

# LIMONEIRA

SINCE 1893



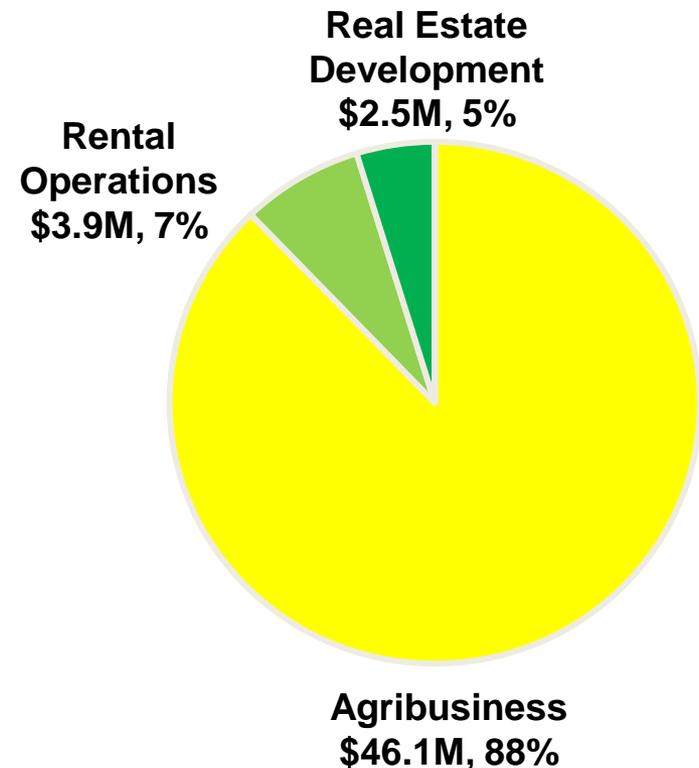
# Cautionary Statement

*The following information and the statements made during this presentation contain forward-looking statements. These forward-looking statements are based on Management's current expectations and beliefs, as well as a number of assumptions concerning future events. Forward-looking statements include information concerning our possible or assumed future results of operations, weather-related phenomena, pricing and supply of raw materials, industry environment, business strategies, financing plans for land development activities, the effects of regulation, and labor disruptions. These statements are subject to known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside Management's control, that could cause actual results to differ materially from the results discussed in the forward-looking statements including those set forth under the heading "Risk Factors" in the Company's filings with the Securities and Exchange Commission (SEC). All forward-looking statements in this presentation speak only as of the date of this presentation. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements. This document may also contain non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP financial measures presented in this document see the Appendix to this presentation.*

# Company Overview

- We are in three businesses: agribusiness, real estate development, and rental operations
- Leading national agribusiness founded in 1893
  - One of the largest growers and marketers of lemons in US
  - Largest grower of avocados in US
  - Focused on expanding agribusiness globally
  - Dedicated to food safety, innovation and sustainability
- Diversified operating income business model
- Approximately 7,850 acres of rich agricultural lands, valuable real estate, and water rights in California
  - Focused on maximizing value of real estate and water assets

**FY 2011 Sales by Segment**



# Investment Highlights

- Long-term growth opportunities in diverse agricultural product offerings (lemons, avocados, oranges, and other specialty crops)
  - Leverage status as one of the low-cost producers and largest direct marketers of lemons in the US
  - Benefit from continued growth of the avocado industry
- Property assets uniquely situated for agricultural productivity and/or residential and commercial real estate development
- Solid track record of agricultural and real estate investments and a strong pipeline of land use development opportunities
- Sustainability focused with solar energy, water management, and environmental improvements
- High barriers to entry
- Experienced management team

# Experienced Management

## **Harold Edwards**

President & Chief Executive Officer

- Joined Limoneira in 2004
- 22 years of industry and senior management experience, including Puritan Medical Products, a division of Airgas Inc., Fisher Scientific International, Inc., Cargill, Inc., Agribrands International, the Ralston Purina Company, and Mission Produce, Inc.
- Member of the board of directors of Compass Diversified Holdings (NYSE: CODI) and Calavo Growers, Inc. (NASDAQ: CVGW)

## **Alex Teague**

Senior Vice President

- Joined Limoneira in 2004
- 35 years of experience with 23 years in senior management, including McKeveitt Corporation, Sunkist Growers Inc., Royal Citrus Company, Tulare County Lemon Association, Mayflower-TCLA-Blue Anchor Inc., FF Gonzales Farms, and Santa Paula Distributors
- Member of the board of directors of Ventura County Workforce Investment Board, Ventura County Community Foundation, Farm Worker Housing, Salinas Land Company, and California Orchard Company

## **Joseph Rumley**

Chief Financial Officer

- Joined Limoneira in June 2010
- 25 years of public and private accounting management experience
- Served as Audit Partner at McGladrey & Pullen LLP and at Grant Thornton LLP, and as Audit Director at Deloitte & Touche LLP
- Served as Vice President, Finance for two privately held companies

# Limoneira Key Drivers Of Growth

## Agriculture



- Expand domestic and international production and marketing of crops
- Acquire additional agri-properties and / or secure supply relationships to source more fruit
- Increase volume and efficiencies of citrus packing operations
- Increase control of marketing and distribution
- Maintain and grow relationship with Calavo

## Real Estate



- One of the largest landowners in Ventura County
- Highly desirable locale; close proximity to beach and major metropolitan area with attractive year round climate
- Real estate portfolio with abundant access to water
- Selective and responsible development and realization of long term value of real estate assets

## Energy, Waste & Water



- Opportunity to expand investments in clean energy for the betterment of Limoneira's agribusiness and real estate development investments
- Opportunity to expand organic recycling operations throughout California
- Opportunity to increase yields through improved farming and water extraction technologies
- Opportunity to monetize excess water resources without selling assets through water leases

## Rental Properties



- Acquire additional income producing residential, commercial, and industrial real estate
- Opportunistically lease land to third party crop farmers
- Opportunistically lease land to build-to-suit residential, commercial and light-industrial builder partners
- Long history of favorable occupancy rates
- Stable operating cash flows

***Synergistic Operations***

# Significant Asset Base

As of Fiscal Year Ended October 31, 2011      FMV      Net Book Value

|   |                      |   |                       |   |
|---|----------------------|---|-----------------------|---|
| <ul style="list-style-type: none"> <li>▪ Agricultural assets <sup>(1)</sup> <ul style="list-style-type: none"> <li>▪ Ventura County (3,684 acres)</li> <li>▪ Tulare County (1,660 acres)</li> </ul> </li> </ul>             | \$XXXM<br>\$XXXM     | <div style="border: 1px solid black; padding: 5px; width: fit-content;">             Current median/mean range for agricultural land transactions in Ventura County is \$62K to \$92K/acre; Tulare County is \$22K to \$27K/acre<sup>(4)</sup> </div> | \$30.2M<br>\$11.6M    | <div style="border: 1px solid black; padding: 5px; width: fit-content;">             Net book value for Limoneira's agricultural land in Ventura County is \$8K/acre; Tulare County is \$7K/acre           </div> |
| <ul style="list-style-type: none"> <li>▪ Real estate development assets <sup>(2)</sup> <ul style="list-style-type: none"> <li>▪ East Area I – Residential<sup>(3)</sup></li> <li>▪ Other Real Estate</li> </ul> </li> </ul> | \$XXXM<br>\$XXXM     | <div style="border: 1px solid black; padding: 5px; width: fit-content;">             See page 23 for details           </div>   | \$44.4M<br>\$28.2M    | <div style="border: 1px solid black; padding: 5px; width: fit-content;">             Net book value for the East Area I project is \$29K per unit or \$43M           </div>                                       |
| <ul style="list-style-type: none"> <li>▪ Rental assets</li> </ul>   | \$XXXM               |   | \$7.4M                |   |
| <ul style="list-style-type: none"> <li>▪ Water investments</li> </ul>   | \$XXXM               |   | \$3.0M                |   |
| <ul style="list-style-type: none"> <li>▪ Calavo investment</li> </ul>   | \$15.0M              |   | \$15.0M               |   |
| <ul style="list-style-type: none"> <li>▪ Less associated debt</li> </ul>  | (\$82.9M)            |   | (\$82.9M)             |   |
| <ul style="list-style-type: none"> <li>▪ <b><u>Net Asset Value</u></b></li> </ul>   | <b><u>\$XXXM</u></b> |   | <b><u>\$56.9M</u></b> |   |

