
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-K

Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the fiscal year ended February 28, 1985

Commission file number: 1-831

Beatrice Companies, Inc.

Delaware
(State of Incorporation)

36-078-3330
(I.R.S. Employer Id. No.)

Two North LaSalle Street, Chicago, Illinois
(Address of Principal Executive Offices)

60602
(Zip Code)

Registrant's telephone number, including area code: (312) 782-3820

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

<u>Title Of Class</u>	<u>Name of Each Exchange on Which Registered</u>
7 $\frac{7}{8}$ % Sinking Fund Debentures Due 1994	New York Stock Exchange
8 $\frac{1}{2}$ % Sinking Fund Debentures Due 2008	New York Stock Exchange
10 $\frac{7}{8}$ % Sinking Fund Debentures Due 2010	New York Stock Exchange
Series A Cumulative Convertible Preference Stock	New York Stock Exchange
Common Stock	New York Stock Exchange Midwest Stock Exchange

No securities are registered pursuant to Section 12(g) of the Securities Exchange Act of 1934.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

The aggregate market value of all voting stock held by non-affiliates of the Registrant computed by reference to the last reported price at which stock was sold on April 26, 1985 was approximately \$3,115 million.

As of April 26, 1985 a total of 91,806,480 shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Parts I, II and IV incorporate by reference portions of Beatrice Companies, Inc. Annual Report to Stockholders for the fiscal year ended February 1985 ("Beatrice's 1985 Annual Report"). Part III incorporates by reference portions of Beatrice Companies, Inc. Proxy Statement for the Annual Meeting of Stockholders dated April 30, 1985 ("Beatrice's Proxy Statement dated April 30, 1985").

Form 10-K Annual Report

For the Fiscal Year Ended February 28, 1985

In this report, the term "Beatrice" is used to refer to Beatrice Companies, Inc., and, unless indicated otherwise or the context suggests otherwise, its subsidiaries.

PART I

ITEM 1. BUSINESS.

Beatrice is a worldwide marketer of food and consumer products. Beatrice has operations in more than 30 countries and markets products and services in more than 100 countries. Beatrice produces and distributes food and food-related products as well as a broad range of non-food products for use in various consumer, commercial and industrial markets.

In June 1984, Beatrice acquired Esmark, Inc. ("Esmark"). The Esmark acquisition was part of the company's strategy to focus Beatrice's assets in food and consumer products businesses. Because of Esmark's national brands, direct sales force, distribution network and research and development capabilities, its acquisition is expected to accelerate the attainment of Beatrice's marketing goals.

Beatrice now has operations that are organized into four business segments along marketing and distribution capabilities: U.S. Food, Consumer Products, International Food and Avis/Other Operations.

For information with respect to the net sales, earnings, identifiable assets, net property, plant and equipment additions and depreciation and goodwill amortization expense for the three-year period ended February 1985 of Beatrice's business segments and for information regarding Beatrice's operations in various geographic locations, see the section entitled "Net Sales and Earnings by Business Segment" and Note 14 of "Notes to Consolidated Financial Statements" appearing on page 30 and pages 47 to 48, respectively, of Beatrice's 1985 Annual Report, which are incorporated herein by reference.

U.S. Food

U.S. Food is the largest segment of Beatrice's operations, with major operations in grocery products, soft drinks, bottled waters, refrigerated food, warehousing, dairy, meats, cheese and fruit juices. The segment consists of three major groups, organized along product and distribution lines: Grocery, Refrigerated Food and Beverage. Each of these groups contains strong nationally-known brands. The segment's business is highly competitive and competition is based primarily on price, product quality, availability and brand identification.

Grocery

The Grocery Group produces, processes and distributes packaged grocery products ranging from basic recipe ingredients, such as tomato sauce and paste, to prepared convenience foods such as Oriental-style meals and snacks. Distribution is generally on a national or regional basis through Beatrice's own direct sales force or through various local food brokers, as needs dictate. Ingredients are generally available from a variety of independent suppliers.

Beatrice is a leading producer and marketer of tomato-based food products, including Hunt's tomato sauces, pastes and barbecue sauces. Beatrice also produces and sells La Choy Oriental food products nationally and Rosarita Mexican food products distributed primarily in the Southwestern United States.

