P482300

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SECURITIES AND EXCHANGE COMMISSION
FEE RECEIVED
AUG 25 1983
OFFICE OF APPLICATIONS AND REPORT SERVICES

FORM 10-K

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

For The Fiscal Year Ended May 31, 1983 — **Commission File Number [illegible]**

The Pillsbury Company

Delaware	**41-0481770**
State of Incorporation	IRS Identification No.

PROCESSED BY ... AUG 26 1983 DISCLOSURE INCORPORATED

Pillsbury Center, 200 South Sixth St., Minneapolis, Minnesota 55402

Registrant's telephone number - Area Code 612-330-4966

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

Title of each Class	Name of each Exchange on which registered
Common Stock without par value	New York Stock Exchange Midwest Stock Exchange
5¾% Sinking Fund Debentures due June 1, 1986	New York Stock Exchange
8¾% Sinking Fund Debentures due November 1, 1995	New York Stock Exchange
4¼% Convertible Subordinated Debentures due August 1, 1992	New York Stock Exchange
14% Notes due March 1, 1991	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

As of July 25, 1983, 21,636,637 common shares were outstanding. The aggregate market value of common shares held by nonaffiliates of the Registrant on such date (based upon the closing price of such shares on the New York Stock Exchange-Composite Index) was $1,249.7 million.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the 1983 Annual Report to Stockholders are incorporated by reference into Parts I, II and IV.

Portions of the Proxy Statement dated August 8, 1983 for the Annual Meeting of Stockholders to be held September 13, 1983 are incorporated by reference into Part III.

TABLE OF CONTENTS

FORM 10-K ANNUAL REPORT - 1983

THE PILLSBURY COMPANY

PART I.

ITEM 1. BUSINESS

The business discussions, pages 4 through 19; "Financial Review," pages 20 through 27; "Acquisitions and dispositions," page 34; and "Ten Year Financial Information," pages 44 and 45 of the 1983 Annual Report to Stockholders are incorporated herein by reference.

ITEM 2. PROPERTIES

The business discussions, pages 4 through 19; "Financial Review," pages 20 through 27; "Property, plant and equipment," page 34; and "Commitments as lessee" and "Investments as lessor," page 36 of the 1983 Annual Report to Stockholders are incorporated herein by reference.

As of May 31, 1983:

Consumer Foods utilized 45 food manufacturing or processing plants (four were leased) located in 13 states and nine foreign countries.

Restaurants operated or franchised 3,791 restaurants in 50 states and 23 foreign countries, of which it owned the land and or buildings with respect to 1,431 restaurants and leased both the land and buildings with respect to 391 restaurants.

Agri-Products owned and operated eight flour mills, two rice mills and five bakery mix plants, located in 11 states. It also utilized 124 grain and four fertilizer elevators (41 were leased) located in 20 states; a paper bag plant, a food equipment plant, a meat blending plant, two bean packaging plants and a barge facility.

ITEM 3. LEGAL PROCEEDINGS

"Other commitments and contingent liabilities," page 39 of the 1983 Annual Report to Stockholders is incorporated herein by reference.

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

None.

ITEM X. EXECUTIVE OFFICERS OF THE REGISTRANT

The elected executive officers of the Registrant as of July 25, 1983, their ages, positions, periods of service in the listed positions and other business experience are as follows:

Name of Officer	Age	Position	Held Since	Other Company Positions Held During Past Five Years
William H. Spoor	60	Chairman of the Board and Chief Executive Officer	Jan. 1973	
Winston R. Wallin	57	President and Chief Operating Officer	June 1977	
Richard A. Coonrod	52	Executive Vice President; President, Agri-Products Group	May 1981	Executive Vice President, Agri-Products, Jan. 1979-May 1981; Group Vice President and General Manager, Agri-Products, Mar. 1978-Jan. 1979.
Roger L. Headrick	47	Executive Vice President and Chief Financial Officer	Feb. 1982	(1)
John M. Stafford	46	Executive Vice President; President, Consumer Foods Group	May 1981	Executive Vice President, Consumer Foods Group, Mar. 1979-May 1981; Senior Vice President, Green Giant Company, Mar. 1975-Mar. 1979.
Edward C. Stringer	48	Executive Vice President and General Counsel	Jan. 1982	Senior Vice President and General Counsel, Jan 1980-Jan. 1982. (2)
John L. Morrison	38	Group Vice President and General Manager, International Group	Sept. 1982	Vice President and General Manager, International Group, June 1981-Sept. 1982; General Manager of both Pillsbury Mexico and Pastas Cora S.A., Oct. 1979-June 1981; Director, Finance, Planning and Control, International Division, Nov. 1977-Oct. 1979.
Paul J. Kelsey	64	Senior Vice President, Controller and Secretary	Apr. 1982	Senior Vice President, Sept. 1981-Apr. 1982; Senior Vice President and Controller, Sept. 1979-Sept. 1981, Vice President and Controller, Sept. 1970-Sept. 1979.
Jerry W. Levin	39	Senior Vice President, Corporate Development	Jan. 1982	Vice President, Corporate Strategy and Acquisitions Sept. 1979-Jan. 1982; Vice President, Mergers and Acquisitions, June 1976-Sept. 1979.
J. Jeffrey Campbell	39	Vice President; Chairman and Chief Executive Officer of Burger King Corporation	June 1983	President, Burger King Restaurant Operations Worldwide, Apr. 1983-June 1983; President, Burger King USA, Apr. 1982-Apr. 1983; Executive Vice President and Director of Marketing, Burger King, July 1981-Apr. 1982; Vice President and [illegible] Region General Manager, Burger King Oct. 1978-July 1981.
Hal W. Smith	37	Vice President; Chairman and Chief Executive Officer of S&A Restaurant Corp.	June 1983	President and Chief Operating Officer, S&A Restaurant Corp., Aug. 1980-June 1983, Regional Associate, S&A Restaurant Corp., Dec. 1978-July 1980.
Richard T. Crowder	43	Vice President and Corporate Economist	Sept. 1978	Vice President, Transportation and Procurement and Corporate Economist, Jan. 1977-Sept. 1978.
Robert H. Sayre	43	Vice President, Personnel and Organization Planning	Feb. 1972	
Charles S. Olcott	36	Treasurer and Vice President, Investor Relations	Jan. 1983	Vice President, Investor Relations, Aug. 1982-Jan. 1983; Assistant Treasurer, Nov. 1981-Aug. 1982. (3)

(1) Mr. Headrick was employed by the Exxon Corporation from June 1960 to Feb. 1982. He was Deputy Controller from Aug. 1978 to Feb. 1982; Treasurer and Manager of Finance and Planning, Esso Eastern Inc. from May 1973 to Aug. 1978.

(2) Mr. Stringer was a partner and shareholder in the law firm of Briggs and Morgan from May 1969 to Jan. 1980.

(3) Mr. Olcott was a Securities Analyst and Assistant Vice President for Aetna Life & Casualty Company from June 1973 to Nov. 1981.

PART II.

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

"Dividends," page 23; "Summary by Quarter," page 27; "Long-term debt," page 35; "Ten Year Financial Information," pages 44 and 45; and "Stock Listing," page 46 of the 1983 Annual Report to Stockholders are incorporated herein by reference. As of July 25, 1983 there were 19,108 stockholders of record.

ITEM 6. SELECTED FINANCIAL DATA

"Ten Year Financial Information," pages 44 and 45 of the 1983 Annual Report to Stockholders is incorporated herein by reference.

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

"Financial Review," pages 20 through 27; and "Information on effects of changing prices and inflation," pages 40 and 41 of the 1983 Annual Report to Stockholders are incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial information of the Registrant and its subsidiaries, included in the 1983 Annual Report to Stockholders, is incorporated herein by reference:

	Page(s)
Summary by Industry Segment	26
Summary by Quarter	27
Summary of Significant Accounting Policies	28
Consolidated Statements of Earnings	29
Accountants' Report	29
Consolidated Balance Sheets	30-31
Consolidated Statements of Changes in Financial Position	32
Consolidated Statements of Stockholders' Equity	33
Notes to Consolidated Financial Statements	34-41

ITEM 9. DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ACCOUNTANTS' REPORT ON SCHEDULES

Stockholders and Board of Directors
The Pillsbury Company

In connection with our examination of the financial statements of The Pillsbury Company and subsidiaries at May 31, 1983 and 1982, and for each of the three years in the period ended May 31, 1983, which report thereon dated June 23, 1983 (July 11, 1983 as to Note 1) is incorporated herein by reference, we also examined the supporting schedules listed in Item 14(a)(2).

In our opinion, these schedules present fairly, when read in conjunction with the related financial statements, the financial data required to be set forth herein.

TOUCHE ROSS & CO.
Certified Public Accountants

Minneapolis, Minnesota
June 23, 1983

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

"Election of Directors," pages 5 through 13 of the Registrant's Proxy Statement dated August 8, 1983 and "Executive Officers of the Registrant," Item X of Part I hereof are incorporated herein by reference.

ITEM 11. MANAGEMENT REMUNERATION

"Election of Directors — Compensation of Directors," pages 13 and 14; and "Remuneration of Directors and Officers," pages 18 through 32 of the Registrant's Proxy Statement dated August 8, 1983 are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

"Election of Directors," pages 5 through 13, and "Ownership of Common Stock," page 17 of the Registrant's Proxy Statement dated August 8, 1983 are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

"Remuneration of Directors and Officers," pages 18 through 32; and "Certain Transactions," pages 32 through 34 of the Registrant's Proxy Statement dated August 8, 1983 are incorporated herein by reference.

PART IV.

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

(a)(1) Financial Statements

The consolidated financial statements of the Registrant and its subsidiaries, included in the 1983 Annual Report to Stockholders, are incorporated by reference in Item 8, and are also incorporated herein by reference.

(a)(2) Financial Statement Schedules

Schedule II - Amounts receivable from related parties and underwriters, promoters, and employees other than related parties

Schedule V - Property, plant and equipment

Schedule VI - Accumulated depreciation, depletion and amortization of property, plant and equipment

Schedule X - Supplementary income statement information

(a)(3) Exhibits

(3)A. Certificate of Incorporation of the Registrant. Incorporated herein by reference to Exhibit 4(a) of Registration No. 2-72185.

B. By-Laws of the Registrant.

(4) Copies of constituent instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries are not filed herewith, pursuant to Section (b)(4)(iii) of Item 601 of Regulation S-K, because the aggregate amount of securities authorized under all such instruments do not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant hereby agrees that it will, upon request by the Securities and Exchange Commission, furnish to the Commission a copy of each such instrument.

(10)A. Fiscal 1984 Management Incentive Plan.

B. The Pillsbury Deferred Incentive Plan. Incorporated herein by reference to Exhibit 1 of Registrant's 11-K Report on The Pillsbury Deferred Incentive Plan for the year ended May 31, 1982. Amended by the First Amendment to The Pillsbury Deferred Incentive Plan dated June 22, 1983.

C. 1981 Performance Unit Plan. Incorporated herein by reference to Exhibit (10)C of Registrant's 10-K Report for the year ended May 31, 1981.

D. 1974 Performance Unit Plan. Incorporated herein by reference to Exhibit (10)D of Registrant's 10-K Report for the year ended May 31, 1981.

E. Green Giant Company 1974 Stock Option Plan as adopted by The Pillsbury Company. Incorporated herein by reference to Exhibit 1(a) of Registration No. 2-63563.

F. The Pillsbury Company Nonqualified Stock Option Plan. Incorporated herein by reference to Exhibit 1(d) of Registration No. 2-59947. Amended by the First Amendment to The Pillsbury Company Nonqualified Stock Option Plan. Incorporated herein by reference to Exhibit (10)F of Registrant's 10-K Report for the year ended May 31, 1982. Amended by the Second and Third Amendments to The Pillsbury Company Nonqualified Stock Option Plan dated November 9, 1982 and June 7, 1983, respectively.

G. The Pillsbury Company Stock Option Plan of 1982. Incorporated herein by reference to Exhibit A of Registrant's Proxy Statement dated August 9, 1982.

H. Description of Supplemental Long Term Disability for Members of Executive Management. Incorporated herein by reference to Exhibit (10)F of Registrant's 10-K Report for the year ended May 31, 1981.

I. Consultant director arrangement, which is not set forth in any formal written document, is described in the second paragraph of "Election of Directors — Compensation of Directors," pages 13 and 14 of Registrant's Proxy Statement dated August 8, 1983. Incorporated herein by reference.

J. Deferred Compensation Plan for Active Non-Employee Directors and Consultant Directors. Incorporated by reference to Exhibit (10)J of Registrant's 10-K report for the year ended May 31, 1982.

K. The Pillsbury Company Strategic Performance Plan.

L. Deferred Compensation Agreement, dated June 1, 1982, between The Pillsbury Company and Norman E. Brinker.

M. Deferred Consideration Agreement, dated February 10, 1982, as amended March 10, 1983, between The Pillsbury Company and Roger L. Headrick.

(13) 1983 Annual Report to Stockholders (only those portions specifically incorporated herein by reference shall be deemed filed with the Commission).

(22) Subsidiaries of the Registrant.

(24) Consent of Touche Ross & Co.

(25) Powers of Attorney.

(b) Reports on Form 8-K

The Registrant filed no reports on Form 8-K during the three months ended May 31, 1983.

SIGNATURES

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

THE PILLSBURY COMPANY

Dated August 24, 1983

By: Paul J. Kelsey
Senior Vice President, Controller and Secretary

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

Dated August 24, 1983

William H. Spoor
William H. Spoor
Chairman of the Board and Chief Executive Officer

Dated August 24, 1983

Roger L. Headrick
Executive Vice President and Chief Financial Officer

Dated August 24, 1983

Paul J. Kelsey
Senior Vice President, Controller and Secretary (Chief Accounting Officer)

W. Michael Blumenthal
Norman E. Brinker
Donald R. Dwight
Caro E. Luhrs, M.D.
James W. McLamore
Willys H. Monroe
John H. Perkins
George S. Pillsbury
Robert A. Schoellhorn
George J. Sella, Jr.
William H. Spoor
John M. Stafford
Winston R. Wallin
John C. Whitehead
Peter G. Wray

THE BOARD OF DIRECTORS*

* William H. Spoor, by signing his name hereto, does hereby sign this document on behalf of each of the above named directors of the Registrant pursuant to powers of attorney duly executed by such persons.

Dated August 24, 1983

William H. Spoor
William H. Spoor,
Attorney-in-Fact

THE PILLSBURY COMPANY AND SUBSIDIARIES

SCHEDULE II - AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS, AND EMPLOYEES OTHER THAN RELATED PARTIES

Column A	Column B	Column C	Column D	Column E
			Deductions	
Name of debtor	Balance at beginning of period	Additions	Amounts collected	Balance at end of period
		(In millions)		
Year ended May 31, 1981:				
Officer:				
Donald N. Smith[(a)]	$ .2		$ .2	
Year ended May 31, 1982:				
Officer:				
John L. Morrison[(b)]		$ .2	.1	$ .1
Year ended May 31, 1983:				
Officer:				
John L. Morrison[(b)]	.1			.1

(a) Personal loan, repaid in June 1980, with interest computed at an average annual rate of 14.15%.

(b) Relocation loan, due in August 1984, with interest at an annual rate of 11%.

THE PILLSBURY COMPANY AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at beginning of period	Additions	Retirements (In millions)	Other changes	Balance at end of period
Year ended May 31, 1981:					
Land and improvements	$ 148.5	$ 13.5	$ 2.6		$ 159.4
Buildings and improvements	615.3	124.1	15.4	$ (41.4)(b) (3.8)(c) (.5)(e)	678.3
Machinery and equipment	451.2	88.9	46.0	22.0 (c) 1.1 (e)	517.2
	$1,215.0	$ 226.5	$ 64.0	$ (22.6)	$1,354.9
Year ended May 31, 1982:					
Land and improvements	$ 159.4	$ 18.0	$ 4.8	$ .3 (a) (1.7)(b) 1.9 (c) (.6)(d) .1 (e)	$ 172.6
Buildings and improvements	678.3	100.1	27.4	19.3 (a) (27.8)(b) 10.6 (c) (4.4)(d) .4 (e)	749.1
Machinery and equipment	517.2	90.4	45.8	(19.6)(a) (1.0)(b) 9.0 (c) (5.4)(d)	544.8
	$1,354.9	$ 208.5	$ 78.0	$ (18.9)	$1,466.5
Year ended May 31, 1983:					
Land and improvements	$ 172.6	$ 24.2	$ 16.6	$ .3 (a) (.7)(b) (.5)(d)	$ 179.3
Buildings and improvements	749.1	112.6	60.9	.1 (a) (7.9)(b) (4.8)(d)	788.2
Machinery and equipment	544.8	107.1	45.9	(.4)(a) 1.0 (b) (7.2)(d) .9 (e)	600.3
	$1,466.5	$ 243.9	$ 123.4	$ (19.2)	$1,567.8

(a) Transfers between property classifications.

(b) Transfer to or from net investment in direct financing leases or investments and other assets.

(c) Purchased companies.

(d) Change in foreign currency translation rates.

(e) Various insignificant changes.

THE PILLSBURY COMPANY AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at beginning of period	Additions charged to costs and expenses	Retirements	Other changes	Balance at end of period
			(In millions)		
Year ended May 31, 1981:					
Buildings and improvements	$ 170.1	$ 35.8	$ 5.8	$ (3.9)(b)	
				(3.8)(c)	
				.5 (e)	$ 192.9
Machinery and equipment	187.5	53.6	27.6	(2.6)(c)	
				.5 (e)	211.4
	$ 357.6	$ 89.4	$ 33.4	$ (9.3)	$ 404.3
Year ended May 31, 1982:					
Buildings and improvements	$ 192.9	$ 41.5	$ 8.2	$ 4.2 (a)	
				(2.9)(b)	
				(.7)(d)	
				1.1 (e)	$ 227.9
Machinery and equipment	211.4	51.3	28.3	(4.2)(a)	
				1.1 (b)	
				(2.2)(d)	
				.5 (e)	229.6
	$ 404.3	$ 92.8	$ 36.5	$ (3.1)	$ 457.5
Year ended May 31, 1983:					
Buildings and improvements	$ 227.9	$ 46.3	$ 25.5	$ (.1)(a)	
				9.9 (b)	
				(1.1)(d)	$ 257.4
Machinery and equipment	229.6	59.2	31.4	.1 (a)	
				1.0 (b)	
				(2.4)(d)	
				1.1 (e)	257.2
	$ 457.5	$ 105.5	$ 56.9	$ 8.5	$ 514.6

(a) Transfers between property classifications.

(b) Transfer to or from net investment in direct financing leases or investments and other assets.

(c) Purchased companies.

(d) Change in foreign currency translation rates.

(e) Various insignificant changes.

THE PILLSBURY COMPANY AND SUBSIDIARIES

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION

	Year Ended May 31		
	1983	1982	1981
	(In millions)		
Maintenance and repairs	$68.9	$59.0	$58.3
Advertising costs	99.1	99.8	95.7

Amortization of intangible assets, taxes other than payroll and income taxes, and royalties are not presented because they do not exceed one percent of sales and revenues.

EXHIBITS
Filed With
The Pillsbury Company
FORM 10-K

For the Fiscal Year Ended May 31, 1983

(3)A. Certificate of Incorporation of the Registrant. Incorporated herein by reference to Exhibit 4(a) of Registration No. 2-72185.

B. By-Laws of the Registrant. p. 31.

(10)A. Fiscal 1984 Management Incentive Plan. p. 55

B. The Pillsbury Deferred Incentive Plan. Incorporated herein by reference to Exhibit 1 of Registrant's 11-K Report on The Pillsbury Deferred Incentive Plan for the year ended May 31, 1982. Amended by the First Amendment to The Pillsbury Deferred Incentive Plan dated June 22, 1983. p. 67.

C. 1981 Performance Unit Plan. Incorporated herein by reference to Exhibit (10)C of Registrant's 10-K Report for the year ended May 31, 1981.

D. 1974 Performance Unit Plan. Incorporated herein by reference to Exhibit (10)D of Registrant's 10-K Report for the year ended May 31, 1981.

E. Green Giant Company 1974 Stock Option Plan as adopted by The Pillsbury Company. Incorporated herein by reference to Exhibit 1(c) of Registration No. 2-63563.

F. The Pillsbury Company Nonqualified Stock Option Plan. Incorporated herein by reference to Exhibit 1(d) of Registration No. 2-59947. Amended by the First Amendment to The Pillsbury Company Nonqualified Stock Option Plan. Incorporated herein by reference to Exhibit (10)F of Registrant's 10-K Report for the year ended May 31, 1982. Amended by the Second and Third Amendments to The Pillsbury Company Nonqualified Stock Option Plan dated November 9, 1982 and June 7, 1983, respectively. p. 75.

G. The Pillsbury Company Stock Option Plan of 1982. Incorporated herein by reference to Exhibit A of Registrant's Proxy Statement dated August 9, 1982.

H. Description of Supplemental Long Term Disability for Members of Executive Management. Incorporated herein by reference to Exhibit (10)F of Registrant's 10-K Report for the year ended May 31, 1981.

I. Consultant director arrangement, which is not set forth in any formal written document, is described in the second paragraph of "Election of Directors — Compen[illegible]n of Directors," pages 13 and 14 of Registrant's Proxy Statement dated August 8, 1983. Incorporated herein by reference.

J. Deferred Compensation Plan for Active Non-Employee Directors and Consultant Directors. Incorporated herein by reference to Exhibit (10)J of the Registrant's 10-K Report for the year ended May 31, 1982.

K. The Pillsbury Company Strategic Performance Plan. p. 81.

L. Deferred Compensation Agreement, dated June 1, 1982, between The Pillsbury Company and Norman E. Brinker. p. 93

M. Deferred Consideration Agreement, dated February 10, 1982, as amended March 10, 1983, between The Pillsbury Company and Roger L. Headrick. p. 101

(13) 1983 Annual Report to Stockholders (only those portions specifically incorporated herein by reference shall be deemed filed with the Commission). p. 111

(22) Subsidiaries of the Registrant. p. 163

(24) Consent of Touche Ross & Co. p. 167

(25) Powers of Attorney. p. 171

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Exhibit (3)B

THE PILLSBURY COMPANY
PILLSBURY CENTER
MINNEAPOLIS, MINNESOTA 55402

EXCERPT TAKEN FROM THE MINUTES
OF THE BOARD OF DIRECTORS MEETING
HELD JANUARY 4, 1983

RESOLVED, that notice of a proposal to amend Article III, Section 3.01 of the By-laws, to increase the number of directors from 14 to 15 members, is hereby waived by the unanimous consent of the Directors of the Company; and

FURTHER RESOLVED, that effective January 4, 1983, Article III, Section 3.01 of the By-laws is hereby amended in its entirety to read as follows:

> 3.01 Number. The government of this corporation and the management of its affairs shall be vested in a Board of Directors of fifteen (15) members. The number of directors may be increased or decreased, as the case may be, to 11, 12, 13, 14, 15, 16, 17, 18, or 19, by amendment of this by-law by the Board of Directors.

* * * * * * * * * * *

I, PAUL J. KELSEY, Secretary of The Pillsbury Company, a Delaware corporation, hereby certify that the foregoing is a true and correct copy of a resolution passed at the Regular Meeting of the Board of Directors of the Company, duly convened and held in Minneapolis, Minnesota, on the 4th day of January 1983, at which a quorum was present throughout, and that the foregoing is still in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto affixed my official signature and the seal of said Corporation this 4th day of August 1983.

Paul J. Kelsey
Senior Vice President and Secretary

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THE PILLSBURY COMPANY
PILLSBURY CENTER
MINNEAPOLIS, MINNESOTA 55402

SECRETARY'S CERTIFICATE

I, PAUL J. KELSEY, Secretary of THE PILLSBURY COMPANY, a Delaware corporation, hereby certify that the attached hereto is a true and correct copy of the By-Laws of The Pillsbury Company as last amended on January 4, 1983, and that such By-Laws are still in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto affixed my official signature and the seal of the Company this 4th day of August 1983.

Paul J. Kelsey

Senior Vice President and Secretary

BY-LAWS
OF
THE PILLSBURY COMPANY

ARTICLE I

Offices

1.01 Registered Office. The registered office of the corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

1.02 Other Offices. The corporation may also have other offices at such places either within or without the State of Delaware as the Board of Directors may from time to time designate or the business of the corporation may require.

ARTICLE II

Meetings of Stockholders

2.01 Annual Meeting. The annual meeting of the stockholders of the corporation, for the election of directors and the transaction of such other business as may properly come before the meeting, shall be held annually at such place as designated by the Board of Directors and set forth in the notice of the meeting. The meeting shall be held on the second Tuesday in September or on such other date in each year as may be designated by the Board of Directors. If such day is a legal holiday, the meeting shall be held on the next succeeding day not a legal holiday.

2.02 Special Meetings. Special meetings of the stockholders may be called for any purposes at any time by the Chairman of the Board or the President or by the order of the Board of Directors. Such meetings shall be held at such time and place as designated in the call of such meeting.

2.03 Business at Special Meeting. Business transacted at any special meeting shall be limited to the purposes stated in the notice of such meeting.

2.04 Notice of Meetings. A copy of the notice of every annual and special meeting of stockholders stating the place, date and hour thereof, and, in the case of any special meeting, indicating who has called the meeting and setting forth the purposes for which the meeting is called, shall be mailed at least ten days before such meeting to each stockholder of record entitled to vote thereat.

2.05 Quorum. At all meetings of stockholders there shall be present, either in person or by proxy, stockholders of record holding at least a majority of the shares entitled to vote at such meetings in order to constitute a quorum, but less than a quorum shall have the power to adjourn any meeting until a quorum shall be present.

2.06 Voting. The vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before a meeting, unless a different vote is required by law or the certificate of incorporation.

2.07 Proxies. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of stock having voting power held by such stockholder.

2.08 Inspectors of Voting. The person presiding at a stockholders' meeting shall appoint one or more inspectors. Inspectors, none of whom shall be an officer, director or a candidate for the office of director, shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall determine and report to the meeting as to the results of all voting (by ballot or otherwise) on all matters submitted to a vote at the meeting. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such a meeting with strict impartiality and according to the best of his ability.

2.09 Voting List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

ARTICLE III

Directors; Board of Directors

3.01 Number. The government of this corporation and the management of its affairs shall be vested in a Board of Directors of fifteen (15) members. The number of directors may be increased or decreased, as the case may be, to 11, 12, 13, 14, 15, 16, 17, 18, or 19, by amendment of this by-law by the Board of Directors.

