

CONAGRA FOODS INC. NYSE-CAG										RECENT PRICE	P/E RATIO		Trailing: 15.4 Median: 15.0		RELATIVE P/E RATIO	DIV'D YLD	3.0%	VALUE LINE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
TIMELINESS	3	Lowered 9/19/14	High:	26.4	29.7	30.2	28.3	27.7	24.9	23.7	26.3	26.7	31.1	37.3	34.6				Target Price Range	2017	2018	2019																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
SAFETY	1	Raised 5/1/09	Low:	17.8	25.4	20.0	18.8	22.8	13.5	14.0	21.0	22.2	23.6	29.8	28.1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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LLC 17-19</th> </tr> </thead> <tbody> <tr> <td>51.95</td> <td>52.22</td> <td>53.22</td> <td>51.87</td> <td>52.41</td> <td>37.48</td> <td>27.92</td> <td>28.12</td> <td>22.67</td> <td>24.56</td> <td>23.96</td> <td>28.83</td> <td>27.31</td> <td>29.97</td> <td>32.54</td> <td>36.93</td> <td>42.04</td> <td>38.65</td> <td>Sales per sh^A</td> <td colspan="3">41.70</td> </tr> <tr> <td>2.34</td> <td>2.54</td> <td>2.67</td> <td>2.43</td> <td>2.67</td> <td>2.33</td> <td>2.21</td> <td>2.04</td> <td>1.78</td> <td>2.10</td> <td>1.68</td> <td>2.29</td> <td>2.50</td> <td>2.73</td> <td>2.80</td> <td>3.21</td> <td>3.62</td> <td>3.55</td> <td>"Cash Flow" per sh</td> <td colspan="3">4.35</td> </tr> <tr> <td>1.36</td> <td>1.46</td> <td>1.67</td> <td>1.33</td> <td>1.47</td> <td>1.58</td> <td>1.50</td> <td>1.35</td> <td>1.15</td> <td>1.35</td> <td>1.06</td> <td>1.52</td> <td>1.74</td> <td>1.75</td> <td>1.84</td> <td>2.16</td> <td>2.17</td> <td>2.25</td> <td>Earnings per sh^{A,B}</td> <td colspan="3">3.00</td> </tr> <tr> <td>.61</td> <td>.69</td> <td>.79</td> <td>.88</td> <td>.93</td> <td>.98</td> <td>1.03</td> <td>1.07</td> <td>1.09</td> <td>.72</td> <td>.75</td> <td>.76</td> <td>.79</td> <td>.89</td> <td>.95</td> <td>.99</td> <td>1.00</td> <td>1.00</td> <td>1.00</td> <td>Div'ds Decl'd per sh^C</td> <td colspan="3">1.30</td> </tr> <tr> <td>1.24</td> <td>1.41</td> <td>1.13</td> <td>1.07</td> <td>1.01</td> <td>.74</td> <td>.68</td> <td>.88</td> <td>.52</td> <td>.87</td> <td>.93</td> <td>1.00</td> <td>1.09</td> <td>1.14</td> <td>.83</td> <td>1.09</td> <td>1.43</td> <td>1.40</td> <td>Cap'l Spending per sh</td> <td colspan="3">1.55</td> </tr> <tr> <td>6.06</td> <td>6.18</td> <td>6.21</td> <td>7.60</td> <td>8.17</td> <td>9.30</td> <td>9.38</td> <td>9.10</td> <td>9.36</td> <td>11.02</td> <td>10.69</td> <td>11.13</td> <td>11.45</td> <td>10.89</td> <td>12.55</td> <td>12.46</td> <td>13.80</td> <td>13.80</td> <td>Book Value per sh^D</td> <td colspan="3">17.90</td> </tr> <tr> <td>458.93</td> <td>470.99</td> <td>476.97</td> <td>524.28</td> <td>527.14</td> <td>529.34</td> <td>520.13</td> <td>518.10</td> <td>510.86</td> <td>489.78</td> <td>484.37</td> <td>441.66</td> <td>442.27</td> <td>410.49</td> <td>407.61</td> <td>419.47</td> <td>421.92</td> <td>425.00</td> <td>Common Shs Outst'g^E</td> <td colspan="3">415.00</td> </tr> <tr> <td>23.9</td> <td>19.8</td> <td>13.5</td> <td>16.0</td> <td>15.6</td> <td>15.3</td> <td>16.7</td> <td>20.2</td> <td>19.4</td> <td>18.2</td> <td>22.8</td> <td>12.0</td> <td>12.8</td> <td>13.2</td> <td>13.9</td> <td>13.8</td> <td>14.9</td> <td>14.0</td> <td>Avg Ann'l P/E Ratio</td> <td colspan="3">14.0</td> </tr> <tr> <td>1.24</td> <td>1.13</td> <td>.88</td> <td>.82</td> <td>.85</td> <td>.87</td> <td>.88</td> <td>1.08</td> <td>1.05</td> <td>.97</td> <td>1.37</td> <td>.80</td> <td>.81</td> <td>.83</td> <td>.88</td> <td>.78</td> <td>.77</td> <td>.77</td> <td>Relative P/E Ratio</td> <td colspan="3">.90</td> </tr> <tr> <td>1.9%</td> <td>2.4%</td> <td>3.5%</td> <td>4.1%</td> <td>4.1%</td> <td>4.1%</td> <td>4.1%</td> <td>3.9%</td> <td>4.9%</td> <td>2.9%</td> <td>3.1%</td> <td>4.2%</td> <td>3.5%</td> <td>3.9%</td> <td>3.7%</td> <td>3.3%</td> <td>3.1%</td> <td>3.1%</td> <td>Avg