



23F, China Development Bank Tower
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Xi'an, Shaanxi, China 710075

SkyPeople Fruit Juice Reports Third Quarter 2012 Financial Results

XI'AN, China, Nov. 13, 2012 /PRNewswire-FirstCall/ -- SkyPeople Fruit Juice, Inc. (NASDAQ: SPU) ("SkyPeople" or "the Company"), a producer of fruit juice concentrates, fruit juice beverages and other fruit-related products, today announced its financial results for the third quarter ended September 30, 2012.

Third Quarter 2012 Highlights:

Total revenue was \$28.6 million, an increase of 64% year-over-year

Revenue of concentrated pear juice increased 459% to \$11.4 million year-over-year

Revenue of fruit juice beverages increased 102% to \$10.5 million year-over-year

Net income attributable to SkyPeople Fruit Juice, Inc. increased 177% to \$5.0 million year-over-year

Cash flow from operations for nine months ended September 30, 2012 was \$20.3 million

Cash and cash equivalents were \$80.9 million as of September 30, 2012

"We are very pleased to have achieved strong year-to-year growth in revenues and net income for the third quarter of 2012. Our strong results were driven by exceptional performance in two of our key product segments, concentrated pear juice and fruit juice beverages," said Mr. Yongke Xue, Chief Executive Officer of SkyPeople. "Our overall profitability improved significantly as well on the basis of an expansion of gross margins attributable to better raw material costs as well as lower operating expenses. We believe that our strategy of diversifying our product mix has been very effective in that it provides us with flexibility to shift our manufacturing focus towards better performing products so as to optimize our operating performance. "

CEO Xue continued, "As recently announced, we are further diversifying our business into the orange products segment. We recently entered into an agreement with the Yidu Municipal People's Government in Hubei Province, one of the biggest citrus production provinces in China, with regard to an orange comprehensive deep processing project. The project is estimated to require a total investment of approximately \$61 million by the Company that includes land use rights, development of an orange plantation and the construction of a processing plant, a storage facility and other general purpose facilities. We believe that this strategic expansion is complementary to our existing product platform. It is expected to broaden our product mix, enhance our competitive advantage and further mitigates both the regional and seasonal cyclicity of our major fruit product segments."

"We will work hard to successfully implement this new venture and hope to close the year 2012 on a positive note," CEO Xue concluded.

Third Quarter 2012 Financial Results

Revenue for the three months ended September 30, 2012 was \$28.6 million, an increase of 64%, as compared to \$17.4 million for the same period in 2011. This increase was primarily



due to an increase in the sales of concentrated pear juice and fruit juice beverages, which offset a decrease in the sales of concentrated apple juice and apple aroma and concentrated kiwifruit juice and kiwifruit puree.

Third Quarter 2012 Revenue by Segment (in thousands)

	Three Months Ended		Change %
	September 30,		
	2012	2011	
Concentrated apple juice and apple aroma	\$3,962	\$8,782	(55)%
Concentrated kiwifruit juice and kiwifruit puree	399	499	(20)%
Concentrated pear juice	11,382	2,036	459%
Fruit juice beverages	10,460	5,188	102%
Fresh fruits and vegetables	707	897	(21)%
Other	1,653	35	4,623%
Total	\$28,563	\$17,437	64%

Gross profit was \$8.5 million, an increase of 76% from \$4.8 million in the third quarter of 2011. Gross profit margin was 30% as compared to 28% for the same period of 2011. The year-over-year increase in gross margin was attributable to a substantial rise in gross margin of the Company's fruit juice beverages segment and concentrated pear juice segments, which offset declines in gross margins of its other product segments.

Third Quarter 2012 Gross Profit by Segment (in thousands)

	Three Months Ended September 30,			
	2012		2011	
	Gross Profit	Gross Margin	Gross Profit	Gross Margin
Concentrated apple juice and apple aroma	679	17%	2,045	23%
Concentrated kiwifruit juice and kiwifruit puree	189	47%	267	54%
Concentrated pear juice	3,469	30%	516	25%
Fruit juice beverages	3,951	38%	1,582	30%
Fresh fruits and vegetables	218	31%	424	47%
Other	19	1%	7	20%
Total	8,525	30%	4,841	28%



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Operating expenses for the third quarter of 2012 decreased 8% to \$1.8 million, or 6% of sales, compared to \$2.0 million, or 11% of sales for the same period of 2011. General and administrative expenses decreased 21% to \$1.0 million, mainly due to decreases in legal fees related to currently pending litigations. Selling expenses increased 15% to \$0.7 million, which was mainly due to an increase in the headcount of the Company's sales force.