3.02 How Elected; Term of Office. Except as otherwise provided by law, by the certificate of incorporation or by section 3.03 hereof, the directors of this corporation shall be elected by ballot at the annual meeting of stockholders each year by a plurality of the votes of the stockholders cast in person or by proxy at such election. Each director shall be elected to serve until the next annual meeting of stockholders and until his successor shall be duly elected and qualified or until his earlier resignation or removal. As used in these by-laws the pronouns "he" and "his" shall be deemed applicable to persons of either male or female gender.

3.03 Vacancies. Vacancies in the Board of Directors, including newly created directorships resulting from an increase in the number of directors, may be filled by vote of a majority of the directors then in office at any special meeting called for that purpose or at any regular meeting of the Board of Directors.

3.04 Powers and Duties of the Board of Directors. Unless otherwise provided by law or by the certificate of incorporation, the business of the corporation shall be managed under the direction of the Board of Directors, which may adopt such rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. In addition to the powers and authority expressly conferred upon it by these by-laws, the Board of Directors may exercise all such powers and do all such lawful acts as are allowed by the certificate of incorporation or by-laws.

3.05 Election of Officers and Designation of Committees. Officers of the corporation shall be elected and committees of the Board shall be designated at the regular meeting of the Board of Directors held in September, or at such special or regular meeting thereafter as the Board of Directors may determine.

3.06 Regular Meetings. Regular meetings of the Board of Directors shall be held at the office of the corporation in Minneapolis, Minnesota, at nine o'clock in the forenoon on the first Tuesday in each of the following months: January, March, May, June, September and November, and no notice shall be required for any regular meeting; provided, however, that any regular meeting (other than a regular annual meeting) may be held at any place or on any day or at any hour fixed in advance for such meeting by resolution of the Board of Directors or consented to in writing by all the members of the Board of Directors.

3.07 Special Meetings. Special meetings of the Board of Directors may be called from time to time by the Chairman of the Board, the President or the Secretary. Upon the written request of any two directors directed to the Chairman of the Board or the Secretary stating the time, place and purposes of such special meeting, the President or Secretary shall call a special meeting of the Board of Directors.

3.08 Notice of Special Meetings. Written notice of the time, place and purposes of each special meeting of the Board of Directors shall be given to each director. Such notice shall be mailed at least forty-eight hours prior to such meeting, or transmitted by wire or by personal delivery at least twenty-four hours prior to such meeting.

3.09 Quorum. At each meeting of the Board of Directors a majority of the Board of Directors shall constitute a quorum for the transaction of business, and all transactions of the Board of Directors shall be decided by vote of a majority of the quorum present unless otherwise provided by the by-laws.

3.10 Action in Writing. Any action which may be taken at a meeting of the Board of Directors or any Committee designated by the Board of Directors may be taken without a meeting if authorized by a writing or writings signed by all of the directors or all of the members of such Committee, as the case may be, and such action shall be effective on the date on which the last signature is placed on such writing or writings or such earlier date as is set forth therein.

3.11 Conference Telephone Meetings. Any action which may be taken at a meeting of the Board of Directors or any Committee designated by the Board of Directors may be taken by means of conference telephone or similar communications equipment by means of which all persons participating in the conference telephone meeting can hear each other, with the same effect as though all such persons were present in person at such meeting.

3.12 Compensation of Directors and Members of Committees. The Board of Directors may from time to time, in its discretion, fix the amount which shall be payable to members of the Board for attendance at the meetings of the Board of Directors or of any Committee of the Board of Directors. A director who is also an officer or active employee of the corporation shall not receive any compensation for his services as a director.

ARTICLE IV

Executive Committee

4.01 Executive Committee. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate from among its members an Executive Committee consisting of not less than five (5) nor more than nine (9) members, who, to the extent provided in the by-laws or the resolution of the Board of Directors so designating them, shall have and exercise all the powers of the Board of Directors in the management of the business and affairs of the corporation during intervals between meetings of th Board of Directors. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action, and shall be subject to revision and alteration by the Board of Directors; provided that no rights of a third party shall be affected by any such revision or alteration. Regular minutes of the proceedings of the Executive Committee shall be kept in a book provided for that purpose. Vacancies in the Executive Committee shall be filled by the Board of Directors. Four members of the Committee, including at least one member who is neither an officer nor an active employee of the corporation, shall be necessary to constitute a quorum and, in any case, action may be taken only upon the affirmative vote of each member of the Committee present at the meeting.

Meetings of the Executive Committee may be held at any time at the call of the Chairman or any member of the Committee on written notice to all members of the Committee of the time, place and purposes of the meeting, transmitted by wire or personal delivery at least twenty-four (24) hours prior to such meeting. Meetings may be held at any time without call or notice whenever all members of the Committee are present.

ARTICLE V

Officers

5.01 Number and Designation. The elected officers of the corporation shall be a Chairman of the Board, a President, one or more Vice Presidents, with or without such descriptive titles as the Board of Directors shall deem appropriate, a Secretary, a Treasurer, a Controller and a General Counsel, and such other officers as the Board of Directors may by resolution elect. The Chairman of the Board and the President shall be chosen from among the directors, but any other officers need not be directors. More than one office may be held by the same person, except that where the by-laws or resolutions of the Board of Directors provide for signatures of the incumbents of two offices of the corporation upon shares, notes, checks or other instruments or documents issued by the corporation, such offices must be held by two separate persons.

The Chairman of the Board, subject to approval by the Board of Directors, may from time to time appoint one or more Vice Presidents and may prescribe their duties and powers and the term of office to be held by each.

5.02 Term of Office. Each officer so elected or appointed shall hold office until his successor is elected or appointed and qualified, or until his earlier resignation or removal. Any vacancy in an office may be filled for the unexpired term of such officer by the Board of Directors at any regular or special meeting.

5.03 Chairman of the Board. The Chairman of the Board shall be the chief executive officer of the corporation and shall preside at all meetings of the shareholders and of the Board of Directors. He shall perform such other duties as may be required in the management of the business.

5.04 The President. The President shall have such powers and perform such duties as may be determined from time to time by the Chairman of the Board or by the Board of Directors. In the absence or incapacity of the Chairman of the Board, the President shall have the powers and duties of the Chairman of the Board.

5.05 Vice Presidents. The Vice Presidents shall perform such duties and services as shall be assigned to or required of them from time to time by the Board of Directors and the Chairman of the Board.

5.06 The Treasurer. The Treasurer shall have the care and custody of all the funds and securities of the corporation and shall deposit the same in the name of the corporation in such banks, trust companies and other depositories as shall be authorized in accordance with these by-laws. He shall be responsible for the disbursement of funds of the corporation and shall perform the duties and exercise all the powers usually incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

5.07 The Secretary. The Secretary shall keep the minutes and act as secretary of all meetings of the Board of Directors, the Executive Committee and the shareholders. He shall attend to the giving and serving of all notices of the corporation. He shall be empowered to affix the corporate seal to all documents, execution of which, on behalf of the corporation under its seal, is duly authorized, and when so affixed may attest the same; and, in general, he shall perform the duties and exercise all the powers usually incident to the office of a secretary of a corporation, and such other duties as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

5.08 The Controller. The Controller shall be the chief accounting officer of the corporation. He shall maintain and supervise proper books and records of all assets, liabilities, disbursements and transactions of the corporation. He shall prepare such financial statements and reports as from time to time may be assigned to him by the Board of Directors, the Chairman of the Board or the President.

5.09 Delegation of Duties of Officers. The Board of Directors may delegate the duties and powers of any officer, agent or employee of the corporation to any other officer, agent, employee or director for a specified time during the absence of any officer, agent, employee or director for a specified time during the absence of any such person or for any other reason that the Board of Directors may deem sufficient.

5.10 Removal. Any officer of the corporation elected by the Board of Directors may be removed by the Board of Directors with or without cause. Any Vice President appointed by the Chairman of the Board may be removed by the Chairman of the Board or by the Board of Directors with or without cause.

5.11 Bond. The Board of Directors shall have power, to the extent permitted by law, to require any officer, agent, or employee of the corporation to give bond for the faithful discharge of his duties in such form and with such surety or sureties as the Board of Directors may deem advisable.

ARTICLE VI

Capital Stock

6.01 Form. The certificates for shares shall be in such form as may be prescribed by law and as shall be approved by the Board of Directors.

6.02 Issuance. All certificates for shares shall be signed by the Chairman of the Board or the President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer and shall have the seal of the corporation affixed thereto. The signatures of any such officers and the seal upon such certificates may be facsimiles, engraved or printed.

6.03 Transfer. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issue, registration and transfer of certificates for shares, and may appoint transfer agents or clerks and registrars thereof.

6.04 Fixing of Record Date. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

ARTICLE VII

Execution of Instruments and Designation of Depositories

7.01 Execution of Instruments. All contracts, deeds, mortgages, notes, checks, conveyances, releases of mortgages, and other instruments shall be signed on behalf of the corporation: by the Chairman of the Board, the President or any Vice President and by the Secretary, Treasurer or any Assistant Secretary or Assistant Treasurer; or by such other person or persons as may be designated or authorized from time to time by the Board of Directors, the Chairman of the Board or the President.

7.02 Designation of Depositories. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as may be authorized in a writing signed by the Chairman of the Board, the President or any Vice President and by the Secretary, Treasurer or any Assistant Secretary or Assistant Treasurer, or by such other person or persons as may be designated by the Board of Directors.

ARTICLE VIII

Corporate Seal

8.01 Corporate Seal. The corporate seal shall consist of a double-dotted circle, in which are the words "The Pillsbury Company" and "Corporate Seal, 1935, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IX

Fiscal Year

9.01 Fiscal Year. The fiscal year of the corporation shall begin at the first moment of time on the first day of June of each year and shall end at twelve o'clock midnight on the thirty-first day of May following.

ARTICLE X

Indemnification

10.01 Right to Indemnification. Every person who was or is a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer of the corporation or is or was serving at the request of the corporation or for its benefit as a director or officer of another corporation, or as its representative in a joint venture, trust or other enterprise, shall be indemnified and held harmless by the corporation to the fullest extent legally permissible under the General Corporation Law of the State of Delaware in the manner prescribed therein, from time to time, against all expenses, liability and loss (including attorneys' fees, judgements, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by him in connection therewith. Similar indemnification may be provided by the corporation to an employee of the corporation, not a director or officer, who was or is a party or is threatened to be made a party to or is involved in any such action, suit or proceeding, by reason of the fact that he is or was an employee of the corporation or is or was serving at the request of the corporation or for its benefit as a director, officer or employee of another corporation or as its representative in a joint venture, trust or other enterprise.

10.02 Other Indemnification. The rights of indemnification conferred by this Article shall not be exclusive or any other rights which such directors or officers may have or hereafter acquire and, without limiting the generality of such statement, they shall be entitled to their respective rights of indemnification under any by-law, agreement, vote of stockholders, provision of law or otherwise, as well as their rights under this Article.

ARTICLE XI

Amendments

11.01 By the Stockholders. These by-laws may be amended or repealed or new by-laws may be adopted at any meeting of the stockholders by the affirmative vote of stockholders holding of record a majority of the issued and outstanding shares present at the meeting and entitled to vote, represented either in person or by proxy, provided notice of the proposed amendment be contained in the notice or waiver of notice of such meeting.

11.02 By the Board of Directors. These by-laws may be amended or repealed or new by-laws may be adopted at any meeting of the Board of Directors at which a quorum is present by the affirmative vote of a majority of the directors present at such meeting, provided notice of the proposed amendment is contained in the notice or waiver of notice of such meeting, except that the Board of Directors may not amend the by-laws to increase the number of directors to more than nineteen (19) or to decrease the number of directors to less than eleven (11).

Exhibit (10)A

Pillsbury

THE PILLSBURY COMPANY

FISCAL 1984 INCENTIVE PLAN

Minneapolis, Minnesota

GENERAL PROVISIONS

1. Incentive compensation payments for Fiscal 1984 will be made as soon after the close of the fiscal year as possible but no later than September 1, 1984.

2. If a participant becomes ineligible during the year because of a change in position, the participant will be entitled to incentive compensation only for the period of time he/she was participating, and then only if the participant remains in the employ of the Company through May 31, 1984.

3. Payments will be made only to those participants who are in the employ of the Company on May 31, 1984, except:

   a. If a participant dies during Fiscal 1984, incentive compensation will be paid to the participant's beneficiary, as designated under the Pillsbury Group Life Insurance Plan, or if a beneficiary is not so designated, to the duly appointed personal representative of the participant's estate, proportioned to the duration of the employee's participation in Fiscal 1984.

   b. If a participant retires with the consent of the Company during Fiscal 1984, he/she will be entitled to receive incentive compensation proportioned to the duration of the employee's participation in Fiscal 1984.

   c. If a participant has been given a military leave of absence and is to immediately enter the service of the armed forces, the participant will be paid an amount proportionate to the duration of his/her participation in Fiscal 1984 prior to entering the service.

   d. If a participant for any reason such as illness, disability, etc., is absent from work for a protracted period of time, or is able to work only part-time, management may determine the extent to which such employee shall participate. Each case is to be handled on the basis of its own merits.

   e. Participants in a plan having multiple incentive periods within a fiscal year will be paid for the last full incentive period preceding the termination of their employment.

4. The inclusion of a participant in this plan does not warrant the assumption that he/she will necessarily participate in a future plan, and the fact that a plan has been established for this year is not to be construed as a precedent for similar action in the future.

5. A participant whose general job performance is considered unsatisfactory, whose managerial attitude is not considered to be in the best interest of the Company, or a participant who is terminated from employment, shall be terminated from the plan effective upon written notice or termination of employment. In the event that a participant is terminated from the plan under this paragraph, no incentive compensation will be paid for any part of the fiscal year, unless an exception is approved by the Corporate Vice President, Personnel and Organizational Planning.

6. The obligations of the Company, as set forth herein, shall be subject to modification in such manner and to such extent as it deems necessary to comply with any law, regulation or governmental order pertaining to employee compensation.

June 1, 1983

THE PILLSBURY COMPANY

F'84 MANAGEMENT INCENTIVE PLAN

OBJECTIVE

To provide an incentive program which will stimulate greater managerial efforts to improve profits through increased sales and operating efficiencies and to meet specified Management Team Objectives.

PARTICIPATION

Eligible participants are those executives who have sufficient responsibility and accountability to impact on business profitability and corporate or divisional goals.

No employee shall be eligible to participate without the prior written approval of the Director, Executive Compensation.

TIMING

Payment is made on an annual basis, calculated as a percent of the base pay for the fiscal year. Pro rata payments will be determined where appropriate.

INCENTIVE BASIS

The incentive award is based on the financial results of the Business and specified Management Team Objectives.

DETERMINATION OF INCENTIVE FUND

An individual's rate of participation in the Plan is based upon a percentage of salary according to position level. The incentive is calculated by multiplying the salary for the fiscal year by the rate of participation, to give an "on Plan" incentive amount. An "on Plan" incentive fund is generated when the combination of the relevant unit and group performance meet the annual business plans.

The following "on Plan" incentive award percentages will be applied to the salary for the fiscal year of each participant as follows:

"ON PLAN" TARGETS

30% - Business & Staff Vice Presidents
25% - Directors
20% - Senior Managers

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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

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The accrual of a unit's incentive fund begins at 80% of Plan performance with 50% of the target award, and progresses at a rate of 2 1/2% of the participant's "on Plan" target for each 1% in excess of 80%, up to 120% of Plan. The maximum fund available equals 150% of the "on Plan" targets. Percentages are rounded to the nearest .1%, and dollars funded are rounded to the nearest dollar.

e.g. ASSESSED PERFORMANCE	EARNED INCENTIVE
120%	150%
110%	125%
100%	100%
90%	75%
80%	50%

The majority of a unit's fund will be developed from the performance in the areas of greatest influence. Influence weightings have been developed to better reflect and strengthen the relationship between unit, group and corporate team membership. In units with a high degree of independence, a greater percentage will exist at the unit level.

Examples are:

Restaurant Unit	100%	Corporate Staff	100%
Consumer Group:		Agri Products	
Business Unit	80%	Business Unit	80%
Consumer Group	20%	Agri-Products	20%

ADMINISTRATION

The Plan will be administered by the Executive Compensation Committee of the Board of Directors. The Committee shall approve, modify, interpret and administer the Plan. Actions taken by the Committee shall be conclusive and binding upon all parties concerned, unless and until set aside by the Board.

Major corporate department heads and division/subsidiary general managers will recommend employees for eligibility. Participation letters will be prepared by Corporate Compensation and forwarded to each participant as soon as possible after the date of eligibility.

Incentive payments will be calculated by Corporate Compensation based on the attainment of objectives as compared to Plan performance, as reported by the Vice President and Controller.

Incentive payments will be handled by the Compensation Department as soon as possible following the end of the Plan year.

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March 21, 1983

THE PILLSBURY COMPANY

F'84 MANAGEMENT INCENTIVE PLAN

INCENTIVE ELIGIBILITY

INCENTIVE LEVEL	SALARY GRADE	PARTICIPATION LEVELS	"ON PLAN" TARGETS
CE	40	TOP MANAGEMENT	70% - CHIEF EXECUTIVE OFFICER
CO	37	TOP MANAGEMENT	60% - CHIEF OPERATING OFFICER,
TM	33-36	TOP MANAGEMENT	50% - EXECUTIVE VICE PRESIDENTS, SENIOR OFFICERS DES-IGNATED BY CEO
AA	29-32	ELECTED VICE PRESIDENTS OR BUSINESS GENERAL MGMT. 2200 TOTAL POINTS AND ABOVE	40% - CORPORATE VICE PRESIDENTS, ELECTED OFFICERS AND OFFICERS DESIGNATED BY CEO
MC		TOP MANAGEMENT COMMITTEES	35% - DIVISIONAL TOP MANAGEMENT
A	26-28	VICE PRESIDENTS 1520-2199 TOTAL POINTS	30% - BUSINESS AND STAFF VICE PRESIDENTS
BB	23-25	SENIOR MANAGEMENT 1090-1519 TOTAL POINTS	25% - DIRECTORS
B	21-22	MANAGEMENT 875-1089 TOTAL POINTS	20% - SENIOR MANAGERS
S			- SALES INCENTIVE PARTICIPANTS
CC	19-20	PLANT MANAGEMENT 660 - 874 TOTAL POINTS	15% - PLANT MANAGERS

SALARY GRADE

13-20	300 POINTS THROUGH 874 POINTS	- NON-INCENTIVE
21-40	875 POINTS AND ABOVE	- INCENTIVE

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Exhibit (10)B

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AMENDMENT
OF
THE PILLSBURY DEFERRED INCENTIVE PLAN

(As Amended and Restated Effective June 1, 1982)

WHEREAS, The Pillsbury Company (the "company") maintains The Pillsbury Deferred Incentive Plan (the "plan"); and

WHEREAS, the plan has previously been amended and restated, and further amendment thereof is now considered desirable;

NOW, THEREFORE, by virtue and in exercise of the power reserved to the company under subsection 14.1 of the plan, and pursuant to resolutions adopted by the company's Board of Directors on September 14, 1982, the plan, as previously amended and restated, be and is hereby further amended, effective June 1, 1982, in the following particulars:

1. By substituting the following for subsection 3.5 of the plan:

> "3.5. <u>Payment of Employer Contributions</u>. Each employer's contribution for any plan year shall be due on the last day of that plan year and, if not paid by the end of that year, shall be payable as soon as practicable thereafter, without interest, but no later than 30 days after the end of that year."

2. By substituting the following for subsection 9.2 of the plan:

> "9.2. <u>Resignation or Dismissal</u>. If a participant's settlement date occurs under subparagraph

8.1(e), the balances in his deferred incentive account and his basic contribution account as at the accounting date coincident with or next following his settlement date (after all adjustments required under the plan as of that date have been made) shall be nonforfeitable and shall be distributable to him under subsection 9.4. The balance in his supplemental contribution account as of the accounting date coincident with or next following his settlement date (after all adjustments required under the plan as of that date have been made) will be reduced to an amount equal to 20 percent thereof multiplied by the participant's number of full years of service (not exceeding 5). The resulting balance in his supplemental contribution account will be distributable to the participant under subsection 9.4. A participant shall be entitled to 1/12th of a year of service for each month (or portion thereof) during which he is employed by an employer or controlled group member, subject to the following:

(a) In the case of a participant who terminated employment with the employers prior to January 1, 1976 and subsequently was reemployed by an employer, any period of employment before such termination shall not be taken into account in determining years of service after rehire.

(b) A period of concurrent employment with two or more employers or controlled group members will be considered as employment with only one of them during the period.

(c) Termination of employment of a participant with one employer or a controlled group member will not interrupt his service for purposes of the plan if, concurrently with or immediately after such termination, he is employed by one or more other employers or controlled group members.

(d) To the extent provided by the committee, a participant's employment with a predecessor company will be considered as employment with an employer.

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An employee absent because of leave of absence or temporary layoff shall receive credit for employment for any such period computed as if the employee had been working his normal work week during such period. A 'predecessor company' means any corporation or other entity the stock, assets or business of which is acquired by an employer, whether by merger, consolidation, purchase of assets or otherwise, and any predecessor thereto designated by the committee."

3. By deleting subparagraph 9.6(c) of the plan in its entirety.

IN WITNESS WHEREOF, the company has caused the foregoing amendments to be executed by a duly authorized officer this 22nd day of June, 1983.

THE PILLSBURY COMPANY

By ______________________

Its Executive Vice President

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"xhibit (10)F

SECOND AMENDMENT TO
THE PILLSBURY COMPANY
NONQUALIFIED STOCK OPTION PLAN OF 1976

WHEREAS, the Board of Directors of The Pillsbury Company (the "Company") has previously adopted The Pillsbury Company Nonqualified Stock Option Plan of 1976 (the "Plan"), which was approved by the Shareholders of the Company at their annual meeting held on September 14, 1976; and

WHEREAS, the Plan has previously been amended, effective June 1, 1982, and further amendment thereof is now considered desirable;

RESOLVED, that effective September 14, 1982, the Plan be hereby amended in the following particulars:

1. By deleting the first sentence of Paragraph 7 and substituting the following sentence:

   "Each option granted under the Plan as a Nonqualified Stock Option shall expire and all rights to purchase shares thereunder shall cease ten years after the date such option is granted or on such date prior thereto as may be fixed by the Committee."

2. Paragraph 7 is further amended by adding the following sentence immediately after said paragraph:

   "In the event that an option under the Plan is granted as an Incentive Stock Option, the Plan will allow the purchase of all or any portion of the shares purchasable under such grant at any time after the first year from date of grant until expiration of the option."

IN WITNESS WHEREOF, the Company has caused these amendments to be executed by a duly authorized officer on this 9th day of November, 1982.

THE PILLSBURY COMPANY

Edward C. Stringer

Edward C. Stringer, Executive Vice President
and General Counsel

THIRD AMENDMENT TO
THE PILLSBURY COMPANY
NONQUALIFIED STOCK OPTION PLAN OF 1976

WHEREAS, the Board of Directors (the "Board") of The Pillsbury Company (the "Company") has previously adopted The Pillsbury Company Nonqualified Stock Option Plan of 1976 (the "Plan"), and the Plan was approved by the shareholders at their Annual Meeting of September 14, 1976; and

WHEREAS, the Plan has been amended twice by the Board and further amendment is now considered desirable,

RESOLVED, that The Pillsbury Nonqualified Stock Option Plan is hereby amended by deleting in its entirety the last sentence of Paragraph 10 of the Plan, this amendment to be identified as the third amendment.

IN WITNESS WHEREOF, the Company has caused these amendments to be executed by a duly authorized officer on this 7th day of June, 1983.

THE PILLSBURY COMPANY

Edward C. Stringer

Edward C. Stringer, Executive
Vice President and General Counsel

Exhibit (10)K

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THE PILLSBURY COMPANY

STRATEGIC PERFORMANCE PLAN

1. Purposes of the Plan

The purposes of the Plan are (a) to further the long-term growth and profitability of The Pillsbury Company (the "Company") by offering to those officers and key employees of the Company who will be largely responsible for such growth long-term incentives in addition to their current compensation; and (b) to attract and retain in the employ of the Company and its subsidiaries persons of outstanding competence.

2. Administration of the Plan

The Plan will be administered by the Executive Compensation Committee of the Board of Directors (the "Committee"). Subject to the provisions of the Plan, the Committee shall have exclusive power to select employees to participate in the Plan, to determine awards for the participants, and to determine the time or times when awards will be granted. Decisions and determinations by the Committee shall be final and binding upon all parties including the Company and its subsidiaries, stock holders, participants and other employees. The Committee shall have the authority to interpret the Plan, to set up and revise rules and regulations relating to the administration of the Plan and to make other determinations that may be necessary or advisable for the administration of the Plan.

3. Participation

Participants in the Plan shall be selected by the Committee from officers and key employees of the Company and its subsidiaries, and must be employed on a full-time salaried basis. The term "subsidiary" shall mean any corporation, a majority of the outstanding voting stock or voting power of which is beneficially owned, directly or indirectly, by the Company.

4. Units

Awards under the Plan shall be granted by the Committee in the form of Units. Records of Units awarded shall be maintained separately for each participant.

continued --

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5. Time of Grant of Awards

Awards under the Plan may be granted to employees in any or all of the fiscal years beginning with Fiscal Year 1984 and concluding with Fiscal Year 1994. The Committee may grant awards at any time during any of the fiscal years in which employees may be granted awards, and may make more than one grant of awards during such fiscal years. Awards made shall be deemed to have been made at the beginning of the fiscal year in which such awards were made. An employee may be granted only one award in each of the fiscal years in which awards may be granted; however an employee may be granted more than one award during the duration of the Plan.

6. Performance Goals and Value of Units Awarded

The Committee shall establish performance goals as measured in Profit Before Tax (PBT), Return on Invested Capital (ROIC) and Earnings Per Share (EPS) for each Award Period. For purposes of this Plan, "Award Period" shall mean the three consecutive fiscal years, beginning with the start of the fiscal year in which an award is made.

Prior to the start of each of the three fiscal years of an Award Period, the Committee will establish separate goals for PBT, ROIC and EPS for each business or subsidiary in which a participant of the Plan is employed. In a business or subsidiary in which there are no participants at the beginning of a fiscal year, and in which an award to a participant is later made during that fiscal year, performance goals for PBT, ROIC and EPS shall be established by the Committee prior to the time the award is made. After the close of each of the three fiscal years of an Award Period the actual achieved levels of PBT, ROIC and EPS shall be expressed as a percentage rounded to the nearest tenth of the respective established performance goals.

An overall measure of business performance will be calculated for each of the three years of an Award Period by adding the percentage of the PBT goal actually achieved, the percentage of the ROIC goal actually achieved and the percentage of the EPS goal actually achieved and by dividing the resulting sum by three.

