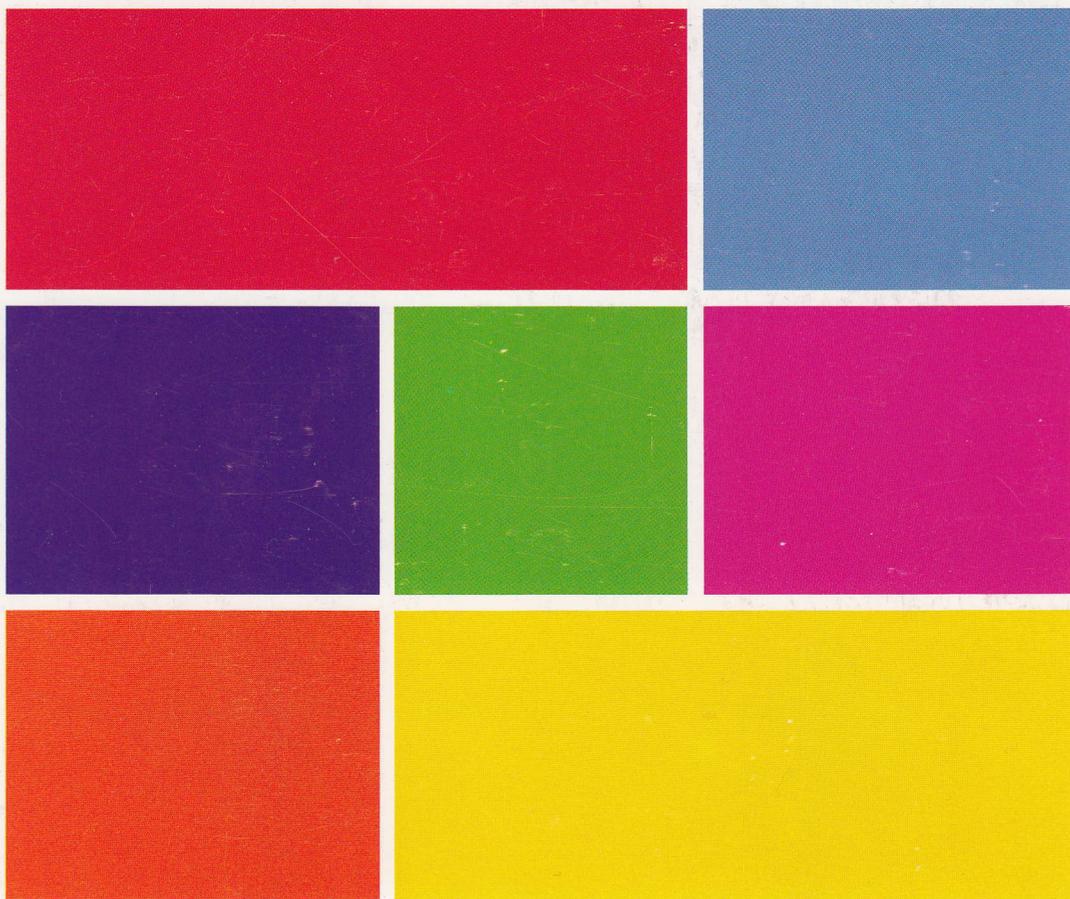


71st Annual Report • Fiscal Year Ended February 28, 1969



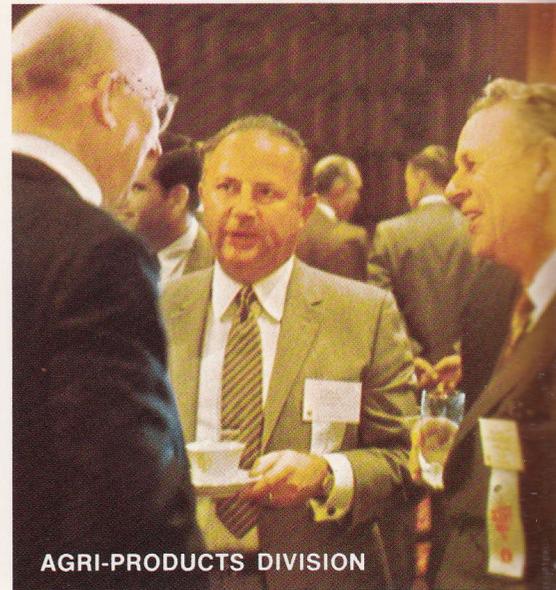
Planning for progress...



DAIRY DIVISION



CONFECTIONERY DIVISION



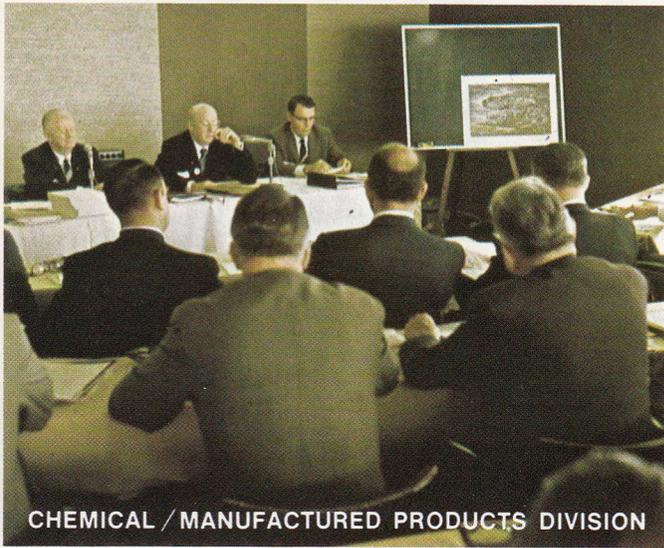
AGRI-PRODUCTS DIVISION



INTERNATIONAL DIVISION



GROCERY DIVISION



CHEMICAL / MANUFACTURED PRODUCTS DIVISION



WAREHOUSE DIVISION



On these two pages of this annual report, we introduce some of the members of the management team of Beatrice . . . some of the more than 1,000 “decision makers” who have helped guide and direct your company to record sales and earnings for 17 consecutive years . . . and who are planning for even greater growth in the future.

Toward this objective, they assembled in a general management conference from all of the United States and 24 other nations last November to program for progress and to train even better management for tomorrow.

These men and women convened in a general session daily, then adjourned into divisional meetings and subsequently into group meetings to refine further Beatrice plans in terms of their own divisions, plants and branches. It is a young team—the average age is well under 50 years. But it is an experienced team, seasoned with “know-how” in depth in all phases of operations—a team with 1,000 talents . . . presidents and general managers of member companies with multi-million dollar annual sales, skilled dairymen, experienced sales and marketing people, trained scientists and technicians, expert engineers, economy-minded office managers, people deeply knowledgeable in warehousing, transportation, data processing and 10,000 other skills.

It is a team that has built Beatrice into a diversified multi-national firm with \$1,300,000,000 in sales . . . with seven divisions . . . with more than 500 plants and branches around the world . . . with some 6,000 products distributed under more than 200 brand names. But most important of all . . . it is a team working to unite the company’s greatest strength, their 24,000 fellow workers, to achieve the goals planned for the future at this general management conference and many regional meetings like it held throughout the year.

It is a team that believes that what Beatrice has done today, Beatrice can do better tomorrow.



Beatrice Foods Co.

Annual Report

For fiscal year ended Feb. 28, 1969

DAIRY		CHEMICAL AND MANUFACTURED PRODUCTS
CONFECTIONERY	AGRI-PRODUCTS	WAREHOUSE
INTERNATIONAL	GROCERY	

THE COVER . . .
represented on
the cover and pages
opposite are
the **SEVEN**
DIVISIONAL
PROFIT CENTERS
of Beatrice Foods Co.

72nd Annual Meeting

The 72nd Annual Meeting of Stockholders will be held at 10:30 A.M. (C.D.T.) on Wednesday, June 4, 1969, in the Grand Ballroom of the Sheraton-Chicago Hotel, 505 N. Michigan Ave., Chicago, Ill.

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- Capital Stock Listing** • New York Stock Exchange
- Registrars of Stock** • The Chase Manhattan Bank
- The Northern Trust Company
- Stock Transfer Agents** • Morgan Guaranty Trust Company of New York
- Continental Illinois National Bank and Trust Company of Chicago
- Dividend Disbursement Agent** • Continental Illinois National Bank and Trust Company of Chicago

EXECUTIVE OFFICES: 120 South La Salle Street
Chicago, Illinois 60603

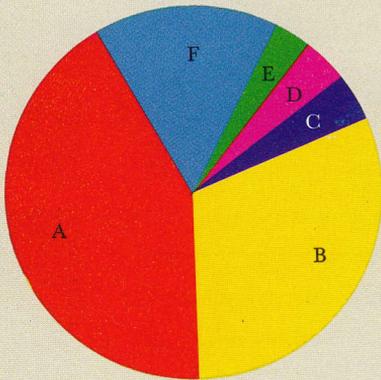


HIGHLIGHTS OF THE YEAR

	February 28, 1969	February 29, 1968	Per Cent of Increase
Net Sales	\$1,302,943,017	\$1,052,431,480	24
Net Earnings After Taxes	43,667,574	37,398,588	17
Per Share of Common Stock (Note)	1.89	1.80	5
Working Capital	177,683,593	132,417,702	34
Stockholders' Equity	302,763,043	243,671,101	24
Dividends Paid	20,665,968	16,494,576	25
Per Share of Common Stock88⁷/₈	.80 ⁵ / ₈	10
Number of Stockholders	23,998	20,490	17
Restating Fiscal 1968 to Include Companies Acquired in Fiscal 1969 Poolings of Interests:			
Net Sales	1,302,943,017	1,199,409,506	9
Net Earnings After Taxes	43,667,574	42,038,715	4
Per Share of Common Stock (Note)	1.89	1.84	3
Stockholders' Equity	302,763,043	277,187,079	9

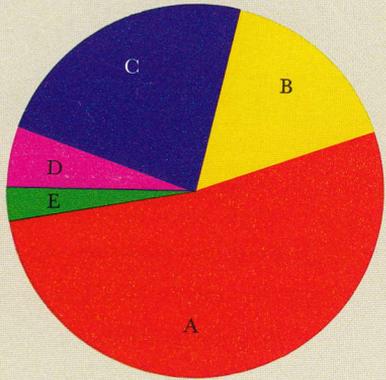
Note—See note 11 to financial statements (Page 23) for additional data.

BEATRICE SALES DOLLAR



SOURCE *

A. Dairy	42¢
B. Grocery	31¢
C. Confectionery	4¢
D. Warehousing	4¢
E. Agri-Products	3¢
F. Chemical & Manufacturing	16¢
TOTAL	\$1.00



DISPOSITION

A. Materials	53¢
B. Wages & salaries	16¢
C. Supplies and other expenses	23¢
D. Taxes	5¢
E. Dividends to stockholders and earnings retained in the business	3¢
TOTAL	\$1.00

*Includes sales of consolidated foreign subsidiaries.

TO THE STOCKHOLDERS OF BEATRICE FOODS CO.

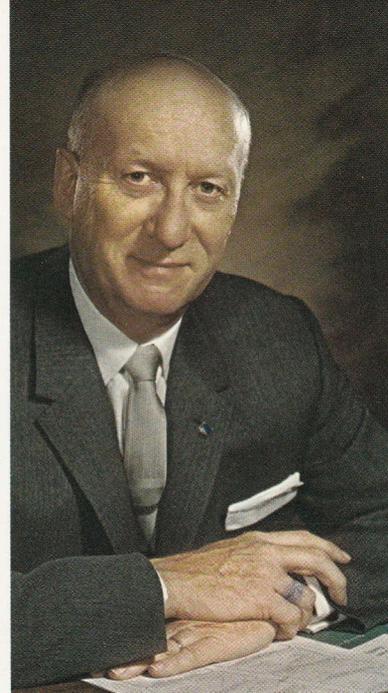
“Each of our seven divisions
increased sales and earnings.”

Sales increased for the 19th consecutive year and earnings and earnings per share for the 17th consecutive year as your company achieved all-time highs in virtually every phase of domestic and international operations for the fiscal year ended Feb. 28, 1969.

Total sales volume was well ahead of our objectives as all seven divisions expanded operations and increased their sales and earnings. During the year, your company broadened its product mix substantially by the introduction of new products and the addition of product lines to provide for future growth and stability of earnings.

Return on stockholders' equity was 15 per cent for the year, compared to 10 per cent for 1960. This rate of return is among the highest in the food industry.

