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JAVO BEVERAGE COMPANY, INC. REPORTS RECORD HIGH SECOND QUARTER AND FIRST HALF REVENUE

Company Anticipates Significant Growth for Second Half of 2007

SAN DIEGO, CA, July 24, 2007 -- Javo Beverage Company, Inc. (OTC BB: JAVO), a leading provider of coffee- and tea-based beverages to the food service industry, today announced its financial results for the quarter and six months ended June 30, 2007.

Financial highlights for the second quarter 2007 include:

- Revenues increased to \$3,195,340 compared with \$3,177,680 in second quarter 2006.
- Revenues increased 16.3% versus the prior quarter ending March 30, 2007.
- The Company placed 734 dispensers during the second quarter of 2007, giving it a total installed dispenser base of 2,611 dispensers, up from 1,121 at the end of second quarter 2006.
- Revenue for dispensed products was \$ 2,070,309, an increase of 37.2% from the year ago period and 54.0% versus the prior quarter. Revenue for packaged and bulk ingredient products was down \$ 539,000, or 32.1%.
- Total other expenses dropped 42.7% to \$3.5 million as interest expenses declined 73.9% to \$1.59 million.
- Loss per share decreased to \$0.037 from \$0.041 in 2Q 2006.

Financial highlights for the first half of 2007 include:

- Revenues increased 7.8% to \$5,943,545 from \$5,515,173.
- Dispensed products revenue for hot and iced coffees was up \$993,153 or 41.5% versus the first half 2006.
- Gross profits increased 5.0% to just under \$2.3 million for first half 2007 from almost \$2.2 million in first half 2006.
- Loss per share decreased to \$0.035 per share in first half 2007 from a \$0.049 per share loss in first half 2006.

Cody C. Ashwell, CEO and Chairman of Javo Beverage Company said, “This was a positive quarter as we continued building on our revenue momentum. Importantly, we experienced significant revenue growth from hot and iced dispensed products after placing a record 734 dispensers in the second quarter and 1,109 dispensers in the first six months of the year, bringing our total installed dispenser base to 2,611 dispensers. In addition, we made significant strides in the execution of our business strategy and expect that the steps taken in sales, finance and operations will lead to important business growth in the near term.

“We recently announced that 7-Eleven, Inc., the leading convenience store industry customer in the United States, is in the process of expanding Javo’s iced coffee program from approximately 500 locations in the Northeast to most stores in its 7,100 United States system. We are confident, based on 7-Eleven’s expansion and developments with other national chain customers, that growth of dispenser installations will continue and possibly accelerate for the balance of 2007. Another positive development during the quarter was the signing a multi-year marketing agreement with Drie Mollen of Amsterdam, Netherlands for distribution of Javo coffee and tea products throughout Europe.”

Ashwell added, “We will continue to add new distribution and grow our dispenser installations for our hot and iced coffee beverages at additional foodservice locations. These new relationships and locations will be key components in our revenue growth for the remainder of 2007. Dispensed products revenue was 37% above last year’s strong number and up 55% above the prior quarter as iced coffee sales approached their high seasonality. Javo’s hot and iced coffee product lines produce equal annual revenue of between \$3,000 and \$6,000 per dispenser placement.”

“The growth in our core business’ quarterly revenue was offset by a reduction of \$539,000 in packaged and bulk product ingredient sales. This reduction was attributable to significant purchases in the quarter ending June 30, 2006 by a customer needing to build national distribution for a new retail product. We acknowledge that large bulk product sales at a company our size can cause volatile quarterly comparisons, but as our core business grows the impact should be proportionately lessened.”

“We are aware that expenses are likely to rise as revenues increase. Growth in gross profit will be, in part, offset by planned increases in sales, marketing, general and administrative expenses that are necessary to continue building a company that sells and services the largest and most important foodservice customers in the industry.”

He concluded, “Thanks to the hard work of our dedicated staff, our enhanced sales force and deepening partnerships with some of the premier foodservice players in the US, the first half of 2007 has met the targets we established in our business plan. We anticipate that our growth will continue and very likely improve in the second half of the year.”