At the end of an Award Period, a Composite Award Period Performance Ratio will be calculated by summing the overall business performance percentages for each of the three years of the Award Period, and then by dividing the resulting summation by three. A separate Composite Award Period Performance Ratio shall be determined for each business or subsidiary in which a participant of the Plan is employed. The respective Composite Award Period Performance Ratio shall be used to establish the value of each Unit for that Award Period in accordance with the schedule below:

If the Composite Award Period Performance Ratio is:	Then the value of each Unit awarded will be:
Below 90%	$ 0
90	75.00 (cut in)
100	100.00
110	125.00
120	150.00
130	175.00 (Maximum)

Prorations will be made to the schedule above as required at a rate of an additional $2.50 in the value of each Unit for each 1% increase in the Composite Award Period Performance Ratio in excess of 90%.

7. Right to Payment

An award shall be earned by the participant to the extent that the business or subsidiary in which the participant is employed achieves the performance goals for the Award Period as set forth by the Committee, and provided that the participant is employed by the Company on the first day of September following the end of the Award Period, except in the case of retirement, disability or death.

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Should a participant retire, become disabled or die, the participant's award will be prorated to reflect that portion of the Award Period prior to the participant's retirement, disability or death, in which the participant was actively employed by the Company or one of its subsidiaries.

Should a participant voluntarily resign or be terminated, any Units awarded to the employee but not yet earned shall be forfeited.

8. Form and Timing of Payment

Payment of an award will be made as soon as is practicable following the receipt of audited results of operations for the fiscal year representing the end of the Award Period pertaining to the award but in no case earlier than the first day of September following the end of the Award Period. No payments will be made to any participant prior to the end of the Award Period pertaining to the award. Payment shall be made in cash, and shall represent the value of the participant's Units in accordance with the method for determining the value of each Unit described in the Plan.

9. Miscellaneous Provisions

A. An employee's rights and interests under the Plan may not be assigned or transferred except, in the event of an employee's death, to his designated beneficiary, or in the absence of such designation, by will or the laws of descent and distribution.

B. No employee or other person shall have any claim or right to be granted an award under this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained in the employ of the Company or its subsidiaries.

C. The Company or its subsidiaries shall have the right to deduct from the payment of awards any taxes required by law to be withheld with respect to such awards.

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D. As used in the Plan, the following terms shall have the following meanings:

Profit Before Tax (PBT):

Business or subsidiary profit as reported in The Pillsbury Company's financial statements subject to adjustment by the Committee.

Return on Invested Capital (ROIC):

Business or subsidiary return on invested capital as reported in The Pillsbury Company's financial statements subject to adjustment by the Committee.

Earnings Per Share (EPS):

The consolidated primary net earnings per share of the Company and its consolidated subsidiaries shown in the Company's Annual Report to Shareholders for such year.

10. Amendment and Termination

The Committee may at any time terminate the Plan, or cancel or reduce or otherwise alter any outstanding awards thereunder, if in its judgment, the tax, accounting or other effects of the Plan or potential payouts thereunder would not be in the best interest of the Company. The Committee may at any time, or from time to time, amend the Plan in whole or in part.

Exhibit (10)L

JAN 0 ~ 1983

DEFERRED COMPENSATION AGREEMENT

This AGREEMENT confirms the understanding made the first day of June, 1982 between The Pillsbury Company, a Delaware corporation (the "Company"), and Norman E. Brinker (Brinker).

WHEREAS, in consideration of accepting additional responsibilities with the Company to commence June, 1982, and

WHEREAS, the Company agrees to a deferment of the payment of $350,000, (herein "compensation") and

WHEREAS, the Company has determined that such deferment would be in the best interests of the Company,

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

1. Deferment of Payment. The Company and Brinker hereby agree to the deferment of payment of the compensation. Except as provided in paragraphs 3 and 4 hereof, payments shall be made annually, commencing on the first business day of 1983 in the amount of $150,000 and on May 31 of each succeeding 4 years in the amount of $50,000. At May 31, 1987 accrued interest as provided in paragraph 2 will be paid as interest.

2. Employee Account. The Company shall establish on its books a separate account (the Account) in the amount of the compensation. So long as any amount remains credited to the Account, the Company shall credit the Account with monthly interest, or portion thereof, at an annual rate equal to the company's average short term borrowing rate for internal working capital purposes, as determined by the Company's Treasurer.

3. Acceleration of Deferred Payments. The Company, in its sole discretion, may accelerate the payment, including any accrued interest, notwithstanding anything herein to the contrary, in the event of Brinker's death, retirement upon reaching Retirement Age (as that term is defined in The Pillsbury Retirement Plan for Salaried Employees, as amended from time to time, hereinafter referred to as the "Retirement Plan"), or Disability (as that term is defined in the Retirement Plan), or in the event of an emergency involving the Employee if (a) such emergency involves a hardship arising from causes beyond the Employee's control and (b) the amount of the accelerated payment is limited to the amount necessary to meet such emergency. The determination of the existence of an emergency shall rest solely with the Company and its decision shall be final.

4. Payments to Beneficiary. Brinker may designate in writing (with the right to change such designation from time to time) a beneficiary (the "Beneficiary") to receive payment pursuant hereto upon Brinker's death. Such designation, or change of designation, shall not be effective for any purpose until it has been filed with the Secretary of the Company. In the event the Beneficiary does not survive Brinker or there is no effective designation of the Beneficiary at the time of Brinker's death, payment pursuant hereto shall be made to the administrator or executor of Brinker's estate, provided that the Company, in its sole discretion, may pay in one sum the total amount due hereunder to such administrator or executor. In the event that the Beneficiary survives Brinker but dies prior to the payment of all account amounts, such unpaid amounts shall be paid to the administrator or executor of the Beneficiary's estate, provided that the Company in its sole discretion, may pay such amount in one sum to such administrator or executor. The Beneficiary shall be the person designated in Exhibit A attached hereto until such designation is changed in accordance herewith.

5. Title to Property; No Fiduciary Relationship. The Account shall be a bookkeeping entry only. Nothing contained herein and no action pursuant hereto shall give rise to a trust of any kind or create any fiduciary relationship for the benefit of Brinker. To the extent that Brinker has a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company. The Company shall have no obligation hereunder to invest amounts relating to the Account.

6. Form of Payments. Payments made hereunder shall be made in cash.

7. No Right to Continued Employment. Nothing herein shall be construed to give Brinker any right to continued employment by the Company or any of its subsidiaries.

8. Statement of Accounts. Brinker shall receive each June an annual statement of the dollar amount credited to the Account and the balance of the Account.

9. Assignment. Neither this Agreement nor any right to receive payments hereunder or any other interest hereunder shall be assignable by either party hereto and any attempted assignment shall be void. Brinker shall not transfer, pledge or otherwise hypothecate, whether directly or indirectly, this Agreement nor any right to receive payments hereunder nor any other interest hereunder, in whole or in part.

10. Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby and may be amended only in writing signed by each of the parties hereto.

11. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

12. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE PILLSBURY COMPANY

By William H. Spoor
William H. Spoor
Chairman and Chief Executive Officer

Norman E. Brinker
Norman E. Brinker

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Exhibit (10)M

DEFERRED CONSIDERATION AGREEMENT

AGREEMENT made this 10th day of February, 1982 between The Pillsbury Company, a Delaware corporation (the "Company"), and Roger L. Headrick (Headrick).

WHEREAS, in consideration of accepting employment with the Company to commence February 16, 1982, and

WHEREAS, the Company agrees to a deferment of the payment of $150,000 in the form of Pillsbury Common stock, (herein "initial consideration") and

WHEREAS, the Company has determined that such deferment would be in the best interests of the Company,

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto do hereby agree as follows:

1. Deferment of Payment. The Company and the party hereto hereby agree to the deferment of payment of the initial consideration. Except as provided in paragraphs 3 and 4 hereof, payments shall be made in ten annual installments payable on the first business day of each calendar year commencing with the calendar year following termination of employment. Each installment will be computed by dividing the then account balance by the remaining number of installment years.

2. Employee Account. The Company shall establish on its books a separate account (the Account) to reflect the initial consideration measured by shares of the Company Common shares. The initial consideration shall be divided by the closing price of company Common stock on February 12, 1982 to determine the number of shares representing such initial consideration. Subsequently, on each dividend payment date, the company shall credit the Account with additional shares equal to the total dividend payment otherwise payable on the existing shares credited to the Account on record date, divided by the closing market price of company Common stock on the last trading day prior to the payment date.

3. Employee Account Adjustment. The amount of shares credited to the Account shall be adjusted, as appropriate, to reflect any Company recapitalizations, reclassifications, combinations, stock dividends, stock splits, rights offering or other like transactions, or reorganizations, consolidations, mergers or other transactions relating to the capital structure of the Company.

4. Acceleration of Deferred Payments. The Company, in its sole discretion, may accelerate the paym[illegible], notwithstanding anything herein to the contrary, in the event of Headrick's death, retirement upon reaching Retirement Age (as that term is defined in The Pillsbury Retirement Plan for Salaried Employees, as amended from time to time, hereinafter referred to as the "Retirement Plan"), or Disability (as that term is defined in the Retirement Plan), or in the event of an emergency involving the Employee if (a) such emergency involves a hardship arising from causes beyond the Employee's control and (b) the amount of the accelerated payment is limited to the amount necessary to meet such emergency. The determination of the existence of an emergency shall rest solely with the Company and its decision shall be final.

5. Payments to Beneficiary. Headrick may designate in writing (with the right to change such designation from time to time) a beneficiary (the "Beneficiary") to receive payment pursuant hereto upon Headrick's death. Such designation, or change of designation, shall not be effective for any purpose until it has been filed with the Secretary of the Company. In the event the Beneficiary does not survive Headrick or there is no effective designation of the Beneficiary at the time of Headrick's death, payment pursuant hereto shall be made to the administrator or executor of Headrick's estate, provided that the Company, in its sole discretion, may pay in one sum to such administrator or executor. In the event that the Beneficiary survives but dies prior to the payment of all account amounts, such unpaid amounts shall be paid to the administrator or executor of the Beneficiary's estate, provided that the Company in its sole discretion, may pay such amount in one sum to such administrator or executor. The Beneficiary shall be the person designated in Exhibit A attached hereto until such designation is changed in accordance herewith.

6. Title to Property; No Fiduciary Relationship. The Account shall be a bookkeeping entry only. Nothing contained herein and no action pursuant hereto shall give rise to a trust of any kind or create any fiduciary relationship for the benefit of Headrick. To the extent that Headrick has a right to receive payments from the Company under this Agreement, such right shall be no greater than the right of any unsecured general creditor of the Company. The Company shall have no obligation hereunder to invest amounts relating to the account.

7. Form of Payments. Payments made hereunder shall be made in shares of Company Common stock.

8. No Right to Continued Employment. Nothing herein shall be construed to give Headrick any right to continued employment by the Company or any of its subsidiaries.

9. Statement of Accounts. The Employee shall receive an annual statement of the share amount credited to the Account and the balance of shares in the Account.

10. Assignment. Neither this Agreement nor any right to receive payments hereunder nor any other interest hereunder shall be assignable by either party hereto and any attempted assignment shall be void. Headrick shall not transfer, pledge or otherwise hypothecate, whether directly or indirectly, this Agreement nor any right to receive payments hereunder nor any other interest hereunder, in whole or in part.

11. Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters covered hereby and may be amended only in writing signed by each of the parties hereto.

12. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Minnesota.

13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE PILLSBURY COMPANY

By William H. Spoor
William H. Spoor
Chairman and Chief Executive Officer

Roger L. Headrick
Roger L. Headrick

AMENDMENT TO DEFERRED CONSIDERATION AGREEMENT

AGREEMENT made this 16th day of March, 1983, between The Pillsbury Company, Minneapolis, Minnesota 55402-1464 (the "Company") and Roger L. Headrick ("Headrick").

WITNESSETH:

WHEREAS, the parties have entered into a Deferred Consideration Agreement, dated February 10, 1982, (the "Agreement"),

WHEREAS, the parties now wish to amend that agreement and provide that the Form of Payments under the Agreement shall be designated by the Executive Compensation committee of the Company's Board of Directors,

NOW THEREFORE, the parties do hereby agree to the following amendments to the agreement:

1. Paragraph 7 of the Agreement is amended in its entirety to read as follows:

   7. Form of Payment: Prior to each payment date, the Executive Compensation Committee of the Company's Board of Directors shall designate whether such payment shall be made in the form of Company stock or in cash. If payment is to be made in cash, the amount shall be determined by multiplying the number of shares that would otherwise be payable times the closing price for Company stock on the business day immediately preceding the payment date.

2. All other terms of the agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement.

The Pillsbury Company

By: [signature]

[signature]

Roger L. Headrick

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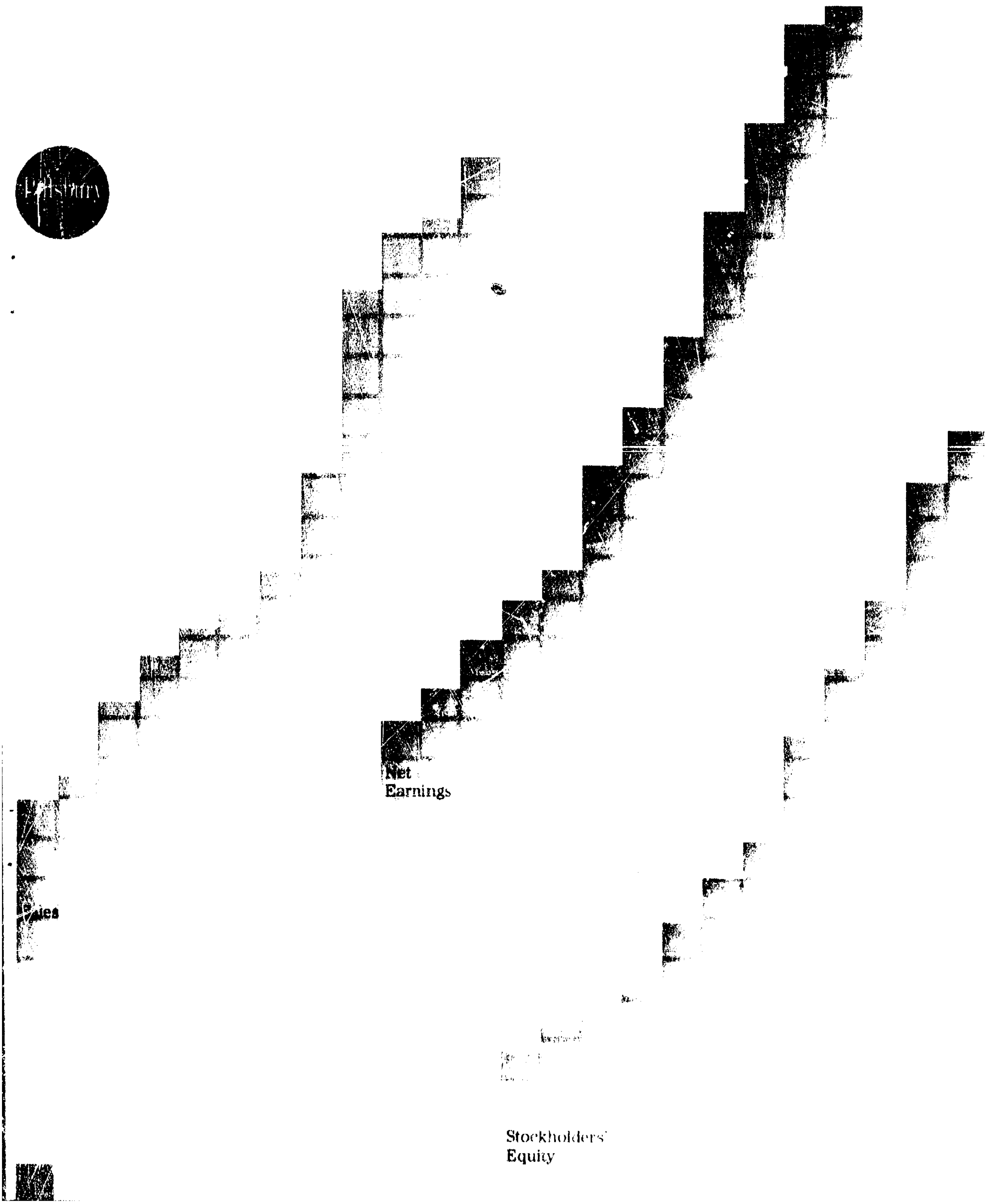
Exhibit (13)

1983
Annual Report



Directors

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William H. Spoor,[1,2]
Chairman of the Board and
Chief Executive Officer

Winston R. Wallin,[1,2,6]
President and
Chief Operating Officer

W. Michael Blumenthal,[2,4]
Chairman of the Board and
Chief Executive Officer,
Burroughs Corporation, Detroit

Norman E. Brinker,[6]
Chairman of the Board and
Chief Executive Officer,
Chili's, Inc., Dallas

Donald R. Dwight,[1,3,4]
Chairman of the Board,
Newspapers of New England, Inc.,
Minneapolis

Caro E. Luhrs, M.D.,[3,4,6]
Physician/Consultant,
Washington, D.C.

James W. McLamore,[2,3,4]
Chairman Emeritus,
Burger King Corporation,
Miami

Willys H. Monroe,[1,4,5,6]
President, Willys H. Monroe,
CMC, Inc., Chicago

John H. Perkins,[2,4,5]
President, Continental Illinois
National Bank and Trust
Company, Chicago

George S. Pillsbury,[1,3,4]
President,
Sargent Management Company,
Minneapolis

Robert A. Schoellhorn,[2,4,5]
Chairman of the Board and
Chief Executive Officer,
Abbott Laboratories, Chicago

George J. Sella, Jr.,[2,4,5]
President and
Chief Executive Officer,
American Cyanamid Company,
Wayne, N.J.

John M. Stafford,[1]
Executive Vice President and
President, Consumer Foods
Group

John C. Whitehead,[2,4]
Senior Partner,
Goldman, Sachs & Co., New York

Peter G. Wray,[3,4]
Chairman of the Board,
The Victorio Company, Phoenix

Philip W. Pillsbury,
Chairman Emeritus

Paul S. Gerot,
Chairman Emeritus

Committees of the Board

1. Executive
2. Finance
*3. Audit**
*4. Nominating**
*5. Executive Compensation**
6. Public Responsibilities

**Composed entirely of non-employee Board members*

The cover depicts 12 consecutive years of increased sales, net earnings and cash dividend payments.

Highlights

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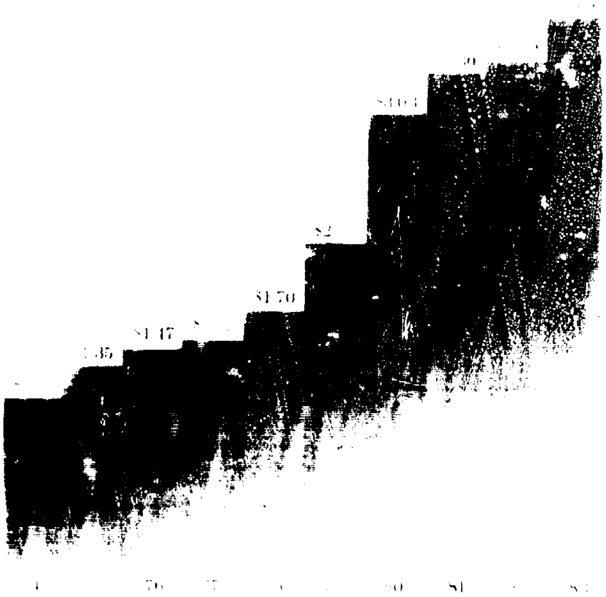
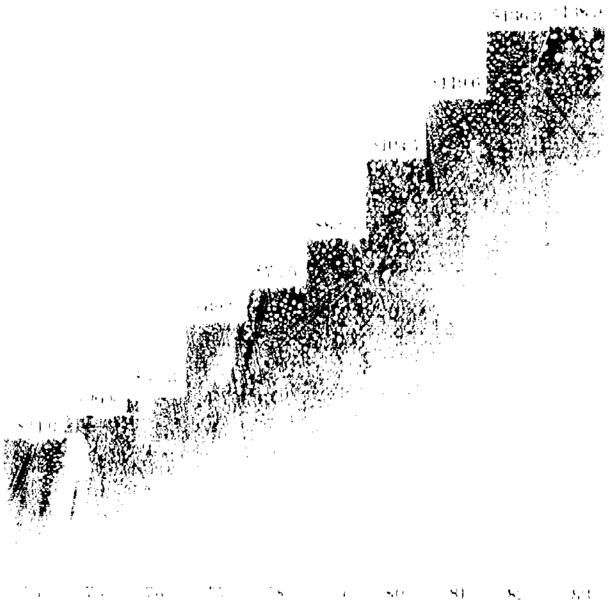
	Year ended May 31		
	1983	1982	Increase (decrease)
	(In millions except per share amounts)		
Net sales	$3,685.9	$3,385.1	9%
Net earnings	138.9	136.3	2
Cash dividends	52.5	47.2	11
Capital expenditures	243.9	208.5	17
Stockholders' equity	956.4	890.0	7
Return on average equity	15.0%	16.6%	(10)
Return on average invested capital	18.2%	19.0%	(5)
Average number of shares outstanding	21.7	21.7	
Per share:			
Net earnings	$ 6.39	$ 6.29	2%
Cash dividends	2.42	2.18	11
Stockholders' equity	44.19	41.03	8



Net sales
Billions



Net earnings
Millions

To Our Stockholders:

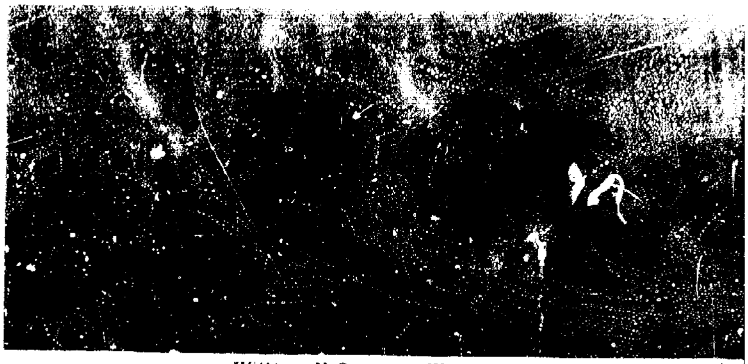
We are gratified to report that fiscal 1983 was our 12th consecutive year of increased sales, earnings and dividend payments to you.

The achievement of these records is a tribute to the 56,000 employees of the company who skillfully adapted to difficult worldwide economic conditions; to our customers and consumers who continue to purchase our products because of their established quality and value; to the dependability of our fine suppliers and, to you, our 19,000 stockholders for your continuing support.

Year in Review

Fiscal 1983 was a year of excitement. Burger King concentrated on the basics of its business, added innovatively to its operating and marketing programs and created new vitality in sales and profitability. Bennigan's, a highly successful restaurant concept, increased in size from 66 to 109 units. In Consumer Foods, more than a score of new products and expanded lines made their debut in our nation's food stores and many more were under development.

Early in June of this year we announced a definitive agreement to acquire Häagen-Dazs, the nation's leading producer of super premium quality ice cream. The acquisition was finalized early in [illegible] and is a fine addition to [illegible] premier quality [illegible] provides your Company with another [illegible] growth opportunity.



William H. Spoor *Winston R. Wallin*

In June of this year, we also acquired Hofmann Menü, a producer of quality frozen entree products located in West Germany.

We also continued our program of divesting businesses that did not meet our criteria for growth and return. During the year we sold Poppin Fresh Restaurants which, while profitable, did not offer adequate long-range potential.

Fiscal 1983 was not without disappointments. Agri Products operating profit declined 43 percent from the prior year as softness in commodity based businesses and losses in the transportation segment of gr[illegible] merchandising continued. We are in the process of repositioning these businesses to respond to the currently troubled U.S. agricultural environment.

While our Consumer Foods Group enjoyed record sales and operating profits, volume declined in some product categories a[illegible] are responding aggressively [illegible] this situation.

Burger King International continued in a loss position and we have initiated programs to improve operations abroad.

However, on balance, fiscal 1983 was unquestionably, "Pillsbury's Best."

Financial Overview

Pillsbu[illegible] in a strong financial [illegible] Debt to [illegible] for parent [illegible] subsidiaries was 22 percent, compared [illegible] percent [illegible] fiscal 1982.

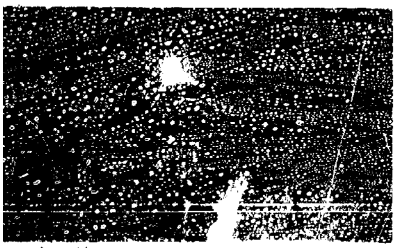
Capital spending for fiscal 1983 was $[illegible] compared with [illegible] million in fiscal 1982. Pla[illegible] 1984 call for capital spending of $290 million. As in fiscal 1983, capital expenditures for the current year will be concentrated [illegible] in the Restaurant Group.

Dividend Increased

On September [illegible], 1982 the Board of Directors approved an increase in the quarterly cash dividend [illegible] annual rate of $2[illegible] increase of 1[illegible] percent [illegible] was the 25th consecutive year of increased dividends and the 57th year of uninterrupted dividends.

Changes in Board of Directors

In September, we welcomed Mr. George J. Sella, Jr., President and Chief Executive Officer of American Cyanamid Corporation, to the Board of Directors and in January, Mr. John M. Stafford, President of Pillsbury's Consumer Foods Group, was elected the newest Board member.



Leo H. Schoenhofen

Leo H. Schoenhofen, former Chairman and Chief Executive Officer of Marcor, Inc., retired from our Board. We will miss his support, thoughtful counsel and many contributions to your company's success.

Corporate Citizenship Commitment

In May, The Pillsbury Company was honored with the prestigious Keystone Award presented by the Minneapolis and St. Paul Chambers of Commerce for the leadership role the company played in bringing together businesses, churches and synagogues, governmental agencies and the general public in supplying food for the less fortunate in Minnesota's Iron Range, the Twin Cities, Dallas and Miami. During the year, Pillsbury's charitable contributions were $8.8 million. We will continue to pursue our objective of sharing our successes as a corporation with deserving groups and individuals.

Outlook Is Bright

We are enthusiastic about our prospects for the future. We are entering a period of real economic growth which is expected to increase disposable personal income, a factor that favorably affects both our Consumer Foods and our Restaurant Groups. We are confident that our Agri Products Group will improve its performance as a result of its repositioning efforts.

Throughout the company, we have an excellent and experienced management group solidly in place—the strongest we have ever enjoyed. That group, together with the balance of our 56,000 member employee family, are dedicated to maintaining and building the attributes that have made The Pillsbury Company a truly great corporation.

