



Corporate Profile

Perfect Fry Corporation is a public company headquartered in Calgary, Alberta, Canada. The aggressive pioneer spirit is a cornerstone in Perfect Fry's entrepreneurial quest for success.

The company manufactures counter-top deep fryers with self-contained patented air filtration and fire prevention systems. The quick, clean, and compact Perfect Fry is slightly bigger than a microwave oven.

Perfect Fry's main market niche is fast food retailers who sell popular french fries and other tasty deep fried finger foods at snack bars, food kiosks, concession stands, convenience stores, and sport & recreation outlets.

Perfect Fry's main sales force is an international network of independent distributors and dealers supported by targeted marketing and sales promotion programs.

Perfect Fry offers investors the basic elements for equity growth:

- Experienced Management,
- Dedicated Employees,
- Patented Environment Friendly Products,
- Access to Capital to Finance Rapid Growth,
- A Production, Marketing, Distribution Plan that is carving a Profitable Niche in the Gigantic World-wide Fast Food Industry.

Stock Exchange Listing: PNM, Canadian Venture Exchange
U.S.A. 12G3-2(b) Exemption Number 82-1609

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Jack F. Senior, Chairman
President,
Speedi Gourmet Ltd.
Vancouver, B.C.

Gary G. Calderwood
President and CEO
Perfect Fry Corporation

William O. Wright
President
Guidance Financial Consultants
Wichita, Kansas

Gordon Sigurdson
President
Harlan Fairbanks Co Ltd.
Winnipeg, MB

OFFICERS

Gary G. Calderwood
President, CEO,
Secretary-Treasurer

Sharon L. Wyatt
Chief Financial Officer

AUDITORS

Dart Bryant
Chartered Accountants
404 - 13th Avenue NE
Calgary, Alberta T2E 1C2

TRANSFER AGENT

ComputerShare Trust Company of
Canada
600, 530 8th Ave SW
Calgary, Alberta T2P 3S8

LEGAL COUNSEL

Fraser Milner Casgrain
30th Floor, 237 - 4 Ave SW
Calgary, Alberta T2P 4X7

INTERNATIONAL HEAD OFFICE

Perfect Fry Corporation
615 71st Avenue SE
Calgary, Alberta, Canada T2H 0S7

Telephone: (403) 255-7712
Canada, USA: 1-800-265-7711
International: 011-403-255-7712

Fax: (403) 255-1725
International: 011-403-255-1725
E-mail: invest@perfectfry.com
Internet: <http://www.perfectfry.com>

INVESTOR RELATIONS

Gary G. Calderwood

STOCK EXCHANGE LISTING

Canadian Venture Exchange
Symbol: PNM

Perfect Fry Corporation

Consolidated Balance Sheet

(Unaudited)

	3 Months Ended January 31 2001	3 Months Ended January 31 2000
Assets		
Current Assets		
Cash	\$ 0	\$ 0
Accounts Receivable	430,224	384,803
Inventories	1,567,109	1,248,606
Prepaid Expenses	16,809	19,231
	<u>2,014,142</u>	<u>1,652,640</u>
Capital Assets	169,297	174,335
Patents, processes and other	<u>678,151</u>	<u>708,274</u>
	<u>2,861,590</u>	<u>2,535,249</u>
Liabilities		
Current liabilities		
Bank Indebtedness	397,924	192,634
Payables and accruals	269,935	389,438
	<u>667,859</u>	<u>582,438</u>
Shareholders' Equity		
Share capital	1,461,471	1,433,470
Retained earnings	732,260	519,341
	<u>2,193,731</u>	<u>1,952,811</u>
	<u>2,861,590</u>	<u>2,535,249</u>

Perfect Fry Corporation

Consolidated Statement of Earnings

(Unaudited)

	3 Months Ended January 31 2001	3 Months Ended January 31 2000
Revenue	\$ 557,096	\$ 605,644
Expenses		
Operating, selling and admin.	477,993	559,835
Amortization		
-patents, processes and other	30,000	30,000
-capital assets	11,400	11,400
Research & Development	<u>208</u>	<u>1466</u>
Earnings	<u>37,495</u>	<u>2,943</u>
Earnings per share	0.00	0.00

Approved on behalf of the Board



Gary G. Calderwood, Director



Jack F. Senior, Director

Letter to Shareholders

Perfect Fry Corporation

Consolidated Statement of Changes in Financial Position

(Unaudited)

	3 Months Ended January 31 2001	3 Months Ended January 31 2000
Cash provided by (used in)		
Operations		
Earnings for the period	37,495	2,943
Items not affecting cash		
Amortization		
-patents, processes and other	30,000	30,000
-capital assets	11,400	11,400
Changes in		
-non-cash working capital items	(156,987)	(236,604)
	<u>(78,092)</u>	<u>(192,261)</u>
Financing		
Issue of share capital	<u>0</u>	<u>0</u>
Investing		
Capital assets purchases	(9,871)	(17,531)
Investment in deferred development costs	<u>0</u>	<u>(1,444)</u>
	(9,871)	(18,975)
Increase (decrease) in cash	<u>(87,963)</u>	<u>(211,236)</u>
Cash, beginning of period	(309,961)	18,602
Cash, end of period	<u>(397,924)</u>	<u>(192,634)</u>

At January 31, 2001 an aggregate of 9,788,656 common shares were outstanding. At January 31, 2001 420,000 options to acquire common shares were outstanding with an exercise price of \$0.30 and 135,000 options to acquire common shares were outstanding with an exercise price of \$0.20 and expiring from time to time up to June 13, 2004. Of the options outstanding, 365,000 were issued to directors and officers of the Company.

First Quarter Results show increase in current earnings compared to that reported at the end of the first quarter last year. This result is especially promising as total gross revenue for the first quarter of this year is slightly less than expected.

	2001	2000
Gross Revenue	\$557,096	\$605,644
Net Earnings	\$37,495	\$2,943

The reduction in overall costs thus far is mainly due to changes in staff, administrative procedures, and advertising focus since this time a year ago. We feel that these results indicate the changes implemented thus far have been positive.

Our distributors, both international and domestic, continue to be excited about the equipment and the response seen from their sales efforts. So far this year, our Australian representative has sold almost as many fryers as he sold over the entire prior year. Here at home, gross revenue from Canadian sales has more than doubled over this time last year.

Efforts continue to be concentrated on developing and supporting our extensive US distributor network.



Gary G. Calderwood, President
Calgary, Alberta, March 14, 2001