Other major brands include Wesson vegetable, corn and sunflower oils for salads and cooking, Peter Pan peanut butter, Swiss Miss cocoa mixes and puddings, Soup Starter and Stew Starter ingredients, Manwich sloppy joe sauce, Orville Redenbacher's gourmet popping corn and popping oil, Fisher nuts, and Martha White baking mixes.

Refrigerated Food

The Refrigerated Food Group comprises products with common avenues of distribution. These products are commonly found in the dairy, refrigerated meat and delicatessen cases in supermarkets across the country.

Beatrice produces Tropicana chilled and frozen orange juice. Other Tropicana products include grapefruit and apple juices made from concentrate. Tropicana products are distributed in most of the East, Southeast, portions of the Midwest, California, Texas and Arizona.

The group's meat operations include Swift's nationally distributed Butterball turkeys, Brown 'N Serve breakfast sausages and Sizzlean breakfast strips. Eckrich smoked sausage, frankfurters and luncheon meats are primarily sold regionally. In fiscal 1985 Eckrich's Lean Supreme line of low-fat cold cuts was introduced.

Beatrice Cheese produces and distributes natural cheese, cream cheese and other products to food manufacturing, foodservice and retail markets. Two well-known retail brands are County Line cheese and Treasure Cave blue cheese. The Pauly brand is primarily marketed to the foodservice industry, while Swissrose International imports a variety of cheeses from European and other countries for retail sale.

Beverage

Beatrice Soft Drinks is one of the largest bottlers and distributors of Coca-Cola, diet Coke, Tab, Sprite, Dr. Pepper, Crush, Hire's Root Beer and Sunkist Orange soft drinks. All soft drinks are bottled under franchise agreements in Southern California, Hawaii and parts of the Midwest.

Beatrice is a major supplier of bottled water in the United States with its Arrowhead, Ozarka and Great Bear brands. These products are marketed in Texas, California, Arizona and 11 Eastern states. The water is primarily distributed either directly to customers or through retail outlets.

Beatrice dairy products include Meadow Gold milk, cream, ice cream and cultured products; Viva low-fat products; Louis Sherry ice cream; and Mountain High yogurt.

Beatrice's nationwide network of refrigerated storage facilities, with a capacity of 191 million cubic feet, is the largest refrigerated warehouse network in the U.S. Customers include meat and fish packers, food processors and retail stores. As of February 1985, warehousing operations were being conducted through 42 warehouses in 16 states.

Consumer Products

Beatrice produces a broad range of products for consumer use, and its two major groups—Personal Products and Consumer Durables—have major operations in home products, water treatment, luggage, intimate apparel, family products, cosmetics and fragrances.

Personal Products

International Playtex serves a number of consumer markets around the world. Playtex is one of the most widely recognized names in intimate apparel, with well-established products such as Cross-Your-Heart, 18-Hour and Support-Can-Be-Beautiful bras. Newer brands such as Thank-Goodness-It-Fits and the WOW (With-out-Wire) bras are targeted to younger market segments.

Playtex also markets a line of personal products ranging from baby nursers to rubber gloves. Its Round-the-Clock and Givenchy brand hosiery are leading brands of hosiery sold primarily in department stores. Other Playtex brands include Jhirmack hair care products, Almay hypo-allergenic cosmetics, Max Factor cosmetics and Halston/Orlane fragrances and skin care products.

Consumer Durables

Consumer Durables includes consumer brands that are well-known worldwide. Samsonite fashion luggage and attache cases are marketed under the Samsonite and Lark brand names. Culligan water treatment systems serve residential, industrial and commercial customers in 90 countries. Other products for

the home include Stiffel lamps; LouverDrape and Del Mar fashion window coverings; Samsonite furniture for a variety of leisure settings; Aristokraft kitchen and bathroom cabinets; and Waterloo tool boxes.

These products are sold through a combination of direct sales force, manufacturers' representatives and distributors to home furnishing, department and hardware stores. Day-Timers diary planners and time management aids are marketed primarily through direct mail advertising and catalogs.

International Food

International Food has operations in more than 30 countries and has a broad worldwide presence. Businesses include six primary categories of products and services: dairy, processed meats, snacks and confectionery/baked goods, beverage and fruit juices, food distribution and grocery products. With operations in five geographic areas—Europe, Latin America, Canada, Australia and the Far East—International Food represents approximately 70 percent of Beatrice's international volume.