Finally, we invite you to attend our next Annual Meeting of Stockholders. It will be held at 2 p.m., Central Daylight Time on September 13, 1983 at the Guthrie Theater in Minneapolis. We hope to see you there.

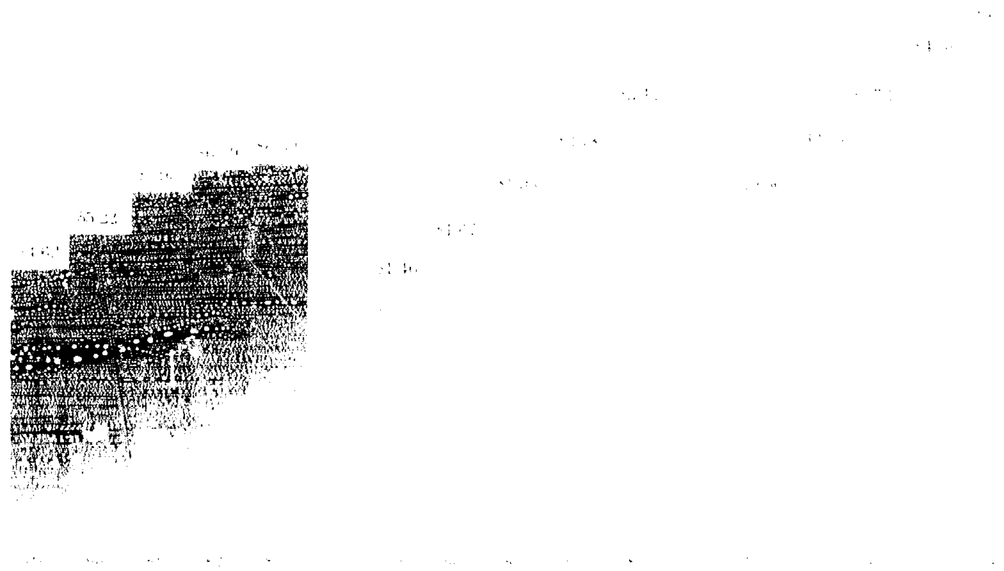
William H. Spoor

William H. Spoor
Chairman and
Chief Executive Officer

Winston R. Wallin

Winston R. Wallin
President and
Chief Operating Officer

August 1, 1983



Net earnings per share **Cash dividends per share** **Equity p...**

Consumer Foods

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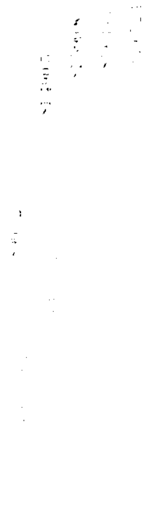
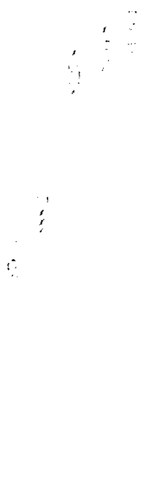
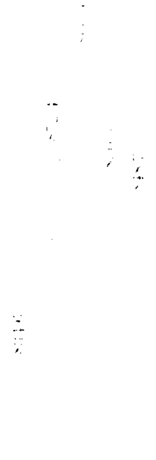


Net sales
(Millions)



Operating profit
(Millions)



Capital expenditures
(Millions)

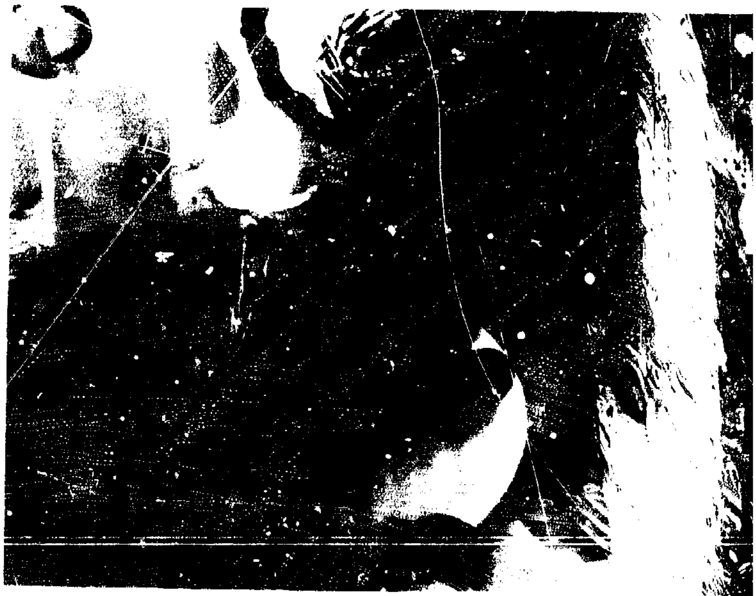
The rapid pace of new product introductions and product line extensions, together with a major concentration on asset management, characterized the performance of Consumer Foods during fiscal 1983. Sales increased modestly while operating profit, excluding unusual items in fiscal 1982, increased 15 percent. Consumer Foods' results include domestic, Canadian and International consumer foods operations.

Highlights of the year for domestic businesses included:

- Sales of $80 million from major new products.
- Substantially improved return on invested capital for the entire Group.
- A dramatic improvement in profitability from Frozen Foods led by pizza and entrees.
- Major productivity programs helped increase profit margins.
- Raw material costs continued stable.

Fiscal 1983's profit performance, in terms of percentage increases, was led by Frozen Foods followed by Refrigerated Foods and Dry Grocery. All three showed profit increases over year earlier results.

Continued emphasis on productivity improvement, asset management and expense control also contributed to higher profits. Capital projects designed to reduce manufacturing expense continued. Canned vegetables' sales force was consolidated with the direct sales organization in Dry Grocery. Substantial progress was made in implementing a more efficient distribution network.



Boston Cream Bundt™ Cake, an irresistible blend of moist cake, [illegible] chocolate [illegible] makes this [illegible] Pillsbury's most popular Bundt.

Coconut Pecan Ready to Spread Frosting (shown here) and Coconut Almond Ready to Spread Frosting, introduced in fiscal 1983, have already become consumer favorites.

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New Product introductions exceeded expectations. National new products included All Ready Pie Crust, Pipin' Hot™ Loaf dough, Harvest Fresh® frozen vegetables, two flavors of Ready to Spread Frosting, Boston Cream Bundt™ Cake mix and Fudge Jumbles.

New products from Consumer Foods must meet or exceed several hurdles before national introduction including: meeting a consumer need, providing premium quality, demonstrating attractive economics and possessing technical or franchise [illegible].

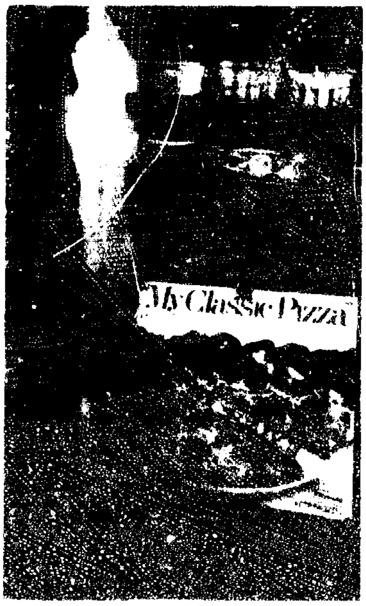
Several new products and product line extensions, developed internally by Pillsbury['s] research and development efforts, are scheduled for introduction during [illegible].

Acquis[itions] [illegible] play[ed] [an] import[ant] [role in Consumer Foods'] grow[th] [illegible] purchase of Häag[en-Dazs] [illegible] [illegible] [illegible]

Frozen Foods

Frozen Foods enjoyed a very successful year with substantially improved profitability. Increases in pizza and entree volumes were offset by weakness in frozen vegetables.

Pillsbury's line of pizza products, including Totino's and Fox Deluxe, continued its strong market leadership position with a year end market share of approximately 34 percent. Volume increased three percent even though the overall market declined one percent. At year end, an exciting new product introduction was underway with the premium quality "My Classic Pizza" endorsed by its creator Rose Totino. This new product is being introduced nationally.



A classic choice. Totino's "My Classic Pizza", to be introduced nationally this fall, is Pillsbury's newest entry in the deluxe pizza category. It features a [illegible] [illegible] sauce, herbs, spices and generous toppings.

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Frozen entrees successfully implemented programs to increase quality and improve operating efficiencies resulting in profitable operations for fiscal 1983. Volume increased 22 percent due to continuing success of convenient twin pouch and baked entree products and the growing microwave popcorn franchise. Nine line extensions were introduced to broaden Green Giant's base in the premium entree segment.

The national introduction of Harvest Fresh® frozen vegetables featuring sauceless boil-in-a-bag fancy vegetables met with great success. The product line includes corn, green beans, peas, broccoli, mixed vegetables and lima beans.

Green Giant maintained its clear market leadership in box-prepared vegetables and frozen corn-on-the-cob.

Dry Grocery
Dry Grocery products recorded a modest increase in profitability. Margins improved in all business divisions as a result of major productivity programs including a sales force consolidation, a streamlined distribution network and improved plant performances.

Several new products and line extensions were launched during fiscal 1983. Last fall, Coconut Almond and Coconut Pecan Ready-to-Spread frostings, and Boston Cream Bundt™ entered national distribution. This spring, Fudge Jumbles made its national debut and quickly gained excellent consumer acceptance.

During the year, grocery product volume increased three percent as strong #1 and #2 market share positions were improved with share gains in family flour, Figurines, diet meal bars, pancake mixes, large cakes and brownies. Despite a 21 percent increase in volume, intense competition from new producers in ready-to-spread frostings markets led to a small decline in Pillsbury's market share.

Canned vegetables enjoyed a most profitable year as margins improved. Volumes declined eight percent reflecting downsizing of the business to a more stable and predictable base and further curtailment of non-fancy brands. Green Giant and LeSueur brand vegetables maintained their #1 or #2 market leadership position.

Harvest Fresh by Green Giant, featuring no sauce added vegetables including peas, corn, green beans, lima beans and mixed vegetables, will be expanded in fiscal 1984. The quality product line has k consumer appeal.

Harvest Fresh makes it a special occasion

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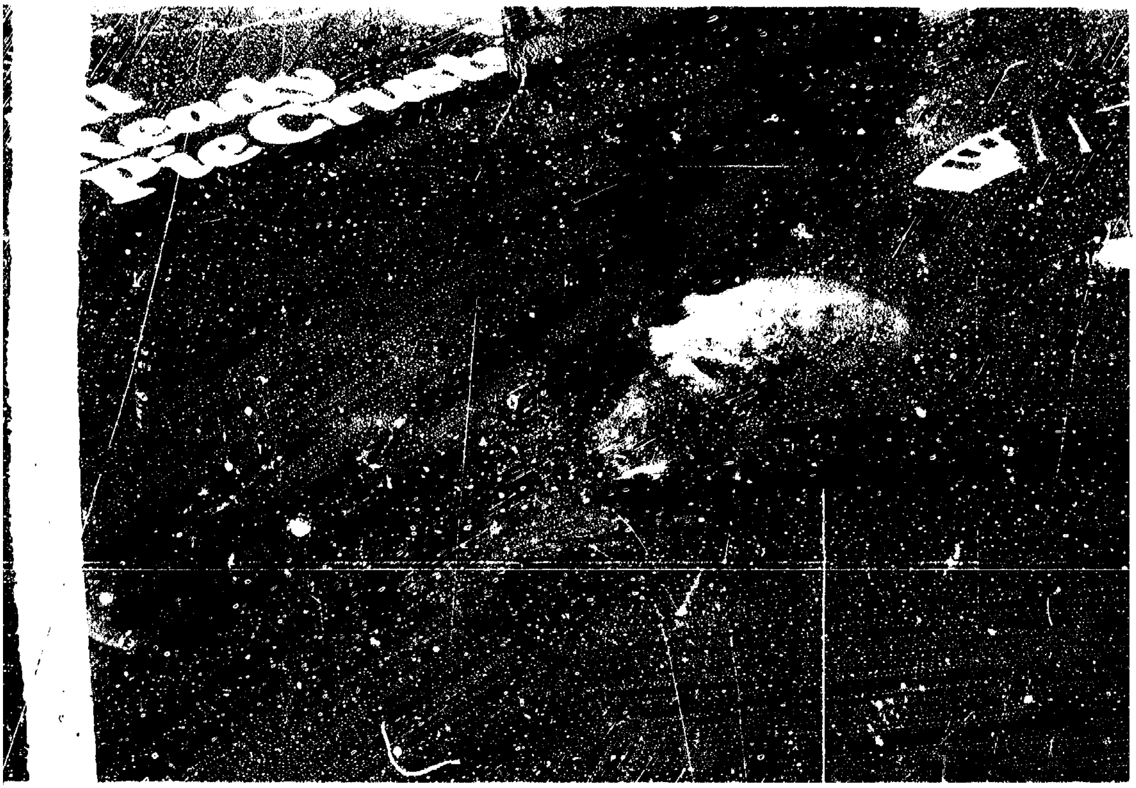

President
John M. Stafford*

Group Vice Presidents
Kent C. Larson*
Thomas R. McBurney*

Senior Vice Presidents
James R. Behnke*
Raymond V. Kinney*

Vice Presidents
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Charles H. McGill*
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L. Thomas Gartner
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Mary Ellen Jenks
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Joel Levine
Robert L. Lindsay, Jr.
Daniel J. Locke
Lloyd V. Lofgren
Warren G. Malkerson
George F. McCarthy
W. Richard Nickel, III
Kenneth A. Pond
Kenneth J. Reis
Jimmy A. Shadler
Jolyon A. Stern
Michael W. Symeonides
Rose W. Totino
Kenneth J. Valentas
Larry P. Youngblood

*Consumer Foods Management Committee

...rigerated Foods

...sbury continued to enjoy ...number one market posi... ...in Refrigerated Foods ...ing fiscal 1983. Volumes ...reased for the second year ...e to new product introduc... ...ns and sales and operating ...fits reached record levels.

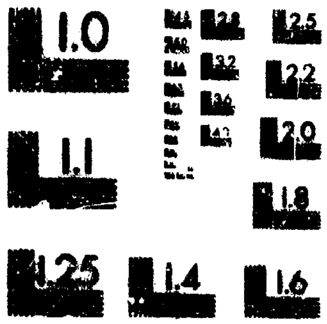
Early in the fiscal year, Pipin' Hot Loaf and All Ready Pie Crust made their debut and met with broad consumer acceptance. All Ready Pie Crust was introduced nationwide and Pipin' Hot Loaf was distributed in approximately 80 percent of the country. National distribution will be completed during fiscal 1984. Advertising expenditures for the year increased nearly 33 percent, largely in support of these exciting new products.

A wheat variety of Pipin' Hot Loaf is currently enjoying excellent results in test markets and plans are underway to introduce this line extension during fiscal 1984.

Outlook

There are many bright prospects for Consumer Foods in fiscal 1984. Häagen-Dazs adds an exciting new dimension for growth as it becomes the newest member of the Consumer Foods family of major franchises. New product introductions, together with those introduced during the past fiscal year, will contribute to growth. Core businesses also anticipate strong performances. These factors, together with a continuation of asset management and productivity programs, are expected to give Consumer Foods another year of record sales and operating profit in fiscal 1984.

A compatible combination: the newest member of the Pillsbury family of premium food products, Häagen-Dazs ice cream, is the perfect complement to a pie made with Pillsbury's All Ready Pie Crust.



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS
STANDARD REFERENCE MATERIAL 1010a
(ANSI and ISO TEST CHART No. 2)

International

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The International Group's business portfolio includes consumer foods operations in Canada, Western Europe, Latin America and Japan and flour milling in Latin America and the Far East and consumer foods exports.

Pillsbury's International Group, despite the strength of the U.S. dollar against foreign currencies, produced record operating profit for fiscal 1983. For reporting purposes those results are included as part of Consumer Foods.

Pillsbury Canada, Ltd., operating in a severe recessionary environment during fiscal 1983, experienced volume declines that unfavorably affected most elements of the business. During the year, the Pillsbury and Green Giant legal entities were consolidated and the Imperial Bake N' Serve business was sold. A projected economic recovery and a streamlined business base are expected to contribute to improved Canadian results in fiscal 1984.

In the United Kingdom, H.J. Green maintained its leadership position in cake mixes with a market share in excess of 50 percent. Hammonds Sauce Co., Ltd., acquired in fiscal 1982, recorded significant volume gains utilizing the H.J. Green sales force.

Erasco, the West German producer of canned dish-ready meals, continued to set new volume and profit records. Jokisch, a major manufacturer of canned meals acquired in fiscal 1982, stabilized its position and, together with Erasco, the two branded products enjoyed a combined 45 percent share of the West German dish-ready meal market.

In June 1983, Pillsbury's presence in West Germany was further strengthened with the tactical acquisition of Hofmann Menü, a regional manufacturer of high quality, frozen prepared meals for the industrial market.

The Gringoire Brossard group of companies in France and Belgium reported near record profits for fiscal 1983. Several new product lines were launched and a major facility consolidation is scheduled for completion late this year.

Gringoire Brossard. Cakes to tempt French palates.

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In Venezuela, real volume growth in the pasta business contributed to a record profit for Mocama/Milani, despite troubled economic conditions. The company maintained its leadership position in the important medium-priced segment with about one-third of the market.

Mexico's unpredictable economy had a direct impact on the pasta and flour business of Grupo, Pillsbury's joint venture. Major capacity expansions for both flour and pasta contributed to record volumes and Grupo improved its market share positions.

The flour mill in Jamaica in which Pillsbury has a minority interest, had an excellent year, reporting record volume and profits. Construction is under way on the mill expansion, a doubling of capacity that will be completed in early 1984.

The Consumer Export Division, marketers of Pillsbury consumer products outside of the United States, also achieved record volume and operating earnings. The world market for canned sweet corn, a major product line, continued to grow in fiscal 1983, primarily in France, where volume increased more than 25 percent over the previous year.

In the Asia/Pacific region, Pillsbury's joint venture with the Snow Brand Milk Products company in Japan had a difficult year but a well-accepted product and recent structural changes in the venture promise better results in the future. Pilmico, the Philippine flour milling and consumer products company in which Pillsbury holds a minority interest, produced another excellent performance. As the year ended, other new business activities were being explored in Hong Kong, Taiwan and elsewhere in the Pacific region, markets that Pillsbury thinks offer significant long-term opportunities.

Outlook

The International Group expects to continue its expansion by building on its strong core business portfolio through tactical acquisitions and internal development. However, the strength of the U.S. dollar against foreign currencies will continue to dilute reported earnings.

Group Vice President
John L. Morrison*

Vice Presidents
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Grahame R. Francis*
John C. Lenker*

Country Managers
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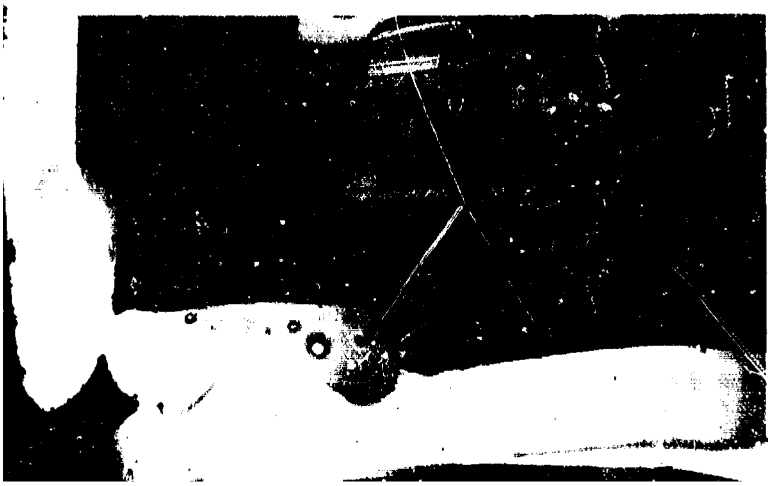
Hans-Joachim Denecke, West Germany
Michael S. Dingee, Venezuela
Peter Hamm, Guatemala
Masami Iketani, Japan
J. Thomas Kirchner, Mexico
Donald E. Loadman, Canada
Don Moraza, Philippines
Bruce A. Noble, United Kingdom
Victor Scherrer, France

***International Group Management Committee**



H.J Gre[illegible]s dessert mix: a British favorite

Restaurants

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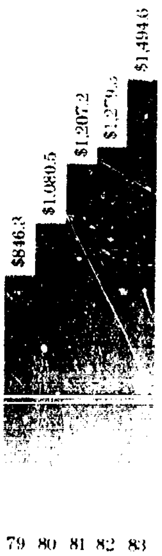


Net sales
(Millions)

Operating profit
(Millions)

Capital expenditures
(Millions)

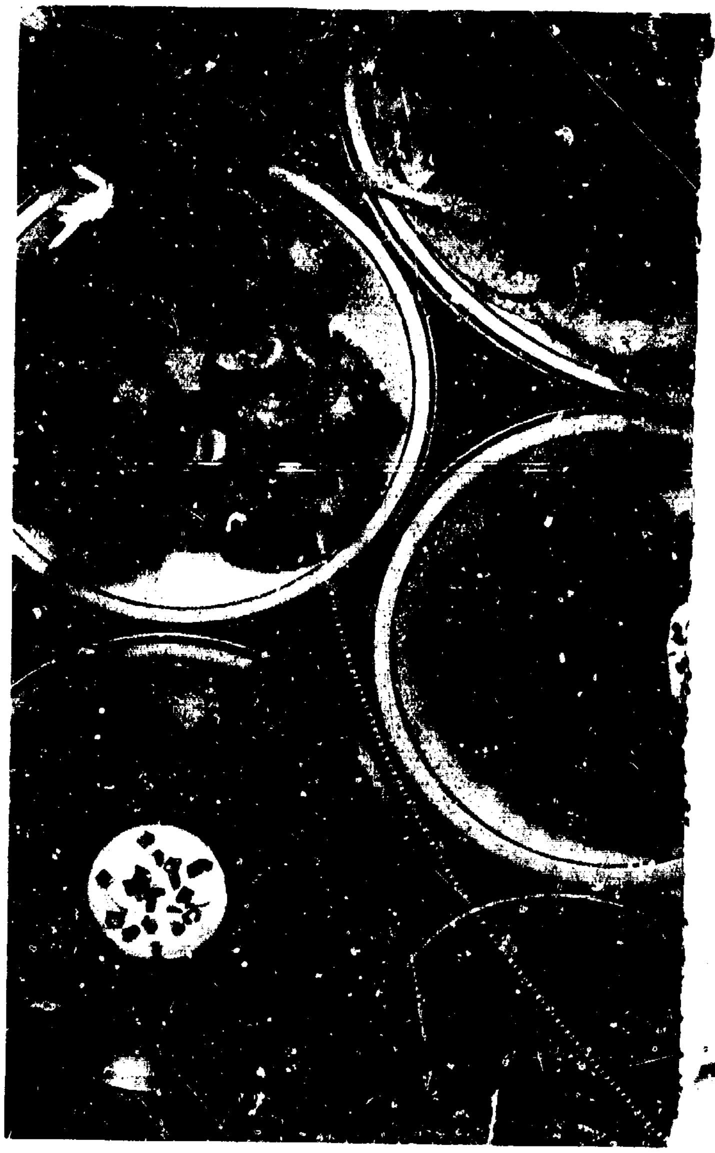
Pillsbury's Restaurant Group enjoyed a highly successful year recording a 17 percent increase in sales and a 16 percent increase in operating profits, (23 percent excluding unusual items). The record-breaking results were even more significiant as they were achieved in a soft economic environment.

Burger King's progress under a new management team was achieved with innovative operational and marketing programs that capitalized on basic business strengths. During fiscal 1983, emphasis centered on the high quality of and preference for Burger King® products featured in a nationwide advertising campaign that attracted heavy media coverage—further stimulating sales vitality.

S&A Restaurant Corp., which includes Steak and Ale® and Bennigan's® restaurant concepts, also continued to set new records as the Bennigan's concept was expanded from 86 to 109 restaurants at the end of fiscal 1983. In June, 1983, several management team members were promoted to direct day-to-day operations.

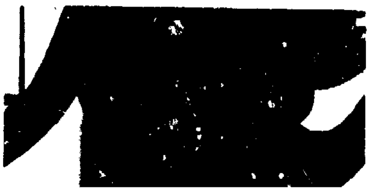
Both S&A and Burger King now enjoy one of the strongest and most creative management teams in the history of Pillsbury's Restaurant Group.

During fiscal 1983, the Poppin Fresh® Pie Shop concept was sold.



A mouthwatering menu from Bennigan's Restaurants offer eating adventures to meet a diner's taste.

Steak and Ale Restaurants: elegance and excellence are maintained in food, atmosphere and service.

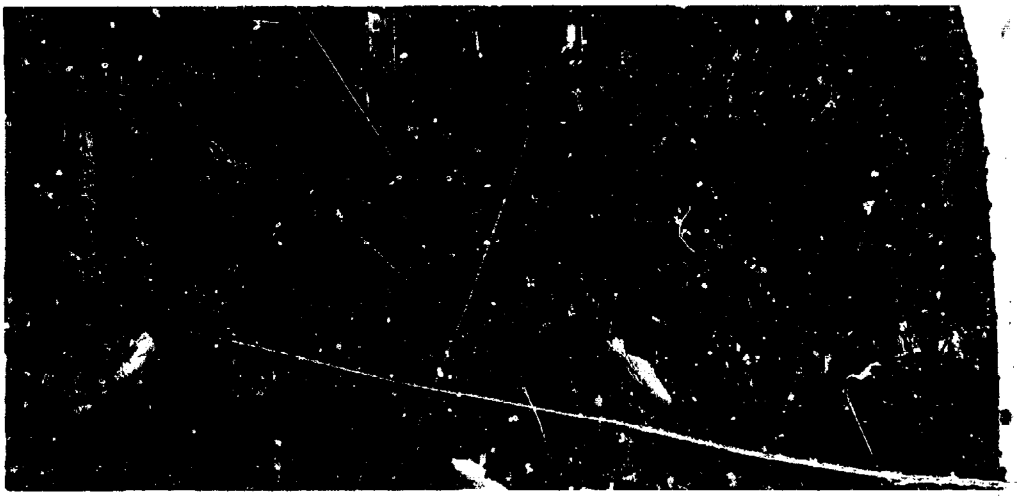


S&A Restaurant Corp.

Fiscal 1983 was a highly successful year for S&A Restaurant Corp. Total sales increased 22 percent and operating profit increased 28 percent.

