

## President's Message

No one needs to be reminded that our industry is changing, and changing rapidly. Our markets are dramatically different from what they were even five years ago. Simply growing high-quality citrus is no longer enough to guarantee positive results. It takes flawless execution from the tree to the consumer.

Our competition is increasing. Offshore fruit is entering both our domestic markets and our traditional export markets in ever-expanding volumes. Each year new trade agreements add to the competitive equation.

Our customers are continuing to consolidate, with more and more purchasing power concentrated in fewer and fewer hands.

Faced with these challenges, Sunkist undertook a comprehensive review of every aspect of our business over the past 18 months, identifying where we want to be in the future and structuring ourselves to get there. Our goal was not simply to cut expenses. It was to evaluate how we might do things differently, making more efficient use of our assets and our famous brand.

Working with The Monitor Group, one of the top strategic business consultants in the world, Sunkist's sales organization moved to a leaner, more efficient and effective operation, tailored to today's market needs and employing the latest in technological resources. Our new, more centralized go-to-market model retains the best of our former structure while increasing transactional efficiencies so our sales people can focus on growing the business.

Trading "bricks and mortar" for electronic technology, we realigned our sales structure to better serve our customers, shippers and growers. Our new system helps us do the right things for the right mix of customers in a cost efficient manner.

Our Strategic Account Managers no longer manage offices, but are freed by technology to devote their time to strategic selling and account planning, delivering the services most valued by our customers. They are supported by staff in Sunkist's three operational "hubs" – the Eastern Sales Operations Center in Pittsburgh, PA; the Western Sales Operations Center in Sherman Oaks, CA; and the National Accounts Sales Operations Center in Visalia, CA. Our new business development team targets and coordinates growth opportunities with account-specific marketing and value-added programs.

Our customers are excited about new marketing programs that are designed to help Sunkist partner with them in increasing sales. They are pleased with the increased speed of our operations, and they are finding added value in the efficiencies we offer.

In another strategic move, we consolidated the Citrus Juice & Oil (CJ&O) business to our world-class processing facility in Tipton, California, with a goal of becoming the leading supplier of high-quality citrus juice products on the West Coast. The continuing improvements in our CJ&O operation will add value to your returns for years to come.



**Russell L. Hanlin**  
*President and CEO*

Your company enters the 2008-09 season well-equipped to meet its challenges. Our management team is among the most talented and knowledgeable in the industry. Our vision is focused on creating greater value for our growers.

We are focused, first and foremost, on our core business, selling the fruit you grow, and providing industry-best returns. In addition, we are continually analyzing, expanding and enhancing our for-profit businesses in order to return more revenue not only to Sunkist's bottom line but to our growers' bottom lines as well.

I am honored to be serving as the chief executive of Sunkist and proud to be working with people I consider family. I feel privileged to have been able to work side by side with former president Tim Lindgren these past few years and experience close up his well-organized, disciplined approach to running this company. I can't thank him enough for his mentoring and leadership. I look forward to the support of a very dedicated and knowledgeable board of directors as your management team strives to maximize Sunkist's value creation potential.

**Russell L. Hanlin**  
*President and CEO*  
*Sunkist Growers*

