INCOME STATEMENT

Terracycle Inc. [1]

[2]	2005		2004		2006	
REVENUES						
Sales [3]	$ 461,665.00		$ 104,470.00		$ 987,890.50	
TOTAL REVENUES	**461,665.00**	**100.00%**	**104,470.00**	**100.00%**	**987,890.50**	**100%**
Less: Cost of goods sold [4]	**487,524.00**	**105.60%**	**150,113.00**	**143.69%**	**642,128.83**	**65.00%**
GROSS PROFIT (LOSS)	**25,859.00**	**5.60%**	**45,643.00**	**43.69%**	**345,761.68**	**35.00%**
OPERATING EXPENSES						
Salaries [5]	579,887.00	125.61%	335,142.00	320.80%	637,875.70	64.57%
Office and Administrative [6]	33,585.00	7.27%	67,342.00	64.46%	38,585.00	3.91%
Insurance [7]	43,815.00	9.49%	13,868.00	13.27%	-	0.00%
Advertising [8]	75,283.00	16.31%	26,815.00	25.67%	85,000.00	8.60%
Research [9]	14,267.00	3.09%	20,775.00	19.89%	17,120.40	1.73%
Property Overhead [10]	92,846.00	20.11%	36,942.00	35.36%	159,125.20	16.11%
Telephone and Communications [11]	23,632.00	5.12%	19,492.00	18.66%	27,176.00	2.75%
Professional fees/licenses [12]	47,138.00	10.21%	79,555.00	76.15%	53,737.32	5.44%
Travel/Vehicles [13]	74,514.00	16.14%	82,909.00	79.36%	89,416.80	9.05%
Interests Expense [14]	18,218.00	3.95%	1,643.00	1.57%	18,527.71	1.88%
Depreciation and Amortization [15]	30,766.00	3.95%	5,098.00	1.57%	31,535.55	1.88%
Miscellaneous [16]	1,818.00	6.66%	1,300.00	4.88%	2,345.00	3.19%
LESS: TOTAL OPERATING EXPENSES	1,035,769.00	224.36%	690,881.00	661.32%	1,160,444.68	117.47%
NET INCOME BEFORE TAXES	1,061,628.00	229.96%	736,524.00	705.01%	1,506,206.36	152.47%
INCOME TAXES	-		-		-	
NET INCOME AFTER TAX	**$ 1,061,628.00**		**$ 736,524.00**		**$ 1,506,206.36**	