

# WLR FOODS INC

Filed by  
**TYSON FOODS INC**

## FORM SC 13D/A

(Amended Statement of Beneficial Ownership)

Filed 03/09/94

Address	P O BOX 7000 BROADWAY, VA 22815
Telephone	5408967001
CIK	0000760775
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**SCHEDULE 14D-1**

**AND**

**SCHEDULE 13D**  
**(AMENDMENT NO. 1)**

**TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1)**  
**OF THE SECURITIES EXCHANGE ACT OF 1934**

**WLR FOODS, INC.**

(Name of Subject Company)

**WLR ACQUISITION CORP.**

(Bidder)

**Common Stock, no par value**

(Title of Class of Securities) 929286 10 2  
(CUSIP Number of Class of Securities) James B. Blair  
Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, Arkansas 72762-6999

Telephone Number (501) 290-4000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Bidders)

**Copies to:**

Leslie A. Grandis, Esq.  
McGuire, Woods, Battle & Boothe  
One James Center  
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Richmond, Virginia 23219  
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1 Chase Manhattan Plaza  
New York, New York 10005  
Telephone: (212) 530-5000

**CALCULATION OF FILING FEE**

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=====
Transaction Value*                               Amount of Filing Fee**
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$311,013,900.00.....                          $62,202.78
=====
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\* Pursuant to, and as provided by, Rule 0-11(d), this amount is based upon the purchase, at \$30.00 per share, net to the seller in cash, of 10,367,130 shares of Common Stock of WLR Foods, Inc., which is equal to (i) the number of Shares (10,967,193) outstanding as reported in the Quarterly Report on Form 10-Q of WLR Foods, Inc. for the fiscal quarter ended January 1, 1994, minus (ii) the number of Shares (600,063) beneficially owned by WLR Acquisition Corp. and its affiliates on the date hereof.

\*\* 1/50 of 1% of the Transaction Valuation

// Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A  
Form or Registration No.: N/A  
Filing Party: N/A  
Date Filed: N/A



-----

1 NAME OF REPORTING PERSONS  
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
  
 TYSON FOODS, INC.

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(A) / /  
 (B) /x/

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC, BK

-----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f)

/ /

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

-----

7 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

600,063 COMMON SHARES

-----

8 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) //

**9 % OF CLASS REPRESENTED BY AMOUNT IN ROW (7)**

5.47%

---

10 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

**CO**

---

-----  
 1 NAME OF REPORTING PERSONS  
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
  
 WLR ACQUISITION CORP.  
 -----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (A) / /  
 (B) /X/  
 -----

3 SEC USE ONLY  
 -----

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)  
  
 BK  
 -----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f) / /  
 -----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
  
 DELAWARE  
 -----

7 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
 600,000 COMMON SHARES  
 -----

8 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) //

**9 % OF CLASS REPRESENTED BY AMOUNT IN ROW (7)**

5.47%

---

10 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

**CO**

---

-----

1 NAME OF REPORTING PERSONS  
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
  
 TYSON LIMITED PARTNERSHIP

-----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(A) / /  
 (B) /X/

-----

3 SEC USE ONLY

-----

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

NOT APPLICABLE

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f)

/ /

-----

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

-----

7 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

600,063 COMMON SHARES

-----

8 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) //

**9 % OF CLASS REPRESENTED BY AMOUNT IN ROW (7)**

5.47%

---

10 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

**PN**

---

-----  
 1 NAME OF REPORTING PERSONS  
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
 MR. DON TYSON  
 -----

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (A) / /  
 (B) /X/  
 -----

3 SEC USE ONLY  
 -----

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)  
 NOT APPLICABLE  
 -----

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) OR 2(f) / /  
 -----

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
 UNITED STATES  
 -----

7 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 600,063 COMMON SHARES  
 -----

8 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (7) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) //

**9 % OF CLASS REPRESENTED BY AMOUNT IN ROW (7)**

5.47%

---

10 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

**IN**

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This Statement on Schedule 14D-1 relates to the offer by WLR Acquisition Corp., a Delaware corporation (the "Purchaser"), and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), to purchase all outstanding shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at a price of \$30.00 per share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 9, 1994 (the "Offer to Purchase") and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits 99.1 and 99.2, respectively (which collectively constitute the "Offer").

This Statement also constitutes Amendment No. 1 to the Statement on Schedule 13D, dated March 4, 1994, filed by the Purchaser, Tyson, Tyson Limited Partnership and Mr. Don Tyson, relating to their beneficial ownership of Shares.

#### **ITEM 1. SECURITY AND SUBJECT COMPANY.**

(a) The name of the subject company is WLR Foods, Inc., a Virginia corporation, and the address of its principal executive offices is P.O. Box 7000, Broadway, Virginia 22815.

(b) The exact title of the class of equity securities being sought in the Offer is Common Stock, no par value, of the Company. The information set forth in the Introduction to the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 ("Price Range of the Shares; Dividends") of the Offer to Purchase is incorporated herein by reference.

#### **ITEM 2. IDENTITY AND BACKGROUND.**

(a)-(d), (g) This Statement is filed by the Purchaser and Tyson. The information set forth in the Introduction and Section 9 ("Certain Information Concerning the Purchaser and Tyson") of, and Schedule I to, the Offer to Purchase is incorporated herein by reference.

(e)-(f) Neither the Purchaser nor Tyson nor, to their knowledge, any of the persons listed in Schedule I to the Offer to Purchase, has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

#### **ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.**

(a) The information set forth in Section 9 ("Certain Information Concerning the Purchaser and Tyson") of the Offer to Purchase is incorporated herein by reference.

(b) The information set forth in the Introduction, Section 9 ("Certain Information Concerning the Purchaser and Tyson") and Section 11 ("Background of the Offer; Contacts with the Company") of the Offer to Purchase is incorporated herein by reference. Except as set forth therein, since July 1, 1990 there have been no contacts, negotiations or transactions required to be set forth in this item.

**ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.**

(a)-(b) The information set forth in Section 10 ("Source and Amount of Funds") of the Offer to Purchase is incorporated herein by reference.

(c) Not applicable.

**ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.**

(a)-(e) The information set forth in the Introduction, Section 9 ("Certain Information Concerning the Purchaser and Tyson"), Section 11 ("Background of the Offer; Contacts with the Company") and Section 12 ("Purpose of the Offer; Plans for the Company; Other Matters Relating to the Offer and the Proposed Merger") of the Offer to Purchase are incorporated herein by reference. Except as set forth therein, there are no plans or proposals required to be set forth in this item.

(f)-(g) The information set forth in Section 7 ("Effect of the Offer on the Market for the Shares; NASDAQ Quotation; Exchange Act Registration; Margin Regulations") of the Offer to Purchase is incorporated herein by reference.

**ITEM 6. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.**

(a)-(b) The information set forth in the Introduction, Section 9 ("Certain Information Concerning the Purchaser and Tyson"), Section 11 ("Background of the Offer; Contacts with the Company") and Section 12 ("Purpose of the Offer; Plans for the Company; Other Matters Relating to the Offer and the Proposed Merger") of the Offer to Purchase is incorporated herein by reference.

**ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.**

The information in the Introduction, Section 9 ("Certain Information Concerning the Purchaser and Tyson"), Section 12 ("Purpose of the Offer; Plans for the Company; Other Matters Relating to the Offer and the Proposed Merger") and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

**ITEM 8. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.**

The information set forth in the Introduction, Section 10 ("Source and Amount of Funds") and Section 16 ("Fees and Expenses") of the Offer to Purchase is incorporated herein by reference.

**ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.**

The information in Section 9 ("Certain Information Concerning the Purchaser and Tyson") of the Offer to Purchase is incorporated herein by reference.

**ITEM 10. ADDITIONAL INFORMATION.**

(a) None.

(b)-(c) The information set forth in Section 15 ("Certain Legal Matters; Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(d) The information set forth in the Introduction, Section 6 ("Price Range of the Shares; Dividends"), Section 7 ("Effect of the Offer on the Market for the Shares; NASDAQ Quotation; Exchange Act Registration; Margin Regulations"), Section 12 ("Source and Amount of Funds") and Section 15 ("Certain Legal Matters; Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(e) The information set forth in the Introduction, Section 12 ("Purpose of the Offer; Plans for the Company; Other Matters Relating to the Offer and the Proposed Merger") and Section 15 ("Certain Legal Matters; Regulatory Approvals") of the Offer to Purchase is incorporated herein by reference.

(f) The information set forth in the Offer to Purchase and the Letter of Transmittal, copies of which are attached hereto as Exhibits 99.1 and 99.2, respectively, is incorporated herein by reference.

**ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.**

- (a) 99.1 -- Offer to Purchase, dated March 9, 1994.
- 99.2 -- Letter of Transmittal.
- 99.3 -- Notice of Guaranteed Delivery.
- 99.4 -- Letter from the Information Agent to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- 99.5 -- Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- 99.6 -- Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- 99.7 -- Text of Press Releases issued by Tyson Foods, Inc., dated March 3, 1994 and March 9, 1994.
- 99.8 -- Summary Advertisement as published in THE WALL STREET JOURNAL on March 9, 1994.
- (b) 99.9 -- Commitment Letter, dated March 1, 1994 between Tyson Foods, Inc., Bank of America National Trust and Savings Association and BA Securities, Inc.
- (c) -- Not applicable.
- (d) -- Not applicable.
- (e) -- Not applicable.
- (f) -- Not applicable.

(g) Other Material.

- 99.10 -- Amended Complaint of WLR Foods, Inc., filed February 9, 1994.
- 99.11 -- Answer, Affirmative Defenses and Counterclaims of Tyson Foods, Inc., filed February 25, 1994.

**SIGNATURE**

After due inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

**WLR ACQUISITION CORP.**

By /s/ Gerald Johnston

-----  
Name: Gerald Johnston  
Title: Vice President

Dated: March 9, 1994

**TYSON FOODS, INC.**

By /s/ Gerald Johnston

-----  
Name: Gerald Johnston  
Title: Executive Vice President,  
Finance

Dated: March 9, 1994

**EXHIBIT INDEX**

Exhibit -----		Page No. -----
99.1	Offer to Purchase, dated March 9, 1994	
99.2	Letter of Transmittal	
99.3	Notice of Guaranteed Delivery	
99.4	Letter from the Information Agent to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees	
99.5	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees	
99.6	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9	
99.7	Text of Press Releases issued by Tyson Foods, Inc., dated March 3, 1994 and March 9, 1994	
99.8	Summary Advertisement as published in THE WALL STREET JOURNAL on March 9, 1994	
99.9	Commitment Letter, dated March 1, 1994, between Tyson Foods, Inc., Bank of America National Trust and Savings Association and BA Securities, Inc.	
99.10	Amended Complaint of WLR Foods, Inc., filed February 9, 1994	
99.11	Answer, Affirmative Defenses and Counterclaims of Tyson Foods, Inc., filed Febtuary 25, 1994	

**OFFER TO PURCHASE FOR CASH  
ALL OUTSTANDING SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.  
AT  
\$30.00 NET PER SHARE  
BY  
WLR ACQUISITION CORP.  
A WHOLLY-OWNED SUBSIDIARY OF  
TYSON FOODS, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK  
CITY TIME, ON FRIDAY, APRIL 8, 1994, UNLESS THE OFFER IS EXTENDED.**

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (1) THERE BEING VALIDLY TENDERED, AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE, THAT NUMBER OF SHARES WHICH, TOGETHER WITH THE SHARES BENEFICIALLY OWNED BY THE PURCHASER AND ITS AFFILIATES, REPRESENTS AT LEAST A MAJORITY OF THE TOTAL NUMBER OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS ON THE DATE OF PURCHASE, (2) THE PREFERRED SHARE PURCHASE RIGHTS HAVING BEEN REDEEMED BY THE BOARD OF DIRECTORS OF THE COMPANY OR THE PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE PREFERRED SHARE PURCHASE RIGHTS HAVE BEEN INVALIDATED OR ARE OTHERWISE INAPPLICABLE TO THE OFFER AND TO THE PROPOSED MERGER, (3) THE PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT AFTER CONSUMMATION OF THE OFFER, THE RESTRICTIONS CONTAINED IN ARTICLE 14 OF THE VIRGINIA STOCK CORPORATION ACT WILL NOT APPLY TO THE PROPOSED MERGER, AND (4) FULL VOTING RIGHTS FOR ALL SHARES ACQUIRED BY THE PURCHASER OR TYSON OR ANY OF THEIR ASSOCIATES PURSUANT TO, OR IN CONTEMPLATION OF, THE OFFER (WHICH WOULD OTHERWISE BE DENIED VOTING RIGHTS UNDER ARTICLE 14.1 OF THE VIRGINIA STOCK CORPORATION ACT) HAVING BEEN APPROVED AT A SPECIAL MEETING OF SHAREHOLDERS OF THE COMPANY OR THE PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT ARTICLE 14.1 OF THE VIRGINIA STOCK CORPORATION ACT IS INAPPLICABLE TO THE PURCHASER OR TYSON OR ANY OF THEIR ASSOCIATES OR THE ACQUISITION OF SHARES BY ANY OF THEM. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE THE INTRODUCTION AND SECTIONS 1 AND 14.

**IMPORTANT**

Any shareholder desiring to tender all or any portion of his Shares should either (1) complete and sign the Letter of Transmittal or a facsimile thereof in accordance with the instructions in the Letter of Transmittal and mail or deliver it with the certificate(s) representing tendered Shares and any other required documents to the Depositary or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3, or (2) request his broker, dealer, commercial bank, trust company or other nominee to effect the transaction for him. A shareholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if he desires to tender such Shares.

A shareholder who desires to tender Shares and whose certificates representing such Shares are not immediately available, or who cannot comply in a timely manner with the procedures for book-entry transfer, should tender such Shares by following the procedures for guaranteed delivery set forth in Section 3.

Questions and requests for assistance or for additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to MacKenzie Partners, Inc., the Information Agent, at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Shareholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

March 9, 1994

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To the Holders of Shares of Common Stock of WLR Foods, Inc.:

## INTRODUCTION

WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), hereby offers to purchase all outstanding shares of common stock, no par value (the "Shares" or "Common Stock"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at \$30.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which together constitute the "Offer"). Tendering shareholders will not be obligated to pay brokerage commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the purchase of Shares by the Purchaser pursuant to the Offer. The Purchaser will pay all charges and expenses of IBJ Schroder Bank & Trust Company, which is acting as the Depository (the "Depository"), and MacKenzie Partners, Inc., which is acting as the Information Agent (the "Information Agent"), incurred in connection with the Offer. See Section 16.

According to the Company's Registration Statement on Form 8-A (the "Company 8-A") filed on February 7, 1994 with the Securities and Exchange Commission (the "Commission"), on February 4, 1994, the Board of Directors of the Company declared a dividend distribution of one preferred share purchase right (a "Right") in respect of each outstanding Share, payable to shareholders of record on February 14, 1994, pursuant to a Shareholder Protection Rights Agreement, dated as of February 4, 1994 (the "Rights Agreement"), between the Company and First Union National Bank of North Carolina, as Rights Agent. Except to the extent that Rights are evidenced by certificates representing Shares ("Share Certificates"), the Purchaser is not offering to purchase (nor will tenders be accepted of) the Rights pursuant to the Offer. Accordingly, shareholders who sell their Rights separately from their Shares or who acquire Shares without acquiring the associated Rights will be able to effect a valid tender of Shares without delivering certificates representing Rights ("Rights Certificates"), in the event Rights Certificates are distributed by the Company.

The purpose of the Offer is for Tyson, through the Purchaser, to acquire control of, and the entire equity interest in, the Company. Tyson currently intends, as soon as practicable following consummation of the Offer, to propose and seek to have the Company consummate a merger or similar business combination (the "Proposed Merger") with the Purchaser or another direct or indirect wholly-owned subsidiary of Tyson, pursuant to which each Share then outstanding (other than Shares held by the Purchaser, Tyson or any of their affiliates, Shares held by any subsidiary of the Company and Shares held by shareholders who perfect their dissenters' rights under the Virginia Stock Corporation Act (the "VSCA")) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer. See Section 12.

On January 24, 1994, the Chairman of Tyson proposed in writing to the Board of Directors of the Company the acquisition of the Company by means of a merger in which each Share would be exchanged for \$30.00 per Share in cash and, in addition, indicated that Tyson would be willing to negotiate other possible ways of merging if a tax-free reorganization would be more desirable for a significant number of the Company's shareholders. On the day following receipt of Tyson's proposal, the President and Chief Executive Officer of the Company sent a letter to the Company's shareholders which stated that, although the Company's Board of Directors would meet to evaluate Tyson's proposal, the proposal was "totally unsolicited, unwanted and out of line with [the Company's] long-term business plans and corporate philosophy." Such letter also stated that the Company is "not for sale." On February 6, 1994, the Company announced that at a meeting of the Company's Board of Directors held on February 4, 1994 (the "February 4 Board Meeting") the Company's Board of Directors rejected Tyson's proposal. In a letter to shareholders, dated February 6, 1994, announcing such rejection, it was stated that the Company's Board of Directors "believes it is in the best long-term interests of [the Company] and its shareholders for the Company to remain independent."

In connection with the Company's rejection of Tyson's proposal on February 4, 1994, the Company and its Board of Directors took a number of defensive actions in apparent anticipation of the Offer. On February 6, 1994, the Company announced that at the February 4 Board Meeting the

Company's Board of Directors adopted a shareholder protection rights plan and declared a dividend of the Rights. Also on February 6, 1994, the Company commenced an action against Tyson in the United States District Court for the Western District of Virginia (the "District Court") seeking declaratory and injunctive relief (the "Virginia Action"). See Section 15. On February 15, 1994, the Company disclosed in its Quarterly Report on Form 10-Q for the fiscal quarter ended January 1, 1994 (the "January 10-Q") that certain additional actions were taken at or in connection with the February 4 Board Meeting, including the adoption of lucrative "golden parachute" severance agreements with certain executives, as well as severance arrangements for all salaried and hourly clerical employees of the Company, and, as more fully described below, the implementation of a series of actions affecting four members of the Company's Board of Directors pursuant to which the Company purports to be able to take the position that these directors are not officers or employees of the Company. In light of the Company's response to Tyson's proposal and its refusal to enter into any discussions with Tyson, Tyson determined to commence the Offer. See Section 11.

The Offer is conditioned upon, among other things, (1) there being validly tendered, and not withdrawn prior to the Expiration Date (as hereinafter defined), that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents at least a majority (the "Minimum Number of Shares") of the total number of Shares outstanding on a fully diluted basis on the date of purchase (the "Minimum Condition"), (2) the Rights having been redeemed by the Board of Directors of the Company or the Purchaser being satisfied, in its sole discretion, that the Rights have been invalidated or are otherwise inapplicable to the Offer and to the Proposed Merger (the "Rights Condition"), (3) the Purchaser being satisfied, in its sole discretion, that after consummation of the Offer, the restrictions contained in Article 14 of the VSCA (the "Virginia Affiliated Transactions Law") will not apply to the Proposed Merger (the "Affiliated Transaction Condition"), and (4) full voting rights for all Shares acquired by the Purchaser or Tyson or any of their associates pursuant to, or in contemplation of, the Offer (which would otherwise be denied voting rights under Article 14.1 of the VSCA (the "Virginia Control Share Act")) having been approved at a special meeting of shareholders of the Company or the Purchaser being satisfied, in its sole discretion, that the Virginia Control Share Act is inapplicable to the Purchaser or Tyson or any of their associates or the acquisition of Shares by any of them (the "Control Share Condition"). The Offer is also subject to other terms and conditions contained in this Offer to Purchase. See Sections 1 and 14.

Tyson and the Purchaser beneficially own an aggregate of 600,063 Shares on the date hereof. According to the January 10-Q, 10,967,193 Shares were outstanding as of February 1, 1994. On the basis of this figure, the Shares beneficially owned by Tyson and the Purchaser represent approximately 5.47% of the Shares outstanding on a primary basis. 600,000 of such Shares were acquired by Tyson in open-market transactions for prices not exceeding \$29.375 per Share (net of brokerage commissions), and were contributed by Tyson to the Purchaser on March 1, 1994.

Apart from the requirements of the Virginia Affiliated Transactions Law discussed below, consummation of the Proposed Merger in accordance with the VSCA would require the approval of the Board of Directors of the Company and the approval of the Company's shareholders by the affirmative vote of more than two-thirds of all the votes entitled to be cast on such matter. Assuming that the Purchaser's voting rights with respect to Shares purchased pursuant to, and in contemplation of, the Offer are not limited by operation of the Virginia Control Share Act, if the Offer is consummated the Purchaser believes that it would be able to obtain majority representation on the Company's Board of Directors at the next annual meeting of the Company's shareholders. See Section 12. The Purchaser also believes that if it were to so acquire control of the Company but did not hold more than two-thirds of the outstanding Shares following consummation of the Offer, the requisite approval of the Proposed Merger by the Company's shareholders (apart from any approval required under the Virginia Affiliated Transactions Law) could be obtained by means of the purchase of additional Shares by the Purchaser and/or the solicitation of proxies in favor of such approval from the shareholders of the Company.

The Virginia Control Share Act would purport to deny voting rights to Shares which are acquired by the Purchaser and its associates within 90 days before or after the time that the Purchaser and its associates become the beneficial owners of, and Shares which are acquired by them pursuant to a plan to acquire beneficial ownership of, a number of Shares which is at or above any of three thresholds (20%, 33 1/3% or a majority of the outstanding Shares) unless voting rights for such Shares shall have been approved by the affirmative vote of the holders of a majority of the outstanding Shares other than holders of Interested Shares (as hereinafter defined) or, among other exceptions, such acquisition is made by means of an offer made pursuant to an agreement to which the Company is a party. The Virginia Control Share Act allows, but does not require, the Purchaser to deliver to the Company a Control Share Acquisition Statement relating to the Offer and request that a special shareholders meeting be called pursuant to the Virginia Control Share Act at which shareholders (other than holders of Interested Shares) would consider whether to accord voting rights to Shares acquired by Tyson and the Purchaser in contemplation of, and proposed to be acquired by the Purchaser pursuant to, the Offer. The term "Interested Shares" means all Shares as to which the Purchaser or its associates or any officer, or director who is an employee, of the Company is entitled to exercise or direct voting power.

At or in connection with the February 4 Board Meeting, a series of actions were taken affecting four members of the Company's Board of Directors pursuant to which the Company purports to be able to take the position that these directors are not officers or employees of the Company, notwithstanding the fact that two of these directors had until such time served as Senior Vice Presidents of the Company and that the other two of these directors had served and would continue to serve as the Chairman and Vice Chairman of the Board of Directors of the Company, respectively. Based upon information publicly available on the date hereof, these four directors are the four largest shareholders on the Company's Board of Directors and beneficially own in excess of 10% of the outstanding Shares. Also at the February 4 Board Meeting, the Bylaws of the Company (the "Bylaws") were amended to specify a record date for any special shareholders meeting held pursuant to the Virginia Control Share Act, which amendment has the effect of eliminating the advance notice which would otherwise be given with respect to a record date for any meeting. Such advance notice of the record date would, among other things, better enable all shareholders to have a full and fair opportunity to vote their Shares. Tyson has asserted counterclaims in the Virginia Action which challenge the propriety and validity of all these actions. Tyson is also seeking in the Virginia Action to have the Virginia Control Share Act declared unconstitutional and invalid as applied to the Offer and the Proposed Merger. See Section 15.

The Company's Board of Directors rejected Tyson's proposal to acquire the Company purportedly on the basis of its belief that such proposal would not be in the "best long-term interests" of the Company's shareholders. The Purchaser believes that the Company's disinterested shareholders should have an opportunity to express independently their own views as to their own long-term best interests, rather than having those views surmised and acted upon by the Board of Directors. The Purchaser believes that acceptance of the Offer by shareholders, if the Offer could be consummated unimpeded by the various defensive measures and statutory provisions that are being relied upon by the Company's Board of Directors, would be the best means of allowing shareholders to express such views. Tyson is challenging the constitutionality and validity of the Virginia Control Share Act on the basis that, among other things, it impermissibly impedes consummation of the Offer. The Purchaser believes that to whatever extent the special shareholders meeting contemplated by the Virginia Control Share Act could be useful by serving as a referendum of the disinterested shareholders on the proposed acquisition of the Company by Tyson contemplated by the Offer and the Proposed Merger, such a special meeting of shareholders will not serve as a true referendum of disinterested shareholders unless the actions of the Company's Board of Directors and management described in the preceding paragraph are invalidated as requested by Tyson in the Virginia Action and unless such special meeting and the related shareholder vote are conducted in a manner which assures that all disinterested shareholders have a full and fair opportunity to consider the views of the Purchaser and the Company and then express their own views. Thus, depending on the timing and outcome of the

Virginia Action both with respect to the constitutionality and applicability of the Virginia Control Share Act and with respect to the validity of the actions taken by the Company's Board of Directors and management, the Purchaser intends, at such time as it determines appropriate, to deliver a request to the Company that it convene a special shareholders meeting in accordance with the requirements of the Virginia Control Share Act. Pursuant to the Virginia Control Share Act and the terms of the request for a special shareholders meeting to be delivered by the Purchaser, the special shareholders meeting will be required to be called within 10 days, and must be held no sooner than 30 days and no later than 50 days, after receipt by the Company of the Purchaser's request that the special shareholders meeting be held.

The Purchaser has not yet requested the Company to convene a special meeting under the Virginia Control Share Act, and Tyson and the Purchaser are not currently soliciting proxies with respect to the proposal that would be considered by shareholders at such a special shareholders meeting. Any such request would be made only pursuant to the specific requirements and procedures set forth in the Virginia Control Share Act and any such solicitation would be made only pursuant to separate proxy materials complying with the requirements of Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Virginia Control Share Act.

The Virginia Affiliated Transactions Law purports to prohibit a Virginia corporation, such as the Company, from engaging in any Affiliated Transaction (defined to include a variety of transactions, including mergers) with any Interested Shareholder (defined generally as any person that, directly or indirectly, beneficially owns 10% or more of the outstanding voting shares of the corporation), or any affiliate or associate of an Interested Shareholder, for three years after the date on which the Interested Shareholder became an Interested Shareholder unless the Affiliated Transaction is approved by a majority (but not less than two) of the disinterested directors (which would not include directors nominated by the Interested Shareholder and elected following the time that such person becomes an Interested Shareholder), and by the affirmative vote of two-thirds of the voting shares other than shares beneficially owned by the Interested Shareholder. The three-year prohibition on Affiliated Transactions with an Interested Shareholder (the "Affiliated Transaction Prohibition") would not apply to a particular Affiliated Transaction with a particular Interested Shareholder if a majority of the disinterested directors approves the acquisition of voting shares making such person an Interested Shareholder before such person becomes an Interested Shareholder. The Purchaser's acquisition of Shares pursuant to the Offer would result in the Purchaser becoming an Interested Shareholder for purposes of the Virginia Affiliated Transactions Law and, absent the prior approval thereof by the Company's disinterested directors, the Affiliated Transaction Prohibition would apply to the Proposed Merger, as well as certain other transactions that the Purchaser or Tyson could seek to effect following consummation of the Offer.

The impact of the Virginia Affiliated Transactions Law would be effectively to deny the Purchaser the ability to assure the consummation of the Proposed Merger even if the Purchaser acquires in excess of two-thirds of the outstanding Shares pursuant to the Offer and thereafter obtains majority representation on the Company's Board of Directors. Tyson is seeking in the Virginia Action to have the Virginia Affiliated Transactions Law declared unconstitutional and invalid as applied to the Offer and the Proposed Merger. See Sections 12 and 15. In addition, the Purchaser is hereby requesting that the Company's Board of Directors adopt a resolution approving the acquisition of Shares by the Purchaser pursuant to the Offer, such that the Virginia Affiliated Transactions Law would not be applicable to the Proposed Merger.

