



JULY 25, 2008

MORNING NOTE

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EAU TECHNOLOGIES, INC.
(OTC BB: EAUI: \$1.00, BUY)
INDUSTRY: MANUFACTURING

Disclosures: 1, 10

FY: Dec	2007A	2008E	2009E
EPS	(\$0.79)	(\$0.28)	(\$0.19)

Murray's Chicken Tests EAUI's Waters, Passes

- Since it began using EAUI's Empowered Water as part of its sanitation process, Murray's Chicken, a family-run poultry processor focused on natural chicken, has yet to receive any positive test results for Salmonella.
- U.S. Food and Drug Administration industry standards allow processors to show positive incidents of Salmonella up to 10% and still fall within acceptable Category One requirements.
- As noted before, we expect the new risk-based inspection initiative to drive other plants to seek solutions such as EAUI offers.
- EAUI offers a non-toxic solution that can move these plants up from the lower categories to Category 1.

EAUI on April 16 announced that Murray's Chicken was to use EAUI's technology at its processing facility. Murray's Chicken is the first poultry processor in the United States to use electrolyzed water for food sanitization on an industrial scale.

Although, at 50,000 birds per day, this is a small plant – the average is north of 100,000 birds per day – Murray's services a key niche market, providing natural poultry, without the use of antibiotics, growth drugs or hormones, to the tri-state area around New York City as well as the Mid-Atlantic seaboard.

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