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**Javo® Beverage Company Achieves Record Revenue in Second Quarter**

*Sales Increase 200% versus the Same Period Year Ago*

**San Diego – August 14, 2006** – Javo Beverage Company, Inc. (OTCBB: JAVO) – a leading provider of coffee and tea-based beverages to the foodservice industry -- today announced financial results for the second quarter of fiscal year 2006, which ended June 30<sup>th</sup>. Total revenue for the quarter increased 200.0% to \$ 3,177,680 compared to \$ 1,059,241 in the same quarter for 2005.

Gross profit for the quarter increased 215.6% to \$ 1,193,591 compared to \$ 378,200 a year ago. Gross margin expanded 186 basis points to 37.6% versus 35.7% in the same quarter last year due primarily to purchasing and operating efficiencies gained over the year.

The Company had a loss of \$ 6,154,152 for the quarter, as compared to a loss of \$ 1,224,808 in the previous year. The net loss includes a non-cash expense of \$ 5,197,870, which is non-reoccurring and related to an exchange by holders of the Company's outstanding Promissory Notes for Series B Preferred Stock. The preferred stock is not convertible to common and has no voting rights. The exchange has eliminated \$ 13,412,500 of principal and \$ 3,946,299 of accrued interest.

“The Company reached a number of important milestones during the quarter,” said Cody Ashwell, Javo Chairman and CEO. “The conversion of our long term debt immediately improves the Company’s balance sheet, achieves a positive net worth and accelerates our path to

positive earnings per share. It is also important to highlight that Javo increased gross margins and maintained positive EBITDA during the quarter.”

“Javo benefited from gaining distribution within the largest and second largest convenience store distributors in North America,” said Gary Lillian, President of Javo. “These successes dramatically expand the potential for growing our premium iced coffee and tea products since together the companies deliver to more than 40,000 food service locations.” Lillian also noted that as of the close of the quarter, the Company had 898 more dispensing locations than in the previous year.

**About Javo® Beverage Company, Inc.**

Based in Vista, California, Javo Beverage Company (OTC Bulletin Board: JAVO), is the innovation leader in the manufacture of coffee and tea-based dispensed beverages, drink mixes and flavor systems. The Company has successfully commercialized a proprietary brewing technology that yields fresh brewed coffees and teas that are flavorful, concentrated and stable. As a result, they have broad applications in the foodservice, food manufacturing and beverage industries. For foodservice operators, Javo makes it possible to serve great tasting hot coffees and cold specialty coffee beverages from convenient dispenser-based systems. Javo also assists food and beverage processors seeking authentic and robust coffee and tea flavors with the development and supply of customized ingredients for their packaged foods and ready-to-drink beverages. Through its selling, service and distribution operations, Javo supplies a growing list of national and international foodservice operations, specialty coffee retailers, restaurant chains and food manufacturers. More information about Javo Beverage Company is available at [www.javobeverage.com](http://www.javobeverage.com).

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This release contains forward-looking statements made by or on behalf of Javo Beverage Company, Inc. All statements, which address operating performance that the Company expects will occur in the future, including statements relating to volume growth, share of sales, or statements expressing general optimism about future operating results, are forward-looking statements. These forward-looking statements are based on management's current views and we cannot assure that anticipated results will be achieved.