

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

Contact: Calavo Growers, Inc.
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**CALAVO GROWERS, INC. POSTS RECORD
FISCAL 2009 FIRST QUARTER RESULTS**

First Quarter Highlights Include:

- **Net Income Advances 498 Percent to \$4.4 million from \$732,000—New High for Any Quarter in Company History**
 - **Earnings Per Share of 30 Cents Versus 5 Cents in Fiscal 2008 Also Set All-Time High**
 - **Gross Margin Climbs to \$12.5 Million, Also Representing an All-Time Quarterly High**
 - **Global Sourcing Initiative Provides Key to Strong Margin Growth**
 - **Company Moves Higher Volumes of All Fresh Products Year-Over-Year**
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SANTA PAULA, Calif. (March 3, 2009)—Calavo Growers, Inc. (Nasdaq-GM: CVGW) today reported the highest quarterly profits for any three-month period in company history in the first quarter of fiscal 2009, with net income up 498 percent from the corresponding period one year ago. Results reflect higher gross margins due primarily to “the disciplined implementation of Calavo’s strategic business agenda which has contributed to significant operating efficiencies,” noted the company, a global leader in avocado marketing and an expanding provider of other fresh perishable produce items.

For the three months ended January 31, 2009, net income totaled \$4.4 million, or \$0.30 per diluted share, compared with \$732,000, or \$0.05 per diluted share in the like period one year earlier. The new all-time high for net income and per share results eclipse the previous record established in the immediately preceding fourth quarter of fiscal 2008. First quarter revenues were \$70.6 million, a slight decrease of 2.2 percent from \$72.2 million in the prior year. Gross margin for the quarter was \$12.5 million, or 17.6 percent of revenues, more than double the \$6.0 million last year, or 8.3 percent of revenues.

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Revenues of Fresh Products in the quarter were \$60.2 million, approximately 2.6 percent less than \$61.8 million in the fiscal 2008 quarter. Despite the modest decrease in segment revenue as a result of lower unit prices, gross profit rose 156 percent to \$8.8 million from the previous year's \$3.4 million due primarily to an increase of 24 percent in total units sold, favorable costs and a broader product mix. Gross margin as a percentage of Fresh Product sales recorded an increase to 14.6 percent from 5.6 percent one year earlier.

Processed Product segment revenues totaled \$10.5 million in the first quarters of fiscal 2009 and 2008. However, segment gross profit in the current quarter rose 41 percent to \$3.7 million from \$2.6 million in the same months a year ago. As a percent of Processed Product sales, gross margin also showed substantial improvement to 35.0 percent from 24.8 percent last year.

Chairman, President and CEO Lee E. Cole commented: "Calavo's year is off to a formidable start. I am gratified to report that our company, with its focus trained squarely on profitability, posted the most robust profits for any quarter in company history. As point of note, fiscal 2009 first quarter net income alone exceeded Calavo earnings in the initial nine months of fiscal 2008 by approximately \$650,000, or 4 cents per share."

The Calavo CEO continued, "Historically, our first fiscal quarter is usually our smallest on a seasonal basis. The development of our global sourcing strategy is altering this model allowing us to profit from Calavo's infrastructure on a more consistent basis. In addition, unit volumes of all our fresh products—avocados, tomatoes, pineapples, papayas and mushrooms—continued to grow.

"In this challenging environment our strategic business plan is serving us well. We have developed a powerful, extensive and highly efficient platform, which enables us to drive increasing amounts of fresh produce through our system," Cole said.

Cole noted that the Processed Products segment was able to maintain "stable revenues, substantially higher profits and strong margin improvement,"

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reflecting solid pricing and a more profitable product and customer mix.

Selling, general and administrative expenses (SG&A) were \$5.3 million, compared with \$4.8 million in the prior year. “SG&A was in line with plan,” Cole stated, “and we remain dedicated as a management team to further maximizing our operating efficiencies and to wringing costs out of the system wherever possible.”

According to Calavo’s CEO, the company’s balance sheet remains strong and liquid with the availability of untapped borrowing potential. He added: “As we have stated previously, we are always alert to potential acquisition opportunities and investments that fit with our strategic plan and meet our rigorous criteria to deliver immediate accretive earnings. Should the right opportunity present itself, we will be prepared to move decisively. We are committed to being prudent stewards of our corporate resources.”