SECOND QUARTER 2007 RESULTS

For the quarter ended June 30, 2007, the Company had revenues of \$3,195,340, an increase of \$17,660 over the same quarter in 2006. Revenue increased 16.3% versus the prior quarter ending March 30, 2007. Gross profits were roughly \$989,000 compared to \$1.3 million in second quarter 2006. Second quarter revenue for dispensed product sales was \$ 2,070,309, an increase of 54.0% from the prior quarter ending March 30, 2007 and an increase of 37.2% from the year ago period. The company placed a record 734 dispensers in the quarter bringing the total installed dispenser base to 2,611 dispensers.

Selling and marketing expenses rose to \$1.1 million in the second quarter of 2007, from \$478,000 in the second quarter 2006, an increase of 135%. This increase reflects increased sales, marketing and promotional expenditures and the addition of sales professionals with their related expenses.

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The Company reported a net loss for the second quarter 2007 of \$5.7 million, or (\$0.037) per share, compared to a net loss of \$6.2 million, or (\$0.041) per share a year ago. The difference of \$486,315, or 8%, was primarily due to the result of the Company recording non-cash other derivative expense of \$2,091,761 and increased interest income offset by the non-cash accretion of debt discount of \$1,152,861, and an increase in loss from operations of \$1,844,244 for the quarter ending June 30, 2007, reduced by the one-time recognition of accelerated interest expense, unamortized loan cost and debt discounts amortization of approximately \$5.2 million recorded in connection with the conversion of promissory notes to Series B Preferred Stock as of June 30, 2006.

SIX MONTH RESULTS

For the six months ending June 30, 2007, the Company had gross revenues of \$5,943,545, an increase of \$428,372 or 7.8% over the same six months of the previous year. The increase in revenue was driven by a \$993,153 increase, up 41.5%, in revenue from its hot and iced dispensed products, stemming from the Company's record number of new hot and iced dispenser placements during the first half of 2007. The company placed a record 1,109 dispensers in the first six months bringing the total installed dispenser base to 2,611 dispensers.

Gross profits increased to \$2.27 million up from \$2.16 million in first half 2006. Selling and marketing expenses for the six months ending June 30, 2007 were \$1,881,957 compared to \$860,560 in the same six months of 2006, or an increase of 118.7%. The increase was the result of increased sales, marketing and promotional expenditures and the addition of sales professionals with their related expenses. More specifically, approximately \$483,000 of the increase was attributable to additional payroll, benefits and travel expenses, approximately \$164,000 was attributable to increased marketing and promotion expenses, and approximately \$374,000 was attributable to expenditures on promotional materials, tradeshow expenses, printing costs, and sales supplies.

The net loss for the Company for the six months ending June 30, 2007 was \$5,258,364 compared to a net loss of \$7,308,114 for the same quarter in 2006, a difference of \$2,049,750 or 28.0%. The difference is primarily the result of the Company recording non-cash other derivative income of \$264,308 and increased interest income offset by the non-cash accretion of debt discount of \$2,274,519, and an increase in loss from operations of \$2,364,691 for the six months ending June 30, 2007, reduced by the one-time recognition of accelerated interest expense, unamortized loan cost and debt discounts amortization of approximately \$5.2 million recorded in connection with the conversion of promissory notes to Series B Preferred Stock as of June 30, 2006.

The Company's net other income/expenses in the remainder of 2007 will include non-cash interest expense for accretion of the debt discount recorded in connection with its Senior Convertible Debt. For the calendar year 2007, the aggregate amount of this expense is expected to be \$4.5 million, which will be expensed as follows in each of the four fiscal quarters: \$1,121,658, \$1,152,861, \$1,133,196 and \$1,089,015 in the first, second, third and fourth quarters, respectively.

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About Javo® Beverage Company, Inc.