In the Steak and Ale concept, average unit sales reached $1,312,000. This was an increase of ten percent in real terms, after adjusting for pricing. Management programs in fiscal 1983 were directed toward maintaining this strong sales vitality:

- New items were added to satisfy continuing customer demand for quality and variety.
- Wine sales were strongly promoted, with emphasis on premium brands.
- New creative advertising was developed for television, featuring "lifestyle" themes.
- 62 restaurants were remodeled with updated decor packages.
- 22 units were sold as part of the ongoing asset management program.



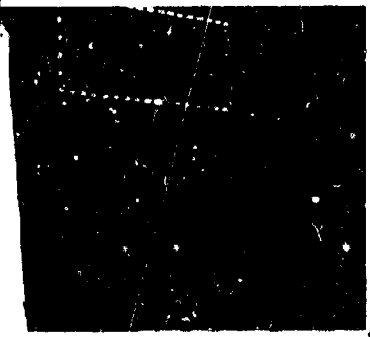
A Bennigan's evening: great food and fun are combined at Bennigan's Restaurants making them one of the country's most popular and fastest growing eating establishments.

Fiscal 1984 plans call for opening new Steak and Ale units in selected high potential locations. Management emphasis will continue to be placed on volume vitality and maintaining the current high levels of return on investment from this concept.

Bennigan's concept continued to fulfill its role as a major expansion vehicle. During the year, 43 new restaurants were opened, a 65 percent rate of expansion. The key factors in achieving this rapid expansion are the quality of site selection and the successful recruiting and training of management resources.

Average unit sales for Bennigan's increased four percent to $2,364,000 in fiscal 1983. Both sales and operating profits for this concept remain very attractive.

TV and radio advertising were both used to support sales in Bennigan's. A major factor in the appeal of this concept is the broad menu emphasizing price value. Several menu changes were made in fiscal 1983 to ensure that consumers' evolving needs are satisfied. Another significant feature of the concept is the popularity of certain occasions such as Halloween and St. Patrick's Day, which are supported by major promotional activities in the restaurants.



Bennigan's—fine food, exciting atmosphere.

Haagen-Dazs Dipping Sto[illegible] became part of the Pillsbu[illegible] in July

Burger King Corporation

Burger King, the nation's premier "quality" fast food hamburger chain, set new records with a 17 percent sales increase and an operating profit increase of nine percent. Operating profit includes an $11.9 million charge for the write down of assets including the closing of some restaurants and a $4.1 million gain from the sale of the Burger King office building.

Systemwide sales increased 19 percent to $2.8 billion while average annual sales for all restaurants reached $839,200, an 11 percent improvement over sales of the prior year. For the domestic system, sales of company-owned stores reached $927,400, an increase of 10 percent. At year end, 729 restaurants reported sales in excess of $1 million, 306 more than in fiscal 1982.

During fiscal 1983, the company opened 270 new restaurants bringing the worldwide total to 3,502. Burger King franchisees opened 227 of the units built in fiscal 1983, demonstrating their continuing strong support of the concept.

Most new restaurants opened during 1983 were new BK-50 units, designed to take advantage of current economic and demographic trends. The modest sized BK-50 requires less capital to develop, fewer people to operate and less time to construct. Yet, they can comfortably handle sales in excess of $1 million and can be expanded as increased sales warrant.

In fiscal 1983, Burger King launched one of the most innovative and successful marketing campaigns ever conducted by the industry. As part of a comprehensive program started in fiscal 1982 with the "Aren't You Hungry?" campaign, the "Battle of the Burgers" and the "Broiling is Better" sub-campaigns propelled both sales and awareness to new records.

Television's first media coupon encouraged consumers to receive a free Whopper® sandwich with the purchase of another by simply saying, "The Whopper® beat the Big Mac®". Thousands of customers visited Burger King and many restaurants reported sales increases of more than 100 percent during the promotion.

Emphasis also continued on operation excellence as Burger King's "Shape-Up" program continued to concentrate on new standards of quality, training and service.

Burger King commercials became the talk of the country for their candid creativity.

New products helped to generate higher sales. The Bacon Double Cheeseburger, introduced last year, continued to produce repeat business several months after its initial introduction as did the Whaler® fish sandwich. During fiscal 1984 a new, 23-item salad bar will be introduced nationally, offering an attractive menu alternative.

Bacon Double Cheeseburger Burger King's newest success sto

Distron, Burger King's supply and distribution division, continued its profitable and successful role as an independent supplier to restaurant customers.

The BK 50—a streamlined new restaurant design created for greater efficiency and productivity—is becoming the new standard for Burger King

While Burger King's domestic business was highly successful, its International operations produced substantial operating losses. Burger King executive management is concentrating on transferring basic marketing, operations, franchising and financial strategies that worked successfully in the United States to Canadian and International markets. A comprehensive, world-wide marketing program has been developed, several unprofitable restaurants were closed and the same management team that led to U.S. progress has expanded its responsibilities to cover Canada and International.

Attractive and enticing salad bars will make their national debut in Burger King restaurants

Outlock

The Restaurant Group is anticipating continuing sales and operating profit increases for fiscal 1984. Burger King's domestic operations will be expanded by approximately 246 new restaurants with 24 percent of those being Company owned. New marketing programs will be launched in late summer and early fall and programs to achieve operational excellence will continue. Progress is also anticipated from International operations.

S&A Restaurant Corp. anticipates opening nine new Steak and Ale concept restaurants and [illegible] new restaurants for its Bennigan's concept. Emphasis will continue to be focused on maintaining high return on invested capital.

Selected Restaurant Data

	Restaurants		Average annual sales per domestic unit	
	Opened during fiscal 1983	Open at May 31, 1983	Amount (in thousands)	% Change from prior year
Burger King	270	3,502	$ 838	+12%
Steak and Ale	2	180	1,312	+12
Bennigan's	43	109	2,364	+ 4

Burger King Corporation

Chairman
J. Jeffrey Campbell

President
Jerome B. Ruenheck

Executive Vice Presidents
Kyle T. Craig
Herbert D. Ihle
Larry W. Kohler
William F. Murray

Senior Vice Presidents
John A. Barnes
A. Bruce Craig
Jay O. Darling
William T. deLaet
C. Ronald Petty
Joel J. Weiss
Jerry G. Winter

Vice Presidents
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Oliver P. Brown
Herman Cain
Robert A. Cathcart
Guido Espinosa
Steven A. Finn
Suzanne H. Fox
Paul R. Gershen
Robert S. Hill
John G. Johnson
Charels V. Kanan
John H. Kemp, III
Sheldon M. London
Donald G. Manson
William E. Prather
Tony B. Rolland
Ronald E. Schefkind
Douglas R. Schrank
Erving J. Schwartz
Jeffrey J. Seelberger
Allen G. Shuh
J. Gaylon Smith
Robert H. Sorensen
Robert (Steve) Sparling
Paul T. Sutherland
Richard P. White

S&A Restaurant Corp.

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President
J. Michael Jenkins

Executive Vice Presidents
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Richard M. Frank
Chris T. Sullivan
Michael A. Woodhouse

Senior Vice Presidents
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John G. Cook

Vice Presidents
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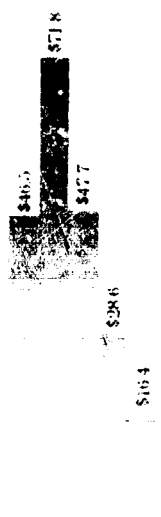
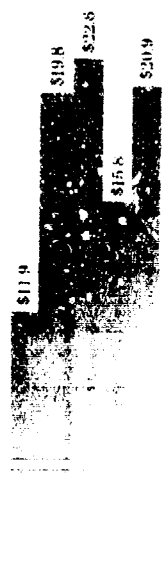
Robert Basham
Scott W. Burcham
F. Lane Cardwell
Michael T. Donovan
William R. Floyd
Michael J. Matheny
Eddie M. Palms
Roger F. Thomson

Net sales
(Millions)



Operating profit
(Millions)

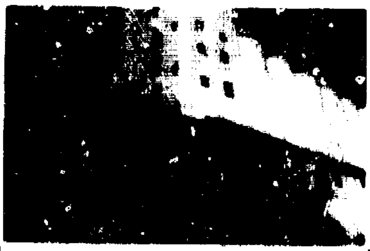


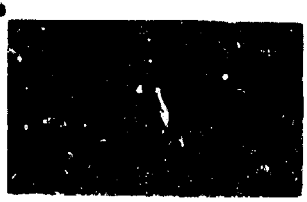
Capital expenditures
(Millions)

Pillsbury's Agri-Products Group experienced a difficult year in fiscal 1983. The Group's performance reflected a widespread recession in the agricultural economy and operating profit declined 43 percent. The Group's sales increase resulted primarily from the Edible Protein Division, acquired late in fiscal 1982.

Grain Merchandising
Pillsbury's Grain Merchandising Division, including domestic grain origination, export marketing, barge/rail transportation, bulk commodities — functioning as a commodity marketing system — experienced a very difficult year. Losses continued in the transportation segment as barge and rail transportation margins dropped to record lows.

A Federal Government pro provide flour for Egypt res a doubling of the U.S. flour business and enabled Pill flour mills to operate clos capacity as the year ende





Pillsbury, responding to governmental programs, expanded temporary grain storage facilities during the year complementing existing elevator capacity.

[illegible] cal 1983 performance [illegible] n Merchandising was a[illegible] gatively affected by w[illegible] port grain demand r[illegible] g from depressed w[illegible] de financial and ec[illegible] ic conditions and by Fe[illegible] rograms to manage th[illegible] y of grains.

As a [illegible] of this changing and uncertain agricultural environment, Grain Merchandising management spent much of fiscal 1983 repositioning itself for the future, a process that is continuing in fiscal 1984. The primary objective was, and is, to place this business unit in a responsive stance to react profitably to a projected improvement in the agricultural economy. Assets are, and will be, redeployed; barge and rail commitments were reduced and, selling, general and administrative expenses were cut back.

On the brighter side, bulk commodities handling continued the growth pattern of recent years as volumes increased by nearly 50 percent. In this area, Pillsbury functions as an intermodal handler of such products as coal and fertilizer on the nation's inland waterways system. The strength exhibited in this area will provide substantial help in balancing transportation commitments.

The decisions made during fiscal 1983 to reposition Grain Merchandising will improve Agri Products ability to become more stable and predictable in its earnings performance.

Industrial Foods

During fiscal 1983 Industrial Foods, which includes flour milling and bakery products, enjoyed record volume, and near record sales and operating profit.

Flour milling operations were close to capacity at year end as Pillsbury participated in a United States Government program to provide one million metric tons of flour to Egypt. This has resulted in a doubling of United States flour export business and has provided improved running time for the flour milling industry.

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The Los Angeles flour mill expansion was completed late in fiscal 1983, nearly doubling its production capacity. This was Pillsbury's first major flour expansion since the early 1970s and it is expected to be an important contributor to flour milling profitability.

The current outlook for flour milling is strong due to the large surge in export volume. At this point it is not clear whether the high level of Egyptian business will continue through fiscal 1984. Longer-term, the health of flour milling is more contingent upon the vitality of domestic demand which experienced a decline in per capita consumption within the past year. Despite this reduction, there is optimism that flour consumption will resume an increasing trend as the American public gains greater awareness of wheat flour's nutritional attributes as an attractive source of complex carbohydrates.

Bakery products recorded another strong growth year as sales and volumes reached new highs and operating profits increased over fiscal 1982.

Bakery products sells flour based mixes to the bakery industry for the production of donuts, sweet goods, breads, cakes and other baked and fried products. A line of food coatings is marketed to food processors for use in coating fish, meat and vegetables. In addition, branded Pillsbury mixes are marketed to the food service industry which includes institutional and restaurant businesses.

During 1983, progress was made in strengthening Pillsbury's position in each of these markets, despite economic and competitive pressures.

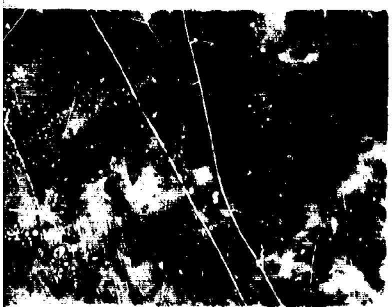
Pillsbury's Industrial Foods Division produces more than 300 different flour based mixes for bakers, donut shops, schools, restaurants, hotels and hospitals.

Where the promi… of quality begins

Specialty Commodities
Agri-Products' Specialty Commodities, including feed ingredients, rice and edible protein, were all impacted to varying degrees by depressed agricultural conditions, oversupply and weak margins.

Rice operations continued to be negatively affected by surpluses in world markets and by intense competition for domestic markets, resulting in price and profitability declines. Volume increased slightly and profit improvement is anticipated for fiscal 1984.

The feed ingredient business unit, serving the animal feed industry, also witnessed a decline in operating profit despite volume gains. Surplus grain supplies resulted in severe price competition and lower margins. However, Pillsbury continued to maintain its share of this market and gains are anticipated for the coming year.



The edible protein unit completed its first full year of operation after being acquired in fiscal 1982. It is the nation's leader in dry edible beans. Despite general softness in all agricultural commodities, the edible protein unit recorded a good performance for fiscal 1983. This business has now been integrated into the Agri-Products Group and operational and other productivity improvements have been implemented, strengthening its prospects for stronger future performances.

Pillsbury's joint venture in a high-speed sunflower oilseed crushing plant was negatively impacted by the economy and a generally depressed vegetable oil industry.

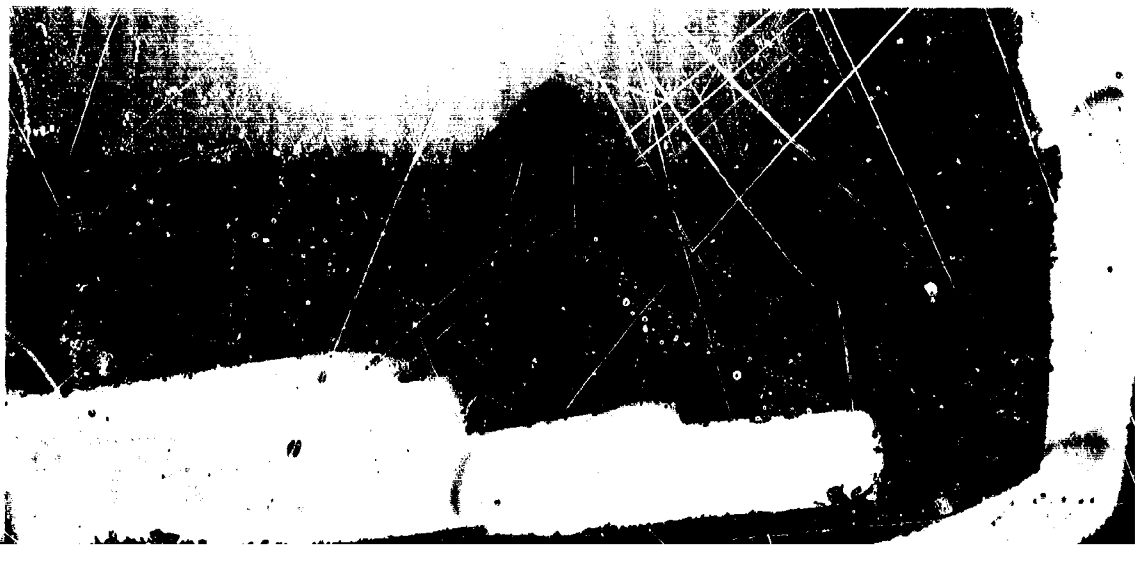
Outlook
Agri-Products, based on its repositioning of Grain Merchandising and a more favorable agricultural environment, anticipates improvement in operating profit for fiscal 1984.

President
Richard A. Coonrod

Group Vice Presidents
Russell J. Bragg
Philip J. Lindau
Robbie M. Westmoreland

Vice Presidents
Donald E. Brummer
John R. Cox
David W. Dean
William W. Hay
David B M. Jones
Charles E. Moore
James A. Woerner

Winter wheat, being harvested in the Southwest, is basic to all Pillsbury operations—Agri-Products, Restaurants and Consumer Foods



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Management Announcements

A series of executive appointments helped further strengthen and broaden the depth of Pillsbury's management.

- J. Jeffrey Campbell, to Chairman and Chief Executive Officer, Burger King Corporation and a Pillsbury Vice President, from President, Worldwide Burger King Operations.
- Hal W. Smith, to Chairman and Chief Executive Officer, S & A Restaurant Corp. and a Pillsbury Vice President, from President and Chief Operating Officer of S&A.
- J. Michael Jenkins, to President and Chief Operating Officer, S&A Restaurant Corp., from Executive Vice President, Steak and Ale Concept.
- John L. Morrison, to Group Vice President, International Group, from Vice President, International Group.
- Russell J. Bragg, to Group Vice President, Grain Merchandising, Agri-Products Group, from Vice President and General Manager, Grain Merchandising.
- Philip J. Lindau, to Group Vice President, Specialty Commodities, Agri-Products Group, from Vice President and General Manager, Feed Ingredients and Edible Protein.
- Robbie M. Westmoreland, Jr., to Group Vice President, Industrial Foods, Agri-Products Group, from Vice President and General Manager, Bakery Products.
- Charles S. Olcott to Treasurer and Vice President, Investor Relations from Assistant Treasurer and Vice Pr[illegible] Investor Relations.

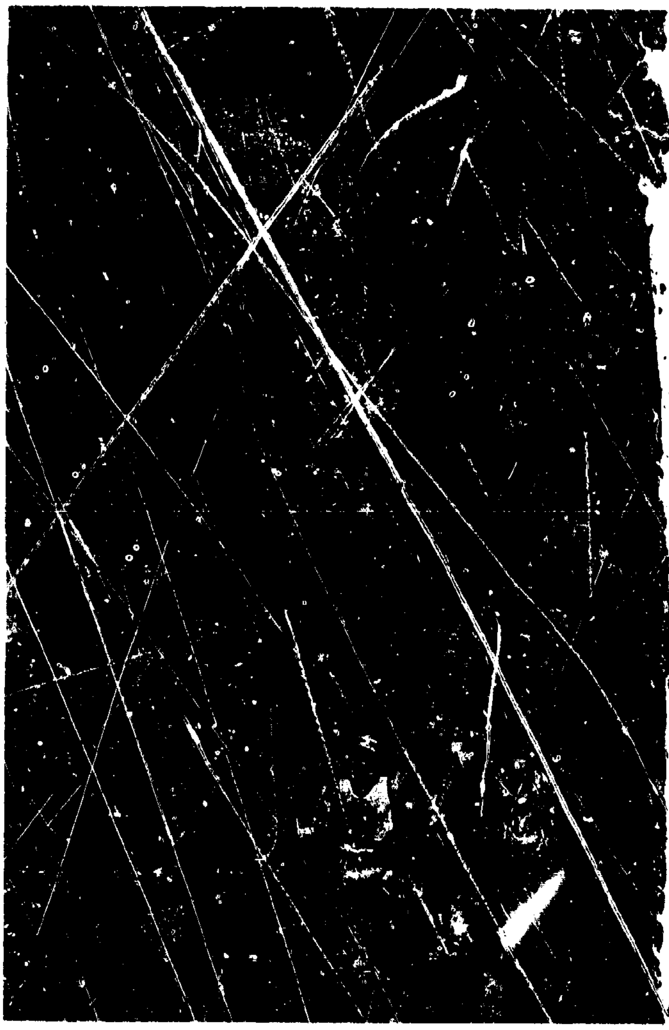
Community Relations

Pillsbury is proud of its tradition of community involvement through the company and The Pillsbury Company Foundation contributions program, as well as through personal involvement by employees throughout the country who give generously of their time, talents and personal funds.

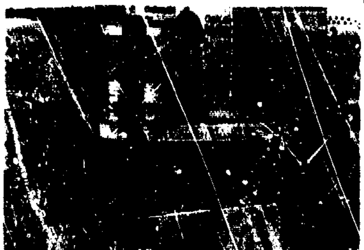
In fiscal 1983, the company and The Pillsbury Company Foundation donated some $3.8 million.

Contributions are made in a variety of areas with emphasis on four activities, including food and nutrition, higher education, art and culture and Pillsbury plant and subsidiary communities. A number of programs highlight fiscal 1983 activities:

- A dramatic and highly publicized yearlong food donation and financial assistance program to feed the needy hungry in certain areas in Minnesota, Texas and Florida. During the year, some 750,000 meals were provided, as were tens of thousands of volunteer hours.



The Twin Cities' Marathon, co-sponsored by Pillsbury in 1982 is billed as the country's most beautiful urban marathon.



Pillsbury provided leadership in spearheading food collect[illegible] feed the hungry in Min[illegible] Florida and Texas.

- The Robert J. Keith Scholarship Program for the children of Pillsbury employees, initiated in fiscal 1982, was expanded this year, giving financial assistance for higher education to the children of 52 Pillsbury employees around the country. Mr. Keith was chairman and chief executive officer of The Pillsbury Company from September, 1967, to January, 1973, having started with Pillsbury in 1938.

- Pillsbury's impressive matching gifts program continued to match dollar-for dollar employee donations to the United Way and educational institutions.

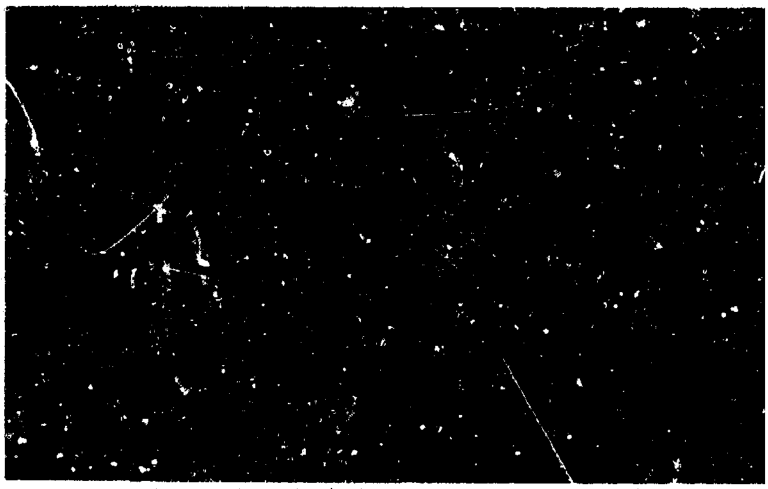
- Addressing needs in Pillsbury plant communities was a priority. Plants and subsidiaries contributed more than $380,000 addressing local needs and requests by employees in those communities.

Capitalizing on the growing popularity of long distance running in America, the Twin Cities Marathon, a 26.2 mile race from downtown Minneapolis to downtown St. Paul, was initiated with Pillsbury as a major sponsor. Pillsbury will co-sponsor the marathon again this fall.

Affirmative Action

The Pillsbury Company and its subsidiaries are strongly committed to the principles of equal employment opportunity and affirmative action. Minneapolis based businesses, through a series of task forces, designed a comprehensive long-term strategy focusing on four specific areas: goal setting, recruitment and retention, training and development, and communications.

Of special significance was a summer minority intern program aimed at men and women seeking advanced professional and technical degrees. This initiative, funded by The Pillsbury Company Foundation, exposed students to a variety of real business projects. The enthusiasm generated by the success of this effort has brought added momentum to on going recruitment efforts.



The Minneapolis Orchestra received Pillsbury's support.

Industrial Relations

Enhancing the quality of the work environment, reducing product unit labor costs, and improving Pillsbury's competitive strength in the marketplace, continued to be emphasized in the company's industrial relations efforts.

Dedication to these goals led to the successful renegotiation of 24 U.S. and three Canadian labor contracts covering 2,145 employees. All of these contracts were satisfactorily resolved without any operating time lost due to contractual disputes.

In fiscal 1984, 23 labor contracts with six national unions representing some 2,700 employees will be open for renegotiation.

Helping students achieve their educational goals is one result of The Pillbury Company's contributions program.

Charitable Contributions Committee of The Pillsbury Company

William H. Spoor,
Chairman

Diana L. Doshan,
Director of Personnel, Agri-Products

N. Jean Fountain,
Product Manager, Consumer Foods

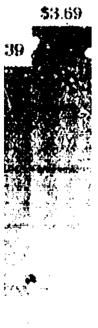
Philip J. Lindau,
Group Vice President, Speciality Commodities

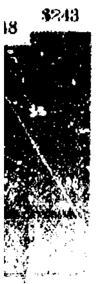
Gerald L. Olson,
Vice President, Government Relations

Lynn M. Seifert,
Director, Corporate Finance

Edward C. Stringer,
Executive Vice President and General Counsel

Lyle T. Walker,
Vice President, Administrative Services

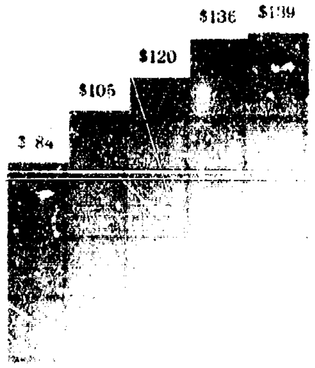




Five Year Trends Characterized by Substantial Growth

Net sales

Net sales for fiscal 1983 were $3.69 billion, an increase of $1.52 billion over fiscal 1979 sales of $2.17 billion. This represents a compound annual growth rate of 17 percent over the five year period. The increase is attributable to volume growth from acquisitions, new products and market expansion, as well as price increases.



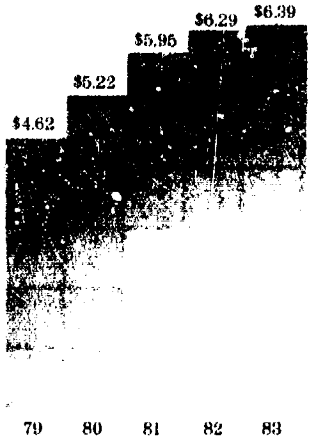
Net earnings
(Millions)

Net earnings

Net earnings have grown at a 14 percent compound annual growth rate over the past five years. Fiscal 1983 net earnings of $138.9 million are 66 percent higher than net earnings of $83.5 million in fiscal 1979. This rate of increase is particularly noteworthy as the results were achieved in difficult operating environments, particularly over the past two years.

Funds provided from operations

Funds generated from operations in fiscal 1983 were $243.4 million, an increase of 60 percent over funds generated in fiscal 1979 of $152.5 million. Internally generated funds are a significant source of Pillsbury's financial strength and stability and the principal means by which the company will fund its future growth



Net earnings per share

Net earnings per share

Net earnings per share of $6.39 in fiscal 1983 reflected an increase of 38 percent over fiscal 1979 earnings per share of $4.62 or a compound annual growth rate of nine percent over the five year period. Earnings per share growth trailed the net earnings growth as a result of an enlargement of the company's equity base due to the common stock issued to acquire Green Giant, as well as the fiscal 1982 sale of common stock for the funding of capital requirements.