European operations are the largest of the segment and include food distribution, processed meats, ice cream and yogurt, beverages and snacks and confectionery products. Retail and wholesale food distribution account for more than 50 percent of the segment's European operations. Brand names include Campofrio sausage and specialty meats, Smith Kendon and Callard & Bowser confections and Stute jams and fruit juices.

Latin American businesses include snacks, confectionery and baked goods and dairy, ice cream and beverages. These operations have a strong base in confectionery and snack products including Savoy confections and Jack's Snacks. Other Beatrice grocery products include Wilson specialty meats, Beatrice dairy products and Holanda ice cream.

Beatrice's Canadian operations consist primarily of Beatrice milk, yogurt, ice cream and cheese products. The group also produces and markets baked goods, beverages and specialty products/ flavorings.

Australian operations cover Australia and New Zealand and include confectionery, beverages, specialty meats and food distribution. Brands include Red Tulip confectioneries, Europe Strength fruit juice drinks and Baron's Table specialty meats and frozen entrees.

Operations in the Far East include dairy and ice cream, Oriental food specialties, snacks and confectionery products and beverages. In fiscal 1985, Beatrice opened its Guangmei joint venture operation in the People's Republic of China and also signed an agreement with the China International Trust and Investment Corporation to form a new joint venture company that will allow Beatrice to participate in a wide range of new business ventures within the People's Republic.

Beatrice International Food operations generally are managed by a resident of the country where the operation is located. Beatrice also introduces major U.S. Food brands and products where international opportunities exist and local conditions permit. The supply of raw materials and competitive conditions and risks with respect to each of the operations vary according to local conditions.

Avis/Other Operations

The largest business in this segment is Avis, which is the second largest car rental company domestically and the leading car rental company outside the U.S. Avis operates in more than 100 countries with 3,500 owned or franchised locations including 1,000 airports. Avis features a rapid rental and return automated check-in service under the brand name "Wizard."

Advertising/Marketing Expenditures

As a result of Beatrice's marketing thrust, advertising and marketing expenditures have risen significantly over the past two years. These expenditures are anticipated to stay at high levels for at least the next several years. Advertising/marketing expenditures for fiscal 1985 were approximately \$680 million, compared with \$288 million spent during fiscal 1984. Much of this increase is due to the inclusion for the first time of Esmark's advertising and sales promotion expenses.

Management and Employees

As of February 1985, Beatrice had just over 100,000 employees. There have been no significant interruptions or curtailments of Beatrice's operations due to labor disputes and Beatrice considers its labor relations to be satisfactory.

In general, operating decisions are made at the operating management level. The decisions typically include product mix, product pricing and market selection. A significant portion of the total compensation of operating executives typically is based upon profit contributions of the activities under their supervision.

Business Realignment

Beatrice is undergoing a long-term Business Realignment program to organize its operations along marketing lines. This program includes acquisitions of new companies, divestitures of businesses that do not fit the strategic direction of Beatrice, a corporate identity marketing program and reorganizations of management and corporate structures. For further information on the Business Realignment program, see Note 4 of "Notes to Consolidated Financial Statements" and "Discussion of Operations and Financial Condition" appearing on pages 41 to 42 and pages 30 to 33, respectively, of Beatrice's 1985 Annual Report, which is incorporated herein by reference.

Executive Officers of the Registrant

The following table sets forth (i) the names and ages of the executive officers of Beatrice; (ii) the principal offices and positions with Beatrice held by each such person since 1980; and (iii) the principal occupations and employments of each such person since 1980. The officers of Beatrice are elected by the Board of Directors. Each officer serves until his or her successor is elected and qualified or until his or her death, resignation or removal.