If Tyson fails to prevail in the Virginia Action regarding the constitutionality and validity of the Virginia Affiliated Transactions Law and the Company's Board of Directors does not accede to the Purchaser's request that it approve the Purchaser's acquisition of Shares pursuant to the Offer, the Purchaser may determine to abandon the Offer and instead attempt to obtain majority representation on the Company's Board of Directors at the next annual meeting of shareholders. If the Purchaser

succeeded in obtaining such representation prior to the acquisition by it and its affiliates and associates of beneficial ownership of more than 10% of the outstanding Shares, the directors nominated by the Purchaser would constitute disinterested directors for purposes of the Virginia Affiliated Transactions Law and the Purchaser could cause the Virginia Affiliated Transactions Law to be inapplicable to any merger or other transaction proposed by the Purchaser. See

Section 12. However, since under the Company's Bylaws the next annual meeting of shareholders would not be held until October, 1994 and could be postponed further, the Purchaser may determine that such an approach involves an intolerable degree of delay and an intolerable degree of uncertainty with respect to the conditions that may exist at the time of such meeting. Thus, although the Purchaser would prefer to consummate the Offer and obtain control of the Company under circumstances which would assure the prompt consummation of the Proposed Merger, the Purchaser may determine to proceed on a basis whereby the Purchaser obtains control of the Company through consummation of the Offer, but is unable to consummate the Proposed Merger for an extended period of time. If the Purchaser makes such a determination, the Purchaser would amend the Offer to reduce the number of Shares sought pursuant to the Offer to that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents a majority of the total number of Shares outstanding on a fully diluted basis. Following the consummation of the Offer, as so amended, the Purchaser would seek to obtain majority representation on the Company's Board of Directors and thereafter would seek to obtain the approvals by the disinterested directors (which at that time would not include directors nominated by the Purchaser or Tyson) and the shareholders of the Company other than the Purchaser which would be necessary to approve the Proposed Merger in accordance with the Virginia Affiliated Transactions Law. No assurances could be given as to whether such approvals could be obtained.

If the Offer were to be consummated at a time when the Rights remain outstanding, the Rights would, among other things, purport to entitle each holder thereof (other than the Purchaser and its affiliates) to purchase additional Shares from the Company at a significant discount to the market value of the Shares. The existence of the Rights, therefore, has the practical effect of precluding the Purchaser from consummating the Offer, regardless of the extent to which the Company's shareholders wish to sell their Shares pursuant to the Offer. Prior to announcement that a person has acquired 15% or more of the outstanding Shares, the Rights are redeemable at the option of the Company's Board of Directors for \$.01 per Right. The Purchaser believes that the issuance of the Rights and the failure to redeem the Rights, insofar as the Rights subvert the wishes of the Company's shareholders to those of the Company's Board of Directors and deny the Company's shareholders the opportunity to accept the Offer, constitute a breach of fiduciary duties on the part of the Company's Board of Directors. The Purchaser hereby requests that the Company's Board of Directors redeem the Rights. Tyson is seeking in the Virginia Action to cause the Rights to be redeemed or rescinded or declared invalid as applied to the Offer and the Proposed Merger. See Sections 12 and 15.

Tyson intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company by Tyson. If such negotiations result in a definitive merger agreement between the Company and Tyson, the consideration to be received by holders of Shares could include or consist of Tyson common stock, other securities, cash, or any combination thereof. Accordingly, such negotiations could result in, among other things, termination of the Offer (see

Section 14) and submission of a different acquisition proposal to the Company's shareholders for their approval. **IN THIS REGARD, TYSON REMAINS WILLING TO NEGOTIATE A TRANSACTION WHICH WOULD PROVIDE SHAREHOLDERS WITH THE OPPORTUNITY TO DISPOSE OF THEIR SHARES ON A TAX-FREE BASIS.**

In the event that Tyson is unable to consummate the Offer or to negotiate a definitive merger agreement with the Company, the Purchaser and Tyson may determine to abandon the Offer and instead seek majority representation on the Company's Board of Directors through a proxy contest at the Company's next annual meeting of shareholders, which under the Bylaws would be held in October, 1994. The ability of the Purchaser to succeed in such a proxy context would depend on events and conditions at that time. No assurance can be given as to whether the Purchaser would proceed

with such a contest at that time or, if it chooses to pursue such a contest, whether the Purchaser would prevail. If the Purchaser succeeded in obtaining majority representation on the Company's Board of Directors through such a proxy contest, the Purchaser would then cause the Company to redeem the Rights and enter into a definitive merger agreement with Tyson and the Purchaser providing for an acquisition of the Company by Tyson, which merger agreement would render the Virginia Affiliated Transactions Law and the Virginia Control Share Act inapplicable. However, given the significant delay inherent in postponing action until the Company's next annual meeting, no assurance can be given that any merger transaction proposed by the Purchaser or Tyson at that time would be on the same terms as the Proposed Merger. See Section 12.

As a result of the factors described above, no assurance can be given that the Proposed Merger will be consummated or as to the timing thereof. If the timing of the Proposed Merger is substantially delayed, no assurance can be given as to the per Share consideration that would be paid. See Section 12. Such assurances with respect to the Proposed Merger could be given if, prior to consummation of the Offer, the Company's existing Board of Directors agrees to enter into negotiations with Tyson and the Purchaser and such negotiations result in an agreement between the Company, Tyson and the Purchaser providing for the Proposed Merger. The Purchaser therefore reiterates its request that the Company's Board of Directors enter into such negotiations.

**THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.**

### **THE TENDER OFFER**

1. **TERMS OF THE OFFER.** Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), the Purchaser will accept for payment and thereby purchase all Shares which are validly tendered on or prior to the Expiration Date and not withdrawn in accordance with the procedures set forth in Section 4. The term "Expiration Date" means 12:00 Midnight, New York City time, on Friday, April 8, 1994, unless and until the Purchaser, in its sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date on which the Offer, as so extended by the Purchaser, shall expire.

The Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period during which the Offer is open for any reason, including the occurrence of any of the conditions specified in Section 14, by giving oral or written notice of such extension to the Depositary. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to the right of a tendering shareholder to withdraw such shareholder's Shares. See Section 4.

Subject to the applicable regulations of the Commission, the Purchaser also expressly reserves the right, in its sole discretion, at any time or from time to time, to (i) delay acceptance for payment of or, regardless of whether such Shares were theretofore accepted for payment, payment for any Shares pending receipt of any regulatory or governmental approvals specified in Section 15, (ii) terminate the Offer (whether or not any Shares have theretofore been accepted for payment) and not accept for payment any Shares if any of the conditions referred to in Section 14 has not been satisfied or upon the occurrence of any of the conditions specified in Section 14 and (iii) waive any condition or otherwise amend the Offer in any respect, in each case, by giving oral or written notice of such delay, termination, waiver or amendment to the Depositary and by making a public announcement thereof. The Purchaser acknowledges (i) that Rule 14e-1(c) under the Exchange Act requires the Purchaser to pay the consideration offered or return the Shares tendered promptly after the termination or withdrawal of the Offer and (ii) that the Purchaser may not delay acceptance for payment of, or payment for (except as provided in clause (i) of the preceding sentence), any Shares upon the occurrence of any of the conditions specified in Section 14 without extending the period of time during which the Offer is open.

Any such extension, delay, termination, waiver or amendment will be followed as promptly as practicable by public announcement thereof, and such announcement in the case of an extension will be made no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date. Without limiting the manner in which the Purchaser may choose to make any public announcement, subject to applicable law (including Rules 14d-4(c) and 14d-6(d) under the Exchange Act, which require that material changes be promptly disseminated to holders of Shares), the Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

If the Purchaser makes a material change in the terms of the Offer or waives a material condition of the Offer, the Purchaser will extend the Offer to the extent required by Rules 14d-4(c) and 14d-6(d) under the Exchange Act. The minimum period during which an offer must remain open following material changes in the terms of such offer, other than a change in price or a change in percentage of securities sought or a change in any dealer's soliciting fee, will depend upon the facts and circumstances, including the materiality of the changes. With respect to a change in price or a change in percentage of securities sought or a change in any dealer's soliciting fee, a minimum ten business day period is generally required to allow for adequate dissemination to shareholders. Accordingly, if prior to the Expiration Date, the Purchaser should decrease the number of Shares being sought, or increase or decrease the consideration offered pursuant to the Offer, and if the Offer is scheduled to expire at any time earlier than the period ending on the tenth business day from and including the date that notice of such increase or decrease is first published, sent or given to holders of Shares, the Offer will be extended at least until the expiration of such ten business day period. For purposes of the Offer, a "business day" means any day other than a Saturday, Sunday or a federal holiday and consists of the time period from 12:01 A.M. through 12:00 Midnight, New York City time.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, THE SATISFACTION OF THE MINIMUM CONDITION. SEE SECTION 14. The Purchaser reserves the right (but shall not be obligated), in accordance with applicable rules and regulations of the Commission, to waive or reduce the Minimum Condition and to accept for payment pursuant to the Offer less than the Minimum Number of Shares. The Purchaser has no present intention of exercising such right. The Commission has stated that in its view an offer must remain open for a minimum period of time following a material change in the terms of the offer and that the waiver of a condition such as the Minimum Condition is a material change in the terms of an offer. In the Commission's view, an offer should remain open for a minimum of five business days from the date the material change is first published, sent or given to holders of Shares, and if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of ten business days may be required to allow for adequate dissemination and investor response. If, by the Expiration Date, the Minimum Condition has not been satisfied, the Purchaser may, in its sole discretion, elect to (i) extend the Offer and, subject to applicable withdrawal rights, retain all tendered Shares until the expiration of the Offer, as extended, subject to the terms of the Offer, (ii) subject to complying with applicable rules and regulations of the Commission, accept for payment all Shares so tendered and not extend the Offer or (iii) terminate the Offer and not accept for payment any Shares and return all tendered Shares to tendering shareholders.

A request is being made to the Company for use of the Company's shareholder lists and security position listings for the purpose of disseminating the Offer to holders of Shares. Upon compliance by the Company with such request or the election by the Company to disseminate the Offer in lieu of complying with such request, this Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

2. ACCEPTANCE FOR PAYMENT AND PAYMENT. Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any extension or amendment), the Purchaser will purchase, by accepting for payment, and will pay for, all Shares

validly tendered on or prior to the Expiration Date (and not properly withdrawn in accordance with Section 4) promptly after the later to occur of (i) the Expiration Date and (ii) the satisfaction or waiver of the conditions to the Offer set forth in Section 14. In addition, subject to applicable rules of the Commission, the Purchaser expressly reserves the right to delay acceptance for payment of, or payment for, Shares pending receipt of any regulatory or governmental approvals specified in Section 15. Any determination concerning the satisfaction of such terms and conditions shall be within the sole discretion of the Purchaser. See Section 14. For information with respect to approvals required prior to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and certain other regulatory approvals, see Section 15.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the Depository of (i) Share Certificates or timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Shares into the Depository's account at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in Section 3, (ii) a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees, and (iii) any other documents required by the Letter of Transmittal.

For purposes of the Offer, the Purchaser shall be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn if, as and when the Purchaser gives oral or written notice to the Depository of the Purchaser's acceptance of such Shares for payment pursuant to the Offer. In all cases, upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the aggregate purchase price therefor with the Depository, which will act as agent for tendering shareholders for the purpose of receiving payment from the Purchaser and transmitting payment to such validly tendering shareholders. **UNDER NO CIRCUMSTANCES WILL INTEREST ON THE PURCHASE PRICE FOR SHARES BE PAID BY THE PURCHASER BY REASON OF ANY DELAY IN MAKING PAYMENT.** Upon the deposit of funds with the Depository for the purpose of making payments to validly tendering shareholders, the Purchaser's obligation to make such payment shall be satisfied and such tendering shareholders must thereafter look solely to the Depository for payment of the amounts owed to them by reason of the acceptance for payment of Shares pursuant to the Offer. The Purchaser will pay any stock transfer taxes incident to the transfer of validly tendered Shares, except as otherwise provided in Instruction 6 of the Letter of Transmittal, as well as any charges and expenses of the Depository and the Information Agent.

If any tendered Shares are not purchased pursuant to the Offer for any reason, or if Share Certificates submitted represent more Shares than are tendered, Share Certificates representing unpurchased or untendered Shares will be returned, without expense to the tendering shareholder (or, in the case of Shares delivered by book-entry transfer into the Depository's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3, such Shares will be credited to an account maintained at such Book-Entry Transfer Facility), as promptly as practicable after the expiration, termination or withdrawal of the Offer.

If, prior to the Expiration Date, the Purchaser shall increase the consideration offered to holders of Shares pursuant to the Offer, such increased consideration will be paid to all holders whose Shares are purchased pursuant to the Offer, whether or not such Shares were tendered prior to such increase in consideration.

The Purchaser reserves the right to transfer or assign, in whole at any time or in part from time to time, to Tyson or to one or more direct or indirect wholly-owned subsidiaries of Tyson, the right to purchase Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve the Purchaser of its obligations under the Offer or prejudice the rights of tendering shareholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

**3. PROCEDURES FOR TENDERING SHARES.** Except as set forth below, for Shares to be validly tendered pursuant to the Offer, the Letter of Transmittal or a facsimile thereof, properly completed and duly

executed, with any required signature guarantees and any other documents required by the Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date. In addition, either (i) Share Certificates representing tendered Shares must be received by the Depository along with the Letter of Transmittal, or (ii) Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depository, in each case prior to the Expiration Date, or (iii) the tendering shareholder must comply with the guaranteed delivery procedures described below.

The Depository will make a request to establish an account with respect to the Shares at each Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase, and any financial institution that is a participant in any of the Book-Entry Transfer Facilities' systems may make book-entry delivery of Shares by causing a Book-Entry Transfer Facility to transfer such Shares into the Depository's account at a Book-Entry Transfer Facility in accordance with such Book-Entry Transfer Facility's procedures for transfer. However, although delivery of Shares may be effected through book-entry transfer into the Depository's account at a Book-Entry Transfer Facility, the Letter of Transmittal or facsimile thereof, properly completed and duly executed, with any required signature guarantees and any other required documents, must, in any case, be transmitted to and received by the Depository at one of its addresses set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date or the guaranteed delivery procedures described below must be complied with. **DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY IN ACCORDANCE WITH THE BOOK-ENTRY TRANSFER FACILITY'S PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.**

Signatures on all Letters of Transmittal must be guaranteed by a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agent's Medallion Program (an "Eligible Institution"), unless the Shares tendered thereby are tendered (i) by a registered holder of Shares who has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. See Instruction 1 of the Letter of Transmittal. If the Share Certificates are registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made to, or Share Certificates for any unpurchased Shares are to be issued or returned to, a person other than the registered holder, then the tendered certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered holder or holders appear on the certificates, with the signatures on the certificates or stock powers guaranteed by an Eligible Institution as provided in the Letter of Transmittal. See Instructions 1 and 5 of the Letter of Transmittal. If the Share Certificates are forwarded separately to the Depository, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) must accompany each such delivery.

If a shareholder desires to tender Shares pursuant to the Offer and such shareholder's Share Certificates are not immediately available or time will not permit all required documents to reach the Depository on or prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Shares may nevertheless be tendered if all of the following conditions are satisfied:

(i) the tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Purchaser herewith, is received by the Depository as provided below on or prior to the Expiration Date; and

(iii) the Share Certificates or a Book-Entry Confirmation, representing all tendered Shares, in proper form for transfer, together with a properly completed and duly executed Letter of

Transmittal (or facsimile thereof) with any required signature guarantees and any other documents required by the Letter of Transmittal, are received by the Depository within five National Association of Securities Dealers Automatic Quotation System ("NASDAQ") trading days after the date of execution of the Notice of Guaranteed Delivery.

Any Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mail to the Depository and must include a signature guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares purchased pursuant to the Offer will, in all cases, be made only after timely receipt by the Depository of (i) Share Certificates or a Book-Entry Confirmation with respect to such Shares, (ii) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof), together with any required signature guarantees, and (iii) any other documents required by the Letter of Transmittal. Accordingly, payment might not be made to all tendering shareholders at the same time depending upon when Share Certificates or Book-Entry Confirmations of such Shares into the Depository's account at a Book-Entry Transfer Facility are actually received by the Depository.

THE METHOD OF DELIVERY FOR SHARE CERTIFICATES, THE LETTER OF TRANSMITTAL AND ANY OTHER REQUIRED DOCUMENTS IS AT THE OPTION AND SOLE RISK OF THE TENDERING SHAREHOLDER AND THE DELIVERY WILL BE DEEMED TO BE MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

UNDER THE FEDERAL INCOME TAX LAWS, THE DEPOSITARY WILL BE REQUIRED TO WITHHOLD 31 PERCENT OF THE AMOUNT OF ANY PAYMENTS MADE TO CERTAIN SHAREHOLDERS PURSUANT TO THE OFFER. TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING WITH RESPECT TO PAYMENT OF THE PURCHASE PRICE OF SHARES PURCHASED PURSUANT TO THE OFFER, A TENDERING SHAREHOLDER MUST PROVIDE THE DEPOSITARY WITH HIS CORRECT TAXPAYER IDENTIFICATION NUMBER OR CERTIFY THAT HE IS NOT SUBJECT TO BACKUP FEDERAL INCOME TAX WITHHOLDING BY COMPLETING THE SUBSTITUTE FORM W-9 INCLUDED IN THE LETTER OF TRANSMITTAL. SEE SECTION 5 HEREOF AND INSTRUCTION 10 OF THE LETTER OF TRANSMITTAL.

Except to the extent set forth in the last sentence of this paragraph, by executing a Letter of Transmittal as set forth above, a tendering shareholder irrevocably appoints designees of the Purchaser, and each of them, as the shareholder's attorneys-in-fact and proxies, in the manner set forth in the Letter of Transmittal, each with full power of substitution, to the full extent of the shareholder's rights with respect to the Shares tendered by the shareholder and accepted for payment and paid for by the Purchaser (and any and all other Shares and non-cash dividends, distributions, rights, other shares or other securities issued or issuable in respect of such Shares on or after the date of the Offer). All such proxies shall be considered coupled with an interest in the tendered Shares. This appointment will be effective if, when and only to the extent that the Purchaser pays for such Shares by depositing the purchase price therefor with the Depository. Upon such payment, all prior powers of attorney and proxies given by the shareholder with respect to the Shares or other securities or rights will, without further action, be revoked, and no subsequent powers of attorney and proxies may be given by such shareholder (and if given, will not be deemed effective). The designees of the Purchaser will, with respect to the Shares so accepted and other securities for which such appointment is effective, be empowered to exercise all voting and other rights of such shareholder as they in their sole discretion may deem proper at any annual, special, adjourned or postponed meeting of the Company's shareholders, by written consent or otherwise. The Purchaser reserves the right to require, in addition to satisfaction of the Control Share Condition, that, in order for Shares to be deemed validly tendered, immediately upon the Purchaser's payment for such Shares, the Purchaser or its designee must be able to exercise full voting and other rights of a record and beneficial holder, including voting

at a meeting of shareholders or acting by written consent with respect to such Shares. The appointment of designees of the Purchaser as proxies as described above will in no event constitute a proxy to vote on the granting of voting rights to the Purchaser and its associates pursuant to the Virginia Control Share Act.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tendered Shares pursuant to any of the procedures described above will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding on all parties. The Purchaser reserves the absolute right to reject any or all tenders of any Shares determined by it not to be in proper form or if the acceptance for payment of, or payment for, such Shares may, in the opinion of the Purchaser's counsel, be unlawful. The Purchaser also reserves the absolute right, in its sole discretion, to waive any of the conditions of the Offer or any defect or irregularity in any tender with respect to Shares of any particular shareholder, whether or not similar defects or irregularities are waived in the case of other shareholders.

The Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of the Purchaser, Tyson, any of their affiliates or assigns, if any, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification.

The Purchaser's acceptance for payment of Shares tendered pursuant to any of the procedures described above will constitute a binding agreement between the tendering shareholder and the Purchaser upon the terms and subject to the conditions of the Offer.

4. WITHDRAWAL RIGHTS. Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after May 7, 1994.

If, for any reason whatsoever, acceptance for payment of any Shares tendered pursuant to the Offer is delayed, or the Purchaser is unable to accept for payment or pay for Shares tendered pursuant to the Offer, then, without prejudice to the Purchaser's rights set forth herein, the Depositary may, nevertheless, on behalf of the Purchaser retain tendered Shares and such Shares may not be withdrawn except to the extent that the tendering shareholder is entitled to and duly exercises withdrawal rights as described in this Section 4. Any such delay will be by an extension of the Offer to the extent required by law.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn, and (if Share Certificates have been tendered) the name of the registered holder of the Shares as set forth in the Share Certificates, if different from that of the person who tendered such Shares. If Share Certificates have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers of the particular certificates evidencing the Shares to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution, except in the case of Shares tendered for the account of an Eligible Institution, must also be furnished by the tendering shareholder to the Depositary as described above. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with the procedures of such facility, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the first sentence of this paragraph.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding on all parties. None of the Purchaser, Tyson, any of their affiliates or assigns, if any, the Depository, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification. Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will be deemed to be not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 at any time prior to the Expiration Date.

**5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES.** The receipt of cash for Shares pursuant to the Offer (or the Proposed Merger) will be a taxable transaction for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and may also be a taxable transaction under applicable state, local, foreign and other tax laws. The tax consequences of such receipt pursuant to the Offer may vary depending upon, among other things, the particular circumstances of the shareholder.

In general, for federal income tax purposes, a holder of Shares who tenders Shares in the Offer or receives cash in exchange for Shares in the Proposed Merger (including as a result of perfecting dissenter's rights under the VSCA) will recognize gain or loss equal to the difference between the tax basis for the Shares sold and the amount of cash received in exchange therefor. Such gain or loss will be capital gain or loss if the Shares are capital assets in the hands of the holder of Shares and will be long-term gain or loss if the holding period for such Shares is more than 12 months. The maximum capital gains rate for corporations is 35%; for individuals, short-term capital gains are subject to a maximum marginal federal income tax rate of 39.6% and long-term capital gains are subject to a maximum marginal federal income tax rate of 28%.

The foregoing discussion assumes that the holder of Shares is a calendar-year taxpayer. The foregoing discussion may not apply to shareholders who acquired their Shares pursuant to the exercise of employee stock options or other compensation arrangements with the Company or who are not citizens or residents of the United States, foreign corporations, or shareholders who are otherwise subject to special tax treatment under the Code such as insurance companies, tax-exempt entities and regulated investment companies.

**THE DISCUSSION OF TAX CONSEQUENCES SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. DUE TO THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH HOLDER OF SHARES IS URGED TO CONSULT HIS OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES OF THE OFFER, INCLUDING THE EFFECTS OF APPLICABLE FEDERAL, STATE, LOCAL OR OTHER TAX LAWS.**

**6. PRICE RANGE OF THE SHARES; DIVIDENDS.** Based upon publicly available information, the Shares are traded in the over-the-counter market and quoted on the NASDAQ National Market System under the symbol WLRF. The following table sets forth, for the fiscal quarters of the Company indicated, the reported high and low closing sales prices per Share as reported on the NASDAQ

National Market System and the amounts of cash dividends paid per Share, as reported in the Company's 1993 Annual Report to Shareholders (with respect to the fiscal years ended June 27, 1992 and July 3, 1993) and published financial sources (with respect to subsequent periods).

	MARKET PRICE		CASH DIVIDENDS
	HIGH	LOW	
Fiscal Year Ended June 27, 1992			
First Quarter.....	\$18.25	\$15.50	\$ .08
Second Quarter.....	17.00	14.50	.08
Third Quarter.....	16.00	13.25	.08
Fourth Quarter.....	15.00	12.50	.08
Fiscal Year Ended July 3, 1993			
First Quarter.....	18.00	14.00	.08
Second Quarter.....	21.88	16.25	.08
Third Quarter.....	25.25	20.25	.08
Fourth Quarter.....	22.25	16.75	.08
Fiscal Year Ending July 2, 1994			
First Quarter.....	20.75	17.25	.08
Second Quarter.....	19.75	17.50	.08
Third Quarter (through March 8, 1994).....	30.63	18.50	.08

On January 24, 1994, the last full trading day prior to the public announcement that Tyson had submitted to the Company's Board of Directors a written proposal to acquire the Company at \$30.00 per Share in cash, the reported closing sale price per Share on the NASDAQ National Market System was \$19.00, according to published sources.

On March 2, 1994, the last full day of trading prior to Tyson's announcement of its intention to commence the Offer, the reported closing sale price per Share on the NASDAQ National Market System was \$27.50, according to published sources.

**SHAREHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.**

**7. EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES; NASDAQ QUOTATION; EXCHANGE ACT REGISTRATION; MARGIN REGULATIONS.**

**EFFECT OF THE OFFER ON THE MARKET FOR THE SHARES.** The purchase of Shares by the Purchaser pursuant to the Offer or following consummation of the Offer will reduce the number of Shares that might otherwise trade publicly and the number of holders of Shares and could, depending on the number of Shares so purchased, adversely affect the liquidity and market value of the remaining Shares.

**NASDAQ QUOTATION.** Depending upon the aggregate market value and the number of Shares not purchased pursuant to the Offer, as well as the identity of the holders of such Shares, the Shares may no longer meet the quantitative requirements of the National Association of Securities Dealers, Inc. ("NASD") for continued inclusion in the NASDAQ National Market System, which require that an issuer have at least 200,000 publicly held shares, held by at least 400 shareholders or 300 shareholders of round lots, with a market value of at least \$1 million and must have net tangible assets of at least \$1 million, \$2 million or \$4 million (depending on profitability levels during the issuer's four most recent fiscal years) and a minimum bid price per Share of \$1 (unless the issuer has a public float of at least \$3 million and at least \$4 million of net tangible assets). If these standards were not met, quotations might continue to be published in the regular NASDAQ system, but (subject to certain exceptions and other maintenance criteria) if the number of holders of the Shares were to fall below 300, or if the number of publicly held Shares were to fall below 100,000, or the market value of the publicly held Shares were to fall below \$200,000, the NASD rules provide that the Shares would no longer be "qualified" for NASDAQ reporting and NASDAQ could cease to provide quotations. Shares held directly or indirectly by officers, directors or beneficial owners of more than 10% of the Shares will not be considered as being publicly held for this purpose. According to the Company's Annual Report on Form 10-K for the fiscal year ended July 3, 1993, as of September 20, 1993, there were

approximately 2,264 holders of record of Shares. If, as a result of the purchase of Shares by the Purchaser pursuant to the Offer or following consummation of the Offer, the Shares no longer meet the requirements of the NASD for continued inclusion in the NASDAQ National Market System and the Shares are no longer included in the NASDAQ National Market System, the market for, and liquidity of, Shares could be adversely affected. In the event that the Shares no longer meet the requirements for NASDAQ quotation, quotation might still be available from other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders and/or the aggregate market value of such Shares remaining at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under the Exchange Act, as described below, and other factors.

The Purchaser cannot predict whether a reduction in the number of Shares that might otherwise trade publicly would have an adverse or beneficial effect on the market price for or marketability of the Shares or whether it would cause future market prices to be greater or less than the price paid in the Offer.

**EXCHANGE ACT REGISTRATION.** The Shares are currently registered under the Exchange Act. The purchase of Shares by the Purchaser pursuant to the Offer or following consummation of the Offer may result in the Shares becoming eligible for deregistration under the Exchange Act. Registration of the Shares under the Exchange Act may be terminated upon application of the Company to the Commission if the Shares are not listed on a national securities exchange or authorized to be quoted in an inter-dealer quotation system of a registered national securities association and there are fewer than 300 record holders of the Shares. Termination of registration of the Shares under the Exchange Act, assuming there are no other securities of the Company subject to registration, would substantially reduce the information required to be furnished by the Company to its shareholders and to the Commission and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement in connection with shareholders' meetings pursuant to Section 14(a), and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Company. Furthermore, the ability of "affiliates" of the Company and persons holding "restricted securities" of the Company to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended, may be impaired or eliminated. It is the present intention of the Purchaser to seek to cause the Company to make an application for termination of registration of the Shares under the Exchange Act as soon as possible following the consummation of the Offer if, as a result of the purchase of Shares pursuant to the Offer, the Company is no longer required to maintain registration of the Shares under the Exchange Act.

If registration of the Shares under the Exchange Act is not terminated prior to the Proposed Merger, the Shares will be deregistered from NASDAQ, and registration of the Shares under the Exchange Act will be terminated, following the consummation of the Proposed Merger.

**MARGIN REGULATIONS.** The Shares are currently "margin securities" under the regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit on the collateral of the Shares for the purpose of buying, carrying or trading in securities ("Purpose Loans"). Depending upon factors such as the number of record holders of the Shares and the number and market value of publicly held Shares, following the purchase of Shares by the Purchaser pursuant to the Offer or following consummation of the Offer, it is possible that the Shares would no longer constitute "margin securities" for the purposes of the margin regulations of the Federal Reserve Board and therefore could no longer be used as collateral for Purpose Loans made by brokers. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be "margin securities".