(1) Includes land, buildings and orchards

(2) Excludes agricultural assets

(3) In addition to residential, the Company estimates it will generate positive net cash benefits from commercial and light industrial development in East Area I

(4) Per county assessor records from Q1 2008 – Q3 2011

# Agriculture Real Estate

| Ranch Name                 | Acres        | Book Value          | Acquisition Date | Book Value per Acre |
|----------------------------|--------------|---------------------|------------------|---------------------|
| Limoneira/Olivelands Ranch | 1,744        | \$767,000           | 1907, 1913, 1920 | \$440               |
| Orchard Farm Ranch         | 1,119        | \$3,240,000         | 1920             | \$2,895             |
| La Campana Ranch           | 324          | \$758,000           | 1964             | \$2,340             |
| Teague McKeveitt Ranch     | 460          | \$8,253,000         | 1994             | \$17,941            |
| Rancho La Cuesta Ranch     | 222          | \$2,899,000         | 1994             | \$13,059            |
| Porterville Ranch          | 669          | \$6,427,000         | 1997             | \$9,607             |
| Ducor Ranch                | 890          | \$6,064,000         | 1997             | \$6,813             |
| Wilson Ranch               | 52           | \$1,100,000         | 2001             | \$21,154            |
| Jencks Ranch               | 101          | \$846,000           | 2007             | \$8,376             |
| Other agribusiness land    | 223          | \$296,000           | 1963, 1998, 2008 | \$1,327             |
| <b>Total</b>               | <b>5,804</b> | <b>\$30,650,000</b> |                  |                     |

**Average book value per acre**

**\$5,280**

# Limoneira Operations

## Districts

- D1 - San Joaquin Valley
- D2 - Ventura / Santa Barbara
- D3 - California / Arizona Desert

## Marketing Window

- D1 - October - March
- D2 - March - August
- D3 - June - September

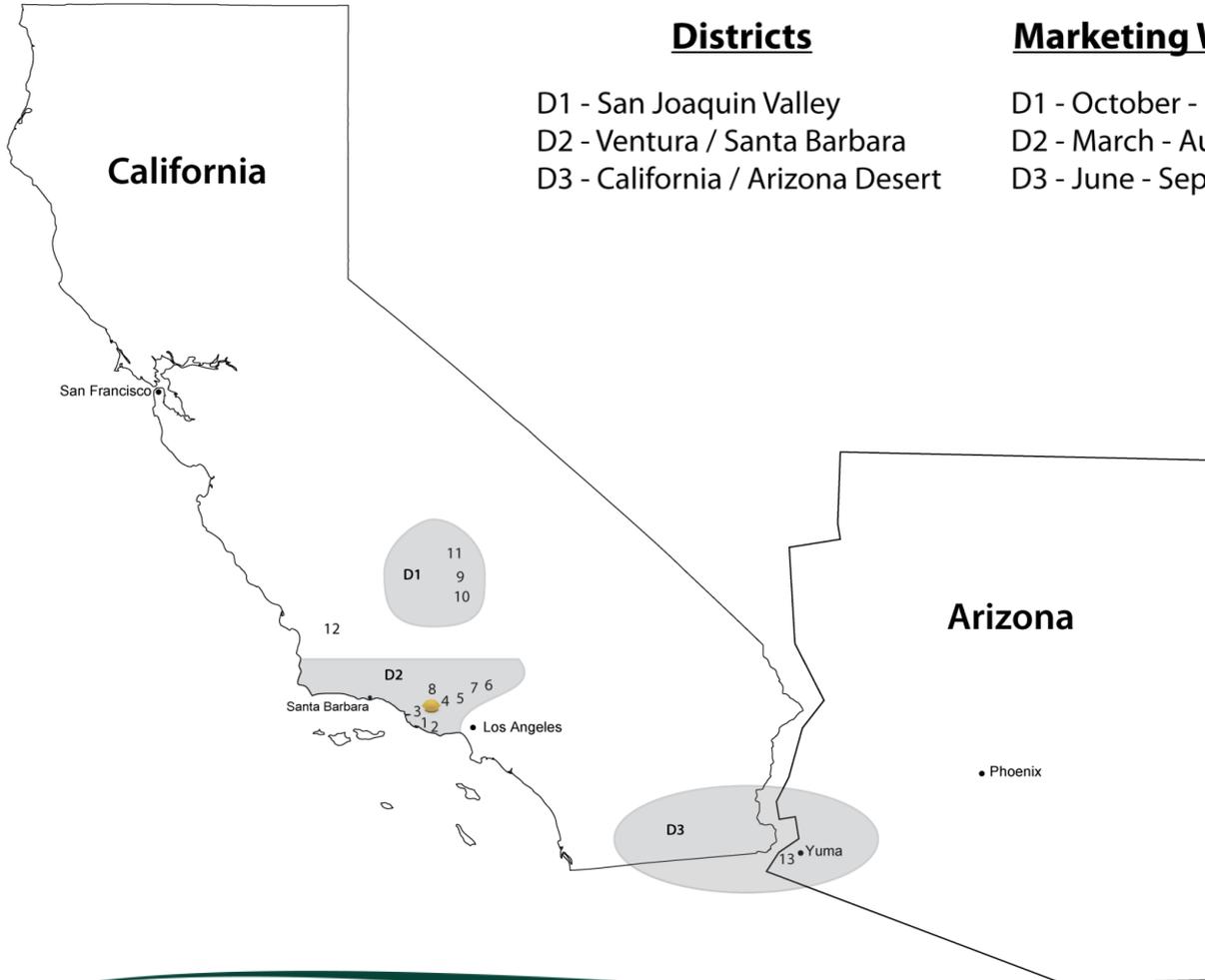
## Map Key



### Other Limoneira Ranch Operations

- 1 - Limco Del Mar
- 2 - Orchard Farm
- 3 - Oliveland
- 4 - Teague McKeve
- 5 - San Cayetano
- 6 - La Campana
- 7 - Wilson Ranch
- 8 - Rancho La Cuesta
- 9 - Ducor Ranch
- 10 - Porterville Ranch
- 11 - Sheldon Ranches
- 12 - Windfall Farms

- 
- 13 - Associated Citrus Packers - Packing Arrangement



# Agribusiness Overview

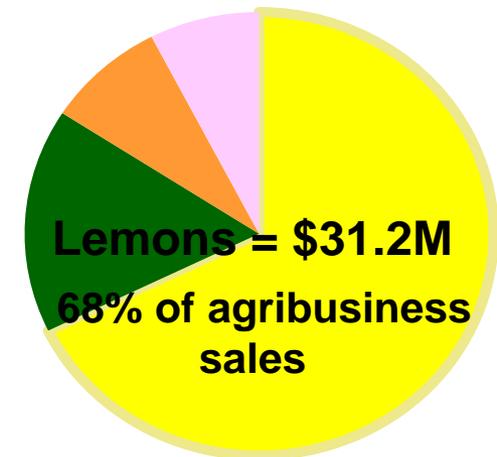
- Significant land ownership ~90% is used for agricultural plantings, including:
  - 1,870 acres of lemons
  - 1,250 acres of avocados
  - 1,700 acres of oranges
  - 690 acres of specialty and other crops
- High percentage of fresh utilization
- Significant water rights
- Well trained and retentive labor force
- GLOBALGAP Certification



