capture 1 percent of the regional market share in less than three years (estimated to be $7,600,000 in the third year)

PRODUCT STRATEGY The product strategy for the Company is to establish a wholesale distribution channel for SIBÔN's products through beverage brokers and independent distributors servicing regional chain stores, convenience stores, grocers, health food stores, restaurants, institutional food service contractors, and other retailers operating in the southwestern and southeastern United States.

The Company will issue exclusive distributor agreements to qualified distributors to represent SIBÔN's products in a specific territory or area. These distributors will be required to promote the products through local advertising, shelf locations in grocery stores and supermarkets, and point-of-sale advertisements in the form of display racks at the ends of aisles and cracker barrels filled with Company products.

Initially, there are no plans to advertise the products on billboards or through any other media such as television, radio, or newspaper. All advertising will be dedicated to assisting the exclusive distributor network in establishing product identification through point-of-sale displays, coupons, and in-store marketing samplers. Special promotions will be mainly by coupons and product sampling.

The formulas for Aquaria, SiBon, and Zingo are complete. Labels for the products are in the final design stage and have been approved by the Louisiana FDA. The way a product initially looks and feels is very important in appealing to consumers. Professional designers will assure the right product identity on an ongoing basis.

PUBLIC RELATIONS No public relations are anticipated initially. All efforts of management will be dedicated to providing support to distributors and the retailers selling the Company's products.

STRATEGY REVIEW A review of the corporation marketing strategy will be undertaken on a monthly basis and a report presented to the Board of Directors.

PRICING AND PROFITABILITY The prices for the Company's products will be determined first and foremost by competitive pricing of similar products in our marketing area. The Company will depend on its management and the distributor network to determine fair pricing.

It is projected that the net profit per case will be minimal for the first two years while the Company pays back the line of credit (see Financial Projections).

MARGIN STRUCTURE The margin of profit per case is different for each of SIBÔN's products.

	Aquaria	SiBon	Peppy-K	Zingo
Retail price	$16.56	$15.72	$15.36	$14.10
Wholesale price	12.42	11.79	11.52	10.58
Distributor price	10.42	9.79	9.52	8.58
Manufacturing cost	5.30	4.91	7.28	6.28
Gross margin	5.12	4.88	2.24	2.30

The retail margin will average 23 percent, or $3.25 per case; the distributor margin will average 18 percent, or $2.00 per case.

COSTS The estimated cost of manufacturing all Company products will be consistent. The cost of each product includes spring water, fruit flavor or concentrate, carbonation, Nutrasweet or high-fructose corn syrup, preservative, bottles, caps, and labels. Other expenses include labor, plant and equipment, general and administrative costs, bank-debt payback, and corporate overhead.

Some factors that may affect costs include the following (also see Financial Projections):

- Changes in product formulation
- A change in containers
- Freight rates for hauling spring water or delivering the product

LOCATION The plant site is located on five acres in the Jasper Industrial Park, at the intersection of Highway 190 and Highway 63 in the city of Jasper, Texas. It is approximately 140 miles northeast of Houston and 230 miles southeast of Dallas. Jasper's population is approaching 8,000 residents, the majority of whom are employed in the timber industry. The city and the county have a substantial semi-skilled labor force available for employment.

FACILITIES SIBÔN's plant will consist of three buildings:

1. *Warehouse and production.* A metal building that will contain 6,000 square feet of production area and 24,000 square feet of warehouse space
2. *Office.* A building containing 4,000 square feet of space that will house the corporate headquarters of SIBÔN

3. *Bunkhouse.* A 750-square-foot, two-room hotel in which truck drivers can stay overnight or catch a nap while their trucks are being loaded

LOGISTICS The plant site will be serviced mainly by trucks. Receipt of raw materials and delivery of Company products will be by truck on the main highways connecting Jasper with other major cities. Rail siding is not available or required.