Although your company has diversified into several, specialized non-food fields, Beatrice Foods continues to grow predominantly as a multi-national food company. Sales of foods and related products



William G. Karnes
President
Chief Executive Officer

and services (which include animal feed supplements and by-products and public warehousing) accounted for \$1.1 billion, or 84 per cent, of the company's total sales for the last fiscal year.

SALES—Dollar sales totaled \$1,302,943,017, an increase of \$250,511,537 or 24 per cent on an actual basis. This was almost double the sales increase of approximately \$143,000,000 for the previous year on an actual basis and reflects the momentum of growth your company is generating. Restated to reflect “pooling of interests” mergers, this year's increase was \$103,533,511.

Unit sales increased for the 32nd consecutive year. In all, your company now produces more than 6,000 products.

EARNINGS—*All earnings per common share, dividend and outstanding common stock figures in this report have been adjusted to reflect the common stock distribution on March 3, 1969, of one share for each share held.*

Net income rose to \$43,667,574, an increase of \$6,268,986, or 17 per cent on an

actual basis. After restating the prior year's net earnings to reflect the earnings of companies acquired in mergers, the increase was \$1,628,859. Net earnings per common share after dividends on preference shares were \$1.89. This compares to \$1.80 per share reported for the previous year. Restated, the net earnings in the previous year were \$1.84 per share.

Net earnings before the 10 per cent federal income tax surcharge totaled \$47,487,957, or \$2.07 per common share.

Net earnings per share of common stock would only be reduced five cents per share in both years by assuming full conversion of preference stocks and exercise of all employee stock options.

CAPITAL STOCK—At Feb. 28, 1969, there were four series of convertible preference stock outstanding, comprising a total of 620,698 shares. There were 22,116,898 shares of common stock outstanding. The 97,500 shares of \$4.00 convertible preference stock, first series, were converted into common stock during the year.

At the June, 1968 Annual Meeting in San Francisco, Calif., stockholders approved an increase in the number of shares which the company has the authority to issue from 850,000 shares of preference stock to 2,500,000 shares and from 15,000,000 shares of common stock to 35,000,000 shares.

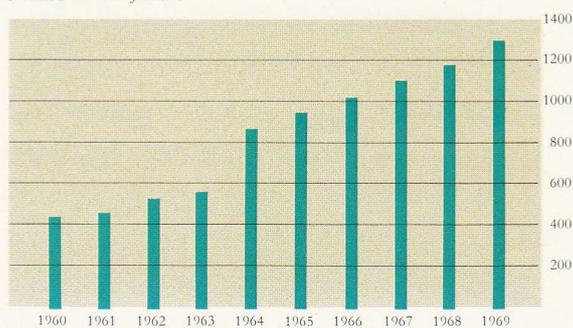
On Nov. 26, 1968, the board of directors declared a common stock distribution to common stockholders of one additional

share for each outstanding share. This distribution was made on March 3, 1969, to stockholders of record Jan. 31, 1969. This was the fifth stock distribution in the last 12 years.

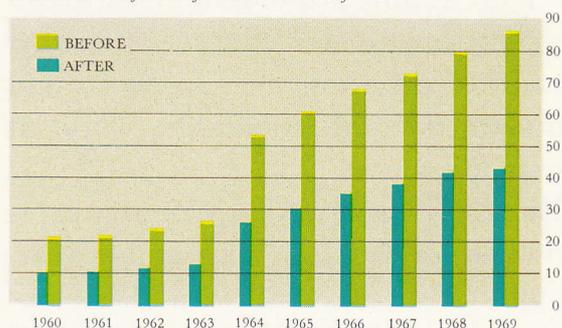
DIVIDENDS—Record dividends of \$20,665,968 were paid on preference and common stocks during the fiscal year, an increase of 25 per cent from \$16,494,576 paid the year previous.

On June 5, 1968, the board of directors voted to raise the annual dividend rate on the common stock 10 per cent to \$.91 from \$.82½ effective with the July 1, 1968, payment date.

SALES millions of dollars



EARNINGS before and after taxes millions of dollars



Years commencing with 1964 have been restated for subsequent pooling of interests mergers in all applicable charts.



Following the 100 per cent common stock distribution on March 3, 1969, your directors established a new annual dividend rate of \$1.00 per common share. The new annual rate represents an additional 10 per cent increase. This was the fifth increase in the annual dividend rate on the common stock in four years and the third in less than two years. Since January, 1957, the annual dividend rate has tripled from \$.33 after adjustment for five stock distributions.

CAPITAL EXPENDITURES—During the year, your company invested a record \$38 million in property, plant construction and equipment. This included \$30.2 million expended by companies which were members of Beatrice at the beginning of the fiscal year and \$7.8 million expended during the fiscal year by companies acquired in pooling of interests mergers and for plant and equipment of companies acquired by purchase. This compares with a total investment for the prior year on a reported basis of \$27.1 million . . . the previous all time high. A total of 40 major projects were initiated. In the last decade, Beatrice has invested more than \$184 million in plant construction and modernization and for new equipment to maintain the 525 plants and branches we operate around the world at maximum efficiency.

WORKING CAPITAL—Working capital increased for the 24th consecutive year. The total at Feb. 28, 1969, was \$177,683,593, compared to \$132,417,702 reported for

the previous year. The increase of over \$45 million was the largest in the company's history and included \$22 million from companies acquired in pooling of interests mergers.

STOCKHOLDERS' EQUITY—Book value of each share of common stock increased for the 32nd consecutive year to a new high of \$11.12 as stockholders' equity grew to \$302,763,043.

LEGAL PROCEEDINGS—In accordance with the agreement with the Federal Trade Commission to settle the dairy merger case that had been pending since 1956, your company consummated a favorable sale of its milk bottling and ice cream manufacturing plants at Pasadena, Calif., its Price's creameries division at El Paso, Texas, and its milk bottling plants at Cedar City, Utah, and Glendale, Ariz., to a purchaser approved by the commission, effective Jan. 31, 1969.

Under the same settlement agreement, your company sold its milk bottling plant at Morgantown, W. Va., on Nov. 30, 1968.

Still pending before the Federal Trade Commission is an action against your company and one of its customers under the Robinson-Patman Act.

During the year a number of cases involving industry practices have been successfully terminated. The few cases still pending are deemed not to be material in the opinion of counsel and management.

MANAGEMENT—Peter Cowles was



PETER COWLES
Controller



R. WILBUR
DAESCHNER
Assistant Secretary



THOMAS J.
BOYCE, JR.
Assistant Treasurer

elected to the newly-created office of controller, R. Wilbur Daeschner was elected an assistant secretary and Thomas J. Boyce, Jr., an assistant treasurer.

EMPLOYEES—The record of continuing progress your company has achieved attests to the abilities, dedication and enthusiasm of our team of employees. Company sales per employee have increased 38 per cent in the last decade. We are confident of your company's capacity to achieve future growth goals because of this team of employees and our managerial depth and strength at all echelons of operations as reviewed in the opening pages of this report.

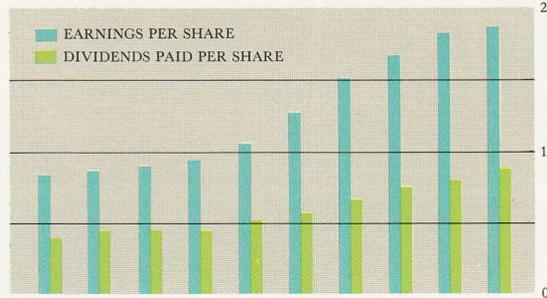
STOCKHOLDERS—The number of stockholders in your company increased for the 18th consecutive year and totaled 23,998 on Feb. 28, 1969. We are deeply appreciative of the many constructive comments and suggestions we have received from stockholders during the year.

THE YEAR AHEAD—Your company began the new fiscal year in the strongest financial position in its history. We look forward to another year of progress with the valued support and cooperation of our stockholders, employees, customers and suppliers.

Yours sincerely,

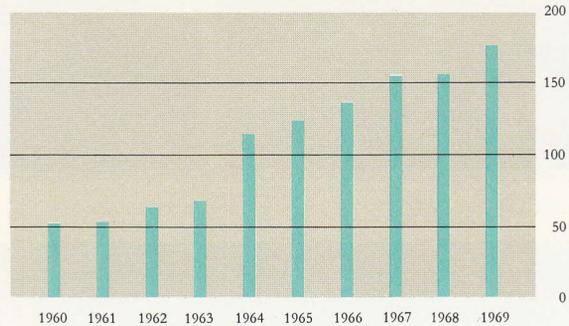
William G. Karnes
President

EARNINGS AND DIVIDENDS PAID PER SHARE dollars

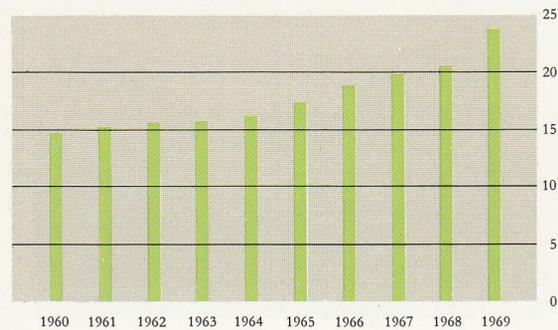


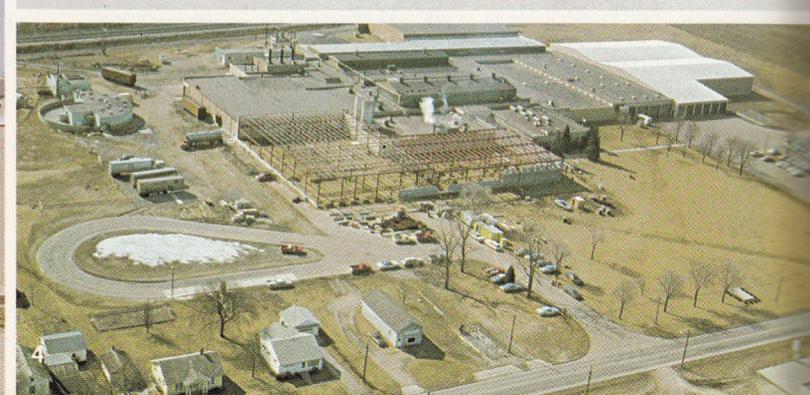
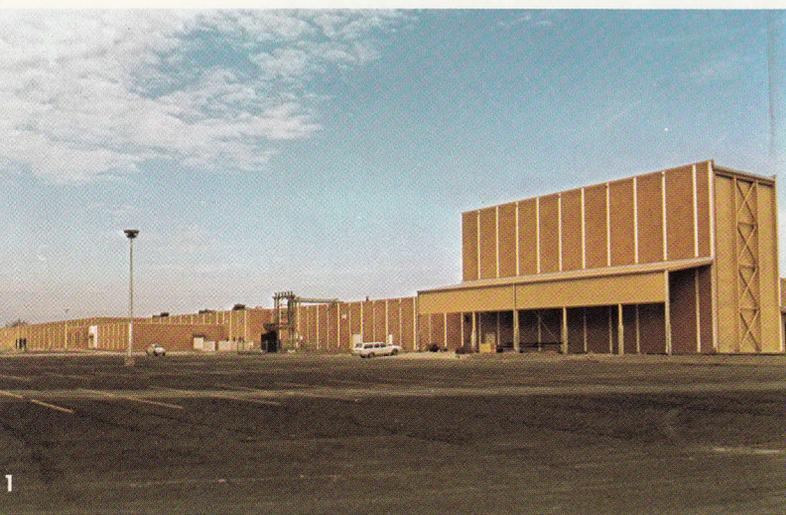
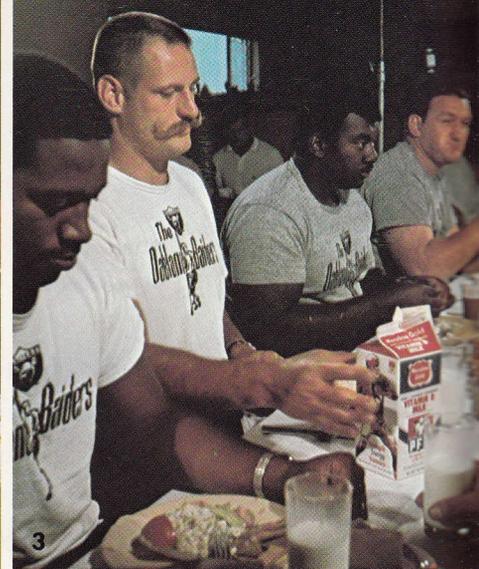
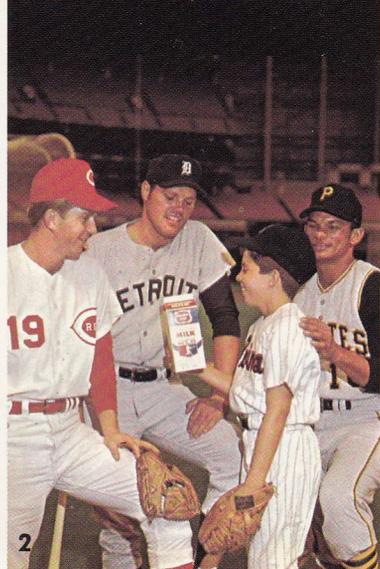
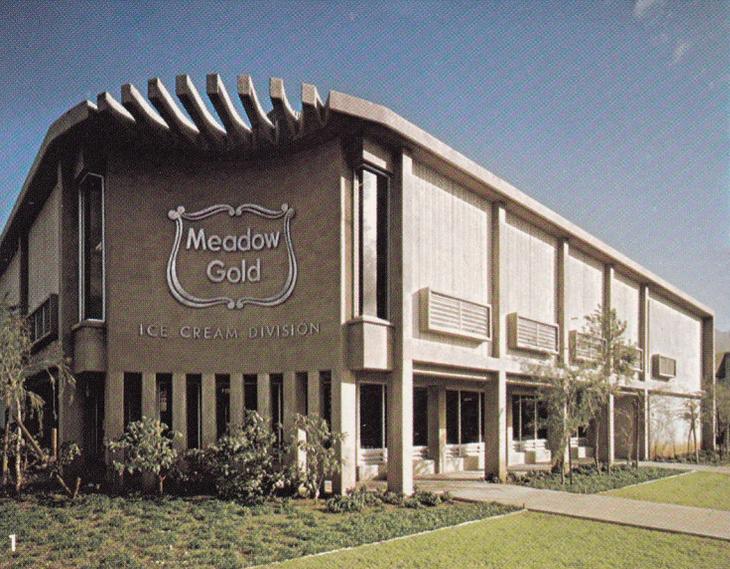
Adjusted for stock distribution on March 3, 1969, of one share for each share held.