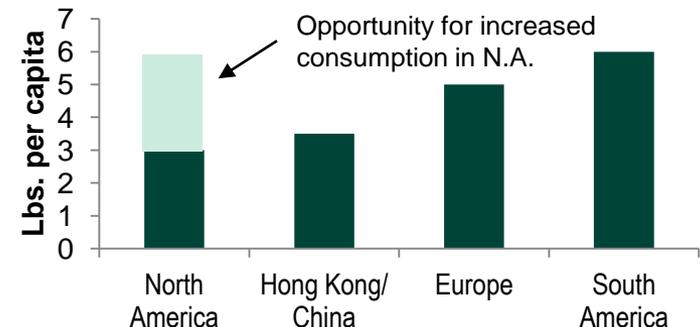
# Lemons

- US fresh lemon market = approx. \$485M
- Significant opportunity for growth in the large global lemon market (approx \$1.9B)
  - On average, ~ 15% of Limoneira sales are currently international, including sales to domestic exporters (*Less than 1% of the international market opportunity*)
- Limoneira represents approx. 4% of fresh lemon market in US and approx. 12% of US lemon export market
- Average industry fresh utilization is 50-70%
  - Limoneira FY2011 fresh utilization of 70%
  - Opportunities for increase in fresh utilization exist
- Seamlessly implemented direct marketing & selling strategy beginning November 2010
- Pricing based on global supply/demand
  - Five-year annual average per carton prices range from \$15.44 to \$27.15. Fiscal year 2011 prices averaged \$15.44.
- Emerging markets represent significant opportunity for increased per capita consumption

## FY 2011 Agribusiness Sales by Category



## Lemon per Capita Consumption<sup>(1)</sup>

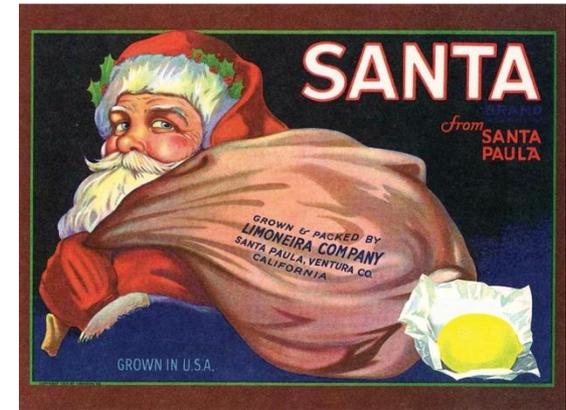


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# Lemons – New Direct Marketing & Sales Strategy

- Seamlessly implemented new strategy of marketing and selling lemons directly to foodservice, wholesale, and retail customers around the world beginning November 1, 2010
- Several of the Company's 18 lemon brands have had high awareness among trade customers for many years
- Complete “tree to customer” chain
  - New vertically integrated business model expected to improve operating efficiencies
- Improved connection to customers
  - Have grown customer base to ~80 since implementation of direct marketing strategy
- Increased fresh utilization
- Continue to enhance Limoneira brand awareness
- 10 year growth plan: Grow from 2 million to 10 million cartons sold

## Select Limoneira Lemon Brands



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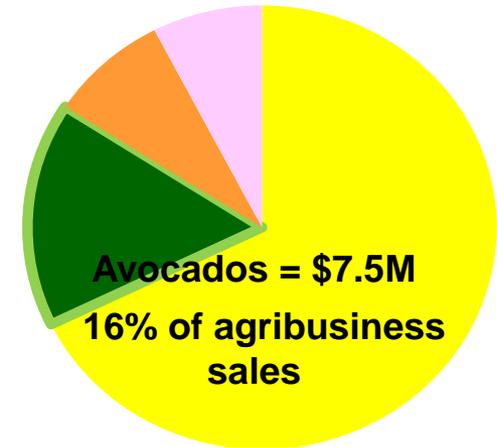
# Select Customers and End Users



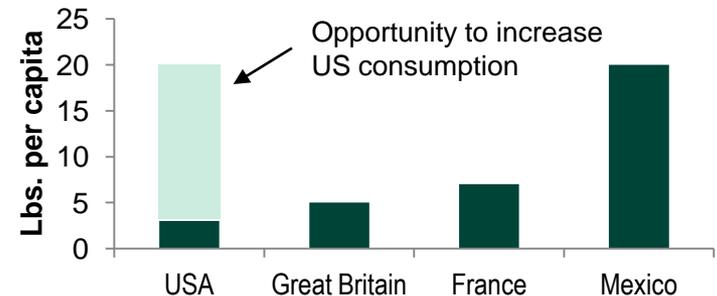
# Avocados

- US fresh avocado market
  - Consumer Market: \$3.0B
  - Producer Market: \$1.3B
- Focused on Hass variety due to superior eating quality; 98% Hass
- Grown year round, with peak production between February and September
- Sold to Calavo Growers (Nasdaq: CVGW) since 2005
- Production volatility due to alternate bearing nature of avocado production
  - Annual production has ranged from 2.4 M lbs to 17.7 M lbs over the past five years
  - Production volatility has resulted in average annual prices ranging from \$0.54 to \$1.60 over that time period. Fiscal year 2011 prices averaged \$1.60 per lb.
- Total avocado consumption in the US has increased more than 100% over the past decade

## FY 2011 Agribusiness Sales by Category



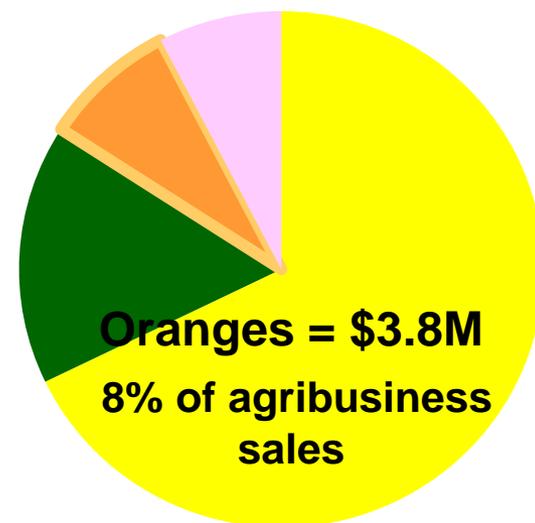
## Avocado per Capita Consumption



# Oranges

- US orange market = approx. \$2.8B
- Navel variety grown October to June, with peak production occurring January to April; 81% of production
- Valencia variety grown March to October, with peak production occurring June to September; 19% of production
- Marketed and sold by Sunkist and Sun Pacific
  - 70% to retail
  - 30% to food service industry
- Outside packing houses process and ship
- Opportunity to vertically integrate orange business exists

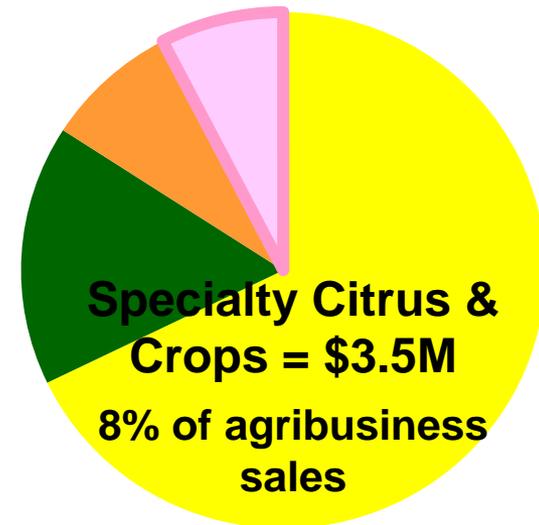
FY 2011 Agribusiness Sales  
by Category



# Specialty Citrus and Crops

- Specialty citrus
  - Pummelos, Moro blood oranges, Cara Cara oranges, Satsuma mandarins, Minneola tangelos, and Star Ruby grapefruit
    - Marketed and sold under Sunkist brand
    - Outside packing houses process and ship
  - Sweet Meyer lemons, proprietary seedless lemons, and pink variegated lemons
    - Packed and shipped by Limoneira
- Specialty crops
  - Pistachios and cherries
  - Outside packing houses process and ship

FY 2011 Agribusiness Sales  
by Category



# Highly Efficient Packing Operations

- Most experienced continuous lemon packing operation in North America
  - Graded, sized, packed, cooled, and ripened
- Annual capacity of 4 million cartons; current utilization at 50%
- Pack Limoneira lemons, as well as lemons grown by others
- Committed to innovation
  - High percentage of electricity usage is solar powered
  - Significant economic benefits
- Focused on optimizing fresh utilization and procuring larger percentage of California lemon crop