**8. CERTAIN INFORMATION CONCERNING THE COMPANY.** According to information filed by the Company with the Commission, the Company is a Virginia corporation with its principal executive office

located at P.O. Box 7000, Broadway, Virginia 22815. The Company is a fully-integrated poultry processing company involved in the production, further processing and marketing of turkey and chicken products, and the distribution of poultry and meat products. In addition, the Company manufactures ice for retail distribution and is a provider of public refrigerated warehousing services.

Set forth below is a summary of certain consolidated financial information with respect to the Company and its consolidated subsidiaries, excerpted or derived from the information contained in the Company's 1993 Annual Report to Shareholders, the Quarterly Report on Form 10-Q for the quarterly period ended December 26, 1992 and the January 10-Q. More comprehensive financial information is included in such reports and other documents filed by the Company with the Commission. The financial information summary set forth below is qualified in its entirety by reference to such reports and other documents filed with the Commission and all of the financial information and related notes contained therein. Such reports and other documents may be inspected and copies may be obtained from the offices of the Commission or the NASD in the manner set forth below.

**WLR FOODS, INC.**  
**SELECTED CONSOLIDATED FINANCIAL DATA**  
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)

	TWENTY-SIX WEEKS ENDED		FISCAL YEAR ENDED		
	JAN. 1, 1994	DEC. 26, 1992	JULY 3, 1993	JUNE 27, 1992	JUNE 29, 1991
	(UNAUDITED)				
<b>INCOME STATEMENT:</b>					
Net Sales.....	\$ 361,343	\$ 287,367	\$616,702	\$514,465	\$502,238
Operating Income.....	15,194	12,892	25,956	11,943	17,710
Earnings before income taxes and minority interest.....	12,910	11,583	22,707	9,439	17,235
Net Earnings.....	7,917	7,202	14,607	5,896	10,681
<b>PER SHARE INFORMATION:</b>					
Net Earnings Per Common Share (Primary)....	\$ 0.72	\$ 0.72	\$ 1.42	\$ 0.52	\$ 1.02
Net Earnings Per Common Share (Fully diluted).....	\$ 0.72	\$ 0.71	\$ 1.40	\$ 0.52	\$ 1.02
Dividends Declared Per Common Share.....	\$ 0.16	\$ 0.16	\$ .32	\$ .32	\$ .32
	JAN. 1, 1994	DEC. 26, 1992	JULY 3, 1993	JUNE 27, 1992	
	(UNAUDITED)				
<b>BALANCE SHEET</b>					
Current Assets.....	\$ 124,863	\$ 99,081	\$119,807	\$90,569	
Total Assets.....	269,438	240,591	265,626	207,736	
Current Liabilities.....	56,559	57,647	62,298	50,232	
Long-term Debt.....	52,337	52,190	52,253	38,148	
Total Liabilities.....	120,785	118,303	123,371	96,348	
Shareholders' Equity.....	148,653	122,288	142,255	111,388	

The information concerning the Company contained herein has been taken from or based upon publicly available documents on file with the Commission and other publicly available information. Although neither Tyson nor the Purchaser has any knowledge that would indicate that the statements contained herein which are based on such documents are untrue, none of Tyson, the Purchaser, the Depositary or the Information Agent takes any responsibility for the accuracy or completeness of the information contained in such documents or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of any such information but which are unknown to any such person.

The Company is subject to the information and reporting requirements of the Exchange Act and is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information, as of particular dates, concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities, any material interests of such persons in transactions with the Company and other matters is required to be disclosed in proxy statements and annual reports distributed to the Company's shareholders and filed with the Commission. These reports, proxy statements and other information should be available for inspection at the public reference room at the Commission's office at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and also should be available for inspection and copying at the following regional offices of the Commission: 500 West Madison Street, Suite 1400, Chicago, Illinois 60661; and 7 World Trade Center, New York, New York 10048. Copies of this material may also be obtained by mail, upon payment of the Commission's customary fees, from the Commission's principal office at 450 Fifth Street, N.W., Washington, D.C. 20549. Reports, proxy statements and other information concerning the Company should also be available for inspection at the offices of the NASD, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

#### 9. CERTAIN INFORMATION CONCERNING THE PURCHASER AND TYSON.

**THE PURCHASER.** The Purchaser was recently incorporated in Delaware and has not engaged in any business since its incorporation other than that incident to its organization and in connection with the Offer. The Purchaser is a direct wholly-owned subsidiary of Tyson. The principal executive offices of the Purchaser are located at 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999. On March 1, 1994, Tyson transferred to the Purchaser, as a contribution to the capital of the Purchaser, the 600,000 Shares theretofore purchased by Tyson. Since the Purchaser is newly formed and has minimal assets and capitalization (other than the Shares contributed by Tyson), no meaningful financial information with respect to the Purchaser is available.

**TYSON.** Tyson and its various subsidiaries produce, market and distribute a variety of food products consisting of value-enhanced poultry; fresh and frozen poultry; value-enhanced beef and pork products; value-enhanced seafood products; fresh and frozen seafood products; flour and corn tortillas, chips and other Mexican food-based products. Additionally, Tyson has live swine and animal feed and pet food operations. Tyson's integrated operations consist of breeding and rearing chickens and hogs, harvesting seafood, as well as the processing, further processing and marketing of these food products. Tyson's products are marketed and sold to national and regional grocery chains, regional grocery wholesalers, clubs or warehouse stores, military commissaries, industrial food processing companies, national and regional chain restaurants or their distributors, international export companies and distributors who service restaurants, foodservice operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Sales are made by Tyson's sales staffs located in Springdale, Arkansas and in regions throughout the United States, as well as through independent brokers selected by Tyson. Sales to the military and a portion of sales to international markets are made through independent brokers and trading companies. Tyson conducts the major portion of its business activities on a vertically integrated basis and considers its business to be one industry segment, that of "food products." Tyson commenced business in 1935, was incorporated in Arkansas in 1947, and was reincorporated in Delaware in 1986. Its principal executive offices are located at 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999.

The name, citizenship, business address, present principal occupation or employment and five-year employment history of each of the directors and executive officers of the Purchaser and Tyson are set forth in Schedule I.

As of January 1, 1994, the outstanding shares of Tyson's capital stock consisted of 79,047,440 shares of Class A Common Stock (the "Class A Shares") and 68,455,438 shares of Class B Common Stock (the "Class B Shares"). The Class A Shares and the Class B Shares vote together as a single class on substantially all matters. Each Class A Share entitles the holder thereof to one vote and each

Class B Share entitles the holder thereof to ten votes on all such matters. Mr. Don Tyson, Chairman of the Board of Tyson, and the Tyson Limited Partnership, a Delaware limited partnership (the "Partnership"), collectively own 1,021,145 Class A Shares (approximately 1.3% of the outstanding Class A Shares) and 68,399,040 Class B Shares (approximately 99.9% of the outstanding Class B Shares), such Class A Shares and Class B Shares representing approximately 89.7% of the aggregate voting power of all outstanding Tyson capital stock. The 68,399,040 Class B Shares referred to above includes 300,000 Class B Shares owned of record by Mr. Don Tyson and 68,099,040 Class B Shares owned of record by the Partnership. Mr. Don Tyson has a 54.4464 combined percentage interest as a general and limited partner in the Partnership. The managing general partner of the Partnership is Mr. Don Tyson. The other general partners are Leland E. Tollett, Director, Chief Executive Officer and President of Tyson; Joe Fred Starr, Director and Vice President of Tyson; John H. Tyson, Director and President of the Beef and Pork Division of Tyson; James B. Blair, General Counsel to Tyson and President of the Purchaser; and Harry C. Erwin, Jr., certified public accountant with Erwin & Company, C.P.A. Mr. Don Tyson, as managing general partner, has the exclusive right, subject to certain restrictions, to do all things on behalf of the Partnership necessary to manage, conduct, control and operate the Partnership's business, including the right to vote all shares or other securities held by the Partnership, as well as the right to mortgage, pledge, or grant security interests in any assets of the Partnership. The Partnership terminates December 31, 2040, unless it is earlier dissolved in accordance with its terms. By reason of Mr. Don Tyson's beneficial ownership of the Class A Shares and the Class B Shares, he is deemed to be a controlling person of Tyson.

Tyson is subject to the information and reporting requirements of the Exchange Act and is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information, as of particular dates, concerning Tyson's directors and officers, their remuneration, stock options granted to them, the principal holders of Tyson's securities, any material interests of such persons in transactions with Tyson and other matters is required to be disclosed in proxy statements and annual reports distributed to Tyson's shareholders and filed with the Commission. These reports, proxy statements and other information should be available for inspection at the Commission in the same manner as set forth with respect to information concerning the Company in Section 8. In addition, such information should also be available for inspection at the offices of the NASD, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

Set forth below is certain summary consolidated financial information with respect to Tyson and its subsidiaries, excerpted or derived from financial statements contained in Tyson's Annual Report on Form 10-K for the fiscal year ended October 2, 1993, and unaudited financial statements contained in Tyson's Quarterly Report on Form 10-Q for the fiscal quarters ended January 1, 1994 and January 2, 1993. More comprehensive financial information and other information is included in such reports and other documents, and the summary financial information set forth below is qualified in its entirety by reference to such reports and other documents filed by Tyson with the Commission, and the financial information summary set forth below is qualified in its entirety by reference to such reports, which are incorporated herein by reference, and all the financial information and related notes contained therein.

**TYSON FOODS, INC.**  
**SELECTED CONSOLIDATED FINANCIAL DATA**  
(DOLLARS IN THOUSANDS EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED		FISCAL YEAR ENDED		
	JANUARY 1, 1994	JANUARY 2, 1993	OCTOBER 2, 1993	OCTOBER 3, 1992	SEPTEMBER 28, 1991
	(UNAUDITED)				
<b>INCOME STATEMENT:</b>					
Sales.....	\$ 1,152,790	\$ 1,083,312	\$ 4,707,396	\$ 4,168,840	\$ 3,922,054
Income before Taxes on Income.....	72,747	63,505	309,635	261,039	242,523
Net Income.....	44,379	39,396	180,334	160,534	145,498
<b>PER SHARE INFORMATION:</b>					
Earnings Per Share.....	\$ 0.30	\$ 0.27	\$ 1.22	\$ 1.16	\$ 1.05
Cash Dividends Per Share:					
Class A.....	\$ .0100	\$ .0100	\$ .0400	\$ .0400	\$ .0300
Class B.....	\$ .0083	\$ .0083	\$ .0333	\$ .0333	\$ .0250
		JANUARY 1, 1994	JANUARY 2, 1993	OCTOBER 2, 1993	OCTOBER 3, 1992
		(UNAUDITED)			
<b>BALANCE SHEET:</b>					
Current Assets.....	\$ 1,086,814	\$ 769,452	\$ 811,755	\$ 679,895	
Total Assets.....	3,525,624	3,169,865	3,253,504	2,617,679	
Current Liabilities.....	509,258	544,032	526,705	465,825	
Long-term Debt.....	1,165,514	942,816	920,465	726,515	
Total Liabilities.....	2,120,360	1,946,073	1,892,758	1,637,490	
Shareholders' Equity.....	1,405,264	1,223,792	1,360,746	980,189	

Except as set forth elsewhere in this Offer to Purchase or in Schedule I hereto: (i) neither the Purchaser nor Tyson nor, to the knowledge of the Purchaser and Tyson, any of the persons listed in Schedule I hereto or any associate or majority-owned subsidiary or any pension, profit-sharing or similar plan of the Purchaser, Tyson or any of the persons so listed, beneficially owns or has a right to acquire any Shares or any other equity securities of the Company; (ii) neither the Purchaser nor Tyson nor, to the knowledge of the Purchaser and Tyson, any of the persons or entities referred to in clause (i) above or any of their executive officers, directors or subsidiaries has effected any transaction in the Shares or any other equity securities of the Company during the past 60 days; (iii) neither the Purchaser nor Tyson nor, to the knowledge of the Purchaser and Tyson, any of the persons listed in Schedule I hereto has any contract, arrangement, understanding or relationship with any other person with respect to any securities of the Company, including, but not limited to, any such contract, arrangement, understanding or relationship concerning the transfer or voting thereof, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies; (iv) since July 1, 1990, there have been no transactions which would require reporting under the rules and regulations of the Commission between the Purchaser, Tyson or any of their respective subsidiaries or, to the knowledge of the Purchaser and Tyson, any of the persons listed in Schedule I hereto, on the one hand, and the Company or any of its executive officers, directors or affiliates, on the other hand; and (v) since July 1, 1990, there have been no contacts, negotiations or transactions between the Purchaser, Tyson or any of their respective subsidiaries or, to the knowledge of the Purchaser and Tyson, any of the persons listed in Schedule I hereto, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets of the Company.

Transactions in the Shares by Tyson and the Purchaser effected during the past 60 days are described in Schedule I hereto. All such transactions were effected by Tyson in the open market on the NASDAQ National Market System. Shares owned by any person or entity referred to in clause (i) of the preceding paragraph are described in Schedule I hereto.

10. SOURCE AND AMOUNT OF FUNDS. The total amount of funds required by the Purchaser to purchase all outstanding Shares and to pay related costs and expenses is estimated to be approximately \$340 million. Tyson has received a firm commitment from Bank of America National Trust and Savings Association ("Bank of America") to provide the total financing for the Offer and the Proposed Merger (the "Financing") in the form of a credit facility of up to \$340 million (the "Facility"). Bank of America has reserved the right, through BA Securities, Inc. ("BA Securities"), to syndicate part of the Facility to a group of financial institutions (together with Bank of America, the "Banks"). The Financing would be utilized to pay for Shares purchased in the Offer and the Proposed Merger and to pay all related fees and expenses.

On March 2, 1994, Tyson accepted the commitment letter from Bank of America (the "Bank Commitment Letter") pursuant to which Bank of America has (a) committed to provide the Financing and (b) reserved the right, through BA Securities, to syndicate part of the Facility to the Banks, all upon the terms and subject to the conditions set forth in the Bank Commitment Letter, including the negotiation and execution of definitive financing and security agreements (the "Credit Agreements").

The Bank Commitment Letter provides that the commitment of Bank of America in respect of the Facility will terminate on May 10, 1994, if the Facility has not closed on or before that date.

Tyson is expected, in the Credit Agreements, to make certain representations and warranties, and to be bound by certain negative, affirmative and financial covenants and by certain events of default, which are customarily required for similar financings, in addition to other representations, warranties, covenants and events of default appropriate to the specific transaction being effected thereby.

Pursuant to the Bank Commitment Letter, Tyson also has agreed, regardless of whether the Credit Agreement is executed or the Facility closes, to reimburse Bank of America and BA Securities for their reasonable out-of-pocket costs and expenses (including the allocated cost of in-house counsel) incurred in connection with the Facility. Tyson also has agreed to indemnify Bank of America and BA Securities and their respective directors, officers, employees and affiliates from and against any and all losses, claims, damages, liabilities and expenses arising out of the Offer, the Proposed Merger, the Bank Commitment Letter or the Financing.

The Bank Commitment Letter provides for a Facility of up to \$340 million. Loans made pursuant to the Facility would be unsecured. The Facility will remain available for 364 days from the closing of the Credit Agreement, and on such 364th day all indebtedness outstanding under the Facility will be due and payable. Interest on indebtedness outstanding under the Facility will be payable at a rate per annum, selected at the option of Tyson, equal to (i) LIBOR (as hereinafter defined) plus an amount that will vary according to Tyson's credit rating (which amount is currently 0.35%); and (ii) the Reference Rate (as hereinafter defined) plus an amount that will vary according to Tyson's credit rating (which amount is currently 0%). In addition, Tyson may from time to time invite bids for uncommitted advances from the Banks through a competitive auction mechanism. During the continuance of an event of default, additional interest will be payable at a rate of 2% per annum over the then applicable interest rate. "LIBOR" will be defined as the average London interbank offered rate for Eurodollar deposits of varying maturities, as quoted by Bank of America and two other banks to be designated, adjusted for certain reserve requirements prescribed for eurocurrency liabilities. Interest payable based upon the LIBOR rate will accrue based on a 360 day year and actual days elapsed and be paid at the end of each interest period. "Reference Rate" will be defined as the higher of (a) the rate on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, plus 1/2% and (b) the rate of interest publicly announced from time to time by Bank of America in San Francisco, California, as its reference rate. Interest payable based upon the

Reference Rate will accrue based on a 365 day year and be paid quarterly in arrears. The Facility may be prepaid, in part or in full and without penalty, on any interest payment date, or on any other date with payment of certain breakage costs.

The foregoing description of the Bank Commitment Letter is qualified in its entirety by reference to the text of the Bank Commitment Letter filed as an exhibit to the Tender Offer Statement on Schedule 14D-1 filed by the Purchaser and Tyson with the Commission on the date hereof (the "Schedule 14D-1"), copies of which may be obtained from the offices of the Commission in the manner set forth in Section 8 with respect to information concerning the Company (except that such information will not be available at the regional offices of the Commission).

**CONSUMMATION OF THE OFFER IS NOT CONDITIONED UPON THE RECEIPT BY THE**

**PURCHASER OR TYSON OF FINANCING FOR THE OFFER OR THE PROPOSED MERGER.**

**11. BACKGROUND OF THE OFFER; CONTACTS WITH THE COMPANY.**

On January 3, 1994, Don Tyson, the Chairman of Tyson, contacted James L. Keeler, the President and Chief Executive Officer of the Company, by telephone and indicated Tyson's interest in discussing with the Company a business combination involving Tyson and the Company. As a result of that discussion, on January 10, 1994, Mr. Tyson received a letter from Mr. Keeler transmitted by outside counsel to the Company enclosing a draft confidentiality agreement that would govern the provision of confidential information regarding the Company to Tyson in connection with Tyson's consideration of a potential business combination or other transaction involving the Company and Tyson. On January 11, 1994, after transmitting to the Company's outside counsel certain proposed revisions to the draft confidentiality agreement, including in particular the deletion of certain "standstill" provisions contained in such draft, James B. Blair, General Counsel of Tyson, and outside counsel to the Company discussed the proposed confidentiality agreement by telephone and agreed that a confidentiality agreement between Tyson and the Company would not be executed at that time. Such standstill provisions would have precluded Tyson from, among other things, acquiring or seeking to acquire the Company or any Shares for a period of three years, unless requested to do so by the Company's Board of Directors.

On January 12, 1994, Mr. Tyson and Mr. Keeler met in Washington, D.C. and discussed the poultry business generally and the status of each of the Company and Tyson. Mr. Tyson indicated that Tyson remained interested in a business combination involving Tyson and the Company. Mr. Tyson stated that Tyson was prepared to offer \$30.00 per Share for all of the outstanding Shares. Mr. Tyson stated that he was not seeking an immediate response to this offer, but wanted Mr. Keeler to consider it. Mr. Tyson also discussed with Mr. Keeler the possibility of structuring the proposed transaction in a manner that would be tax-free to the Company's shareholders.

On January 19, 1994, Leland E. Tollett, Vice Chairman, Chief Executive Officer and President of Tyson, and Mr. Keeler met in Richmond, Virginia and discussed Tyson's proposal to acquire the Company. Mr. Keeler indicated at that time that the Company was not interested in pursuing Tyson's proposal. Later that day, Mr. Tyson and Mr. Keeler had a telephone conversation during which Mr. Tyson stated that Tyson was prepared to deliver to the Company's Board of Directors on that afternoon a written proposal to acquire all of the outstanding Shares at a price of \$30.00 per Share. Mr. Keeler indicated that he did not want such a written proposal to be delivered at that time and requested more time to consider Tyson's proposal. Mr. Tyson agreed that he would wait to deliver such a written proposal until after 4 P.M. Eastern Standard Time on Monday, January 24, 1994.

On January 24, 1994, Mr. Tyson and Mr. Keeler had a further telephone conversation during which Mr. Keeler indicated that the Company was not interested in discussing further Tyson's proposal to acquire the Company.

Following that telephone conversation, on January 24, 1994, Tyson delivered the following letter to the Board of Directors of the Company:

Board of Directors  
WLR Foods, Inc.

Gentlemen:

We at Tyson have long admired WLR Foods and the outstanding job you and your management team have done for your stockholders. We believe now is an ideal time for your stockholders to have the opportunity to realize the tangible benefits of your efforts through a combination of WLR Foods with Tyson on the very favorable basis which I will describe in this letter.

We think that there are extremely attractive opportunities for pursuing the continued growth and development of our two companies through this combination in which it will be essential that you and members of your management team play a significant role. Accordingly, one of our top priorities is to negotiate mutually satisfactory arrangements enabling the combined enterprise to have the benefit of your experience and that of WLR's key managers.

I have discussed this matter thoroughly with our Board of Directors, and we are pleased to propose a merger of WLR and Tyson or a subsidiary of Tyson in which the stockholders of WLR would receive \$30.00 in cash for each of their WLR Foods shares.

We are confident that this proposal will be extremely attractive to your stockholders. We also believe that a combination of WLR and Tyson on the terms described below will prove to be the most advantageous alternative to your stockholders, management, employees and other important constituencies. This offer represents a 56% premium over last Friday's closing market price of \$19.25 per share. It also represents approximately 2.26 times WLR book value per share, and a price to earnings multiple of 21.4 times WLR's fiscal 1993 earnings. Accordingly, we believe our offer is a full and fair one. We are willing to assure the communities where your plants operate that they will benefit, not suffer, from this proposed merger.

We recognize that you must consider what alternatives, if any, may be available for WLR and its stockholders, including a sales transaction with a third party, a leveraged buyout or leveraged recapitalization of WLR. We believe that the combination of Tyson and WLR will quickly prove to be the most attractive alternative to you. For that reason, we believe it would be mutually desirable and advantageous if you would give us the opportunity to negotiate with you and your Board of Directors a definitive merger agreement embodying the terms of our proposal. We are prepared to negotiate in good faith and to conclude a transaction which we believe will be enthusiastically supported by your Board, stockholders, management, employees and other constituencies.

Although we would prefer an all cash transaction, we would also be willing to negotiate other possible ways of merging if a tax free reorganization would be more desirable for a significant number of your shareholders. A part stock, part cash merger would enable your shareholders to participate in the future growth of the combined entity. We would also be willing to attempt to time the closing of a transaction such that your shareholders who purchased shares in your secondary offering last year qualified on their capital gains holding period.

We respectfully request that any pertinent information which is available to your management or is made available to your investment bankers or third parties for the purpose of evaluating or pursuing alternative transactions be made available to us as well, so that our proposal and its terms may be formulated with the benefit of a level and fully illuminated playing field.

Although, as a board, you have apparently been unwilling to meet with us we believe it would be mutually desirable to give us a chance to meet with you to answer any of your questions and to negotiate in good faith.

Our proposal is based upon and subject to the information we have received to the effect that:

1. There are approximately 10,956,856 shares of WLR Foods common stock outstanding;
2. That the disclosures in your 10-K's and 10-Q's are substantially accurate and that there are no undisclosed matters that would be financially material to the detriment of WLR Foods;
3. That the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 will be complied with prior to the consummation of a merger;
4. That your Board or management will not take any actions which would materially reduce the value of WLR Foods to Tyson (normal conduct of your business in the manner you have been conducting it in the past will not constitute such a reduction);
5. That a majority of the disinterested Directors of WLR Foods will make such approvals as necessary to prevent the Virginia Stock Corporation Act from being an impediment to the proposed merger, and that the Virginia Stock Corporation Act will not otherwise be used to disadvantage Tyson in the purchase of WLR Foods stock, in the voting of WLR Foods stock, or in any merger with Tyson or a subsidiary of Tyson;
6. That no "Poison Pills" or other "Anti-Takeover" measures will be used to obstruct a merger and that you will repeal any such measures prior to the consummation of any transaction; and
7. The preparation, negotiation and execution of a definitive merger agreement containing such terms (including but not limited to representations, warranties and covenants) as are customary in transactions of this nature.

We and our advisors are prepared to meet promptly with WLR directors, management and advisors at their convenience in order to answer any questions you or they may have about our offer and if appropriate, in order to negotiate a mutually desirable and beneficial transaction.

We believe that under the existing case law including U.S. Supreme Court cases concerning disclosure of merger negotiations, it is likely that you will be advised that this proposal must be disclosed to your stockholders. Similarly, our counsel has advised us that this proposal could be sufficiently material to our stockholders to require its disclosure to them. In view of these concerns, we believe that prudence requires that we make a public announcement of this proposal before the opening of the market tomorrow morning.

Since this matter is of the utmost importance, we feel compelled to ask for a response to our proposal from your Board of Directors no later than the close of business on Thursday, February 4, 1994, after which time our proposal will expire unless extended in writing.

We look forward to hearing from you at your earliest convenience.

Very truly yours,

Don Tyson Chairman

Shortly after delivery of the letter, Tyson released its contents to the Dow Jones News Service, the Business Wire and certain other public media.

On January 25, 1994, the day following receipt of Tyson's proposal, the Company issued the following letter:

Dear Fellow Shareholders:

As you are probably aware, WLR Foods, Inc. has received a proposal from Tyson Foods, Inc. to merge the companies for \$30 cash per share to WLR Foods shareholders. Tyson's proposal was totally unsolicited, unwanted and out of line with WLR Foods long-term business plans and corporate philosophy.

We certainly understand why Tyson Foods is interested in us--the problem is, we are not for sale. Since going public in 1988, we have grown this Company's total turkey and chicken production by 84%. Our gutsy commitment to growth during a period of low profit margin within the poultry cycle has strategically positioned the company to enjoy an upturn in this cyclical poultry market--an upturn that belongs to us. We have worked too hard during this time, and, indeed in our 50-year history, to let our competitors reap the benefits of our hard-earned efforts. The improving national economy also makes this an exciting time for WLR Foods.

As it must, WLR Foods Board will meet in the near future to evaluate Tyson's offer. Be assured that your Board will listen carefully to its advisors and management and make a decision it believes is in the best interest of, and appropriately protects, our shareholders, employees and producers. In this regard, the Board's historical commitment to the continued independence of WLR Foods will be keenly important.

For management, employees, customers and suppliers, it's business as usual. We will not back away from realizing our future--continued growth internally and through acquisitions, aggressive marketing in key domestic markets and abroad and maximizing our low cost production capabilities. And, as always, we will keep you posted on important corporate developments.

Sincerely, James L. Keeler President and Chief Executive Officer

On February 6, 1994, the Company announced that on February 4, 1994, its Board of Directors unanimously rejected Tyson's January 24 proposal. Also on February 6, 1994, the Company delivered the following letter to Tyson:

Mr. Don Tyson  
Chairman, Board of Directors  
Tyson Foods, Inc.  
2210 West Oaklawn Drive  
Springdale, AR 72762-6999

Dear Mr. Tyson and Directors:

The Board of Directors of WLR Foods, Inc., along with management and its professional advisors, has carefully considered your unsolicited offer to negotiate the acquisition of WLR Foods, Inc. by Tyson Foods, Inc. We decline your invitation to discuss your acquisition as we strongly believe it is in the best long-term interests of WLR Foods, Inc. and its shareholders for our company to remain independent. Our decision to remain independent is unanimous.

Not only do we believe that WLR Foods and our shareholders are best served by the continued independence of the company, we further believe that now would be the wrong time to sell. We have made significant capital expenditures and sizeable acquisitions in recent years to strategically position this company to profit in a more favorable poultry cycle and national economy. A sale at this time would deprive our shareholders from realizing the benefits of the confluence of these factors.

Our Board is committed to taking whatever action it deems necessary and appropriate to protect the interests of WLR Foods, its shareholders and other constituencies.

Sincerely, Charles W. Wampler, Jr.

Chairman, Board of Directors  
WLR Foods, Inc.

On February 6, 1994, the Company announced that at the February 4 Board Meeting the Company's Board of Directors adopted a shareholder protection rights plan and declared a dividend of the Rights pursuant thereto. In a letter to the Company's shareholders issued on February 6, 1994, which accompanied a separate letter informing shareholders of the Board of Directors' rejection of Tyson's January 24 proposal, the Company explained the Board of Directors' reasons for adopting the rights plan as follows:

The Rights Plan was adopted to give WLR Foods sufficient time to consider appropriate responses to unsolicited tender offers, as well as to protect shareholders against attempts to acquire control of the Company by means of "creeping" accumulation of shares in the open market, a two-tier tender offer, an offer at less than a full and fair price or other prevalent takeover tactics which the Board believes are not in your best interests.