Income from operations for the third quarter of 2012 increased 136% to \$6.7 million as compared to \$2.8 million for the same period of 2011.

Other income was \$0.5 million for the third quarter of 2012, as compared to other expense of \$0.2 million in the same period of 2011. The increase in other income was primarily due to an increase in the subsidy income of \$0.6 million in the third quarter as a result of the value-added tax rebates provided on the Company's exports, which significantly increased in the third quarter of 2012 from the corresponding period of 2011.

Net income attributable to common shareholders and diluted earnings per share for the third quarter of 2012 increased 177% to \$5.0 million and \$0.19, respectively, compared to \$1.8 million and \$0.07, respectively, for the third quarter of 2011.

Nine-Month 2012 Financial Results

Revenue for the nine months ended September 30, 2012 increased 15% to \$56.4 million, from \$49.1 million for the same period of 2011. Gross profit decreased to \$17.5 million from \$17.6 million in the corresponding period of 2011. Operating income declined to \$12.2 million for the first nine months of 2012 from \$12.4 million for the same period of 2011. Net income attributable to common shareholders and earnings per share for the first nine months of 2012 increased to \$9.4 million, or \$0.35 per diluted share compared to net income attributable to common shareholders of \$8.6 million, or \$0.32 per diluted share, for the same period of 2011.

Conference Call

The Company will hold a conference call on Wednesday, November 14, 2012 at 9:00 a.m. Eastern Time to discuss its financial results for the third quarter ended September 30, 2012. The Company's CEO, Mr. Yongke Xue, and CFO, Mr. Xin Ma, will host the call.

To attend the live conference call, please dial in at least 10 minutes before the call to ensure timely participation. Please use the dial-in information below. When prompted by the operator, mention the conference Pass Code.

Date:	Wednesday, November 14, 2012
Time:	9:00 a.m. Eastern Time, US
Conference Line Dial-In:	+1-855-880-8437
International Dial-In:	+1-931-229-4159



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Conference Pass Code:

70094777

To access the replay, please dial 1-855-859-2056 within the United States or 1-404-537-3406 when dialing internationally, and enter the pass code 70094777 for the replay. The replay will be available on November 14 at 12:00 pm.

About SkyPeople Fruit Juice, Inc.

SkyPeople Fruit Juice, Inc., a Florida company, through its wholly-owned subsidiary Pacific Industry Holding Group Co., Ltd. ("Pacific"), a Vanuatu company, and SkyPeople Juice International Holding (HK) Ltd., a company organized under the laws of Hong Kong Special Administrative Region of the People's Republic of China and a wholly owned subsidiary of Pacific, holds 99.78% ownership interest in SkyPeople Juice Group Co., Ltd. ("SkyPeople (China)"). SkyPeople (China), together with its operating subsidiaries in China, is engaged in the production and sales of fruit juice concentrates, fruit beverages, and other fruit related products in the PRC and overseas markets. Its fruit juice concentrates are sold to domestic customers and exported directly or via distributors. Fruit juice concentrates are used as a basic ingredient component in the food industry. Its brands, "Hedetang" and "SkyPeople," which are registered trademarks in the PRC, are positioned as high quality, healthy and nutritious end-use juice beverages. For more information, please visit <http://www.skypeoplefruitjuice.com>.

Safe Harbor Statement

Certain of the statements made in this press release are "forward-looking statements" within the meaning and protections of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause the actual results, performance, capital, ownership or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. All statements other than statements of historical fact are statements that could be forward-looking statements. You can identify these forward-looking statements through our use of words such as "may," "will," "anticipate," "assume," "should," "indicate," "would," "believe," "contemplate," "expect," "estimate," "continue," "plan," "point to," "project," "could," "intend," "target" and other similar words and expressions of the future.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by this cautionary notice, including, without limitation, those risks and uncertainties described in our annual report on Form 10-K for the year ended December 31, 2011 and otherwise in our SEC reports and filings, including the final prospectus for our offering. Such reports are available upon request from the Company, or from the Securities



and Exchange Commission, including through the SEC's Internet website at <http://www.sec.gov>. We have no obligation and do not undertake to update, revise or correct any of the forward-looking statements after the date hereof, or after the respective dates on which any such statements otherwise are made.

