

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A-1

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) JANUARY 30, 1995

[CAMPBELL SOUP COMPANY LOGO]

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW JERSEY
STATE OF INCORPORATION

1-3822
(COMMISSION FILE NUMBER)

21-0419870
I.R.S. EMPLOYER IDENTIFICATION NO.

CAMPBELL PLACE
CAMDEN, NEW JERSEY 08103-1799
PRINCIPAL EXECUTIVE OFFICES

TELEPHONE NUMBER: (609) 342-4800

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements of Business Acquired: See pages F1 through F28 of this Report.

(b) Pro Forma Financial Information:

The following unaudited pro forma financial statements give effect to the acquisition by Campbell Soup Company of Pace Foods, Ltd. in a transaction to be accounted for as a purchase. The unaudited pro forma balance sheet is based on the individual balance sheets of Campbell Soup Company and Pace Foods, Ltd. and has been prepared to reflect the acquisition by Campbell Soup Company of Pace Foods, Ltd. as of October 30, 1994. The unaudited pro forma statements of earnings are based on the individual statements of earnings of Campbell Soup Company and Pace Foods, Ltd; and combine the results of operations of Campbell Soup Company and Pace Foods, Ltd. (acquired by Campbell Soup Company as of January 30, 1995) for the year ended July 31, 1994 and for the three months ended October 30, 1994 as if the acquisition had occurred on August 1, 1993 and July 31, 1994, respectively. These unaudited pro forma financial statements should be read in conjunction with the historical financial statements and notes thereto of Campbell Soup Company and Pace Foods, Ltd.

CAMPBELL SOUP COMPANY
PRO FORMA COMBINED BALANCE SHEET
as of October 30, 1994
(in millions)

(unaudited)

	CSC	Pace	Pro Forma Adjustments	Combined
	---	---	-----	-----
Current Assets				
Cash and cash equivalents	\$ 88	\$ 8	\$ (36) (f)	\$ 60
Other temporary investments	14	19		33
Accounts receivable	783	51		834
Inventories	888	8		896
Prepaid expenses	157	1		158
Total current assets	1,930	87	(36)	1,981
Plant assets, net of depreciation	2,462	25	20 (a)	2,507
Intangible assets, net of amortization	681	4	992 (b)	1,677
Other assets	456	6		462
Total assets	\$ 5,529	\$ 122	\$ 976	\$ 6,627
Current Liabilities				
Notes payable	\$ 644	\$ 30	\$ 740 (c)	\$ 1,414
Payable to suppliers and others	491	9		500
Accrued liabilities	626	5		631
Dividend payable	71	-		71
Accrued income taxes	169	5		174
Total current liabilities	2,001	49	740	2,790
Long-term debt	574	-	300 (d)	874
Nonpension postretirement benefits	411	-		411
Other liabilities	388	9		397
Total liabilities	3,374	58	1,040	4,472
Shareowners' equity				
Capital stock	20	60	(60) (e)	20
Capital surplus	159	-		159
Retained earnings	2,487	4	(4) (e)	2,487
Treasury stock	(555)			(555)
Currency translation adjustment	44			44
Total shareowner's equity	2,155	64	(64)	2,155
Total liabilities and shareowners' equity	\$ 5,529	\$ 122	\$ 976	\$ 6,627

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CAMPBELL SOUP COMPANY
PRO FORMA COMBINED BALANCE SHEET
As of October 30, 1994
(in millions)

NOTE 1: The pro forma balance sheet has been prepared to reflect the acquisition of Pace Foods, Ltd. by Campbell Soup Company for an aggregate price of \$1,076.

NOTE 2: The Company is in the process of obtaining appraisals of certain assets acquired from Pace Foods, Ltd. A final allocation of the purchase price will be determined after completion of the appraisals and other studies.

The pro forma adjustments are made to reflect the following:

- (a) The net assets of Pace at estimated fair value at the acquisition date
- (b) The excess of acquisition cost over the fair value of net

assets acquired

- (c) The issuance of commercial paper necessary to complete the purchase acquisition
- (d) \$300 in 7.75% Euronotes maturing on February 27, 1997
- (e) The elimination of shareowners' equity accounts of Pace
- (f) Reduction of acquisition debt from \$1,076 to \$1,040

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CAMPBELL SOUP COMPANY
 PRO FORMA COMBINED STATEMENT OF EARNINGS
 for the Year Ended July 31, 1994
 (in millions)
 (unaudited)

	CSC ---	Pace ----	Pro Forma Adjustments -----	Combined -----
Net sales	\$6,690	\$225		\$6,915
Costs and expenses				
Cost of products sold	3,978	113	2 (a)	4,093
Marketing and selling expenses	1,269	59		1,328
Administrative expenses	297	13	(6) (b)	304
Research and development	78	-		78
Interest expense	74	2	74 (c)	150
Interest income	(10)	(4)		(14)
Other expense	41	-	25 (d)	66
Total costs and expenses	5,727	183	95	6,005
Earnings before taxes	963	42	(95)	910
Taxes on earnings	333	15	(37) (e)	311
Net earnings	\$630	\$ 27	\$ (58)	\$599
Earnings per share	\$2.51			\$2.39
Shares outstanding	251			251

Note 1: The above statement gives effect to the following pro forma adjustments necessary to reflect the acquisition outlined in Note 1 to the pro forma balance sheet.

