Building Sustainable Brand Value

Diamond Gross Sales

$ Millions

<table>
<thead>
<tr>
<th>FY 99</th>
<th>FY 00</th>
<th>FY 01</th>
<th>FY 02</th>
<th>FY 03</th>
<th>FY 04</th>
<th>FY 05</th>
</tr>
</thead>
<tbody>
<tr>
<td>194</td>
<td>216</td>
<td>307</td>
<td>298</td>
<td>331</td>
<td>383</td>
<td>455</td>
</tr>
</tbody>
</table>

Forecast
Corporate Marketing Objectives

- Understand the consumer and target market
- Create and sustain brand differentiation
- Build consumer loyalty and brand value:
  - Focused, consistent message
  - Quality creative and diverse advertising venues
- Retail trade support: Merchandising
- Example: Diamond and Emerald case study
Diamond Television Advertising

Holiday TV

- Diamond’s Timeless Holiday Commercials focus on the array of uses for nuts during the holidays.
- Diamond’s spots are typically run during the weeks leading up to Thanksgiving and Christmas.
- Spots focus on key markets with holiday and food programming and sponsorships.
Active Lifestyle Sponsorships

Official Nut Supplier to the U.S. Olympic Teams

• Diamond is proud to have been the official Nut Supplier to the 2000, 2002 and 2004 U.S. Olympic Teams as well as the 2002 Olympic Games in Salt Lake City.
• Supplier logos were added to all key product packages and to all Point of Purchase displays and materials.
• Consumer sweepstakes featured trips to the games in Salt Lake City.
• TV and print ads also featured the supplier logo.
• U.S. Olympic Athletes were featured at key events.

Diamond Health Messaging

Point of Purchase Displays and Educational Material

• Diamond is leading the way in educating consumers on the health benefits of Walnuts and other nuts.
• In store displays highlight health messaging.
• Diamond has also created a unique health brochure “Good News for Health Nuts” which provides consumers with detailed information about Omega 3 and other key health attributes of Walnuts and other nuts.
Diamond Print Advertising

*Holiday Special Interest Publications*

- Full page print advertisements in holiday special interest publications (SIP’s) of key publications including:
  - Better Homes and Gardens
  - Family Circle
  - Good Housekeeping
  - Readers Digest
  - Women’s Day
- Holiday SIP’s are distributed through front end check stands at grocery and mass market retail stores.
- Timing: October – January

Diamond Television Sponsorships

*Martin Yan’s “Yan Can Cook Show” on PBS*

- Diamond is proud to sponsor 13 Episodes of the Yan Can Cook Program on PBS
- Focus on “Quick and Easy Asian Cooking”
- Diamond is featured in 10 second credit spots at both the beginning and end of each of the 13 episodes
- Credits feature Diamond Packages and mouth watering dishes prepared with Diamond nuts
- Nut recipes are featured in all 13 episodes
Diamond Brand Distribution

Total US Distribution 95%

SOURCE: IRI InfoScan, 52 Wks ending February 20, 2005. Total U.S. Foods, ACV Distribution, Diamond Shelled and In Shell Nuts

Total U.S. Retail Walnut Sales

Diamond is the leading retail brand of Walnuts with over 51% Dollar Share.

SOURCE: IRI InfoScan, 52 Wks ending February 20, 2005
Consumers Rate Diamond High on Key Product Attributes

<table>
<thead>
<tr>
<th>Product Attribute</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality product</td>
<td>69%</td>
<td>1%</td>
</tr>
<tr>
<td>Is fresh</td>
<td>71%</td>
<td>1%</td>
</tr>
<tr>
<td>Is a well known brand</td>
<td>74%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Diamond of California Usage & Attitude among consumers who bought Diamond of California in the past 12 months
Since 1912, Diamond has been the industry leader in the innovation of growing, processing and marketing of premium quality culinary nuts. This background and experience coupled with extensive consumer research is a solid platform for entering the snack nut arena.

**Introducing Emerald Snack Nuts.**

- Diamond = quality, heritage, and tradition
- Culinary target is generally female 45+
- Snack category demographics much younger

A new brand will foster a fresh and contemporary relationship with this younger snack demo.

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**Major Shifts in Attitudes Towards Snack Preference**

- Large volume in traditional snacks, but growth lies in healthier snacks
  - National concern with health and obesity
  - Mainstream embracing "low carb" lifestyles
  - Fat no longer the enemy
  - Omega-3 media blitz

"What if fat doesn’t make you fat?"
*New York Times Magazine, July 7, 2002*

Low-carb ‘lifestyle’ goes mainstream*
*USA Today, August 19, 2003*

**Snack nuts are the perfect snack solution**
Snack Category = $27 Billion, +6%

Traditional Snacks: Chips, candy, cookies, crackers, etc. = FLAT

86%
14%

Healthier Snacks:
Snack nuts, trail mix, health bars* = +13%
*Major ingredient, nuts

There’s growth in snack nut category

The Current Snack Universe

Regular Snackers Nut Users 43.4m
Regular Nut Users 52.3m
Demographic Age 18+
Demographic Age 45+

Consumers need a snack nut that acts like a snack brand
Building a Successful Snack Brand

Traditional snack category has been driven by:
- Innovation
  - Packaging
  - Flavor
- Contemporary attitude
- Advertising/brand awareness
- Choice

It’s time to redefine the snack nut category

Introducing Emerald Snack Nuts

Emerald snack nuts will ...
- Create excitement in the snack nut aisle
- Provide consumers real choice based on tangible differences
- Be relevant to a broader consumer audience
  - On-the-go, active lifestyle

It’s time for a fresh nut
Proprietary Packaging

- Snap-top lid
- Light weight—easy to hold
- Ergonomic, unbreakable canister
- 0n-the-go—fits in car cup holder

32.4% Planters Glass Jar (16 oz for $3.49)
67.6% Emerald Plastic Container (12 oz for $2.99)

Consumers Prefer New Packaging

<table>
<thead>
<tr>
<th>Which of the two package options do you prefer?</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emerald Plastic Container (12 oz for $2.99)</td>
<td>67.6%</td>
</tr>
<tr>
<td>Planters Glass Jar (16 oz for $3.49)</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Why do you prefer that option?

<table>
<thead>
<tr>
<th>Preferences</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Why do you prefer that option?</td>
<td>Total Sample</td>
</tr>
<tr>
<td>Top Mentions</td>
<td></td>
</tr>
<tr>
<td>Good package color/Appearance</td>
<td>44.9%</td>
</tr>
<tr>
<td>Easy to handle/carry;Good for traveling/On the go</td>
<td>37.7%</td>
</tr>
<tr>
<td>Plastic/Non-Breakable/Child friendly</td>
<td>34.8%</td>
</tr>
<tr>
<td>Unique/Different/Modern</td>
<td>20.4%</td>
</tr>
<tr>
<td>Lightweight</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

Consumer Research Results, June 20, 2003
Consumer Research Division of Mattson & Company