Ann'l Div'd Yield</td> <td colspan="3">3.1%</td> </tr> <tr> <td colspan="23"> CAPITAL STRUCTURE as of 8/24/14 Total Debt \$8491 mill. Due in 5 Yrs \$4413 mill. LT Debt \$7917 mill. LT Interest \$340.0 mill. (Long-term interest coverage: 4.9X) (58% of Cap'l) </td> </tr> <tr> <td colspan="23"> <table border="1"> <tbody> <tr> <td>14522</td> <td>14567</td> <td>11579</td> <td>12028</td> <td>11606</td> <td>12731</td> <td>12079</td> <td>12303</td> <td>13263</td> <td>15491</td> <td>17738</td> <td>16425</td> <td>Sales (\$mill)</td> <td colspan="2">17300</td> </tr> <tr> <td>11.9%</td> <td>11.4%</td> <td>10.2%</td> <td>13.1%</td> <td>10.7%</td> <td>11.9%</td> <td>13.3%</td> <td>13.8%</td> <td>11.3%</td> <td>12.9%</td> <td>13.3%</td> <td>13.5%</td> <td>Operating Margin</td> <td colspan="2">15.0%</td> </tr> <tr> <td>352.3</td> <td>350.9</td> <td>311.2</td> <td>346.0</td> <td>296.7</td> <td>318.9</td> <td>326.8</td> <td>360.9</td> <td>371.8</td> <td>445.2</td> <td>604.4</td> <td>560</td> <td>Depreciation (\$mill)</td> <td colspan="2">600</td> </tr> <tr> <td>796.0</td> <td>704.7</td> <td>596.1</td> <td>683.8</td> <td>518.7</td> <td>691.8</td> <td>778.6</td> <td>760.4</td> <td>769.0</td> <td>901.1</td> <td>921.5</td> <td>950</td> <td>Net Profit (\$mill)</td> <td colspan="2">1210</td> </tr> <tr> <td>30.9%</td> <td>39.2%</td> <td>32.4%</td> <td>36.4%</td> <td>32.6%</td> <td>33.6%</td> <td>32.4%</td> <td>36.6%</td> <td>21.1%</td> <td>31.4%</td> <td>33.9%</td> <td>34.0%</td> <td>Income Tax Rate</td> <td colspan="2">33.5%</td> </tr> <tr> <td>5.5%</td> <td>4.8%</td> <td>5.1%</td> <td>5.7%</td> <td>4.5%</td> <td>5.4%</td> <td>6.4%</td> <td>6.2%</td> <td>5.8%</td> <td>5.8%</td> <td>5.2%</td> <td>5.8%</td> <td>Net Profit Margin</td> <td colspan="2">7.0%</td> </tr> <tr> <td>2143.3</td> <td>2135.1</td> <td>1825.5</td> <td>2325.1</td> <td>2430.7</td> <td>1761.9</td> <td>1923.9</td> <td>1773.7</td> <td>993.6</td> <td>978.5</td> <td>1588.4</td> <td>1600</td> <td>Working Cap'l (\$mill)</td> <td colspan="2">2000</td> </tr> <tr> <td>5280.7</td> <td>4349.1</td> <td>3154.8</td> <td>3420.0</td> <td>3386.9</td> <td>3461.3</td> <td>3226.4</td> <td>2870.3</td> <td>2858.6</td> <td>8886.9</td> <td>8767.6</td> <td>8000</td> <td>Long-Term Debt (\$mill)</td> <td colspan="2">7000</td> </tr> <tr> <td>4839.5</td> <td>4859.4</td> <td>4650.0</td> <td>4582.9</td> <td>5337.4</td> <td>4720.9</td> <td>4923.9</td> <td>4701.5</td> <td>4439.5</td> <td>5264.4</td> <td>5258.5</td> <td>5800</td> <td>Shr. Equity (\$mill)</td> <td colspan="2">7435</td> </tr> <tr> <td>9.5%</td> <td>9.2%</td> <td>9.6%</td> <td>10.2%</td> <td>7.4%</td> <td>10.1%</td> <td>11.1%</td> <td>11.6%</td> <td>12.0%</td> <td>7.4%</td> <td>8.0%</td> <td>8.0%</td> <td>Return on Total Cap'l</td> <td colspan="2">9.5%</td> </tr> <tr> <td>16.4%</td> <td>14.5%</td> <td>12.8%</td> <td>14.9%</td> <td>9.7%</td> <td>14.7%</td> <td>15.8%</td> <td>16.2%</td> <td>17.3%</td> <td>17.1%</td> <td>17.5%</td> <td>16.0%</td> <td>Return on Shr. Equity</td> <td colspan="2">16.5%</td> </tr> <tr> <td>5.4%</td> <td>3.2%</td> <td>.7%</td> <td>6.9%</td> <td>2.9%</td> <td>7.3%</td> <td>8.8%</td> <td>8.2%</td> <td>8.6%</td> <td>9.5%</td> <td>9.5%</td> <td>9.0%</td> <td>Retained to Com Eq</td> <td colspan="2">9.0%</td> </tr> <tr> <td>67%</td> <td>78%</td> <td>95%</td> <td>54%</td> <td>70%</td> <td>50%</td> <td>45%</td> <td>49%</td> <td>51%</td> <td>44%</td> <td>46%</td> <td>45%</td> <td>All Div'ds to Net Prof</td> <td colspan="2">44%</td> </tr> </tbody> </table> </td> </tr> <tr> <td colspan="23"> Leases, Uncapitalized Annual rentals \$91.4 mill. Pension Assets-5/14 \$3.5 bill. Oblig. \$4.0 bill. </td> </tr> <tr> <td colspan="23"> Pfd Stock None Common Stock 424,827,540 shs. 