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**JAVO BEVERAGE COMPANY, INC. REPORTS RECORD THIRD QUARTER REVENUE**

**Third Quarter Revenues Jumped 23% Quarter-over-Quarter**

**Revenues from Dispensed Products Increased 118% Year-over-Year**

**Management Anticipates Record 2007**

**SAN DIEGO, CA - - November 6, 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 nine months ending September 30, 2007.

Financial highlights for the third quarter 2007 include:

- Revenues increased to \$3,921,536, compared with \$2,308,365 in third quarter 2006, an increase of 70%.
- Revenues increased 23% versus the prior quarter ending June 30, 2007.
- The Company placed 964 dispensers during the third quarter of 2007, resulting in a total installed dispenser base of 3,575 dispensers, up from 1,318 at the end of third quarter 2006.
- Revenue for dispensed products was \$2,849,093 -- an increase of 118% from the third quarter of 2006 and an increase of 39% versus the quarter ending June 30, 2007.
- Gross profit increased to \$1,113,900 from \$941,601 in the third quarter of 2006.
- Total loss from operations of \$1,783,680 includes non-cash expenses of \$481,721.
- Net loss decreased to \$127,728 as derivative income was \$2,998,898 during the period.

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Financial highlights for the first nine months of 2007 include:

- Revenues increased 26% to \$9,865,080 from \$7,823,538 in the first nine months of 2006.
- Dispensed products revenue for hot and iced coffees was \$6,237,041, up 68% from the same period in 2006.
- Gross profits increased 9% to \$3,378,996 for first nine months of 2007 from the same period in 2006.
- Net loss decreased to \$0.04 per share in first nine months of 2007 from a \$0.05 per share loss in first nine months 2006.

Cody C. Ashwell, CEO and Chairman of Javo Beverage Company, said, “We continue to achieve strong revenue growth, and we will have another record year for 2007. Our third quarter revenue increased 23% from the second quarter 2007 and 70% year over year. We experienced significant revenue growth from hot and iced dispensed products after placing a record 964 dispensers in the third quarter. We have now installed 2,073 dispensers during the first nine months of 2007, bringing our total installed dispenser base to 3,575 dispensers.”

“Looking forward, we foresee maintaining our recent rate of dispenser installations as we grow within our existing customer base of national foodservice operators, like Compass, 7-Eleven, Sunoco, Exxon-Mobil (On-the-Run®) and Irving Oil, where our program is not yet in all locations operated or franchised by these accounts” added Ashwell.

Javo offers a line of fresh brewed coffee and tea drinks in a concentrated format that may be easily served by foodservice operators from beverage dispensers similar to soda fountain equipment. Since 2005, Javo has offered high quality, fresh brewed varieties such as: French Vanilla Latte, Triple Mocha Latte, 100% Colombian Iced Coffee and Hazelnut Iced Coffee. This summer, Javo added six new flavors to its product line, including: Dulce de Leche, Chai Tea Latte, Lemonade Green Tea, Café Horchata, Pumpkin Spice Latte and Mocha Mint Latte. The company records hot coffee or iced coffee/tea revenue of between \$3,000 and \$6,000 per year for each Javo dispensing machine placed at the foodservice facilities of its customers.

Gary Lillian, president of Javo Beverage Company, said, “Iced coffees and teas are growing at three times the rate of standard foodservice black coffee. Since Javo has sales and equipment service infrastructure in place from coast to coast, we have been able to capitalize as this new beverage category has grown in popularity.”

“Roughly 20 thousand coffee shops have demonstrated to the rest of the foodservice industry that there is a strong business proposition in specialty coffee,” stated Ashwell. “We have built our company around the idea that there are more than two million foodservice locations in the U.S. that would enjoy participating in specialty coffees and teas if they could easily prepare and serve a quality cup” added Ashwell.

Ashwell concluded, “Our outlook for 2008 is extremely positive as we will continue to expand our iced coffee within 7-Eleven and other national chains, gain new national account authorizations for both our hot and iced on-demand programs and add new distribution relationships that expand our reach to food service operators across the country.”

### **THIRD QUARTER 2007 RESULTS**

For the quarter ended September 30, 2007, the Company had revenues of \$3,921,536, an increase of \$1,613,171 over the same quarter in 2006. Revenue increased 22.7% versus the prior quarter ending June 30, 2007. Gross profits were \$1,113,900 compared to \$941,601 in the third quarter 2006. Third quarter revenue for dispensed product sales was \$2,849,093, an increase of 38.7% from the prior quarter ending June 30, 2007, and an increase of 117.7% from the year ago period. The company placed a record 964 dispensers in the quarter, bringing the installed total to 3,575 dispensers.

Selling and marketing expenses rose to \$1,198,652 in the third quarter of 2007, from \$495,825 in the third quarter 2006, an increase of roughly 142%. This increase reflects the addition of new sales positions and expenses related to adding new sales territories in every region of the U.S.