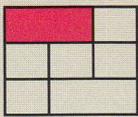
WORKING CAPITAL millions of dollars



NUMBER OF STOCKHOLDERS thousands







Dairy Division

Sales of the Dairy Division continued to grow at a faster rate than the national average for dairy products and were in excess of \$500,000,000. The increase of six per cent was effected almost entirely through improved marketing programs, introduction of new products, improved packaging and increased promotion.

In the last five years, sales of the company's 90 dairy plants and 200 branches, which market products principally under the Meadow Gold, Holland Dutch, Louis Sherry, Dannon and Supreme brands,

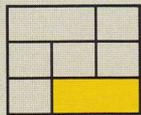
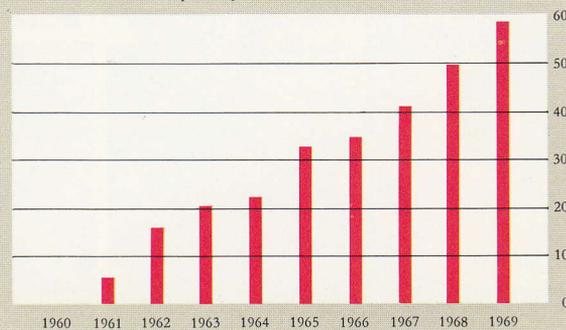
- 1 Honolulu, Hawaii, Meadow Gold ice cream plant was completely re-modeled last year at a cost of \$500,000.
- 2 Tommy Helms, Cincinnati, Bill Freehan, Detroit, Matty Alou, Pittsburgh, and Mike Childers, check the new Meadow Gold milk carton with endorsement of Meadow Gold as official milk of the Major League Baseball Players Association at 1968 All-Star game.
- 3 Ben Davidson, star defensive end, and teammates of the Oakland Raiders refuel with Meadow Gold, endorsed as official training table milk of the American Professional Football League's Players Association.
- 4 Youngsters at an orphanage in Cincinnati enjoy special performance by Clyde Beatty-Cole Bros. Circus, co-sponsored by Meadow Gold.
- 5 Meadow Gold opened this new facility at Somerset, Pa., to distribute dairy products in Western Pennsylvania.

have increased \$122 million. Dollar sales of bottled milk and cream rose for the 30th consecutive year. Sales of ice cream, ice cream novelties, frozen desserts and dairy specialties also reached new highs.

Beatrice dairy operations are more national in scope than any other company—serving 46 of the 50 states, Puerto Rico and the District of Columbia with over 100 milk products and more than 500 ice cream and frozen dessert items.

Under the division's continuing program to increase production efficiencies, major additions were initiated at 24 dairy plants last year.

DAIRY DIVISION *percent of increase in sales*



Grocery Division

Dollar and unit sales of the Grocery Division, which operates 70 plants and branches in 26 states and Puerto Rico, established new records for the 12th consecutive year. Sales increased to \$409 million.

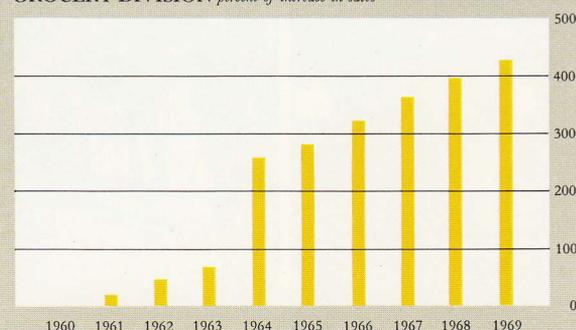
Unit sales of the division, which manufactures and distributes more than 2,000 products under more than 75 brands, exceeded one trillion items. Product sales increased in all seven basic categories—snacks, glass-packed foods, nationality foods, industrial products, institutional products, baked goods and margarine. More than 150 new or substantially improved products were introduced during the year, all in the convenience food category.

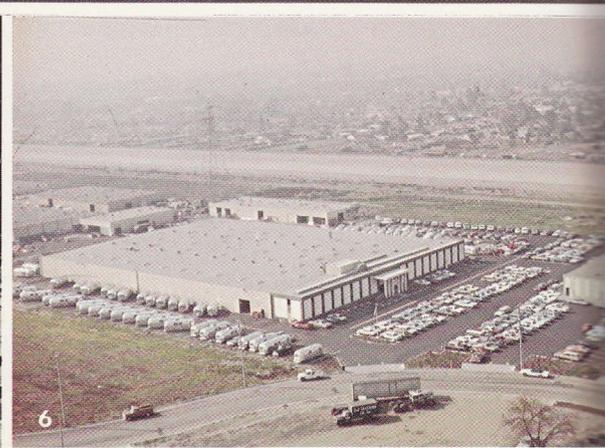
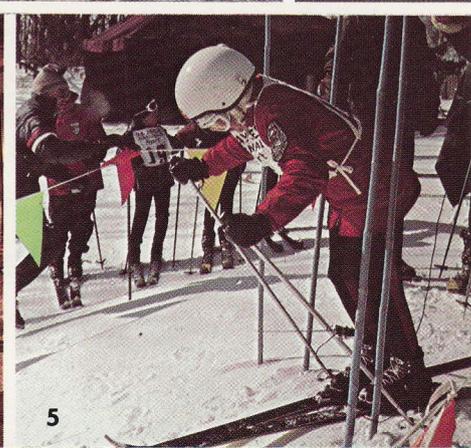
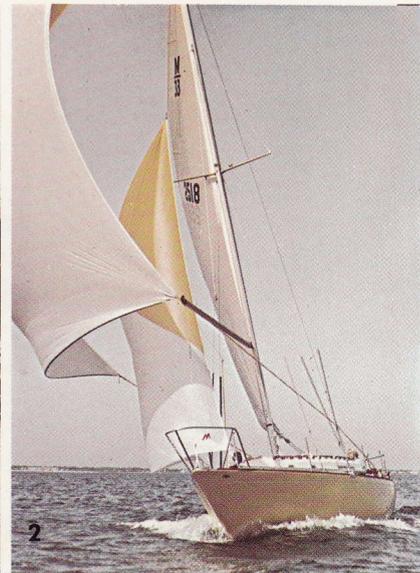
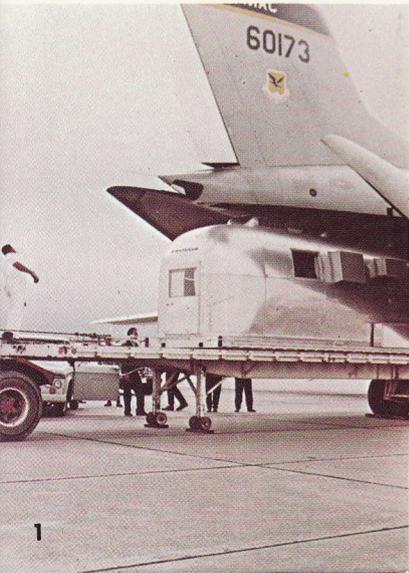
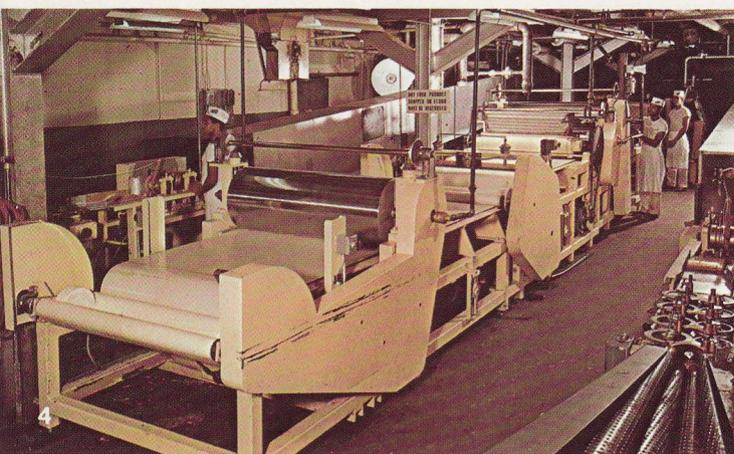
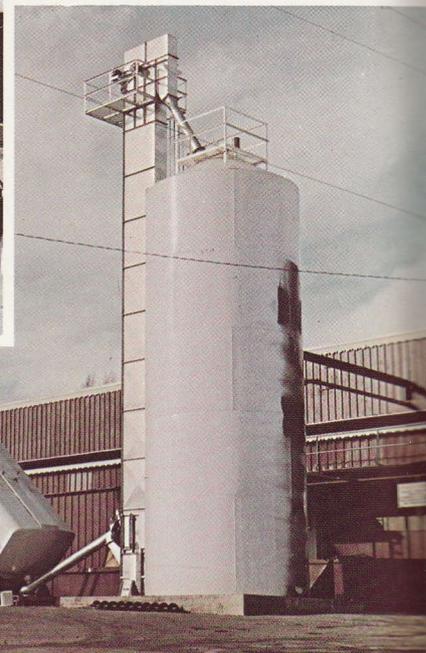
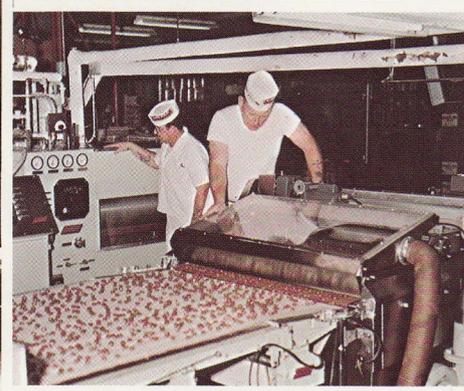
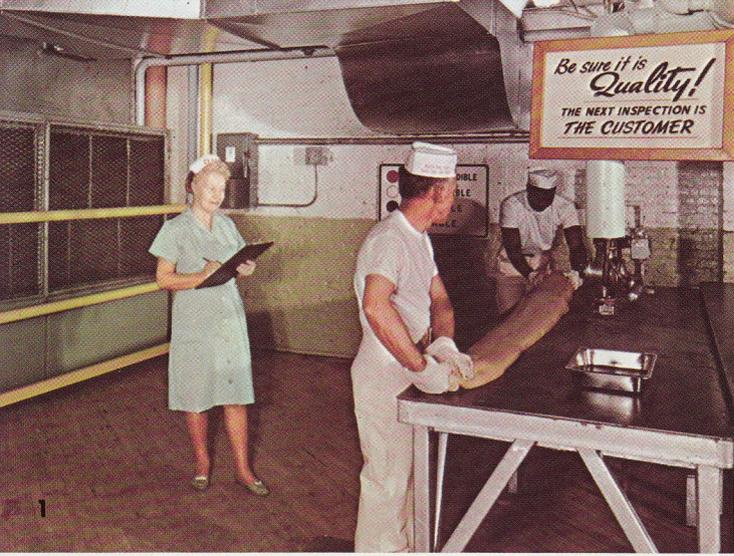
- 1 Murray Biscuit Co. completed this \$3,000,000 plant in Augusta, Ga., to provide for growing demand for its cookies.
- 2 John Sexton & Co., Chicago, supplies more than 400 food products and related items to schools, restaurants, hospitals, hotels and other institutions.
- 3 Burny Bros. is expanding its frozen bakery products facilities with a \$7,000,000 addition to its bakery in Northlake, Ill.
- 4 La Choy will complete a 41,000 square foot addition to its Chinese foods plant in Archbold, Ohio, in 1969.