. . .The Rights Plan is not intended to and will not prevent a takeover of the Company at a full and fair price. However, it may cause substantial dilution to a person or group that acquires 15% or more of the Company's common stock unless the Rights are first redeemed by the Board of Directors.

. . .The Rights should not interfere with any merger or other business combination that is in the best interests of the Company and its shareholders, since the Rights generally may be redeemed by the Company at \$0.01 per Right in cash prior to the day after it is announced that a person or group has acquired 15% or more of the Company's common stock.

. . .In adopting the Rights Plan, the Board has expressed its confidence in the Company's future and the Board's determination that you, the shareholders, be given every opportunity to participate fully in that future.

Also on February 6, 1994, the Company commenced the Virginia Action. See Section 15. On February 15, 1994, the Company disclosed in its January 10-Q that certain additional actions were taken at or in connection with the February 4 Board Meeting. Such actions included the adoption of lucrative "golden parachute" severance agreements with certain executives, as well as severance arrangements for all salaried and hourly clerical employees of the Company, and, as more fully described in Section 12, the implementation of a series of actions affecting four members of the Board of Directors pursuant to which the Company purports to be able to take the position that these directors are not officers or employees of the Company.

In light of the Company's response to Tyson's January 24 proposal and its commencement of the Virginia Action, on February 7, 1994, Tyson commenced a program of purchasing Shares in open market transactions with a view towards acquiring in excess of 5% of the outstanding Shares so as to enable the Purchaser to satisfy the requirements of the Virginia Control Share Act for requiring the Company, in connection with the Offer, to call a special meeting of shareholders pursuant to such Act. On February 24, 1994, Tyson completed such program, having purchased an aggregate of 600,000 Shares in open market transactions. On March 1, 1994 such Shares were contributed by Tyson to the capital of the Purchaser.

On February 25, 1994, Tyson filed counterclaims against the Company and its directors in the Virginia Action. See Section 15. On March 3, 1994, Tyson announced its intention to cause the Purchaser to commence the Offer on March 9, 1994. Also on March 3, 1994, a request pursuant to the VSCA for access to information concerning the identity and holdings of the Company's shareholders was delivered to the Company on behalf of the Purchaser.

Except as described above, there have been no contacts, negotiations or transactions between the Purchaser, Tyson or their subsidiaries or, to the best knowledge of the Purchaser and Tyson, any of the persons listed on Schedule I, and the Company or its affiliates, concerning a merger, consolidation or acquisition, tender offer or other acquisition of securities, election of directors or a sale or other transfer of a material amount of assets.

## 12. PURPOSE OF THE OFFER; PLANS FOR THE COMPANY; OTHER MATTERS RELATING TO THE OFFER AND THE PROPOSED MERGER.

**PURPOSE OF THE OFFER.** The purpose of the Offer is for Tyson, through the Purchaser, to acquire control of, and the entire equity interest in, the Company. The Offer, as a first step in the acquisition of the Company, is intended to facilitate the acquisition of all Shares. The Purchaser currently intends, as soon as practicable following consummation of the Offer, to seek to consummate the Proposed Merger. The purpose of the Proposed Merger is to acquire all Shares not tendered and purchased pursuant to the Offer or otherwise. Pursuant to the Proposed Merger, each Share then outstanding (other than Shares held by the Purchaser, Tyson or any of their affiliates, Shares held by any subsidiary of the Company and Shares held by shareholders who perfect their dissenters' rights under the VSCA) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer. Consummation of the Proposed Merger would require the adoption of a resolution by the Company's Board of Directors that the Proposed Merger is advisable and the affirmative vote of the holders of more than two-thirds of the Shares. Consummation of the Proposed Merger may also be subject to the requirements of the Virginia Affiliated Transactions Law, as described below.

If the Offer is consummated and the voting rights of the Purchaser are not limited by operation of the Virginia Control Share Act, the Purchaser presently intends to seek to obtain at least majority representation on the Company's Board of Directors, to cause the Company to enter into a definitive merger agreement with Tyson and the Purchaser providing for the Proposed Merger, and to submit the Proposed Merger to the Company's shareholders for approval. If the Proposed Merger is submitted to the Company's shareholders, Tyson and Purchaser intend to vote all Shares acquired pursuant to the Offer and otherwise owned by them in favor of the Proposed Merger.

If the Offer cannot be consummated by reason of the Rights, the applicability of the Virginia Affiliated Transactions Law or the Virginia Control Share Act or otherwise, the Purchaser and Tyson may determine to abandon the Offer and instead seek majority representation on the Company's Board of Directors through a proxy contest at the Company's next annual meeting of shareholders, which under the Bylaws would be held in October, 1994. The ability of the Purchaser to succeed in such a proxy context would depend on events and conditions at that time. No assurance can be given as to whether the Purchaser would proceed with such a contest at that time or, if it chooses to pursue such a contest, whether the Purchaser would prevail. If the Purchaser succeeded in obtaining majority representation on the Company's Board of Directors through such a proxy contest, the Purchaser would then cause the Company to redeem the Rights and enter into a definitive merger agreement with Tyson and the Purchaser providing for an acquisition of the Company by Tyson, which merger agreement would render the Virginia Affiliated Transactions Law and the Virginia Control Share Act inapplicable. However, given the significant delay inherent in postponing action until the Company's next annual meeting, no assurance can be given that any merger transaction proposed by the Purchaser or Tyson at that time would be on the same terms as the Proposed Merger.

If the Purchaser obtains majority representation on the Company's Board of Directors and the Purchaser is unable for any reason to consummate the Proposed Merger, the Purchaser would nonetheless seek to exercise control over the business and affairs of the Company.

AS A RESULT OF THE FACTORS DESCRIBED IN THIS OFFER TO PURCHASE, SUBSTANTIALLY ALL OF WHICH ARE CURRENTLY WITHIN THE CONTROL OF THE COMPANY'S BOARD OF DIRECTORS, NO ASSURANCE CAN BE GIVEN THAT THE PROPOSED MERGER WILL BE CONSUMMATED OR AS TO THE TIMING THEREOF. IF THE TIMING OF THE PROPOSED MERGER IS SUBSTANTIALLY DELAYED, NO ASSURANCE CAN BE GIVEN AS TO THE PER SHARE CONSIDERATION THAT WOULD BE PAID. IF FOR ANY REASON THE PROPOSED MERGER IS NOT CONSUMMATED, THE PURCHASER RESERVES THE RIGHT TO ACQUIRE ADDITIONAL SHARES FOLLOWING THE EXPIRATION OF THE OFFER THROUGH PRIVATE PURCHASES, MARKET TRANSACTIONS, TENDER OR EXCHANGE OFFERS OR OTHERWISE ON TERMS AND AT PRICES THAT MAY BE MORE OR LESS FAVORABLE THAN THOSE OF THE OFFER OR, SUBJECT TO ANY APPLICABLE LEGAL RESTRICTIONS, TO DISPOSE OF ANY OR ALL SHARES ACQUIRED BY THE PURCHASER. ASSURANCES WITH RESPECT TO THE PROPOSED MERGER COULD BE GIVEN IF, PRIOR TO CONSUMMATION OF THE OFFER, THE COMPANY'S BOARD OF DIRECTORS AGREES TO ENTER INTO NEGOTIATIONS WITH TYSON AND THE PURCHASER AND SUCH NEGOTIATIONS RESULT IN AN AGREEMENT BETWEEN THE COMPANY, TYSON AND THE PURCHASER PROVIDING FOR THE PROPOSED MERGER. THE PURCHASER THEREFORE REITERATES ITS REQUEST THAT THE COMPANY'S BOARD OF DIRECTORS ENTER INTO SUCH NEGOTIATIONS.

Tyson intends to continue to seek to negotiate with the Company with respect to the acquisition of the Company by Tyson. If such negotiations result in a definitive merger agreement between the Company and Tyson, the consideration to be received by holders of Shares could include or consist of Tyson common stock, other securities, cash, or any combination thereof. Accordingly, such negotiations could result in, among other things, termination of the Offer (see

Section 14) and submission of a different acquisition proposal to the Company's shareholders for their approval. IN THIS REGARD, TYSON REMAINS WILLING TO NEGOTIATE A TRANSACTION WHICH WOULD PROVIDE SHAREHOLDERS WITH AN OPPORTUNITY TO DISPOSE OF THEIR SHARES ON A TAX-FREE BASIS.

PLANS FOR THE COMPANY. In connection with the Offer, Tyson and the Purchaser have reviewed, and will continue to review, on the basis of publicly available information, various possible business strategies involving the Company and its operations that they might consider in the event that they acquire control of the Company. If and to the extent that Tyson and the Purchaser acquire control of

the Company or otherwise obtain access to the books and records of the Company, Tyson and the Purchaser intend to conduct a detailed review of the Company and its assets, corporate structure, dividend policy, capitalization, operations, properties, policies, management and personnel, and may on the basis of such review propose or seek to effect changes or transactions with respect to or affecting any of such matters. Based on their review of the information available to them at this time, Tyson and the Purchaser do not currently intend or contemplate seeking to effect any material changes in the operations or structure of the Company or in its relationships with employees, suppliers or customers.

Except as described in this Offer to Purchase, Tyson and the Purchaser have no present plans or proposals that would result in (i) an extraordinary corporate transaction, such as a merger, consolidation, reorganization or liquidation involving the Company or any of its subsidiaries, (ii) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries, (iii) any change in the present board of directors or management of the Company, (iv) any material change in the present capitalization or dividend policy of the Company, (v) any other material change in the Company's corporate structure or business, (vi) causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association or (vii) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act.

**CERTAIN REQUIREMENTS WITH RESPECT TO SHAREHOLDERS MEETINGS AND THE BOARD OF DIRECTORS.** The Articles of Restatement of the Company (the "Restated Articles") provide that the Company's Board of Directors is divided into three classes, with each class elected for a term of three years. The terms of the classes are staggered so that at each annual meeting of shareholders one class of directors is elected for a three year term. The Bylaws provide that the number of directors may be fixed from time to time by the Board of Directors, but shall be not less than nine and no more than 21. Based upon publicly available information, there are currently 10 members of the Company's Board of Directors, of which three are in the class that will be up for election at the Company's next annual meeting of shareholders. The VSCA provides that the size of the Board of Directors may be fixed or changed from time to time, within the minimum of nine and the maximum of 21 specified in the Bylaws, by the shareholders or by the Board of Directors, provided that the range for the size of the Board of Directors may only be changed by the shareholders. The VSCA further provides that if any vacancy occurs on the Board of Directors (including any vacancy resulting from an increase in the number of directors) such vacancy may be filled by the Board of Directors or by the shareholders, provided that the term of any director elected by the Board of Directors to fill a vacancy will expire at the next shareholders' meeting at which directors are elected.

If the current members of the Board of Directors refuse to approve actions proposed or requested by the Purchaser, the Purchaser could seek to obtain majority representation on the Board of Directors. The Purchaser would seek such majority representation in any event if the Offer is consummated, assuming that the Purchaser's voting rights are not limited by operation of the Virginia Control Share Act. Such majority representation could be obtained at the next annual meeting of the Company's shareholders, notwithstanding the classification of the Company's Board of Directors. At such annual meeting, the Purchaser could submit to the Company's shareholders a proposal to increase the size of the Board of Directors from ten to 15, a proposal to elect designees of the Purchaser to replace the three existing directors who are up for election at such meeting, and a proposal to elect designees of the Purchaser to fill the five vacancies created by the increase in the size of the Board. If all such proposals were approved by the Company's shareholders, the Purchaser's designees would constitute eight out of the 15 directors who would then comprise the Board. The Purchaser believes that, assuming a quorum were present at such meeting, adoption of the proposal to increase the size of the Board of Directors would require the affirmative vote of a majority of the Shares voted on such proposal and the election of the Purchaser's nominees as directors would require the affirmative vote of a plurality of the Shares voted on the election of directors. The Bylaws generally require that if a shareholder desires to nominate one or more persons for election as directors at a

meeting of shareholders, such shareholder must provide written notice thereof to the Company not less than 90 days prior to the meeting. The Bylaws do not otherwise regulate the submission by a shareholder of proposals to be voted on at the Company's annual meeting.

The Bylaws provide that special meetings of shareholders may be called only by the Company's Chairman, President or Board of Directors. Accordingly, the Purchaser would not be able to convene a special meeting of shareholders for purposes of effecting the actions described above, and instead would only be able to take such actions at the next annual meeting of shareholders. The Bylaws provide that the annual meeting of shareholders will be held in October of each year, although the Board of Directors may be able to accelerate or postpone the next annual meeting by waiving or amending this provision. The VSCA provides that the circuit court of the city or county where a corporation's principal office is located may, after notice to the corporation, order an annual meeting of shareholders on petition of any shareholder entitled to participate in an annual meeting if an annual meeting was not held within 15 months after the corporation's last annual meeting. The Company's last annual meeting of shareholders was held on October 23, 1993.

The Bylaws provide that the Bylaws may be amended by a two-thirds vote of the Board of Directors or by a two-thirds vote of all Shares entitled to vote, and that bylaws made or amended by the Board of Directors may be altered, amended or repealed by the shareholders, but shall remain in effect unless or until such action is taken by the shareholders. The Purchaser believes that, because the two-thirds vote requirement with respect to amendments to the Bylaws by shareholders is contained in the Bylaws rather than in the Restated Articles, such requirement is not valid under the VSCA and that shareholder action to amend the Bylaws would only require the affirmative vote of a majority of the Shares voted on the proposed amendment at a meeting at which a quorum is present.

The foregoing description of the Restated Articles and the Bylaws is qualified in its entirety by reference to the text of the Restated Articles and Bylaws, copies of which have been filed by the Company as exhibits to documents filed with the Commission and may be obtained in the manner described in Section 8.

**NEITHER THE PURCHASER NOR TYSON IS SOLICITING PROXIES BY MEANS OF THIS OFFER TO PURCHASE WITH RESPECT TO THE ELECTION OF DIRECTORS OR ANY PROPOSAL TO BE CONSIDERED BY SHAREHOLDERS OF THE COMPANY.**

**VIRGINIA AFFILIATED TRANSACTIONS LAW.** The Virginia Affiliated Transactions Law purports to prohibit a Virginia corporation, such as the Company, from engaging in any Affiliated Transaction (defined to include a variety of transactions, including mergers) with any Interested Shareholder (defined generally as any person that, directly or indirectly, beneficially owns 10% or more of the outstanding voting shares of the corporation), or any affiliate of an Interested Shareholder, for three years after the date on which the Interested Shareholder became an Interested Shareholder unless the Affiliated Transaction is approved by a majority (but not less than two) of the disinterested directors and by the affirmative vote of two-thirds of the voting shares other than shares beneficially owned by the Interested Shareholder. The three-year prohibition on Affiliated Transactions with Interested Shareholders (the "Affiliated Transaction Prohibition") does not apply if certain conditions, described below, are satisfied. After the expiration of the Affiliated Transaction Prohibition period, an Affiliated Transaction with an Interested Shareholder requires the affirmative vote of at least two-thirds of the voting shares not beneficially owned by the Interested Shareholder (the "Supermajority Vote"), except under certain conditions described below. Under the Virginia Affiliated Transactions Law, the "disinterested directors" with respect to any particular Interested Shareholder means the members of the board of directors of the corporation who were members prior to the date on which the Interested Shareholder became an Interested Shareholder. The Virginia Affiliated Transactions Law provides that a person is deemed to be the "beneficial owner" of voting shares as to which such person and such person's affiliates and associates, individually or in the aggregate, have or share directly, or indirectly through any contract, arrangement, understanding, relationship or otherwise (i) the power to vote voting shares pursuant to any agreement, arrangement or understanding other than solely by virtue of revocable proxies given in response to a proxy solicitation made to ten or more persons and in

accordance with the Exchange Act, (ii) investment power, or (iii) the right to acquire voting or investment power (whether such right is exercisable immediately or only after the passage of time) pursuant to any contract, arrangement or understanding, upon the exercise of conversion rights, exchange rights, warrants or options.

The Affiliated Transaction Prohibition does not apply to a particular Affiliated Transaction with a particular Interested Shareholder if (i) a majority of the disinterested directors approves the acquisition of voting shares making such person an Interested Shareholder before such person becomes an Interested Shareholder; or (ii) the corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or bylaws, by an affirmative vote of more than two-thirds of the votes entitled to be cast by each voting group entitled to vote on the proposed amendment and a majority of the shares entitled to vote that are not owned by Interested Shareholders or affiliates and associates of any Interested Shareholders, expressly electing not to be governed by the Virginia Affiliated Transactions Law; provided that the amendment shall not be effective until 18 months after the vote of shareholders and shall not apply to any Affiliated Transaction of the corporation with an Interested Shareholder who became an Interested Shareholder on or before the date of the vote. There are certain other exemptions to the Affiliated Transaction Prohibition which the Purchaser does not believe are relevant with respect to the Company.

The Supermajority Vote (which becomes applicable after the three-year Affiliated Transaction Prohibition period has expired) would not apply to an Affiliated Transaction taking the form of a merger (such as the Proposed Merger), consolidation or share exchange after the end of the Affiliated Transaction Prohibition period if either (i) the Affiliated Transaction is approved by a majority of the disinterested directors or (ii) in addition to certain other conditions, certain "fair price" provisions are met, which "fair price" provisions could result in a price higher than the purchase price per Share pursuant to the Offer. In substance, the "fair price" provisions require that all holders of voting shares receive in the Affiliated Transaction cash and/or property having a fair market value per share equal to the highest of (i) if applicable, the highest per share price (including brokerage commissions, transfer taxes and soliciting dealer fees) paid by the Interested Shareholder for any shares acquired by it (A) in the transaction pursuant to which it became an Interested Shareholder or (B) within the two-year period immediately prior thereto, plus interest (minus dividends paid, but not in excess of the amount of interest); (ii) the fair market value per share, plus interest (minus dividends paid, but not in excess of the amount of interest); (iii) if applicable, the price determined pursuant to clause (ii) multiplied by the ratio of the highest price per share paid by the Interested Shareholder during the two-year period immediately prior to its becoming an Interested Shareholder to the fair market value of the shares on the first day of such two-year period on which the Interested Shareholder purchased any shares; and (iv) if applicable, the highest preferential amount to which a share is entitled upon dissolution of the corporation.

The foregoing summary of the Virginia Affiliated Transactions Law does not purport to be complete and is qualified in its entirety by reference to the provisions of the Virginia Affiliated Transactions Law.

The Purchaser's acquisition of Shares pursuant to the Offer would result in the Purchaser becoming an Interested Shareholder for purposes of the Virginia Affiliated Transactions Law and, absent the prior approval thereof by the Company's disinterested directors, the Affiliated Transaction Prohibition would apply to the Proposed Merger, as well as certain other transactions that the Purchaser or Tyson could seek to effect following consummation of the Offer. If the Purchaser were to obtain majority representation on the Company's Board of Directors prior to the acquisition by it and its affiliates and associates of beneficial ownership of more than 10% of the outstanding Shares, the directors nominated by the Purchaser would be disinterested directors for purposes of the Virginia Affiliated Transactions Law. Such directors could then approve a merger or other acquisition transaction proposed by the Purchaser and the Purchaser's acquisition of Shares pursuant thereto, in which event the Virginia Affiliated Transactions Law would be rendered inapplicable to such merger or other transaction. However, to the extent that the Purchaser were not to obtain representation on the

Company's Board of Directors until following consummation of the Offer, the directors nominated by the Purchaser would not be disinterested directors and actions taken by such directors could not be used to satisfy the requirements of the Virginia Affiliated Transactions Law or to render such requirements inapplicable to the Proposed Merger.

The impact of the Virginia Affiliated Transactions Law would be effectively to deny the Purchaser the ability to assure the consummation of the Proposed Merger even if the Purchaser acquires in excess of two-thirds of the outstanding Shares pursuant to the Offer and thereafter obtains majority representation on the Company's Board of Directors. Tyson is seeking in the Virginia Action to have the Virginia Affiliated Transactions Law declared unconstitutional and invalid as applied to the Offer and the Proposed Merger. In addition, the Purchaser is hereby requesting that the Company's Board of Directors adopt a resolution approving the acquisition of Shares by the Purchaser pursuant to the Offer, such that the Virginia Affiliated Transactions Law would not be applicable to the Proposed Merger.

If Tyson fails to prevail in the Virginia Action regarding the constitutionality and validity of the Virginia Affiliated Transactions Law and the Company's Board of Directors does not accede to the Purchaser's request that it approve the Purchaser's acquisition of Shares pursuant to the Offer, the Purchaser may determine to abandon the Offer and instead attempt to obtain majority representation on the Company's Board of Directors at the next annual meeting of shareholders, as described above. However, since under the Company's Bylaws the next annual meeting of shareholders would not be held until October, 1994 and could be postponed further, the Purchaser may determine that such an approach involves an intolerable degree of delay and an intolerable degree of uncertainty with respect to the conditions that may exist at the time of such meeting. Thus, although the Purchaser would prefer to consummate the Offer and obtain control of the Company under circumstances which would assure the prompt consummation of the Proposed Merger, the Purchaser may determine to proceed on a basis whereby the Purchaser obtains control of the Company through consummation of the Offer, but is unable to consummate the Proposed Merger for an extended period of time. If the Purchaser makes such a determination, the Purchaser would amend the Offer to reduce the number of Shares sought pursuant to the Offer to that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents a majority of the total number of Shares outstanding on a fully diluted basis. The acquisition by the Purchaser of only that number of Shares which would increase its holdings to a majority of the outstanding Shares would maximize the number of Shares which would not be beneficially owned by the Purchaser and could therefore be voted in favor of the Proposed Merger in accordance with the Virginia Affiliated Transactions Law. Following the consummation of the Offer, as so amended, the Purchaser would seek to obtain majority representation on the Company's Board of Directors and thereafter would seek to obtain the approvals by the disinterested directors (which would not include directors nominated by the Purchaser or Tyson and elected following consummation of the Offer) and the shareholders of the Company other than the Purchaser which would be necessary to approve the Proposed Merger in accordance with the Virginia Affiliated Transactions Law. No assurances could be given as to whether such approvals could be obtained.

**VIRGINIA CONTROL SHARE ACT.** The Virginia Control Share Act provides that Control Shares (as hereinafter defined) of a Virginia corporation, such as the Company, which are acquired in a Control Share Acquisition (as hereinafter defined) have no voting rights unless (i) voting rights are granted by resolution approved by a majority of all votes which could be cast in a vote on the election of directors, excluding all Interested Shares (as hereinafter defined), or (ii) by midnight on the fourth day following (A) the receipt by the secretary of the corporation of a notice expressly and specifically describing a proposed Control Share Acquisition or (B) the public announcement of a tender offer which would result in a Control Share Acquisition, the corporation's articles of incorporation or bylaws provide that the Virginia Control Share Act does not apply. Neither the Company's Restated Articles nor the

Company's Bylaws have been amended to provide that the Virginia Control Share Act does not apply, and can no longer be so amended pursuant to the Virginia Control Share Act with respect to the Control Share Acquisition contemplated by the Offer.

"Control Shares" generally means shares of a corporation acquired by a person within any of the following ranges of voting power: (i) one-fifth or more, but less than one-third of all voting power; (ii) one-third or more, but less than a majority of all voting power; or (iii) a majority or more of all voting power. "Control Share Acquisition" generally means the direct or indirect acquisition of beneficial ownership of, or the right to direct the exercise of voting power with respect to, Control Shares, but does not include the acquisition of shares in a merger, plan of share exchange, tender offer or exchange offer, in each case, pursuant to an agreement to which the issuing corporation is a party.

"Interested Shares" generally means shares of a corporation in respect of which an acquiring person, an officer of the corporation or an employee of the corporation who is also a director of the corporation is entitled to exercise or direct voting power.

Any person who proposes to make or has made a Control Share Acquisition may deliver a Control Share Acquisition Statement to the corporation at its principal office (a "Control Share Acquisition Statement"). A Control Share Acquisition Statement generally identifies the acquiring person, the number of shares of the corporation beneficially owned by the acquiring person, a description of the terms of the Control Share Acquisition, including the source of funds for the acquisition, proposals to liquidate the corporation, sell substantially all its assets or merge it with any other person, plans to change the location of the corporation's principal executive offices or a material portion of its business activities, to change materially its management or employment policies, to alter materially its relations with suppliers or customers or the communities in which it operates, or to make other material changes in its business, corporate structure, management or personnel, and plans for additional purchases of the corporation's shares. In addition, the acquiring person must represent that it has the financial capacity to make the proposed Control Share Acquisition and, unless the acquiring person has adequate cash and cash equivalents in excess of its working capital requirements to fund the Control Share Acquisition, must accompany the Control Share Acquisition Statement with complete copies of legally binding commitments from financial institutions.

If the acquiring person complies with the requirement for delivery of a Control Share Acquisition Statement, so requests at the time of delivery thereof and undertakes to pay the corporation's expenses of a special meeting, the Board of Directors of the corporation is required to call a special meeting of shareholders for the purpose of considering the voting rights to be accorded the shares acquired or to be acquired within 10 days after the corporation receives the request. Unless the acquiring person otherwise agrees, the meeting must be held within 50 days after the request has been received, and if the acquiring person so requests, the special meeting shall not be held sooner than 30 days after the date of the request. Notwithstanding the foregoing, the directors of the corporation may decline to call a special meeting of shareholders if they determine that at the time of such request the acquiring person does not beneficially own shares having at least five percent of the votes entitled to be cast at an election of directors. In such event, the issue of granting voting rights to the shares to be acquired in a Control Share Acquisition shall be considered at the next annual meeting of shareholders.

The Virginia Control Share Act further provides that any proxy that confers authority to vote on the granting of voting rights pursuant thereto shall be solicited separately from any offer to purchase shares of the corporation, and may not be solicited sooner than thirty days before the meeting unless otherwise agreed by the acquiring person and the corporation. Any such proxy must expressly provide that it is revocable at all times until completion of the vote.

Unless otherwise provided in the corporation's articles of incorporation or bylaws before a Control Share Acquisition has occurred, if voting rights are granted to shares acquired in a Control Share Acquisition resulting in the acquiring person having beneficial ownership of shares entitled to cast a majority of the votes in an election of directors, a shareholder who did not vote in favor of

granting such voting rights and followed certain procedures set forth in the VSCA, would be entitled to demand the payment of fair value for his shares, which would in no event be lower than the highest price paid in the Control Share Acquisition.

The foregoing summary of the Virginia Control Share Act does not purport to be complete and is qualified in its entirety by reference to the provisions of the Virginia Control Share Act.

At or in connection with the February 4 Board Meeting, a series of actions were taken affecting four members of the Company's Board of Directors pursuant to which the Company purports to be able to take the position that these directors are not officers or employees of the Company and that therefore the Shares as to which these directors have voting power are not Interested Shares for purposes of the Virginia Control Share Act. Specifically, according to the January 10-Q, (i) Charles W. Wampler, Jr., Chairman of the Board of the Company, and Herman D. Mason, Vice Chairman of the Board of the Company, agreed to terminate their compensation from the Company effective February 4, 1994; (ii) directors William D. Wampler and George E. Bryan resigned in their capacity as Senior Vice Presidents of the Company and likewise terminated their compensation from the Company effective February 4, 1994; (iii) in connection with these resignations, all four of such directors were provided individual deferred compensation agreements which provide post-retirement health insurance coverage; and (iv) the Company's Board of Directors amended the Bylaws to clarify that the roles of the Chairman of the Board and the Vice Chairman of the Board are as officers of the Board, rather than the Company. Based upon information publicly available on the date hereof, these four directors are the four largest shareholders on the Company's Board of Directors and beneficially own in excess of 10% of the outstanding Shares. Also at the February 4 Board Meeting, the Bylaws were amended to specify that the record date for a special shareholders meeting held pursuant to the Virginia Control Share Act will be the date upon which a Control Share Acquisition Statement relating to such meeting is delivered to the Company. Such amendment has the effect of eliminating the advance notice which would otherwise be given with respect to the record date for any meeting. Such advance notice of the record date would, among other things, better enable all shareholders to have a full and fair opportunity to vote their Shares. Tyson has asserted counterclaims in the Virginia Action which challenge the propriety and validity of all these actions. Tyson is also seeking in the Virginia Action to have the Virginia Control Share Act declared unconstitutional and invalid as applied to the Offer and the Proposed Merger. See Section 15.