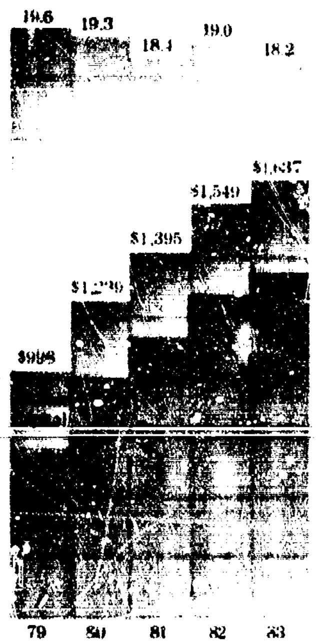
Cash dividends per share

Cash dividends per share have grown from $1.46 in fiscal 1979 to $2.42 in fiscal 1983 representing a 14 percent compound annual growth. Dividend policy has been formulated to provide the shareholder with the combination of attractive cash yields and the potential for price appreciation resulting from the investment of earnings retained by the company in projects providing satisfactory returns.

Financial Statement Responsibility

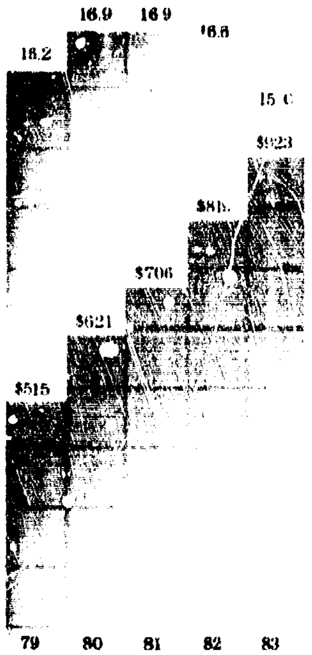
Pillsbury management is responsible for the preparation, presentation, objectivity and integrity of the financial statements and related financial information contained in this report. The financial statements have been prepared in accordance with generally accepted accounting principles and all financial information is consistent with such statements.

Average invested capital (Millions)
and return (percent)*



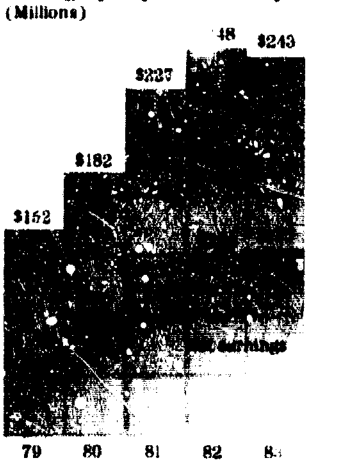
*Pretax profit before long-term debt cost divided by average of beginning and end of year invested capital.

Average equity (Millions)
and return (percent)*



*Net earnings available to common stockholders divided by average of beginning and end of year common stockholders' equity.

Working capital provided from operations (Millions)



The company and its subsidiaries develop and maintain internal financial control systems and procedures which provide reasonable assurance that assets are adequately safeguarded, prescribed policies are effectively pursued, and transactions are properly recorded. A comprehensive program of internal audits provides management with a review and monitoring process which augments the system of internal financial controls.

Financial Review
Pillsbury is committed to achieving superior financial results. Return on average invested capital, return on average equity, net earnings per share growth and maintenance of a strong credit rating are the principal means by which management evaluates its competitive performance. These long-term objectives include:

- Pretax return on average invested capital of 25 percent.
- Aftertax return on average stockholders' equity of 18 percent.
- Annual net earnings per share growth of 12-15 percent.
- A strong "A" credit rating on senior debt of the parent company.

The following information measures current performance relative to these objectives:

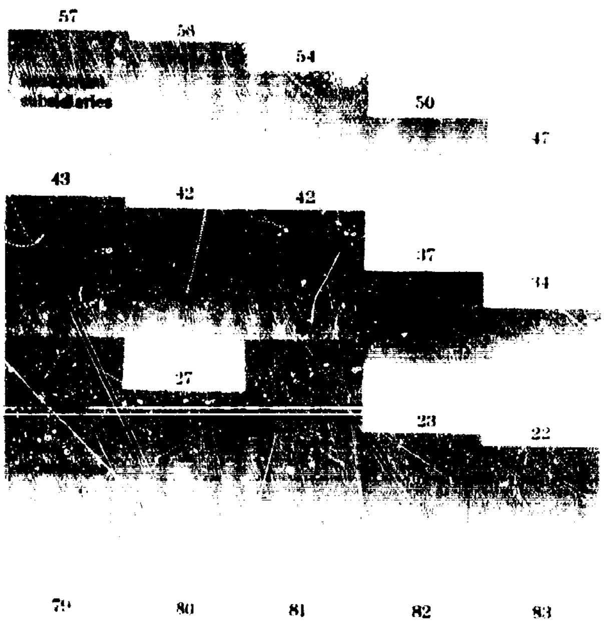
Return on Average Equity and Invested Capital
Return on average invested capital relates pretax income before interest on long-term debt expense to average invested capital during the year. Invested capital is the permanent capital used in the business and is the sum of long-term debt, deferred taxes, other noncurrent deferrals and stockholders' equity. Average invested capital was $1,636.8 million for fiscal 1983 compared with $1,549.4 for fiscal 1982, an increase of six percent. The pretax return on average invested capital declined to 18.2 percent in fiscal 1983 from 19.0 percent in fiscal 1982.

The decline reflects a more rapid increase in invested capital than occurred in pretax income, due in part to the decrease in earnings in Agri-Products and the write-down of assets in Burger King.

Average stockholders' equity in fiscal 1983 rose 13 percent to $923.2 million. Return on equity relates net earnings to average outstanding stockholders' equity during the year. Net earnings of $138.9 million produced an aftertax return on average equity of 15.0 percent, down from the 16.6 percent level achieved last year.

Funds Generation and Liquidity
Pillsbury's financial flexibility and strength relate directly to the balance and continuity of the flow of funds. The ability to generate a strong, dependable funds flow from operations is a principal factor in determining the company's rate of long-term growth.

Long-term debt as a percentage of capitalization as of May 31 (percent)



Funds generated from operations in fiscal 1983 were $243.4 million compared to $247.6 million generated last year. The increases in net earnings and depreciation were more than offset by a decrease in deferred taxes.

At May 31, 1983, the company's cash and marketable securities balance was $129.6 million, a reduction of $50.0 million from the level at May 31, 1982. Cash and marketable securities are carried at levels that management deems adequate to provide for short-term liquidity needs. Amounts above those levels are deployed into asset categories, principally long-term, yielding the highest possible returns within prudent risk levels.

Pillsbury relies primarily on the issuance of commercial paper, backed by bank lines of credit, to fund seasonal working capital requirements. The company's commercial paper carries an A1/P1 rating. Seasonal usage of commercial paper is related primarily to commodity merchandising, flour milling and vegetable processing operations. Usage of commercial paper generally peaks following the fall harvest and declines in the spring. Other short-term borrowings or notes payable, primarily related to foreign subsidiaries, have not been a significant factor in the company's financing program over the last several years.

Information relative to commercial paper borrowings:

	Year ended May 31		
	1983	1982	1981
	(Dollars in millions)		
Commercial paper outstanding:			
Maximum	**$167.6**	$180.0	$509.4
Average	**64.5**	51.8	257.0
Weighted average interest rate	**10.3%**	15.1%	13.3%

The commercial paper usage decline from fiscal 1981 reflects a lower level of business activity in commodity merchandising.

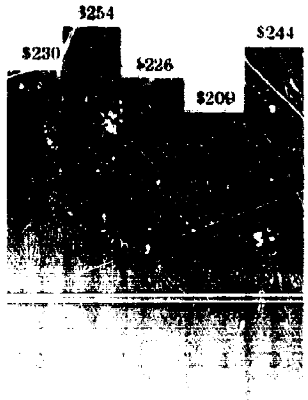
Total bank lines of credit available to back the issuance of commercial paper by the company during peak seasonal borrowings were $188 million in fiscal 1983 compared with $202 million in fiscal 1982. Unused bank lines at May 31, 1983 totalled $178 million worldwide.

Capital Structure

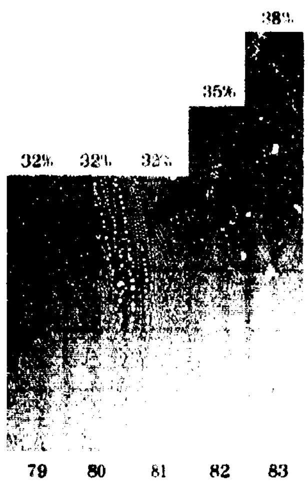
Pillsbury's financing strategy is constructed on the premise that the company's three basic businesses, Consumer Foods, Agri-Products and Restaurants have distinctive financial characteristics and requirements. Objectives of Pillsbury's financing strategy are:

- to respond to the particular financial demands of each business segment,

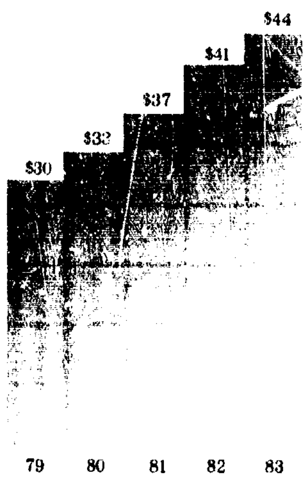
Capital expenditures
(Millions)



Dividends to net earnings ratio



Equity per share



- to fund effectively the business plans, including shifting requirements for funds between businesses, to maximize returns, and
- to retain adequate financial flexibility, including prudent funding of requirements.

Financing Restaurants on a separate credit basis has allowed that segment to carry a degree of leverage consistent with the restaurant industry. Such leverage has been required to fund the heavy external requirements to sustain the growth rate this segment of the company's business has generated. All debt and lease obligations of the restaurant subsidiaries are secured by the credit of the individual restaurant subsidiaries without guaranty from The Pillsbury Company.

Restaurant subsidiaries' debt to total capital declined 3 percentage points during fiscal 1983 to 47 percent at May 31, 1983. New borrowings during the year of $25.3 million were more than offset by $40.8 million of long-term debt retirements and an increase in retained earnings, thereby lowering the ratio.

Debt to total capital for the parent company and non-restaurant subsidiaries was 22 percent at the end of fiscal 1983, compared with 23 percent at the end of fiscal 1982. Internally generated funds were adequate to fund the growth of these businesses without accessing the intermediate or long-term debt markets during the year.

Capital Expenditures

New capital projects are subjected to a common discipline of analysis throughout the company. Profit adding projects must generate at least a 16 percent time-weighted aftertax return on net cash flows over the life of the project.

Capital expenditures totaled $243.9 million for fiscal 1983, an increase of $35.4 million from last year. Faster than anticipated expansion in the Restaurant Group resulted in actual capital expenditures exceeding initial plan levels by $32 million.

The initial plan for capital expenditures in fiscal 1984 is $290.0 million.

Dividends

In fiscal 1983, dividends of $52.5 million were paid to common stockholders, the 25th consecutive year of increases.

Cash dividends have grown over the last five years at a compound annual growth rate of 20 percent. The dividend payout ratio, the proportion of net earnings paid to stockholders, was 38 percent in fiscal 1983. The dividends paid during fiscal 1983 marked Pillsbury's 55th consecutive year of uninterrupted dividend payouts.

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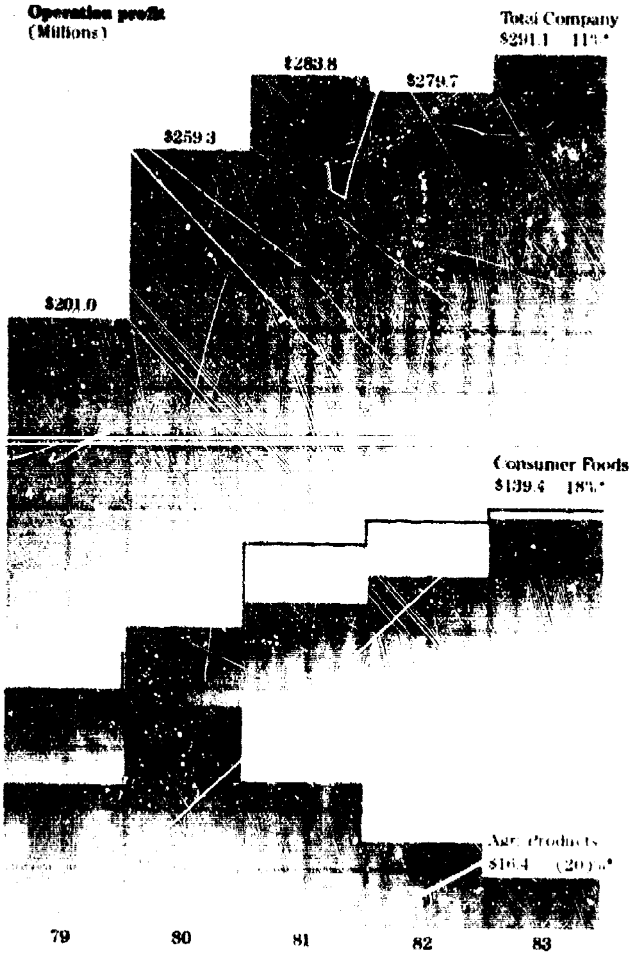

* Five year annual growth rate

The chart graphically portrays Pillsbury's balanced portfolio of diversified food businesses. The growth of Restaurants and Consumer Foods has been consistent and repetitive. The record of this portfolio continues to give evidence of future growth prospects of Pillsbury.

Industry Segment Data
The following discussion and analysis of the results of operations is organized on an industry segment basis. Discussion and analysis of net sales, operating profit and capital expenditures is provided for each of the industry segments. A financial summary by industry segment is provided on page 26, and a summary by quarter is provided on page 27. A discussion of the impact of inflation on the company's operations is included on pages 40 and 41.

Consumer Foods
Net sales increased 1 percent in fiscal 1983 and 2 percent in fiscal 1982, due principally to higher prices in all periods. Operating profits increased 13 percent in fiscal 1983 and 5 percent in fiscal 1982. Excluding the items explained on page 27, operating profits increased 15 percent in fiscal 1983 and 4 percent in fiscal 1982.

In fiscal 1983, Refrigerated Foods and the International Group registered strong sales volume increases, while Frozen Foods reported higher sales due principally to price increases. Sales declined in Dry Grocery Products and Canada due principally to lower volume.

Overall, fiscal 1983 reflected operating profit improvement through tight control over gross margins (40.9 percent in fiscal 1983 versus 38.3 percent in fiscal 1982) and operating expenses, despite strong competition and decreased sales volumes. Operating profit gains were led by Frozen Foods, up 75 percent from improved gross margins and favorable new product mix. Dry Grocery Products, Refrigerated Foods, and the International Group all reported increases in operating profit contributions due principally to gross margin gains from favorable manufacturing and distribution costs. A currency devaluation in Venezuela was more than offset by $1.5 million transactional income from forward currency contracts, however Mexican translation losses reduced operating profit by $1.5 million. Venezuelan translation losses increased the accumulated translation adjustment losses within stockholders' equity by $11.1 million.

In fiscal 1982, Dry Grocery Products and Refrigerated Foods registered higher contributions to operating profits from sales increases, improved operating margins and favorable ingredient costs. Frozen Foods reported a gain in sales but a decline in operating profit contribution as intense frozen pizza competition negated a strong performance by frozen vegetables. Strong sales volume increases in Europe were substantially offset by unfavorable currency exchange rates, resulting in a modest increase in the International Group's contribution to operating profit.

Capital expenditures decreased 3 percent in fiscal 1983, following an 18 percent decrease in fiscal 1982. In fiscal 1983, major expenditures included the purchase of a previously leased distribution center, new farm equipment, and the consolidation of European manufacturing facilities. In fiscal 1982, major capacity expansions were made in pizza and research facilities.

Restaurants
Net sales increased 17 percent in fiscal 1983 and 6 percent in fiscal 1982. Information on store openings and average sales per domestic unit is included on page 13.

Burger King Corporation reported a 9 percent increase in fiscal 1983 operating profit contribution on 17 percent higher sales. Excluding the items explained in the notes on page 27, Burger King's fiscal 1983 operating profit contribution increased 20 percent. Domestic sales and operating profit contribution increased largely in response to aggressive advertising and marketing campaigns, with 10 percent real growth in average sales per domestic company operated unit. However, international operations reported losses.

S&A Restaurant Corp. registered a 28 percent increase in fiscal 1983 operating profit contribution on 22 percent higher sales. Sales volume increases led to average unit real sales growth of 10 percent in the Steak and Ale dinnerhouse concept, while Bennigan's sales increased 67 percent, due largely to 43 new store openings.

Poppin Fresh Pies, Inc. was sold in April, 1983. Fiscal 1983's contribution to operating profit, including an immaterial gain on the sale, was $5.3 million on sales of $57 million.

In fiscal 1982, Burger King recorded an 8 percent increase in operating profit contribution on 6 percent higher sales, reflecting improved domestic operations but declining international results. Steak and Ale registered an 18 percent increase in operating profit contribution on 16 percent higher sales, with real sales growth in both dinnerhouse and Bennigan's concepts of 13 percent and 15 percent, respectively. Poppin Fresh reported lower sales and operating profit contribution.

Capital expenditures increased 29 percent in fiscal 1983, following a decline of 2 percent in fiscal 1982. Major fiscal 1983 expenditures were about equally divided between new Burger King and Bennigan's units.

Agri-Products
In fiscal 1983, net sales increased 10 percent but operating profit decreased 43 percent. In fiscal 1982, net sales and operating profit decreased 3 percent and 40 percent, respectively. Gross margins from merchandising operations (grain, feed ingredients, and export flour), rather than gross sales thereof, are included in net sales.

In both fiscal 1983 and fiscal 1982, results were characterized by a continuing difficult operating environment. Grain merchandising reported losses in both comparable periods due principally to weakness in the transportation segment of the business, together with lower margins in handling and trading activities. Feed Ingredient Merchandising and Rice Milling reported declines in sales and operating profit contributions in both comparable periods due to narrow trading margins and an industry oversupply of feed grains. Industrial Foods registered slight gains in both comparable period operating profit contributions, while edible protein reported significantly higher fiscal 1983 sales and contribution to operating profit in its first full year of operation.

Capital expenditures increased 32 percent in fiscal 1983 after declining 30 percent in fiscal 1982. Major investments in fiscal 1983 included an acquisition of a grain elevator and expansion of the Los Angeles mill.

General corporate expense, net
General corporate expense increased $9.1 million in fiscal 1983 following a decline of $3.9 million in fiscal 1982.

Fiscal 1983 results include $2.4 million equity in net losses of unconsolidated affiliates. Fiscal 1982 results include $3.7 million equity in net earnings of unconsolidated affiliates, as well as a $1.9 million gain from the settlement of claims against corrugated container manufacturers. Fiscal 1981 results include $2.5 million unrealized foreign currency translation losses.

Interest expense, net
Refer to page 35 for detailed components of net interest expense.

Net interest expense remained unchanged in fiscal 1983, but declined 40 percent in fiscal 1982. Average month-end short-term borrowings of $81 million in fiscal 1983 and 1982 were down from $290 million in fiscal 1981, due to reduced working capital requirements, principally in Agri-Products. Fiscal 1983's short-term interest expense declined significantly due to lower interest rates, however fiscal 1982's interest income was higher due to temporary investment of the proceeds from the June, 1981 public stock offering.

Taxes on income
Effective tax rates of 39.7 percent in fiscal 1983, 40.2 percent in fiscal 1982, and 40.8 percent in fiscal 1981 are substantially below the statutory federal tax rates primarily because of the reversal of deferred taxes previously provided on unremitted subsidiaires' earnings deemed to be permanently reinvested (See page 37—"Taxes on income").

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Summary by Industry Segment

Pillsbury is a diversified international food company operating in three major segments of the food industry.

Net sales by segment include both sales to unaffiliated customers, as reported in the consolidated statements of earnings, and intersegment sales made on the same basis as sales to unaffiliated customers.

Operating profit of reportable segments is net sales less operating expenses. In computing operating profit, none of the following items has been included: interest income and expense; general corporate income and expenses; equity in net earnings (losses) of unconsolidated affiliates; and income taxes.

	Year ended May 31		
	1983	1982	1981
		(In millions)	
Net sales:			
Consumer Foods	**$1,652.1**	$1,635.7	$1,599.8
Restaurants	**1,494.6**	1,279.3	1,207.2
Agri-Products	**627.5**	568.6	586.8
Less Agri-Products intersegment sales	**(88.3)**	(98.5)	(92.1)
Total	**3,685.9**	3,385.1	3,301.7
Operating profit:			
Consumer Foods	**139.4**	134.8	127.8
Restaurants	**135.3**	116.3	108.3
Agri-Products	**16.4**	28.6	47.7
Total	**291.1**	279.7	283.8
General corporate expense, net	**(21.5)**	(12.4)	(16.3)
Interest expense, net	**(39.4)**	(39.3)	(65.6)
Earnings before taxes on income	**230.2**	228.0	201.9
Identifiable assets:			
Consumer Foods	**725.4**	747.9	771.3
Restaurants	**1,025.7**	993.3	903.3
Agri-Products	**486.1**	536.6	433.0
Corporate	**129.4**	150.5	66.9
Total	**2,366.6**	2,428.3	2,174.5
Capital expenditures:			
Consumer Foods	**48.7**	50.0	60.9
Restaurants	**164.0**	126.8	128.9
Agri-Products	**20.9**	15.8	22.6
Corporate	**10.3**	15.9	14.1
Total	**243.9**	208.5	226.5
Depreciation expense:			
Consumer Foods	**33.0**	30.3	30.0
Restaurants	**54.7**	48.6	49.9
Agri-Products	**13.6**	11.5	8.4
Corporate	**4.2**	2.4	1.1
Total	**105.5**	92.8	89.4
Foreign operations included in the above categories are as follows:			
Net sales	**360.1**	357.9	351.0
Operating profit	**18.0**	22.8	23.4
Identifiable assets	**312.8**	241.8	224.9
Capital expenditures	**16.3**	22.6	22.6
Depreciation expense	**10.3**	8.8	9.0

See footnotes to Summary by Quarter on the following page

Summary by Quarter

	Net sales	Gross margin	Earnings before taxes on income	Net earnings	Per share: Net earnings	Per share: Cash dividends	Per share: Market price: High	Per share: Market price: Low	Per share: Market price: Close
	(In millions)								
Fiscal 1981:									
First quarter(a)	$ 720.8	$ 198.7	$ 50.4	$ 28.7	$1.43	$ .43	$37	$31¼	$35⅛
Second quarter	893.6	263.7	66.0	38.8	1.93	.50	42½	34⅞	38⅝
Third quarter(b)	825.4	215.9	39.2	21.7	1.08	.50	41¾	34⅞	41½
Fourth quarter(g)	861.9	235.9	46.3	30.4	1.51	.50	45⅞	38⅜	40⅞
Annual	$3,301.7	$ 914.2	$201.9	$119.6	$5.95	$1.93			
Fiscal 1982:									
First quarter(c)	$ 741.5	$ 198.0	$ 42.7	$ 25.0	$1.16	$ .50	$43⅛	$35	$36½
Second quarter	916.8	292.4	76.6	45.0	2.08	.56	40½	35	36
Third quarter	823.1	241.0	45.4	26.9	1.24	.56	41	35⅝	41
Fourth quarter(d)	903.7	264.0	63.3	39.4	1.81	.56	46¾	40⅝	44⅞
Annual	$3,385.1	$ 995.4	$228.0	$136.3	$6.29	$2.18			
Fiscal 1983:									
First quarter	$ 806.0	$ 221.6	$ 47.3	$ 25.6	$1.18	$ .56	$46¼	$36⅞	$43¼
Second quarter(e)	985.7	307.0	58.5	30.7	1.41	.62	51¾	40⅝	50
Third quarter	903.9	272.0	54.0	29.1	1.34	.62	55	46¼	48½
Fourth quarter(f, h)	990.3	295.3	70.4	53.5	2.46	.62	61¼	48⅜	57¼
Annual	$3,685.9	$1,096.4	$230.2	$138.9	$6.39	$2.42			

Earnings before taxes on income include:

(a) $2.9 million (Consumer Foods) gain from sale of technology for overseas development [$2.1 million net earnings—10¢ per share].

(b) $17.5 million (Consumer Foods) gain from settlement of claims against folding carton manufacturers [$9.0 million net earnings—44¢ per share].
$9.4 million (Consumer Foods) provision for estimated losses in closing certain vegetable processing facilities [$6.9 million net earnings—34¢ per share].

(c) $6.0 million (Consumer Foods) gain from sale of Wilton Enterprises, a cake decorating supply division [$3.7 million net earnings—17¢ per share].

(d) $6.2 million ($4.3 million Consumer Foods and $1.9 million General corporate expense, net) gain from settlement of claims against corrugated container manufacturers [$3.2 million net earnings—15¢ per share].
$3.4 million (Consumer Foods) gain from sale of Wheat Nuts product line [$2.1 million net earnings—10¢ per share].
$1.1 million (General corporate expense, net) income from foreign currency accounting change applicable to the first nine months of the fiscal year [$.8 million net earnings—4¢ per share].

(e) $11.9 million (Restaurants) provision for writedown of Burger King's assets [$8.2 million net earnings—37¢ per share].

(f) $4.1 million (Restaurants) gain on sale of Burger King's office building [$4.1 million net earnings—18¢ per share].

Net earnings also include:

(g) A tax reduction of $4.6 million [23¢ per share] related to settlement of an Internal Revenue Service examination.

(h) A tax reduction of $12.0 million [55¢ per share] related to permanent tax deferral of earnings from certain subsidiaries, of which approximately $8.2 million [38¢ per share] was applicable to the first nine months of the fiscal year.

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Consolidation
The consolidated financial statements include the accounts of the parent company and all of its majority-owned domestic and foreign subsidiaries after elimination of intercompany balances and transactions. The fiscal year of foreign subsidiaries generally ends April 30 to facilitate timely reporting.

Sales
Trading margins from merchandising grain, feed ingredients and export flour, rather than gross sales, are included in net sales.

Pensions
The company and its subsidiaries have retirement plans covering substantially all salaried and full-time hourly employees. Costs and expenses include provisions for retirement benefits, interest on unfunded prior service costs and, on certain plans, amortization of prior service costs over periods of up to 30 years from the effective dates of the plans as amended. The company funds accrued pension costs.