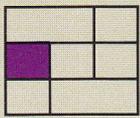
The division expanded its marketing team to 23 to assist further in developing sales, distribution and customer services for all companies. These men are located in key marketing areas across the nation. A network of distribution centers presently is being established across the country.

Capital expenditures for new plant construction and additions to present facilities also were at an all-time high. Three new plants are nearing completion and additions were made to seven others.

GROCERY DIVISION *percent of increase in sales*







Confectionery Division

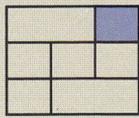
Continuing to build for future growth, all members of the Confectionery Division expanded their plants and facilities. Sales increased for the ninth consecutive year and were up more than 12 per cent from the previous year.

Jolly Rancher completed a 30,000 square foot expansion and added bulk sugar storage facilities at its plant in Wheatridge, Colo. Production lines for Holloway Milk Duds went "on stream" during the year to serve the West Coast.

- 1 Addition of new air-control system and processing machinery at The D. L. Clark Co. plant, Pittsburgh, Pa., assures maximum quality control for production of Clark candies.
- 2 Thos. D. Richardson Co., Philadelphia, further automated its packaging facilities for its popular After Dinner® Mints.
- 3 Bobby Hull, Chicago Black Hawks super star, signs contract to promote Holloway "Milk Duds" as official candy of the National Hockey League with John W. Hoermann (left), president, and Andrew Frahler (right), executive vice president of Holloway.
- 4 New production machinery was installed in the Clark plant in Evanston, Ill.
- 5 Jolly Rancher increased capacity with plant addition and new bulk sugar tower at plant in Wheatridge, Colo. Included were facilities for producing Holloway "Milk Duds" (inset).

Holloway, which is observing its 50th year in 1969, made substantial additions to its caramel candy production facilities in its Chicago plant. Chesterton Candy Co. (Mrs. Leland's) increased its plant facilities in Chicago, and The D. L. Clark Co. expanded production facilities in its plants in Pittsburgh, Pa., and Evanston, Ill. Switzer Licorice Co. added additional production capacity in St. Louis. Thos. D. Richardson Co. restyled its packaging for After Dinner® Mints and related candies.

CONFECTIONERY DIVISION *percent of increase in sales*



Chemical & Manufactured Products Division

Following extensive research by management and market specialists, your company began diversifying four years ago into a limited number of non-food fields appraised as having exceptional potential for growth of sales and profits. These include:

Home and Garden Accessories: lamps, water sprinklers, gas lamps and barbecues, specialty furniture, draperies, picture frames, housewares.

Recreation Equipment: travel trailers, skis and yachts.

Institutional Supplies: food service equipment, coat racks, soft-serve ice cream dispensers, maintenance

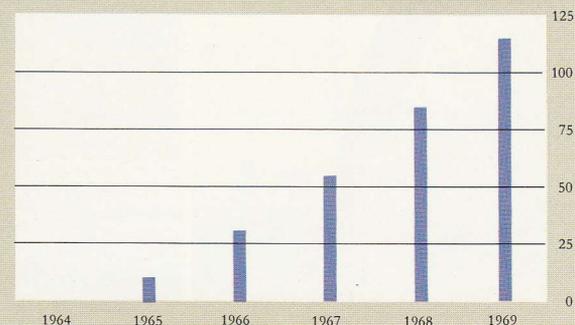
equipment, electric hand dryers.

Specialty Chemicals: finishing chemicals for leather, wood, paper and metal and for photography, marine and industrial coatings and paints, metallic lubricants, pumice and related polishing materials.

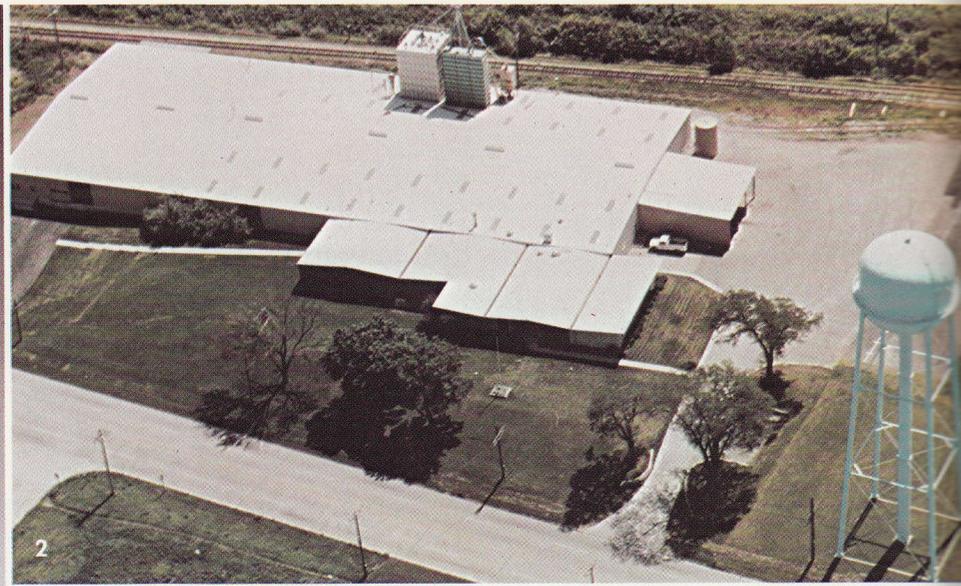
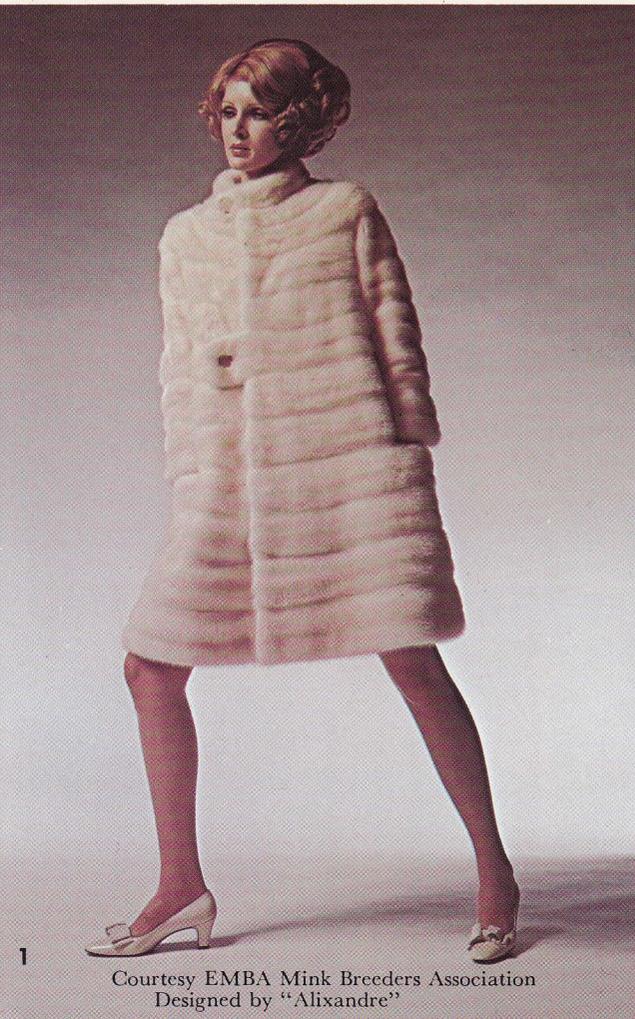
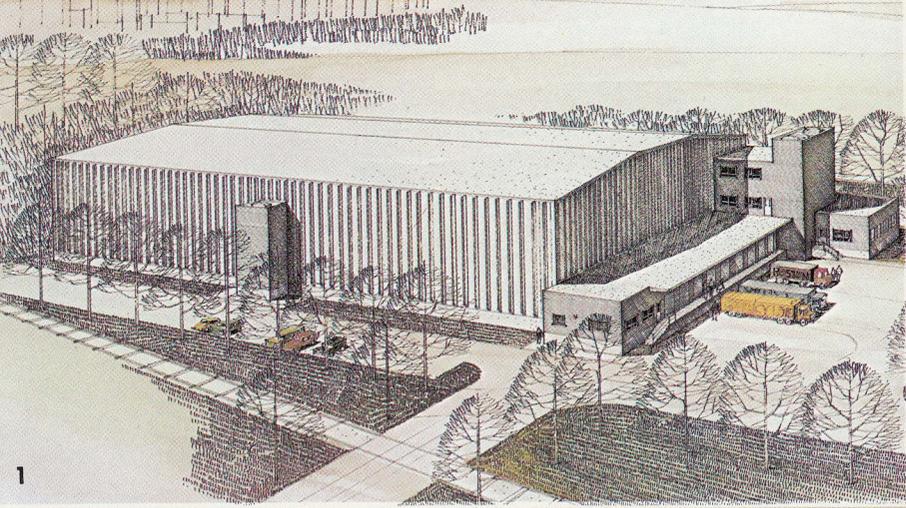
Graphic Arts: creative services, typesetting, preparation of engraving plates using engraving, offset or rotogravure techniques.

Sales for the division, which now comprises 37 plants in the United States, increased to \$203 million for the last fiscal year.

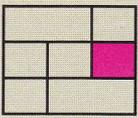
CHEM. & MFG. DIVISION *percent of increase in sales*



- 1 Mobile Quarantine Unit is loaded for shipment to National Aeronautics and Space Administration. It is one of four built by Airstream for transfer of U.S. astronauts in isolation from space capsule to Houston following return from moon landing.
- 2 Morgan Yacht Corp., St. Petersburg, Fla., produces seven basic fiberglass yachts, ranging from 22 to 45 feet.
- 3 Spiegel Industries completed this \$1,250,000 plant in Lodi, N.J.
- 4 Hekman Furniture Co., Grand Rapids, Mich., and Lexington, N.C., maintains this attractive showroom in Chicago.
- 5 Hart Ski Co., St. Paul, Minn., was co-sponsor of the U.S. Jaycees National Jr. Ski Championships at Iron Mountain, Mich., Feb. 21-23, 1969, for boys and girls ages 8-13.
- 6 Airstream moved into this 111,000 square foot plant in Cerritos, Calif., in 1968.



Courtesy EMBA Mink Breeders Association
Designed by "Alixandre"



Public Warehouse Division

Revenues of the fast-growing Public Warehouse Division increased for the eighth consecutive year and were up 26 per cent from the year previous. Freezer, cooler and dry storage capacity now totals 80,500,000 cubic feet.

The division now operates 25 cold storage warehouses and two dry storage warehouses in key markets across the country.

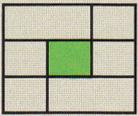
Major expansion programs include a \$3,500,000

cold storage warehouse in Boston and additions to Terminal Refrigerating Company's warehouse in Los Angeles, Quincy Market's Rowe Square Warehouse in Gloucester, Mass., and Inland Underground Facilities in Kansas City, Kans.

Freezer space at Beatrice Cold Storage in Denver was increased 100 per cent during the year. The division plans to add to its warehouse facilities in Chicago in 1969.

- 1 Quincy Market & Cold Storage Co. plans to open this \$3,500,000 South Bay Cold Storage warehouse in Boston, Mass., in the fall of 1969.
- 2 Terminal Refrigerating Co. completed major additions to its storage and dock facilities and offices at its Jesse St. warehouse in Los Angeles in April, 1969.
- 3 Freezer storage capacity at Beatrice Cold Storage Co Denver, was doubled in 1968.

WAREHOUSE DIVISION *percent of increase in revenues*



Agri-Products Division

Founded four years ago in anticipation of the world's growing needs for protein and animal by-products, the Agri-Products Division increased its sales and earnings over the previous year.