The pro forma adjustments are made to reflect the following:

- (a) Additional annual depreciation resulting from increased basis of plant assets
- (b) Nonrecurring executive compensation
- (c) Annual interest charges on \$300 7.75% Euronotes and on \$740 in 6.9% commercial paper
- (d) Annual amortization of goodwill on a straight-line basis

(e) Reduction of federal and state income taxes relating to above adjustments

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CAMPBELL SOUP COMPANY
 PRO FORMA COMBINED STATEMENT OF EARNINGS
 for the Three Months Ended October 30, 1994
 (in millions)
 (unaudited)

	CSC ---	Pace ---	Pro Forma Adjustments -----	Combined -----
Net sales	\$1,864	\$66		\$1,930
Costs and expenses				
Cost of products sold	1,088	32	1 (a)	1,121
Marketing and selling expenses	339	16		355
Administrative expenses	78	3		81
Research and development	19	-		19
Interest expense	28	1	19 (b)	48
Interest income	(2)	(1)		(3)
Other expense	17	(1)	6 (c)	22
----- Total costs and expenses	1,567	50	26	1,643

Earnings before taxes	297	16	(26)	287
Taxes on earnings	100	6	(10) (d)	96

Net earnings	\$197	\$10	\$(16)	\$191
=====				
Earnings per share	\$.79			\$.77
=====				
Shares outstanding	249			249
=====				

Note 1: The above statement gives effect to the following pro forma adjustments necessary to reflect the acquisition outlined in Note 1 to the pro forma balance sheet.

The pro forma adjustments are made to reflect the following:

- (a) Additional quarterly depreciation resulting from increased basis of plant assets acquired
- (b) Quarterly interest charges on \$300 7.75% Euronotes and on \$740 6.9% commercial paper issued in connection with acquisition
- (c) Quarterly amortization of goodwill on a straight-line basis
- (d) Reduction of federal and state income taxes relating to above adjustments

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, CAMPBELL SOUP COMPANY HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED HEREUNTO DULY AUTHORIZED.

CAMPBELL SOUP COMPANY

Date: April 4, 1995

BY: /s/ JOHN J. FUREY

JOHN J. FUREY
CORPORATE SECRETARY

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Pace Foods, Inc.

Financial Statements

Years Ended December 31, 1992 and 1993
and the Nine-Month Periods Ended
September 30, 1993 and 1994 (Unaudited)
with Report of Independent Auditors

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Pace Foods, Inc.

Financial Statements

Years Ended December 31, 1992 and 1993
and the Nine-Month Periods Ended
September 30, 1993 and 1994 (Unaudited)

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Report of Ernst & Young LLP, Independent Auditors

General Partner of
Pace Foods, Ltd.

We have audited the accompanying balance sheets of Pace Foods, Inc. as of December 31, 1992 and 1993, and the related statements of income, shareholder's and partners' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pace Foods, Inc. at December 31, 1992 and 1993, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

San Antonio, Texas
February 25, 1994

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Pace Foods, Inc.
Balance Sheets

	DECEMBER 31		SEPTEMBER 30
	1992	1993	1994

	(Unaudited)		
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 295,545	\$ 945,597	\$ 6,480,387
Investments	27,143,618	--	17,412,937
Trade accounts receivable	13,355,913	12,944,862	15,074,770
Inventories	7,027,681	6,067,873	7,662,029
Prepaid expenses	358,780	298,732	324,233
Current portion of note receivable from shareholder	4,091,000	4,091,000	32,727,000
Advances to growers	1,395,691	1,910,286	308,824
Other receivables	2,329,759	39,565	950,443
	-----	-----	-----
Total current assets	55,997,987	26,297,915	80,940,623
Intangible assets, net	3,551,293	3,396,708	3,344,163
Property, plant, and equipment, net	22,147,005	26,230,905	25,163,664

Other assets:			
Long-term investments	1,073,028	1,033,072	1,040,877
Notes receivable from shareholder	36,818,000	32,727,000	--
Notes receivable principally from officers and employees	957,247	1,271,305	1,015,647
Notes receivable -- growers	--	--	1,111,633
Other	263,483	367,245	49,733
	-----	-----	-----
	39,111,758	35,398,622	3,217,890
	-----	-----	-----
Total assets	\$ 120,808,043	\$ 91,324,150	\$ 112,666,340
	=====	=====	=====

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	DECEMBER 31		SEPTEMBER 30
	1992	1993	1994

	(Unaudited)		
LIABILITIES AND SHAREHOLDER'S AND PARTNERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 6,585,943	\$ 8,141,586	\$ 8,491,009
Accrued expenses	6,174,606	5,681,372	4,556,416
Payable to securities broker	519,918	--	--
State income taxes payable	1,501,398	--	--
Revolving line of credit	--	--	30,000,000
Current portion of long-term debt	4,091,000	--	--
	-----	-----	-----
Total current liabilities	18,872,865	13,822,958	43,047,425
Other accrued liabilities	5,344,486	5,821,318	8,616,006
Long-term debt	36,818,000	--	--
Shareholder's and partners' equity:			
Common stock, par value, \$.01 per share; authorized 1,000 shares; issued and outstanding 100 shares	1	1	--
Retained earnings	59,772,691	71,679,873	--
Unrealized holding gain on investments	--	--	623,225
General partner's capital	--	--	3,005,657
Limited partner's capital	--	--	57,374,027
	-----	-----	-----
Total shareholder's and partners' equity	59,772,692	71,679,874	61,002,909
	-----	-----	-----
Total liabilities and shareholder's and partners' equity	\$ 120,808,043	\$ 91,324,150	\$ 112,666,340
	=====	=====	=====

See accompanying notes.