Taxes on income
Investment tax credits are reflected as reductions in federal income taxes in the year eligible equipment purchases are placed in service. Federal income taxes are provided on unremitted earnings of subsidiaries which are not reinvested indefinitely.

Earnings per share
Net earnings per share is computed using the weighted average number of common shares, including common share equivalents of stock options, outstanding during each year. Net earnings per share assuming full dilution would be substantially the same.

Foreign exchange
The company follows Statement of Financial Accounting Standards No. 52 in calculating and recording foreign currency translation.

With the exception of Mexico, all foreign currency balance sheets (local currencies have been determined to be functional currencies) are translated at the end-of-period current exchange rates. The resulting translation gains or losses are recorded in the "Accumulated Foreign Currency Translation" caption within stockholders' equity. A Mexican subsidiary's translation adjustments are recognized immediately in earnings.

All foreign currency earnings statements are converted at the average monthly exchange rate for each period.

Inventories
Grain inventories are stated on the basis of market prices at May 31, including adjustment to market of open contracts for purchases and sales. Other inventories are stated at cost (first-in, first-out) or market, whichever is lower and include material, direct labor and manufacturing overhead.

Property, plant and equipment
Owned property, plant and equipment is stated at cost. Depreciation is computed on the straight-line method for financial statement purposes and on accelerated methods for tax purposes. Estimated useful lives are: buildings and improvements, 10 to 60 years; machinery and equipment, 2 to 30 years.

Capital leases are capitalized at the present value of future minimum lease payments and are depreciated using the straight-line method over the related lease terms as follows: buildings, 15 to 30 years; equipment, 2 to 15 years.

Intangibles
Intangible assets consist of goodwill, reacquired franchise rights, trademarks and patents and are carried at purchased cost less accumulated amortization. Goodwill represents the unidentified excess of cost over the net assets of businesses purchased. Costs are amortized over the remaining lives or periods benefited (not in excess of 40 years).

The Pillsbury Company and Subsidiaries

Consolidated Statements of Earnings

	Year ended May 31		
	1983	1982	1981
	(In millions except per share amounts)		
Net sales	**$3,685.9**	$3,385.1	$3,301.7
Costs and expenses:			
Cost of sales	**2,509.5**	2,389.7	2,387.5
Selling, general and administrative expenses	**876.2**	728.1	646.7
Interest expense, net (Note 7)	**70.4**	39.3	65.6
	3,455.7	3,157.1	3,099.8
Earnings before taxes on income	**230.2**	228.0	201.9
Taxes on income (Note 10)	**91.3**	91.7	82.3
Net earnings	**$ 138.9**	$ 136.3	$ 119.6
Average number of shares outstanding	**21.7**	21.7	20.1
Net earnings per share	**$ 6.39**	$ 6.29	$ 5.95

See Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements.

Accountants' Report

Minneapolis, Minnesota
June 23, 1983
July 11, 1983 as to Note 1

Stockholders and
Board of Directors
The Pillsbury Company

We have examined the consolidated balance sheets of The Pillsbury Company and subsidiaries as of May 31, 1983 and 1982, and the related statements of earnings, stockholders' equity and changes in financial position for each of the three years in the period ended May 31, 1983. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of The Pillsbury Company and subsidiaries at May 31, 1983 and 1982, and the results of their operations and the changes in their financial position for each of the three years in the period ended May 31, 1983, in conformity with generally accepted accounting principles applied on a consistent basis.

Touche Ross & Co.

Certified Public Accountants

The Pillsbury Company and Subsidiaries
Consolidated Balance Sheets

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	May 31 1983	May 31 1982
	(In millions)	
Assets		
Current assets:		
Cash (Note 5)	**$ 25.1**	$ 37.0
Marketable securities, at cost (approximates market)	**104.5**	142.6
Receivables, less allowance for doubtful accounts of $12.9 and $10.0, respectively	**350.6**	373.5
Inventories:		
Grain	**52.9**	64.2
Finished products	**204.1**	190.5
Raw materials, containers and supplies	**133.7**	135.0
	390.7	389.7
Advances on purchases	**128.4**	165.9
Prepaid expenses	**22.3**	24.3
Total current assets	**1,021.6**	1,133.0
Property, plant and equipment (Notes 4, 6 and 8):		
Land and improvements	**179.3**	172.6
Buildings and improvements	**788.2**	749.1
Machinery and equipment	**600.3**	544.8
	1,567.8	1,466.5
Less accumulated depreciation	**514.6**	457.5
	1,053.2	1,009.0
Net investment in direct financing leases (Note 9)	**178.7**	171.7
Intangibles	**21.6**	28.2
Investments and other assets	**91.5**	86.4
	$2,366.6	$2,428.3

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	May 31 1983	May 31 1982
	(In millions)	
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable (Note 5)	**$ 10.5**	$ 20.1
Current portion of long-term debt (Note 6)	**32.8**	50.9
Trade accounts payable	**279.6**	298.1
Advances on sales	**136.7**	188.0
Employee compensation	**72.4**	68.7
Taxes on income	**20.8**	51.4
Other liabilities	**152.1**	139.3
Total current liabilities	**704.9**	816.5
Long-term debt, noncurrent portion (Notes 6, 7 and 8)	**572.4**	597.1
Deferred taxes on income	**108.5**	103.6
Other deferrals	**24.4**	21.1
Stockholders' equity (Notes 6 and 11):		
Preferred stock, without par value, authorized 500,000 shares, no shares issued		
Common stock, without par value, authorized 40,000,000 shares, issued 21,731,078 shares and 21,694,105 shares, respectively	**284.1**	282.0
Common stock in treasury at cost, 90,159 shares and 1,850 shares, respectively	**(4.6)**	
Accumulated earnings retained and used in the business	**704.9**	618.8
Accumulated foreign currency translation	**(28.0)**	(10.8)
Total stockholders' equity	**956.4**	890.0
	$2,366.6	$2,428.3

See Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements.

The Pillsbury Company and Subsidiaries
Consolidated Statements of Changes in Financial Position

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	Year ended May 31		
	1983	1982	1981
		(In millions)	
Funds provided from operations:			
Net earnings	**$138.9**	$136.3	$119.6
Charges to income not requiring working capital:			
Depreciation	**105.5**	92.8	89.4
Amortization of intangibles	**3.3**	2.9	2.3
Deferred taxes on income	**(4.3)**	15.6	15.5
	243.4	247.6	226.8
Funds from (used for) changes in working capital:			
(Increase) decrease in receivables	**22.9**	(30.2)	5.4
(Increase) decrease in inventories	**(1.0)**	28.4	(14.5)
(Increase) decrease in other current assets	**39.5**	(56.8)	(1.4)
Increase (decrease) in trade accounts payable	**(18.5)**	.4	(75.1)
Increase (decrease) in advances on sales	**(51.3)**	74.2	59.4
Increase (decrease) in taxes on income	**(30.6)**	(.7)	(17.1)
Increase (decrease) in other current liabilities	**16.5**	33.2	42.9
	(22.5)	48.5	(.4)
Funds from conversion of noncurrent assets:			
Disposals of property, plant and equipment	**66.5**	41.5	30.6
Proceeds from investments and other assets	**25.4**	10.3	11.0
Other, net	**16.3**	17.6	15.3
	108.2	69.4	56.9
Utilization of funds for investment activities:			
Additions to property, plant and equipment, including $14.1, $21.3 and $36.4, respectively, transferred to net investment in direct financing leases	**(243.9)**	(208.5)	(226.5)
Additions to intangibles	**(3.1)**	(7.8)	(4.0)
Additions to investments and other assets	**(32.9)**	(47.0)	(26.5)
Noncurrent assets of acquired companies		(22.5)	(25.2)
	(279.9)	(285.8)	(282.2)
Funds generated before financing activities	**49.2**	79.7	1.1
Funds from (used for) financing activities:			
Issuance of long-term debt	**30.2**	35.2	98.3
Long-term debt of acquired companies		2.4	15.0
Retirements of long-term debt	**(73.7)**	(47.7)	(37.9)
Increase (decrease) in notes payable	**(9.6)**	(2.4)	1.0
Investment in tax lease	**(24.7)**		
Income tax benefits from tax lease	**33.6**		
Issuance (purchase) of common stock, net	**(2.5)**	64.5	1.8
Cash dividends	**(52.5)**	(47.2)	(38.7)
	(99.2)	4.8	39.5
Increase (decrease) in cash and marketable securities	**$(50.0)**	$ 84.5	$ 40.6

See Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements.

[redacted]

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Consolidated Statements of Stockholders' Equity

	Shares of common stock outstanding	Common stock	Treasury stock	Accumulated earnings	Accumulated foreign currency translation
			(In millions)		
Balances at May 31, 1980	20.0	$215.8	$ (.1)	$448.8	
Net earnings				119.6	
Cash dividends				(38.7)	
Stock issued for:					
Conversion of subordinated debentures	.1	1.3			
Stock option and performance unit plans		.4	.4		
Purchase of treasury stock			(.3)		
Balances at May 31, 1981	20.1	217.5		529.7	
Beginning foreign currency translation					$ (3.9)
Net earnings				136.3	
Change in foreign currency translation					(6.9)
Cash dividends				(47.2)	
Stock issued for:					
Purchased company	.1	1.8			
Conversion of subordinated debentures		2.1			
Stock option plans		.2			
Public offering	1.5	60.4			
Balances at May 31, 1982	21.7	282.0	—	618.8	(10.8)
Net earnings				138.9	
Change in foreign currency translation					(17.2)
Cash dividends				(52.5)	
Stock issued for:					
Conversion of subordinated debentures		1.3			
Stock option and performance unit plans		.8	1.5	(.3)	
Purchase of treasury stock	(.1)		(6.1)		
Balances at May 31, 1983	21.6	$284.1	$(4.6)	$704.9	$(28.0)

See Summary of Significant Accounting Policies and Notes to Consolidated Financial Statements.

1. Acquisitions and dispositions:
On July 11, 1983, subsequent to year end, the company acquired the net assets, including cash and marketable securities of $11 million, and operations of the Häagen-Dazs companies for $75.0 million in cash and notes. The acquisition will be accounted for as a purchase and, accordingly, Häagen-Dazs' results of operations will be included in the consolidated statements of earnings from July 1, 1983. Häagen-Dazs, a manufacturer and distributor of premium quality ice cream and franchisor of 244 "dipping stores," had net sales of $76 million and net earnings of $7 million for the 12 months ended December 31, 1982.

During April 1983, the company sold Poppin Fresh Pies, Inc., a restaurant subsidiary. The sale had no material effect on net earnings or financial position.

Effective April 25, 1982, the company acquired the agricultural division of The Wickes Corporation, a Colorado based marketer of edible dry beans, grain and related service activities. The acquisition was accounted for as a purchase through the cash payment of approximately $44.1 million. The effect of this operation on consolidated results was not material.

In addition, during the three year period ended May 31, 1983, the company acquired or disposed of other businesses, none of which were material.

2. Financial statement presentation:
Certain amounts have been reclassified to conform with the 1983 presentation. These reclassifications had no effect on previously reported net earnings.

3. Foreign operations:
The consolidated financial statements include amounts for foreign subsidiaries (substantially all are wholly owned) as of and for the years ended May 31, as follows:

	1983	1982	1981
		(In millions)	
Net sales	**$360.1**	$357.9	$351.0
Net earnings	**8.2**	10.4	10.4
Total assets	**220.5**	250.4	229.7
Net tangible assets	**114.0**	133.3	98.0
Excess of investments over equity in net tangible assets	**6.0**	8.0	9.3

4. Property, plant and equipment:
Property, plant and equipment includes capital leases, as well as assets leased to restaurant franchisees under operating leases at May 31, as follows:

	Capital leases		Leased to restaurant franchisees	
	1983	1982	**1983**	1982
		(In millions)		
Land and improvements			**$ 76.0**	$ 73.6
Buildings and improvements	**$ 46.2**	$ 47.5	**39.8**	40.5
Machinery and equipment	**16.2**	16.6	**4.8**	7.4
	62.4	64.1	**120.6**	121.5
Less accumulated depreciation	**(26.4)**	(23.3)	**(18.9)**	(15.8)
	$ 36.0	$ 40.8	**$101.7**	$105.7
Depreciation expense	**$ 5.1**	$ 5.0		

5. Short-term financing commitments:
Notes payable—year-end balances consist primarily of foreign subsidiaries' bank notes. During each year, notes payable also includes borrowings by the company through issuance of commercial paper.

Bank lines of credit—may be used for direct borrowing or to support commercial paper, are reviewed on an annual basis, and may be withdrawn at the banks' option. Interest rates are at prime. Compensating balances are not legally restricted.

At May 31, 1983:
The Pillsbury Company and nonrestaurant subsidiaries had bank lines of credit of $178 million against which $10 million of foreign subsidiaries' borrowings were outstanding. The company either pays a commitment fee of .375% or maintains the earnings equivalent as compensating balances. Restaurant subsidiaries had bank lines of credit of $.0 million requiring compensating balances ranging from 5% to 7%. There were no borrowings.

Selected information on notes payable is as follows:

	1983	1982	1981
		(Dollars in millions)	
Balance at May 31:			
Amount	**$ 10.5**	$ 20.1	$ 22.5
Interest rate	**11.2%**	13.1%	15.2%
Maximum balance at any month-end	**$180.0**	$196.5	$539.1
Average month-end balance	**81.0**	81.0	290.4
Average interest rate (a)	**10.9%**	15.1%	13.5%

(a) Computed on the weighted average of outstanding loan balances throughout the year.

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6. Long-term debt:

	May 31 1983	May 31 1982
	(In millions)	
Parent company and nonrestaurant subsidiaries:		
7⅝% note due 1983		$ 20.0
5⅝% sinking fund debentures due 1987, annual funding $.4 million, less $.9 million held for cancellation	**$ 2.3**	2.3
5½% notes due $.5 million annually to 1989	**3.1**	3.6
8⅜% sinking fund debentures due 1996, annual funding $1.3 million, less $3.4 million held for cancellation	**12.9**	13.2
8⅝% notes due 1999, annual funding $3.1 million beginning in 1934	**50.0**	50.0
14% notes due 1991	**50.0**	50.0
4¼% convertible subordinated debentures due 1993	**2.9**	4.3
5% notes due 1983		3.1
10⅝% notes due $2.5 million annually to 1991	**20.0**	22.5
8¼% notes due $1.0 million annually to 1988	**5.0**	6.0
10⅜% notes due $1.9 million annually to 1987	**7.5**	9.4
Other notes at 5¼% to 15⅜% (real estate of $14.8 million and $45.7 million, respectively, pledged as collateral)	**27.8**	13.5
Capital lease obligations (Note 8)	**10.0**	12.4
	191.5	210.3
Restaurant subsidiaries (not guaranteed by The Pillsbury Company):		
Installment notes at 5¾% to 16¾%:		
Unsecured	**284.6**	270.1
Secured (real estate of $112.9 million and $148.4 million, respectively, pledged as collateral)	**76.8**	112.3
Capital lease obligations (Note 8)	**52.3**	55.3
	413.7	437.7
	605.2	648.0
Less current portion	**(32.8)**	(50.9)
	$572.4	$597.1

Debt agreements contain certain restrictions relating to the payment of dividends and the making of other distributions. Under the most restrictive of these provisions, approximately $127 million of accumulated earnings at May 31, 1983 were not restricted.

The 4¼% convertible subordinated debentures are convertible into one share of the company's common stock for each $49.30 principal amount of debentures. At May 31, 1983, approximately 57,000 shares of common stock were reserved for issuance upon conversion of the debentures.

Maturities of long-term debt, excluding capital lease obligations, for the five fiscal years subsequent to May 31 1983 are (portions applicable to restaurant subsidiaries are noted parenthetically):

1984	$27.3 million ($16.7 million)
1985	38.7 million (22.6 million)
1986	33.6 million (21.4 million)
1987	51.6 million (39.1 million)
1988	38.7 million (28.6 million)

Long term commitments—at May 31, 1983:

The Pillsbury Company has a $100 million, two year revolving credit agreement with six banks. No borrowings were outstanding. Interest on borrowings is at the lower of the prevailing prime rate or the London Interbank Offering rate. The company pays a commitment fee of .375% on the unused portion.

Restaurant subsidiaries have $60 million of revolving credit agreements with banks, at prime interest rate, against which there were no outstanding borrowings. The subsidiaries pay commitment fees ranging from .375% to .5% on the unused portion of the revolving credit agreements.

7. Interest expense, net:

	Year ended May 31 1983	1982	1981
	(In millions)		
Long-term debt	**$ 63.4**	$ 62.5	$ 50.2
Capital lease obligations	**6.7**	7.1	7.2
Short-term debt	**12.1**	15.9	40.1
Amortization of unearned income, direct financing leases	**(19.8)**	(20.0)	(17.4)
Interest income	**(21.1)**	(23.5)	(11.2)
Capitalized interest	**(1.9)**	(2.7)	(3.3)
	$ 39.4	$ 39.3	$ 65.6

8. Commitments as lessee:

Capital leases cover transportation, computer and manufacturing equipment, and restaurant buildings.

Operating leases cover land; manufacturing, warehousing and administrative facilities; grain handling and storage facilities; and manufacturing and transportation equipment.

Minimum future obligations on leases with an initial term greater than one year for the fiscal periods ending May 31	Capital leases	Operating leases (a)
	(In millions)	
1984	$ 11.7	$ 51.0
1985	11.1	39.5
1986	10.3	36.0
1987	9.4	33.5
1988	8.1	30.4
Later	60.6	364.8
Total minimum obligations (b)	111.2	555.2
Less executory costs	(1.0)	(6.0)
Net minimum obligations	110.2	$549.2
Less amount representing interest	(47.9)	
Present value of net minimum obligations	$ 62.3	
Current portion	$ 5.5	

(a) Does not include obligations under term freight agreements for 2,208 barge loads in fiscal 1984, decreasing to 2,000 in fiscal 1988 and ending in fiscal 1991.
(b) Minimum lease obligations have not been reduced by mininum sublease rentals. In addition to minimum obligations, contingent rentals may be paid under certain restaurant and grain facility leases on the basis of percentage of sales and volume, respectively.

Rent expense	1983	1982	1981
	Year ended May 31		
	(In millions)		
Minimum rent expense(a)	$88.6	$82.6	$70.0
Contingent rent expense	6.0	5.5	3.7
Transportation equipment sublease income	(7.5)	(5.9)	(4.6)
	$87.1	$82.2	$69.1

(a) Includes rents under leases with terms of one year or less. Payments under term freight agreements of $21.0 million, $28.4 million and $39.6 million for fiscal years 1983, 1982 and 1981 respectively, are not included.

9. Investments as lessor:

Restaurant subsidiaries lease restaurant buildings and land to franchisees. The building portions of the leases are direct financing leases while the land portions are operating leases. Substantially all leases are for 15 to 20 years, provide for minimum and contingent rentals, and require the franchisee to pay executory costs.

Minimum future lease payments to be received during the fiscal periods ending May 31	Direct financing leases	Operating leases
	(In millions)	
1984	$ 26.3	$ 21.2
1985	25.9	21.0
1986	25.6	20.3
1987	25.5	20.2
1988	25.5	20.3
Later	274.5	231.8
	$403.3	$334.8

Rental income amounted to $41.7 million in fiscal 1983, $34.4 million in fiscal 1982 and $30.1 million in fiscal 1981 of which $21.5 million, $19.3 million and $16.6 million, respectively, were minimum rentals and $20.2 million, $15.1 million and $13.5 million, respectively, were contingent rentals on both owned and leased property under direct financing and operating leases.

Net investment in direct financing leases at May 31	1983	1982
	(In millions)	
Minimum lease payments receivable	$403.3	$395.0
Less allowance for uncollectables	(3.7)	(3.7)
Net minimum lease payments receivable	399.6	391.3
Estimated unguaranteed residual value	4.3	4.4
Less unearned amount representing interest	(219.9)	(218.4)
Net investment	184.0	177.3
Less current portion included in receivables	(5.3)	(5.6)
Net investment in direct financing leases	$178.7	$171.7

10. Taxes on income:

	Year ended May 31		
	1983	1982	1981
	(In millions)		
Earnings before taxes on income consists of:			
Domestic	**$213.1**	$207.0	$182.4
Foreign	**17.1**	[illegible]	19.5
	$230.2	$228.0	$201.9
Income tax expense consists of:			
Current:			
Federal	**$ 82.6**	$ 62.2	$ 56.3
Investment tax credit	**(9.3)**	(9.8)	(9.7)
	73.3	52.4	46.6
State	**14.2**	8.1	7.4
Foreign	**8.3**	10.2	9.4
	95.8	70.7	63.4
Deferred:			
Federal	**(4.5)**	17.5	17.3
State	**(.6)**	2.7	1.4
Foreign	**.6**	.8	.2
	(4.5)	21.0	18.9
	$ 91.3	$ 91.7	$ 82.3

In fiscal 1983, the company entered into a tax benefit lease as a purchaser of equipment. The transaction is not reflected in fiscal 1983's current or deferred income tax expense. The fiscal 1983 income tax benefits related to this purchase decreased the current liability for taxes on income by $33.6 million and increased the deferred liability for taxes on income by $8.9 million.

Reconciliation between the expected federal tax rates and the actual effective rates is as follows:

Expected federal tax rate	**46.0%**	46.0%	46.0%
State income taxes, net of federal income tax benefit	**3.2**	2.6	2.4
Investment tax credit	**(4.0)**	(4.3)	(4.8)
Settlement of assessed tax deficiencies and penalties			(1.8)
Reversal of provision on unremitted earnings of subsidiaries deemed to be permanently reinvested	**(5.7)**	(3.8)	(2.3)
Other, net	**.2**	(.3)	1.3
	39.7%	40.2%	40.8%

Deferred taxes result from timing differences in the recognition of revenue and expense for tax and financial statement purposes. Tax effects of those differences are as follows:

	Year ended May 31		
	1983	1982	1981
Earnings of domestic international sales corporations (a)	**$(17.8)**	$ 8.8	$ (.7)
Unremitted earnings of consolidated foreign subsidiaries (a)	**(2.0)**	(4.0)	2.0
Excess of tax over book depreciation	**23.3**	13.9	8.2
Change in reserves not currently deductible for taxes	**(7.7)**	(6.1)	1.1
Method of valuing inventory (b)	**.1**	.8	8.2
Installment sales	**(.4)**	4.1	1.7
Other, net		3.5	(1.6)
	$ (4.5)	$ 21.0	$ 18.9

(a) At May 31, 1983, Federal taxes are not provided on approximately $90.1 million of unremitted earnings of foreign subsidiaries and Domestic International Sales Corporations which management intends to reinvest indefinitely.

(b) A wholly owned subsidiary follows the LIFO method of valuing inventory, however such inventory is restated to the FIFO method on consolidation to maintain consistency of accounting policies.

11. Stock options:
Under a Nonqualified Stock Option Plan and a 1982 Stock Option Plan, options to purchase in the aggregate 600,000 and 750,000 shares, respectively, of the company's common stock can be granted to officers and key employees, except for those persons holding awards under Performance Unit Plans (Note 12). Options under the plans may be either nonqualified stock options or incentive stock options, granted at 100% of the fair market value at dates of grant and expire 10 years after date of grant. Options under the Nonqualified Stock Option Plan become exercisable in cumulative annual installments of 25% beginning one year after date of grant and options under the 1982 Stock Option Plan become exercisable within one year after date of grant.

The company also adopted, at acquisition, Green Giant's Stock Option Plan under which qualified and nonqualified options had been granted under similar terms and conditions.

Under all option plans, an amount equal to the option price is credited to common stock at the time of exercise and nothing is charged to earnings.

Changes in stock options outstanding are:

	Option shares		Option price
	Outstanding	Exercisable	per share
Balances at			
May 31, 1980	428,950	99,526	$17-45
Granted	8,600		32-45
Becoming			
exercisable		94,961	19-45
Exercised	(16,542)	(16,542)	19-35
Cancelled	(62,948)	(25,115)	
Balances at			
May 31, 1981	358,060	152,830	17-45
Granted	166,200		36-42
Becoming			
exercisable		73,415	21-45
Exercised	(3,688)	(3,688)	23-35
Cancelled	(51,126)	(22,721)	
Balances at			
May 31, 1982	469,446	199,836	17-45
Granted	137,700		43-49
Becoming			
exercisable		93,660	32-45
Exercised	(35,243)	(35,243)	23-45
Cancelled	(74,944)	(40,394)	
Balances at			
May 31, 1983	496,959	217,859	17-49

Shares of common stock reserved for options at May 31, 1983 are 1,246,959. Option shares outstanding at May 31, 1983 were granted in fiscal 1979 and prior (84,934); 1980 (134,250); 1981 (1,500); 1982 (140,275); and 1983 (136,000). Unexercisable option shares outstanding at May 31, 1983 become exercisable in fiscal 1984 (207,475); 1985 (35,950); 1986 (35,575); and 1987 (100).

12. Compensation plans:
Certain employees of the company participate in compensation programs which include a base salary plus incentive payments. They are in managerial, sales and other areas in which it is deemed appropriate to reward employees on the basis of individual and/or group performance. Incentive payments are calculated based upon the level of operating earnings, as defined by the executive compensation committee of the board of directors.

Additionally, under Performance Unit Plans, officers and key employees may be awarded performance units valued at the fair market value of an equivalent number of shares of the company's common stock at time of award. The value at time of payment cannot be greater than 200% of the award value. The company's cumulative annual growth in earnings per share over the four-year period following the award is the basis for payment. Nothing is payable for annual growth of less than 8% under the 1974 Plan and 6% under the 1981 Plan. Awards of 169,444 performance units were outstanding at May 31, 1983 at a weighted award value of $39.03 each. An additional 522,056 units are available for grant through fiscal 1988.

Any eligible employee may elect, under a stock purchase and investment plan or a deferred incentive plan, to make deposits of up to 10% of the employees' profit sharing earnings with the company matching 50% of the deposits up to the first 4% of profit sharing earnings.

Expenses incurred under the above compensation plans (excluding base salary) were approximately $19.2 million, $16.1 million and $14.8 million in fiscal 1983, 1982 and 1981, respectively.

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13. Retirement plans:
Noncontributory retirement plans are provided for both salaried and hourly employees of the company and certain subsidiaries. Benefits for salaried employees are based on final average compensation, including certain incentive compensation, and years of credited service. The hourly plans include various monthly amounts for each year of credited service. All retirement plans conform with the provisions of the Employee Retirement Income Security Act of 1974

Expenses incurred for retirement plans were $14.1 million, $17.1 million and $15.2 million in fiscal 1983, 1982 and 1981, respectively.