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Popular consumer brands include <i>Chef Boyardee, Healthy Choice, Orville Redenbacher, Slim Jim, Redd-wip, Hebrew National, Egg Beaters, and Hunt's</i>. It operates through three divisions: Consumer Foods, Commercial Foods, and Private Brands. Sold its trading and merchandising business, 5/08. Acquired Ralcorp Holdings 1/13. Has 32,800 employees. Off/dir. own 2.3% of common stock; The Vanguard Group, 6.7%; State Street Corp., 5.4% (9/14 proxy). CEO & President: Gary Rodkin. Incorporated: DE. Address: One ConAgra Drive, Omaha, NE 68102-5001. Telephone: 402-240-4000. Internet: www.conagrafoods.com. </td> </tr> <tr> <td colspan="23"> ConAgra Foods stock has rebounded nicely after falling to a two-year low earlier this year on a disappointing performance in fiscal 2014 (ended May 25th). The main catalyst behind the renewed interest was a stronger-than-expected start to the new fiscal year. Specifically, the food processor earned \$0.39 a share, which was a few cents better than the prior-year tally and above our estimate of \$0.34. An improved profit performance in the Consumer Foods segment, mostly driven by productivity and efficiency initiatives, offset weak showings in the Commercial Foods and Private Brands units (see below). That said, the Commercial Foods business, which is CAG's largest division, is still far from firing on all cylinders, as there are persistent volume concerns given several slower-growth products in the portfolio. </td> </tr> <tr> <td colspan="23"> We still maintain a cautious stance toward ConAgra Foods. As noted above, the company's branded lineup currently lacks many high-growth products. Too, ConAgra's acquisition of Ralcorp, which came at an expensive price, has been far from a home run. In fact, operating profits in the Private Brands division, which houses the Ralcorp products, fell 36% in the August period, owing to declines in the private-label cereal and pasta lines. The lack of recent success here prompted ConAgra to aggressively cut prices last year in an attempt to recover lost market share. Management also hopes to revive the struggling business by expanding distribution, eliminating less profitable items, and enhancing productivity. While these maneuvers are welcome, we will need to see some tangible improvement in private-label sales, especially given that the branded business remains lackluster as well, before we become more optimistic about ConAgra Foods. Still . . . </td> </tr> <tr> <td colspan="23"> Those investors worried about the recent spike in the market's volatility may want to give high-quality ConAgra Foods stock a closer look. It has high marks for Price Stability and Safety and a below-the-market Beta. This may well provide a degree of comfort in a down equity market. And, even with the recent run-up, we think ConAgra stock still trades at a fairly reasonable multiple. </td> </tr> <tr> <td colspan="23"> <i>William G. Ferguson</i> <i>October 24, 2014</i> </td> </tr> <tr> <td colspan="23"> Company's Financial Strength A Stock's Price Stability 90 Price Growth Persistence 60 Earnings Predictability 85 </td> </tr> </tbody> </table>																								1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC 17-19			51.95	52.22	53.22	51.87	52.41	37.48	27.92	28.12	22.67	24.56	23.96	28.83	27.31	29.97	32.54	36.93	42.04	38.65	Sales per sh ^A	41.70			2.34	2.54	2.67	2.43	2.67	2.33	2.21	2.04	1.78	2.10	1.68	2.29	2.50	2.73	2.80	3.21	3.62	3.55	"Cash Flow" per sh	4.35			1.36	1.46	1.67	1.33	1.47	1.58	1.50	1.35	1.15	1.35	1.06	1.52	1.74	1.75	1.84	2.16	2.17	2.25	Earnings per sh ^{A,B}	3.00			