**Packing House, Cold Storage, & Solar Field Located in Santa Paula, CA**



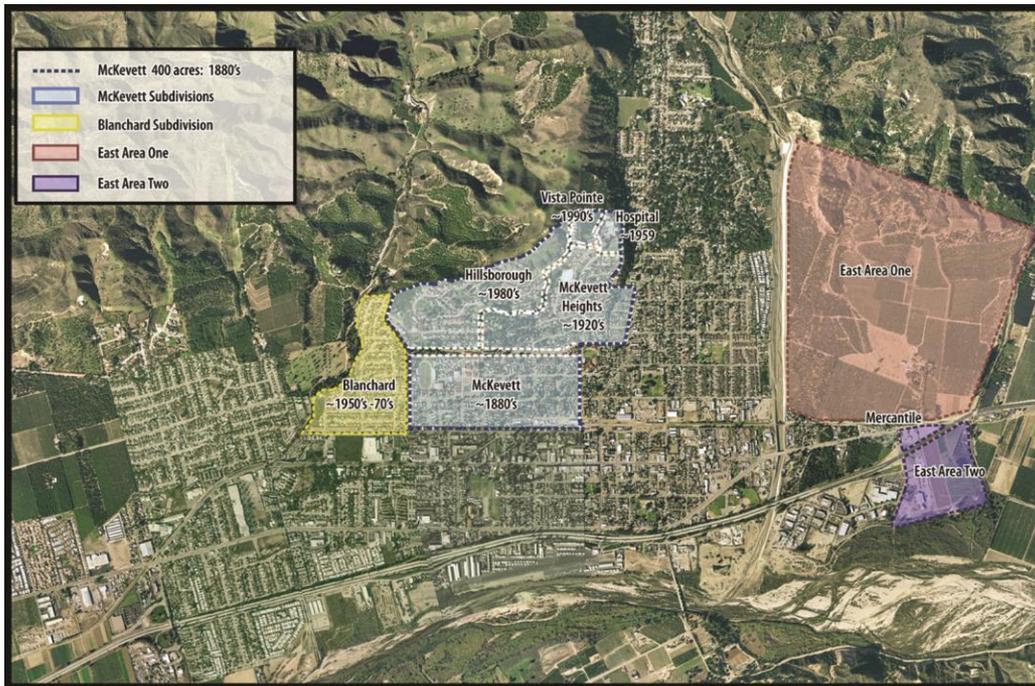
# Real Estate Development

- Approximately \$90M in capitalized investments since 2004
- Developable land parcels, single and multi family housing and commercial buildings
- Primarily located in desirable coastal areas
- 2,000 housing units in various stages of planning and development

| PROPERTY       | LOCATION          | PROFILE  | TOTAL INVESTMENT |
|----------------|-------------------|--|------------------|
| East Area I    | Santa Paula, CA   | 1,500 residential units,<br>250,000 sf commercial and<br>150,000 sf light industrial | \$36.0M          |
| East Area II   | Santa Paula, CA   | 250,000 sf commercial  | -                |
| Windfall Farms | Creston, CA       | 760 acres, sub-dividable<br>into 76 10-acre vineyard<br>estate parcels               | \$18.9M          |
| Santa Maria    | Santa Barbara, CA | 4 parcels - 450 apartment<br>units and ~120 single<br>family homes                   | \$25.0M          |

# A History of Development within Santa Paula

## Limoneira Development in Santa Paula



- The Company has deep roots in the Santa Paula Community dating back to 1893
- Over the years, the Company has demonstrated a long history of successful development within Santa Paula
  - 1880s: McKevett
  - 1920s: McKevett Heights
  - 1950-70s: Blanchard neighborhoods
  - 1980s: Hillsborough
  - 1990s: Vista Pointe
- The East Area I & II projects represent a continuation of Limoneira's leadership within the community

# Santa Paula – East Area I & II – Desirable Location

## ■ Desirable Residential Location:

- Located in Ventura County
- 14 miles from Pacific Coast
- 65 miles from Los Angeles
- Easy access to several major highways and other transportation hubs

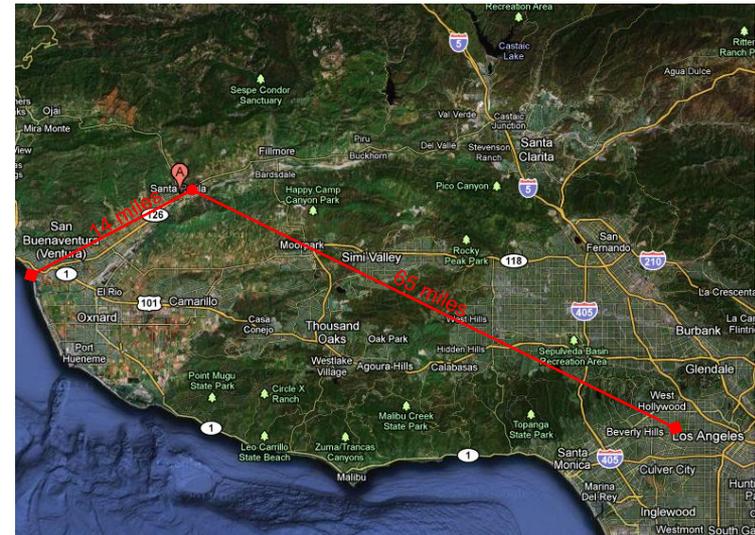


## ■ Ideal Climate:

- Average year-round daytime high of approximately 75 degrees
- Average annual rainfall of about 14 in.

## ■ Abundant supply of water

## ■ Santa Paula referred to as the “Citrus Capital of the World”



# East Area I & II

- 548 acres for master planned community of commercial and residential properties
  - 25 acres of land commercially zoned
- Received local and government approval in 2008
  - Entitlements to build approx 1,500 residential units, 500,000 sq. ft. of commercial space, and 150,000 sq. ft. of light industrial space
  - Anticipate construction to commence in 2013, pending market conditions
- March 16, 2011: LAFCo approved annexation of East Area I
- Annexation anticipated Summer 2012



# East Area I – Next Steps

- Limoneira beginning tract mapping phase of the project
- Intend to develop land with financial and development partners, outside consultants, and Limoneira's resources
- Intend to sell developed lots to homebuilders
- Committed to ensuring the best quality of life for Santa Paula residents
  - Homes of varying size
  - New schools and education facilities, civic facilities, sports parks, open space preserves
- Mindful of economic conditions
  - Intend to develop at a speed appropriate for the times and are prepared to continue to use EA I land for agricultural purposes until we see attractive development conditions

# East Area I & II

## Key Points to Evaluate East Area I Potential Value...

Management estimates as follows:<sup>(1)</sup>

- Average selling price of ~\$500,000 x 1,500 units = \$750M
- Finished lot value = ~35% to 45% of sale price
  - 35% = \$260M; 45% = \$340M
- Cost to develop finished lots = ~\$150M
- Undiscounted residential cash benefit = \$110M to \$190M
- *Plus* Commercial = 500,000 sq. ft
- *Plus* Light Industrial = 150,000 sq. ft



***Robust Opportunity for Increased Cash Flow for LMNR***

(1) The following amounts are estimates only and are subject to a broad variety of variables including, among others, prevailing interest rates, market conditions, and timing of real estate sales

# Windfall Farms – Paso Robles, California

- 720 acre property
- 76 lots – January 2013
- Equestrian and vineyard estates
- Abundant water supply
- Ideal vineyard potential
- Significant infrastructure



- \$19 Million invested
- Anticipated lot selling price = \$650,000/Lot

# Santa Maria, California



Centennial Square – 138 Apartments\*



Pacific Crest Terraces – 184 Apartments\*



Eastridge – 120 Single Family Homes



Sevilla – 230 Apartments\*

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# Water Rights

- Significant water rights, usage rights, and pumping rights to the water in aquifers associated with Limoneira land
  - Approximately 16,200 acre feet of water affiliated with owned LMNR properties
  - Approximately 8,600 acre feet of adjudicated water rights
- Substantial investments made to support and exceed farming needs
  - Own shares in the following mutual water companies: Thermal Belt Mutual Water Co., Farmers Irrigation Co., Canyon Irrigation Co., San Cayetano Mutual Water Co., and the Middle Road Mutual Water Co.
- Recent adjudicated water rights transactions have averaged approximately \$10K per acre foot<sup>(1)</sup>
- Seeking innovation opportunities for increased water use efficiency and development of new sources of supply