The accumulated plan benefits and net assets for all retirement plans are:

	May 31	
	1983	1982
	(In millions)	
Actuarial present value of accumulated plan benefits:		
Vested	**$140.0**	$128.7
Nonvested	**21.3**	19.3
	$161.3	$148.0
Net assets available for benefits	**$256.4**	$194.1

The rate of return used in determining the actuarial present value of accumulated plan benefits was 8.0%, except for those benefits at May 31, 1983 and 1982 which are matched to a dedicated bond portfolio yielding 15.25%.

14. Other commitments and contingent liabilities:
In May of 1981, a jury in the United States District Court for Northern District of Illinois returned a verdict against the company and Wilton Enterprises, a former division of the company engaged in the cake decorating supplies business, in the amount of $1.49 million in connection with antitrust claims alleged by Parrish's Inc., a competitor. The law provides for trebling of the claimed damages and the assessment of attorney fees. The company continues to believe that the claims are without merit and is contesting the claims through appeal.

The company and certain of its subsidiaries are parties to additional legal proceedings arising in the conduct of business.

In the opinion of management, disposition of these matters will not materially affect the company's consolidated financial position.

15. Industry segment data:
A summary by industry segment is included on page 26.

16. Interim results of operations (unaudited):
A summary by quarter is included on page 27.

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17. Information on effects of changing prices and inflation (unaudited):

Consolidated statement of earnings adjusted for changing prices, year ended May 31, 1983

	As reported in the primary statements	As adjusted for general inflation (constant dollar)	As adjusted for changes in specific prices (current cost)
	(In millions except per share amounts)		
Net sales	$3,685.9	$3,685.9	$3,685.9
Cost of sales (excluding depreciation expense)	2,497.5	2,510.7	2,519.3
Depreciation expense	105.5	139.5	133.7
Selling, general and administrative expenses (excluding depreciation expense)	813.3	813.3	813.3
Interest expense, net	39.4	29.4	39.4
	3,455.7	3,502.9	3,505.7
Earnings before taxes on income	230.2	183.0	180.2
Taxes on income	91.3	91.3	91.3
Net earnings	$ 136.9	$ 91.7	$ 88.9
Net earnings per share	$ 6.3[illegible]	$ 4.23	$ 4.10
Gain from decline in purchasing power of net amounts owed		20.7	20.7
Increase in prices of inventory and property, plant and equipment, net held during the year		57.4	115.5
Foreign currency translation adjustment loss			(12.0)
Net assets at year-end	956.4	1,290.7	1,248.2

At May 31, 1983 current cost of inventory is $397.2 million and property, plant and equipment, net is $1,331.6 million.

Five-year comparison of selected financial data adjusted for general inflation
(average fiscal 1983 dollars)

	Year ended May 31				
	1983	1982	1981	1980	1979
	(In millions except per share amounts)				
Net sales	**$3,685.9**	$3,543.3	$3,762.0	$3,867.8	$3,122.9
Historical cost information adjusted for general inflation:					
Net earnings	**91.7**	77.4	65.6	36.4	
Net earnings per share	**4.23**	3.57	3.27	1.81	
Net assets at year-end	**1,290.7**	1,297.4	1,208.2	1,175.8	
Historical cost information adjusted for changes in specific prices:					
Net earnings	**88.9**	85.1	54.1	62.4	
Net earnings per share	**4.10**	3.93	2.69	3.11	
Excess (deficit) of increase in general price level over increase in specific prices	**([illegible])**	44.5	29.4	63.9	
Foreign currency translation adjustment loss	**(12.0)**	(4.8)			
Net assets at year-end	**1,248.2**	1,237.2	1,157.0	1,193.5	
Gain from decline in purchasing power of net amounts owed	**20.7**	43.9	71.0	117.6	
Cash dividends per share	**2.42**	2.28	2.20	2.13	2.10
Market price per share at year-end	**[illegible]**	45⅝	44⅝	38¼	44¼
Average consumer price index	**298.4**	280.3	257.5	230.0	203.[illegible]

Historical cost financial statements may not adequately measure the effects of inflation.

The preceding information attempts to remeasure certain historical cost data under two different required methods—"general inflation", using the Consumer Price Index as a broad-based measure; and "changes in specific prices", using current cost indexes as a specific price based measure. Both methods involve the use of assumptions and estimates, and therefore, should not be interpreted as highly reliable indicators of the effects of inflation.

Net earnings have been adjusted only for remeasured depreciation expense and cost of sales. No adjustments have been made to the provisions for income taxes, thus making the effective tax rates much higher than reported in the primary financial statements. If taxes on income were adjusted (using the primary statement effective tax rate of 39.7 percent), net earnings would increase $18.5 million (86 cents per share) under constant dollar remeasurement, and $19.8 million (91 cents per share) under current cost remeasurement.

The company believes that the specific price method results in a more appropriate matching of revenues and inflation adjusted expenses than the general inflation method. Therefore, in the segment analysis we have shown only the effects of current cost remeasurement.

Approximately two-thirds of the adjustment to Consumer Foods' operating profit is due to higher cost of sales. Inventories turn over only about three times per year causing a delay in reflecting increasing costs.

Restaurants' adjustment to operating profit is due almost exclusively to higher depreciation expense, reflecting increasing costs of replacing their substantial investment in depreciable assets.

Agri-Products' inventory turns over rapidly and depreciation expense is relatively low, due to a high percentage of fully depreciated assets. Therefore, their primary statements more closely approximate current cost remeasurements.

Industry segment data adjusted for changing prices	Year ended May 31, 1983 As reported in the primary statements	 As adjusted for changes in specific prices (current cost)
	(In millions)	
Operating profit:		
Consumer Foods	$ 139.4	$ 107.4
Restaurants	135.3	119.7
Agri-Products	16.4	14.3
Corporate	(21.5)	(21.8)
Total	269.6	219.6
Depreciation expense:		
Consumer Foods	33.0	43.8
Restaurants	54.7	68.1
Agri-Products	13.6	17.3
Corporate	4.2	4.5
Total	105.5	133.7
Identifiable assets:		
Consumer Foods	725.4	804.5
Restaurants	1,025.7	1,189.9
Agri-Products	486.1	525.5
Corporate	129.4	131.6
Total	2,366.6	2,651.5

The Pillsbury Company and Subsidiaries
Condensed Statements of Earnings

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	Consolidated 1983	Consolidated 1982	Parent company and nonrestaurant subsidiaries 1983	Parent company and nonrestaurant subsidiaries 1982	Restaurant subsidiaries 1983	Restaurant subsidiaries 1982
	Year ended May 31 (In millions)					
Net sales	**$3,685.9**	$3,385.1	**$2,191.6**	$2,105.8	**$1,494.3**	$1,279.3
Costs and expenses:						
Cost of sales	**2,589.5**	2,389.7	**1,446.5**	1,404.4	**[illegible]43.0**	985.3
Selling, general and administrative expenses	**826.8**	728.1	**612.0**	551.8	**214.8**	176.3
Interest expense, net	**39.4**	39.3	**21.4**	22.9	**18.0**	16.4
	3,455.7	3,157.1	**2,079.9**	1,979.1	**1,375.8**	1,178.0
Earnings before taxes on income	**230.2**	228.0	**111.7**	126.7	**118.5**	101.3
Taxes on income	**91.3**	91.7	**34.6**	46.4	**56.7**	45.3
Net earnings	**$ 138.9**	$ 136.3	**$ 77.1**	$ 80.3	**$ 61.8**	$ 56.0

Exclusive of intercompany transactions.

Condensed Balance Sheets

	Consolidated 1983	Consolidated 1982	Parent company and nonrestaurant subsidiaries 1983	Parent company and nonrestaurant subsidiaries 1982	Restaurant subsidiaries 1983	Restaurant subsidiaries 1982
	May 31 (In millions)					
Assets						
Current assets:						
Cash and marketable securities	**$ 129.6**	$ 179.6	**$ 73.5**	$ 107.0	**$ 56.1**	$ 72.6
Receivables	**330.6**	373.5	**250.0**	283.2	[illegible]	90.3
Inventories	**390.7**	389.7	**362.8**	359.1	**27.9**	30.6
Other	**150.7**	190.2	**145.2**	184.1	**5.5**	6.1
Total current assets	**1,021.6**	1,133.0	**831.5**	933.4	**190.1**	199.6
Property, plant and equipment	**1,053.2**	1,009.0	**470.5**	451.9	**582.7**	557.1
Net investment in direct financing leases	**178.7**	171.7			**178.7**	17[illegible].7
Other assets	**113.1**	114.6	**44.3**	52.0	**68.8**	62.6
	$2,366.6	$2,428.3	**$1,346.3**	$1,437.3	**$1,020.3**	$ 991.0
Liabilities and Stockholders' Equity						
Current liabilities:						
Notes payable	**$ 10.5**	$ 20.1	**$ 10.5**	$ 20.1		
Current portion of long-term debt	**32.8**	50.9	**12.9**	31.7	**$ 19.9**	$ 19.2
Accounts payable and accrued liabilities	**640.8**	694.1	**510.1**	572.6	**130.7**	121.5
Taxes on income	**20.8**	51.4	**(2.1)**	30.1	**22.9**	21.3
Total current liabilities	**704.9**	816.5	**531.4**	654.5	**173.5**	162.0
Long-term debt	**572.4**	597.1	**178.6**	178.6	**393.8**	418.5
Deferrals	**132.9**	124.7	**86.8**	79.2	**46.1**	45.5
Stockholders' equity	**956.4**	890.0	**549.5**	525.0	**406.9**	365.0
	$2,366.6	$2,428.3	**$1,346.3**	$1,437.3	**$1,020.3**	$ 991.0

Exclusive of intercompany balances.

The Pillsbury Company and Subsidiaries
Condensed Changes in Financial Position

	Year ended May 31					
	Consolidated		Parent company and nonrestaurant subsidiaries		Restaurant subsidiaries	
	1983	1982	**1983**	1982	**1983**	1982
			(In millions)			
Funds provided from operations:						
Net earnings	**$ 138.9**	$ 136.3	**$ 77.1**	$ 80.3	**$ 61.8**	$ 56.0
Charges to income not requiring working capital:						
Depreciation and amortization	**108.8**	95.7	**51.3**	45.1	**57.5**	50.6
Deferred taxes on income	**(4.3)**	15.6	**(.8)**	3.1	**(3.5)**	12.5
	243.4	247.6	**127.6**	128.5	**115.8**	119.1
Funds from (used for) changes in working capital	**(22.5)**	48.5	**(26.3)**	31.9	**3.8**	16.6
Funds from conversion of noncurrent assets	**108.2**	69.4	**41.3**	[illegible]	**66.9**	38.7
Utilization of funds for investment activities:						
Additions to property, plant and equipment	**(243.9)**	(208.5)	**(79.9)**	(81.7)	**(164.0)**	(126.8)
Additions to other assets	**(36.0)**	(54.8)	**(12.5)**	(23.3)	**(23.5)**	(31.5)
Noncurrent assets of acquired companies		(22.5)		(22.5)		
	(279.9)	(285.8)	**(92.4)**	(127.5)	**(187.5)**	(158.3)
Funds generated (utilized) before financing activities	**49.2**	79.7	**50.2**	63.6	**(1.0)**	16.1
Funds from (used for) financing activities:						
Increase in long-term debt	**30.2**	37.6	**4.9**	7.1	**25.3**	30.5
Retirements of long-term debt	**(73.7)**	(47.7)	**(32.9)**	(29.7)	**(40.8)**	(18.0)
Increase (decrease) in notes payable	**(9.6)**	(2.4)	**(9.6)**	(2.4)		
Net benefit from tax lease	**8.9**		**8.9**			
Issuance (purchase) of common stock, net	**(2.5)**	64.5	**(2.5)**	64.5		
Cash dividends	**(52.5)**	(47.2)	**(52.5)**	(47.2)		
	(99.2)	4.8	**(83.7)**	(7.7)	**(15.5)**	12.5
Increase (decrease) in cash and marketable securities	**$ (50.0)**	$ 84.5	**$(33.5)**	$ 55.9	**$ (16.5)**	$ 28.6

Exclusive of intercompany transactions.

[redacted]

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Ten Year Financial Information

Annual Growth Rate 10-Yr. 1973-1983	5-Yr. 1978-1983	1-Yr. 1982-1983		1983
			Operations:	
17%	17%	9%	Net sales	$3,685.9
17	10	1	Earnings from continuing businesses before taxes on income	230.2
19	14	2	Earnings from continuing businesses	138.9
19	14	2	Net earnings	133.9
4	4	—	Average common shares outstanding	21.7
			Per common share:	
15	9	2	Earnings from continuing businesses	$ 6.39
14	9	2	Net earnings	6.39
12	14	11	Cash dividends	2.42
17	19	14	Depreciation expense	105.5
17	15	15	Research and development expense	29.8
15	14	(1)	Advertising expense	99.1
			Changes in financial position:	
16	13	(2)	Funds provided from operations	$ 243.4
(2)	(14)	(14)	Issuance of long-term debt	30.2
13	13	17	Capital expenditures	243.9
20	20	11	Cash dividends	52.5
16	19	55	Retirements of long-term debt	73.7
			Financial position:	
14	8	(10)	Current assets	$1,021.6
15	9	(14)	Current liabilities	704.9
12	8	—	Working capital	316.7
16	17	4	Property, plant and equipment, net	1,053.2
13	14	(4)	Long-term debt	572.4
16	16	7	Stockholders' equity	956.4
15	15	3	Invested capital and capitalization	1,661.7
15	13	(3)	Total assets	2,366.6
			Statistics and ratios:	
			Current ratio	1.4
			Pretax interest and rent coverage:	
			Parent and nonrestaurant subsidiaries	2.1
			Restaurant subsidiaries	2.4
			Pretax long-term interest coverage:	
			Parent and nonrestauant subsidiaries	6.1
			Restaurant subsidiaries	3.6
			Gross margin to net sales	29.7%
			Pretax earnings from continuing businesses to net sales	6.2%
			Return on average equity	15.0%
			Return on average invested capital	18.2%
			Dividends to net earnings	37.8%
			Long-term debt to total capitalization:	
			Parent and nonrestaurant subsidiaries	32%
			Restaurant subsidiaries	47%
			Equity per common share	$ 44.19
			Market price of common stock—high	61¼
			—low	33⅞
			Common stockholders	19,100
			Employees: Restaurant subsidiaries	41,500
			Pillsbury and other domestic subsidiaries	11,200
			Foreign subsidiaries	3,500
			Total	56,200

Year ended May 31

1982	1981	1980	1979	1978	1977	1976	1975	1974
(Amounts in millions except per share, stockholders and employees)								
$3,385.1	$3,301.7	$3,032.0	$2,166.0	$1,704.9	$1,521.5	$1,466.1	$1,347.5	$1,127.8
228.0	201.9	191.8	160.3	142.1	123.8	107.4	81.7	62.7
136.3	119.6	104.7	83.5	71.3	62.5	53.2	42.1	32.1
136.3	119.6	104.7	83.5	72.5	62.5	45.3	39.8	34.0
21.7	20.1	20.1	18.1	17.5	17.4	16.4	15.4	15.4
$ 6.29	$ 5.95	$ 5.22	$ 4.62	$ 4.07	$ 3.59	$ 3.25	$ 2.73	$ 2.07
6.29	5.95	5.22	4.62	4.14	3.59	2.77	2.58	2.20
2.18	1.93	1.67	1.46	1.25	1.12	.975	.88	.805
92.8	89.4	78.4	55.2	44.4	40.4	38.9	32.5	25.7
25.9	21.3	19.4	17.3	14.5	14.3	10.3	7.4	6.6
99.8	95.7	99.9	69.6	52.4	49.2	45.8	31.0	31.5
$ 247.6	$ 226.8	$ 182.1	$ 152.5	$ 129.5	$ 114.2	$ 93.1	$ 85.1	$ 72.4
35.2	98.3	79.3	154.8	63.3	63.8	42.7	38.7	55.2
208.5	226.5	254.1	230.2	134.1	120.9	83.8	100.6	117.2
47.2	38.7	33.5	26.4	21.4	18.7	13.4	10.6	9.1
47.7	37.9	28.7	15.8	30.9	26.6	32.7	9.9	7.5
$1,133.0	$ 989.9	$ 938.8	$ 906.6	$ 690.6	$ 624.9	$ 506.7	$ 377.7	$ 376.6
816.5	687.6	680.1	629.8	461.9	413.6	318.1	252.6	267.2
316.5	302.3	258.7	276.8	213.7	211.3	188.6	125.1	109.4
1,009.0	950.6	857.4	741.5	486.5	428.8	366.4	349.1	304.4
597.1	631.0	552.0	509.2	298.0	267.2	228.1	243.7	216.8
890.0	747.2	664.5	577.7	452.1	401.6	352.7	260.9	232.4
1,611.8	1,486.9	1,303.6	1,174.7	820.9	725.5	629.2	540.5	474.1
2,428.3	2,174.5	1,983.7	1,804.5	1,282.8	1,139.1	947.3	793.1	741.3
1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.5	1.4
2.1	2.2	2.3	3.6	5.0	5.7	4.5	3.3	3.2
2.3	2.2	2.4	2.5	2.5	2.5	2.3	2.2	2.4
7.1	7.8	7.6	10.9	14.6	14.8	9.9	8.5	7.6
3.2	3.4	3.7	3.7	3.6	3.6	3.5	3.1	3.5
29.4%	27.7%	28.0%	29.0%	29.2%	29.2%	27.9%	23.6%	24.0%
6.7%	6.1%	6.3%	7.4%	8.3%	8.1%	7.3%	6.1%	5.5%
16.6%	16.9%	16.9%	16.2%	17.0%	16.6%	14.8%	16.1%	15.4%
19.0%	18.4%	19.3%	19.6%	22.2%	21.6%	19.4%	19.1%	18.8%
34.6%	32.4%	32.0%	31.6%	30.0%	29.9%	29.6%	26.7%	26.9%
23%	31%	27%	31%	19%	20%	20%	32%	34%
50%	54%	56%	57%	55%	56%	57%	61%	62%
$ 41.03	$ 37.19	$ 33.15	$ 29.50	$ 25.84	$ 22.95	$ 20.51	$ 16.92	$ 15.05
46¾	45⅝	41¼	47¾	41¼	44½	43⅝	31¼	25⅛
35	31¼	27⅛	32	33½	34⅝	31	15¾	17¾
20,200	20,700	21,200	20,000	14,300	14,300	13,900	12,200	12,300
40,400	44,100	42,200	42,000	31,900	29,200	26,400	16,400	14,100
11,400	12,800	13,900	12,800	9,400	8,200	8,100	7,400	8,300
3,400	3,100	3,400	3,300	3,000	3,000	3,100	3,200	3,900
55,200	60,000	59,500	58,100	44,300	40,400	37,600	27,000	26,300

Corporate Data

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General Offices
Pillsbury Center
200 South Sixth St.
Minneapolis, Mn. 55402
Telephone (612) 330-4966
Cable address: PILLS MPLS

Transfer Agent and Registrar
First National Bank
of Minneapolis
120 South Sixth St.
Minneapolis, Mn. 55480

Annual Meeting
The annual meeting will be held at the Guthrie Theater, 725 Vineland Place, Minneapolis, Mn., at 2 p.m. Central Daylight Time, Tuesday, September 13, 1983.

Stockholder Inquiries
Stockholders interested in the current progress of the company are invited to telephone Investor Relations at (612) 330-5189.

Stock Listing
Pillsbury common stock is listed on the New York Stock Exchange and the Midwest Stock Exchange under the symbol PSY.

Dividend Reinvestment
The Automatic Dividend Reinvestment Plan permits stockholders to reinvest their dividends in Pillsbury common stock automatically, regularly and conveniently—without service charges or brokerage fees. In addition, participating stockholders may make limited periodic cash investments for the purchase of additional Pillsbury common stock on the same fee-free basis. The Plan is voluntary. Stockholders may join or withdraw at any time. Full details about the Plan are available by writing to: First National Bank of Minneapolis, Attention: Dividend Reinvestment Department, P.O. Box A799, Minneapolis, Mn. 55480.

Availability of Form 10K
Stockholders may obtain without charge and exclusive of exhibits, a copy of the 1983 Form 10K Annual Report, which is an annual filing with the Securities and Exchange Commission, by writing to Investor Relations, The Pillsbury Company, Pillsbury Center, 200 South Sixth St., Minneapolis, Mn. 55402.

Corporate Officers

Executive Office

William H. Spoor†
Chairman of the Board
and Chief Executive Officer

Winston R. Wallin†
President and
Chief Operating Officer

Richard A. Coonrod
Executive Vice President
and President,
Agri-Products Group

Roger L. Headrick
Executive Vice President
and Chief Financial Officer

John M. Stafford†
Executive Vice President
and President,
Consumer Foods Group

Edward C. Stringer
Executive Vice President
and General Counsel

John L. Morrison
Group Vice President and
General Manager,
International Group

Paul J. Kelsey
Senior Vice President,
Controller and Secretary

Jerry W. Levin
Senior Vice President,
Corporate Development

J. Jeffrey Campbell
Vice President and
Chairman and Chief Executive
Officer, Burger King Corporation

Hal W. Smith
Vice President and
Chairman and Chief Executive
Officer, S&A Restaurant Corp.

† Member, Board of Directors

Staff Officers

James R. Behnke
Vice President, Technology

Richard T. Crowder
Vice President and
Corporate Economist

Robert H. Sayre
Vice President, Personnel
and Organization Planning

Charles S. Olcott
Vice President,
Investor Relations and Treasurer

Allan E. Fonfara
Vice President, Accounting and
Control and Assistant Controller

L. Charles Bartz
Assistant Treasurer

John E. Bohan
Assistant Treasurer

Frances I. Gamble
Assistant Treasurer

Ronald E. Lund
Assistant General Counsel
and Assistant Secretary

Thomas E. Murphy
Assistant Treasurer

C. Thomas Newberry
Assistant Controller

Lisa M. Rodysill
Assistant Secretary

John E. Haaland
Vice President,
Environmental Systems

John M. Hammitt
Vice President,
Information Management

Kenneth A. Johnson
Vice President and Tax Counsel

Walter R. Mulhall
Vice President,
Public Relations

Gerald L. Olson
Vice President,
Public Affairs

Dan C. Rengers
Vice President,
Industrial Relations

Lyle T. Walker
Vice President,
Administrative Services

Robert G. Walker
Vice President,
Engineering

Virginia L. Ward
Vice President,
Human Resources

The Pillsbury Company
Pillsbury Center
Minneapolis, Minnesota 55402

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Exhibit (22)

Exhibit (22)

THE PILLSBURY COMPANY
SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction in which organized
Burger King Corporation and Subsidiaries 13 domestic subsidiaries 16 foreign subsidiaries (Included in the Restaurants segment and operating primarily under the name Burger King)	Florida
S&A Restaurant Corp. and Subsidiaries 137 domestic subsidiaries (Included in the Restaurants segment and operating primarily under the names Steak and Ale or Bennigan's)	Delaware
Green Giant Company and Subsidiaries 18 domestic subsidiaries 3 foreign subsidiaries (Included in the Consumer Foods segment and operating primarily under the name Green Giant)	Delaware
Pillsbury Grain Export, Inc. (A Domestic International Sales Corporation (DISC) included in the Agri-Products segment and operating primarily under the name as stated)	Delaware

The names of subsidiaries which, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary, are omitted.

Exhibit (24)

Exhibit (24)

ACCOUNTANTS' CONSENT

We consent to the incorporation by reference in Post-Effective Amendment No. 9 to Registration Statement No. 2-51869 on Form S-8, in Registration Statement No. 2-79351 on Form S-8, in Registration Statement No. 2-79365 on Form S-8, and in Registration Statement No. 2-79467 on Form S-3 of our report dated June 23, 1983 (July 11, 1983 as to Note 1) on the examination of the consolidated financial statements of The Pillsbury Company and subsidiaries for each of the three years in the period ended May 31, 1983, included in the Annual Report on Form 10-K for the year ended May 31, 1983 and to the use of our name and the statements with respect to us appearing under the heading "Experts" in the prospectuses constituting parts of these Registration Statements.

Touche Ross & Co.

TOUCHE ROSS & CO.
Certified Public Accountants

August 24, 1983
Minneapolis, Minnesota

Exhibit (25)

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 5th day of Aug., 1983.

W H Blumenthal
Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of ____________________, 1983.

Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

[signature]
Director/Officer

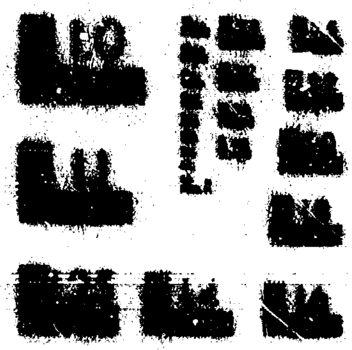
THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

____
Director/Officer



THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 8 day of June, 1983.

James Wm. Anderson
Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 1st day of June, 1983.

[signature]
Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

[signature]

Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7 day of June, 1983.

George S Pillsbury
Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7 day of June, 1983.

F. A. Schoellkopf

Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

[signature]
Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

William H. Spoor

Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

[signature]

Director/~~Officer~~

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THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

Winston R. Wallin

Director/Officer

196

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THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

[signature]

Director/Officer

THE PILLSBURY COMPANY

POWER OF ATTORNEY
OF DIRECTOR AND/OR OFFICER

KNOW ALL MEN BY THESE PRESENTS, that the undersigned director and/or officer of THE PILLSBURY COMPANY, a Delaware corporation, does hereby make, constitute and appoint William H. Spoor, Winston R. Wallin, Roger L. Headrick, Paul J. Kelsey and Edward C. Stringer, and each or any one of them, the undersigned's true and lawful attorneys-in-fact, with power of substitution, for the undersigned and in the undersigned's name, place and stead, to sign and affix the undersigned's name as such director and/or officer of said Corporation to a "Form 10-K, Annual Report pursuant to Section 13 and 15(d) of the Securities Exchange Act of 1934", for the fiscal year ended May 31, 1983, or other applicable form, including any and all Exhibits, Schedules, Supplements and supporting documents thereto, including, but not limited to, the "Form 11-K Annual Reports of Employee Stock Purchase Savings and similar plans pursuant to Section 15(d) of the Securities Exchange Act of 1934", and all amendments, supplementations and corrections thereto, to be filed by said Corporation with the Securities and Exchange Commission, Washington, D.C. as required in connection with its registration under the Securities Exchange Act of 1934, as amended, granting unto said attorneys-in-fact, and each of them, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

IN WITNESS WHEREOF, the undersigned has hereunto set the undersigned's hand as of this 7th day of June, 1983.

Peter G. Wray
Director/Officer

END