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Statements of Income

	YEAR ENDED DECEMBER 31		NINE-MONTH PERIOD ENDED	
	1992	1993	1993	1994
	(Unaudited)			
Net sales	\$ 195,621,023	\$ 211,977,203	\$ 158,597,424	\$ 176,651,446
Cost of sales	99,384,109	108,557,940	81,016,260	88,028,845
Gross profit	96,236,914	103,419,263	77,581,164	88,622,601
Operating expenses:				
Selling	43,246,896	51,284,854	37,975,533	44,678,362
General and administrative	14,918,290	17,946,332	13,218,673	9,299,870
Operating profit	38,071,728	34,188,077	26,386,958	34,644,369
Other income (expense):				
Amortization expense	(206,135)	(206,135)	(153,957)	(159,169)
Interest expense	(4,310,008)	(3,697,764)	(2,893,218)	(778,186)
Interest income -- note receivable	4,285,894	3,817,209	2,867,305	2,550,661
Investment income	715,105	1,183,686	885,730	363,883
Unrealized loss on short accounts	(2,525)	(24,259)	(20,336)	(3,740)
Equity in income of long-term investments	5,185	--	3,690	7,805
Gain (loss) on sale of investments	350	89,425	--	(8,379)
Miscellaneous income	103,634	38,488	17,573	147,830
Income before taxes and extraordinary item	38,663,228	35,388,727	27,093,745	36,765,074
State income taxes	1,298,487	1,020,045	1,111,666	127,092
Income before extraordinary item	37,364,741	34,368,682	25,982,079	36,637,982
Extraordinary item:				
Loss on early extinguishment of debt (less applicable state income taxes of \$105,935)	--	2,248,170	--	--
Net income	\$ 37,364,741	\$ 32,120,512	\$ 25,982,079	\$ 36,637,982

See accompanying notes.

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Pace Foods, Inc.

Statements of Shareholder's and Partners' Equity

	COMMON STOCK		UNREALIZED HOLDING GAIN ON INVESTMENTS	C.A.G. MANAGEMENT, INC. GENERAL PARTNER CAPITAL	C.A.G. HOLDING, INC. LIMITED PARTNER CAPITAL	TOTAL SHAREHOLDER'S AND PARTNERS' EQUITY
	SHARES	AMOUNT				
Balance at January 1, 1992	100	\$1	\$ 49,060,736	\$ --	\$ --	\$ 49,060,737
Cash distributions paid	--	--	(26,652,786)	--	--	(26,652,786)
Net income	--	--	37,364,741	--	--	37,364,741

Balance at							
December 31, 1992	100	1	59,772,691	--	--	--	59,772,692
Cash distributions paid	--	--	(20,173,374)	--	--	--	(20,173,374)
Noncash distribution	--	--	(39,956)	--	--	--	(39,956)
Net income	--	--	32,120,512	--	--	--	32,120,512

Balance at							
December 31, 1993	100	1	71,679,873	--	--	--	71,679,874
Reorganization and capital restructuring on January 1, 1994 (unaudited)	(100)	(1)	(71,679,873)	--	3,030,300	71,679,874	3,030,300
Unrealized holding gain on investments (unaudited)	--	--	--	623,225	--	--	623,225
Cash distributions paid (unaudited)	--	--	--	--	(391,023)	(50,577,449)	(50,968,472)
Net income for the nine-month period (unaudited)	--	--	--	--	366,380	36,271,602	36,637,982

Balance at							
September 30, 1994 (unaudited)	--	\$--	\$ --	\$ 623,225	\$ 3,005,657	\$ 57,374,027	\$ 61,002,909
=====							

See accompanying notes.

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Pace Foods, Inc.

Statements of Cash Flows

	YEAR ENDED DECEMBER 31		NINE-MONTH PERIOD ENDED	
	1992	1993	1993	1994

	(Unaudited)			
OPERATING ACTIVITIES				
Net income	\$ 37,364,741	\$ 32,120,512	\$ 25,982,079	\$ 36,637,982
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,794,356	4,255,374	2,892,082	3,254,321
Loss on sale of property, plant, and equipment	4,030	12,056	6,085	122,820
Equity in income of long-term investments	(5,185)	--	(3,690)	(7,805)
Loss (gain) on sale of investments	(350)	(89,425)	--	8,379
Changes in operating assets and liabilities:				
Decrease (increase) in trade accounts receivables	(980,097)	411,051	1,355,599	(2,129,908)
Decrease (increase) in inventories	(1,137,649)	959,808	1,568,176	(1,594,156)
(Increase) decrease in prepaid expenses	52,210	60,048	67,558	(25,501)
(Decrease) increase in advances to growers	(1,395,691)	(514,595)	609,482	489,829
Decrease (increase) in other receivables and other assets	(431,014)	2,186,432	5,173,237	(593,366)
Increase in accounts payable and accrued expenses	1,041,755	1,539,241	1,790,887	2,019,155
Increase (decrease) in state income taxes payable	1,501,398	(1,501,398)	(401,163)	--
Net cash provided by operating activities	38,808,504	39,439,104	39,040,332	38,181,750
INVESTING ACTIVITIES				
Purchases of property, plant, and equipment	(6,616,138)	(8,186,475)	(5,858,561)	(2,163,111)
Proceeds from sale of property, plant, and equipment	13,445	41,280	1,000	12,380
Decrease (increase) in notes receivable principally from officers and employees	(149,028)	(314,058)	(261,110)	255,658
Decrease in long-term receivables	45,813	--	--	--
(Decrease) increase in payable to broker	519,918	(519,918)	(519,918)	--
Principal payments on note receivable from shareholder	8,182,000	4,091,000	--	4,091,000
Purchases of investments	(51,806,985)	(70,666,738)	(56,093,185)	(30,755,966)
Proceeds from sale of investments	41,815,718	97,899,781	43,353,336	13,957,875
Purchase of intangible	--	(51,550)	--	(106,624)
Net cash provided by (used in) investing activities	(7,995,257)	22,293,322	(19,378,438)	(14,708,788)

