

For: Calavo Growers, Inc. (Nasdaq-GM: CVGW)

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**CALAVO GROWERS, INC. POSTS RECORD FISCAL 2007
SECOND QUARTER AND FIRST-HALF OPERATING RESULTS**

Second Quarter Financial Highlights:

- Net Income Climbs 18 Percent to \$2.6 Million From \$2.2 Million in Fiscal 2006 Like Period
- EPS Reach \$0.18 Versus \$0.15 One Year Earlier
- Gross Margin Totals \$9.2 Million Against \$8.6 Million Last Year
- Operating Income Increases 22 Percent--\$4.4 Million Versus \$3.6 Million
- Net Revenues Advance to \$69.2 Million from \$67.4 Million
- Book Value Per Common Share Hits \$5.58, Up 67 Percent From Two Years Earlier

Six-Month Financial Highlights:

- Net Income Leaps to \$3.9 Million, a 157 Percent Increase from \$1.5 Million Last Year
- EPS Total \$0.27 Versus \$0.11 in Fiscal 2006 First Half
- Sales Climb Seven Percent to \$126.5 Million from \$118.0 Million
- Gross Margin Jumps 35 Percent to \$16.2 Million from \$12.0 Million
- Operating Income Soars 162 Percent: \$6.7 Million Versus \$2.6 Million

SANTA PAULA, Calif. (June 5, 2007)—Calavo Growers, Inc. (Nasdaq-GM: CVGW) today reported record net income for the fiscal 2007 second quarter on slightly higher year-over-year sales. The company, the global leader in packing and marketing fresh and processed avocados and other perishable food products, announced that gross margin, operating income and per-share results also reached second-period historic highs.

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For the three months ended April 30, 2007, net income increased 18 percent to \$2.6 million, equal to \$0.18 per share, from \$2.2 million, or \$0.15 per share, in last year's second quarter. Net revenues in the most recent period advanced to \$69.2 million, an increase of three percent from \$67.4 million in the corresponding quarter one year ago, on the strength of higher sales related to non-California sourced fresh fruit and processed products.

As a result of this and improved operating efficiencies, second quarter gross margin rose to \$9.2 million, an increase of seven percent from \$8.6 million in the like period of fiscal 2006. Operating income climbed 22 percent from \$3.6 million in last year's second quarter to more than \$4.4 million in the most recent period.

Net income for the six months ended April 30, 2007 surged 157 percent to \$3.9 million, or \$0.27 per share, from \$1.5 million, equal to \$0.11 per share in last year's first half. Net revenues for the initial six months of fiscal 2007 jumped \$8.5 million, equal to seven percent, to \$126.5 million from \$118.0 million in the year earlier corresponding period.

"Calavo's record second quarter and year-to-date results are indicative of solid execution across all aspects of our operations," said Chairman, President and Chief Executive Officer Lee E. Cole, "and are underscored by significant advances as measured by virtually every key financial yardstick. This strong performance is the result of rigorous evaluation of our various businesses over the past two years by our management team. There is no greater validation for these initiatives than the company's accelerating results."

As further indication, Cole pointed to the company's gross margin for the fiscal 2007 first half, which climbed 35 percent to a record \$16.2 million from \$12.0 million in the corresponding period last year. Operating income in the initial six months leaped to \$6.7 million, a 162 percent increase from \$2.6 million posted in the first half of fiscal 2006.

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Cole continued: “We are enormously gratified by such truly impressive results, but continue to push forward aggressively implementing our business plan with as much discipline as ever and offer our focus on cost containment as case-in-point.”

Cole stated that even as revenues and profit advanced in the second quarter, Calavo trimmed general and administrative expense by approximately \$0.2 million, dropping to \$4.8 million from \$5.0 million in the like 2006 period.

Balance Sheet: “Never Stronger”

Commenting on the company’s financial condition, Cole stated that Calavo’s balance sheet has “never been stronger. We are, as well, in the enviable position of having a flexible balance sheet with ample capacity for leverage at our disposal either for reinvestment in our businesses or opportunistic acquisitions should they emerge.”

Most notably, Cole singled out the sharp increase in shareholders’ equity—which stood at \$79.7 million at April 30, 2006, up from \$63.3 million one year earlier—as both further indication of the balance sheet strength and Calavo’s commitment to share-value creation.

“By the most recent figure, this translates to per share net book value of approximately \$5.58 versus \$4.43 at April 30, 2006, and up 67 percent from \$3.34 two years ago,” said Cole. “A principal factor for this increase is unrealized stock gains from Calavo’s equity ownership in Limoneira Company acquired in June 2005, as well as retained earnings inflows resulting from our sustained and solid profitability over this same period.”

Looking Ahead: Second Half Fiscal 2007

Regarding the outlook for the second half of this year, Cole said the company remains “positive, yet is mindful of market conditions that could pose

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challenges during the balance of 2007.