The Company reported a net loss for the third quarter 2007 of \$127,728, or (\$0.00) per share, compared to a net loss of \$709,141, or (\$0.01) per share in the third quarter 2006. The difference of \$581,413 was primarily due to positive, non-cash derivative income.

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## **NINE MONTH RESULTS**

For the nine months ending September 30, 2007, Javo had revenues of \$9,865,080, an increase of \$2,041,542 or 26.1% over the same nine months of 2006. The increase in revenue was driven by an increase in hot and iced dispensed products revenue to \$6,237,041, up 68.4% and driven by the Company's record number of new dispenser placements during the first nine months of 2007. Javo placed a record 2,073 dispensers in the first nine months, bringing the total installed dispenser base to 3,575.

Gross profits increased to \$3,378,996, up from \$3,099,744 in first nine months of 2006. Selling and marketing expenses for the nine months ending September 30, 2007 were \$3,080,609 compared to \$1,356,384 in the same nine months of 2006, or an increase of 127%. The increase was the result of adding new sales positions and setting up new sales territories of approximately \$849,000 and increased expenditures for promotional materials, tradeshow and marketing costs in support of Javo's national sales organization of approximately \$875,000.

The net loss for the Company for the nine months ending September 30, 2007 was \$5,386,092, compared to a net loss of \$8,017,253 for the same quarter in 2006. The difference is, primarily, the result of the Company recording non-cash other derivative income of \$3,263,206 and increased interest income of \$555,012; the reduced interest expense of the net of non-cash debt discount accretion; and one-time recognition of accelerated interest expense recorded in 2006 of \$2,592,916. These items were offset by increased operating expense of \$3,714,320 for the nine month ending September 30, 2007.

The Company's net other income/expenses for 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 \$4,496,730, 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.

### **About Javo<sup>®</sup> 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](http://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.*

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

	<b>September 30, 2007</b>	<b>December 31, 2006</b>
<b>ASSETS</b>		
Current assets:		
Cash, restricted cash and cash equivalents	\$10,377,627	\$18,324,161
Accounts receivable, less allowances	2,481,592	844,144
Inventory, net of reserve for obsolescence	1,104,065	708,166
Prepaid expenses	550,057	150,098
Total current assets	14,513,341	20,026,569
Property and equipment, net	3,082,295	880,559
Intangibles, net	775,034	247,696
Deposits	20,242	20,242
Total assets	<u>\$18,390,912</u>	<u>\$21,175,066</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$2,536,411	\$1,176,681
Accrued payroll and related expenses	\$121,146	\$41,014
Accrued short-term interest payable	343,375	289,359
Working capital line of credit	1,213,000	713,000
Warrants liability	4,269,165	7,532,371
Current portion of long-term debt	4,983,901	3,678,882
Current portion of long-term interest	100,000	--
Total current liabilities	13,566,998	13,431,307
Long-term debt, net of current portion	14,838,896	18,423,854
Unamortized discount on long-term debt	(10,341,069)	(13,818,233)
Accrued long-term interest payable	34,496	95,848
Total liabilities	18,099,321	18,132,776
Stockholders' equity:		
Common stock, \$0.001 par value, 300,000,000 shares authorized, 152,259,276 and 149,504,927 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively	151,344	149,505
Preferred stock, \$0.001 par value, 10,000,000 shares authorized, 1,952,683 and 1,775,166 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively	1,953	1,775
Additional paid in capital	51,990,321	43,196,496
Deferred compensation	(4,385,283)	--
Accumulated deficit	(47,466,744)	(40,305,486)
Total stockholders' equity	291,591	3,042,290
Total liabilities and stockholders' equity	<u>\$18,390,912</u>	<u>\$21,175,066</u>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net sales	\$3,921,536	\$2,308,365	\$9,865,080	\$7,823,538
Cost of sales	(2,807,636)	(1,366,764)	(6,486,084)	(4,723,794)
Gross profit	1,113,900	941,601	3,378,996	3,099,744
Operating expenses:				
Selling and marketing	(1,198,652)	(495,825)	(3,080,609)	(1,356,384)
General and administrative	(1,698,928)	(879,829)	(4,828,063)	(2,558,716)
Total operating expenses	(2,897,580)	(1,375,654)	(7,908,672)	(3,915,100)
Loss from operations	(1,783,680)	(434,053)	(4,529,676)	(815,356)
Other income (expenses):				
Interest income	186,806	1,847	560,849	5,837
Interest expense	(1,540,071)	(276,935)	(4,720,716)	(7,207,734)
Income (expense) from derivatives	2,998,898	--	3,263,206	--
Other income/(expense), net	11,746	--	42,849	--
Gain/(loss) on disposal of assets	(1,427)	--	(2,604)	--
Total other expense	1,655,952	(275,088)	(856,416)	(7,201,897)
Net loss	(\$127,728)	(\$709,141)	(\$5,386,092)	(\$8,017,253)
Basic profit (loss) per share	(\$0.00)	(\$0.01)	(\$0.04)	(\$0.05)
Weighted average number of shares outstanding, basic	150,889,106	149,504,927	150,013,683	149,488,352

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