For more information, please contact:

COMPANY

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Web: <http://www.skypeoplefruitjuice.com>

-Financial Tables Follow-

SKYPEOPLE FRUIT JUICE, INC.

CONSOLIDATED BALANCE SHEETS

	September 30, 2012	December 31, 2011
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
	80,869,19	61,154,00
Cash and cash equivalents	\$ 0	\$ 7
Restricted cash	31,541	316,396
Accounts receivables, net of allowance of \$46,234 and \$46,529 as of September 30, 2012 and Decem ber 31, 2011, respectively	29,245,66 8	35,999,85 8
Other receivables	304,310	192,032
Inventories	6,382,796	6,126,376
Deferred tax assets	31,647	174,285
Advances to suppliers and other current assets	114,080	66,528
	116,979,2	104,029,4
TOTAL CURRENT ASSETS	32	82
	49,781,36	44,277,22
PROPERTY, PLANT AND EQUIPMENT, NET	1	8
LAND USE RIGHT, NET	7,695,834	6,673,496



OTHER ASSETS	347,494	5,323,162
	<u>174,803,9</u>	<u>160,303,3</u>
TOTAL ASSETS	<u>\$ 21</u>	<u>\$ 68</u>

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 6,788,625	\$ 2,972,916
Accrued expenses	2,000,465	4,701,054
Income tax payable	1,728,077	1,910,779
Advances from customers	-	178,857
	11,559,69	
Short-term bank loans	1	6,425,713
Short-term notes payable	-	284,654
	<u>22,076,85</u>	<u>16,473,97</u>
TOTAL CURRENT LIABILITIES	8	3

SHAREHOLDERS' EQUITY

SkyPeople Fruit Juice, Inc, Stockholders' equity

Series B Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 230,147 shares and 1,456,647 shares issued and outstanding as of		
September 30, 2012 and December 31, 2011, respectively	230	1,457
Common stock, \$0.001 par value; 66,666,666 shares authorized; 26,508,068 shares and 25,690,402 shares issued and outstanding as of September 30, 2012 and December 31, 2011 respectively	26,508	25,690
	59,189,78	59,189,37
Additional paid-in capital	3	4
	73,975,36	64,623,45
Retained earnings	4	3
	13,216,61	14,086,62
Accumulated other comprehensive income	5	0
Total SkyPeople Fruit Juice, Inc. stockholders' equity	<u>146,408,5</u> 00	<u>137,926,5</u> 94
Non-controlling interests	<u>6,318,563</u>	<u>5,902,801</u>



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	152,727,0	143,829,3
TOTAL EQUITY	63	95
	174,803,9	160,303,3
TOTAL LIABILITIES AND EQUITY	\$ 21	\$ 68

SKYPEOPLE FRUIT JUICE, INC.
CONSOLIDATED STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME

(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenue	\$ 28,56	17,43	56,39	49,062,
	\$ 3,469	\$ 7,105	\$ 4,242	\$ 726
Cost of goods sold	20,03	12,59	38,86	31,448,
	8,559	5,983	1,942	900
Gross profit	8,524,	4,841,	17,53	17,613,
	910	122	2,300	826
Operating Expenses				
General and administrative expenses	960,6	1,217,	3,091,	3,042,1
Selling expenses	17	206	992	00
Research and development expenses	732,7	638,2	1,779,	1,741,8
Interest expenses	51	11	867	14
Other expenses	142,0	145,4	427,4	420,12
	77	13	47	1
Total operating expenses	1,835,	2,000,	5,299,	5,204,0
	445	830	306	35
Income from operations	6,689,	2,840,	12,23	12,409,
	465	292	2,994	791
Other income (expenses)				
Interest income	77,84	81,72	234,5	223,80
Subsidy income	6	0	51	6
Interest expenses	615,9	50,63	1,699,	622,39
	97	2	108	6
	(213,8	(308,4	(616,9	(648,63
	47)	47)	91)	5)