# Solar Energy

- In 2008, Limoneira completed two state-of-the-art solar projects:
  - A 5.5-acre photovoltaic orchard that generates ~ 1.6 megawatts of electricity in Santa Paula (headquarters) that powers lemon packing house and storage facility
  - Four smaller solar arrays that together generate another full megawatt of electricity to power 250-horsepower motors that pump deep well water into reservoirs for the irrigation of 1,000 agricultural acres in Tulare County, CA
- High percentage of electricity is solar powered, which reduces green house gas emissions



# Waste Management

- Organic Recycling

- Partnered with Agromin, a manufacturer of premium soil products and the green waste recycler for more than 50 communities in Southern California
- Developed a 10-acre facility on Limoneira land to receive green materials (lawn clipping, leaves, bark, plant materials) from throughout Ventura County that is converted into mulch that is spread in Limoneira orchards to curb erosion, improve water efficiency, reduce weeds and moderate soil temperatures



# Rental Operations

- Consistent source of cash flow
- Offsets volatility of agribusiness
- Housing and commercial
  - Benefit to employees
  - 193 residential housing units located in Ventura and Tulare Counties
  - 74 units approved for development in Santa Paula ~ 3 new units available in FY 2012
  - Variety of commercial facilities
- Leased agricultural land
  - Annual rental revenue for approx. 586 acres
  - Profitable alternative to under producing tree-crop acreage as well as crop volatility
- Organic recycling
  - Environmentally friendly solution to water conservation, weed abatement, erosion control, and water reduction
  - Receive percentage of gate fees collected from regional waste haulers

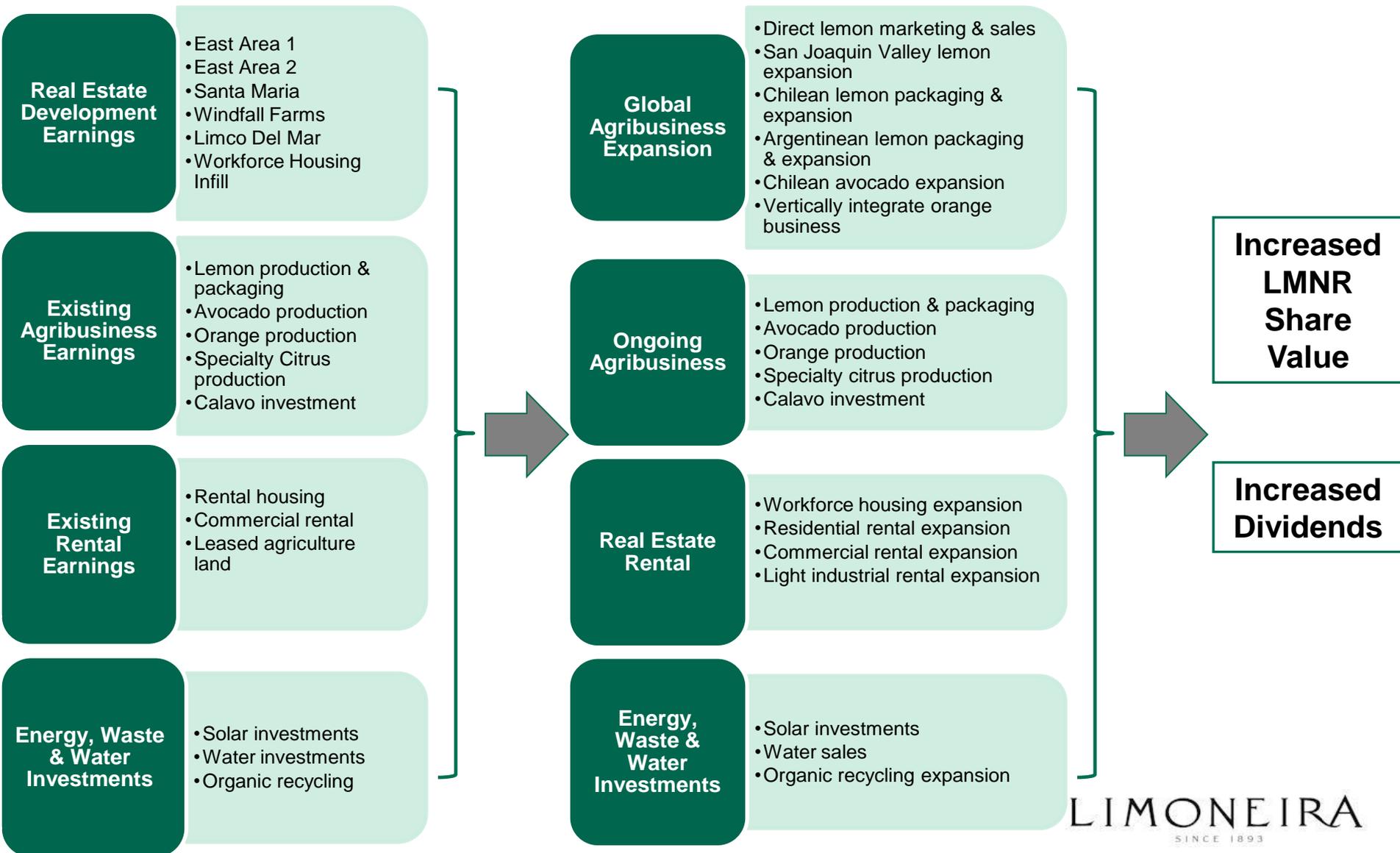


| Historical Rental Segment Metrics |       |       |       |       |       |
|-----------------------------------|-------|-------|-------|-------|-------|
| (\$ in millions)                  | 2007  | 2008  | 2009  | 2010  | 2011  |
| Sales                             | \$3.5 | \$3.7 | \$3.8 | \$4.0 | \$3.9 |
| % Growth                          | N/A   | 6%    | 1%    | 6%    | N/A   |
| Operating Profit                  | \$1.5 | \$1.5 | \$1.7 | \$1.8 | \$1.7 |
| % Sales                           | 41%   | 40%   | 45%   | 45%   | 44%   |

# 2012 Outlook

- Agribusiness
  - Direct sales and marketing for lemons will continue to benefit operational results
    - Lemons sales volume is expected to increase
  - Avocado volume expected to be higher than fiscal year 2011 but prices are expected to be lower
  - Integrate ~1,000 acre Sheldon Ranches lease of citrus and specialty crops
  
- Real Estate
  - Strategically capitalize on opportunities to monetize real estate assets
  - Anticipate annexation of East Area I into City of Santa Paula Summer of 2012
  - Remap Santa Maria properties for 450 apartment units
  - Williamson Act expires for Windfall December 31, 2012, to allow for sales of parcels
  
- Summary – Anticipate fiscal year 2012 will be another strong year for Limoneira

# Long-Term Plan



# Financial Overview

# Q1 2012 Highlights

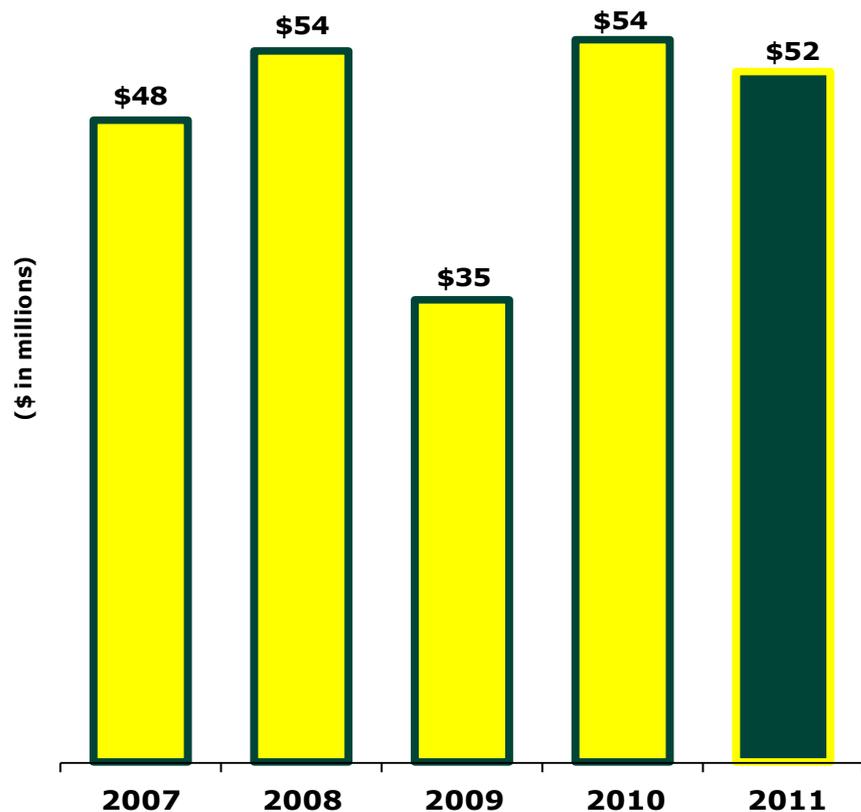
- Q1 2012 net sales increased 73% compared to Q1 2011
- Agribusiness revenue increased 89% to \$9.2 million, primarily driven by:
  - 151% increase in lemon sales vs. Q1 2011, due to larger number of fresh cartons sold as well as higher prices per carton
- Q1 2012 net loss was \$2.8 million compare to \$3.3 million in Q1 2011
- Q1 2012 operating results reflect normal seasonality in agribusiness