.61	.69	.79	.88	.93	.98	1.03	1.07	1.09	.72	.75	.76	.79	.89	.95	.99	1.00	1.00	1.00	Div'ds Decl'd per sh ^C	1.30			1.24	1.41	1.13	1.07	1.01	.74	.68	.88	.52	.87	.93	1.00	1.09	1.14	.83	1.09	1.43	1.40	Cap'l Spending per sh	1.55			6.06	6.18	6.21	7.60	8.17	9.30	9.38	9.10	9.36	11.02	10.69	11.13	11.45	10.89	12.55	12.46	13.80	13.80	Book Value per sh ^D	17.90			458.93	470.99	476.97	524.28	527.14	529.34	520.13	518.10	510.86	489.78	484.37	441.66	442.27	410.49	407.61	419.47	421.92	425.00	Common Shs Outst'g ^E	415.00			23.9	19.8	13.5	16.0	15.6	15.3	16.7	20.2	19.4	18.2	22.8	12.0	12.8	13.2	13.9	13.8	14.9	14.0	Avg Ann'l P/E Ratio	14.0			1.24	1.13	.88	.82	.85	.87	.88	1.08	1.05	.97	1.37	.80	.81	.83	.88	.78	.77	.77	Relative P/E Ratio	.90			1.9%	2.4%	3.5%	4.1%	4.1%	4.1%	4.1%	3.9%	4.9%	2.9%	3.1%	4.2%	3.5%	3.9%	3.7%	3.3%	3.1%	3.1%	Avg Ann'l Div'd Yield	3.1%			CAPITAL STRUCTURE as of 8/24/14 Total Debt \$8491 mill. Due in 5 Yrs \$4413 mill. LT Debt \$7917 mill. LT Interest \$340.0 mill. (Long-term interest coverage: 4.9X) (58% of Cap'l)																							<table border="1"> <tbody> <tr> <td>14522</td> <td>14567</td> <td>11579</td> <td>12028</td> <td>11606</td> <td>12731</td> <td>12079</td> <td>12303</td> <td>13263</td> <td>15491</td> <td>17738</td> <td>16425</td> <td>Sales (\$mill)</td> <td colspan="2">17300</td> </tr> <tr> <td>11.9%</td> <td>11.4%</td> <td>10.2%</td> <td>13.1%</td> <td>10.7%</td> <td>11.9%</td> <td>13.3%</td> <td>13.8%</td> <td>11.3%</td> <td>12.9%</td> <td>13.3%</td> <td>13.5%</td> <td>Operating Margin</td> <td colspan="2">15.0%</td> </tr> <tr> <td>352.3</td> <td>350.9</td> <td>311.2</td> <td>346.0</td> <td>296.7</td> <td>318.9</td> <td>326.8</td> <td>360.9</td> <td>371.8</td> <td>445.2</td> <td>604.4</td> <td>560</td> <td>Depreciation (\$mill)</td> <td colspan="2">600</td> </tr> <tr> <td>796.0</td> <td>704.7</td> <td>596.1</td> <td>683.8</td> <td>518.7</td> <td>691.8</td> <td>778.6</td> <td>760.4</td> <td>769.0</td> <td>901.1</td> <td>921.5</td> <td>950</td> <td>Net Profit (\$mill)</td> <td colspan="2">1210</td> </tr> <tr> <td>30.9%</td> <td>39.2%</td> <td>32.4%</td> <td>36.4%</td> <td>32.6%</td> <td>33.6%</td> <td>32.4%</td> <td>36.6%</td> <td>21.1%</td> <td>31.4%</td> <td>33.9%</td> <td>34.0%</td> <td>Income Tax Rate</td> <td colspan="2">33.5%</td> </tr> <tr> <td>5.5%</td> <td>4.8%</td> <td>5.1%</td> <td>5.7%</td> <td>4.5%</td> <td>5.4%</td> <td>6.4%</td> <td>6.2%</td> <td>5.8%</td> <td>5.8%</td> <td>5.2%</td> <td>5.8%</td> <td>Net Profit Margin</td> <td colspan="2">7.0%</td> </tr> <tr> <td>2143.3</td> <td>2135.1</td> <td>1825.5</td> <td>2325.1</td> <td>2430.7</td> <td>1761.9</td> <td>1923.9</td> <td>1773.7</td> <td>993.6</td> <td>978.5</td> <td>1588.4</td> <td>1600</td> <td>Working Cap'l (\$mill)</td> <td colspan="2">2000</td> </tr> <tr> <td>5280.7</td> <td>4349.1</td> <td>3154.8</td> <td>3420.0</td> <td>3386.9</td> <td>3461.3</td> <td>3226.4</td> <td>2870.3</td> <td>2858.6</td> <td>8886.9</td> <td>8767.6</td> <td>8000</td> <td>Long-Term Debt (\$mill)</td> <td colspan="2">7000</td> </tr> <tr> <td>4839.5</td> <td>4859.4</td> <td>4650.0</td> <td>4582.9</td> <td>5337.4</td> <td>4720.9</td> <td>4923.9</td> <td>4701.5</td> <td>4439.5</td> <td>5264.4</td> <td>5258.5</td> <td>5800</td> <td>Shr. 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MARKET CAP: \$14.3 billion (Large Cap)																							CURRENT POSITION <table border="1"> <thead> <tr> <th></th> <th>2013</th> <th>2014</th> <th>8/24/14</th> </tr> </thead> <tbody> <tr> <td>Cash Assets</td> <td>183.9</td> <td>183.1</td> <td>133.7</td> </tr> <tr> <td>Receivables</td> <td>1286.2</td> <td>1393.2</td> <td>1080.4</td> </tr> <tr> <td>Inventory (FIFO)</td> <td>2394.1</td> <td>2292.6</td> <td>2210.3</td> </tr> <tr> <td>Other</td> <td>515.6</td> <td>361.9</td> <td>267.0</td> </tr> <tr> <td>Current Assets</td> <td>4379.8</td> <td>4230.8</td> <td>3691.4</td> </tr> <tr> <td>Accts Payable</td> <td>1501.6</td> <td>1492.4</td> <td>1441.8</td> </tr> <tr> <td>Debt Due</td> <td>702.9</td> <td>226.0</td> <td>574.4</td> </tr> <tr> <td>Other</td> <td>1196.8</td> <td>924.0</td> <td>883.9</td> </tr> <tr> <td>Current Liab.