PRODUCTION AND MANUFACTURING The processing of Aquaria, SiBon, Zingo, and Peppy-K simply requires the right bottling, labeling, and packaging equipment. Raw materials necessary for production are pure spring water, natural fruit flavors and concentrates, high-fructose corn syrup or Nutrasweet, and carbonation. Additionally, bottles, caps, and labels are required.

An agreement has been reached with Buck Springs in Jasper, Texas to supply pure spring water at an agreed contract price in 6,000-gallon tanker loads. An additional water supply is readily available in the surrounding Jasper area.

The fruit concentrates and flavorings will be supplied by Flavoring, A.B. of Sweden. Through its U.S. representative, David Packard, Flavoring, A.B. assisted Mr. Rault by providing samples for comparative testing of potential formulas for Company products. The Company will have a second supplier available to provide the concentrates and flavorings should they not be available from Flavoring, A.B.

Equipment Production equipment will include a completely automated bottling line capable of filling 400 bottles per minute, or approximately 250,000 cases per month, with an eight-hour shift. On the bottling line, pallets of bottles will be unpacked; bottles will then be washed, filled, labeled, capped, and packed in cartons and cases for shipping.

Technical Specifications All piping must be stainless steel, and all electrical wiring must be three phase. There are no hazardous materials in the manufacturing process. The plant meets all federal requirements with respect to clean air, water, toxic emissions, and noise abatement.

Inventory Requirements Inventory will be ordered in sufficient quantities to produce 60,000 cases of product per week. Lead times will vary from one week to eight weeks for delivery of the various raw materials. More inventory will have to be ordered during the high-volume months of April through September.

Production Standards Quality is controlled by assigning a batch number to each product manufactured. Test samples are made prior to mixing and during and after production runs. As product is delivered, numbers are matched by computer to keep accurate records and maintain quality control.

The Company's safety programs are based on National Soft Drink Association standards and OSHA regulations.

Integration (Make Versus Buy) The Company will produce all products for sale at the plant site, with the exception of 1- and 2.5-gallon bottles of spring water. An agreement has been reached with Buck Springs to produce these large-size bottles and attach the Aquaria label.

Employees Line employees include a forklift operator, uncaser, filler operator, syrup blender, caser, and packer. Staff employees include a production manager, computer operator/bookkeeper, and quality control person. Six to eight employees will work in the plant on each shift. They will all be trained by working on the job.

All hiring and screening will be done by David Rault and Lloyd Simmons. Each new employee will be given a physical, drug test, hepatitis shots, and reading and manual dexterity tests. All employees will be required to wear hard hats, ear plugs, back supports, and rubber boots to prevent injury.

Production procedures will use the team method, with all employees cross-trained for all skills. All employees will sign a nondisclosure agreement with regard to the formulas for all Company products.

Packaging The final steps in the manufacturing process are important in establishing the desired image for each product. SIBÔN's labels have eye-catching appeal, as do all point-of-sale materials and literature for distributors.

MANAGEMENT

Robert J. Caskey, Chairman of the Board, provides experience and direction to the Company and its officers.

Kenneth R. Barnett, President and CEO, is responsible for the overall financial and fiscal growth of the Company; he reports directly to the Chairman of the Board and the Board of Directors.

David Rault, Executive Vice President and COO, coordinates all production schedules, hires employees, orders all raw materials, and oversees shipping and receivables. He plans, develops, and establishes policies and objectives of the business organization in accordance with board directives and the corporation charter.

Lloyd L. Simmons, Vice President of Sales, manages all sales activities of the Company and directs staffing, training, and performance evaluations to develop and control the sales program. He coordinates sales territories, quotas, and goals and advises dealers, distributors, and clients concerning sales and advertising. He has over 32 years of experience in the beverage industry with major bottling companies in all phases of production and market analysis.

SHAREHOLDERS AND DIRECTORS Following is a list of the Company's shareholders.