“Specifically, we anticipate that our processed products business may experience some effect on gross margins resulting from higher fruit costs,” the Calavo CEO stated. “With respect to fresh avocados, the third quarter represents the peak harvest and packing period for California fruit. However, this year’s cyclically smaller California crop, further reduced by January’s frost, will at least partially be offset with additional pounds of fresh avocados from our international sources during the third and fourth quarters. “

Cole continued, “Each of these factors could have impact on our second half results and we are taking nothing for granted and will make adjustments to our businesses continuously in response. We are confident about our ability to supply ample fresh avocados to the marketplace.”

“The company’s diversified fresh products have performed well and are expected to continue contributing to profitability during the balance of fiscal 2007. The current year has gotten off to the best start in Calavo’s 80-plus year history and we believe this bodes well not just for fiscal 2007, but beyond,” Cole concluded.

About Calavo

Calavo Growers, Inc. is a worldwide leader in the procurement and marketing of fresh avocados and other perishable foods, as well as the manufacturing and distribution of processed avocado products. Founded in 1924, Calavo’s expertise in marketing and distributing avocados, processed avocados, and other perishable foods allows the company to deliver a wide array of fresh and processed food products to food distributors, produce wholesalers, supermarkets, and restaurants on a global basis.

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Safe Harbor Statement

This news release contains statements relating to future events and results of Calavo (including certain projections and business trends) that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Actual results and events may differ from those projected as a result of certain risks and uncertainties. These risks and uncertainties include but are not limited to: increased competition, conducting substantial amounts of business internationally, pricing pressures on agricultural products, adverse weather and growing conditions confronting avocado growers, new governmental regulations, as well as other risks and uncertainties detailed from time to time in the company’s Securities and Exchange Commission filings, including, without limitation, the company’s Report on Form 10-K for the year ended October 31, 2006. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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CALAVO GROWERS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
(All amounts in thousands, except per share amounts)

	<u>April 30,</u> <u>2007</u>	<u>October 31,</u> <u>2006</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,568	\$ 50
Accounts receivable, net of allowances of \$2,396 (2007) and \$1,833 (2006)	29,114	24,202
Inventories, net.....	14,962	10,569
Prepaid expenses and other current assets	5,969	4,934
Advances to suppliers	5,966	1,406
Income tax receivable	—	2,268
Deferred income taxes	<u>2,348</u>	<u>2,348</u>
Total current assets	59,927	45,777
Property, plant, and equipment, net	21,031	19,908
Investment in Limoneira	57,043	33,879
Investment in Maui Fresh, LLC	338	229
Goodwill	3,591	3,591
Other assets	<u>3,784</u>	<u>4,110</u>
	<u>\$145,714</u>	<u>\$107,494</u>
Liabilities and shareholders' equity		
Current liabilities:		
Payable to growers	\$ 6,715	\$ 6,334
Trade accounts payable	2,222	4,046
Accrued expenses	22,803	13,689
Income tax payable	114	—
Short-term borrowings	6,250	3,804
Dividend payable	—	4,573
Current portion of long-term obligations	<u>1,308</u>	<u>1,308</u>
Total current liabilities	39,412	33,754
Long-term liabilities:		
Long-term obligations, less current portion	13,406	10,406
Deferred income taxes	<u>13,188</u>	<u>4,391</u>
Total long-term liabilities.....	26,594	14,797
Commitments and contingencies		
Total shareholders' equity.....	<u>79,708</u>	<u>58,943</u>
	<u>\$145,714</u>	<u>\$107,494</u>

CALAVO GROWERS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
(All amounts in thousands, except per share amounts)

	Three months ended		Six months ended	
	April 30,		April 30,	
	2007	2006	2007	2006
Net sales	\$ 69,184	\$ 67,429	\$ 126,477	\$ 118,076
Cost of sales	<u>59,993</u>	<u>58,834</u>	<u>110,318</u>	<u>106,109</u>
Gross margin	9,191	8,595	16,159	11,967
Selling, general and administrative	<u>4,812</u>	<u>4,997</u>	<u>9,443</u>	<u>9,403</u>
Operating income	4,379	3,598	6,716	2,564
Other income (expense), net.....	<u>(137)</u>	<u>10</u>	<u>(293)</u>	<u>(65)</u>
Income before provision for income taxes	4,242	3,608	6,423	2,499
Provision for income taxes	<u>1,655</u>	<u>1,419</u>	<u>2,505</u>	<u>975</u>
Net income	<u>\$ 2,587</u>	<u>\$ 2,189</u>	<u>\$ 3,918</u>	<u>\$ 1,524</u>
Net income per share:				
Basic	<u>\$ 0.18</u>	<u>\$ 0.15</u>	<u>\$ 0.27</u>	<u>\$ 0.11</u>
Diluted.....	<u>\$ 0.18</u>	<u>\$ 0.15</u>	<u>\$ 0.27</u>	<u>\$ 0.11</u>
Number of shares used in per share computation:				
Basic	<u>14,294</u>	<u>14,282</u>	<u>14,294</u>	<u>14,317</u>
Diluted.....	<u>14,398</u>	<u>14,343</u>	<u>14,380</u>	<u>14,374</u>