</td> <td>3401.3</td> <td>2642.4</td> <td>2900.1</td> </tr> </tbody> </table>																								2013	2014	8/24/14	Cash Assets	183.9	183.1	133.7	Receivables	1286.2	1393.2	1080.4	Inventory (FIFO)	2394.1	2292.6	2210.3	Other	515.6	361.9	267.0	Current Assets	4379.8	4230.8	3691.4	Accts Payable	1501.6	1492.4	1441.8	Debt Due	702.9	226.0	574.4	Other	1196.8	924.0	883.9	Current Liab.	3401.3	2642.4	2900.1	ANNUAL RATES <table border="1"> <thead> <tr> <th></th> <th>Past 10 Yrs.</th> <th>Past 5 Yrs.</th> <th>Est'd '12-'14 to '17-19</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>-0.5%</td> <td>7.5%</td> <td>2.5%</td> </tr> <tr> <td>"Cash Flow"</td> <td>3.0%</td> <td>9.5%</td> <td>6.5%</td> </tr> <tr> <td>Earnings</td> <td>3.0%</td> <td>9.5%</td> <td>8.0%</td> </tr> <tr> <td>Dividends</td> <td>-</td> <td>5.5%</td> <td>6.0%</td> </tr> <tr> <td>Book Value</td> <td>3.0%</td> <td>3.0%</td> <td>8.5%</td> </tr> </tbody> </table>																								Past 10 Yrs.	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Est'd '12-'14 to '17-19	Sales	-0.5%	7.5%	2.5%	"Cash Flow"	3.0%	9.5%	6.5%	Earnings	3.0%	9.5%	8.0%	Dividends	-	5.5%	6.0%	Book Value	3.0%	3.0%	8.5%	Fiscal Year Ends <table border="1"> <thead> <tr> <th></th> <th colspan="4">QUARTERLY SALES (\$mill.)^A</th> <th>Full Fiscal Year</th> </tr> <tr> <th></th> <th>Aug.Per</th> <th>Nov.Per</th> <th>Feb.Per</th> <th>May.Per</th> <th></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>2804</td> <td>3148</td> <td>3141</td> <td>3210</td> <td>12303</td> </tr> <tr> <td>2012</td> <td>3072</td> <td>3404</td> <td>3373</td> <td>3414</td> <td>13263</td> </tr> <tr> <td>2013</td> <td>3312</td> <td>3735</td> <td>3850</td> <td>4594</td> <td>15491</td> </tr> <tr> <td>2014</td> <td>4197</td> <td>4714</td> <td>4390</td> <td>4437</td> <td>17738</td> </tr> <tr> <td>2015</td> <td>3701</td> <td>4225</td> <td>4000</td> <td>4499</td> <td>16425</td> </tr> </tbody> </table>																								QUARTERLY SALES (\$mill.) ^A				Full Fiscal Year		Aug.Per	Nov.Per	Feb.Per	May.Per		2011	2804	3148	3141	3210	12303	2012	3072	3404	3373	3414	13263	2013	3312	3735	3850	4594	15491	2014	4197	4714	4390	4437	17738	2015	3701	4225	4000	4499	16425	Fiscal Year Ends <table border="1"> <thead> <tr> <th></th> <th colspan="4">EARNINGS PER SHARE^{A,B}</th> <th>Full Fiscal Year</th> </tr> <tr> <th></th> <th>Aug.Per</th> <th>Nov.Per</th> <th>Feb.Per</th> <th>May.Per</th> <th></th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>.34</td> <td>.45</td> <td>.50</td> <td>.46</td> <td>1.75</td> </tr> <tr> <td>2012</td> <td>.31</td> <td>.49</td> <td>.53</td> <td>.51</td> <td>1.84</td> </tr> <tr> <td>2013</td> <td>.44</td> <td>.57</td> <td>.55</td> <td>.60</td> <td>2.16</td> </tr> <tr> <td>2014</td> <td>.37</td> <td>.62</td> <td>.62</td> <td>.56</td> <td>2.17</td> </tr> <tr> <td>2015</td> <td>.39</td> <td>.60</td> <td>.63</td> <td>.63</td> <td>2.25</td> </tr> </tbody> </table>																								EARNINGS PER SHARE ^{A,B}				Full Fiscal Year		Aug.Per	Nov.Per	Feb.Per	May.Per		2011	.34	.45	.50	.46	1.75	2012	.31	.49	.53	.51	1.84	2013	.44	.57	.55	.60	2.16	2014	.37	.62	.62	.56	2.17	2015	.39	.60	.63	.63	2.25	Cal-endar <table border="1"> <thead> <tr> <th></th> <th colspan="4">QUARTERLY DIVIDENDS PAID^C</th> <th>Full