<u>Name</u>	<u>Age</u>	<u>Offices and Positions with Beatrice and Other Information</u>
Fred M. Adamany	52	Senior Vice President and President, Beatrice Refrigerated Food Group since 1984. Previously, President and Chief Executive Officer of Royal Crown Cola Co.
Nolan D. Archibald	41	Senior Vice President and President, Consumer Durables Group since 1984. President, Consumer & Commercial Products Group from 1983 to 1984. President of Home Products division from 1981 to 1983. Previously, President of the Liken division.
John R. Attwood	55	Senior Vice President and President, Beatrice Beverage Group since 1984. President of Soft Drink division from 1983 to 1984. Previously, President and Chief Operating Officer of Coca-Cola Bottling Company of Los Angeles.
Chance Bahadur	42	Vice President and Treasurer since 1984. Treasurer of Esmark, Inc. from 1982 to 1984. Previously, Assistant Treasurer of Esmark, Inc.
Reuben W. Berry	58	Senior Vice President (Organization and Management Resources) since 1983. Senior Vice President and Director (Human Resources) from 1981 to 1983. Previously, Vice President (Personnel and Labor Relations) with Montgomery Ward & Co.
James L. Dutt	60	Chairman of the Board and Chief Executive Officer. President from 1982 to 1983.
Frank E. Grzelecki	47	Executive Vice President and President, Beatrice Consumer Products, Inc. since 1984. Previously, President and Chief Operating Officer of Lenox, Inc.

<u>Name</u>	<u>Age</u>	<u>Offices and Positions with Beatrice and Other Information</u>
M. Patricia Kehoe	30	Secretary since 1984. Assistant Secretary from 1982 to 1984. Previously, assistant to the corporate secretary.
Thomas P. Kemp	54	Senior Vice President and President, Beatrice Grocery Group, Beatrice U.S. Food Corp. since 1984. Senior Vice President (Beverage Group) from 1983 to 1984. Vice President from March 1983 to June 1983. President of Soft Drink and Bottled Water division from 1982 to June 1983. Previously, President of the Coca-Cola Bottling Company of Los Angeles.
David E. Lipson	46	Executive Vice President and Chief Financial Officer since April 22, 1985. Previously, managing partner-international service for Arthur Andersen & Co. and a member of its Board of Partners.
Anthony Luiso	41	Executive Vice President and President, Beatrice U.S. Food Corp. since August 1984. Senior Vice President (Office of the Chairman) from March 1984 to August 1984. Senior Vice President (International Food Group) from 1983 to 1984. Vice President from 1980 to 1983. President of International division from 1982 to 1983. Previously, Executive Vice President of the International Food division.
William S. Mowry, Jr.	45	Executive Vice President and President, Beatrice International Food Segment since August 1984. Senior Vice President (International Food Group) from April 1984 to August 1984. Vice President from March 1984 to April 1984. Director, Administration/Organization (Grocery Group) from November 1983 to March 1984. President of Institutional Food division from June 1983 to November 1983. Director of Operations for Dairy, Agri-Products, Warehouse, Soft Drink & Bottled Water and Wine & Spirits divisions from 1982 to 1983. Previously, President of Soft Drink division.
Richard J. Pigott.....	44	Executive Vice President and Chief Administrative Officer.
William E. Reidy	53	Senior Vice President (Corporate Strategy) since 1983. From 1980 to 1982, Senior Vice President, Corporate Strategy and Development, Dart & Kraft, Inc.
John A. Stevens.....	39	Vice President since 1982 and Controller since 1980.
Hercules P. Sotos	52	Senior Vice President. President, International Playtex, Inc. since February 1985. Previously, Chief Financial Officer of Beatrice Consumer Products segment. Executive Vice President (Finance and Administration) of International Playtex, Inc. since 1980.
Richard F. Vitkus	45	Senior Vice President and General Counsel since 1981. Previously, Vice President (Counsel-International).

<u>Name</u>	<u>Age</u>	<u>Offices and Positions with Beatrice and Other Information</u>
Richard S. Williamson	35	Senior Vice the President (Corporate and International Relations) since January 1985. From May 1983 to 1985, United States permanent representative to the United Nations in Vienna, Austria and United States resident representative to the International Atomic Agency. From 1981 to 1983, White House Senior Staff assistant to President Reagan for intergovernmental affairs. Previously, partner in the law firm of Winston & Strawn.

ITEM 2. PROPERTIES.

Beatrice uses various owned and leased plants, warehouses, distribution centers and other facilities in its businesses and operations. The following table sets forth information with respect to the approximate number and location of facilities operated by Beatrice by business segment as of February 1985.