Pace Foods, Inc.
Statements of Cash Flows (continued)

	YEAR ENDED DECEMBER 31		NINE-MONTH PERIOD ENDED SEPTEMBER 30	
	1992	1993	1993	1994
	----- (Unaudited)			
FINANCING ACTIVITIES				
Principal payments on long-term debt	\$ (9,091,000)	\$(40,909,000)	\$ (4,091,000)	\$ --
Proceeds from draw on revolving line of credit	--	--	--	30,000,000
Capital contribution by general partner	--	--	--	3,030,300
Cash distributions paid	(26,652,786)	(20,173,374)	(15,506,170)	(50,968,472)
Net cash used in financing activities	(35,743,786)	(61,082,374)	(19,597,170)	(17,938,172)

Increase (decrease) in cash and cash equivalents	(4,930,539)	650,052	64,724	5,534,790
Cash and cash equivalents at beginning of year	5,226,084	295,545	295,545	945,597

Cash and cash equivalents at end of period	\$ 295,545	\$ 945,597	\$ 360,269	\$ 6,480,387
	=====			
SUPPLEMENTAL DISCLOSURES				
Interest paid	\$ 4,443,876	\$ 4,577,308	\$ 2,981,175	\$ 745,242
State income taxes paid	--	2,521,443	1,512,829	19,092
	=====			
NONCASH TRANSACTIONS				
Investing activities:				
Unrealized holding gain on investments	\$ --	\$ --	\$ --	\$ 623,225
Distribution of long-term investment	--	39,956	--	--
Transfer of farmer advances to long-term notes receivable	--	--	--	1,111,633

See accompanying notes.

Pace Foods, Inc.
Notes to Financial Statements
December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND CAPITAL RESTRUCTURING

Pace Foods, Inc., a Delaware corporation (the Company), was incorporated on November 13, 1991. Effective January 1, 1994, the Company changed its name to C.A.G. Holding, Inc., a Delaware corporation, and simultaneously transferred all of its assets and liabilities to Pace Foods, Ltd., a Texas limited partnership (the Company, Ltd.), in consideration for a 99% limited partnership interest in the Company, Ltd. Additionally, C.A.G. Management, Inc., a Delaware corporation, purchased a 1% general partnership interest in the Company, Ltd. for cash consideration of \$3,030,300. Pursuant to the General Conveyance, Transfer and Assignment dated January 1, 1994, the audited balance sheet of the Company as of December 31, 1993 became the beginning balance sheet of the Company, Ltd. C.A.G. Holding, Inc. and C.A.G. Management, Inc. are owned 100% by the same sole shareholder who was the previous sole shareholder of the Company prior to the reorganization. The reorganization has not been retroactively reported in the financial statements as the assets, liabilities, and operations after the reorganization and capital restructuring are still owned 100% by the previous sole shareholder of the Company.

The nine-month period ended September 30, 1994 represents 100% of the operations of the Company, Ltd. from January 1, 1994 to September 30, 1994 and the assets and liabilities of the Company, Ltd. at September 30, 1994. The accompanying unaudited financial statements include all adjustments consisting of only normal recurring adjustments that, in the opinion of management, are necessary for a fair presentation.

All references to the "Company" for 1992 and 1993 and "Company, Ltd." for 1994 relate to the same operating assets, liabilities, and operations of Pace Foods. The capital restructuring had no effect on the ultimate ownership by the sole shareholder other than legal structure and taxing entities.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DESCRIPTION OF BUSINESS

The Company is a food products manufacturer specializing in tomato-based products with jalapenos. The Company currently has two primary products: Pace Picante Sauce, the original product, and Pace Thick & Chunky Salsa.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include currency on hand, money market accounts, demand deposits with financial institutions, and all highly liquid financial instruments purchased with an original maturity of three months or less.

INVESTMENTS

Management determines the appropriate classification of marketable equity and debt securities at the time of purchase and reevaluates such designation as of each balance sheet date. At September 30, 1994, all of the Company's marketable equity and debt securities are classified as available-for-sale. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of tax, reported in a separate component of shareholders' equity. The cost of securities sold is based on the specific identification method. Dividends on securities classified as available-for-sale are included in "investment income."

TRADE ACCOUNTS RECEIVABLE

Accounts receivable are recorded on an accrual basis in the period in which the product is shipped. Trade accounts receivable is shown, less allowance for doubtful accounts of \$82,439 and \$81,290 for the years ended December 31, 1992 and 1993, respectively, and \$81,290 as of September 30, 1994. Management has estimated and recorded an allowance for sales discounts on an accrual basis to recognize unearned discounts. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVENTORIES

The Company's inventories are stated at the lower of cost or market. Costs are determined using a standard cost method based on a first-in, first-out (FIFO) basis.

ADVANCES TO GROWERS

Advances to growers represent cash advances to third party growers to be utilized by such growers in farming operations for the Company. These growers, located in the U.S. (55% based on pounds to be provided) and in Mexico (45% based on pounds to be provided) at December 31, 1993 and September 30, 1994, grow and harvest field and row crops for the Company under a contract. Terms of the contract include a specific price per pound that the Company will pay upon harvest and delivery of these crops to the Company. There were no reserves for uncollectible advances for the fiscal years ended December 31, 1992 and 1993. Advances to growers is shown less reserves for uncollectible advances of \$228,600 as of September 30, 1994.

Advances to growers are recovered when delivery of these crops are made to the Company. The recovery is based on a contractual agreement with the individual growers (see Note 12 for purchase commitments). The Company performs periodic reviews of its growers and determines whether any advances to growers may not

be collectible, and at the time of this determination an allowance is established with a corresponding charge to expense. The advances to growers are uncollateralized.