# FY 2011 vs. FY 2010 Overview

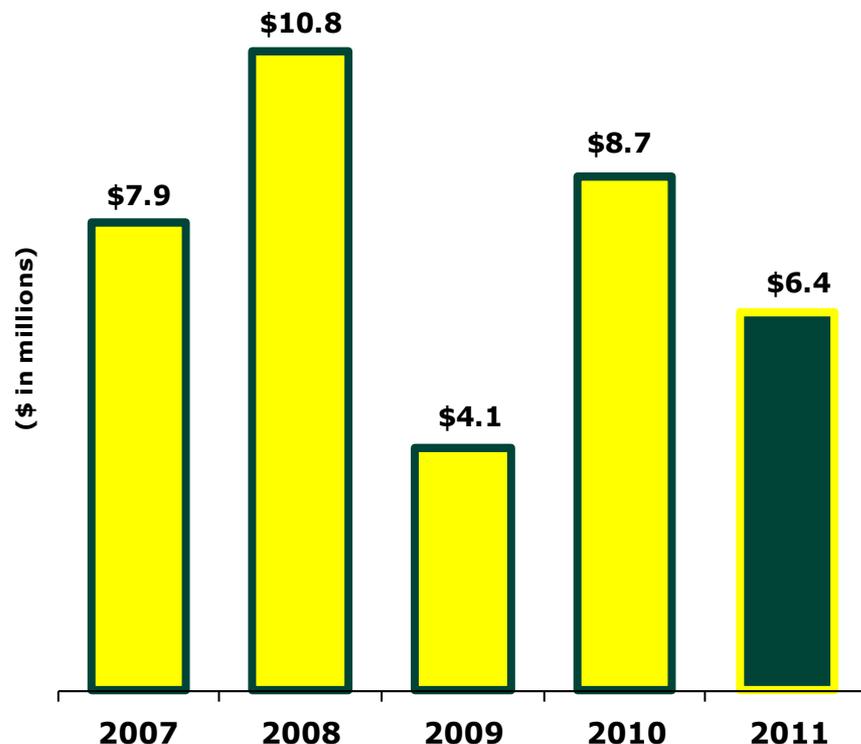
- Fiscal year 2011 revenue was 3.3% less than fiscal year 2010
  - Lemon sales increased 10.8% on 29.0% increase in volume, partially offset by lower prices
  - Avocado sales decreased 34.3% on 75.7% decrease in volume (primarily due to alternate year bearing avocado tree physiology), partially offset by higher prices
  - Real estate development revenue decreased ~\$0.8M due to \$2.3M sale of the Donna Circle property in fiscal year 2011 and \$3.0M sale of Cactus Wren property in fiscal year 2010
- Total agribusiness expenses increased 13.0% primarily due to increased packing and third-party grower costs associated with increased lemon sales volume
- Operating income of \$1.0M compared to \$3.1M in 2010 reflects lower lemon prices, lower avocado production, higher agriculture expenses, partially offset by lower SG&A expenses
- Sold Rancho Refugio/Caldwell Ranch property for \$10M for a net gain of \$1.3M
- Net income of \$1.5M compared to \$323K in prior year
- Reduced long-term debt by \$3.1M to \$82.9M

# Historical Financial Metrics

## REVENUES



## ADJUSTED EBITDA<sup>(1)</sup>

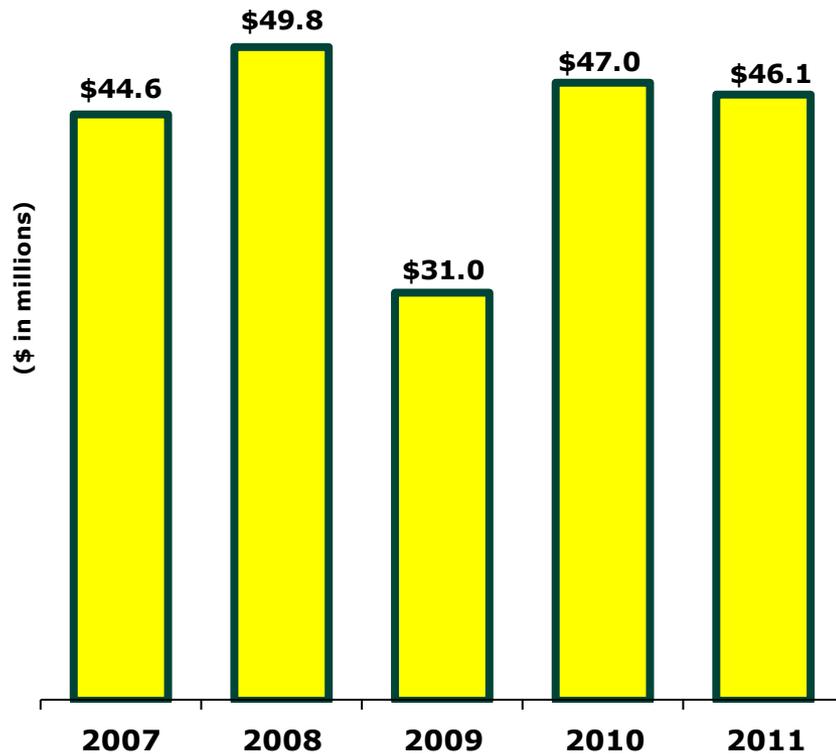


(1) A reconciliation of Adjusted EBITDA to the most closely related GAAP measure is located in the Appendix of this presentation