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			(1,000	
Others incomes	-	(118))	39,454
Total other income	479,9	(176,2	1,315,	237,02
(expenses)	96	13)	668	1
	7,169,	2,664,	13,54	12,646,
Income before income tax	461	079	8,662	812
	1,917,	726,2	3,710,	3,419,6
Income tax provision	425	39	098	25
	5,252,	1,937,	9,838,	9,227,1
Net income	036	840	564	87
Less: Net income				
attributable to	219,9	124,4	486,6	633,64
non-controlling interests	34	20	53	2
NET INCOME ATTRIBU				
TABLE TO SKYPEOPLE	5,032,	1,813,	9,351,	8,593,5
FRUIT JUICE, INC.	\$ 102	\$ 420	\$ 911	\$ 45
Earnings per share:				
Basic earnings per				
share	\$ 0.19	\$ 0.07	\$ 0.35	\$ 0.32
Diluted earnings per				
share	\$ 0.19	\$ 0.07	\$ 0.35	\$ 0.32
Weighted average number of				
shares outstanding				
	26,25	25,69	25,92	25,690,
Basic	1,920	0,402	2,298	402
	26,66	26,66	26,66	26,661,
Diluted	1,500	1,500	1,500	500
Comprehensive Income				
	5,252,	1,937,	9,838,	9,227,1
Net income	\$ 036	\$ 840	\$ 564	\$ 87
Foreign currency	(311,4	1,342,	(870,0	4,293,9
translation adjustment	80)	180	05)	77
Total Comprehensive	4,940,	3,280,	8,968,	13,521,
income	\$ 556	\$ 020	\$ 559	\$ 164



Comprehensive income attributable to non-controlling interests	172,1	182,6	415,7	800,37
	79	49	62	5
Comprehensive income attributable to SkyPeople Fruit Juice, Inc.	4,768,	3,097,	8,552,	12,720,
	\$ 377	\$ 371	\$ 797	\$ 789

SKYPEOPLE FRUIT JUICE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Nine Months Ended September 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 9,838,564	\$ 9,227,187
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	3,376,671	2,674,081
Deferred income tax assets	142,638	-
Changes in operating assets and liabilities		
Accounts receivable	6,551,325	25,987,583
Other receivable	(113,858)	19,660
Advances to suppliers and other current assets	(47,955)	(399,945)
Inventories	(296,284)	(2,442,658)
Accounts payable	3,849,078	(398,972)
Accrued expenses	(2,683,737)	(1,491,478)
Income tax payable	(170,942)	(3,825,519)
Advances from customers	(178,401)	(535,017)
Net cash provided by operating activities	20,267,099	28,814,922
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(3,829,822)	(138,927)
Additions to construction progress	-	(46,437)
Additions to land use right	(1,204,179)	-
Prepayment for other assets	(256,585)	(5,894,322)
Net cash used in investing activities	(5,290,586)	(6,079,686)



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CASH FLOWS FROM FINANCING ACTIVITIES

Decreased(Increased) in restricted cash	283,929	(679,744)
Short-term notes payable	(283,929)	657,590
Proceeds from short-term bank loans	6,332,120	7,733,603
Repayment of short-term bank loans	(1,137,847)	(5,181,670)
Net cash provided by financing activities	<u>5,194,273</u>	<u>2,529,779</u>
Effect of change in exchange rate	(455,603)	1,809,779
NET INCREASE IN CASH AND CASH EQUIVALENTS	19,715,183	27,074,794
Cash and cash equivalents, beginning of period	<u>61,154,007</u>	<u>49,350,385</u>
Cash and cash equivalents, end of period	<u><u>80,869,190</u></u>	<u><u>76,425,179</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid for interest	640,184	648,635
Cash paid for income taxes	3,740,987	7,245,144

SUPPLEMENTARY DISCLOSURE OF SIGNIFICANT NON-CASH TRANSACTION

Transferred from other assets to property, plant and equipment and construction in process	\$ 5,217,366	\$ 457,070
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The notes in the Company's 10-Q are an integral part of these consolidated financial statements.

SOURCE SkyPeople Fruit Juice, Inc.