INTANGIBLES

Intangibles consist of the excess of purchase price over the fair value of net assets acquired, formula and process costs, and trademark and trade name costs. All trademark and trade name costs relate to Territorial House. Amortization is computed on a straight-line basis over the useful lives of the assets.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is stated at cost. The Company provides for depreciation of property, plant, and equipment using primarily accelerated cost recovery and modified accelerated cost recovery methods that approximate a double declining method acceptable under generally accepted accounting principles. Major renewals and betterments are charged to the property accounts while replacements, maintenance, and repairs which do not improve or extend the lives of the respective assets are expensed currently.

LONG-TERM INVESTMENTS

Long-term investments consist primarily of investments in limited partnerships and other long-term investments for which no active secondary market exists. The Company's investments in limited partnerships are accounted for on the equity basis of accounting.

INCOME TAXES

Federal

For federal income tax purposes, the Company's shareholder elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Accordingly, the Company did not pay federal income taxes; rather, its income was passed directly through to its shareholder for the years ended December 31, 1992 and 1993.

As a result of the reorganization and capital restructuring discussed above, the Company, Ltd., a Texas limited partnership, does not pay federal income taxes; rather, its income is passed directly through to its general and limited partners for the period of January 1, 1994 to September 30, 1994.

Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993

Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company's federal income tax returns are subject to examination by taxing authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date as a result of examination by taxing authorities.

State

The state of Texas has a provision in its franchise tax statute to include a tax based on income. Under the law, the amount of franchise tax owed by a corporation is the greater of .25% of total capital or 4.5% of the net taxable earned surplus apportioned to Texas sales. Net taxable earned surplus is a term defined by the tax statute and is based on federal taxable income. As a result of the law, the Company has recorded the earned surplus portion of the tax in its financial statements as state income taxes for the years ended December 31, 1992 and 1993.

As a result of the reorganization discussed above, the Company, Ltd., a Texas limited partnership, does not pay state income taxes; rather, its income is passed directly through to its general and limited partners for state income tax purposes for the period of January 1, 1994 to September 30, 1994.

REVENUE RECOGNITION

Product revenue is recognized when the product is shipped. Sales are solicited throughout the year, with a concentration in the fall and continuing through early winter. Sales carry cash, volume, and promotional discounts in conjunction with volumes purchased and payment terms. Revenue from these sales are recorded net of a provision for cash discounts that are anticipated to be earned and deducted at the time of payment by the customer. Additionally, volume and promotional discounts that are anticipated to be earned and deducted at the time of payment by the customer are estimated and reserved for as an accrued liability with a corresponding charge to selling expense. The estimated discounts represent an average of historical amounts taken and are adjusted as program terms are changed.

Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADVERTISING

Advertising costs of the Company include costs related to broadcast and print media advertising expenses. Total advertising expense amounted to approximately \$19,169,000 and \$24,920,000 for the years ended December 31, 1992 and 1993, respectively, and \$17,898,000 and \$22,024,000 for the nine-month periods ended September 30, 1993 and 1994, respectively. For all periods presented, advertising costs are expensed as incurred.

EARNINGS AND DISTRIBUTIONS PER SHARE

Earnings and distributions per share have not been calculated in the accompanying financial statements. For the years ended December 31, 1992 and 1993, all outstanding shares were owned by a sole shareholder. For the period ended September 30, 1994, the sole shareholder owned 100% interest in both the general partner and limited partner of the Company, Ltd.

2. INVESTMENTS

In May 1993, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities," effective for fiscal years beginning after December 15, 1993. Under the new rules, debt securities that the Company, Ltd. has both the positive intent and ability to hold to maturity are carried at amortized cost. Debt securities that the Company, Ltd. does not have the positive intent and ability to hold to maturity and all marketable equity securities are classified as available-for-sale or trading are carried at fair value. Unrealized holding gains and losses on securities classified as available-for-sale are carried as a separate component of shareholders' equity. Unrealized holding gains and losses on securities classified as trading are reported in earnings.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

2. INVESTMENTS (CONTINUED)

The Company, Ltd. adopted the provisions of the new standard for investments held as of January 1, 1994. In accordance with the Statement, prior period financial statements have not been restated to reflect the change in accounting principle. There was no cumulative effect upon adoption in accordance with the new rules.

The following is a summary of available-for-sale securities held by the Company at September 30, 1994:

AVAILABLE-FOR-SALE SECURITIES

	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED FAIR VALUE
Obligations of states and governmental subdivisions	\$ 16,789,712	\$ 623,225	\$ --	\$ 17,412,937
	\$ 16,789,712	\$ 623,225	\$ --	\$ 17,412,937

The gross realized loss on the sales of available-for-sale securities totaled \$8,379 for the nine months ended September 30, 1994. The net adjustment to unrealized holding gains on available-for-sale securities included as a separate component of partners' equity totaled \$623,225.

The amortized cost of estimated fair value of debt securities at September 30, 1994, by contracting maturity, are shown below:

	COST	ESTIMATED FAIR VALUE
AVAILABLE-FOR-SALE		
Due in one year or less	\$ 9,425,074	\$ 9,895,431
Due after one year through five years	7,364,638	7,517,506
	\$ 16,789,712	\$ 17,412,937

Notes to Financial Statements (continued)

December 31, 1992 and 1993
 Information as to September 30, 1994 and for the
 Nine Months Ended September 30, 1993 and 1994 is Unaudited

2. INVESTMENTS (CONTINUED)

At December 31, 1992, the current portfolio of marketable securities was carried at the lower of aggregate cost or market. Marketable securities included in current assets had a cost of \$27,143,618 at December 31, 1992. All investments held at December 31, 1992 were sold in 1993 and a net realized gain of \$89,425 on the sale of all marketable securities was included in the determination of net income for 1993.