Year</th> </tr> <tr> <th></th> <th>Mar.31</th> <th>Jun.30</th> <th>Sep.30</th> <th>Dec.31</th> <th></th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>.20</td> <td>.20</td> <td>.20</td> <td>.23</td> <td>.83</td> </tr> <tr> <td>2011</td> <td>.23</td> <td>.23</td> <td>.23</td> <td>.24</td> <td>.93</td> </tr> <tr> <td>2012</td> <td>.24</td> <td>.24</td> <td>.24</td> <td>.25</td> <td>.97</td> </tr> <tr> <td>2013</td> <td>.25</td> <td>.25</td> <td>.25</td> <td>.25</td> <td>1.00</td> </tr> <tr> <td>2014</td> <td>.25</td> <td>.25</td> <td>.25</td> <td></td> <td></td> </tr> </tbody> </table>																								QUARTERLY DIVIDENDS PAID ^C				Full Year		Mar.31	Jun.30	Sep.30	Dec.31		2010	.20	.20	.20	.23	.83	2011	.23	.23	.23	.24	.93	2012	.24	.24	.24	.25	.97	2013	.25	.25	.25	.25	1.00	2014	.25	.25	.25			BUSINESS: ConAgra Foods, Inc. is a leading packaged food company serving grocery retailers, as well as restaurants and other foodservice establishments. Popular consumer brands include <i>Chef Boyardee, Healthy Choice, Orville Redenbacher, Slim Jim, Redd-wip, Hebrew National, Egg Beaters, and Hunt's</i> . It operates through three divisions: Consumer Foods, Commercial Foods, and Private Brands. Sold its trading and merchandising business, 5/08. Acquired Ralcorp Holdings 1/13. Has 32,800 employees. Off/dir. own 2.3% of common stock; The Vanguard Group, 6.7%; State Street Corp., 5.4% (9/14 proxy). CEO & President: Gary Rodkin. Incorporated: DE. Address: One ConAgra Drive, Omaha, NE 68102-5001. Telephone: 402-240-4000. Internet: www.conagrafoods.com.																							ConAgra Foods stock has rebounded nicely after falling to a two-year low earlier this year on a disappointing performance in fiscal 2014 (ended May 25th). The main catalyst behind the renewed interest was a stronger-than-expected start to the new fiscal year. Specifically, the food processor earned \$0.39 a share, which was a few cents better than the prior-year tally and above our estimate of \$0.34. An improved profit performance in the Consumer Foods segment, mostly driven by productivity and efficiency initiatives, offset weak showings in the Commercial Foods and Private Brands units (see below). That said, the Commercial Foods business, which is CAG's largest division, is still far from firing on all cylinders, as there are persistent volume concerns given several slower-growth products in the portfolio.																							We still maintain a cautious stance toward ConAgra Foods. As noted above, the company's branded lineup currently lacks many high-growth products. Too, ConAgra's acquisition of Ralcorp, which came at an expensive price, has been far from a home run. In fact, operating profits in the Private Brands division, which houses the Ralcorp products, fell 36% in the August period, owing to declines in the private-label cereal and pasta lines. The lack of recent success here prompted ConAgra to aggressively cut prices last year in an attempt to recover lost market share. Management also hopes to revive the struggling business by expanding distribution, eliminating less profitable items, and enhancing productivity. While these maneuvers are welcome, we will need to see some tangible improvement in private-label sales, especially given that the branded business remains lackluster as well, before we become more optimistic about ConAgra Foods. Still . . .																							Those investors worried about the recent spike in the market's volatility may want to give high-quality ConAgra Foods stock a closer look. It has high marks for Price Stability and Safety and a below-the-market Beta. This may well provide a degree of comfort in a down equity market. And, even with the recent run-up, we think ConAgra stock still trades at a fairly reasonable multiple.																							<i>William G. Ferguson</i> <i>October 24, 2014</i>																							Company's Financial Strength A Stock's Price Stability 90 Price Growth Persistence 60 Earnings Predictability 85																						