Based in Vista, California, Javo Beverage Company (OTC Bulletin Board: JAVO), is an innovator and 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 sales, service and distribution operations, Javo supplies a growing list of national and international foodservice operations, convenience stores, specialty coffee retailers, restaurant chains and food manufacturers. More information about Javo Beverage Company is available at www.javobeverage.com.

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. We cannot assure that anticipated results will be achieved since actual results may differ materially because of risks and uncertainties. We do not undertake to revise these statements to reflect subsequent developments.

- FINANCIAL TABLES TO FOLLOW-

**JAVO BEVERAGE COMPANY, INC.
CONDENSED BALANCE SHEETS**

	June 30, 2007	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$13,033,220	\$18,324,161
Accounts receivable, less allowances	1,793,743	844,144
Inventory, net of reserve for obsolescence	1,079,697	708,166
Other current assets	540,570	150,098
Total current assets	16,447,230	20,026,569
Property and equipment, net	1,903,523	880,559
Intangibles, net	801,863	247,696
Deposits	20,242	20,242
Total assets	<u>\$19,172,858</u>	<u>\$21,175,066</u>
LIABILITIES AND STOCKHOLDER'S EQUITY/(DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$2,644,211	\$1,217,697
Accrued short-term interest payable	417,677	289,360
Working capital line of credit	713,000	713,000
Warrants liability	7,268,063	7,532,370
Current portion of long-term debt	4,911,560	3,678,882
Total current liabilities	15,954,511	13,431,309
Long-term debt, net of current portion	16,114,249	18,423,854
Unamortized discount on long-term debt	(11,490,037)	(13,818,233)
Accrued long-term interest payable	64,540	95,847
Total liabilities	20,643,263	18,132,777
Stockholders' equity/(deficit):		
Common stock, \$0.001 par value, 300,000,000 shares authorized, 149,892,859 and 149,504,927 shares issued and outstanding as of June 30, 2007 and December 31, 2006, respectively	149,893	149,504
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, 1,775,166 shares issued and outstanding as of June 30, 2007 and December 31, 2006, respectively	1,775	1,775
Additional paid in capital	48,688,690	43,196,496
Deferred compensation	(4,746,913)	--
Accumulated deficit	(45,563,850)	(40,305,486)
Total stockholders' equity/(deficit)	(1,470,405)	3,042,289
Total liabilities and stockholders' equity/(deficit)	<u>\$19,172,858</u>	<u>\$21,175,066</u>

The accompanying notes are an integral part of these financial statements.

**JAVO BEVERAGE COMPANY, INC.
UNAUDITED CONDENSED STATEMENTS OF OPERATIONS**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net sales	\$3,195,340	\$3,177,680	\$5,943,545	\$5,515,173
Cost of sales	(2,205,852)	(1,915,637)	(3,678,448)	(3,357,030)
Gross profit	989,488	1,262,043	2,265,097	2,158,143
Operating expenses:				
Selling and marketing	(1,124,285)	(477,654)	(1,881,957)	(860,560)
General and administrative	(2,048,635)	(851,023)	(3,129,135)	(1,678,887)
Total operating expenses	(3,172,920)	(1,328,677)	(5,011,092)	(2,539,447)
Loss from operations	(2,183,432)	(66,634)	(2,745,995)	(381,304)
Other income (expenses):				
Interest income	194,853	2,259	374,043	3,989
Interest expense	(1,584,643)	(6,089,777)	(3,180,646)	(6,930,799)
Income (expense) from derivatives	(2,091,761)	--	264,308	--
Other income, net	--	--	31,103	--
Loss on disposal of assets	(2,854)	--	(1,177)	--
Total other expense	(3,484,405)	(6,087,518)	(2,512,369)	(6,926,810)
Net loss	(\$5,667,837)	(\$6,154,152)	(\$5,258,364)	(\$7,308,114)
Basic profit (loss) per share	(\$0.037)	(\$0.041)	(\$0.035)	(\$0.049)
Weighted average number of shares outstanding, basic	149,631,806	149,479,927	149,568,717	149,479,927

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