The Company's Board of Directors rejected Tyson's proposal to acquire the Company purportedly on the basis of its belief that such proposal would not be in the "best long-term interests" of the Company's shareholders. See Section 11. The Purchaser believes that the Company's disinterested shareholders should have an opportunity to express independently their own views as to their own long-term best interests, rather than having those views surmised and acted upon by the Board of Directors. The Purchaser believes that acceptance of the Offer by shareholders, if the Offer could be consummated unimpeded by the various defensive measures and statutory provisions that are being relied upon by the Company's Board of Directors, would be the best means of allowing shareholders to express such views. Tyson is challenging the constitutionality and validity of the Virginia Control Share Act on the basis that, among other things, it impermissibly impedes consummation of the Offer. The Purchaser also believes that to whatever extent the special shareholders meeting contemplated by the Virginia Control Share Act could be useful by effectively serving as a referendum of the disinterested shareholders on the proposed acquisition of the Company by Tyson contemplated by the Offer and the Proposed Merger, such a special meeting of shareholders will not serve as a true referendum of disinterested shareholders unless the actions of the Company's Board of Directors and management described in the preceding paragraph are invalidated as requested by Tyson in the Virginia Action and unless such special meeting and the related shareholder vote are conducted in a manner which assures that all disinterested shareholders have a full and fair opportunity to consider the views of the Purchaser and the Company and then to express their own views. Thus, depending on the timing and outcome of the Virginia Action both with respect to the constitutionality and applicability of the Virginia Control Share Act and with respect to the validity of the actions taken by the

Company's Board of Directors and management, the Purchaser intends, at such time as it determines appropriate, to deliver a request to the Company that it convene a special shareholders meeting in accordance with the requirements of the Virginia Control Share Act. Pursuant to the Virginia Control Share Act and the terms of the request for a special shareholders meeting to be delivered by the Purchaser, the special shareholders meeting will be required to be called within 10 days, and must be held no sooner than 30 days and no later than 50 days, after receipt by the Company of the Purchaser's request that the special shareholders meeting be held.

The Purchaser has not yet requested the Company to convene a special meeting under the Virginia Control Share Act, and Tyson and the Purchaser are not currently soliciting proxies with respect to the proposal that would be considered by shareholders at such a special shareholders meeting. Any such request would be made only in accordance with the specific requirements of the Virginia Control Share Act and any such solicitation would be made only pursuant to separate proxy materials complying with the requirements of Section 14 of the Exchange Act and the requirements of the Virginia Control Share Act.

**THE RIGHTS.** According to the Company 8-A, on February 4, 1994, the Board of Directors of the Company declared a dividend payable February 14, 1994 of one Right for each outstanding Share held of record at the close of business on February 14, 1994 (the "Record Time"), or issued thereafter and prior to the Separation Time (as hereinafter defined) and thereafter pursuant to options and convertible securities outstanding at the Separation Time. Each Right entitles its registered holder to purchase from the Company, after the Separation Time, one one-hundredth of a share of Participating Preferred Stock, no par value, of the Company ("Participating Preferred Stock"), for \$68 (the "Exercise Price"), subject to adjustment.

According to the Company 8-A, the Rights will be evidenced by the Common Stock certificates until the close of business on the earlier of (either, the "Separation Time") (i) the tenth business day (or such later date as the Board of Directors of the Company may from time to time fix by resolution adopted prior to the Separation Time that would otherwise have occurred) after the date on which any Person (as defined in the Rights Agreement) commences a tender or exchange offer which, if consummated, would result in such Person becoming an Acquiring Person (as hereinafter defined) and (ii) the first date (the "Flip-in Date") of public announcement by the Company or any Person that such Person has become an Acquiring Person, other than as a result of a Flip-over Transaction or Event (as hereinafter defined). "Acquiring Person" generally means any Person having Beneficial Ownership (as defined in the Rights Agreement) of 15% or more of the outstanding shares of Common Stock, subject to certain exceptions contained in the Rights Agreement.

According to the Company 8-A, until the Separation Time, the Rights will be transferred with and only with the Common Stock. The Rights will not be exercisable until the Business Day (as defined in the Rights Agreement) following the Separation Time.

According to the Company 8-A, the Rights will expire on the earliest of (i) the Exchange Time (as hereinafter defined), (ii) the close of business on February 14, 2004, (iii) the date on which the Rights are redeemed and (iv) upon the merger of the Company into another corporation pursuant to an agreement entered into when there is no Acquiring Person (in any such case, the "Expiration Time").

According to the Company 8-A, in the event that prior to the Expiration Time a Flip-in Date occurs, each Right (other than Rights Beneficially Owned by the Acquiring Person or any affiliate or associate thereof, which Rights shall become void) shall constitute the right to purchase from the Company, upon the exercise thereof in accordance with the terms of the Rights Agreement, that number of shares of Common Stock or Participating Preferred Stock of the Company having an aggregate Market Price (as defined in the Rights Agreement), on the date of the public announcement of an Acquiring Person's becoming such (the "Stock Acquisition Date") that gave rise to the Flip-in Date, equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price. In addition, the Board of Directors of the Company may, at its option, at any time after a Flip-in Date and prior to the time that an Acquiring Person becomes the Beneficial Owner of more than 50% of the

outstanding shares of Common Stock, elect to exchange all (but not less than all) of the then outstanding Rights (other than Rights beneficially owned by the Acquiring Person or any affiliate or associate thereof, which Rights shall become void) for shares of Common Stock at an exchange ratio of one share of Common Stock per Right, appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date of the Separation Time (the "Exchange Ratio"). Immediately upon such action by the Board of Directors (the "Exchange Time"), the right to exercise the Rights will terminate and each Right will thereafter represent only the right to receive a number of shares of Common Stock equal to the Exchange Ratio.

According to the Company 8-A, in the event that prior to the Expiration Time the Company enters into, consummates or permits to occur a transaction or series of transactions after the time an Acquiring Person has become such in which, directly or indirectly, (i) the Company shall consolidate or merge or participate in a binding share exchange with any person if, at the time of the consolidation, merger or share exchange or at the time the Company enters into an agreement with respect to such consolidation, merger or share exchange, the Acquiring Person controls the Board of Directors of the Company and any term of or arrangement concerning the treatment of shares of capital stock in such merger, consolidation or share exchange relating to the Acquiring Person is not identical to the terms and arrangements relating to other holders of Common Stock or (ii) the Company shall sell or otherwise transfer (or one or more of its subsidiaries shall sell or otherwise transfer) assets (A) aggregating more than 50% of the assets (measured by either book value or fair market value) or (B) generating more than 50% of the operating income or cash flow, of the Company and its subsidiaries (taken as a whole) to any other Person (other than the Company or one or more of its wholly owned subsidiaries) or to two or more such Persons which are affiliated or otherwise acting in concert, if, at the time of such sale or transfer of assets or at the time the Company (or any such subsidiary) enters into an agreement with respect to such sale or transfer, the Acquiring Person controls the Board of Directors of the Company (a "Flip-over Transaction or Event"), the Company shall take such action as shall be necessary to ensure, and shall not enter into, consummate or permit to occur such Flip-over Transaction or Event until it shall have entered into a supplemental agreement with the Person engaging in such Flip-over Transaction or Event or the parent corporation thereof (the "Flip-over Entity"), for the benefit of the holders of the Rights, providing, that upon consummation or occurrence of the Flip-over Transaction or Event (i) each Right shall thereafter constitute the right to purchase from the Flip-over Entity, upon exercise thereof in accordance with the terms of the Rights Agreement, that number of shares of common stock of the Flip-over Entity having an aggregate Market Price on the date of consummation or occurrence of such Flip-over Transaction or Event equal to twice the Exercise Price for an amount in cash equal to the then current Exercise Price and (ii) the Flip-over Entity shall thereafter be liable for, and shall assume, by virtue of such Flip-over Transaction or Event and such supplemental agreement, all the obligations and duties of the Company pursuant to the Rights Agreement.

According to the Company 8-A, the Board of Directors of the Company may, at its option, at any time prior to the Flip-in Date, redeem all (but not less than all) of the then outstanding Rights at a price of \$0.01 per Right (the "Redemption Price"), as provided in the Rights Agreement. Immediately upon the action of the Board of Directors of the Company electing to redeem the Rights, without any further action and without any notice, the right to exercise the Rights will terminate and each Right will thereafter represent only the right to receive the Redemption Price in cash for each Right so held.

The foregoing summary of the Rights Agreement and the Rights does not purport to be complete and is qualified in its entirety by reference to the Company 8-A and the text of the Rights Agreement as set forth as an exhibit thereto, filed with the Commission, copies of which may be obtained in the manner set forth in Section 8.

If the Offer were to be consummated at a time when the Rights remain outstanding, the Purchaser would become an Acquiring Person, a Flip-in Date would occur, the Rights would cease to be redeemable and the Rights would, among other things, purport to entitle each holder thereof (other than the Purchaser and its affiliates) to purchase additional Shares from the Company at a significant

discount to the market value of the Shares. The existence of the Rights, therefore, has the practical effect of precluding the Purchaser from consummating the Offer, regardless of the extent to which the Company's shareholders wish to sell their Shares pursuant to the Offer. The Purchaser believes that the issuance of the Rights and the failure to redeem the Rights, insofar as the Rights subvert the wishes of the Company's shareholders to those of the Company's Board of Directors and deny the Company's shareholders the opportunity to accept the Offer, constitute a breach of fiduciary duties on the part of the Company's Board of Directors. The Purchaser hereby requests that the Company's Board of Directors redeem the Rights. Tyson is seeking in the Virginia Action to cause the Rights to be redeemed or rescinded or declared invalid as applied to the Offer and the Proposed Merger. See Section 15.

**DISSENTERS' RIGHTS.** If the Proposed Merger is consummated, each holder of Shares will have the right to receive fair value for his Shares if he does not vote in favor of the Proposed Merger and otherwise properly exercises his dissenters' rights (the "Proposed Merger Dissenter"), except that Proposed Merger Dissenters will not have the right to receive fair value for their Shares in connection with the Proposed Merger if, among other things, the Shares are listed on a national securities exchange or held by at least 2,000 record shareholders on the record date for determining shareholders entitled to vote on the transaction objected to. See Section 7. If the right to receive fair value is applicable and the statutory procedures for exercising or perfecting dissenters' rights are complied with in accordance with the VSCA, then the Company must pay to the Proposed Merger Dissenter the fair value of his Shares, if such Shares were beneficially owned on the date of the first publication by news media or announcement of the Proposed Merger to shareholders generally, and, if not so owned, the Company may elect to withhold such payment and, after consummation of the Proposed Merger, estimate the fair value of such Shares and offer such amount to the Proposed Merger Dissenter. The Proposed Merger Dissenter may then make his own estimate of the fair value of his Shares, reject the Company's payment or offer, and demand payment of such estimate. If such a demand for payment remains unsettled, then a judicial determination will be made of the fair value required to be paid in cash to the Proposed Merger Dissenter for his Shares. Any such judicial determination of the fair value of Shares could be based upon considerations other than or in addition to the price paid in the Offer or the market value of the Shares. Fair value may be less than the price paid for Shares pursuant to the Offer.

If the Virginia Control Share Act is applicable to the purchase of Shares pursuant to the Offer, certain additional dissenters' rights would, under certain circumstances, be available. (See "Virginia Control Share Act" above).

The foregoing summary of the rights of objecting shareholders does not purport to be a complete statement of the procedures to be followed by shareholders desiring to exercise their dissenters' rights. The preservation and exercise of dissenters' rights are conditioned on strict adherence to the applicable provisions of the VSCA.

**OTHER MATTERS.** The Proposed Merger would have to comply with any applicable federal law operative at the time of its consummation. The Commission has adopted Rule 13e-3 under the Exchange Act which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Proposed Merger. However, Rule 13e-3 would be inapplicable if (i) the Shares are deregistered under the Exchange Act prior to the Proposed Merger or other business combination or (ii) the Proposed Merger or other business combination is consummated within one year after the purchase of the Shares pursuant the Offer and the amount paid per Share in the Proposed Merger or other business combination is at least equal to the amount paid per Share in the Offer. If applicable, Rule 13e-3 would require, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the Proposed Merger and the consideration offered to minority shareholders be filed with the Commission and disclosed to minority shareholders prior to consummation of the Proposed Merger.

13. **DIVIDENDS AND DISTRIBUTIONS.** If, on or after March 8, 1994, the Company should (i) split, combine or otherwise change the Shares or its capitalization, (ii) acquire presently outstanding Shares or otherwise cause a reduction in the number of outstanding Shares, or (iii) issue or sell additional Shares (other than the issuance of Shares reserved for issuance as of July 3, 1993, under option and employee stock purchase plans in accordance with their terms as publicly disclosed as of March 8, 1994) or any shares of any other class of capital stock, other voting securities or any securities convertible into or exchangeable for, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, or (iv) disclose that it has taken such action, then, without prejudice to the Purchaser's rights under Sections 1 and 14, the Purchaser, in its sole discretion, may make such adjustment as it deems appropriate in the purchase price and other terms of the Offer and the Proposed Merger to reflect such split, combination or other change, including, without limitation, the number or type of securities offered to be purchased and the consideration to be paid therefor.

If Shares are purchased pursuant to the Offer, and, on or after March 8, 1994, the Company should declare, pay or distribute any cash or stock dividend on the Shares (other than regular quarterly dividends on the Shares, not in excess of \$.08 per Share, having a customary and usual record date) or any other distribution (including, without limitation, the issuance of additional Shares pursuant to a stock dividend or stock split, the issuance of other securities or the issuance of rights (other than the Rights ) for the purchase of any securities) with respect to the Shares that is payable or distributable to shareholders of record on a date prior to the transfer to the name of the Purchaser or its nominees or transferees on the Company's stock transfer records of the Shares purchased pursuant to the Offer, then, without prejudice to the Purchaser's rights under Sections 1 and 14, (i) the purchase price per Share payable by the Purchaser pursuant to the Offer shall be reduced by the amount of any such cash dividend or cash distribution and (ii) the whole of any such non-cash dividend, distribution, issuance, proceeds or right to be received by a tendering shareholder will (a) be received and held by the tendering shareholder for the account of the Purchaser and will be required to be promptly remitted and transferred by the tendering shareholder to the Depositary for the account of the Purchaser, accompanied by appropriate documentation of transfer or (b) at the direction of the Purchaser, be exercised for the benefit of the Purchaser, in which case the proceeds of such exercise shall promptly be remitted to the Purchaser. Pending such remittance and subject to applicable law, the Purchaser shall be entitled to all rights and privileges as owner of any such non-cash dividend, distribution, issuance, proceeds or right and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

14. **CERTAIN CONDITIONS OF THE OFFER.** Notwithstanding any other provisions of the Offer, and in addition to (and not in limitation of) the Purchaser's rights to extend and amend the Offer at any time in its sole discretion, the Purchaser shall not be required to accept for payment or, subject to any applicable rules and regulations of the Commission, including Rule 14e-1(c) under the Exchange Act (relating to the Purchaser's obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), pay for, and may delay the acceptance for payment of or, subject to the restriction referred to above, the payment for, any tendered Shares, and may terminate the Offer (whether or not any Shares have theretofore been purchased or paid for), if (i) any of the conditions to consummation of the Offer set forth in the Introduction to this Offer to Purchase (relating to the Minimum Condition, the Rights Condition, the Affiliated Transaction Condition or the Control Share Condition) has not been satisfied, or (ii) at any time on or after March 8, 1994 and before acceptance for payment of, or payment for, such Shares any of the following events shall occur or shall be determined by Tyson or the Purchaser to have occurred:

(a) any change (or any condition, event or development involving a prospective change) shall have occurred or be threatened in the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, licenses or franchises, results of operations, performance or prospects of the Company or any of its subsidiaries or affiliates or in general economic or financial markets in the United States or abroad, which, in the sole judgment

of Tyson or the Purchaser, is or may be materially adverse to the Company or any of such subsidiaries or affiliates or its shareholders, or the market price of, or trading in, the Shares, or the Purchaser shall have become aware of any facts which, in the sole judgment of Tyson or the Purchaser, as the case may be, are or may be materially adverse with respect to the value of the Company or any of its subsidiaries or affiliates or the value of the Shares to Tyson or the Purchaser or any of their affiliates; or

(b) (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States, (ii) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States (whether or not mandatory), (iii) a commencement of a war, armed hostilities or other national or international crisis directly or indirectly involving the United States, (iv) any material adverse change (or any existing or threatened condition, event or development involving a prospective material adverse change) in the United States or any other currency exchange rates or a suspension of, or limitation on, the markets therefor (whether or not mandatory), (v) any limitation (whether or not mandatory) imposed by any governmental authority on, or any other event which might have material adverse significance with respect to the nature or extension of credit or further extension of credit by banks or other lending institutions, (vi) any significant adverse change in securities or financial markets in the United States or abroad, including, without limitation, a decline of at least 15 percent in either the Dow Jones Average of Industrial Stocks or the Standard & Poor's 500 Index from that existing at the close of business on March 8, 1994 or (vii) in the case of the foregoing existing at the time of the commencement of the Offer, in the sole judgment of Tyson or the Purchaser, a material acceleration or worsening thereof; or

(c) there shall have been threatened, instituted, or pending any action, proceeding, application or counterclaim by or before any court or governmental, regulatory or administrative authority, agency or tribunal, domestic, foreign or supranational (other than actions, proceedings, applications or counterclaims filed or initiated by Tyson or the Purchaser), or by any other person, domestic or foreign (whether brought by the Company, an affiliate of the Company or any other person), which (i) challenges or seeks to challenge the acquisition by Tyson or the Purchaser or any other affiliate of Tyson of the Shares, restrains, delays or prohibits or seeks to restrain, delay or prohibit the making or consummation of the Offer or the Proposed Merger or other merger or business combination involving the Purchaser or any of its affiliates and the Company or any of its subsidiaries, restrains or prohibits or seeks to restrain or prohibit the performance of any of the contracts or other arrangements entered into by Tyson or any of its affiliates in connection with the acquisition of the Company, or obtains or seeks to obtain any damages or otherwise directly or indirectly relating to the transactions contemplated in connection with any of the foregoing, (ii) makes or seeks to make the purchase of, or payment for, some or all of the Shares pursuant to the Offer or the Proposed Merger or otherwise illegal or results in a delay in the ability of the Purchaser to accept for payment or pay for some or all of the Shares or to consummate the Proposed Merger, (iii) prohibits or limits or seeks to prohibit or limit the ownership or operation by Tyson, the Purchaser or any other affiliate of Tyson of all or any portion of the business or assets of the Company and its subsidiaries or of Tyson and its affiliates or to compel or seeks to compel Tyson, the Purchaser or the Company or any of their affiliates to dispose of or to hold separately all or any portion of the business or assets of Tyson or any of its affiliates or of the Company or any of its affiliates, or imposes or seeks to impose any limitation on the ability of Tyson, the Purchaser or the Company or any of their respective affiliates or subsidiaries to continue to conduct, own or operate all or any portion of their businesses and assets as heretofore conducted, owned or operated, (iv) imposes or seeks to impose or may result in material limitations on the ability of Tyson or the Purchaser or any other affiliate of Tyson to acquire or hold or to exercise full rights of ownership of the Shares purchased by them, including, but not limited to, the right to vote the Shares purchased by them, on all matters properly presented to the shareholders of the Company, or the right to vote any shares of capital stock of any subsidiary directly or indirectly owned by the Company, (v) in the sole judgment of Tyson or

the Purchaser might result in a material diminution in the benefits expected to be derived by the Purchaser or Tyson as a result of the transactions contemplated by the Offer, including the Proposed Merger, or the value of the Shares to the Purchaser, (vi) seeks to impose voting, procedural, price or other requirements in addition to those under the VSCA and federal securities laws (each as in effect on the date of this Offer to Purchase) or any material condition to the Offer that is unacceptable to the Purchaser or Tyson, (vii) challenges or adversely affects the financing of the Offer or the Proposed Merger, or (viii) otherwise directly or indirectly relates to the Offer, the Proposed Merger or any other business combination with the Company or which otherwise, in the sole judgment of Tyson or the Purchaser, might adversely affect the Company or any of its subsidiaries or affiliates, or Tyson, the Purchaser or any of their respective affiliates or subsidiaries or the value of the Shares; or

(d) other than the application of any waiting periods under the HSR Act, and the necessity for approvals and other actions by any domestic, foreign or supranational governmental, administrative or regulatory agency, authority or tribunal described in paragraph (k) below, there shall have been proposed, sought, promulgated, enacted, entered, enforced or deemed applicable to the Offer or the Proposed Merger by any domestic, foreign or supranational government or any governmental, administrative or regulatory authority or agency or by any court or tribunal, domestic, foreign or supranational, any statute, rule, regulation, judgment, decree, order or injunction that might, directly or indirectly, result in any of the consequences referred to in clauses (i) through (viii) of paragraph (c) above; or

(e) the Company or any of its subsidiaries shall have (i) issued, distributed, pledged or sold, or authorized, proposed or announced the issuance, distribution, pledge or sale of (A) any shares of capital stock or any class (including, without limitation, the Shares), or securities convertible into or exchangeable for any such shares, or any rights (other than the Rights), warrants, or options to acquire any such shares or convertible or exchangeable securities, other than the issuance of Shares reserved for issuance on July 3, 1993 pursuant to the exercise of then outstanding stock options or the employee stock purchase plan of the Company (in each case in accordance with the terms thereof publicly disclosed on March 8, 1994) or (B) any other securities in respect of, in lieu of, or in substitution for, Shares outstanding on February 1, 1994, (ii) purchased or otherwise acquired or caused a reduction in, or proposed or offered to purchase or otherwise acquire, any Shares or other securities of the Company (except for redemption of the Rights in accordance with the terms of the Rights Agreement), (iii) declared or paid any dividend or distribution on any shares of capital stock (other than regular quarterly dividends on the Shares, not in excess of \$.08 per Share, having a customary and usual record date and a distribution of the Rights Certificates in accordance with the terms of the Rights Agreement and, in the event the Rights are redeemed, the Redemption Price), or issued, or authorized, recommended or proposed the issuance of, or any other distribution in respect of, any share of capital stock, whether payable in cash, securities or other property, or altered or proposed to alter any material term of any outstanding security, (iv) issued, distributed or sold, or authorized or proposed the issuance, distribution or sale of any debt securities or any securities convertible into or exchangeable for debt securities or any rights, warrants or options entitling the holder thereof to purchase or otherwise acquire any debt securities, or incurred, or authorized or proposed the incurrence of, any debt other than in the ordinary course of business and consistent with past practice, or any debt containing burdensome covenants, (v) authorized, recommended, proposed or publicly announced its intention to enter into or cause (A) any merger (other than the Proposed Merger), consolidation, liquidation, dissolution, business combination, joint venture, acquisition of assets or securities (other than a redemption of the Rights) or disposition of assets or securities other than in the ordinary course of business, (B) any material change in its capitalization, (C) any release or relinquishment of any material contract rights or (D) any comparable event not in the ordinary course of business, (vi) authorized, recommended or proposed or announced its intention to authorize, recommend or propose any transaction which could adversely affect the value of the Shares, (vii) proposed, adopted or authorized any amendment (other than any amendment

which delays the Separation Time) to its Restated Articles or Bylaws or similar organization documents or the Rights Agreement or (viii) agreed in writing or otherwise to take any of the foregoing actions, or the Purchaser or Tyson shall have learned about any such action which shall not have been previously publicly disclosed by the Company; or

(f) the Purchaser or Tyson shall become aware (i) that any material contractual right of the Company or any of its subsidiaries or affiliates shall be impaired or otherwise adversely affected or that any material amount of indebtedness of the Company or any of its subsidiaries shall become accelerated or otherwise become due or become subject to acceleration prior to its stated due date, in either case with or without notice or the lapse of time or both, as a result of or in connection with the transactions contemplated by the Offer or the Proposed Merger, or (ii) of any covenant, term or condition in any of the Company's or any of its subsidiaries' instruments or agreements that has or may have (whether considered alone or in the aggregate with other covenants, terms or conditions) a material adverse effect on (A) the business, properties, assets, liabilities, capitalization, shareholders' equity, condition (financial or otherwise), operations, licenses or franchises, results of operations or prospects of the Company or any of its subsidiaries (including, but not limited to, any event of default that may ensue as a result of the consummation of the Offer or the acquisition of control of the Company or any of its subsidiaries or the Proposed Merger), (B) the value of the Shares in the hands of Tyson, the Purchaser or any of their affiliates or (C) the consummation by the Purchaser or any of its affiliates of the Proposed Merger or any other business combination involving the Company; or

(g) a tender or exchange offer for some portion or all of any outstanding securities of the Company or any of its subsidiaries (including the Shares or Rights) shall have been commenced or publicly proposed to be made or shall have been made by another person (including the Company or any of its subsidiaries or affiliates), or it shall have been publicly disclosed or Tyson or the Purchaser shall have otherwise learned that (i) any person, entity (including the Company or its subsidiaries or affiliates) or "group" (as defined in Section 13(d)(3) of the Exchange Act) shall have acquired or proposed or be attempting to acquire beneficial ownership of more than five percent of any class or series of capital stock of the Company (including the Shares or Rights) or its subsidiaries, or shall have been granted any option, warrant or right, conditional or otherwise, to acquire beneficial ownership of more than five percent of any class or series of capital stock of the Company (including the Shares or Rights), other than acquisitions for bona fide arbitrage positions, (ii) any such person, entity or group which prior to March 8, 1994 has publicly disclosed any such ownership of more than five percent of any class or series of capital stock of the Company (including the Shares or Rights) or its subsidiaries shall have acquired or proposed to acquire additional shares of any class or series of capital stock of the Company (including the Shares or Rights) or its subsidiaries constituting more than one percent of such class or series or shall have been granted any option or right to acquire more than one percent of such class or series of capital stock of the Company (including the Shares or Rights) or its subsidiaries, (iii) any new group was, or is, formed which beneficially owns more than five percent of any class or series of capital stock of the Company (including the Shares or Rights) or its subsidiaries, (iv) any person, entity or group shall have entered into a definitive agreement or an agreement in principle or made a proposal with respect to a tender offer or exchange offer for some portion or all of the Shares or Rights or a merger, consolidation or other business combination with or involving the Company or its subsidiaries, or (v) any person, entity or group shall have filed a Premerger Notification and Report Form under the HSR Act in order to, or made a public announcement reflecting an intent to, acquire the Company or assets or securities of the Company or its subsidiaries; or

(h) the Company and Tyson or the Purchaser shall have reached an agreement or understanding that the Offer be terminated or amended or the payment for Shares be postponed pursuant thereto or Tyson or the Purchaser (or one of their affiliates) shall have entered into a definitive agreement or announced an agreement in principle with respect to the Proposed

Merger or any other business combination with the Company or any of its affiliates or the purchase of any material portion of the securities or assets of the Company or any of its subsidiaries; or

(i) the Company or any of its subsidiaries shall have entered into any employment, severance or similar agreement, arrangement or plan with or for the benefit of any of its employees or entered into or amended any agreements, arrangements or plans so as to provide for increased or accelerated payment or funding of the benefits to any such employees as a result of or in connection with the transactions contemplated by the Offer or the Proposed Merger or otherwise amended any such agreement, arrangement or plan to make the same more favorable to any such employee, or the Purchaser or Tyson shall have learned about any such action which shall not have been previously publicly disclosed by the Company; or

(j) except as may be required by law, the Company or any of its subsidiaries shall have taken any action to terminate or amend any employee benefit plan (as defined in Section 3(2) of the Employment Retirement Income Security Act of 1974, as amended) of the Company or any of its subsidiaries, or the Purchaser or Tyson shall have learned of any such action or possible action which shall not have been previously publicly disclosed by the Company; or

(k) any waiting periods under the HSR Act applicable to the purchase of the Shares pursuant to the Offer shall not have expired or been terminated, or any other approval, permit, authorization, consent or other action of any domestic (federal or state), foreign or supranational governmental, administrative or regulatory agency, authority or tribunal (including those described in Section 15) shall not have been obtained on terms satisfactory to Tyson in its sole discretion;

which, in the sole judgment of Tyson and the Purchaser, in any case, and regardless of the circumstances (including any action or inaction by Tyson or the Purchaser or their affiliates) giving rise to any such condition, makes it inadvisable to proceed with the Offer or with such acceptance for payment or payment for Shares.