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC 17-19																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
51.95	52.22	53.22	51.87	52.41	37.48	27.92	28.12	22.67	24.56	23.96	28.83	27.31	29.97	32.54	36.93	42.04	38.65	Sales per sh ^A	41.70																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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458.93	470.99	476.97	524.28	527.14	529.34	520.13	518.10	510.86	489.78	484.37	441.66	442.27	410.49	407.61	419.47	421.92	425.00	Common Shs Outst'g ^E	415.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
23.9	19.8	13.5	16.0	15.6	15.3	16.7	20.2	19.4	18.2	22.8	12.0	12.8	13.2	13.9	13.8	14.9	14.0	Avg Ann'l P/E Ratio	14.0																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
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1.9%	2.4%	3.5%	4.1%	4.1%	4.1%	4.1%	3.9%	4.9%	2.9%	3.1%	4.2%	3.5%	3.9%	3.7%	3.3%	3.1%	3.1%	Avg Ann'l Div'd Yield	3.1%																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
CAPITAL STRUCTURE as of 8/24/14 Total Debt \$8491 mill. Due in 5 Yrs \$4413 mill. LT Debt \$7917 mill. LT Interest \$340.0 mill. (Long-term interest coverage: 4.9X) (58% of Cap'l)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Equity (\$mill)</td> <td colspan="2">7435</td> </tr> <tr> <td>9.5%</td> <td>9.2%</td> <td>9.6%</td> <td>10.2%</td> <td>7.4%</td> <td>10.1%</td> <td>11.1%</td> <td>11.6%</td> <td>12.0%</td> <td>7.4%</td> <td>8.0%</td> <td>8.0%</td> <td>Return on Total Cap'l</td> <td colspan="2">9.5%</td> </tr> <tr> <td>16.4%</td> <td>14.5%</td> <td>12.8%</td> <td>14.9%</td> <td>9.7%</td> <td>14.7%</td> <td>15.8%</td> <td>16.2%</td> <td>17.3%</td> <td>17.1%</td> <td>17.5%</td> <td>16.0%</td> <td>Return on Shr. Equity</td> <td colspan="2">16.5%</td> </tr> <tr> <td>5.4%</td> <td>3.2%</td> <td>.7%</td> <td>6.9%</td> <td>2.9%</td> <td>7.3%</td> <td>8.8%</td> <td>8.2%</td> <td>8.6%</td> <td>9.5%</td> <td>9.5%</td> <td>9.0%</td> <td>Retained to Com Eq</td> <td colspan="2">9.0%</td> </tr> <tr> <td>67%</td> <td>78%</td> <td>95%</td> <td>54%</td> <td>70%</td> <td>50%</td> <td>45%</td> <td>49%</td> <td>51%</td> <td>44%</td> <td>46%</td> <td>45%</td> <td>All Div'ds to Net Prof</td> <td colspan="2">44%</td> </tr> </tbody> </table>																							14522	14567	11579	12028	11606	12731	12079	12303	13263	15491	17738	16425	Sales (\$mill)	17300		11.9%	11.4%	10.2%	13.1%	10.7%	11.9%	13.3%	13.8%	11.3%	12.9%	13.3%	13.5%	Operating Margin	15.0%		352.3	350.9	311.2	346.0	296.7	318.9	326.8	360.9	371.8	445.2	604.4	560	Depreciation (\$mill)	600		796.0	704.7	596.1	683.8	518.7	691.8	778.6	760.4	769.0	901.1	921.5	950	Net Profit (\$mill)	1210		30.9%	39.2%	32.4%	36.4%	32.6%	33.6%	32.4%	36.6%	21.1%	31.4%	33.9%	34.0%	Income Tax Rate	33.5%		5.5%	4.8%	5.1%	5.7%	4.5%	5.4%	6.4%	6.2%	5.8%	5.8%	5.2%	5.8%	Net Profit Margin	7.0%		2143.3	2135.1	1825.5	2325.1	2430.7	1761.9	1923.9	1773.7	993.6	978.5	1588.4	1600	Working Cap'l (\$mill)	2000		5280.7	4349.1	3154.8	3420.0	3386.9	3461.3	3226.4	2870.3	2858.6	8886.9	8767.6	8000	Long-Term Debt (\$mill)	7000		4839.5	4859.4	4650.0	4582.9	5337.4	4720.9	4923.9	4701.5	4439.5	5264.4	5258.5	5800	Shr. Equity (\$mill)	7435		9.5%	9.2%	9.6%	10.2%	7.4%	10.1%	11.1%	11.6%	12.0%	7.4%	8.0%	8.0%	Return on Total Cap'l	9.5%		16.4%	14.5%	12.8%	14.9%	9.7%	14.7%	15.8%	16.2%	17.3%	17.1%	17.5%	16.0%	Return on Shr. 