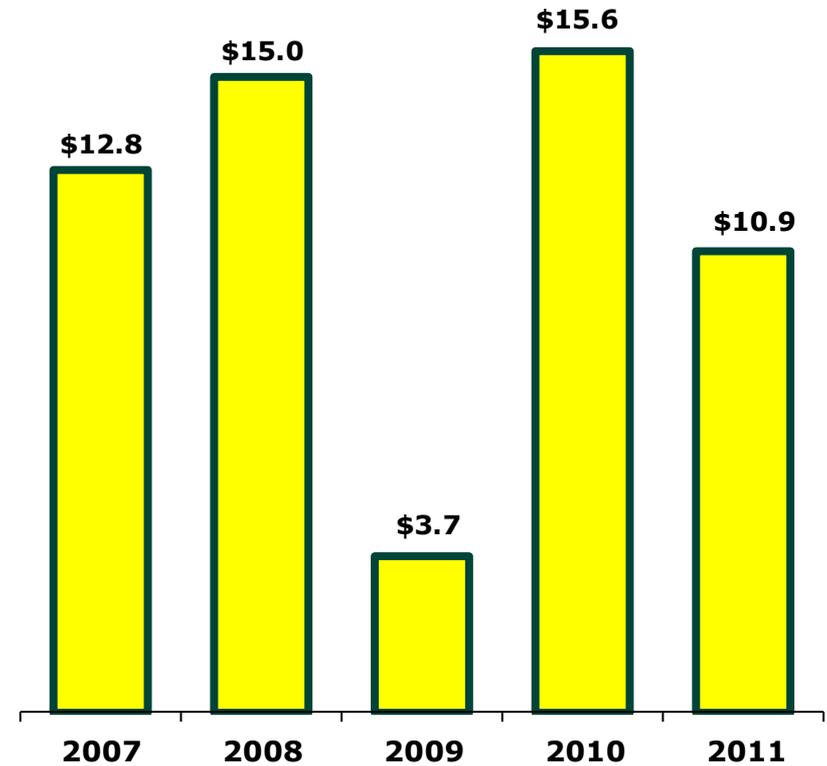
# Appendix

# Historical Agribusiness Metrics

## REVENUES

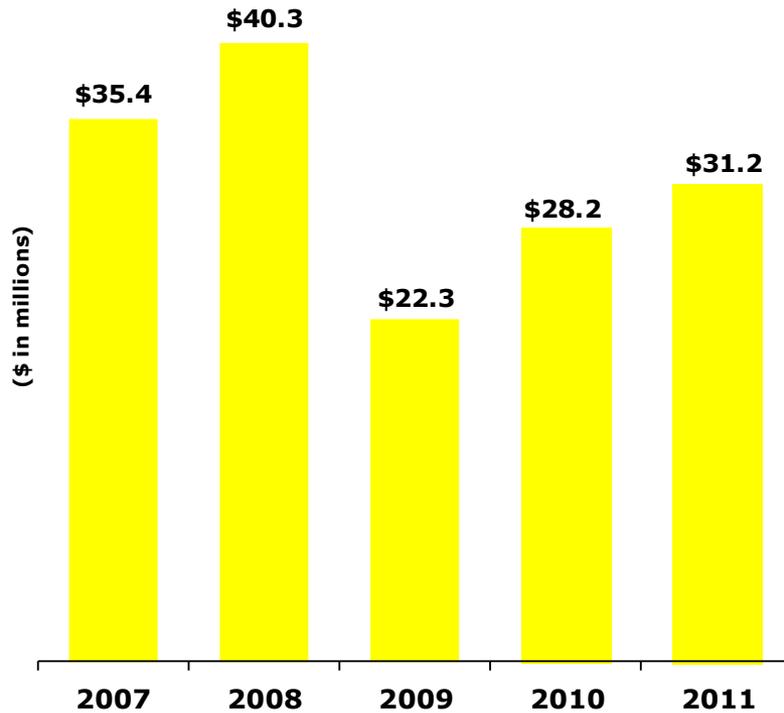


## OPERATING PROFIT

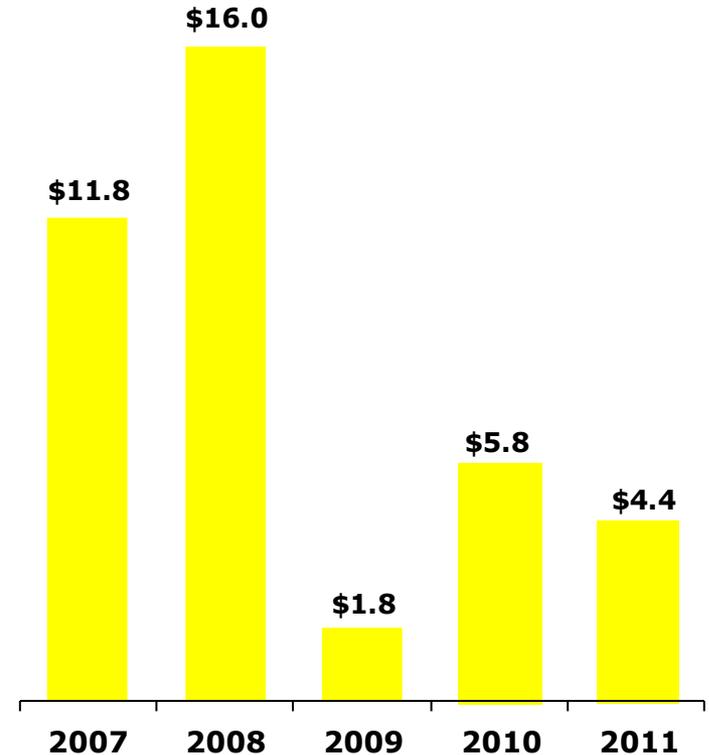


# Historical Lemon Metrics

## REVENUES



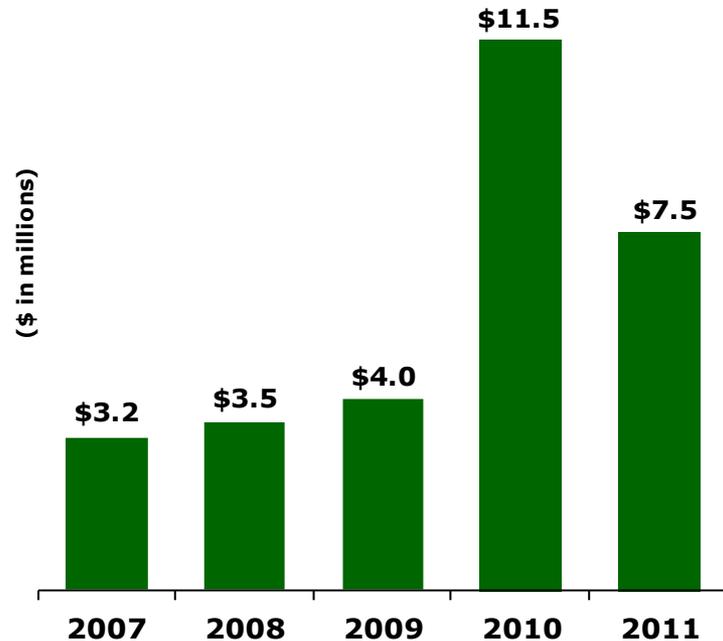
## OPERATING PROFIT



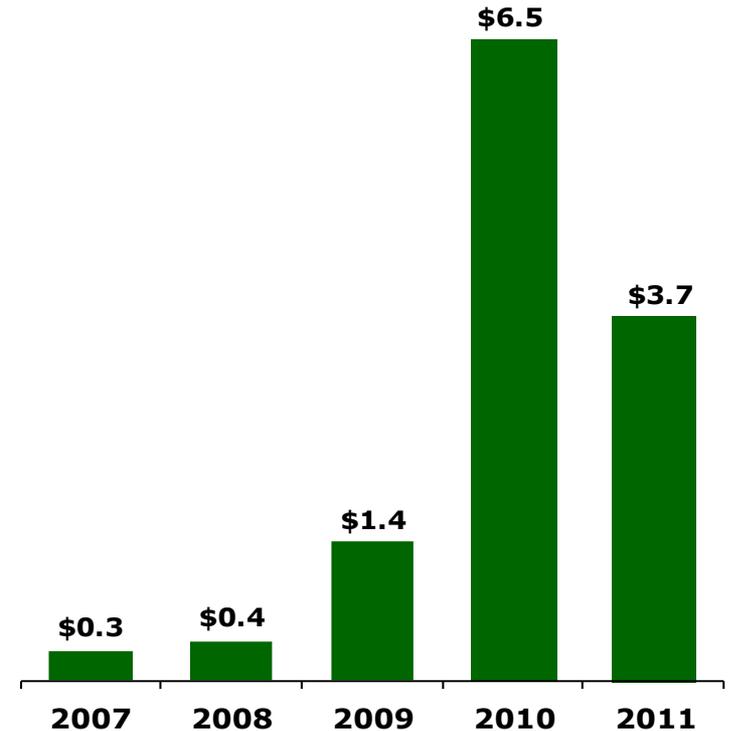
|                         | 2007    | 2008    | 2009    | 2010    | 2011    |
|-------------------------|---------|---------|---------|---------|---------|
| # of Fresh Cartons Sold | 1.5M    | 1.4M    | 1.3M    | 1.4M    | 1.8M    |
| Ave Price per Carton    | \$23.45 | \$27.15 | \$15.72 | \$18.93 | \$15.44 |

