



**Financial Information**

Fiscal Year: January 31

	FY 2007	FY 2008	6 months
<b>Revenue</b>	\$10,531	\$12,801	\$6,636
<b>EBITDA</b>	\$1.5 million	\$2.1 million	\$130 K
<b>Net Income</b>	(\$294.3)	\$869.1	<\$396>
<b>Diluted EPS</b>	(\$0.03)	\$.06	<\$.02>



**Product Overview**

**Pro-Stat** (R) is pure liquid protein that is predigested by papain, a fruit enzyme, creating a hydrolysate. The hydrolyzed Pro-Stat (R) protein increases absorption and assimilation because the large protein molecules are broken down into free amino acids and polypeptides. Pro-Stat (R) products are certified Kosher and available in a variety of flavors, such as Wild Cherry Punch.

**Management Team**

**Frank A. Newman has served as Chairman and Chief Executive Officer since 2003, and a director since November 2002.**

**Experience:**

- President and CEO and also Chairman of Eckerd Corporation (NYSE). From the Eckerd IPO in August 1993 to its sale to J.C. Penney in March 1997, shareholder value increased 500%
- President and CEO of F&M Distributors (NASDAQ), a drug store chain he took public in 1992
- EVP Retail – Household Merchandising (Household Finance)

**Alan Levy has served as Vice President, Finance and Chief Financial Officer since October 2006.**

**Experience:**

- Senior VP, Finance, CFO of ATC Healthcare, Inc. (AMEX)
- Corporate Controller and Chief Accounting Officer of Globix Corp. (NASDAQ)
- Management positions at Del Laboratories Inc. (AMEX), the American Institute of Certified Accountants and Ernst & Young.

**Arnold Gans has served as Founder and Scientific Officer Since February, 2007 and as President from 1981-2006.**

**Experience:**

- President of Control Drug, Inc., a private manufacturer of nutritional protein supplements to medical clinics and institutions
- In 1976, he developed the clinical and maintenance studies for Dexatrim and the original Slim Fast formula for Thomson Medical Company.
- Designed the product and clinical protocol studies for SmoQuits, a smoking cessation product marketed by Amway Corp.

**David Shapiro, Vice President of Sales since December 2006.**

**Experience:**

- Regional Vice President – Sales for Novartis Medical Nutrition
- Senior National Account Executive with Mead Johnson Nutritionals

- **Pro-Stat (R) Profile** (TM) is formulated for those whose dietary intake is limited in essential amino acids and require extra protein. Pro-Stat (R) Profile (TM) provides a concentrated source of complete protein and energy with the IOM 2005 essential amino acid pattern (PDCAAS=100%).
- **Pro-Stat (R) 64** is a liquid protein formula fortified with L-tryptophan and is rich in Arginine, Glycine, Proline and Hydroxyproline. Having a high nitrogen donor capability, it enables accelerated tissue healing in patients with pressure ulcers, malnutrition, and low albumin levels. Sugar and carbohydrate free, it is an ideal formula for diabetics.
- **Pro-Stat (R) 101** liquid protein formula is an enzyme-hydrolyzed concentrated protein fortified with L-tryptophan. Per serving, Pro-Stat (R) 101 has 15 grams of protein and 101 k/cal per 30 ml (one ounce), and is hydrolyzed for rapid absorption.
- **Pro-Stat (R) AWC** is a liquid protein formula containing 17 grams of protein, with added L-arginine, zinc and Vitamin C, all of which are progress wound healing, build muscle, repair tissue and fight infections. The added Cystine aids in promoting positive nitrogen balance for minimizing muscle breakdown.
- **Pro-Stat (R) RC** is a liquid protein supplement combined with B vitamins, zinc and FOS (for intestinal health). B Vitamin benefits are manifold, and are needed for enhanced circulation and blood formation, antibody production and cell growth, as well as the metabolism of fat, protein and carbohydrates.

**Fiber-Stat** (R) with FOS\* looks and tastes like water, but delivers 15 grams of natural soluble fiber per 2 tablespoons (30 ml) for gentle and reliable bowel regulation and prebiotic intestinal health.

**UTI-Stat** (TM) with Proantinox is a natural urinary tract cleansing complex containing a proprietary blend of concentrated Cranberry Proanthocyanidins, Ascorbic Acid, D-Mannose, FOS and Bromelain to inhibit adhesion of infection causing E-coli bacteria to urinary tract walls and help prevent recurrence of infection.