Principal products of the division, which operates 30 plants and branches across the country, include high-protein, high vitamin animal feed supplements, pre-mixes and animal health foods.

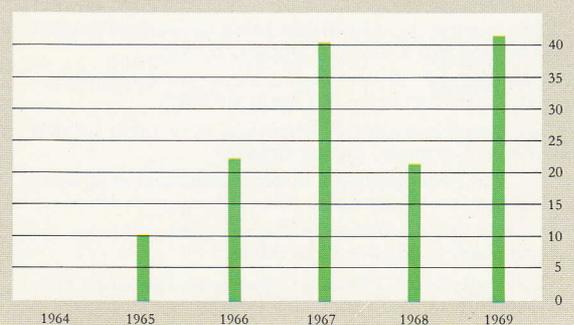
It also processes such animal by-products as hides, wool and tallow as well as frozen animal foods for mink breeders and pet food manufacturers.

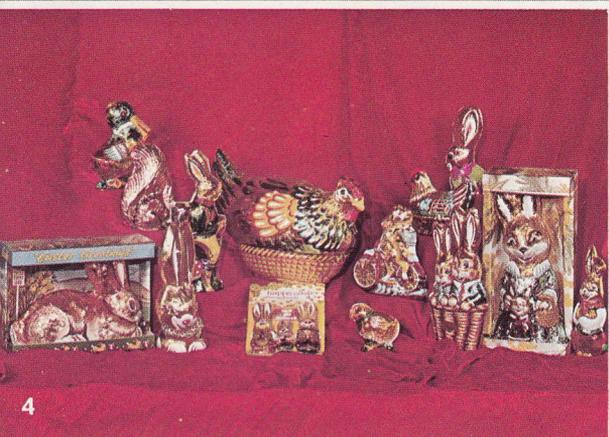
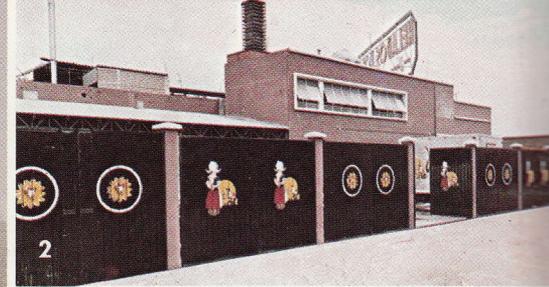
Marketing programs and plant facilities were expanded substantially during the last fiscal year.

Vigortone Products extended its distribution to 30 states and developed a number of new products, including a dog food. Plant facilities at Cedar Rapids, Iowa, were increased by 50 per cent and a diagnostic laboratory was established. Colorado By-Products expanded its hide processing operations. Ross-Wells presently is testing a new type of animal feed at its plant in Berlin, Md., which opened during the year.

- 1 Fine, high grade mutation mink are produced by members of Emba® Mink Breeders Association, many of whom are supplied with frozen mink food by the Agri-Products Division.
- 2 Vigortone Products completed a 50 per cent increase in its plant and office area in Cedar Rapids, Iowa.
- 3 Regal By-Products increased its production facilities and added this new warehouse to its plant in Lynn Center, Ill.

AGRI-PRODUCTS DIVISION *percent of increase in sales*





International Division

Since it launched its first overseas venture in 1961, Beatrice has become a truly multi-national company. Today, Beatrice brands are synonymous with quality on every continent. The company has major interests in 48 companies in 24 nations around the world. These companies operate 61 plants and employ almost 5,500 persons.

In addition, Beatrice has 22 sales offices and branches in key international markets and franchise agreements in 12 countries.

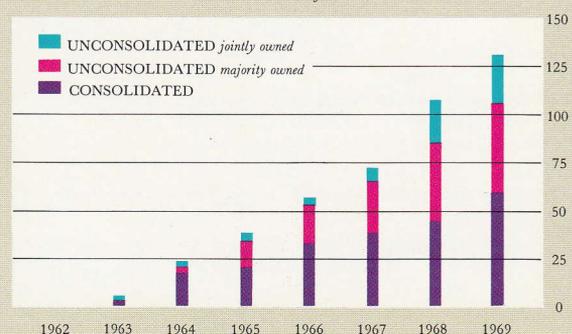
Beatrice's development of international operations continues to be basically in fields in which it has "know-how" and experience in depth—dairy

products, confections, snacks, specialty foods and chemical specialties. Beatrice's policy is for local management to share in the ownership of the foreign company it manages.

In addition to the companies pictured on this page, Beatrice also purchased a majority interest in Northshore Dairies, Ltd., Montego Bay, Jamaica, and opened a chemical plant in Managua, Nicaragua, in January, 1969 to supply Stahl Finishes to five Central American countries.

Divisional sales for the year were \$128 million, including \$24 million in sales of joint ventures, an increase of 21 per cent from the previous year.

INTERNATIONAL SALES *millions of dollars*



- 1 Tayto, Ltd., opened this \$1,000,000 plant to produce potato chips and related snack foods in Dublin, Ireland.
- 2 Helandos Holanda, S. A., the largest ice cream company in Mexico City, joined Beatrice in December 1968.
- 3 O. K. Gum completed another expansion of its plant located near Hamburg, Germany, during the year.
- 4 Stark's Pty. Ltd., Melbourne, a major manufacturer of foil-wrapped chocolates in Australia, joined Beatrice in 1968.
- 5 Stoffel y Cia, S. A., manufactures specialty chemicals in this modern plant in Mexico City, Mexico.
- 6 Frigor, C. Por A., Santo Domingo, represents Beatrice's first ice cream venture in the Dominican Republic.

Directors and Officers



WILLIAM G. KARNES
President
Chief Executive Officer



DON L. GRANTHAM
Executive Vice President
Dairy, Agri-Products,
Warehouse



PAUL T. KESSLER, JR.
Executive Vice President
Finance, Administration,
International



HARRY NIEMIEC
Executive Vice President
Grocery, Confectionery



BROWN W. CANNON
Senior Vice President
Western Dairy Area,
General Manager,
Agri-Products



WALLACE N. RASMUSSEN
Senior Vice President
Eastern Dairy Area



WILLIAM W. GRANGER, JR.
Vice President
Northeast
Dairy Region



JOHN F. HAZELTON, JR.
Vice President
East Central
Dairy Region



GEORGE W. KALL
Vice President
West Central
Dairy Region



CHARLES H. MCCONNELL
Vice President
Iowa-Missouri
Dairy District



E. A. WALKER
Vice President
Far Western
Dairy Region



ALEX MacTAGGART
Vice President
General Manager,
Warehouse Division



JUAN E. METZGER
Vice President
International
Division



LEE W. SCHLYTTER
Vice President
Corporate
Development



GORDON E. SWANEY
Vice President
Assistant
General Manager,
Grocery Division



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Treasurer



WILLIAM G. MITCHELL
Secretary



JOHN P. FOX, JR.
General Attorney



PETER COWLES
Controller



JAMES J. CULLEN
Assistant Secretary
Assistant Treasurer



CARL T. E. SUTHERLAND
Assistant Secretary
Assistant Treasurer



R. WILBUR DAESCHNER
Assistant Secretary



THOMAS J. BOYCE, JR.
Assistant Treasurer

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Denver, Colorado

ALVIE J. CLAXTON
Pinehurst, North Carolina

GEORGE A. GARDELLA
Detroit, Michigan

DON L. GRANTHAM
Chicago, Illinois

WILLARD V. HASKELL
Topeka, Kansas

JOHN F. HAZELTON, SR.
Chicago, Illinois

WILLIAM G. KARNES
Chicago, Illinois

PAUL T. KESSLER, JR.
Chicago, Illinois

BERNARD A. MONAGHAN
Birmingham, Alabama

EDWARD M. MULDOON
Sun City Center, Florida

JAY G. NEUBAUER
Long Grove, Illinois

HAROLD F. NICHOLS
Galesburg, Illinois

HARRY NIEMIEC
Chicago, Illinois

CHARLES H. PATTEN
Phoenix, Arizona

T. MACKIN SEXTON
Chicago, Illinois

HAROLD F. STOTZER
Archbold, Ohio

FLAVEL A. WRIGHT
Lincoln, Nebraska

EXECUTIVE COMMITTEE OF BOARD OF DIRECTORS

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Brown W. Cannon
George A. Gardella

Don L. Grantham
John F. Hazelton, Sr.
Paul T. Kessler, Jr.
Bernard A. Monaghan

PENSION PLANNING COMMITTEE

Harold F. Nichols,
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Bernard A. Monaghan

Charles H. Patten
Flavel A. Wright
Jay G. Neubauer

EXECUTIVE COMPENSATION COMMITTEE

Harold F. Nichols,
Chairman
Bernard A. Monaghan

Charles H. Patten
George A. Gardella

KEY EMPLOYEE STOCK OPTION PLAN COMMITTEE

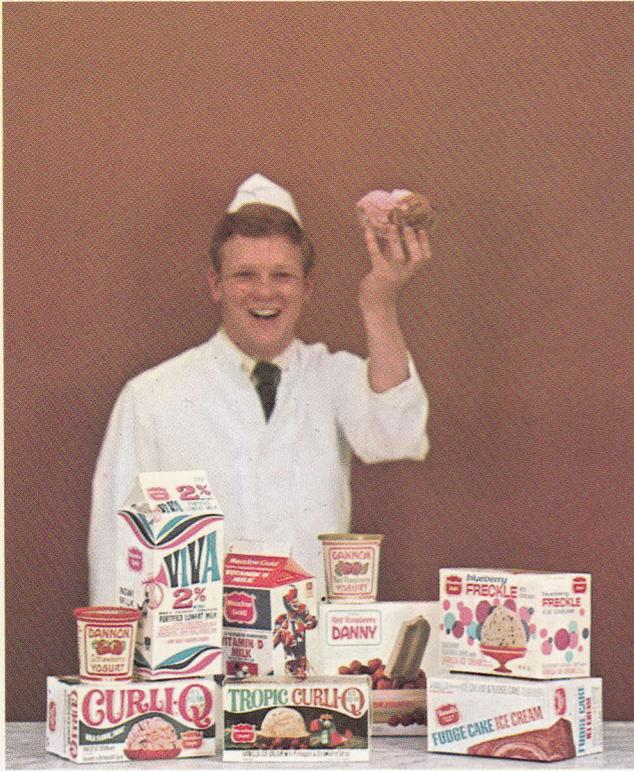
Harold F. Nichols,
Chairman
Bernard A. Monaghan

Charles H. Patten
Flavel A. Wright

AUDIT COMMITTEE

Bernard A. Monaghan,
Chairman
Charles H. Patten

Harold F. Stotzer
John F. Hazelton, Sr.



New From Beatrice

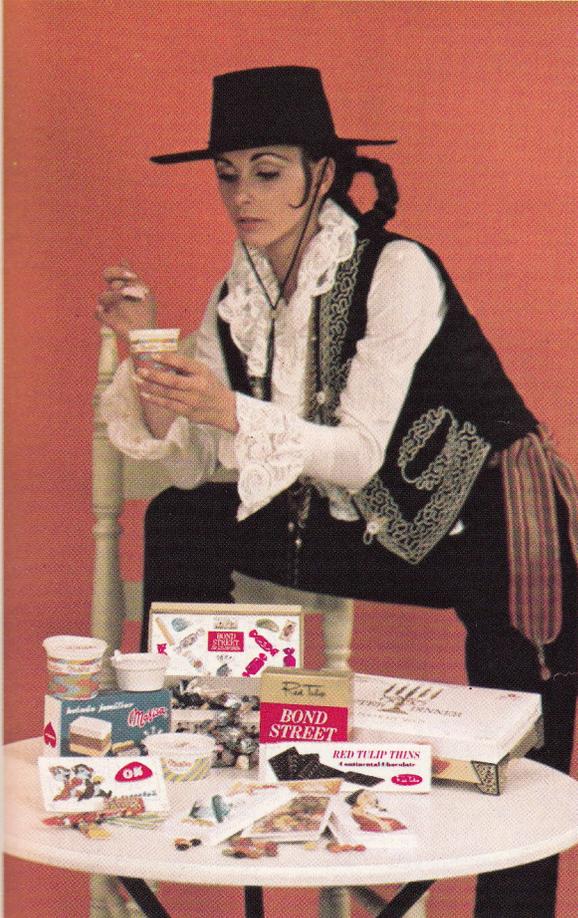
As the result of its program to accelerate internal growth, the company introduced 293 new or substantially improved products during the last fiscal year. Of this total, 152 were dairy and specialty food items.