Shareholders	Number of Shares
Robert J. Caskey, Director	38,000 (38%)
Kenneth R. Barnett, Director	20,000 (20%)
David Rault, Director	15,000 (15%)
Mary Jo Rault	15,000 (15%)
Frank Z. Johnston	10,000 (10%)
Shannon Caskey, Director	1,000 (1%)
Edward Soderstrom, Director	1,000 (1%)
Total Shares	100,000 (100%)

Financial Projections

SiBôn Beverage Corporation
Balance Sheet for July 31, 2001

Assets

Current assets:	
Cash	$ 176,760.27
Accounts receivable	250.00
Inventory	50,000.00
	$ 227,010.27
Fixed assets:	
Land*	$ 46,940.00
Building construction in progress*	563,666.68
Production equipment*	278,450.16
Furniture, fixtures, computer hardware and software	111,432.60
Automotive equipment	21,594.23
	$1,022,083.67
Other assets:	
Organization expense	$ 95,607.72
Financing costs	200,000.00
Formulas	25,000.00
Label design, trade names, and trademarks	21,057.70
	$ 341,665.42
TOTAL ASSETS	$1,590,759.36

Debt (Liabilities) and Equity

Current debt:	
Accrued interest	$ 3,402.52
Current portion of long-term debt	4,089.15
	$ 7,491.67
Long-term debt:†	
Note payable to First Bank & Trust East Texas under a $1,500,000 line of credit guaranteed by Robert J. Caskey; such guarantee secured by all real, personal, and intangible property other than a 2000 Plymouth Voyager	$1,330,000.00
Note payable to First Bank and Trust East Texas, payable in 36 equal monthly installments of $411.70, including interest thereon and commencing June 24, 2001, less the current portion of $4,089.15 secured by a 2000 Plymouth Voyager	8,398.56
	1,338,398.56
Total debt	$1,345,890.23
Equity:	
Capital stock, common $0.01 par value; 1,000,000 shares authorized; 100,000 shares issued and outstanding	$ 1,000.00
Paid in capital in excess of par value	249,000.00
Retained earnings	(5,130.87)
Total stockholders' equity	$ 244,869.13
TOTAL DEBT AND EQUITY	$1,590,759.36

*SiBôn Beverage Corporation was incorporated in the state of Texas on April 22, 2001 for the purpose of constructing a bottling plant in Jasper, Texas and then producing and marketing a full line of sparkling fruit drinks, flavored waters, and sports drinks under the trade names of SiBon, Aquaria, Zingo, and Peppy-K. It is expected that the plant will be fully completed and equipped and ready to run in September 2001, at a total cost of approximately $1,040,000, including land. Until such time as the plant becomes operational, virtually all costs are being capitalized.

†The note payable to First Bank and Trust East Texas bears interest at ½% over prime rate, payable quarterly on April 15, July 15, October 15, and January 15 of each year prior to maturity. The entire unpaid principal balance and accrued but unpaid interest owed, if not paid sooner, is due and payable on or before April 15, 2004.

The installment note payable to First Bank and Trust East Texas bears interest at 8%, for a total finance charge of $1,683.10, which together with principal of $13,138.10 is included in the original amount of the note. The first two payments on the installment note were timely made on July 31, 2001.