The foregoing conditions are for the sole benefit of the Purchaser, Tyson and their affiliates and may be asserted by the Purchaser or Tyson regardless of the circumstances giving rise to any such condition (including, without limitation, any action or inaction by the Purchaser or Tyson or their affiliates) and may be waived by Tyson or the Purchaser, in whole or in part, at any time and from time to time, in their sole discretion. The failure by the Purchaser or Tyson at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right or any other right and each right will be deemed an ongoing right which may be asserted at any time and from time to time. Any determination by the Purchaser concerning the events described in this Section 14 will be final and binding on all parties.

## 15. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS.

GENERAL. Except as described in this Offer to Purchase, based on a review of publicly available filings by the Company with the Commission and other publicly available information concerning the Company, Tyson and the Purchaser are not aware of any licenses or regulatory permits that appear to be material to the business of the Company and its subsidiaries, taken as whole, that might be adversely affected by the acquisition of Shares (and the indirect acquisition of the stock of the Company's subsidiaries) by the Purchaser as contemplated herein or, except as set forth below, of any filing, approval or other action by or with any domestic, foreign or supranational governmental, administrative or regulatory agency or authority that would be required prior to the acquisition of Shares (and the indirect acquisition of the stock of the Company's subsidiaries) by the Purchaser pursuant to the Offer as contemplated herein. Should any such approval or other action be required, there can be no assurance that any such additional approval or action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the Company's business, or that certain parts of the Company's or Tyson's business might not have to be disposed of

or held separate or other substantial conditions complied with in order to obtain such approval or action or in the event that such approvals were not obtained or such actions were not taken. The Purchaser's obligation to purchase and pay for Shares is subject to certain conditions, including conditions with respect to litigation and governmental actions. See the Introduction and Section 14 for certain conditions to the Offer, including with respect to litigation and governmental actions.

**STATE TAKEOVER STATUTES.** A number of states (including Virginia, where the Company is incorporated) have adopted "takeover" laws and regulations which purport, in varying degrees, to apply to attempts to acquire securities of corporations which are incorporated in such states, or which have substantial assets, security holders, principal executive offices or principal places of business in such states. To the extent that certain provisions of certain of these state takeover statutes purport to apply to the Offer or the Proposed Merger, the Purchaser believes that such laws conflict with federal law and constitute an unconstitutional burden on interstate commerce. In 1982, the Supreme Court of the United States, in *EDGAR V. MITE CORP.*, invalidated on constitutional grounds the Illinois Business Takeovers Statute, which as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult, and the reasoning in such decision is likely to apply to certain other state takeover statutes. In 1987, however, in *CTS CORP.*

*V. DYNAMICS CORP. OF AMERICA*, the Supreme Court of the United States held that the State of Indiana could, as a matter of corporate law and, in particular, those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining shareholders, provided that such laws were applicable only under certain conditions. Subsequently, in *TLX ACQUISITION CORP. V. TELEX CORP.*, a Federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional insofar as they apply to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in *TYSON FOODS, INC. V. MCREYNOLDS*, a Federal district court in Tennessee ruled that four Tennessee takeover statutes are unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit. In December, 1988, a Federal district court in Florida held in *GRAND METROPOLITAN PLC V. BUTTERWORTH*, that the provisions of the Florida Affiliated Transactions Act and the Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida.

The Company, directly or through subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted "takeover" laws. Except as described herein, the Purchaser has not attempted to comply with any state takeover statutes in connection with the Offer. The Purchaser reserves the right to challenge the validity or applicability of any state law allegedly applicable to the Offer or the Proposed Merger and nothing in this Offer to Purchase nor any action taken in connection herewith is intended as a waiver of that right. In the event that any state takeover statute is found applicable to the Offer or the Proposed Merger, the Purchaser might be unable to accept for payment or purchase Shares tendered pursuant to the Offer or be delayed in continuing or consummating the Offer or in consummating the Proposed Merger. In such case, the Purchaser may not be obligated to accept for payment or pay for Shares tendered pursuant to the Offer. See Section 14.

**VIRGINIA ACTION.** On February 6, 1994, the Company commenced the Virginia Action in the District Court naming Tyson as a defendant. In the Virginia Action the Company is seeking a declaratory judgment that the Rights Agreement adopted on February 4, 1994, is valid and was duly adopted and that any Rights issued thereunder are valid, binding and legally enforceable under state and federal law. The Company also seeks in the Virginia Action a declaration that the Virginia Control Share Act and the Virginia Affiliated Transactions Law are constitutional under the Virginia and United States Constitutions and valid under any other applicable law, as well as a temporary, preliminary and permanent injunction enjoining Tyson from bringing any action in any other court relating to Tyson's proposal to acquire the Company.

On February 25, 1994, Tyson answered the Company's complaint in the Virginia Action, and filed counterclaims against the Company and all of its directors. Tyson's counterclaims allege, among other things, that on February 4, 1994, the Company's Board of Directors took a series of actions designed to erect numerous barriers that would insulate the Company from any acquisition not approved by the Company's Board of Directors. Tyson's counterclaims allege that through its actions, the Company's Board of Directors attempted to impose its will on the Company's shareholders and deprive them of the benefits of an acquisition proposal from Tyson or any other third party not endorsed by the Company's Board of Directors.

Specifically, Tyson's counterclaims allege, among other things, that on February 4, 1994, the Company's directors breached their fiduciary duties to the Company's shareholders by: (a) adopting the Rights Agreement and issuing the Rights pursuant thereto; (b) adopting certain executive severance arrangements; (c) adopting certain severance packages for all salaried and hourly clerical employees; (d) amending the Bylaws relating to the status of the Chairman and Vice Chairman of the Company as officers in an effort to enhance management's voting power to block Tyson's merger proposal; (e) taking actions which denied the Company's disinterested shareholders a full and fair opportunity to consider Tyson's proposal; and (f) purporting to terminate the employment by the Company, and/or status as officers of the Company, of certain of the Company's directors, while at the same time continuing their engagement as directors and promising to expend substantial sums for the benefit of those directors in the future, again to enhance management's voting power to block Tyson's merger proposal.

Tyson's counterclaims further allege that the Virginia Affiliated Transactions Law and the Virginia Control Share Act are unconstitutional and should be declared invalid. Tyson alleges that the Virginia statutory scheme is unconstitutional because, among other things, it conflicts with federal law regulating tender offers.

In its counterclaims, Tyson seeks a declaration that: (1) both of the Virginia statutes referred to above, as well as Section 13.1-646 of the VSCA, are unconstitutional; (2) that the Rights and the various severance arrangements adopted by the Company's Board of Directors are invalid; (3) that none of the Company's directors whose status was purported to be affected by the actions taken on February 4, 1994 will be permitted to vote their shares in any shareholder referendum that might be held under the Virginia Control Share Act; and (4) that the Company's directors breached their fiduciary duties to the Company's shareholders in taking the actions described in Tyson's counterclaims.

The foregoing description of the Company's amended complaint and Tyson's answer, affirmative defenses and counterclaims is qualified in its entirety by reference to the text of such documents filed as exhibits to the Schedule 14D-1, copies of which may be obtained from the offices of the Commission in the manner set forth in Section 8 with respect to information concerning the Company (except that such information will not be available at the regional offices of the Commission).

**ANTITRUST.** Under the HSR Act, and the rules and regulations that have been promulgated thereunder by the Federal Trade Commission (the "FTC"), certain acquisition transactions may not be consummated until certain information and documentary material has been furnished for review by the Antitrust Division of the Department of Justice (the "Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The acquisition of Shares pursuant to the Offer is, and the Proposed Merger may be, subject to such requirements. Tyson has filed on March 4, 1994 a Premerger Notification and Report Form with the Antitrust Division and the FTC in connection with the purchase of Shares pursuant to the Offer and the Proposed Merger.

Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares pursuant to the Offer may not be consummated until the expiration of a 15-calendar day waiting period following the filing by Tyson, unless such waiting period is earlier terminated by the FTC and the Antitrust Division. Accordingly, the waiting period with respect to the Offer will expire at 11:59 P.M., New York City time, on Saturday, March 19, 1994, unless Tyson receives a request for additional information or

documentary material. If, within such 15-day waiting period, either the Antitrust Division or the FTC requests additional information or material from Tyson concerning the Offer, the waiting period would expire at 11:59 P.M., New York City time, on the tenth calendar day after the date of substantial compliance with such request. Thereafter, the waiting period could be extended only by court order or with the consent of Tyson. The additional 10-calendar day waiting period may be terminated sooner by the FTC and the Antitrust Division. Although the Company is required to file certain information and documentary material with the Antitrust Division and the FTC in connection with the Offer, neither the Company's failure to make such filings nor a request from the Antitrust Division or the FTC for additional information or documentary material made to the Company will extend the waiting period with respect to the Offer.

The Purchaser will not accept for payment Shares tendered pursuant to the Offer unless and until the waiting period requirements imposed by the HSR Act with respect to the Offer have been satisfied. See Section 14.

Pursuant to the HSR Act, Tyson has requested early termination of the waiting period applicable to the Offer. There can be no assurance, however, that such waiting period will be terminated early.

The Antitrust Division, the FTC and state antitrust enforcement agencies frequently scrutinize the legality under the antitrust laws of transactions such as the Purchaser's acquisition of Shares pursuant to the Offer and the Proposed Merger. At any time before or after the Purchaser's acquisition of Shares, any such agency could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the acquisition of Shares pursuant to the Offer or otherwise or seeking divestiture of Shares acquired by the Purchaser or divestiture of substantial assets of the Purchaser, Tyson and/or the Company. Private parties may also bring legal action under the antitrust laws under certain circumstances.

Based upon an examination of publicly available information relating to the businesses in which the Company is each engaged, Tyson and the Purchaser believe that the acquisition of Shares pursuant to the Offer and the Proposed Merger would not violate the antitrust laws. The Purchaser and Tyson believe that retention of all of the operations of the Company and Tyson should be permitted under the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, what the result will be. See Section 14.

**FEDERAL RESERVE BOARD REGULATIONS.** Federal Reserve Board Regulations G, T, U and X (the "Margin Regulations") promulgated by the Federal Reserve Board place restrictions on the amount of credit that may be extended for the purpose of purchasing margin stock (including the Shares) if such credit is secured directly or indirectly by margin stock. The Purchaser and Tyson believe that the financing of the acquisition of the Shares will be in compliance with or not subject to the Margin Regulations.

## 16. FEES AND EXPENSES.

MacKenzie Partners, Inc. has been retained by the Purchaser as Information Agent in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telegraph and personal interview and may request brokers, dealers and other nominee shareholders to forward material relating to the Offer to beneficial owners. Customary compensation will be paid for all such services in addition to reimbursement of reasonable out-of-pocket expenses. The Purchaser has agreed to indemnify the Information Agent against certain liabilities and expenses, including liabilities under the federal securities laws.

In addition, IBJ Schroder Bank & Trust Company has been retained as the Depositary. The Depositary has not been retained to make solicitations or recommendations in its role as Depositary. The Depositary will receive reasonable and customary compensation for its services in connection with the Offer, will be reimbursed for its reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith.

Except as set forth above, neither the Purchaser nor Tyson will pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies and other nominees will, upon request, be reimbursed by the Purchaser for customary clerical and mailing expenses incurred by them in forwarding materials to their customers.

17. MISCELLANEOUS. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF THE PURCHASER OR TYSON NOT CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. NEITHER THE DELIVERY OF THE OFFER TO PURCHASE NOR ANY PURCHASE PURSUANT TO THE OFFER, SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF TYSON, THE PURCHASER OR THE COMPANY SINCE THE DATE AS OF WHICH INFORMATION IS FURNISHED OR THE DATE OF THIS OFFER TO PURCHASE.

The Purchaser and Tyson have filed with the Commission a Tender Offer Statement on Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 under the Exchange Act, furnishing certain additional information with respect to the Offer, and may file amendments thereto. Such Schedule 14D-1 and any amendments thereto, including exhibits, may be inspected and copies may be obtained at the same places and in the same manner as set forth in Section 8 with respect to information concerning the Company (except that they will not be available at the regional offices of the Commission).

**WLR ACQUISITION CORP.**

March 9, 1994

**SCHEDULE I**

**DIRECTORS AND EXECUTIVE OFFICERS  
OF TYSON AND THE PURCHASER**

1. DIRECTORS AND EXECUTIVE OFFICERS OF TYSON. The following table sets forth the name, business address and present principal occupation or employment, and material occupations, positions, offices or employments for the past five years of each director and executive officer of Tyson. Unless otherwise indicated, each such person is a citizen of the United States and the business address of each such person is 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Tyson and each individual has held such occupation for at least the past five years.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT; MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS
Don Tyson.....	Chairman of the Board of Directors of Tyson since 1966; Chief Executive Officer of Tyson until March 1991; Director of Tyson since 1952.
Leland E. Tollett.....	Vice Chairman of the Board of Directors of Tyson since 1993; President and Chief Executive Officer of Tyson since March 1991 and prior thereto President and Chief Operating Officer of Tyson since 1981; Director of Tyson since 1984.
Neely Cassidy ..... Cassidy Associates, Inc. P.O. Box 1810 121 West College Nashville, Arkansas 71852	Chairman of the Board and Chief Executive Officer of Sunmark and Chairman of the Board of Cassidy Associates, Inc. and its affiliate, H.K. Brewer Electric in Little Rock, Arkansas; Arkansas State Senator since 1983; Director of Tyson since 1974.
Lloyd V. Hackley ..... Fayetteville State University 1200 Murchison Road Fayetteville, North Carolina 28301-4298	Chancellor and Tenured Professor of Political Science at Fayetteville State University, Fayetteville, North Carolina since 1988. Director of Tyson since 1992.
Shelby Massey ..... Sparks Commodities Brokerage House 889 Ridgelake Boulevard Suite 30 Memphis, Tennessee 38120	Farmer and private investor; Senior Vice Chairman of the Board of Directors of Tyson from 1985 to 1988; Director of Tyson since 1985.
Joe F. Starr.....	Vice President of Tyson since 1993; Vice Chairman-Administration of the Board of Directors of Tyson until 1993; Member of the Board of Directors of Worthen National Bank of Northwest Arkansas, Fayetteville, Arkansas from 1980 to 1991; Director of Tyson since 1969.
Barbara Tyson.....	Vice President of Tyson since prior to 1989; Director of Tyson since 1988.
John H. Tyson.....	President, Beef and Pork Division and Director of Governmental, Media and Public Relations of Tyson since 1993; Vice Chairman-Operations of the Board of Directors of Tyson from 1989-1993; Vice President and Director of Engineering/Environmental/Capital Spending of Tyson from 1992 to 1993; Vice President, Marketing/Corporate Accounts of Tyson from 1985 to 1992; Director of Tyson since 1984.

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT;  
MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS

NAME	
Fred S. Vorsanger .....	Private business consultant, Walton Arena Manager and Vice President (Emeritus) of the University of Arkansas; former mayor and director of the City of Fayetteville, Arkansas; Director of McIlroy Bank & Trust Co. of Fayetteville, Arkansas; Vice President, University of Arkansas Foundation, Inc. from 1968 until 1988; Director of Tyson since 1977.
University of Arkansas P.O. Box 7777 Fayetteville, Arkansas 72701	
Donald E. Wray.....	Chief Operating Officer of Tyson since 1991; Senior Vice President-Sales and Marketing from 1981 to 1991; Director of Tyson since January 14, 1994.
Ellis Brunton.....	Group Vice President, Research and Quality Assurance of Tyson since 1993; joined Tyson in 1989 upon acquisition of Holly Farms Corporation in 1989; Vice President, Technical Services of Holly Farms Corporation from 1986 to 1989.
Wayne Britt.....	Vice President, International Sales of Tyson since 1994 and Vice President, Wholesale Club Division of Tyson since 1992; Vice President and Treasurer of Tyson since 1982; Secretary of Tyson from 1982 to 1992.
William Jaycox.....	Group Vice President, Human Resources of Tyson since 1990; Vice President of Personnel for Harker's, Inc. from 1986 to 1989.
Gary Johnson.....	Controller of Tyson since 1982.
Gerald Johnston.....	Executive Vice President, Finance of Tyson since 1981.
Greg Lee.....	Senior Vice President, Sales and Marketing of Tyson since 1993; Division Vice President of Food Service Sales and Marketing of Tyson from 1988 to 1993.
Bill Moeller.....	Group Vice President, Swine Division of Tyson since 1981.
David S. Purtle.....	Senior Vice President, Operations of Tyson since 1991; Group Vice President, Operations of Tyson from 1985 to 1991.
Mary Rush.....	Secretary and Director of Investor Relations of Tyson since 1992; Assistant Secretary/Treasurer of Tyson from 1982 to 1992.

2. DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER. The following table sets forth the name and present principal occupation or employment, and material occupations, positions, offices or employment for the past five years of each director and executive officer of the Purchaser. Each such person is a citizen of the United States and the business address of each such person is 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999.

PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT;  
MATERIAL POSITIONS HELD DURING THE PAST FIVE YEARS

NAME	
James B. Blair.....	President, Secretary and a Director of the Purchaser; General Counsel of Tyson since 1982.
Gerald Johnston.....	Vice President and a Director of the Purchaser; Executive Vice President, Finance of Tyson since 1981.

### 3. TRANSACTIONS IN SHARES.

#### Purchases by Tyson:

DATE	NO. OF SHARES PURCHASED	PRICE PER SHARE*
2/07/94.....	196,700	\$ 28.788
2/08/94.....	103,500	28.877
2/09/94.....	73,000	28.933
2/14/94.....	22,000	28.892
2/15/94.....	25,000	29.125
2/16/94.....	25,000	29.375
2/22/94.....	80,200	28.151
2/23/94.....	54,100	28.185
2/24/94.....	20,500	28.125
	-----	-----
	600,000	
	-----	-----
	-----	-----

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\*Net of brokerage commissions.

On March 1, 1994, Tyson contributed 600,000 Shares to the Purchaser as a contribution to the capital of the Purchaser.

#### 4. SHARE OWNERSHIP.

Tyson acquired 63 Shares through the acquisition of two corporate entities in the 1980's.

James B. Blair, the President and a director of the Purchaser and the General Counsel of Tyson, owns 100 Shares (constituting less than 1% of the Shares) jointly with his wife, which Shares were purchased for investment purposes in June, 1991.

Wayne Britt, Vice President and Treasurer of Tyson, owns 1,000 Shares (constituting less than 1% of the Shares), which Shares were purchased for investment purposes in November, 1992.

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal, certificates for Shares and any other required documents should be sent or delivered by each shareholder of the Company or his broker, dealer, commercial bank or other nominee to the Depository at one of its addresses set forth below.

**THE DEPOSITARY FOR THE OFFER IS:**

**IBJ SCHRODER BANK & TRUST COMPANY**

For Information Telephone:  
(212) 858-2103

**BY MAIL: FACSIMILE TRANSMISSION: BY HAND OR OVERNIGHT DELIVERY:**

P. O. Box 84	(212) 858-2611	One State Street
Bowling Green Station	To Confirm Facsimile	New York, New York 10004
New York, New York	Transmissions	Attn: Securities Processing
10274-0084	call: (212) 858-2103	Window, Subcellar One
Attn: Reorganization		
Operations Department		

Questions and requests for assistance or for additional copies of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent at its address and telephone numbers set forth below. Shareholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

**THE INFORMATION AGENT FOR THE OFFER IS:**

**MACKENZIE PARTNERS, INC.**

156 Fifth Avenue, 9th Floor  
New York, New York 10010

(212) 929-5500 (call collect) or Call Toll-Free (800) 322-2885

**LETTER OF TRANSMITTAL  
TO TENDER SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.  
PURSUANT TO THE OFFER TO PURCHASE DATED MARCH 9, 1994  
BY  
WLR ACQUISITION CORP.  
A WHOLLY-OWNED SUBSIDIARY OF  
TYSON FOODS, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, APRIL 8, 1994, UNLESS THE OFFER IS EXTENDED.**

**THE DEPOSITARY FOR THE OFFER IS:**

**IBJ SCHRODER BANK & TRUST COMPANY**

For Information Telephone:  
(212) 858-2103

BY MAIL: P. O. Box 84 Bowling Green Station New York, New York 10274-0084 Attn: Reorganization Operations Department	FACSIMILE TRANSMISSION: (212) 858-2611 To Confirm Facsimile Transmissions call: (212) 858-2103 (for Eligible Institutions only)	BY HAND OR OVERNIGHT DELIVERY: One State Street New York, New York 10004 Attn: Securities Processing Window, Subcellar One
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DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

**THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ**

**CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.**

This Letter of Transmittal is to be completed by shareholders either if certificates for Shares (as defined below) are to be forwarded herewith or if tenders of Shares are to be made by book-entry transfer to an account maintained by IBJ Schroder Bank & Trust Company (the "Depository") at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company (each a "Book-Entry Transfer Facility" and collectively referred to as the "Book-Entry Transfer Facilities") pursuant to the procedures set forth in Section 3 of the Offer to Purchase (as defined below). Shareholders who tender Shares by book-entry transfer are referred to herein as "Book-Entry Shareholders."

Holders of Shares whose certificates for such Shares (the "Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other required documents to the

Depository prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2. Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depository.

// CHECK HERE IF SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER MADE TO AN ACCOUNT MAINTAINED BY THE DEPOSITARY WITH A BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

Check Box of Book-Entry Transfer Facility:

// The Depository Trust Company

// Midwest Securities Trust Company

// Philadelphia Depository Trust Company

Account Number: Transaction Code Number:

// CHECK HERE IF SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING. PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY.

Name(s) of Registered Holder(s): \_\_\_\_\_ Window Ticket Number (if any): \_\_\_\_\_  
 \_\_\_\_\_ Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_  
 \_\_\_\_\_ Name of Institution which Guaranteed Delivery: \_\_\_\_\_

DESCRIPTION OF SHARES TENDERED

NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S) APPEAR(S) ON SHARE CERTIFICATE(S))	SHARE CERTIFICATE(S) AND SHARE(S) TENDERED (ATTACH ADDITIONAL LIST, IF NECESSARY) TOTAL NUMBER OF SHARES	SHARE CERTIFICATE REPRESENTED BY SHARE CERTIFICATE(S)*	NUMBER OF SHARES TENDERED**
	NUMBER(S)*		
	Total Shares		

\* Need not be completed by Book-Entry Shareholders.

\*\* Unless otherwise indicated, it will be assumed that all Shares represented by certificates delivered to the Depository are being tendered. See Instruction 4.

**NOTE: SIGNATURE(S) MUST BE PROVIDED BELOW**  
**PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

LADIES AND GENTLEMEN:

The undersigned hereby tenders to WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), the above-described shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at \$30.00 per Share, net to the seller in cash upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 9, 1994 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which together constitute the "Offer"). The undersigned understands that the Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its or Tyson's affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of, or payment for, Shares tendered herewith in accordance with the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms or conditions of any extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, the Purchaser all right, title and interest in and to all of the Shares that are being tendered hereby and any and all dividends (other than regular quarterly cash dividends on the Shares, not in excess of \$.08 per Share, having a customary and usual record date prior to the Purchaser purchasing and becoming a record holder of such Shares), rights (other than the preferred share purchase rights (the "Rights") issued pursuant to the Shareholder Protection Rights Agreement, dated as of February 4, 1994 (the "Rights Agreement"), between the Company and First Union National Bank of North Carolina, as Rights Agent), distributions, other Shares or other securities issued or issuable in respect thereof on or after March 8, 1994 and payable or distributable to the undersigned on a date prior to the transfer to the name of the Purchaser or nominee or transferee of the Purchaser on the Company's stock transfer records of the Shares tendered herewith (a "Distribution"), and constitutes and appoints the Depository the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and any Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Share Certificates (and any Distributions), or transfer ownership of such Shares (and any Distributions) on the account books maintained by a Book-Entry Transfer Facility, together, in any such case, with all accompanying evidences of transfer and authenticity to, or upon the order of, the Purchaser, upon receipt by the Depository, as the undersigned's agent, of the purchase price (adjusted, if appropriate, as provided in the Offer to Purchase), (ii) present such Shares (and any Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and any Distributions), all in accordance with the terms and subject to the conditions of the Offer.

All authority conferred or agreed to be conferred in this Letter of Transmittal shall be binding upon successors, assigns, heirs, executors, administrators and legal representatives of the undersigned and shall not be affected by, and shall survive, the death or incapacity of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

Except to the extent set forth in the last sentence of this paragraph, the undersigned hereby irrevocably appoints designees of the Purchaser, and each of them, the attorney-in-fact and proxy of the undersigned, with full power of substitution, to the full extent of the undersigned's rights with respect to all Shares tendered hereby and accepted for payment and paid for by the Purchaser (and any Distributions). All such proxies shall be considered coupled with an interest in the Shares tendered herewith. Such appointment will be effective if, when, and only to the extent that the Purchaser pays for such Shares by depositing the purchase price therefor with the Depository. Upon such payment, all prior powers of attorney and proxies given by the undersigned with respect to such Shares and such other securities or rights will, without further action, be revoked, and no subsequent powers of attorneys and proxies may be given by the undersigned (and if given, will not be deemed

effective). The designees of the Purchaser will, with respect to the Shares so accepted and other securities for which such appointment is effective, be empowered to exercise all voting and other rights of the undersigned as they in their sole discretion may deem proper at any annual, special, adjourned or postponed meeting of the Company's shareholders. The Purchaser reserves the right to require, in addition to satisfaction of the Control Share Condition (as defined in the Offer to Purchase), that, in order for Shares to be deemed validly tendered, immediately upon the Purchaser's payment for such Shares, the Purchaser or its designee must be able to exercise full voting and other rights of a record and beneficial holder, including voting at any meeting of shareholders or acting by written consent with respect to such Shares. The foregoing appointment of designees of the Purchaser as proxies shall in no event constitute a proxy to vote on the granting of voting rights to the Purchaser and its associates pursuant to the Article 14.1 of the Virginia Stock Corporation Act.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby (and any Distributions) and that, when the same are accepted for payment and paid for by the Purchaser, the Purchaser will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and that the Shares tendered hereby (and any Distributions) will not be subject to any adverse claim. The undersigned, upon request, will execute and deliver any additional documents deemed by the Depositary or the Purchaser to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered hereby (and any Distributions). In addition, the undersigned shall promptly remit and transfer to the Depositary for the account of the Purchaser any and all other Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance or appropriate assurance thereof, the Purchaser shall be, subject to applicable law, entitled to all rights and privileges as owner of any such Distributions, and may withhold the entire purchase price of Shares tendered hereby, or deduct from such purchase price the amount or value thereof, as determined by the Purchaser in its sole discretion.

Tenders of Shares made pursuant to the Offer are irrevocable, except that Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date (as defined in the Offer to Purchase) and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after May 7, 1994. See Section 4 of the Offer to Purchase.

Unless otherwise indicated herein under "Special Payment Instructions," please issue the check for the purchase price and/or return any Share Certificates not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing under "Description of Shares Tendered." Similarly, unless otherwise indicated under "Special Delivery Instructions," please mail the check for the purchase price and/or return any Share Certificates not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing under "Description of Shares Tendered." In the event that both the Special Payment Instructions and the Special Delivery Instructions are completed, please issue the check for the purchase price and/or return any Share Certificates not tendered or not accepted for payment in the name of, and deliver such check and/or return such Share Certificates to, the person(s) so indicated. The undersigned recognizes that the Purchaser has no obligation pursuant to the Special Payment Instructions to transfer any Shares from the name of the registered holder thereof if the Purchaser does not accept for payment any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Share Certificates not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be issued in the name of someone other than the undersigned.

Issue / / check / / certificates to:

Name:  
(Please Type or  
Print)  
Address:

(Include Zip  
Code)

(Taxpayer Identification or Social Security  
No.)

(See Substitute Form W-9 on reverse side)

SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if Share Certificates not tendered or not accepted for payment and/or the check for the purchase price of Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown above.