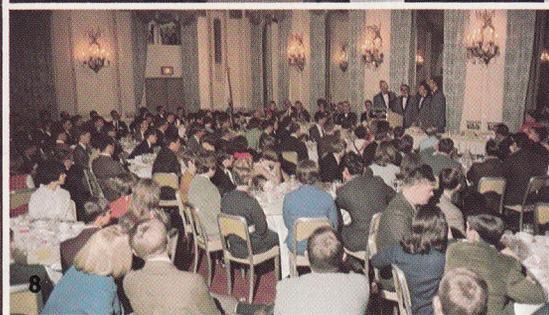
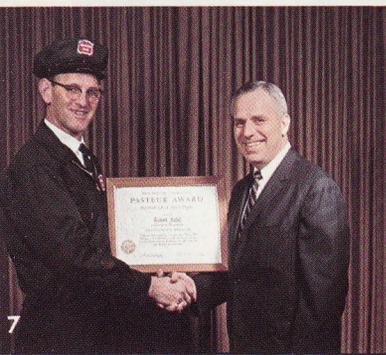
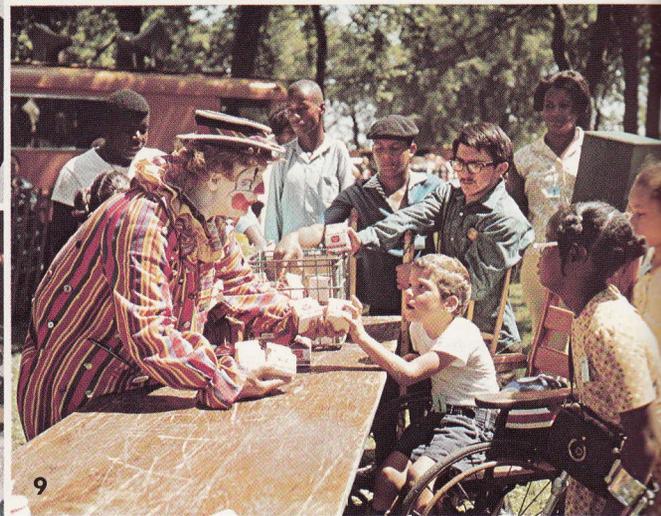
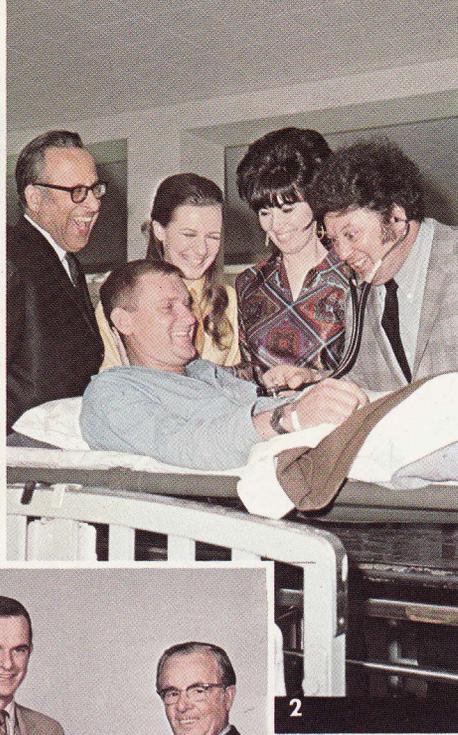
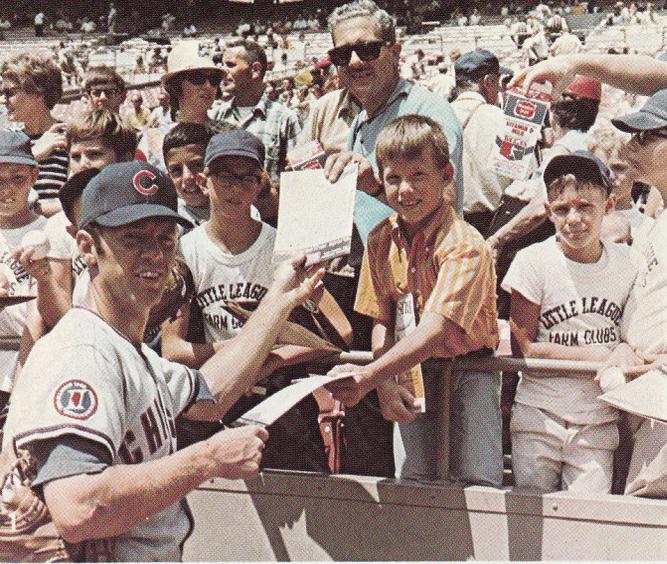
The range of new products extends from new ice cream and milk products and a flavored yogurt treat on a stick to a score of new candies, baked goods and snacks; from modular cooking equipment to soft ice cream dispensers and gas grills; from food flavoring ingredients to fortune cookies.

To insure even greater new product development in the future, the staff and facilities of the central research and test kitchen departments in Chicago were tripled in size last year. A number of other field research centers also were expanded.

In the last five years, Beatrice companies have introduced more than 900 products. At the start of the year, there were 108 more scheduled for introduction in 1969.







Awards and Activities

- 1 Chicago Cubs Catcher Randy Hundley chats with Richard J. Jones, president of IGA International, and Little League guests of Meadow Gold at Cardinal's stadium, St. Louis.
- 2 Marine Lance Corp. Marty Zorowski, Kenosha, Wis., jokes with comedian Marty Allen at Great Lakes Naval hospital. During his 1969 "Operation Hello Dere," Allen visited 20 military hospitals and cheered more than 13,000 veterans under the sponsorship of the Miracle White Company. Joining Allen are Leo S. Singer (left), president of Miracle White, Beverly Schwartz, Miracle White receptionist, and model Donna Van Westrop.
- 3 Beatrice officials answer questions at national "How To Invest Show" in St. Louis. Left to right: Joseph Switzer, William J. Powers, William G. Karnes, John Switzer, Howard Swacker.
- 4 Ralph Winstead (center), Kankakee, Ill., ice cream salesman, is congratulated as winner of Airstream trailer, grand prize in Beatrice employee contest by (left to right): Robert Crist, Chicago Airstream dealer; William G. Karnes, president; Don L. Grantham, executive vice president, and Ernest E. Haggstrom, manager of Kankakee plant.
- 5 Richard A. Voell (center), president of Meadow Gold Dairies—Hawaii, receives plaque as "One of the 10 Outstanding Young Men in the State of Hawaii in 1968" from James Hara (left), president, Japanese Jr. Chamber of Commerce, and Joseph Cullen, president, Hawaii State Jr. Chamber.
- 6 Charles Burman (right), president, Mesa, Ariz., United Fund, presents plaque to John Prosser, institutional supervisor for Rosarita Mexican Foods, Mesa, in recognition of Prosser's services during fund drive. At left is Cleve Langston, Rosarita general manager.
- 7 Robert Antel (left), home delivery route salesman for Meadow Gold Dairies, Pittsburgh, receives congratulations from James L. Garner, plant manager, for award of Pasteur Medal Honorable Mention Certificate for heroism from the Milk Industry Foundation.
- 8 "The Vigortones," one of the nation's leading barbershop quartets, entertains more than 200 members of the 4-H Club at dinner sponsored by Vigortone Products at Annual 4-H convention in Chicago.
- 9 Youngsters enjoy refreshment of Meadow Gold milk at Orphan Day Picnic at Chicago's Lincoln Park. More than 5,000 attended the outing sponsored by Orphan Auto Day Association of Chicago, Inc.

1969 Advertising Sales Promotion

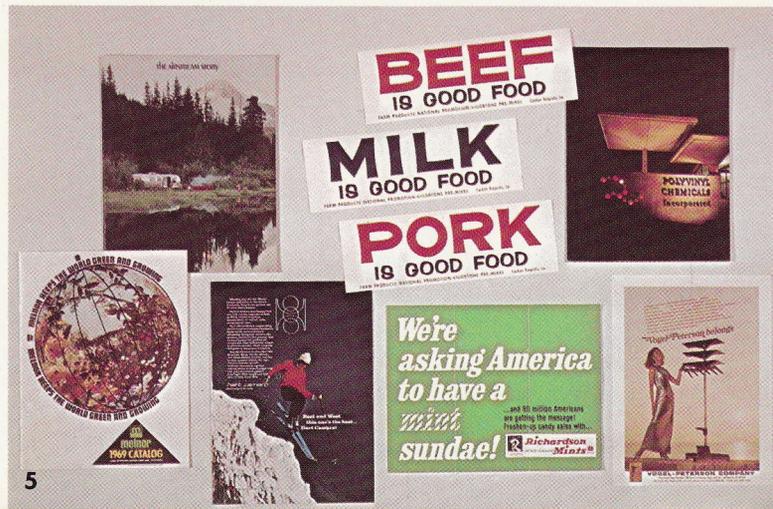
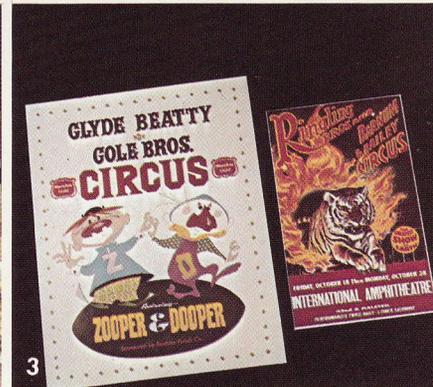
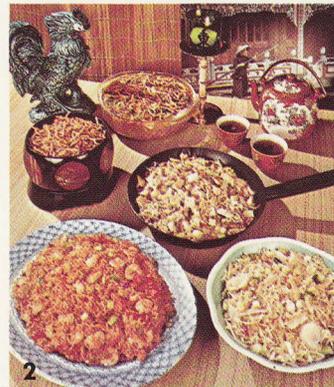
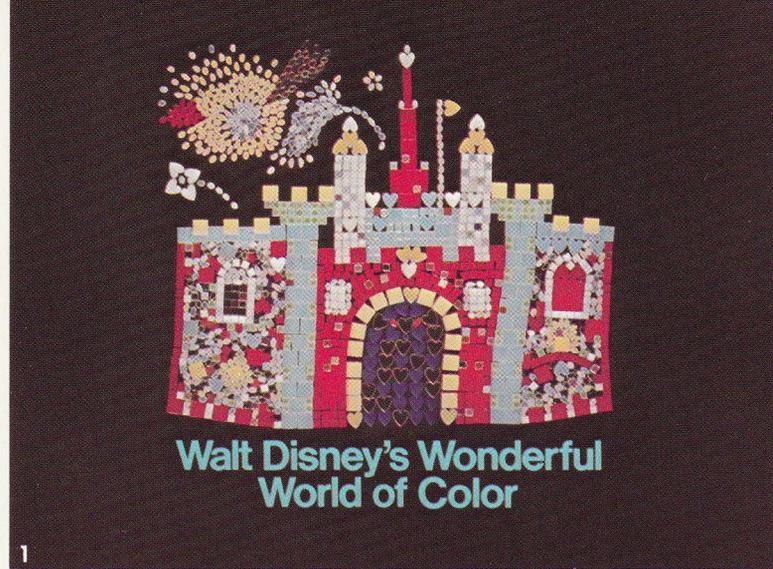
The largest world-wide advertising and sales promotion program in our history has been budgeted by Beatrice companies in 1969. Billions of Beatrice sales messages have been scheduled in all major media and areas of sales including—

Television sponsorship and TV spots during prime-time shows on all three networks such as Walt Disney's Wonderful World of Color, the Dean Martin and Carol Burnett shows . . . Meadow Gold TV spots and outdoor billboards in 60 markets . . . large space newspaper ads . . . radio spots . . . promotions with Clyde Betty-Cole Bros. and Ringling circuses . . . national magazines . . . trade publications . . . new packages and display materials . . . coupons and special promotions.

Endorsement of Meadow Gold as the official milk of the Major League Baseball Players Association and of the American Football League players will be featured on more than 1,000,000,000 cartons. Holloway Milk Duds and Clark bars have been approved as the official candies of both the baseball players association and the National Hockey League's players association. Cincinnati's Pete Rose, 1968 batting champion, and Len Dawson, Kansas City Chiefs' quarterback, have joined Meadow Gold's sports advisory staff. "Hello Dere" comedian Marty Allen now is Miracle White's Ambassador of Good Will.

Airstream travel trailers, Hart Skis and Morgan Yachts will be featured in leading national magazines. Hart Ski also is sponsoring a 10-member ski demonstration team and has enlarged its library of films.

