

Natural Harmony Foods Update. August 1, 2008

Retail Progress:

Target. The three breakfast products were set in 217 Super Target Stores in late May. If you find a Super Target without the products please send an email to admin@naturalharmonyfoods.com. We've shipped reorders but we still don't have a firm read on whether our movement is meeting Target expectations. Our broker will have another review with the buyer this month to evaluate the 2 for \$7.00 promotion. If we have one slow mover we'll replace the weakest seller with a new item, probably an Italian Frittata. In any case there will be no major changes before November. We encourage all shareholders to go to Super Targets in your area, buy the products and help spread the word to friends and family.

Tree of Life: We concluded very productive meetings with the National Category Director of Frozen Foods for Tree of Life. The new breakfast lineup of SoLean grab-n-go products will be stocked in all Tree of Life Natural Foods warehouses as well as the Ft. Lauderdale warehouse to serve Whole Foods Markets (NASDAQ: WFMI) in the Florida region. The SoLean® brand breakfast products consist of the All-American Stuffed Sandwich, Southwestern Stuffed Sandwich, and the Sausage, Egg & Cheese Breakfast Muffin. Additionally, we previewed the new 200 Calorie Lunch/Snack line slated for launch in September and the Gluten-Free line scheduled to launch at the Dietitians Show in October. We'll support these launches with the Tree of Life "New to You" program which is supported by 1600 retailers served by Tree.

Kehe: We're also presenting our current and upcoming product lines to the Kehe National Buyer August 22. Kehe is one of the three largest natural foods distributors in the country serving over 12,000 stores.

Central Market: Our breakfast products were also approved by Central Market. These are huge, beautiful stores owned by HEB in Texas. Central Market is their answer to Whole Foods. We also expect the line to be in front of the buyer for the regular HEB stores this month.

Upcoming Shows: We plan to exhibit at the American Dietitian Show and Expo East as well as the two regional Tree of Life shows. We will also exhibit at the SoHo show which is a regional natural food show.

Tree of Life Midwest - August 22-24 - Indianapolis
Natural Products Expo East - October 15-18 - Boston
Amer. Dietitians Show - October 26-28 - Chicago
Tree of Life Northeast - November - NJ
SoHo Show - December - Orlando

The direct mailing to 10,000 natural foods retailers has begun and will continue through December. We have brokers in place in the Southeast, Mid-Atlantic, Northeast, Midwest, Northwest, Mountain States and Northern California. We have added a broker in Texas. These newly added brokers received new cartons and sales sheets. We're pushing ahead to achieve a number of retailer gains in the next few months.

Stock Sales: In the June update we outlined our plans to sell discounted blocks of restricted shares directly to accredited investors. The goal of this financing was to raise \$200-300,000 to properly execute our growth plans and become a fully reporting company without selling free trading shares to those dealers who are only interested in the short term. Again, the goal is to issue no more shares beyond the present 240 million authorized. Unfortunately we've had but one such sale for \$10,000. We must raise another \$90,000 over the next 45 days. Anyone interested may contact me at sdewar@naturalharmonyfoods.com.

Annual Shareholders Meeting. We have received notice from only one shareholder registering to attend the August 18 meeting. We need advance notice to make sure we can confirm shares being represented and seating needs. You may register thru www.admin@naturalharmonyfoods.com.

Thank you for your continued support.

Sam Dewar