Mail / / check / / certificates to:

Name:  
(Please Type or Print)  
Address:

(Include Zip Code)

**IMPORTANT**  
**SHAREHOLDER: SIGN HERE AND COMPLETE SUBSTITUTE FORM W-9 ON REVERSE**  
(Signature(s) of Shareholder(s))

Dated: , 19

(Must be signed by the registered holder(s) exactly as name(s) appear(s) on the Share Certificates or on a security position listing or by person (s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, agents, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See instruction 5.)

Name(s):

(Please Type or Print)

**Capacity (Full Title):**  
(See Instruction 5)

Area Codes and Telephone Numbers:  
Home  
Business

Taxpayer Identification or Social Security No.:

(Complete Substitute Form W-9 on Reverse)

**GUARANTEE OF SIGNATURE(S)**  
(SEE INSTRUCTIONS 1 AND 5)

Authorized Signature:

Name:  
(Please Type or Print)

Title:  
Name of Firm:

Address:  
(Include Zip Code)

(Area Code and Tel. No.) Dated:

**INSTRUCTIONS  
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER**

1. **GUARANTEE OF SIGNATURES.** Except as otherwise provided below, signatures on this Letter of Transmittal must be guaranteed by a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agent's Medallion Program (an "Eligible Institution"), unless the Shares tendered hereby are tendered (i) by the registered holder of such Shares who has completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" herein or (ii) for the account of an Eligible Institution. See Instruction 5. If the Share Certificates are registered in the name of a person other than the signer of this Letter of Transmittal, or if payment is to be made to, or Share Certificates for any unpurchased Shares are to be issued or returned to, a person other than the registered holder, then the tendered certificates must be endorsed or accompanied by duly executed stock powers, in either case signed exactly as the name or names of the registered holder or holders appear on the certificates, with the signatures on the certificates or stock powers guaranteed by an Eligible Institution as provided herein. See Instruction 5.

2. **REQUIREMENTS OF TENDER.** This Letter of Transmittal is to be used either if Share Certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in Section 3 of the Offer to Purchase. Share Certificates, or timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Shares into the Depository's account at a Book-Entry Transfer Facility, as well as this Letter of Transmittal (or facsimile hereof), properly completed and duly executed, with any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth herein prior to the Expiration Date. Shareholders whose Share Certificates are not immediately available or who cannot deliver their Share Certificates and all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedures for delivery by book-entry transfer on a timely basis may tender their Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution, (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by the Purchaser, must be received by the Depository prior to the Expiration Date, and (iii) the Share Certificates (or a Book-Entry Confirmation) representing all tendered Shares, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other documents required by this Letter of Transmittal, must be received by the Depository within five National Association of Securities Dealers Automated Quotation System trading days after the date of execution of such Notice of Guaranteed Delivery, all as provided in Section 3 of the Offer to Purchase. If Share Certificates are forwarded separately to the Depository, a properly completed and duly executed Letter of Transmittal (or a facsimile thereof) must accompany each such delivery.

**THE METHOD OF DELIVERY OF SHARE CERTIFICATES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND SOLE RISK OF THE TENDERING SHAREHOLDER AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.**

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. All tendering shareholders, by execution of this Letter of Transmittal (or a facsimile thereof), waive any right to receive any notice of the acceptance of their Shares for payment.

3. **INADEQUATE SPACE.** If the space provided herein under "Description of Shares Tendered" is inadequate, the certificate numbers and/or the number of Shares should be listed on a separate signed schedule attached hereto.

4. PARTIAL TENDERS (NOT APPLICABLE TO BOOK-ENTRY SHAREHOLDERS). If fewer than all the Shares represented by any Share Certificates delivered to the Depository herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such case, a new Share Certificate for the untendered Shares will be sent, without expense, to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Shares represented by certificate(s) delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL, STOCK POWERS AND ENDORSEMENTS. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the certificate(s) without alteration, enlargement or any change whatsoever.

If any of the Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any of the tendered Shares are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal or any certificates or stock powers are signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to the Purchaser of such person's authority so to act must be submitted.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and transmitted hereby, no endorsements of certificates or separate stock powers are required unless payment is to be made, or Share Certificates not tendered or not purchased are to be issued or returned, to a person other than the registered holder(s). Signatures on such certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares evidenced by the certificate(s) listed and transmitted hereby, the certificate(s) must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the certificate(s). Signatures on such certificate(s) or stock powers must be guaranteed by an Eligible Institution.

6. STOCK TRANSFER TAXES. Except as set forth in this Instruction 6, the Purchaser will pay or cause to be paid any stock transfer taxes with respect to the transfer and sale of purchased Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or not purchased are to be registered in the name of, any person other than the registered holder(s), or if tendered Share Certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s) or such other person) payable on account of the transfer to such person will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes or exemption therefrom is submitted.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE CERTIFICATE(S) LISTED IN THIS LETTER OF TRANSMITTAL.

7. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If a check and/or Share Certificates for unpurchased Shares are to be issued in the name of a person other than the signer of this Letter of Transmittal or if a check is to be sent and/or such Share Certificates are to be returned to someone other than the signer of this Letter of Transmittal or to an address other than that shown above, the appropriate boxes on this Letter of Transmittal should be completed.

8. **REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.** Questions and requests for assistance may be directed to the Information Agent at its address or telephone numbers set forth below and additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained at the Purchaser's expense from the Information Agent at its address set forth below or from a broker, dealer, commercial bank or trust company.

9. **WAIVER OF CONDITIONS.** The conditions of the Offer may be waived by the Purchaser, in whole or in part, at any time or from time to time in the Purchaser's sole discretion.

10. **BACKUP WITHHOLDING TAX.** Each tendering shareholder is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on Substitute Form W-9, which is provided under "Important Tax Information" below. **FAILURE TO PROVIDE THE INFORMATION ON THE SUBSTITUTE FORM W-9 MAY SUBJECT THE TENDERING SHAREHOLDER TO 31% FEDERAL INCOME TAX BACKUP WITHHOLDING ON THE PAYMENT OF THE PURCHASE PRICE.** The box in Part 3 of the form may be checked if the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. If the box in Part 3 is checked and the Depository is not provided with a TIN within 60 days, the Depository will withhold 31% of all payments of the purchase price, if any, made thereafter pursuant to the Offer until a TIN is provided to the Depository.

**IMPORTANT: THIS LETTER OF TRANSMITTAL (OR A FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED, TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND CERTIFICATES OR BOOK-ENTRY CONFIRMATION AND ALL OTHER REQUIRED DOCUMENTS, MUST BE RECEIVED BY THE DEPOSITARY, OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY, PRIOR TO THE EXPIRATION DATE.**

### **IMPORTANT TAX INFORMATION**

Under federal income tax law, a shareholder whose tendered Shares are accepted for payment is required to provide the Depository (as payer) with the shareholder's correct TIN on Substitute Form W-9 below. If the shareholder is an individual, the TIN is his or her social security number. The Certificate of Awaiting Taxpayer Identification Number should be completed if the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future. Failure to furnish timely a correct TIN or include all required information will subject the taxpayer to a \$50 penalty for each failure. There are civil and criminal penalties for giving false information to avoid backup withholding. A shareholder who provides false information may be subject to a civil penalty of up to \$500 and a criminal penalty, upon conviction, of a fine up to \$1,000 or imprisonment of up to one year, or both.

Certain shareholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. For a foreign individual to qualify as an exempt recipient, that shareholder must submit a statement, signed under penalties of perjury, attesting to that individual's exempt status. Forms for such statements can be obtained from the Depository. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If (i) the shareholder does not furnish the Depository with a TIN in the required manner; (ii) the IRS notifies the Depository the TIN provided is incorrect; or (iii) the shareholder is required, but fails, to certify it is not subject to backup withholding, backup withholding will apply. If backup withholding applies, the Depository is required to withhold 31% of any payments made to the shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be credited by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

### **PURPOSE OF SUBSTITUTE FORM W-9**

To prevent backup federal income tax withholding with respect to payment of the purchase price for Shares purchased pursuant to the Offer, a shareholder must provide the Depository with his or her correct TIN by completing the Substitute Form W-9 below certifying that the TIN provided on

Substitute Form W-9 is correct (or that the shareholder is awaiting a TIN) and that (1) the shareholder has not been notified by the Internal Revenue Service that he or she is subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified the shareholder that he or she is no longer subject to backup withholding.

**WHAT NUMBER TO GIVE THE DEPOSITARY**

The shareholder is required to give the Depository the social security number or employer identification number of the record holder of the Shares tendered. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report.

**PAYER'S NAME: IBJ SCHRODER BANK & TRUST COMPANY**

		Social Security Number
		OR
		Employer Identification
		Number
SUBSTITUTE	PART 1 -- PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	
Form W-9 Department of the Treasury Internal Revenue Service	PART 2 -- Check the box if you are NOT subject to backup withholding under the provisions of section 3406(a)(1)(C) of the Internal Revenue Code because (1) you have not been notified that you are subject to backup withholding as a result of failure to report all interest or dividends or (2) the Internal Revenue Service has notified you that you are no longer subject to backup withholding.	/ /

PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	CERTIFICATION -- UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT, AND COMPLETE. SIGNATURE      DATE	PART 3 Awaiting TIN      / /
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**NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.**

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE  
IF YOU CHECKED THE BOX IN PART 3 OF SUBSTITUTE FORM W-9.  
CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number within sixty (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number.

Signature

Date

(DO NOT WRITE IN BOX IMMEDIATELY BELOW)

Date Received: \_\_\_\_\_ Accepted By: \_\_\_\_\_ Checked By: \_\_\_\_\_

SHARES SURRENDERED	SHARES TENDERED	SHARES ACCEPTED	CHECK NO.	AMOUNT OF CHECK	SHARES RETURNED	CERTIFICATE NO.
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Delivery Prepared By: \_\_\_\_\_ Checked By: \_\_\_\_\_ Date: \_\_\_\_\_

**THE INFORMATION AGENT FOR THE OFFER IS:**

**MACKENZIE PARTNERS, INC.**

156 Fifth Avenue, 9th Floor  
New York, New York 10010

(212) 929-5500 (Call Collect) 1-800-322-2885  
(Toll-Free)

**NOTICE OF GUARANTEED DELIVERY  
FOR  
TENDER OF SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.**

This Notice of Guaranteed Delivery or one substantially equivalent hereto must be used to accept the Offer (as defined below) if certificates representing shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), are not immediately available or time will not permit all required documents to reach IBJ Schroder Bank & Trust Company (the "Depository") on or prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase (as defined below)), or the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or sent by facsimile transmission or mail to the Depository. See Section 3 of the Offer to Purchase.

**THE DEPOSITARY FOR THE OFFER IS:  
IBJ SCHRODER BANK & TRUST COMPANY**

For Information Telephone:  
(212) 858-2103

BY MAIL: P. O. Box 84 Bowling Green Station New York, New York 10274-0084 Attn: Reorganization Operations Department	FACSIMILE TRANSMISSION: (212) 858-2611 To Confirm Facsimile Transmissions call: (212) 858-2103 (for Eligible Institutions only)	BY HAND OR OVERNIGHT DELIVERY: One State Street New York, New York 10004 Attn: Securities Processing Window, Subcellar One
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Delivery of this Notice of Guaranteed Delivery to an address other than as set forth above or transmission of instructions via a facsimile transmission to a number other than as set forth above will not constitute a valid delivery.

This Notice of Guaranteed Delivery is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an Eligible Institution under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 9, 1994 (the "Offer to

Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares indicated below pursuant to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

Number of Shares:	Name(s) of
Account Number:	Record Holder(s):
Certificate No(s).	
(if available):	Address(es):
If Share(s) will be tendered by	Area Code and
book-entry transfer, check one box	Telephone Number(s):
/ / The Depository Trust Company	
/ / Midwest Securities Trust Company	Signature(s):
/ / Philadelphia Depository Trust	
Company	
Account Number:	

Date:

**THE GUARANTEE ON THE REVERSE SIDE MUST BE COMPLETED**

**GUARANTEE**

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm that is a bank, broker, dealer, credit union, savings association or other entity which is a member in good standing of the Securities Transfer Agent's Medallion Program, hereby guarantees to deliver to the Depositary, at one of its addresses set forth above, the certificates representing all tendered Shares, in proper form for transfer, or a Book-Entry Confirmation (as defined in the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, and any other documents required by the Letter of Transmittal within five National Association of Securities Dealers Automated Quotation System trading days after the date of execution of this Notice of Guaranteed Delivery.

Name of Firm: \_\_\_\_\_  
Address: \_\_\_\_\_ (Authorized Signature)  
\_\_\_\_\_ Title:  
\_\_\_\_\_ (Zip Code) Name:  
Area Code and \_\_\_\_\_ (Please type or print)

**Telephone Number: Date:**

**NOTE: DO NOT SEND CERTIFICATES FOR SHARES WITH THIS NOTICE OF GUARANTEED DELIVERY. CERTIFICATES FOR SHARES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

**OFFER TO PURCHASE FOR CASH  
ALL OUTSTANDING SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.  
AT  
\$30.00 NET PER SHARE  
BY  
WLR ACQUISITION CORP.  
A WHOLLY-OWNED SUBSIDIARY OF  
TYSON FOODS, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, APRIL 8, 1994 UNLESS THE OFFER IS EXTENDED.**

March 9, 1994

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

We have been appointed by WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), to act as Information Agent in connection with the Purchaser's offer to purchase for cash all of the outstanding shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at \$30.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 9, 1994 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer") enclosed herewith. Holders of Shares whose certificates for such Shares (the "Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other required documents to the Depository (as defined below) prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

The Offer is conditioned upon, among other things, (1) there being validly tendered, and not withdrawn prior to the Expiration Date, that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents at least a majority of the total number of the Shares outstanding on a fully diluted basis on the date of purchase, (2) the Rights (as defined in the Offer to Purchase) having been redeemed by the Board of Directors of the Company or the Purchaser being satisfied, in its sole discretion, that the Rights have been invalidated or are otherwise inapplicable to the Offer and to the Proposed Merger (as defined in the Offer to Purchase), (3) the Purchaser being satisfied, in its sole discretion, that after consummation of the Offer, the restrictions contained in Article 14 of the Virginia Stock Corporation Act will not apply to the Proposed Merger, and (4) full voting rights for all Shares acquired by the Purchaser or Tyson or any of their associates pursuant to, or in contemplation of, the Offer (which would otherwise be denied voting rights under Article 14.1 of the Virginia Stock Corporation Act) having been approved at a special meeting of shareholders of the Company or the Purchaser being satisfied, in its sole discretion, that Article 14.1 of the Virginia Stock Corporation Act is inapplicable to the Purchaser or Tyson or any of their associates or the acquisition of Shares by any of them. The Offer is also subject to other terms and conditions contained in the Offer to Purchase. See the Introduction and Sections 1 and 14 of the Offer to Purchase.

Enclosed herewith for your information and forwarding to your clients are copies of the following documents:

1. The Offer to Purchase, dated March 9, 1994.
2. The blue Letter of Transmittal to tender Shares for your use and for the information of your clients. Facsimile copies of the Letter of Transmittal may be used to tender Shares.
3. The gray Notice of Guaranteed Delivery for Shares, to be used to accept the Offer if Share Certificates are not immediately available or if such certificates and all other required documents cannot be delivered to IBJ Schroder Bank & Trust Company (the "Depository") by the Expiration Date or if the procedure for book-entry transfer cannot be completed by the Expiration Date.
4. A green printed form of letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer.
5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9.
6. A return envelope addressed to IBJ Schroder Bank & Trust Company, the Depository.

**YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, APRIL 8, 1994 UNLESS THE OFFER IS EXTENDED.**

In order to take advantage of the Offer, (i) a duly executed and properly completed Letter of Transmittal and any required signature guarantees or other required documents should be sent to the Depository, and (ii) either Share Certificates representing the tendered Shares should be delivered to the Depository, or such Shares should be tendered by book-entry transfer into the Depository's account maintained at one of the Book Entry Transfer Facilities (as described in the Offer to Purchase), all in accordance with the instructions set forth in the Letter of Transmittal and the Offer to Purchase.

If holders of Shares wish to tender, but it is impracticable for them to forward their Share Certificates or other required documents on or prior to the Expiration Date or to comply with the book-entry transfer procedures on a timely basis, a tender may be effected by following the guaranteed delivery procedures specified in Section 3 of the Offer to Purchase.

Neither the Purchaser nor Tyson will pay any commissions or fees to any broker, dealer or other person (other than the Information Agent, as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. The Purchaser will, however, upon request, reimburse you for customary clerical and mailing expenses incurred by you in forwarding any of the enclosed materials to your clients. The Purchaser will pay or cause to be paid any stock transfer taxes payable on the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to, and additional copies of the enclosed material may be obtained from, the Information Agent at its address and telephone numbers set forth on the back cover of the Offer to Purchase.

Very truly yours,  
**MACKENZIE PARTNERS, INC.**

**NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF THE PURCHASER, TYSON, THE COMPANY, THE DEPOSITARY OR THE INFORMATION AGENT, OR ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO MAKE ANY STATEMENT OR USE ANY DOCUMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED**

**DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.**

**OFFER TO PURCHASE FOR CASH  
ALL OUTSTANDING SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.  
AT  
\$30.00 NET PER SHARE  
BY  
WLR ACQUISITION CORP.  
A WHOLLY-OWNED SUBSIDIARY OF  
TYSON FOODS, INC.**

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK  
CITY TIME, ON FRIDAY, APRIL 8, 1994, UNLESS THE OFFER IS EXTENDED.**

**To Our Clients:**

Enclosed for your consideration are the Offer to Purchase, dated March 9, 1994 (the "Offer to Purchase"), and the related Letter of Transmittal (the "Letter of Transmittal") relating to the offer by WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), to purchase all outstanding shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at \$30.00 per Share, net to the seller in cash upon the terms and subject to the conditions set forth in the Offer to Purchase and the Letter of Transmittal (which together constitute the "Offer"). Holders of Shares whose certificates for such Shares (the "Share Certificates") are not immediately available or who cannot deliver their Share Certificates, and all other required documents to the Depositary (as defined below) prior to the Expiration Date (as defined in the Offer to Purchase), or who cannot complete the procedures for book-entry transfer on a timely basis, must tender their Shares according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase.

WE ARE THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

Accordingly, we request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account pursuant to the terms and conditions set forth in the Offer.

Please note the following:

1. The tender price is \$30.00 per Share net to you in cash upon the terms and subject to the conditions set forth in the Offer.
2. The Offer is being made for all outstanding Shares.
3. The Offer is conditioned upon, among other things, (1) there being validly tendered, and not withdrawn prior to the Expiration Date (as defined in the Offer to Purchase), that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents at least a majority of the total number of the Shares outstanding on a fully diluted basis on the date of purchase, (2) the Rights (as defined in the Offer to Purchase) having been redeemed by the Board of Directors of the Company or the Purchaser being satisfied, in its sole

discretion, that the Rights have been invalidated or are otherwise inapplicable to the Offer and to the Proposed Merger (as defined in the Offer to Purchase), (3) the Purchaser being satisfied, in its sole discretion, that after consummation of the Offer, the restrictions contained in Article 14 of the Virginia Stock Corporation Act will not apply to the Proposed Merger, and (4) full voting rights for all Shares acquired by the Purchaser or Tyson or any of their associates pursuant to, or in contemplation of, the Offer (which would otherwise be denied voting rights under Article 14.1 of the Virginia Stock Corporation Act) having been approved at a special meeting of shareholders of the Company or the Purchaser being satisfied, in its sole discretion, that Article 14.1 of the Virginia Stock Corporation Act is inapplicable to the Purchaser or Tyson or any of their associates and the acquisition of Shares by any of them. The Offer is also subject to other terms and conditions contained in the Offer to Purchase. See the Introduction and Sections 1 and 14 of the Offer to Purchase.

4. Tendering shareholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer.

5. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, April 8, 1994, unless the Offer is extended.

6. Notwithstanding any other provision of the Offer, payment for Shares purchased pursuant to the Offer will in all cases be made only after timely receipt by the Depository of (a) Share Certificates, or timely confirmation of the book-entry transfer of such Shares into the account maintained by IBJ Schroder Bank & Trust Company (the "Depository") at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (b) the Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, and (c) any other documents required by the Letter of Transmittal. Accordingly, payment may not be made to all tendering shareholders at the same time depending upon when Share Certificates or confirmations of book-entry transfer of such Shares into the Depository's account at a Book-Entry Transfer Facility are actually received by the Depository.

If you wish to have us tender any or all of the Shares held by us for your account, please so instruct us by completing, executing, detaching and returning to us the instruction form set forth on the next page of this letter. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified on the next page of this letter. An envelope to return your instructions to us is enclosed. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. However, the Purchaser may, in its discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Shares in such jurisdiction.

In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

**INSTRUCTIONS WITH RESPECT TO THE OFFER TO PURCHASE  
FOR CASH ALL OUTSTANDING SHARES OF COMMON STOCK  
OF  
WLR FOODS, INC.**

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase dated March 9, 1994 and the related Letter of Transmittal in connection with the offer by WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation, to purchase all outstanding shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation.

This will instruct you to tender to the Purchaser the number of Shares indicated below (or if no number is indicated below, all Shares) which are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

Number of Shares to Be Tendered Shares Date:

**SIGN HERE**

**Signature(s)**  
(Print Name(s))

(Print Address(es))

(Area Code and  
Telephone Number(s))  
(Taxpayer Identification or  
Social Security Number(s))

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

GUIDELINES FOR DETERMINING THE PROPER IDENTIFICATION NUMBER TO GIVE THE PAYER.--Social Security numbers have nine digits separated by two hyphens: i.e. 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

FOR THIS TYPE OF ACCOUNT:	GIVE THE SOCIAL SECURITY NUMBER OF --	FOR THIS TYPE OF ACCOUNT:	GIVE THE EMPLOYER IDENTIFICATION NUMBER OF --
1.	An individual's account	The individual	
2.	Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)	
3.	Husband and wife (joint account)	The actual owner of the account or, if joint funds, either person(1)	
4.	Custodian account of a minor (Uniform Gift to Minors Act)	The minor (2)	
5.	Adult and minor (joint account)	The adult or, if the minor is the only contributor, the minor(1)	
6.	Account in the name of guardian or committee for a designated ward, minor, or incompetent person	The ward, minor, or incompetent person(3)	
7.	A. The usual revocable savings trust account (grantor is also trustee) B. So-called trust account that is not a legal or valid trust under State law	The grantor-trustee(1) The actual owner(1)	
8.	Sole proprietorship account	The owner(4)	
9.	A valid trust, estate, or pension trust	The legal entity (Do not furnish the identifying number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)(5)	
10.	Corporate account	The corporation	
11.	Religious, charitable, or educational organization account	The organization	
12.	Partnership account held in the name of the business	The partnership	
13.	Association, club, or other tax-exempt organization	The organization	
14.	A broker or registered nominee	The broker or nominee	
15.	Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school	The public entity	

district, or  
prison) that  
receives  
agricultural  
program payments

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- (1) List first and circle the name of the person whose number you furnish.
- (2) Circle the minor's name and furnish the minor's social security number.
- (3) Circle the ward's, minor's or incompetent person's name and furnish such person's social security number.
- (4) Show the name of the owner.
- (5) List first and circle the name of the legal trust, estate or pension trust.

NOTE: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

**GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION  
NUMBER ON SUBSTITUTE FORM W-9**

PAGE 2

**OBTAINING A NUMBER**

If you don't have a taxpayer identification number or you don't know your number, obtain Form SS-5, Application for a Social Security Number Card, or Form SS-4, Application for Employer Identification Number, at the local office of the Social Security Administration or the Internal Revenue Service and apply for a number.

**PAYEES AND PAYMENTS EXEMPT FROM BACKUP  
WITHHOLDING**

Payees specifically exempted from backup withholding on ALL payments include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or an individual retirement plan.
- The United States or any agency or instrumentality thereof.
- A State, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- A foreign government, a political subdivision of a foreign government, or any agency or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.
- A registered dealer in securities or commodities registered in the United States or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a) of the Code.
- An exempt charitable remainder trust, or a non-exempt trust described in Section 4947(a)(1) of the Code.
- An entity registered at all times under the Investment Company Act of 1940.
- A foreign central bank of issue.

Payments of dividends and patronage dividends not generally subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under Section 1441 of the Code.
- Payments to partnerships not engaged in a trade or business in the United States and which have at least one nonresident partner.
- Payments of patronage dividends where the amount received is not paid in money.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Payments of interest not generally subject to backup withholding include the following:

- Payments of interest on obligations issued by individuals. Note: You may be subject to backup withholding if this interest is \$600 or more and is paid in the course of the payer's trade or business and you have not provided your correct taxpayer identification number to the payer.

- Payments of tax-exempt interest (including exempt-interest dividends under Section 852 of the Code).
- Payments described in Section 6049(b)(5) of the Code to nonresident aliens.
- Payments on tax-free covenant bonds under Section 1451 of the Code.
- Payments made by certain foreign organizations.
- Payments made to a nominee.

Exempt payees described above should file Substitute Form W-9 to avoid possible erroneous backup withholding. FILE THIS FORM WITH THE PAYER, FURNISH YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ON THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN IT TO THE PAYER. IF YOU ARE A NONRESIDENT ALIEN OR A FOREIGN ENTITY NOT SUBJECT TO BACKUP WITHHOLDING, FILE WITH PAYER A COMPLETED INTERNAL REVENUE FORM W-8 (CERTIFICATE OF FOREIGN STATUS).

Certain payments other than interest, dividends, and patronage dividends, that are not subject to information reporting are also not subject to backup withholding. For details, see the regulations under Sections 6041, 6041A(a), 6045, and 6050A of the Code.

**PRIVACY ACT NOTICE.**--Section 6109 of the Code requires most recipients of dividends, interest, or other payments to give taxpayer identification numbers to payers who must report the payments to IRS. IRS uses the numbers for identification purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Beginning January 1, 1993, payers must generally withhold 31% of taxable interest, dividends, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

## **PENALTIES**

- (1) **PENALTY FOR FAILURE TO FURNISH TAXPAYER IDENTIFICATION NUMBER.**--If you fail to furnish your taxpayer identification number to a payer, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.
- (2) **CIVIL PENALTY FOR FALSE INFORMATION WITH RESPECT TO WITHHOLDING.**--If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of \$500.
- (3) **CRIMINAL PENALTY FOR FALSIFYING INFORMATION.**-- Falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**FOR ADDITIONAL INFORMATION, CONTACT YOUR TAX  
CONSULTANT OR THE INTERNAL REVENUE SERVICE.**

## EXHIBIT 99.7

### NEWS RELEASE

#### **TYSON ANNOUNCES TENDER OFFER FOR ALL SHARES OF WLR FOODS AT \$30 PER SHARE**

SPRINGDALE, ARKANSAS (MARCH 3, 1994) - Tyson Foods, Inc. (NASDAQ: TYSNA), today announced that it will commence a tender offer on March 9, 1994 to purchase all outstanding shares of common stock of WLR Foods, Inc. (NASDAQ: WLRF), at \$30 per share in cash. Tyson stated that it beneficially owns in excess of 5% of the outstanding shares of WLR common stock.

WLR Foods has approximately 11 million shares outstanding. The tender offer will be subject to certain conditions, including the tender of at least a majority of the shares. The tender offer however, will not be subject to a financing condition.

On January 24, 1994, Tyson delivered to WLR Foods a proposal to merge WLR Foods into Tyson in which WLR shareholders would receive \$30 per share in cash. On February 6, 1994, WLR Foods announced that its Board of Directors had rejected Tyson's proposal.

Tyson stated that it intends to request a special meeting of WLR Foods shareholders pursuant to the Virginia Control Share Acquisitions Act. At such meeting WLR Foods shareholders will be asked to vote on a proposal to accord full voting rights to the WLR Foods shares acquired by Tyson pursuant to the tender offer. The Act provides that, unless such proposal is adopted, Tyson will not have any voting rights with respect to shares purchased by it in the tender offer. Approval of the proposal requires the affirmative vote of the holders of a majority of the WLR Foods shares, other than those shares held by Tyson and its associates or by officers of the Company or directors of the Company who are employees. The purpose of the Control Share Acquisitions Act is, in effect, to allow the disinterested shareholders of WLR Foods to express a view on Tyson's tender offer.