SIBÔN Beverage Corporation
Net Income by Quarter

		May–June 2001	Jul–Sept 2001	Oct–Dec 2001	Total
Cases Produced					
Aquaria	(16 oz.)	0	5,625	14,063	19,688
	(1.5 ltr.)	0	5,625	14,063	19,688
SiBon	(11 oz.)	0	13,125	39,375	52,500
	(23 oz.)	0	13,125	39,375	52,500
Peppy-K	(20 oz.)	0	0	2,813	2,813
	(36 oz.)	0	0	2,813	2,813
Zingo	(11 oz.)	0	0	0	0
	(23 oz.)	0	0	0	0
TOTAL CASES PRODUCED		0	37,500	112,500	150,000
Gross Sales					
Aquaria	(16 oz.)	0	$ 58,613	$ 146,531	$ 205,144
	(1.5 ltr.)	0	50,513	126,281	176,794
SiBon	(11 oz.)	0	124,950	374,850	499,800
	(23 oz.)	0	128,494	385,481	513,975
Peppy-K	(20 oz.)	0	0	26,775	26,775
	(36 oz.)	0	0	24,244	24,244
Zingo	(11 oz.)	0	0	0	0
	(23 oz.)	0	0	0	0
TOTAL GROSS SALES		0	$362,569	$1,084,163	$1,446,731
Less promotional allowances		0	(18,750)	(56,250)	(75,000)
Net Sales		0	$343,819	$1,027,913	$1,371,731
Cost of Sales (Schedule A)		0	$216,804	$ 660,902	$ 877,706
Gross Profit from Sales		0	$127,015	$ 367,010	$ 494,025
Selling, General and Administrative Expenses					
Salaries and wages		$ 28,500	$ 54,950	$ 79,350	$ 162,800
Payroll taxes		4,560	12,696	12,696	29,952
Commissions		0	3,000	9,000	12,000
Royalties		0	0	0	0
Office supplies		500	2,000	1,500	4,000
Insurance		1,500	9,900	9,900	21,300
Legal, accounting, and professional fees		102,000	15,000	15,000	132,000
Advertising		10,000	25,000	15,000	50,000
Postage, dues, and subscriptions		0	200	300	500
Freight out		0	18,750	56,250	75,000
Amortization		14,298	21,447	21,447	57,192
Travel and entertainment		7,000	21,000	37,500	65,500
Equipment rental		1,500	3,000	3,000	7,500
Research and development		0	5,000	0	5,000
Other taxes		0	0	0	0
Interest		3,688	21,344	10,469	35,500
Miscellaneous		0	2,500	3,000	5,500
TOTAL SELLING, G & A EXPENSE		$173,546	$215,787	$ 274,412	$ 663,744
Net Income Before Income Taxes		($173,546)	($ 88,772)	$ 92,598	($ 169,719)
Net Profit per Case		$ 0.00	$ 0.84	$ 1.12	$ 0.49
Income Tax		$ 0.00	$ 0.00	$ 0.00	$ 0.00
NET INCOME		($173,546)	($ 88,772)	$ 92,598	($ 169,719)

