



DIAMOND FOODS WINS 2010 GMA INNOVATION AWARD

San Francisco, CA (August 30, 2010) - [Diamond Foods](#), Inc. (NASDAQ:DMND), announced today that Chairman, CEO and President, Michael J. Mendes accepted the Grocery Manufacturers Association (GMA) CPG Award for Innovation and Creativity. The award was presented as part of GMA's Annual Executive Conference at the Broadmoor in Colorado Springs, CO.

The GMA CPG Award for Innovation and Creativity is given annually by GMA's Associate Member Council (AMC) to recognize outstanding process or product innovation in the consumer goods industry. The award is given to a company that has demonstrated uncommon creativity and innovation and has made significant contributions to the industry knowledge base. "The members of the GMA Associate Member Council were very impressed with Diamond's culture and approach toward stimulating innovation. Importantly, the lessons of Diamond's winning business case can be applied and leveraged throughout the CPG industry," said Phil Friedman, Vice President of Consumer Industries for QAD and Chairman of the GMA AMC Innovation Award Subcommittee. GMA presented Diamond Foods with this prestigious industry award in recognition of the company's innovative approach to driving category growth.

Diamond's culture and approach to innovation has yielded strong financial performance. In the five years since the initial public offering, Diamond Foods has transformed itself into a high-growth, consumer packaged goods company. Underlying the company's industry-leading performance has been the growth in its snack products. Diamond Foods' Emerald brand, which was launched in 2005, has achieved a 10% market share in the US Grocery Snack Nut market, and Snack sales dollars through the third fiscal quarter have grown more than eight fold and accounted for more than 55% of total sales versus 5% in 2005. The company's brands maintain a number one or number two share position in each of their market segments and have been growing faster than the categories in which they compete.

"Innovation is the lifeline of our industry and at Diamond Foods its part of everything we do. It begins with an unrelenting focus on understanding our consumers and the categories that we address. It then moves from developing unique product offerings to bringing those ideas to life at shelf in conjunction with our retail partners" said Michael J. Mendes, Diamond Food's CEO.

About Diamond Foods

[Diamond Foods](#) is an innovative packaged food company focused on building, acquiring and energizing brands including [Kettle Brand®](#) Chips, [Emerald®](#) snack nuts, [Pop Secret®](#) popcorn, and [Diamond of California®](#) culinary and snack nuts. The Company's products are distributed in a wide range of stores where snacks and culinary nuts are sold.

Corporate Web Site: www.diamondfoods.com

Consumer Web Sites: www.kettlefoods.com, www.kettlefoods.co.uk,
www.emeraldnuts.com, www.popsecret.com, www.diamondnuts.com,
www.feedyourfingers.com.

Note regarding forward-looking statements: This release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements necessarily depend on assumptions that may be incorrect and are subject to risks and uncertainties. Actual results could differ materially from projections made in this release. Some factors that could cause actual results to differ from our expectations include risks of loss of key customers and an increase in competition. A more extensive list of factors that could materially affect our results can be found in Diamond's periodic filings with the Securities and Exchange Commission. They are available publicly and on request from Diamond's Investor Relations Department.

Contacts

Investor Contact:

Bob Philipps

VP, Treasury & Investor Relations

Diamond Foods, Inc.

(415) 445-7426

bphilipps@diamondfoods.com

Media Contact:

Michael Altfest

Edelman

(415) 486-3244

michael.altfest@edelman.com