	<u>Approximate Number of Facilities</u>				
	<u>United States</u>		<u>Outside United States</u>		<u>Total</u>
	<u>Owned</u>	<u>Leased</u>	<u>Owned</u>	<u>Leased</u>	
U.S. Food	380	280	30	30	720
International Food	—	—	200	310	510
Consumer Products	80	120	30	50	280
Avis/Other Operations	<u>50</u>	<u>1,160</u>	<u>10</u>	<u>630</u>	<u>1,850</u>
	<u>510</u>	<u>1,560</u>	<u>270</u>	<u>1,020</u>	<u>3,360</u>

ITEM 3. LEGAL PROCEEDINGS.

In the opinion of management, there are no claims or litigation pending to which Beatrice is a party which could have a material adverse effect on Beatrice's consolidated financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Item is not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The information under the caption "Investor Information" on page 54 in Beatrice's 1985 Annual Report is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA.

The information for each of the five years ended February 1985, excluding ratios and percentages, under the caption "Eleven Year Review" on pages 34 and 35 in Beatrice's 1985 Annual Report is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information under the caption "Discussion of Operations and Financial Condition" on pages 30 to 33 in Beatrice's 1985 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements of Beatrice and the Accountants' Report on pages 36 through 50 and page 50, respectively, in Beatrice's 1985 Annual Report are incorporated herein by reference:

Consolidated Balance Sheet—As of February 1985 and 1984

Statement of Consolidated Earnings—Years ended February 1985, 1984 and 1983

Statement of Consolidated Stockholders' Equity—Years ended February 1985, 1984 and 1983

Statement of Consolidated Changes in Financial Position—Years ended February 1985, 1984 and 1983

Notes to Consolidated Financial Statements

Accountants' Report

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

The Item is not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information under the caption "Election of Directors" on pages 1 through 6 in Beatrice's Proxy Statement dated April 30, 1985 is incorporated herein by reference. Also, see Part I of this Report, under the caption "Executive Officers of the Registrant", for information relating to Beatrice's executive officers.

ITEM 11. EXECUTIVE COMPENSATION.

The information under the captions "Committees of the Board of Directors" and "Executive Compensation" on pages 6 through 8 of Beatrice's Proxy Statement dated April 30, 1985 is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information under the captions "Election of Directors" and "Principal Stockholders" on pages 1 through 6 and page 18, respectively, in Beatrice's Proxy Statement dated April 30, 1985 is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information under the caption "Certain Transactions" on page 9 in Beatrice's Proxy Statement dated April 30, 1985 is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) List of documents filed as part of this Report:

- (1) All Consolidated Financial Statements, Notes to Consolidated Financial Statements and the Accountants' Report as set forth under Part II, Item 8 of this Report are incorporated by reference from Beatrice's 1985 Annual Report.
- (2) The following financial statement schedules of Beatrice are being filed with this Report. The financial statement schedules for each of the three years ended February 1985 which have been omitted are inapplicable or not required under the instructions or the information is included in the "Notes to Consolidated Financial Statements" of Beatrice's 1985 Annual Report.

<u>Schedule Number</u>	<u>Description</u>	<u>Page Number</u>
V	Property, plant and equipment	12
VI	Accumulated depreciation, depletion and amortization of property, plant and equipment	13
VIII	Valuation and qualifying accounts	14
X	Supplementary income statement information	15

The Accountants' Report on Financial Statement Schedules appears on page 11 of this Report.

Financial statements of 50% or less owned companies and other unconsolidated subsidiaries of Beatrice have been omitted since all such companies considered in the aggregate do not constitute a significant subsidiary of Beatrice.