- 1 Miracle White and La Choy sponsor network TV programs such as Walt Disney's Wonderful World of Color.
- 2 Newspaper food features in color promote grocery and dairy products.
- 3 Meadow Gold promotions tie-in with circus appearances throughout the country.
- 4 In-store banners, posters, stickers call customers' attention to Beatrice Foods' products at the point-of-purchase.
- 5 Brochures and advertisements in consumer and trade magazines influence millions considering purchases. Industry promotions, such as that of Vigortone for farm and ranch products, help generate good will among potential customers.



Consolidated Balance Sheet *February 28, 1969 and February 29, 1968*

ASSETS

	1969	1968 PREVIOUSLY REPORTED (NOTE 2)	1968 RESTATEd FOR POOLINGS (NOTE 1)
Current assets:			
Cash	\$ 27,592,095	\$ 30,440,649	\$ 34,138,714
Marketable securities, at cost	1,398,526	1,450,563	1,734,258
Receivables, less allowance for losses \$6,598,245 (1968—\$5,683,544, restated \$6,569,876)	107,047,499	81,590,117	97,649,638
Inventories, at lower of cost (first-in, first-out) or market	116,445,182	81,332,497	100,181,961
Prepaid expenses	4,940,520	3,713,616	4,100,782
Total current assets	<u>257,423,822</u>	<u>198,527,442</u>	<u>237,805,353</u>
Investments and advances, less allowance for losses \$1,553,165 (1968—\$1,652,087)	27,298,357	19,566,911	20,431,666
Plant and equipment, at cost less depreciation:			
Land	8,773,723	7,627,895	9,012,012
Buildings	83,404,688	76,952,026	89,050,326
Machinery and equipment	163,952,096	135,869,511	152,275,993
	<u>256,130,507</u>	<u>220,449,432</u>	<u>250,338,331</u>
Less accumulated depreciation (note 3)	117,270,049	103,394,499	117,180,988
	<u>138,860,458</u>	<u>117,054,933</u>	<u>133,157,343</u>
Intangible assets (note 12)	15,395,533	8,296,934	8,300,050
	<u>\$438,978,170</u>	<u>\$343,446,220</u>	<u>\$399,694,412</u>

See accompanying notes to consolidated financial statements.



LIABILITIES AND STOCKHOLDERS' EQUITY

	1969	1968 PREVIOUSLY REPORTED (NOTE 2)	1968 RESTATED FOR POOLINGS (NOTE 1)
Current liabilities:			
Accounts payable and accrued expenses	\$ 71,115,871	\$ 53,027,743	\$ 68,029,766
U.S. and foreign income taxes	8,624,358	13,081,997	15,137,001
Total current liabilities	<u>79,740,229</u>	<u>66,109,740</u>	<u>83,166,767</u>
Indebtedness incurred upon acquisition of other companies (note 4)	19,195,324	10,669,907	15,859,473
Indebtedness incurred to comply with foreign direct investment regulations (note 4)	10,000,000	—	—
Other non-current liabilities (self-insurance, pensions, income taxes, etc.)	5,485,745	5,772,067	6,022,067
Deferred credits (notes 2 and 5)	21,793,829	17,223,405	17,459,026
Stockholders' equity (notes 6, 7 and 8):			
Preference stock, liquidation preference \$56,820,400 (1968—\$26,814,980, restated \$69,314,980)	23,118,730	26,814,980	35,564,980
Common stock	80,732,036	72,635,140	77,563,248
Capital surplus	11,897,963	1,324,130	—
Earned surplus (retained earnings)	187,060,457	143,908,449	164,058,851
	<u>302,809,186</u>	<u>244,682,699</u>	<u>277,187,079</u>
Less common stock in treasury, at cost	46,143	1,011,598	—
Stockholders' equity	<u>302,763,043</u>	<u>243,671,101</u>	<u>277,187,079</u>
	<u>\$438,978,170</u>	<u>\$343,446,220</u>	<u>\$399,694,412</u>

Statement of Consolidated Earnings

Years ended February 28, 1969 and February 29, 1968

	1969	1968 PREVIOUSLY REPORTED	1968 RESTATED FOR POOLINGS (NOTE 1)
Income:			
Net sales	\$1,302,943,017	\$1,052,431,480	\$1,199,409,506
Other income (net)	4,331,278	2,415,009	2,795,319
	<u>1,307,274,295</u>	<u>1,054,846,489</u>	<u>1,202,204,825</u>
Income deductions:			
Cost of sales	920,353,704	745,144,014	854,364,015
Selling, delivery, administrative and general expenses	285,679,355	225,306,004	252,557,939
Provision for depreciation (note 3)	17,073,662	13,997,883	15,848,484
Provision for U.S. and foreign income taxes (note 2)	40,500,000	33,000,000	37,395,672
	<u>1,263,606,721</u>	<u>1,017,447,901</u>	<u>1,160,166,110</u>
Net earnings	<u>\$ 43,667,574</u>	<u>\$ 37,398,588</u>	<u>\$ 42,038,715</u>
Net earnings per share of common stock (note 11)	<u>\$1.89</u>	<u>\$1.80</u>	<u>\$1.84</u>

See accompanying notes to consolidated financial statements.



Statement of Consolidated Earned Surplus

Years ended February 28, 1969 and February 29, 1968

	1969	1968 PREVIOUSLY REPORTED	1968 RESTATED FOR POOLINGS (NOTE 1)
Balance at beginning of year	\$143,908,449	\$118,387,877	\$139,288,220
Add earned surplus of pooled companies	20,150,402	4,616,560	—
	<u>164,058,851</u>	<u>123,004,437</u>	<u>139,288,220</u>
Add net earnings for the year	43,667,574	37,398,588	42,038,715
	<u>207,726,425</u>	<u>160,403,025</u>	<u>181,326,935</u>
Deduct dividends paid to holders of:			
4½% cumulative preferred stock	—	129,010	129,010
Preference stock	963,923	1,099,412	1,099,412
Common stock, \$0.88⅞ a share (1968—\$0.80⅝ a share)	18,456,845	14,776,474	14,776,474
Capital stocks of pooled companies prior to acquisition	1,245,200	489,680	1,263,188
	<u>20,665,968</u>	<u>16,494,576</u>	<u>17,268,084</u>
Balance at end of year	<u>\$187,060,457</u>	<u>\$143,908,449</u>	<u>\$164,058,851</u>

See accompanying notes to consolidated financial statements.

Statement of Consolidated Source and Disposition of Funds *Years ended February 28, 1969 and February 29, 1968*

	1969	1968 PREVIOUSLY REPORTED	1968 RESTATEd FOR POOLINGS (NOTE 1)
Working capital at beginning of year	\$132,417,702	\$125,077,272	\$153,476,212
Add working capital of pooled companies	22,220,884	7,396,169	—
	<u>154,638,586</u>	<u>132,473,441</u>	<u>153,476,212</u>
SOURCE OF FUNDS:			
Net earnings	43,667,574	37,398,588	42,038,715
Depreciation and other charges not requiring use of funds (net)	16,905,797	15,315,379	16,706,216
Sale of common stock under option plans	2,703,373	975,014	975,014
Proceeds from sales of properties (sale and leasebacks, condemnations, and divestitures)	19,591,037	6,926,951	6,926,951
Increase in indebtedness and other noncurrent liabilities	12,799,529	3,912,794	3,105,831
	<u>95,667,310</u>	<u>64,528,726</u>	<u>69,752,727</u>
DISPOSITION OF FUNDS:			
Cash dividends paid	20,665,968	16,494,576	17,268,084
Redemption of 4½% cumulative preferred stock	—	7,660,200	7,660,200
Plant and equipment expenditures	37,948,018	27,120,237	30,227,100
Additional investments	6,866,691	7,596,230	7,862,924
Increase in intangible assets	7,095,483	4,727,687	4,586,510
Increase in treasury stock	46,143	985,535	985,535
	<u>72,622,303</u>	<u>64,584,465</u>	<u>68,590,353</u>
Working capital at end of year	<u>\$177,683,593</u>	<u>\$132,417,702</u>	<u>\$154,638,586</u>

Notes to Consolidated Financial Statements *February 28, 1969*

1) **PRINCIPLES OF CONSOLIDATION AND POOLINGS OF INTERESTS:** Wholly-owned subsidiaries operating in the United States, Canada, and Europe have been included in the consolidated financial statements. The net assets and operations of the unconsolidated subsidiaries (principal companies located in Australia and Latin America) are not material in relation to the consolidated figures.

During the year ended February 28, 1969, the Company acquired a number of companies in poolings of interests. The comparative figures for the year ended February 29, 1968, are shown herein as previously reported for that year and also as restated to include such acquired companies.

2) **ACCOUNTING FOR INCOME TAXES:** In the current year the Company adopted the recommended procedures in accounting for income taxes set forth in Opinion No. 11 issued by the Accounting Principles Board of the American Institute of Certified Public Accountants. Accordingly, certain accounts previously stated in the balance sheet on a net of tax effect basis are now stated on a gross basis and the related tax effects are classified as deferred taxes. The figures for the preceding year have been restated for purposes of comparison. This restatement had no effect on working capital or stockholders' equity. The application of Opinion No. 11 had no material effect on the determination of net earnings for the year ended February 28, 1969.

The provision for income tax expense for the year ended February 28, 1969 comprises the following:

Current taxes	\$41,500,000
Provision for deferred tax on excess of tax depreciation over financial depreciation (note 3) and increase in deferred investment credits	920,000
Credit for prepaid tax applicable to deferred gains on sale-and-leaseback transactions (note 5) and other differences between tax and financial income	(1,920,000)
	<u>\$40,500,000</u>

3) **DEPRECIATION:** For financial reporting purposes, the Company employs the straight-line method of computing depreciation with respect to major classes of depreciable assets. For income tax purposes, accelerated methods of depreciation are employed.

4) **INDEBTEDNESS:** Indebtedness incurred upon acquisition of other companies includes \$8,000,000 at February 28, 1969 of borrowings from banks under agreements which provide that such borrowings be repaid in annual installments from 1972 to 1975. The balance of the indebtedness is represented by miscellaneous notes, mortgages, etc. which mature in varying amounts through 1986.

The indebtedness incurred to comply with the foreign direct investment regulations represents Eurodollar borrowings under bank credit agreements which provide for aggregate repayments by fiscal year as follows: 1972—\$1,725,000; 1973—\$2,100,000; 1974—\$5,175,000; 1975—\$1,000,000.

5) **DEFERRED CREDITS:** Certain manufacturing and warehousing facilities were sold during the current year and leased back. The excess of the sales proceeds over the book value of the properties sold has been deferred and is being amortized by credits to rental expense over the terms of the leases. The unamortized balance of such deferred credits (including credits arising under sale-and-leaseback transactions originating in prior years) amounted to \$18,899,639 at February 28, 1969 and \$13,565,736 at February 29, 1968.

Other deferred credits include deferred taxes (net) and investment credits which are being reflected in earnings over the average lives of the acquired assets subject to a maximum period of eight years.

6) **CAPITAL STOCK:** The following is a summary of the shares of capital stock authorized, issued and outstanding at February 28, 1969 and February 29, 1968. The 1969 figures reflect the distribution on March 3, 1969 of one additional share of common stock for each share held by the common stockholders of record January 31, 1969 and a change in the stated value per share of common stock from \$7.25 to \$3.65.

BEATRICE FOODS CO. AND SUBSIDIARIES



	1969	1968 (Restated)
Preference stock (without par value). Authorized 2,500,000 shares (1968—850,000 shares). Issued and outstanding:		
\$4.00 convertible, first series, \$100 stated value (97,500 shares converted into common stock in July, 1968)	\$ —	\$ 9,750,000
\$2.70 convertible, \$60 stated value, 131,235 shares (1968—176,083 shares)	7,874,100	10,564,980
\$4.50 convertible, first series, \$100 stated value, 65,000 shares	6,500,000	6,500,000
\$4.00 convertible, second series, \$10 stated value, 374,463 shares (1968—375,000 shares) —preference in liquidation \$100 per share	3,744,630	3,750,000
\$4.50 convertible, second series, \$100 stated value, 50,000 shares	5,000,000	5,000,000
	<u>\$23,118,730</u>	<u>\$35,564,980</u>
Common stock (without par value). Authorized 35,000,000 shares (1968—15,000,000 shares). Issued 22,118,366 shares with \$3.65 stated value, including 1,468 shares in treasury (1968—10,698,379 shares with \$7.25 stated value)	<u>\$80,732,036</u>	<u>\$77,563,248</u>

The decrease in outstanding shares of preference stock results from conversions into common stock. The outstanding shares of preference stock are convertible into shares of common stock at specified prices per share of common stock. There are 1,604,898 shares of common stock reserved for this purpose at February 28, 1969.