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BUSINESS: ConAgra Foods, Inc. is a leading packaged food company serving grocery retailers, as well as restaurants and other foodservice establishments. Popular consumer brands include <i>Chef Boyardee, Healthy Choice, Orville Redenbacher, Slim Jim, Redd-wip, Hebrew National, Egg Beaters, and Hunt's</i> . It operates through three divisions: Consumer Foods, Commercial Foods, and Private Brands. Sold its trading and merchandising business, 5/08. Acquired Ralcorp Holdings 1/13. Has 32,800 employees. Off/dir. own 2.3% of common stock; The Vanguard Group, 6.7%; State Street Corp., 5.4% (9/14 proxy). CEO & President: Gary Rodkin. Incorporated: DE. Address: One ConAgra Drive, Omaha, NE 68102-5001. Telephone: 402-240-4000. Internet: www.conagrafoods.com.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
ConAgra Foods stock has rebounded nicely after falling to a two-year low earlier this year on a disappointing performance in fiscal 2014 (ended May 25th). The main catalyst behind the renewed interest was a stronger-than-expected start to the new fiscal year. Specifically, the food processor earned \$0.39 a share, which was a few cents better than the prior-year tally and above our estimate of \$0.34. An improved profit performance in the Consumer Foods segment, mostly driven by productivity and efficiency initiatives, offset weak showings in the Commercial Foods and Private Brands units (see below). That said, the Commercial Foods business, which is CAG's largest division, is still far from firing on all cylinders, as there are persistent volume concerns given several slower-growth products in the portfolio.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
We still maintain a cautious stance toward ConAgra Foods. As noted above, the company's branded lineup currently lacks many high-growth products. Too, ConAgra's acquisition of Ralcorp, which came at an expensive price, has been far from a home run. In fact, operating profits in the Private Brands division, which houses the Ralcorp products, fell 36% in the August period, owing to declines in the private-label cereal and pasta lines. The lack of recent success here prompted ConAgra to aggressively cut prices last year in an attempt to recover lost market share. Management also hopes to revive the struggling business by expanding distribution, eliminating less profitable items, and enhancing productivity. While these maneuvers are welcome, we will need to see some tangible improvement in private-label sales, especially given that the branded business remains lackluster as well, before we become more optimistic about ConAgra Foods. Still . . .																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
Those investors worried about the recent spike in the market's volatility may want to give high-quality ConAgra Foods stock a closer look. It has high marks for Price Stability and Safety and a below-the-market Beta. This may well provide a degree of comfort in a down equity market. And, even with the recent run-up, we think ConAgra stock still trades at a fairly reasonable multiple.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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(A) FY ends last Sun. in May. (B) Dil. eqs. Excl. n/r items: '98, d3c; '99, d71c; '00, d81c; '01, d8c; '03, d12c; '04, d2c '05, d8c; '06, d25c; '09, d10c; '10, d7c; '11, 15c; '13, d31c; '14, d\$1.45. Disc. items: '05, d4c; '06, 23c; '07, 16c; '08, 84c; '09, 73c; '10, d5c; '11, d2c; '12, d72c; '14, d1c. Next eqs. rpt. due mid-Dec. Eq's. may not sum due to change in shr. count.

(C) Div'ds paid in Mar., June, Sept., Dec. ■ Div'd reinv. plan. (D) Incl. intang. In FY 2014: \$11.04 billion or \$26.17 a share. (E) In 1911.

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