(3) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
3(a)	Certificate of Incorporation of Beatrice was filed as Exhibit 3.1 to Post-Effective Amendment No. 21 to Form S-1 (No. 2-56558) and is incorporated herein by reference.
3(b)	Articles of Amendment to Certificate of Incorporation of Beatrice was filed as Exhibit 3.1 to Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1984 and is incorporated herein by reference.
3(c)	By-laws of Beatrice was filed as Exhibit 3.2 to Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1984 and is incorporated herein by reference.
4(a)	Certificate of Stock Designation relating to the Convertible Adjustable Preference Stock of Beatrice was filed as Exhibit 4 to Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1984 and is incorporated herein by reference.
4(b)	Long-term Debt.*
10(a)	1977 Restricted Stock Performance Plan was filed as Exhibit 5(a) to Beatrice's Post-Effective Amendment No. 10 to Form S-1 (No. 2-56558) and is incorporated herein by reference.
10(b)	1977 Phantom Book Unit Plan in Conjunction with Phantom Stock Plan was filed as Exhibit 5(b) to Beatrice's Post-Effective Amendment No. 10 to Form S-1 (No. 2-56558) and is incorporated herein by reference.
10(c)	1970 Management Incentive Deferred Compensation Plan is incorporated herein by reference to Beatrice's Proxy Statement dated May 8, 1979.
10(d)	1973 Management Incentive Deferred Compensation Plan was filed as Exhibit 8 to Beatrice's Annual Report on Form 10-K for the fiscal year ended February 28, 1974 and is incorporated herein by reference.
10(e)	1982 Incentive Stock Option Plan, as amended, was filed as Exhibits 4.1 and 4.2 to Beatrice's Form S-8 (No. 2-83711) and is incorporated herein by reference.
10(f)	1982 Non-Qualified Stock Option Plan was filed as Exhibit 4.3 to Beatrice's Form S-8 (No. 2-83711) and is incorporated herein by reference.
10(g)	Performance Unit Plan of Beatrice was filed as Exhibit 10 to Beatrice's Annual Report on Form 10-K for the fiscal year ended February 28, 1983 and is incorporated herein by reference.

<u>Exhibit Number</u>	<u>Description</u>
10(h)	Employment and Service Contract made and entered into September 1, 1981 between Beatrice and James L. Dutt was filed as Exhibit 10.8 to Beatrice's Post-Effective Amendment No. 20 to Form S-1 (No. 2-56558) and is incorporated herein by reference.
10(i)	Employment and Service Contract made and entered into September 1, 1981 between Beatrice and Richard J. Pigott was filed as Exhibit 10.11 to Beatrice's Annual Report on Form 10-K for the fiscal year ended February 29, 1984 and is incorporated herein by reference.
10(j)	Employment Agreement made and entered into May 19, 1982 between Beatrice and T. P. Kemp was filed as Exhibit 10.12 to Beatrice's Annual Report on Form 10-K for the fiscal year ended February 29, 1984 and is incorporated herein by reference.
10(k)	Merger Agreement dated May 24, 1985 by and among Beatrice, LA Acquisition Corporation and Esmark, Inc. was filed as Exhibit 2.3 to Current Report on Form 8-K dated June 14, 1984 and is incorporated herein by reference.
11	Statement Re Computation of Earnings Per Share.
12	Statement Re Computation of Ratio of Earnings Before Fixed Charges to Fixed Charges.
13	Beatrice Companies, Inc. 1985 Annual Report.
22	Subsidiaries of Beatrice.
24	Consent of Peat, Marwick, Mitchell & Co.
25	Powers of Attorney.

° None. Beatrice agrees to furnish the Securities and Exchange Commission upon request copies of any instrument defining the rights of the holders of long-term debt (of which the total securities authorized under any instrument does not exceed 10% of the total assets of Beatrice on a consolidated basis).

(b) Reports on Form 8-K:

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEATRICE COMPANIES, INC.

By /s/ DAVID E. LIPSON
David E. Lipson, Executive Vice President,
Chief Financial Officer and Director

May 2, 1985

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	
JAMES L. DUTT	Chairman of the Board, Chief Executive Officer and Director	} By <u>/s/ DAVID E. LIPSON</u> David E. Lipson, Attorney-in-fact May 2, 1985
DAVID E. LIPSON	Executive Vice President, Chief Financial Officer and Director	
JOHN A. STEVENS	Vice President and Controller	
JAMES W. COZAD	Director	
WALTER J. LEONARD	Director	
ANTHONY LUISO	Executive Vice President and Director	
WILLIAM S. MOWRY, JR.	Executive Vice President and Director	
RICHARD J. PIGOTT	Executive Vice President, Chief Administrative Officer and Director	
GOFF SMITH	Director	
OMER G. VOSS	Director	
RUSSELL L. WAGNER	Director	
MURRAY L. WEIDENBAUM	Director	

ACCOUNTANTS' CONSENT

The Board of Directors
Beatrice Companies, Inc.