SiBôn Beverage Corporation
Net Income by Quarter

		Jan–Mar 2002	Apr–June 2002	Jul–Sept 2002	Oct–Dec 2002	Total
Cases Produced						
Aquaria	(16 oz.)	11,156	17,719	22,313	14,438	65,625
	(1.5 ltr.)	11,156	17,719	22,313	14,438	65,625
SiBon	(11 oz.)	27,563	39,375	44,625	28,875	140,438
	(23 oz.)	27,563	39,375	44,625	28,875	140,438
Peppy-K	(20 oz.)	2,231	3,544	4,463	2,888	13,125
	(36 oz.)	2,231	3,544	4,463	2,888	13,125
Zingo	(11 oz.)	3,675	14,175	17,850	11,550	47,250
	(23 oz.)	3,675	14,175	17,850	11,550	47,250
TOTAL CASES PRODUCED		89,250	141,750	178,500	115,500	525,000
Gross Sales						
Aquaria	(16 oz.)	$116,248	$ 184,629	$ 232,496	$ 150,439	$ 683,813
	(1.5 ltr.)	100,183	159,114	200,366	129,649	589,313
SiBon	(11 oz.)	262,395	374,850	424,830	274,890	1,336,965
	(23 oz.)	269,837	385,481	436,879	282,686	1,374,833
Peppy-K	(20 oz.)	21,242	33,737	42,483	27,489	124,950
	(36 oz.)	19,233	30,547	38,467	24,890	113,138
Zingo	(11 oz.)	31,513	121,551	153,064	99,041	405,169
	(23 oz.)	35,127	136,222	171,539	110,996	454,073
TOTAL GROSS SALES		$855,968	$1,426,131	$1,700,123	$1,100,080	$5,082,302
Less promotional allowances		(44,625)	(70,875)	(89,250)	(57,750)	(262,500)
Net Sales		$811,343	$1,355,256	$1,610,873	$1,042,330	$4,819,802
Cost of Sales (Schedule A)		$520,261	$ 824,763	$ 975,793	$ 659,205	$2,980,022
Gross Profit from Sales		$291,082	$ 530,493	$ 635,080	$ 383,125	$1,839,780
Selling, General and Administrative Expenses						
Salaries and wages		$ 99,188	$ 99,188	$ 99,188	$ 99,188	$ 396,750
Payroll taxes		14,600	14,600	14,600	14,600	58,402
Commissions		8,211	13,041	16,422	10,626	48,300
Royalties		0	0	0	0	0
Office supplies		1,500	1,500	2,000	1,500	6,500
Insurance		9,900	8,100	9,900	9,900	37,800
Legal, accounting, and professional fees		15,000	15,000	15,000	15,000	60,000
Advertising		30,000	30,000	30,000	30,000	120,000
Postage, dues, and subscriptions		1,500	1,500	1,500	1,500	6,000
Freight out		44,625	70,875	89,250	57,750	262,500
Amortization		21,447	21,447	21,447	21,447	85,788
Travel and entertainment		45,000	45,000	45,000	45,000	180,000
Equipment rental		3,000	3,500	3,000	3,000	12,500
Research and development		7,500	7,500	7,500	7,500	30,000
Other taxes		1,000	0	0	0	1,000
Interest		16,500	10,875	0	0	27,375
Miscellaneous		7,500	7,500	7,500	7,500	30,000
TOTAL SELLING, G & A EXPENSE		$326,471	$ 349,626	$ 362,307	$ 324,511	$1,362,915
Net Income Before Income Taxes		($ 35,389)	$ 180,867	$ 272,773	$ 58,614	$ 307,146
Net Profit (Loss) per Case		($ 0.48)	$ 1.84	$ 1.52	$ 0.39	$ 0.68
Income Tax		$ 1,908	$ 36,173	$ 54,555	$ 14,374	$ 107,010
NET INCOME		($ 37,296)	$ 144,694	$ 218,218	$ 44,240	$ 200,136