Certain agreements under which the Company has acquired other companies provide for issuance of additional shares of the Company's common stock contingent upon the attainment of specified future earnings levels by the companies acquired. At February 28, 1969, 693,262 shares of common stock are reserved for this purpose.

During the year the Company purchased 16,448 shares of its common stock for the treasury and used 33,993 treasury shares in connection with acquisitions of other companies.

7) **CAPITAL SURPLUS:** The capital surplus at February 28, 1969 arose during the year and consists of the following items:

Excess of stated value of converted shares of preference stock over the stated value of 295,466 shares of common stock issued upon conversion	\$10,301,249
Excess of proceeds over stated value of shares of common stock issued under stock options	2,229,673
Change in stated value of common stock	(632,959)
	<u>\$11,897,963</u>

The capital surplus of \$1,324,130 at February 29, 1968 was eliminated in connection with poolings of interests transactions.

(8) **STOCK OPTIONS:** The 1959 and 1965 key employee stock option plans authorized the granting of options to purchase shares of the Company's common stock at prices not less than 100% of market value at date of grant. The changes in the outstanding stock options during the year, after reflecting the stock distribution of March 3, 1969, are summarized as follows:

	Number of Shares	Total Option Price
Shares under option at Feb. 29, 1968	620,534	\$15,737,829
Options granted	193,990	7,218,845
Options exercised	(130,676)	(2,703,373)
Options cancelled	(5,196)	(158,950)
Shares under option at Feb. 28, 1969	<u>678,652</u>	<u>\$20,094,351</u>

Options to purchase 329,446 shares are currently exercisable. There are 311,540 shares of common stock reserved for the granting of additional options.

9) **LEASES:** At February 28, 1969, the Company holds certain equipment under leases which provide for total future rental payments of approximately \$7,000,000. Of this amount, \$2,500,000 becomes due during the year ending February 28, 1970 and the balance in decreasing amounts thereafter through 1978. Other noncancellable leases provide for minimum annual rentals of approximately \$9,700,000. Of this amount, \$2,900,000 relates to leases expiring within three years, \$2,200,000 to leases expiring after three but within ten years, \$1,400,000 to leases expiring after ten but within twenty years and the balance of \$3,200,000 to leases expiring after twenty years.

10) **PENSION PLANS:** The Company has pension plans which cover salaried employees and certain hourly-paid employees. The principal plan was amended during the year to increase benefits payable to employees under the plan. The amount charged to earnings under such plans totaled \$3,500,000 for the year ended February 28, 1969. Such amount includes the normal cost of the plans and amortization of past service cost (as to the principal plan on a thirty-year basis). At February 28, 1969 there was an excess of vested benefits (actuarially computed) over the total of the assets in the pension funds and the balance sheet accruals of approximately \$2,000,000. The Company also contributed approximately \$2,800,000 under plans jointly administered by industry and union representatives. In general, the Company's policy is to fund pension cost when charged to earnings.

11) **EARNINGS PER SHARE:** Net earnings per share of common stock are based on the average number of common shares outstanding during each year. The net earnings per share of common stock assuming full conversion of preference stock and exercise of employee stock options amounted to \$1.84 for fiscal 1969 and \$1.75 (restated \$1.79) for fiscal 1968.

12) **INTANGIBLE ASSETS:** The increase in the intangible assets during the year represents the excess of total purchase price over the net tangible assets of companies acquired for cash.

Accountants' Report

The Stockholders
Beatrice Foods Co.:

PEAT, MARWICK, MITCHELL & CO.

111 WEST MONROE STREET
CHICAGO, ILLINOIS 60603

We have examined the consolidated balance sheet of Beatrice Foods Co. and subsidiaries as of February 28, 1969 and the related statements of earnings and earned surplus and the statement of consolidated source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings and earned surplus present fairly the financial position of Beatrice Foods Co. and subsidiaries at February 28, 1969 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the accompanying statement of consolidated source and disposition of funds for the year ended February 28, 1969 presents fairly the information shown therein.

April 11, 1969

Peat, Marwick, Mitchell & Co.

Ten Years of Progress

	1969	1968	1967	1966
EARNINGS				
Net sales.....	\$1,302,943,017	\$1,052,431,480	\$909,603,090	\$796,443,487
Other income.....	4,331,278	2,415,009	3,452,893	2,686,111
Total.....	<u>1,307,274,295</u>	<u>1,054,846,489</u>	<u>913,055,983</u>	<u>799,129,598</u>
Cost of sales and operating expenses.....	1,206,033,059	970,450,018	843,592,794	739,758,347
Depreciation.....	17,073,662	13,997,883	13,187,918	12,232,936
Income taxes.....	40,500,000	33,000,000	26,000,000	22,500,000
Total.....	<u>1,263,606,721</u>	<u>1,017,447,901</u>	<u>882,780,712</u>	<u>774,491,283</u>
Net earnings.....	\$ 43,667,574	\$ 37,398,588	\$ 30,275,271	\$ 24,638,315
Percentage of sales..	3.35%	3.55%	3.33%	3.09%
Net earnings per common share.....	\$1.89	\$1.80	\$1.63	\$1.47
Dividends per common share	\$.88 $\frac{7}{8}$	\$.80 $\frac{5}{8}$	\$.75	\$.67
FINANCIAL CONDITION				
Current Assets:				
Cash.....	\$ 27,592,095	\$ 30,440,649	\$ 31,455,157	\$ 23,070,063
Marketable securities.....	1,398,526	1,450,563	12,175,532	13,427,014
Receivables.....	107,047,499	81,590,117	66,011,764	55,639,305
Inventories.....	116,445,182	81,332,497	59,108,373	50,083,452
Prepaid expenses.....	4,940,520	3,713,616	3,143,625	3,160,298
Total current assets....	<u>257,423,822</u>	<u>198,527,442</u>	<u>171,894,451</u>	<u>145,380,132</u>
Deduct current liabilities...	<u>79,740,229</u>	<u>66,109,740</u>	<u>46,817,179</u>	<u>40,741,107</u>
Working capital.....	177,683,593	132,417,702	125,077,272	104,639,025
Investments and advances....	27,298,357	19,566,911	11,527,603	7,038,016
Plant and equipment.....	138,860,458	117,054,933	99,647,680	84,421,803
Intangible assets.....	15,395,533	8,296,934	3,448,220	3,448,221
	<u>359,237,941</u>	<u>277,336,480</u>	<u>239,700,775</u>	<u>199,547,065</u>
Deduct:				
Indebtedness.....	29,195,324	10,669,907	8,070,863	7,214,042
Other liabilities and deferred credits.....	<u>27,279,574</u>	<u>22,995,472</u>	<u>14,106,657</u>	<u>7,846,099</u>
Stockholders' equity.....	<u>\$ 302,763,043</u>	<u>\$ 243,671,101</u>	<u>\$217,523,255</u>	<u>\$184,486,924</u>
Ratio of current assets to current liabilities.....	3.2:1	3.0:1	3.7:1	3.6:1
Book value per common share	\$11.12	\$10.84	\$10.34	\$10.32
EARNINGS DATA (1965-1968 Restated For Poolings)				
Net sales.....	\$1,302,943,017	\$1,199,409,506	\$1,114,220,466	\$1,028,575,034
Net earnings.....	43,667,574	42,038,715	38,695,611	35,504,911
Net earnings per common share.....	\$1.89	\$1.84	\$1.67	\$1.51
CONDENSED FINANCIAL CONDITION (1965-1968 Restated For Poolings)				
Working capital.....	\$ 177,683,593	\$ 154,638,586	\$153,476,212	\$137,767,655
Investments and advances....	27,298,357	20,431,666	12,568,742	9,095,480
Plant and equipment.....	138,860,458	133,157,343	120,089,385	115,435,766
Intangible assets.....	15,395,533	8,300,050	3,713,540	3,648,097
	<u>359,237,941</u>	<u>316,527,645</u>	<u>289,847,879</u>	<u>265,946,998</u>
Deduct:				
Indebtedness.....	29,195,324	15,859,473	14,383,509	15,738,585
Other liabilities and deferred credits.....	<u>27,279,574</u>	<u>23,481,093</u>	<u>15,200,323</u>	<u>8,366,969</u>
Stockholders' equity.....	<u>\$ 302,763,043</u>	<u>\$ 277,187,079</u>	<u>\$260,264,047</u>	<u>\$241,841,444</u>

BEATRICE FOODS CO. AND SUBSIDIARIES



1965	1964	1963	1962	1961	1960
\$681,385,124 3,166,889 <u>684,552,013</u>	\$606,157,642 2,856,931 <u>609,014,573</u>	\$569,487,854 2,695,017 <u>572,182,871</u>	\$539,192,494 2,238,100 <u>541,430,594</u>	\$477,706,773 2,362,841 <u>480,069,614</u>	\$443,058,795 2,035,079 <u>445,093,874</u>
638,520,642 9,986,080 18,000,000 <u>666,506,722</u>	569,002,962 9,800,008 15,500,000 <u>594,302,970</u>	537,331,163 8,707,937 13,120,000 <u>559,159,100</u>	510,177,528 8,081,900 11,347,000 <u>529,606,428</u>	451,876,452 7,108,411 10,333,000 <u>469,317,863</u>	417,941,649 6,676,917 10,170,000 <u>434,788,566</u>
\$ 18,045,291 2.65%	\$ 14,711,603 2.43%	\$ 13,023,771 2.29%	\$ 11,824,166 2.19%	\$ 10,751,751 2.25%	\$ 10,305,308 2.33%
\$1.24 \$.58	\$1.05 \$.52	\$.95 \$.45	\$.91 \$.45	\$.88 \$.45	\$.85 \$.40

\$ 21,179,661 10,508,824 45,176,037 40,772,070 1,625,938 <u>119,262,530</u> 33,163,982 86,098,548 6,502,940 68,118,236 768,500 <u>161,488,224</u>	\$ 23,916,358 8,035,589 41,055,372 30,236,052 1,370,412 <u>104,613,783</u> 27,337,692 77,276,091 4,445,746 64,064,365 821,500 <u>146,607,702</u>	\$ 19,856,338 6,890,545 36,754,074 28,104,422 1,313,550 <u>92,918,929</u> 23,636,432 69,282,497 3,849,244 59,097,461 874,500 <u>133,103,702</u>	\$ 17,245,523 6,855,578 34,703,535 26,845,581 1,215,293 <u>86,865,510</u> 23,464,663 63,400,847 3,706,096 55,846,398 927,500 <u>123,880,841</u>	\$ 16,177,291 5,850,949 29,148,338 22,623,907 1,060,514 <u>74,860,999</u> 20,142,054 54,718,945 2,877,787 52,364,539 2,589,700 <u>112,550,971</u> 750,000	\$ 17,334,423 6,034,043 25,099,076 21,351,169 905,227 <u>70,723,938</u> 18,605,141 52,118,797 1,989,740 49,519,407 2,726,000 <u>106,353,944</u> 1,000,000
5,616,372 <u>\$155,871,852</u>	4,676,210 <u>\$141,931,492</u>	2,706,615 <u>\$130,397,087</u>	1,500,000 <u>\$122,380,841</u>	1,200,000 <u>\$110,600,971</u>	900,000 <u>\$104,453,944</u>
3.6:1 \$9.95	3.8:1 \$9.39	3.9:1 \$9.21	3.7:1 \$9.11	3.7:1 \$8.71	3.8:1 \$8.29

\$961,199,246
30,725,710
\$1.28

\$123,533,127
9,826,972
108,512,941
940,010
242,813,050

13,035,790

6,421,641
\$223,355,619

QUARTERLY SALES AND EARNINGS

The tabulation below sets forth the quarterly sales and earnings data for the fiscal year ended February 28, 1969, after reflecting the March 3, 1969, one for one common stock distribution, restated to include results of operations of companies acquired in poolings of interests and to give effect to certain minor refinements in interim accounting practices which did not affect annual results.

	First Quarter May 31, 1968	Second Quarter Aug. 31, 1968	Third Quarter Nov. 30, 1968	Fourth Quarter Feb. 28, 1969	Total
Sales	\$318,761,210	\$316,358,249	\$337,729,124	\$330,094,434	\$1,302,943,017
Earnings	11,042,092	9,831,780	10,953,965	11,839,737	43,667,574
Earnings per share of common stock	\$.48	\$.42	\$.47	\$.52	\$1.89



BEATRICE FOODS CO., 120 S. LA SALLE STREET, CHICAGO, ILLINOIS 60603