No valuation allowance was recorded in 1992 since the marketable securities portfolio had an aggregate market value equal to or in excess of aggregate cost.

A net realized gain of \$350 on the sale of marketable securities was included in the determination of net income for 1992.

The cost of marketable securities sold was based on the first-in, first-out basis of the shares of each security held at the time of the sale.

3. INVENTORIES

Inventories consist of:

	DECEMBER 31		SEPTEMBER 30
	1992	1993	1994
Raw materials	\$ 1,711,537	\$ 1,796,371	\$ 1,925,002
Packaging materials	716,531	706,800	697,458
Finished goods	4,599,613	3,564,702	5,039,569

	\$ 7,027,681	\$ 6,067,873	\$ 7,662,029
	=====		

Notes to Financial Statements (continued)

December 31, 1992 and 1993
 Information as to September 30, 1994 and for the
 Nine Months Ended September 30, 1993 and 1994 is Unaudited

4. NOTE RECEIVABLE FROM SHAREHOLDER

Subsequent to December 31, 1993, the Company transferred its note receivable in the original amount of \$55,000,000 to the Company, Ltd. as a part of the reorganization discussed in Note 1. The Company, Ltd. renewed the note receivable to the shareholder for advances of up to an aggregate of \$45,000,000. Terms of the new note include interest at 10.32% on the outstanding balance, payable quarterly on the 15th day of April, July, October, and January, and a principal payment of \$4,091,000 due on January 15, 1994. The remaining unpaid principal and interest is due on January 15, 1995. There are certain options of extension to the shareholder to repay the unpaid principal balance beyond 1995.

Interest income in the amount of approximately \$4,285,894 and \$3,817,209 for the years ended December 31, 1992 and 1993, respectively, and \$2,867,305 and \$2,550,661 for the nine months ended September 30, 1993 and 1994, respectively, has been recognized on the note receivable from shareholder.

5. INTANGIBLES

Intangible assets consist of:

	DECEMBER 31		SEPTEMBER 30	USEFUL LIVES
	1992	1993	1994	
GOODWILL	\$ 4,575,249	\$ 4,575,249	\$ 4,575,249	40 YEARS
Accumulated amortization	(1,180,149)	(1,294,531)	(1,380,317)	
Book value	3,395,100	3,280,718	3,194,932	
LICENSING AGREEMENT	1,060,000	1,060,000	1,060,000	12 YEARS
Accumulated amortization	(912,773)	(1,001,105)	(1,060,000)	
Book value	147,227	58,895	--	
PACKAGING	12,814	64,364	170,988	5 YEARS
Accumulated amortization	(3,848)	(7,269)	(21,757)	
Book value	8,966	57,095	149,231	
Total net book value	\$ 3,551,293	\$ 3,396,708	\$ 3,344,163	

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

6. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment consists of:

	DECEMBER 31		SEPTEMBER 30		
	1992	1993	1994		USEFUL LIVES
Land	\$ 5,312,826	\$ 5,312,826	\$ 5,312,826		--
Building and plant	6,874,417	7,262,408	7,507,922		31.5 Years
Furniture and fixtures	1,230,915	1,522,492	1,478,528		7 Years
Leasehold improvements	926,833	926,833	1,026,617		31.5 Years
Machinery and equipment	14,737,257	22,352,848	23,371,650		5 - 7 Years
Automobiles	130,315	130,315	130,315		5 Years
Projects in process	2,297,182	2,029,273	2,737,050		--
	31,509,745	39,536,995	41,564,908		
Less accumulated depreciation	9,362,740	13,306,090	16,401,244		
	\$22,147,005	\$ 26,230,905	\$ 25,163,664		

7. ACCRUED EXPENSES

Accrued expenses shown in the current liabilities section of the financial statements consist of the following:

	DECEMBER 31		SEPTEMBER 30	
	1992	1993	1994	
Accrued salaries, benefits, and related expenses	\$ 1,772,861	\$ 2,385,835	\$ 1,114,115	
Accrued selling expenses	3,345,398	2,756,719	2,727,694	
Accrued interest payable	879,544	--	42,944	
Other	176,803	538,818	671,663	
	\$ 6,174,606	\$ 5,681,372	\$ 4,556,416	

Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

8. OTHER ACCRUED LIABILITIES

Other accrued liabilities represents an executive incentive bonus program. The incentive bonus is calculated on an annual basis as a multiple of adjusted company earnings. The incentive bonus is expensed as earned although payout of earned incentive bonus amounts does not occur until a future period and is in accordance with the plan's payout provisions.

9. REVOLVING LINE OF CREDIT AND LONG-TERM DEBT

At December 31, 1992 and 1993, the Company had a \$10,000,000 revolving line of credit at prime or LIBOR plus .75%, expiring on January 15, 1994. As of December 31, 1992 and 1993, the Company had \$10,000,000 available. In addition, the Company had \$2,000,000 available for standby letters of credit, of which \$742,000 and \$1,193,000 were outstanding as of December 31, 1992 and 1993, respectively. Each year's available amounts expired in June of the following year.

