

TCC INTERNATIONAL LLC AND AFFILIATE
COMBINED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED

	December 31,	
	2007	2006
Revenues:		
Member revenue	\$ 6,939,147	5,131,872
Operations	4,066,922	4,457,423
Total revenues	11,006,069	9,589,295
Cost of sales	1,408,589	1,376,484
Gross Profit	9,597,480	8,212,811
Cost of operations:		
Payroll	7,522,952	7,745,774
Employee benefits	544,209	513,375
Occupancy expense	1,931,281	2,234,556
Fitness supplies	19,952	18,207
Newspapers and periodicals	12,847	13,220
Spa supplies	43,158	19,990
Amortization of loan costs and intangibles	44,067	80,884
Charitable contributions	250	70,480
Cleaning	231,880	179,106
Computer maintenance and support	23,567	3,721
Depreciation	2,077,431	2,001,087
Insurance	262,992	146,871
License and permits	6,910	13,874
Marketing	793,182	747,824
Office expense	932,314	1,236,079
Professional fees	(145,514)	1,391,241
Recruitment expense	22,694	34,568
Repairs and maintenance	212,399	236,709
Travel and entertainment	109,835	46,153
Utilities	344,730	516,046
Total cost of operations	14,991,136	17,249,765
Loss before other income (expenses)	(5,393,656)	(9,036,954)
Other income (expenses):		
Interest income	6,172	1,781
Interest expense	(3,688,225)	(2,652,086)
Total other income (expenses)	(3,682,053)	(2,650,305)
Net loss	(9,075,709)	(11,687,259)
Members' deficit -beginning of year	(28,986,944)	(15,269,185)
Redemption of membership interests	-	(2,030,500.00)
Members' deficit -end of year	(38,062,653)	(28,986,944)