Looking Ahead: The Outlook Going Forward

“I believe it is very much a tribute to our management team and our adherence to our proven business strategies that we were able to post historically high profits during one of the most severe and painful periods of economic decline in the past 100 years. Navigating these turbulent waters is highly challenging, and the environment will continue to present us with a multitude of uncertainties and cross-currents.

“However, the fiscal year is off to an excellent start, and we see the potential for further gains ahead. Our global sourcing capability and unit driven business model remains fundamental to our ability to operate effectively under a variety of market conditions. Calavo’s growth programs are in place and working well, and we believe our business will continue to grow even in the current difficult economic environment.

“Our business strategy targets adding incremental revenue and profits without the burden of substantial new overhead or significant capital

expenditures. We intend to stay the course and despite the present economic challenges, I remain confident and enthusiastic regarding our prospects for a highly successful year in fiscal 2009.”

About Calavo Growers, Inc.

Calavo Growers, Inc. is the 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 products enables it to serve food distributors, produce wholesalers, supermarkets and restaurants on a global basis.

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 Annual Report on Form 10-K for the year ended October 31, 2008. 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 BALANCE SHEETS (in thousands, except share amounts)

	January 31, <u>2009</u>	October 31, <u>2008</u>
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 1,385	\$ 1,509
Accounts receivable, net of allowances of \$2,315 (2009) and \$2,213 (2008)	28,175	27,717
Inventories, net.....	13,425	14,889
Prepaid expenses and other current assets.....	5,344	5,155
Advances to suppliers	5,712	2,927
Income taxes receivable	—	992
Deferred income taxes	<u>1,826</u>	<u>1,826</u>
Total current assets.....	55,867	55,015
Property, plant, and equipment, net	37,849	37,709
Investment in Limoneira	27,657	29,904
Investment in Maui Fresh, LLC	778	682
Goodwill	3,591	3,591
Other assets	<u>7,660</u>	<u>7,785</u>
	<u>\$133,402</u>	<u>\$134,686</u>
Liabilities and shareholders' equity		
Current liabilities:		
Payable to growers	\$ 572	\$ 2,392
Trade accounts payable	2,576	4,567
Accrued expenses.....	19,490	16,104
Income tax payable	1,618	—
Short-term borrowings	10,510	10,130
Dividend payable	—	5,047
Current portion of long-term obligations	<u>1,363</u>	<u>1,362</u>
Total current liabilities	36,129	39,602
Long-term liabilities:		
Long-term obligations, less current portion	25,356	25,351
Deferred income taxes	<u>3,346</u>	<u>4,216</u>
Total long-term liabilities.....	28,702	29,567
Total shareholders' equity.....	<u>68,571</u>	<u>65,517</u>
	<u>\$133,402</u>	<u>\$134,686</u>

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

	Three months ended January 31,	
	2009	2008
Net sales	\$ 70,647	\$ 72,241
Cost of sales	<u>58,188</u>	<u>66,212</u>
Gross margin	12,459	6,029
Selling, general and administrative	<u>5,300</u>	<u>4,750</u>
Operating income	7,159	1,279
Interest expense	(326)	(348)
Other income, net	<u>255</u>	<u>261</u>
Income before provision for income taxes	7,088	1,192
Provision for income taxes	<u>2,708</u>	<u>460</u>
Net income	<u>\$ 4,380</u>	<u>\$ 732</u>
Net income per share:		
Basic	<u>\$ 0.30</u>	<u>\$ 0.05</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.05</u>
Number of shares used in per share computation:		
Basic	<u>14,419</u>	<u>14,375</u>
Diluted	<u>14,429</u>	<u>14,503</u>

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CALAVO GROWERS, INC.
NET SALES AND GROSS MARGIN BY BUSINESS SEGMENT
(in thousands)

	<u>Fresh products</u>	<u>Processed products</u>	<u>Total</u>
(All amounts are presented in thousands)			
Three months ended January 31, 2009			
Net sales	\$ 60,159	\$10,488	\$ 70,647
Cost of sales	<u>51,370</u>	<u>6,818</u>	<u>58,188</u>
Gross margin	<u>\$ 8,789</u>	<u>\$ 3,670</u>	<u>\$ 12,459</u>
Three months ended January 31, 2008			
Net sales	\$61,760	\$10,481	\$ 72,241
Cost of sales	<u>58,329</u>	<u>7,883</u>	<u>66,212</u>
Gross margin	<u>\$ 3,431</u>	<u>\$ 2,598</u>	<u>\$ 6,029</u>