# Historical Avocado Metrics

## REVENUES



## OPERATING PROFIT



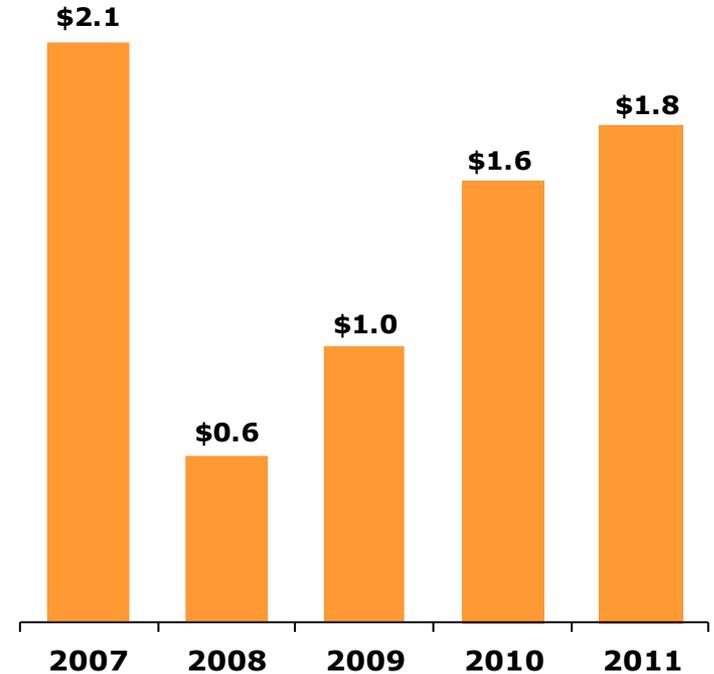
|                     | 2007   | 2008   | 2009   | 2010   | 2011   |
|---------------------|--------|--------|--------|--------|--------|
| # of Pounds Sold    | 4.0M   | 3.7M   | 2.4M   | 17.7M  | 4.3M   |
| Ave Price per Pound | \$0.73 | \$0.86 | \$1.05 | \$0.65 | \$1.60 |

# Historical Orange Metrics

## REVENUES



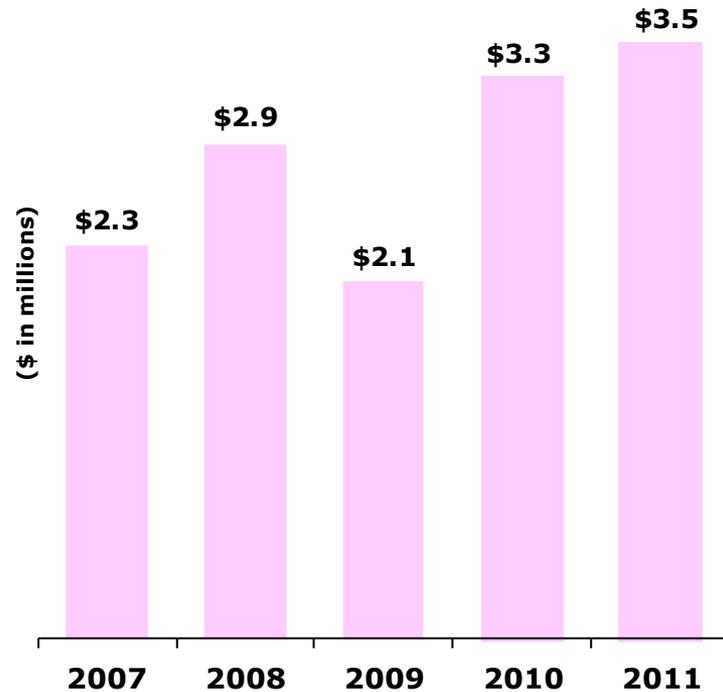
## OPERATING PROFIT



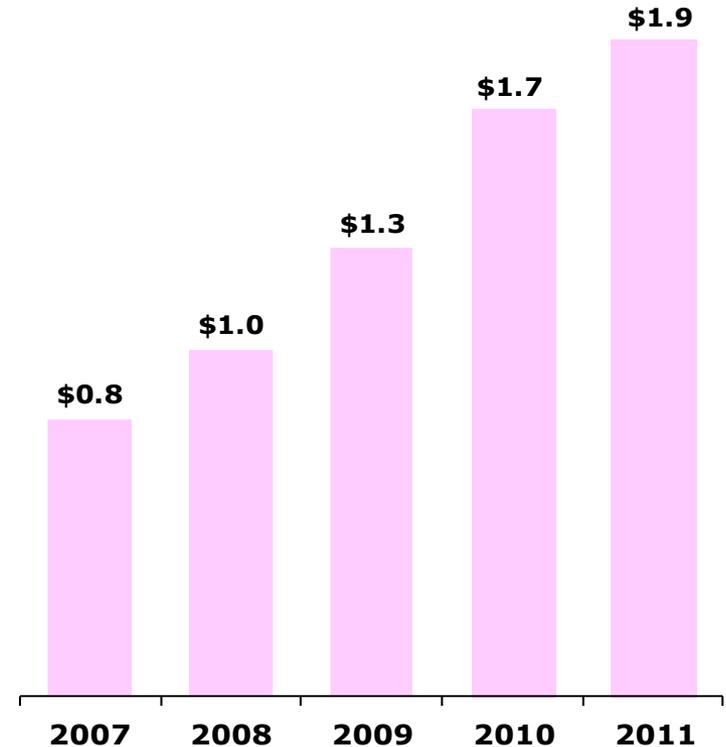
|                        | 2007   | 2008    | 2009   | 2010    | 2011   |
|------------------------|--------|---------|--------|---------|--------|
| # of Field Boxes Prod. | 0.4M   | 0.3M    | 0.4M   | 0.3M    | 0.3M   |
| Ave Price per Box      | \$8.91 | \$11.58 | \$7.37 | \$10.00 | \$9.00 |

# Historical Specialties Crop Metrics

## REVENUES



## OPERATING PROFIT



|                     | 2007   | 2008   | 2009   | 2010   | 2011   |
|---------------------|--------|--------|--------|--------|--------|
| # of Pounds         | 7.6M   | 9.1M   | 6.2M   | 9.4M   | 10.0M  |
| Ave Price per Pound | \$0.30 | \$0.32 | \$0.35 | \$0.35 | \$0.35 |

# Adjusted EBITDA Reconciliation

*\$ in thousands*

|   | <u>2006</u>     | <u>2007</u>     | <u>2008</u>      | <u>2009</u>       | <u>2010</u>     | <u>2011</u>     |
|---|-----------------|-----------------|------------------|-------------------|-----------------|-----------------|
| Net income (loss)                       | 3,486           | 2,307           | 3,495            | (2,877)           | 323             | 1,598           |
| Interest Expense                        | 850             | 2,102           | 1,419            | 692               | 3,619           | 723             |
| Income Taxes                            | 1,942           | 1,177           | 2,128            | (2,291)           | (72)            | 707             |
| Depreciation & Amortization             | 2,362           | 2,267           | 2,434            | 2,323             | 2,337           | 2,207           |
| EBITDA <sup>(1)</sup>                   | <u>\$ 8,640</u> | <u>\$ 7,853</u> | <u>\$ 9,476</u>  | <u>\$ (2,153)</u> | <u>\$ 6,207</u> | <u>\$ 5,235</u> |
| Impairments of Real Estate              |                 |                 |                  |                   |                 |                 |
| Development Assets                      | -               | -               | 1,341            | 6,203             | 2,422           | 1,196           |
| Adjusted EBITDA <sup>(1)</sup>          | <u>\$ 8,640</u> | <u>\$ 7,853</u> | <u>\$ 10,817</u> | <u>\$ 4,050</u>   | <u>\$ 8,629</u> | <u>\$ 6,431</u> |
| <b>Adjusted EBITDA - \$ in millions</b> | <b>\$8.6</b>    | <b>\$7.9</b>    | <b>\$10.8</b>    | <b>\$4.1</b>      | <b>\$8.6</b>    | <b>\$6.4</b>    |

(1) EBITDA and Adjusted EBITDA includes loss from discontinued operations of \$0, \$43, \$12, \$252, \$245 and \$929 (in thousands) for fiscal years 2011, 2010, 2009, 2008, 2007 and 2006, respectively.

# LIMONEIRA

SINCE 1893

PIONEERING FOR A BRIGHTER TOMORROW