SIBÔN Beverage Corporation
Net Income by Quarter

		Jan–Mar 2003	Apr–June 2003	Jul–Sept 2003	Oct–Dec 2003	Total
Cases Produced						
Aquaria	(16 oz.)	18,063	28,688	36,125	23,375	106,250
	(1.5 ltr.)	18,063	28,688	36,125	23,375	106,250
SiBon	(11 oz.)	36,125	57,375	72,250	46,750	212,500
	(23 oz.)	36,125	57,375	72,250	46,750	212,500
Peppy-K	(20 oz.)	3,613	5,738	7,225	4,675	21,250
	(36 oz.)	3,613	5,738	7,225	4,675	21,250
Zingo	(11 oz.)	14,450	22,950	28,900	18,700	85,000
	(23 oz.)	14,450	22,950	28,900	18,700	85,000
TOTAL CASES PRODUCED		144,500	229,500	289,000	187,000	850,000
Gross Sales						
Aquaria	(16 oz.)	$ 188,211	$ 298,924	$ 376,423	$ 243,568	$1,107,125
	(1.5 ltr.)	162,201	257,614	324,403	209,908	954,125
SiBon	(11 oz.)	343,910	546,210	687,820	445,060	2,023,000
	(23 oz.)	353,664	561,701	707,328	457,683	2,080,375
Peppy-K	(20 oz.)	34,391	54,621	68,782	44,506	202,300
	(36 oz.)	31,140	49,457	62,280	40,299	183,175
Zingo	(11 oz.)	123,909	196,796	247,818	160,353	728,875
	(23 oz.)	138,865	220,550	277,729	179,707	816,850
TOTAL GROSS SALES		$1,376,290	$2,185,873	$2,752,581	$1,781,082	$8,095,825
Less promotional allowances		(72,250)	(114,750)	(144,500)	(93,500)	(425,000)
Net Sales		$1,304,040	$2,071,123	$2,608,081	$1,687,582	$7,670,825
Cost of Sales (Schedule A)		$ 804,936	$1,238,205	$1,537,205	$1,024,633	$4,604,979
Gross Profit from Sales		$ 499,104	$ 832,918	$1,070,876	$ 662,948	$3,065,846
Selling, General and Administrative Expenses						
Salaries and wages		$ 119,025	$ 119,025	$ 119,025	$ 119,025	$ 476,100
Payroll taxes		19,044	19,044	19,044	19,044	76,176
Commissions		15,028	23,868	30,056	19,448	88,400
Royalties		0	0	0	0	0
Office supplies		1,500	1,500	2,000	1,500	6,500
Insurance		9,900	9,900	9,900	9,900	39,600
Legal, accounting, and professional fees		7,500	7,500	10,000	7,500	32,500
Advertising		45,000	45,000	45,000	45,000	180,000
Postage, dues, and subscriptions		1,500	1,500	1,500	1,500	6,000
Freight out		72,250	114,750	144,500	93,500	425,000
Amortization		32,697	32,697	32,697	32,697	130,788
Travel and entertainment		60,000	60,000	60,000	60,000	240,000
Equipment rental		3,000	3,000	3,000	3,000	12,000
Research and development		7,500	7,500	7,500	7,500	30,000
Other taxes		1,000	0	0	0	1,000
Interest		0	0	0	0	0
Miscellaneous		15,000	15,000	15,000	15,000	60,000
TOTAL SELLING, G & A EXPENSE		$ 409,944	$ 460,284	$ 499,222	$ 434,614	$1,804,064
Net Income Before Income Taxes		$ 89,160	$ 372,634	$ 571,654	$ 228,334	$1,261,782
Net Profit per Case		$ 0.66	$ 1.59	$ 1.98	$ 1.13	$ 1.31
Income Tax		$ 2,290	$ 93,158	$ 142,913	$ 57,084	$ 315,445
NET INCOME		$ 66,870	$ 279,475	$ 428,740	$ 171,251	$ 946,336

Robert J. Caskey
Employment History

Robert J. Caskey has lived in Jasper, Texas for 41 years and has been an active participant and leader in the business, civic, cultural, and local communities. He has demonstrated expertise in management, planning, and implementation at Visador Company and on the Board of Directors of a number of corporations, hospitals, and institutions of higher learning.

A brief history of Mr. Caskey's business experience follows:

1955–1958 **El Paso Molding Company, Inc.**
Vice President and General Manager
Mr. Caskey managed 35 employees who made pre-hung door parts and finger-jointed moldings.

1958–1961 **Visador Mouldings, Inc.**
Vice President
As supervisor of 60 employees, Mr. Caskey began a lumber yard and kiln-drying system on behalf of the company.

1961–1966 **Visador Company** (a partnership)
Partner
Mr. Caskey was in charge of production, purchasing, and personnel; he later took on the added responsibility of credit manager for the company. During this period, Mr. Caskey was the designer of all plant expansion, and the company grew to over 200 employees.

1966–1993 **Visador Company** (a corporation)
President and Chief Executive Officer
Under Mr. Caskey's leadership, Visador's sales grew from $3 million to $48 million, while the company expanded to four manufacturing locations and four distribution centers with almost 700 employees.

Kenneth R. Barnett
Employment History

Mr. Barnett has been in the investment and financial planning industry in Houston, Texas for over 23 years. His experience includes representing key executives of Fortune 500 companies, professional athletes, professionals, and small business owners in virtually all areas of financial and investment management. He has a Bachelor of Science degree in Biology/Chemistry and is a Certified Financial Planner.