In January 1994, the Company, Ltd. refinanced the Company's original \$10,000,000 revolving line of credit to \$12,000,000, at prime or LIBOR plus .75%, of which \$5,000,000 could be used for standby letters of credit. In March of 1994, the Company entered into a new \$40,000,000 credit agreement which expires on May 1, 1997. Under the new credit agreement, the Company must maintain a \$20,000,000 promissory note with the financial institution to have an additional \$20,000,000 committed by the financial institution. The credit agreement provides an interest rate of prime or LIBOR plus .75%. Loans drawn on the additional \$20,000,000 commitment are subject to bid from other financial institutions thereby causing these interim bid loans to charge interest at or below prime or LIBOR plus .50%. Interim bid loans accepted from other financial institutions reduce the additional \$20,000,000 committed by the financial institution. Amounts outstanding with the primary financial institution cannot exceed \$30,000,000. At September 30, 1994, the Company, Ltd. had available \$10,000,000 under the \$40,000,000 credit agreement. Commitment fees are paid by the Company, Ltd. for unused committed funds available at the financial institution at a rate of .25%. The credit agreement has restrictive loan covenants. Loan covenants restrict the Company's

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

9. REVOLVING LINE OF CREDIT AND LONG-TERM DEBT (CONTINUED)

indebtedness to the general and limited partners, defines acceptable investments, and limits capital expenditures as well as distributions. Covenants also include certain covenant calculations based on financial results. As of September 30, 1994, the Company, Ltd. has \$30,000,000 outstanding under its credit agreement. The outstanding principal balance is due on May 1, 1997, with interest payable quarterly and all unpaid interest due at maturity.

Additionally, with the new credit agreement, the Company, Ltd. replaced the \$12,000,000 line of credit with a new \$8,000,000 line of credit, which expires on March 22, 1995, at prime or LIBOR plus .75%, of which \$2,000,000 can be used for standby letters of credit. The outstanding principal balance is due on March 22, 1995, with interest payable quarterly and all unpaid interest due at maturity. As of September 30, 1994, the Company, Ltd. had not utilized the \$8,000,000 line of credit other than for approximately \$1,032,000 in outstanding letters of credit.

The Company had long-term debt agreements with financial institutions amounting to \$36,818,000, as well as a current portion of \$4,091,000 as of December 31, 1992, which were subsequently paid in full during 1993. The early extinguishment of debt resulted in prepayment penalty interest of \$2,248,170, net of state income taxes of \$105,935. The note agreements contained restrictive covenants which the Company met or had waived by the lender. In addition, the shareholder was restricted to cash withdrawals based on certain financial ratios and a percentage of net earnings as defined by the note agreements.

10. EMPLOYEE BENEFIT PLANS

PENSION PLAN

The Company has a defined benefit pension plan (Pension Plan) covering substantially all of its associates. The benefits are based upon a formula utilizing years of service and a percentage of monthly income in relationship to projected Social Security Compensation at age 65. The Company's funding policy is to contribute amounts to the plan sufficient

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993

Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

10. EMPLOYEE BENEFIT PLANS (CONTINUED)

to meet the minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amount as the Company may determine to be appropriate from time to time.

Contributions provide for benefits attributed to service to date and also for those expected to be earned in the future.

The following table sets forth the Pension Plan's funded status and amounts recognized in the Company's balance sheet at 1992, 1993, and 1994:

	DECEMBER 31		SEPTEMBER 30	
	1992	1993	1993	1994
Actuarial present value of benefit obligations:				
Accumulated benefit obligation, including vested benefits of \$229,571 and \$1,462,194 at December 31, 1992 and 1993 and \$1,051,839 and \$1,342,095 at September 30, 1993 and 1994, respectively	\$ 1,139,361	\$ 1,758,909	\$ 1,317,254	\$ 1,754,001
Projected benefit obligation for service rendered to date	\$ 2,483,864	\$ 3,521,347	\$ 2,871,680	\$ 2,951,650
Plan assets at fair value, primarily cash equivalents, marketable securities, and bonds	1,367,455	1,425,954	1,501,644	2,121,628
Plan assets deficient of projected benefit obligations	1,116,409	2,095,393	1,370,036	830,022
Unrecognized net gain from past experience different from that assumed and effects of changes in assumptions	964,393	1,560,273	937,120	741,234
Current pension obligation accrued	\$ 152,016	\$ 535,120	\$ 432,916	\$ 88,788

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
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10. EMPLOYEE BENEFIT PLANS (CONTINUED)

	NINE-MONTH PERIOD ENDED			
	DECEMBER 31		SEPTEMBER 30	
	1992	1993	1993	1994

Net pension cost included the following components:				
Service cost -- benefits earned during the period	\$ 303,300	\$ 405,441	\$ 304,081	\$ 306,381
Interest cost on projected benefit obligations	143,056	196,487	147,365	142,538
(Gain) on plan assets	(42,390)	(56,982)	(96,400)	(122,069)
Net amortization and deferral	(75,220)	(35,188)	27,273	31,760

Net periodic pension cost	\$ 328,746	\$ 509,758	\$ 382,319	\$ 358,610
=====				

The discount rate was 8.0%, 7.25%, 8.0% and 7.5% at December 31, 1992 and 1993, and September 30, 1993 and 1994, respectively. The expected long-term rate of return on plan assets was 8.5% in 1992, 1993, and 1994.

ASSOCIATE SAVINGS PLAN

The Company has an Associate Savings Plan covering all eligible associates of the Company who have completed one year of service. The Company matches up to 75% of the associates' contributions with a ceiling on the matching of 4% of the participant's compensation. The Company contributed approximately \$116,000 and \$71,085 for the years ended 1992 and 1993, respectively, and \$44,893 and \$68,865 for the nine-month periods ended September 30, 1993 and 1994, respectively. The associate contribution limitations are determined by formulas which limit the upper one-third of the plan members from contributing amounts that would cause the Plan to be top-heavy. The overall contribution is limited to 14% of the associate's compensation.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993

Information as to September 30, 1994 and for the
Nine Months Ended September 30, 1993 and 1994 is Unaudited

11. RELATED PARTY TRANSACTIONS

The Company had loans to officers amounting to approximately \$599,542, \$951,000 and \$1,016,000 for the periods ended December 31, 1992 and 1993 and September 30, 1994, respectively. Additionally, the Company has a receivable due from its shareholder (see Note 4).

