

Sunkist Growers, Inc. and Subsidiaries

Consolidated Statements of Operations and Comprehensive Income

For the Years Ended October 31, 2009 and 2008

In thousands of dollars

	2009	2008
Revenues:		
Fresh fruit sales, all varieties:		
Domestic	\$ 490,824	\$ 622,842
Export	<u>173,231</u>	<u>227,630</u>
Total Fresh Fruit Sales	664,055	850,472
Fruit products sales, all varieties	64,831	69,755
Royalty income	21,793	23,353
Sale and lease of packinghouse equipment	9,837	11,011
Transportation revenues	80,821	98,847
Other revenues	14,622	6,839
Gain on sale of property and equipment	<u>4,539</u>	<u>16,298</u>
Total Revenues	860,498	1,076,575
Costs and Expenses:		
Production costs of fruit products sold	39,220	33,600
Payments on products fruit delivered and sold	12,411	21,731
Costs of sale and lease of packinghouse equipment	4,865	4,789
General administrative and other expenses	62,557	60,180
Transportation expenses	66,961	91,896
Advertising and promotion expenses	13,978	19,374
Depreciation and amortization expenses	<u>8,242</u>	<u>8,566</u>
Total Costs and Expenses	208,234	240,136
Revenues in Excess of Costs and Expenses	652,264	836,439
Payments to Members	658,683	845,263
Payments on products fruit delivered and sold included in Costs and Expenses	<u>(12,411)</u>	<u>(21,731)</u>
Payments to members - net of payments on products fruit delivered and sold	646,272	823,532
Retained Income Before Income Tax	5,992	12,907
Income Tax Expense (Benefit)	<u>(96)</u>	<u>3,839</u>
Retained Income	6,088	9,068
Other Comprehensive Income		
Foreign currency translation adjustment	(38)	81
Pension liability	<u>(4,967)</u>	<u>(52)</u>
Comprehensive Income	\$ 1,083	\$ 9,097

See accompanying notes to consolidated financial statements.

Sunkist Growers, Inc. and Subsidiaries

Consolidated Statements of Financial Position

As of October 31, 2009 and 2008

In thousands of dollars

	2009	2008
Assets		
Current Assets:		
Cash and cash equivalents.....	\$ 3,493	\$ 5,288
Receivables - trade and other - net.....	71,169	82,928
Income tax receivable.....	1,753	-
Advances in excess of margins earned.....	18,725	7,962
Inventory - net.....	44,878	43,259
Deferred tax assets.....	3,968	693
Prepaid expenses.....	<u>2,068</u>	<u>2,165</u>
Total Current Assets.....	146,054	142,295
Investments.....	13,887	12,358
Property and Equipment - net.....	48,511	52,762
Deferred Tax Assets - Long Term.....	169	545
Other Assets.....	<u>5,962</u>	<u>5,494</u>
Total Assets.....	<u>\$ 214,583</u>	<u>\$ 213,454</u>
Liabilities and Members' Equity		
Current Liabilities:		
Short-term obligations.....	\$ 36,257	\$ 22,512
Trade payables and other accrued liabilities.....	21,392	22,498
Payables to members:		
Fresh fruit proceeds.....	50,458	39,385
Product pools.....	9,868	14,221
Other.....	<u>337</u>	<u>318</u>
Total payables to members.....	<u>60,663</u>	<u>53,924</u>
Total Current Liabilities.....	118,312	98,934
Long-term Obligations.....	23,991	43,204
Members' Equity		
Capital fund.....	4,061	4,180
Accumulated other comprehensive loss.....	(9,299)	(4,294)
Unallocated retained earnings.....	<u>77,518</u>	<u>71,430</u>
Total members' equity.....	<u>72,280</u>	<u>71,316</u>
Total Liabilities and Members' Equity.....	<u>\$ 214,583</u>	<u>\$ 213,454</u>

See accompanying notes to consolidated financial statements.

Sunkist Growers, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended October 31, 2009 and 2008

In thousands of dollars

	2009	2008
Cash Flows from Operating Activities:		
Retained income	\$ 6,088	\$ 9,068
Adjustments to reconcile retained income to net cash from operating activities:		
Depreciation and amortization	8,308	8,566
Non-cash charge (income) for legal accrual adjustment	(4,165)	1,340
Payment of legal matter	(1,800)	-
Provision for losses on trade receivables	615	422
Deferred income taxes	(2,900)	(256)
Change in inventory reserve	67	(876)
Impairment of property and equipment	4,023	-
Gain on sale of property and equipment	(4,539)	(16,298)
Decrease (increase) in life insurance policy surrender value	(220)	2,706
Changes in assets and liabilities:		
Receivables	11,671	9,576
Advances in excess of margins earned	(10,763)	(1,117)
Investments	(98)	357
Inventory	(1,686)	(9,761)
Prepaid expenses	97	740
Other assets	(468)	3,894
Trade payables, other accrued liabilities and income taxes	(6,444)	3,851
Payables to members	6,620	(2,952)
Deferred compensation and pension obligation	1,685	(1,135)
Net cash from operating activities	<u>6,091</u>	<u>8,125</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(10,668)	(11,127)
Investment in Maverick Brands, LLC	-	(811)
Sunkist Taylor, LLC loans	227	(700)
Maverick Brands, LLC loans	(200)	(811)
Return of investment	238	-
Proceeds from sales of property and equipment	8,710	1,573
Net cash from investing activities	<u>(1,693)</u>	<u>(11,876)</u>
Cash Flows from Financing Activities:		
Line of credit and bank overdrafts, net	(6,155)	3,264
Net cash from financing activities	<u>(6,155)</u>	<u>3,264</u>
Effect of Changes in Foreign Currency	<u>(38)</u>	<u>81</u>
Net (Decrease) in Cash and Cash Equivalents	<u>(1,795)</u>	<u>(406)</u>
Cash and Cash Equivalents at Beginning of Year	<u>5,288</u>	<u>5,694</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,493</u>	<u>\$ 5,288</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid for:		
Interest	\$ 939	\$ 1,334
Income taxes	\$ 5,496	\$ 1,411
Noncash financing and investing activities:		
Proceeds from sale of property in Other Receivables	\$ 2,004	\$ 15,000
Paydown of long-term debt by restructuring of debt facilities	\$ 10,000	\$ -
Cancellation of note receivable in sale of investment	\$ 1,450	\$ -

See accompanying notes to consolidated financial statements.

Sunkist Growers, Inc. and Subsidiaries

Consolidated Statements of Changes of Members' Equity

For the Years Ended October 31, 2009 and 2008

In thousands of dollars	Capital Fund	Accumulated Other Comprehensive Loss	Unallocated Retained Earnings	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance, October 31, 2007	\$ 4,417	\$ (4,323)	\$ 62,362	\$ 62,456
Net capital fund assessment	(237)	-	-	(237)
Foreign currency translation adjustment	-	81	-	81
Pension liability	-	(52)	-	(52)
Retained income for 2008	<u>-</u>	<u>-</u>	<u>9,068</u>	<u>9,068</u>
Balance, October 31, 2008	4,180	(4,294)	71,430	71,316
Net capital fund assessment	(119)	-	-	(119)
Foreign currency translation adjustment	-	(38)	-	(38)
Pension liability	-	(4,967)	-	(4,967)
Retained income for 2009	<u>-</u>	<u>-</u>	<u>6,088</u>	<u>6,088</u>
Balance, October 31, 2009	<u>\$ 4,061</u>	<u>\$ (9,299)</u>	<u>\$ 77,518</u>	<u>\$ 72,280</u>

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