Some of Mr. Barnett's accomplishments follow:

- Held the position of Account Manager and Tax Shelter Management with Paine, Webber, Jackson & Curtis
- Founded and built the largest financial planning and consulting firm in Houston, Texas; provided total financial, investment, and estate planning for corporation executives, professional athletes, and entrepreneurs; negotiated and structured complex investment transactions in oil and gas, real estate, and private enterprise on behalf of clients
- Founded the fourth-largest single-family residential investment management company in Houston, Texas; structured and completed the registration of a

$50 million public limited partnership to provide mortgage funds on residential investment properties. The company had over 30 employees located in three states, with annual sales in excess of $15 million.

- Has evaluated over 150 investment, financial, and business proposals annually on behalf of clients, accountants, and attorneys

David Rault
Employment History

Academic Degrees: B.S., M.B.A.

1960–1962 **Loeb Rhodes**
Corporate Analyst
Evaluated existing companies controlled by Loeb Rhodes and new companies for acquisitions and mergers

1962–1972 **International Business Machines Corp.**
Branch Manager
Progressed from Systems Analyst to Salesman to Branch Manager, Federal Systems Division while at IBM; handled all specifications and bidding for main-frame computers; became the direct liaison for the company with the federal government, overseeing its purchases and installations

1972–1983 **Harbinger Homes**
President and Founder
Oversaw the building of over 5,000 homes and office distribution warehouses in the Greater Houston area

1984–1993 **Business Automation**
President and Founder
Supervised the selling and installation of multi-user computer systems. The company had an exclusive contract with Western Union to install and service all equipment in the state of Texas.

1993–Present **U.S. Aquarius, Inc.**
President
Created formulas, trademarks, and business plan to start a New Age beverage company

Mr. Rault's expertise is in evaluating, building, and managing companies through mergers, acquisitions, and liquidations and in assisting insolvent companies in getting back in the black. He has in-depth knowledge of the aerospace, wholesale liquor, food brokerage, food distribution, and insurance industries.

Lloyd L. Simmons
Employment History

Mr. Simmons has been in the beverage industry for 32 years. His employment has successfully progressed through the years in the following manner:

Pepsi Cola, Oklahoma
Started in production and was promoted to increasing responsibilities in the warehouse, vending service, and repair areas. Held the positions of Key Account

Manager, Merchandising Manager, Sales Manager, and General Sales Manager over five branches.

Oklahoma Beverage Distributors and Bottlers
Northeast Division Manager
Supervised six sales centers and the fountain supply company

Pepsi Cola, Arkansas
Division Manager

Bryant Beverage (Division of Mid-South Bottling)
Vice President
Managed all bottling and sales operations and two branch operations. His branch won the Highest Profit/Case and Highest Increased Market Share awards from Mid-South Bottling. Won the Cappy Award for the highest percentage increase in market share in the southeast region from Pepsi. Won the Kalab T. Branum (inventor of Pepsi) Award for quality assurance in production.

Arkansas Beverage (Division of Mid-South Bottling)
Vice President of Sales and Division Manager

Denver Coca-Cola
Division Manager
Managed the number one division in every area—product turnover, sales increase, fewest days of work missed, no job injuries, and sales record for a single month

Murray Distributing
Consultant to Paul Murray in acquiring Royal Crown plants

InterBevCo.
Operations Manager
Set up new plant. Promoted to Division Manager in Alabama

Willow Springs Bottled Water Company
Division Manager
Supervised sales of bottled water in four states and the wholesale division dealing with food and beverage brokers

Royal Crown Cola, Oklahoma
Franchisee/Owner with two partners
Sold the company to All American Bottling

U.S. Aquarius, Inc.
Vice President of Sales
Moved to Louisiana to start operations of new bottling plant

Cenla Water Company
Sales Manager
Supervised distribution of Kempwood bottled water in five Louisiana parishes