We consent to the incorporation by reference in the Registration Statements on Form S-8 [Nos. 2-61554 and 2-83711] and Form S-16 [No. 2-50317] of Beatrice Companies, Inc. of our report dated April 22, 1985, relating to the consolidated balance sheet of Beatrice Companies, Inc. and subsidiaries as of February 1985 and 1984 and the related statements of consolidated earnings, stockholders' equity and changes in financial position for each of the years in the three-year period ended February 1985 and of our report dated April 22, 1985 relating to the financial statement schedules, which reports are incorporated by reference or appear in the annual report on Form 10-K for the fiscal year ended February 1985.

PEAT, MARWICK, MITCHELL & CO.

Chicago, Illinois
April 30, 1985

ACCOUNTANTS' REPORT ON FINANCIAL STATEMENT SCHEDULES

The Board of Directors and Stockholders
Beatrice Companies, Inc.:

Under date of April 22, 1985, we reported on the consolidated balance sheet of Beatrice Companies, Inc. and subsidiaries as of February 1985 and 1984 and the related statements of consolidated earnings, stockholders' equity and changes in financial position for each of the years in the three-year period ended February 1985, as contained in the annual report to stockholders for the fiscal year ended February 1985. These financial statements and our report thereon are incorporated by reference in the annual report on Form 10-K for the fiscal year ended February 1985. In connection with our examinations of the aforementioned consolidated financial statements, we also examined the related financial statement schedules listed in Part IV, Item 14(a)(2).

In our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

PEAT, MARWICK, MITCHELL & CO.

Chicago, Illinois
April 22, 1985

BEATRICE COMPANIES, INC.

PROPERTY, PLANT AND EQUIPMENT

Three Years Ended February 1985
(In millions)

	Balance at Beginning of Period	Additions At Cost (A)	Disposals (B)	Elimination of Fully Depreciated Assets	Other (C)	Balance at End of Period
Year ended February 1983						
Land	\$ 109	\$ 32	\$ 5	\$ —	\$ (6)	\$ 130
Buildings	831	155	30	—	(36)	920
Machinery and equipment	1,419	280	97	55	(81)	1,466
	<u>\$2,359</u>	<u>\$ 467</u>	<u>\$132</u>	<u>\$ 55</u>	<u>\$(123)</u>	<u>\$2,516</u>
Year ended February 1984						
Land	\$ 130	\$ 18	\$ 17	\$ —	\$ (3)	\$ 128
Buildings	920	65	111	—	(27)	847
Machinery and equipment	1,466	225	181	24	(64)	1,422
	<u>\$2,516</u>	<u>\$ 308</u>	<u>\$309</u>	<u>\$ 24</u>	<u>\$(94)</u>	<u>\$2,397</u>
Year ended February 1985						
Land	\$ 128	\$ 121	\$ 18	\$ —	\$ (3)	\$ 228
Buildings	847	475	149	—	(24)	1,149
Machinery and equipment	1,422	743	332	26	(39)	1,768
	<u>\$2,397</u>	<u>\$1,339</u>	<u>\$499</u>	<u>\$ 26</u>	<u>\$(66)</u>	<u>\$3,145</u>

(A) Includes \$961 million in fiscal 1985 relating to acquired companies, principally Esmark.

(B) Includes \$324 million relating to divested operations in fiscal 1985.

(C) Represents foreign currency translation adjustments due to the adoption of Statement of Financial Accounting Standards No. 52 in 1983.

(D) The cost of plant and equipment sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the asset and accumulated depreciation accounts and any resulting profit or loss is included in the statement of consolidated earnings.

BEATRICE COMPANIES, INC.

ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION
OF PROPERTY, PLANT AND EQUIPMENT

Three Years Ended February 1985

(In millions)

	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Disposals (A)	Elimination of Fully Depreciated Assets	Other (B)	Balance at End of Period
Year ended February 1983						
Buildings	\$242	\$ 35	\$ 15	\$ —	\$ (8)	\$254
Machinery and equipment	589	147	53	55	(30)	598
	<u>\$831</u>	<u>\$182</u>	<u>\$ 68</u>	<u>\$ 55</u>	<u>\$ (38)</u>	<u>\$852</u>
Year ended February 1984						
Buildings	\$254	\$ 39	\$ 43	\$ —	\$ (6)	\$244
Machinery and equipment	598	155	103	24	(32)	594
	<u>\$852</u>	<u>\$194</u>	<u>\$146</u>	<u>\$ 24</u>	<u>\$ (38)</u>	<u>\$838</u>
Year ended February 1985						
Buildings	\$244	\$ 56	\$ 44	\$ —	\$ 29	\$285
Machinery and equipment	594	209	153	26	38	662
	<u>\$838</u>	<u>\$265</u>	<u>\$197</u>	<u>\$ 26</u>	<u>\$ 67</u>	<u>\$947</u>

(A) Includes \$136 million relating to divested operations in fiscal 1985.

(B) Represents deductions of \$52 million, \$41 million and \$27 million due to foreign currency translation adjustments, net of \$14 million, \$3 million and \$7 million of additions applicable to acquired non-U.S. companies, in fiscal 1983, 1984 and 1985, respectively. Also includes in fiscal 1985 an addition of \$87 million, reflected in the statement of consolidated earnings, to record the write-down of certain Beatrice assets in connection with the integration and restructuring of operations following the acquisition of Esmark.

(C) The following summarizes the annual rates of depreciation currently in use:

Buildings	2% to 10%
Machinery and equipment	7% to 50%

BEATRICE COMPANIES, INC.

VALUATION AND QUALIFYING ACCOUNTS

Three Years Ended February 1985
(In Millions)

Description	Balance At Beginning Of Period	Additions			Balance At End Of Period
		Charged To Costs And Expenses	Recoveries	Deductions	
Allowance for doubtful accounts:					
Year ended February 1983	\$ 26	\$ 14	\$ 2	\$ 15(A)	\$ 27
Year ended February 1984	\$ 27	\$ 17	\$ 1	\$ 15(A)	\$ 30
Year ended February 1985	\$ 30	\$ 37	\$ 3	\$ 18(A)	\$ 52
Business realignment reserve:					
Year ended February 1983	\$ 60	\$139(B)	\$ —	\$ 32(C)	\$167(D)
Year ended February 1984	\$167	\$ —	\$ —	\$112(E)	\$ 55
Year ended February 1985	\$ 55	\$262(F)	\$ —	\$ 68(G)	\$249(H)
Allowance for amortization of rental vehicles:					
Year ended February 1985	\$ —	\$121	\$ —	\$ —	\$121

- (A) Includes accounts charged off as uncollectible and amounts associated with divested companies.
- (B) Includes \$127 million for losses on planned divestitures and business realignment costs. The remaining charges to expense of \$12 million represent additional estimated losses on divested businesses.
- (C) Represents realized losses on divested operations. Includes \$11 million of goodwill write-downs on companies to be divested.
- (D) Includes \$87 million and \$80 million classified as accrued expenses and other noncurrent liabilities, respectively.
- (E) Includes \$56 million of realized losses and other costs associated with companies divested, a \$38 million reserve reduction credited to earnings as a result of better than anticipated selling prices for divested companies and \$18 million of other corporate identity and business realignment costs.
- (F) Includes \$192 million for business integration and restructuring costs, \$46 million for costs associated with divested businesses and \$24 million for losses on planned divestitures.
- (G) Includes \$27 million of realized losses and other costs associated with divested operations, \$14 million related to the corporate identity marketing program and \$27 million of costs due to business integration, restructuring and other realignment activities.
- (H) Includes \$242 million and \$7 million classified as accrued expenses and other noncurrent liabilities, respectively.

BEATRICE COMPANIES, INC.

SUPPLEMENTARY INCOME STATEMENT INFORMATION

Three Years Ended February 1985
(In millions)

<u>Description</u>	<u>Charged to Costs and Expenses</u> <u>Years Ended February</u>		
	<u>1985</u>	<u>1984</u>	<u>1983</u>
Maintenance and repairs.....	<u>\$159</u>	<u>\$127</u>	<u>\$121</u>
Advertising costs (A)	<u>\$680</u>	<u>\$288</u>	<u>\$226</u>

(A) Represents costs of media and cooperative advertising and sales promotions.