12. COMMITMENTS

As of December 31, 1993, the Company had outstanding purchase commitments of \$35,012,243 and \$265,241, respectively, for raw materials and machinery and equipment expiring at various dates through 1994. At September 30, 1994, purchase commitments were \$37,337,392 and \$384,281, respectively, for raw materials and machinery and equipment expiring at various dates through 1994

and 1995.

In addition, at December 31, 1993, the Company had outstanding purchase commitments expiring at various dates in 1994 of \$12,510,005 to growers for the purchase of field and row crops to be harvested and delivered to the Company after December 31, 1993. Outstanding purchase commitments to growers at September 30, 1994 amounted to \$19,725,277 and expire at various dates in 1994 and 1995.

The Company leases certain of its inventory warehouses and office space under operating leases expiring at various dates through 1994. Terms of these agreements generally range from 1 -- 5 years and may include renewal options for various terms of up to 10 years. Total rental expense for operating leases amounted to \$860,238 and \$651,278 for the years ended December 31, 1992 and 1993, respectively, and \$583,159 and \$1,106,887 for the nine-month periods ended September 30, 1993 and 1994, respectively.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

December 31, 1992 and 1993
Information as to September 30, 1994 and for the
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12. COMMITMENTS (CONTINUED)

The minimum rental commitments under all operating leases with initial or remaining terms of more than one year are as follows:

	DECEMBER 31 1993	SEPTEMBER 30 1994
1994	\$ 1,026,531	\$ --
1995	968,283	1,028,228
1996	803,806	856,382
1997	664,430	666,154
1998	527,198	137,232
1999 and thereafter	--	--
	<u>\$ 3,990,248</u>	<u>\$ 2,687,996</u>

13. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to administrative expenses amounted to \$2,281,580 and \$1,386,204 for the years ended December 31, 1992 and 1993, respectively, and \$1,008,981 and \$960,925 for the nine-month periods ended

September 30, 1993 and 1994, respectively.

14. CONTINGENCIES

At December 31, 1992 and 1993 and September 30, 1994, the Company was involved in certain claims. Management believes that the ultimate outcome of these claims is not determinable at December 31, 1993 and September 30, 1994, if settled, would not have a materially adverse effect on the Company's financial statements.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

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Information as to September 30, 1994 and for the
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15. PRO FORMA TAX INFORMATION (UNAUDITED)

For federal income tax purposes, the Company was taxed under the provisions of Subchapter S of the Internal Revenue Code for the years ended December 31, 1992 and 1993. Accordingly, the Company did not pay federal income taxes; rather, its income was passed directly through to its sole shareholder. As a result of a reorganization, the Company became a Texas limited partnership on January 1, 1994. For the period of January 1, 1994 to September 30, 1994, the Company, Ltd.'s income is passed through to its general and limited partners for federal income tax purposes. Therefore, no provision for federal income taxes has been provided in the financial statements.

The following table represents the taxes that would have resulted had the Company been organized under the provisions of Subchapter C of the Internal Revenue Code for the years ended December 31, 1992 and 1993, and the nine months ended September 30, 1993 and 1994. Taxes have been computed in accordance with FASB Statement 109, "Accounting for Income Taxes."

Under Statement 109, the liability method is used in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Significant components of the Company's deferred tax liabilities consist of depreciation and prepaid insurance. Significant components of the Company's deferred tax assets consist of executive incentive bonus program accruals, bad debt reserve, state tax accrual, and the reserve for coupon redemptions.

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Pace Foods, Inc.

Notes to Financial Statements (continued)

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15. PRO FORMA TAX INFORMATION (UNAUDITED) (CONTINUED)

Assuming the Company was organized under Subchapter C of the Internal Revenue Code, the current and deferred income tax provisions (benefits) would be as follows:

	YEAR ENDED DECEMBER 31		NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1993	1994
Current:				
Federal	\$ 13,643,299	\$ 10,301,103	\$ 8,339,797	\$ 13,814,508
State	1,298,487	1,125,980	1,111,666	127,092
	14,941,786	11,427,083	9,451,463	13,941,600
Deferred:				
Federal	(1,057,277)	637,474	543,398	(1,081,421)
	\$ 13,884,509	\$ 12,064,557	\$ 9,994,861	\$ 12,860,179

The reconciliation between the federal statutory tax rate and what the Company's effective tax rate would be is as follows:

	YEAR ENDED DECEMBER 31		NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1993	1994
Income before income taxes	\$ 38,663,228	\$ 33,246,492	\$ 27,093,745	\$ 36,765,074
Statutory rate	34%	35%	35%	35%
	13,145,498	11,636,272	9,482,811	12,867,776
Less permanent difference for:				
State income taxes, net of federal benefit	857,001	731,887	722,583	82,610
Tax-exempt municipal interest	(235,298)	(387,179)	(292,072)	(145,845)

Pace Foods, Inc.

Notes to Financial Statements (continued)

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15. PRO FORMA TAX INFORMATION (UNAUDITED) (CONTINUED)

	YEAR ENDED DECEMBER 31		NINE MONTHS ENDED SEPTEMBER 30	
	1992	1993	1993	1994
Amortization of goodwill	\$ 39,327	\$ 40,034	\$ 30,025	\$ 30,025
Nondeductible research and development expenses	77,573	--	--	--
Other, net	408	43,543	51,514	25,613
Provision for income tax	\$ 13,884,509	\$ 12,064,557	\$ 9,994,861	\$ 12,860,179