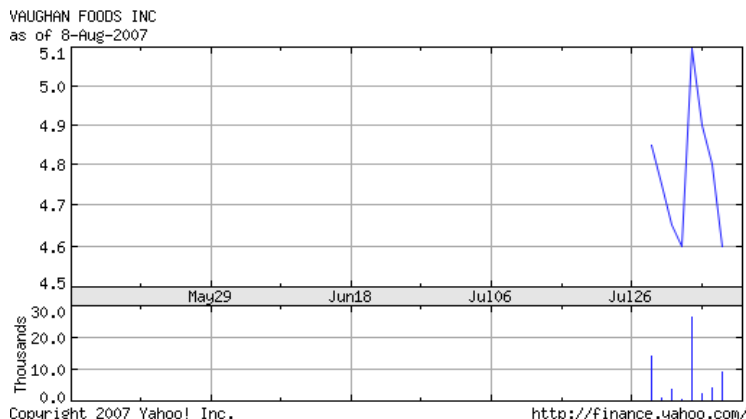


Vaughan Foods, Inc. (NASDAQ: FOOD)



Vaughan Foods, Inc., founded in 1961 and headquartered in Moore, Oklahoma, engages in processing, packaging and distribution of refrigerated foods in the Midwest, Southeast, and Southwest regions of the U.S. Its main product lines include refrigerated prepared salads, such as coleslaw, chicken, tuna, bean potato and pasta salads, and fresh-cut produce, primarily salads and salad mixes. Purchasing ingredients from approximately fifty suppliers from five different growing regions, the company processes approximately 1.4 to 1.7 million pounds of fresh-cut, ready-to-eat branded and private label salads per week and produces approximately 70 different salad products in various food service and retail package sizes. It distributes its products using its fleet of 23 trucks and 28 fifty-three foot refrigerated trailers to clients in the 12-state marketing area within a 500-mile radius of its plant. Selling its products to restaurant chains, grocery store deli departments and retail chains, food service businesses and distributors, as well as other institutional users, the company services approximately 140 recurring end-user revenue accounts at least three times a week.

Following a recent successful initial public offering and acquisition of Allison's Gourmet Kitchens LLP, the company plans to increase its production capacity by establishing a new plant and strengthen its product mix, focusing on high margin products, including soups, stews, sauces and side dishes processed by its subsidiary Wild About Foods, Inc. acquired in June 2006. Capitalizing on its rapid, regular delivery capability, strong logistics and excellent quality control, the company is well positioned to increase penetration in its geographical markets and seek acquisitions, as well as new vendor partnerships to grow future revenue base and enhance profitability.



CURRENT PRICE: \$4.60
52-WEEK RANGE: \$4.55 - \$6.05
AVG DAILY VOLUME (50-DAY): 7,890
FLOAT: 2.3 million
OUTSTANDING SHARES: 4.6 million
MARKET CAPITALIZATION: \$21.2 million

INCOME STATEMENT HIGHLIGHTS

REVENUE: \$51.3 million
GROSS PROFIT: \$6.2 million
EBITDA: \$1.7 million
NET INCOME: (\$1.6 million)
EPS (Diluted): (\$0.68)

All figures twelve months trailing as of March 31, 2007

BALANCE SHEET HIGHLIGHTS

WORKING CAPITAL: \$4.6 million
TOTAL ASSETS: \$32.5 million
NET WORTH: \$10.5 million

All figures as of March 31, 2007 pro forma adjusted for IPO

RECENT NEWS HEADLINES

Fri, Jul 27, 2007

Vaughan Foods' stock and warrants trading as units after the IPO under the symbol FOODU commenced trading individually on the Nasdaq Capital Market under the symbols: FOOD for the common stock, FOODW for the Class A and FOODZ for the Class B warrants.

Wed, Jul 25, 2007

Vaughan Foods on June 30th completed an acquisition of Allison's Gourmet Kitchens, LLP, a high-quality refrigerated prepared salad business, for a total price of \$2,500,000.

Thu, Jun 28, 2007

Vaughan Foods completed an IPO placed by Paulson Investment Company, Inc. raising gross proceeds of \$13,975,000. The offering consisted of 2.15 million units of one share of common stock and two warrants at an offering price of \$6.50 per unit.

HEADQUARTERS

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