On February 4, 1994, the WLR Foods Board of Directors took a series of actions aimed at changing the status of four of its directors to purportedly allow them to vote their shares of WLR Foods common stock on Tyson's proposal under the Virginia Control Share Acquisitions Act. These four directors hold in excess of 10% of the outstanding shares. The WLR Foods Board of Directors also changed the record date provisions of WLR Foods' Bylaws with respect to special shareholders meeting called under the Act, effectively eliminating advance notice of the record date.

"As a result of these actions," Mr. Don Tyson, Chairman of the Board of Directors of Tyson, stated, "WLR Foods has attempted to frustrate the voting rights of their own shareholders under the Act and to entrench management."

Tyson has filed claims against WLR Foods and its directors in federal district court in Virginia in response to the actions taken by WLR Foods and its Board of Directors. Tyson's claims ask the court to negate the improper actions taken by the Board and thereby allow a fair vote by the disinterested shareholders of WLR Foods under the Virginia Control Share Acquisitions Act.

Also in connection with its rejection of Tyson's proposal, the WLR Foods Board of Directors adopted a poison pill rights plan and lucrative golden parachute severance arrangements for WLR Foods executives as further defensive and entrenchment tactics. The claims filed by Tyson also request that the poison pill rights plan and lucrative golden parachute arrangements adopted by WLR Foods after its receipt of Tyson's original merger proposal be invalidated.

Tyson's claims also challenge the Virginia statutory scheme regulating take-overs as an unconstitutional barrier to Tyson's ability to acquire shares pursuant to the tender offer.

In addition to the tender of a majority of the outstanding shares, the tender offer will be certain other conditions, including WLR Foods' recently issued poison pill rights having been redeemed or invalidated or otherwise found to be inapplicable to the tender offer; Tyson's satisfaction that the restrictions contained in the Virginia Affiliated Transactions Statute Act will not apply to the proposed merger between Tyson and WLR Foods; and full voting rights for all shares of WLR Foods common stock acquired by Tyson pursuant to the tender offer having been approved at a special meeting of WLR Foods' shareholders, or Tyson's being satisfied that the Virginia Control Share Acquisitions Act is inapplicable to Tyson or its acquisition of shares of WLR Foods common stock.

Notwithstanding its commencement of the tender offer, Tyson stated that it remains willing to enter into negotiations at any time with WLR Foods regarding its proposal.

The Information Agent for the tender offer will be MacKenzie Partners, Inc.

For further information, contact Tyson's Director of Media, Public and Government Affairs, Archie Shaffer, III at 501-290-7232.

**NEWS RELEASE**

**TYSON FOODS COMMENCES \$30 CASH TENDER OFFER FOR WLR FOODS**

SPRINGDALE, ARKANSAS (MARCH 9, 1994) - Tyson Foods, Inc. (NASDAQ: TYSNA), announced today that its subsidiary, WLR Acquisition Corp., has commenced its previously announced tender offer to purchase all outstanding shares of common stock of WLR Foods, Inc. (NASDAQ: WLRF) at \$30 net per share in cash.

The offer will expire at 12:00 midnight, New York City time, on Friday, April 8, 1994, unless extended.

**The Information Agent for the Offer is MacKenzie Partners, Inc.**

The tender offer materials are being filed with the U.S. Securities and Exchange Commission. Copies of these materials may be obtained by calling MacKenzie Partners, Inc. toll-free at (800) 322-2885.

For further information, contact Tyson's Director of Media, Public and Governmental Affairs, Archie Schaffer, III at 501-290-7232.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase dated March 9, 1994 and the related Letter of Transmittal, and is being made to all holders of Shares. The Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If the Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, the Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, the Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of the Purchaser by one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash  
All Outstanding Shares of Common Stock  
of

**WLR Foods, Inc.**

at

**\$30.00 Net Per Share**

by

**WLR Acquisition Corp.**

**A Wholly-Owned Subsidiary of**

**Tyson Foods, Inc.**

WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson Foods, Inc., a Delaware corporation ("Tyson"), hereby offers to purchase all outstanding shares of Common Stock, no par value (the

"Shares"), of WLR Foods, Inc., a Virginia corporation (the "Company"), at \$30.00 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated March 9, 1994 (the "Offer to Purchase"), and in the related Letter of Transmittal (which together constitute the "Offer").

**THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, APRIL 8, 1994, UNLESS THE OFFER IS EXTENDED.**

The Offer is conditioned upon, among other things, (1) there being validly tendered, and not withdrawn prior to the Expiration Date, that number of Shares which, together with the Shares beneficially owned by the Purchaser and its affiliates, represents at least a majority of the total number of the Shares outstanding on a fully diluted basis on the date of purchase, (2) the Rights (as defined in the Offer to Purchase) having been redeemed by the Board of Directors of the Company or the Purchaser being satisfied, in its sole discretion, that the Rights have been invalidated or are otherwise inapplicable to the Offer and to the Proposed Merger (as defined below), (3) the Purchaser being satisfied, in its sole discretion, that after consummation of the Offer, the restrictions contained in Article 14 of the Virginia Stock Corporation Act will not apply to the Proposed Merger, and (4) full voting rights for all Shares acquired by the Purchaser or Tyson or any of their associates pursuant to, or in contemplation of, the Offer (which would otherwise be denied voting rights under Article 14.1 of the Virginia Stock Corporation Act) having been approved at a special meeting of shareholders of the Company or the Purchaser being satisfied, in its sole discretion, that Article 14.1 of the Virginia Stock Corporation Act is inapplicable to the Purchaser or Tyson or any of their associates or the acquisition of Shares by any of them. The Offer is also subject to other terms and conditions contained in the Offer to Purchase. See the Introduction and Sections 1 and 14 of the Offer to Purchase.

The purpose of the Offer is for Tyson, through the Purchaser, to acquire control of, and the entire equity interest in, the

Company. Tyson currently intends, as soon as practicable following consummation of the Offer, to propose and seek to have the Company consummate a merger or similar business combination (the "Proposed Merger") with the Purchaser or another direct or indirect wholly-owned subsidiary of Tyson, pursuant to which each Share then outstanding (other than Shares held by the Purchaser, Tyson or any of their affiliates, Shares held by any subsidiary of the Company and Shares held by shareholders who perfect their dissenters' rights under the Virginia Stock Corporation Act) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer.

The term "Expiration Date" means 12:00 Midnight, New York City time, on Friday, April 8, 1994, unless and until the Purchaser, in its sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date on which the Offer, as so extended by the Purchaser, shall expire.

For purposes of the Offer, the Purchaser shall be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not withdrawn if, as and when the Purchaser gives oral or written notice to IBJ Schroder Bank & Trust Company (the "Depositary") of the Purchaser's acceptance of such Shares for payment pursuant to the Offer. In all cases, upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the aggregate purchase price therefor with the Depositary, which will act as agent for tendering shareholders for the purpose of receiving payment from the Purchaser and transmitting payment to such validly tendering shareholders. Under no circumstances will interest on the purchase price for Shares be paid by the Purchaser by reason of any delay in making such payment. In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the Depositary of (a) certificates representing Shares ("Share Certificates") or timely confirmation of a book-entry transfer (a "Book-Entry Confirmation") of such Shares into the Depositary's account at The Depositary Trust Company, the Midwest Securities Trust Company or the Philadelphia Depositary Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (b) a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees, and

(c) any other documents required by the Letter of Transmittal.

If, for any reason whatsoever, acceptance for payment of any Shares tendered pursuant to the Offer is delayed, or the Purchaser is unable to accept for payment or pay for Shares tendered pursuant to the Offer, then, without prejudice to the Purchaser's rights set forth in the Offer to Purchase, the Depository may, nevertheless, on behalf of the Purchaser retain tendered Shares and such Shares may not be withdrawn except to the extent that the tendering shareholder is entitled to and duly exercises withdrawal rights as described in Section 4 of the Offer to Purchase. Any such delay will be by an extension of the Offer to the extent required by law.

If any tendered Shares are not purchased pursuant to the Offer for any reason, or if Share Certificates submitted represent more Shares than are tendered, Share Certificates representing unpurchased or untendered Shares will be returned, without expense to the tendering shareholder (or, in the case of Shares delivered by book-entry transfer into the Depository's account at a Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3 of the Offer to Purchase, such Shares will be credited to an account maintained at such Book-Entry Transfer Facility), as promptly as practicable after the expiration, termination or withdrawal of the Offer.

The Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, to extend the period during which the Offer is open for any reason, including the occurrence of any of the conditions specified in Section 14 of the Offer to Purchase, by giving oral or written notice of such extension to the Depository. Any such extension will be followed as promptly as practicable by public announcement thereof, and such announcement will be made no later than 9:00 A.M., New York City time, on the next business day after the previously scheduled Expiration Date. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to the right of a tendering shareholder to withdraw such shareholder's Shares.

Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by the Purchaser pursuant to the Offer, may also be withdrawn at any time after May

7, 1994. For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn, and (if Share Certificates have been tendered) the name of the registered holder of the Shares as set forth in the Share Certificates, if different from that of the person who tendered such Shares. If Share Certificates have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such certificates, the serial numbers of the particular certificates evidencing the Shares to be withdrawn and a signed notice of withdrawal with signatures guaranteed by an Eligible Institution (as defined in the Offer to Purchase), except in the case of Shares tendered for the account of the Eligible Institution, must also be furnished by the tendering shareholder to the Depositary as described above. If Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in

Section 3 of the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry Transfer Facility to be credited with the withdrawn Shares and otherwise comply with the procedures of such facility, in which case a notice of withdrawal will be effective if delivered to the Depositary by any method of delivery described in the third sentence of this paragraph. Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will be deemed not validly tendered for purposes of the Offer. However, withdrawn Shares may be retendered by again following one of the procedures described in Section 3 of the Offer to Purchase at any time prior to the Expiration Date. All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Purchaser, in its sole discretion, whose determination will be final and binding on all parties.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

A request is being made to the Company for use of the Company's shareholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. Upon compliance by the Company with such request or the

election by the Company to disseminate the Offer in lieu of complying with such request, the Offer to Purchase and the related Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder lists or, if applicable, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to beneficial owners of Shares.

The Offer to Purchase and the related Letter of Transmittal contain important information which should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance or for copies of the Offer to Purchase, the Letter of Transmittal and other related materials may be directed to the Information Agent at its address and telephone numbers set forth below. Neither the Purchaser nor Tyson will pay any fees or commissions to brokers, dealers or other persons for soliciting tenders of Shares pursuant to the Offer.

**The Information Agent for the Offer is:**

MacKenzie Partners, Inc.  
156 Fifth Avenue, 9th Floor  
New York, New York 10010  
(212) 929-5500 (Call Collect)

or

**CALL TOLL-FREE (800) 322-2885**

March 9, 1994

**EXHIBIT 99.9**

March 1, 1994

Mr. Gerald Johnston  
Executive Vice President-Finance  
Tyson Foods, Inc.  
2210 Oaklawn, Drawer E  
Springdale, AR 72765-2020

**Re: ACQUISITION OF WLR FOODS, INC.**

Dear Gerald:

Tyson Foods, Inc. (the "COMPANY") has advised Bank of America National Trust and Savings Association ("BANK OF AMERICA") and BA Securities, Inc. ("BA SECURITIES") that the Company, through WLR Acquisition Corp., a newly-formed corporation ("ACQUISITION CORP."), will offer to acquire all of the outstanding shares of common stock (the "SHARES") of WLR Foods, Inc. ("WLR"), a Virginia corporation, pursuant to a cash tender offer (the "TENDER OFFER"). We understand that the Tender Offer would contemplate that, following consummation of the Tender Offer, the Company would propose and seek to have WLR consummate a merger of Acquisition Corp. with WLR (the "MERGER").

The Tender Offer would be made upon the terms and subject to the conditions of an Offer to Purchase satisfactory in form and substance to Bank of America. All material changes or waivers in or to the terms of the Offer to Purchase shall be satisfactory to Bank of America. We understand that the Tender Offer will be conditional upon the purchase of at least that number of Shares which when aggregated with the number of Shares of WLR owned by the Company and to be contributed to Acquisition Corp. would constitute a majority of the Shares on a fully diluted basis and upon Acquisition Corp. having full voting rights with respect to all Shares acquired by it. We understand that, even if such conditions are satisfied and the Tender Offer is consummated, the Company and Acquisition Corp. may be unable to assure that the Merger will be consummated following the consummation of the Tender Offer. Bank of America shall be satisfied that the Shareholder Protection Rights associated with the Shares shall be invalidated or inapplicable to the transactions contemplated hereby or redeemed for a nominal amount.

You have also advised Bank of America and BA Securities that in order to finance the Tender Offer and the Merger and related costs and expenses, the Company will require a credit facility (the "FACILITY") of up to \$340,000,000. Neither the purchase of the Shares pursuant to the Tender Offer nor the Merger shall require any external financing or funding other than the Facility.

Bank of America is pleased to advise you that it is willing, subject to the terms and conditions contained in this letter and in the attached Summary of Indicative Terms (the "TERM SHEET") to provide the total financing for the acquisition (the "FINANCING"). Upon your acceptance of this commitment, however, Bank of America, through BA Securities, reserves the right to syndicate part of the Facility to a group of financial institutions (together with Bank of America, the "BANKS") acceptable to the Company and to Bank of America as agent for the Facility (in such capacity, the "AGENT").

As previously discussed, BA Securities is a wholly-owned, direct subsidiary of BankAmerica Corporation, the parent company of Bank of America, and is a registered broker-dealer. You hereby authorize Bank of America to share credit and other information regarding you with BA Securities.

The fees payable to BA Securities and to Agent in connection with the Facility are set forth in a separate letter of even date herewith (the "FEE LETTER").

To assist BA Securities in its syndication efforts, you agree to provide upon its request all information reasonably deemed necessary by it to successfully complete the syndication of the Facility including, but not limited to, information relating to the transactions contemplated hereby. Bank of America and BA Securities acknowledge that they may be exposed to certain information with respect to the Company, Acquisition Corp., WLR and the Tender Offer which is of a confidential and proprietary nature ("CONFIDENTIAL INFORMATION") and each agrees that the Confidential Information will be held in confidence by Bank of America and BA Securities and will be divulged only to those employees, agents, and representatives and controlled affiliates that have an actual need to know said information and that have been informed of the nondisclosure obligations hereunder; PROVIDED, HOWEVER, that these restrictions do not apply to information which is disclosed pursuant to a requirement of a judicial or administrative order or as is otherwise required by law (provided no disclosure will be made without first giving the Company the opportunity to oppose the disclosure by appropriate judicial or administrative proceedings). You hereby authorize BA Securities to commence syndication efforts immediately and agree actively to assist BA Securities in achieving a syndication that is satisfactory to BA Securities, Bank of America and you. BA Securities, as arranger, reserves the right (in consultation with the Company and Bank of America) to allocate the commitments offered by the Banks.

In addition to the conditions to funding or closing set forth in the Term Sheet, Bank of America's commitment to provide the

financing is subject to (i) the accuracy and completeness of the information concerning WLR that is publicly available or that has been or will be provided by you; (ii) the negotiation and execution of a definitive bank loan agreement and other related documentation, satisfactory to Bank of America; and (iii) there being no material adverse change in the financial condition, business, operations, properties or prospects of the Company or WLR and its consolidated subsidiaries from the date of the audited financial statements most recently provided prior to the date hereof.

The Term Sheet is intended only as an outline of principal terms and conditions, and does not purport to summarize all of the terms, conditions, covenants, representations and warranties, defaults, and other provisions that will be contained in the definitive legal documentation for the Facility and the transactions contemplated thereby. Such definitive legal documentation will include other provisions customary for this type of financing transaction or otherwise appropriate, in the view of the Banks, to the Financing.

The Company hereby agrees to indemnify and hold harmless each of Bank of America and BA Securities, and their respective directors, officers, employees and affiliates (each, an "INDEMNIFIED PERSON") from and against any and all losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) and expenses that arise out of, result from or in any way relate to the purchase of the Shares, the proposed Merger, the Tender Offer, this commitment letter, or the providing or syndication of the Facility, and to reimburse each indemnified person, upon its demand, for any legal or other expenses (including the allocated cost of in-house counsel) incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such indemnified person is a party to any action or proceeding out of which any such expenses arise), other than any of the foregoing claimed by any indemnified person to the extent incurred by reason of the gross negligence or willful misconduct of such person. Neither Bank of America nor BA Securities shall be responsible or liable to the Company or any other person for any consequential damages which may be alleged.

In addition, the Company hereby agrees to reimburse Bank of America and BA Securities from time to time upon demand for their reasonable out-of-pocket costs and expenses (including the allocated cost of in-house counsel) incurred by Bank of America or BA Securities in connection with the Facility, regardless of whether the credit agreement is executed or the Facility closes.

If the foregoing is satisfactory to you, please indicate your agreement and acceptance below and return the enclosed counterpart of this letter to us. Upon your delivery to us of a signed copy of this letter and the Fee Letter, this letter agreement shall become a binding agreement, under New York law, as of the date so accepted. This letter will survive the closing of the Facility.

This letter and the Term Sheet are confidential and, except for disclosure to your board of directors, officers and employees, to professional advisors retained by you in connection with this transaction, to WLR or as may be required by law (in connection with the Tender Offer, the Merger, or otherwise), may not be disclosed in whole or in part to any other person or entity without our prior written consent. No such consent shall give rise to any third-party beneficiary as to our commitment.

This offer will terminate on March 11, 1994 unless on or before that date you sign and return the enclosed counterpart of this letter and the Fee Letter. This commitment will expire on May 10, 1994 if the Facility has not closed on or before that date.

We are pleased to have this opportunity and look forward to working with you.

Very truly yours,

**BANK OF AMERICA NATIONAL  
TRUST AND SAVINGS ASSOCIATION**

By: /S/ J. STEPHEN MERNICK  
-----  
J. Stephen Mernick  
Senior Vice President

**BA SECURITIES, INC.,  
as Arranger**

By: /S/ JOHN A. FINAN  
-----  
John A. Finan  
Vice President

**ACCEPTED AND AGREED TO:**  
this 2nd day of March, 1994

**TYSON FOODS, INC.**

By: /S/ GERALD JOHNSTON  
-----  
Title: EVP FINANCE  
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**SUMMARY OF INDICATIVE TERMS**  
**\$400,000,000 Acquisition Facility**

BORROWER: Tyson Foods, Inc. (the "Borrower")

ARRANGER: BA Securities, Inc. (the "Arranger")

AGENT: Bank of America National Trust and Savings Association (the "Agent")

PURPOSE: General corporate purposes including the purchase of the stock of WLR Foods, Inc. and related expenses.

AMOUNT: Up to \$340,000,000. The aggregate of Bid Loans and advances shall not exceed \$340,000,000.

FACILITY: A 364-day revolving credit facility (the "Facility") providing for short-term advances with interest periods of up to six months/180 days. Amounts borrowed and repaid may be subsequently reborrowed and repaid during the commitment availability period.

In addition to drawing committed advances, commitments may be utilized by inviting Banks to bid for advances ("Bid Loans") during the commitment availability period. Total committed advances and Bid Loan outstandings under the Facility may not exceed the Facility Amount.

TERM OPTION: At a predetermined time prior to maturing, Borrower may elect to convert the outstanding amount of the Facility to a one year term loan.

COMMITMENT AVAILABILITY: 364-days from the closing of the credit agreement.

AVAILABILITY: Committed advances shall be in a minimum principal amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof and subject to three days' prior written notice in the case of LIBOR advances and two days' prior

written notice in the case of CD Rate advances. Same day advances may be made on a Reference Rate basis.

BID OPTION:

The Bid Loan Option will be available on an uncommitted basis through a competitive auction mechanism. The Borrower may from time to time invite bids for advances.

Requests for such bids shall be for minimum principal amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof. The Borrower shall be under no obligation to accept any of the bids received. Each Bank may (but shall not be required to) bid for advances in excess of its respective commitment.

VOLUNTARY REDUCTION OR CANCELLATION:

Upon three business days' prior written notice, the Borrower may reduce without penalty all or a portion of the Facility unutilized for advances, in minimum amounts of \$5,000,000 and in multiples of \$1,000,000 in excess thereof.

VOLUNTARY PREPAYMENT:

The Borrower may prepay at any time without penalty committed advances minimum amounts of \$5,000,000 subject to three days' prior written notice in the case of LIBOR advances provided that LIBOR or CD Rate advances prepaid at any time other than at maturity shall be subject to reimbursement of break-funding costs and related expenses, if any.

COMMITMENT FEE:

A per annum fee, payable quarterly in arrears and upon termination of the Facility, calculated on a 360-day basis on a the daily unused portion of the Facility in accordance with the attached Pricing Matrix. Bid Loans will not

count as usage in the calculation of their fee.

INTEREST ON COMMITTED  
ADVANCES:

The Borrower shall have the option to choose between domestic dollar and eurodollar funding, at per annum interest margins that will vary according to credit ratings of the Borrower as outlined in the attached Pricing Matrix.

DEFAULT INTEREST RATE:

Interest will accrue at an agreed upon premium of two percent (2%) above the prevailing rate if an Event of Default exists.

DOCUMENTATION:

Documentation shall include but not be limited to: representations and warranties, covenants and events of default customary in credit agreements.

INDEMNITIES:

Those customary in credit agreements of this type, including but not limited to increased costs, capital adequacy, taxes and duties, and break funding.

REPRESENTATION  
AND WARRANTIES:

Those customary in credit agreements of this type, including but not limited to: corporate existence; corporate authorization; enforceability; financial information; environmental matters; compliance with laws; no material litigation; payment of taxes; and full disclosure.

COVENANTS:

Those customary in credit agreements of this type including, but not limited to, the following financial covenants (which will mirror the covenant definitions and levels in the existing \$350 million and \$500 million credit facilities):

1. Consolidated Net Worth
2. Interest Coverage Test Ratio

## 3. Debt Ratio

## EVENTS OF DEFAULT:

Those customary in credit agreements of this type, including, but not limited to: failure to pay any interest, principal, or fees payable under the credit agreement; failure to meet covenants; cross default to other debt of the Borrower.

## GOVERNING LAW:

State of New York

**TYSON FOODS, INC.**

**\$340,000,000 ACQUISITION FACILITY**

**Pricing Grid\***  
(in basis points)

Senior Unsecured Debt Rating	Pricing Level I: A-/A and Above	Pricing Level II: BBB+/Baa	Pricing Level III: BBB/Baa	Pricing Level IV: BBB-/Baa	Pricing Level Level V: Below BBB-/Baa
Commitment Fee:					
Total Undrawn Cost:					
Libor Margin:					
Base Rate Margin:					
Total Drawn Cost:					

\* Intentionally left blank for filing and exhibit purposes.

**NOTES:**

1. Senior unsecured debt ratings as assigned by Standard & Poor's or Moody's rating agencies. In the event of a split rating, the higher rating will determine the applicable pricing level.
2. In the event of a material adverse change in the loan syndication or capital markets which would have a substantial negative impact on the ability to syndicate the Facility, the Borrower and Agent agree to renegotiate the above pricing and/or other terms and conditions in order to successfully syndicate the Facility.

**EXHIBIT 99.10**

**UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA  
HARRISONBURG DIVISION**

**WLR FOODS, INC.,**

Plaintiff,

v. CIVIL ACTION NO. 94-0012(H)

**TYSON FOODS, INC.,**

**Defendant.**

**AMENDED COMPLAINT FOR  
DECLARATORY AND INJUNCTIVE RELIEF**

Plaintiff WLR Foods, Inc. ("WLR"), by its undersigned attorneys, for its complaint, upon knowledge with respect to itself and its own acts and upon information and belief as to all other matters, alleges:

**I. NATURE OF ACTION**

1. This Action seeks a declaration that WLR's Shareholder Protection Rights Agreement (the "Rights Plan"), adopted on February 4, 1994, is valid and was duly adopted in full conformance with applicable law and that any rights to be issued pursuant to the Rights Plan (the "Right(s)") are valid, binding and legally enforceable under state and federal law.
2. This action also seeks a declaration that Article 14, Va. Code Sections 13.1-1-725, ET SEQ., and Article 14.1, Va. Code Sections 13.1 1-728.1, ET SEQ., of Virginia's Stock Corporation Act (collectively the "Articles") are constitutional under the Virginia and the United States Constitutions and valid under any other applicable law. The Articles were adopted by the

Commonwealth of Virginia as a means of protecting Virginia corporations and their shareholders.

## II. JURISDICTION

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. Section 1331, 28 U.S.C. Section 1332 (a) (1) and 28 U.S.C. Section 2201.

## III. PARTIES

4. WLR is a Virginia corporation with its principal executive offices in Rockingham County, Virginia. Shares of WLR's common stock are publicly traded on the NASDAQ National Market System.

5. Defendant Tyson Foods, Inc. ("Tyson") is a Delaware corporation with its principal executive offices in Springdale, Arkansas.

## IV. CLAIMS

6. By letter dated January 24, 1994, Tyson proposed to WLR's board of directors a merger of WLR and Tyson (or a subsidiary of Tyson) pursuant to which the shareholders of WLR would receive \$30.00 in cash for each of their WLR shares (a copy of the letter is attached hereto as EXHIBIT A and is incorporated by reference). In that letter, Tyson stated, among other things, that the proposal was contingent upon WLR's board of directors not using what Tyson termed any "Poison Pills" or other "Anti-Takeover" measures to "obstruct a merger." This language indicates that Tyson believes a basis may exist for challenging the validity of measures such as the Rights Plan.

7. Tyson's January 24, 1994 letter also made its acquisition proposal contingent upon the WLR board of directors

taking necessary action to prevent the Virginia Stock Corporation Act from being an "impediment" to the proposed merger. This condition to Tyson's proposed acquisition indicates that Tyson believes a basis may exist for challenging the validity of provisions of Virginia's Stock Corporation Act ("Stock Corporation Act"), including the Articles.

8. By letter dated February 6, 1994, WLR rejected Tyson's January 24, 1994 acquisition proposal (a copy of the letter is attached hereto as EXHIBIT B and is incorporated by reference).

A. ARTICLES 14 AND 14.1 OF VIRGINIA'S STOCK CORPORATION ACT ARE CONSTITUTIONAL

9. Article 14 of the Stock Corporation Act ("Article 14") prohibits a corporation from engaging in certain transactions including mergers, with an "interested shareholder" for three years from the date that the person is determined by the corporation's board of directors to be an "interested shareholder." An "interested shareholder" is defined by Article 14 to be, among other things, the beneficial owner of more than ten percent of any class of outstanding voting shares of the corporation.

10. Article 14 provides for certain exceptions from the requirements of the Article, including an exception for transactions approved by a majority of the disinterested directors of the corporation and two-thirds of the voting shares (other than those shares beneficially owned by the interested shareholder).

11. Article 14.1 of the Stock Corporation Act ("Article 14.1") limits the voting rights of the shares of a corporation acquired, in a "control share acquisition." A "control share acquisition" is defined by Article 14.1 to be the direct or indirect acquisition of sufficient shares to give the owner various specified levels of voting power in connection with the election of directors of the corporation.

12. Article 14.1 provides for certain exceptions from its requirements. For instance, the corporation's board of directors may take certain actions, under specified procedures and conditions, that will remove the acquisition from the limitations imposed by Article 14.1. In addition, any acquiring person may request that the corporation call a special meeting of the shareholders for the purpose of considering the voting rights to be granted shares acquired or to be acquired in the control share acquisition.

13. Articles 14 and 14.1 were adopted by the Commonwealth of Virginia as a means of protecting Virginia corporations and their shareholders and do not conflict with either the Virginia or the United States Constitutions or any other applicable law.

14. In its January 24, 1994 letter, Tyson states that its proposal is contingent on WLR's board of directors taking action "necessary to prevent the Virginia Corporation Act from being an impediment to the proposed merger" and the board of directors not using the Act to "disadvantage Tyson in the purchase of" WLR's stock. Thus, rather than viewing and respecting the Articles as a measure by the Commonwealth of

Virginia to protect Virginia corporations and their shareholders, Tyson apparently believes them to be an "impediment" and "disadvantage" to its acquisition efforts.

## B. WLR'S SHAREHOLDER RIGHTS PLAN IS VALID

15. At a meeting held on February 4, 1994, WLR's board of directors adopted the Rights Plan. In adopting the plan, the board of directors and each of its members acted in good faith, in conformity with fiduciary and other duties, and conducted a reasonable investigation which included receiving the advice of the company's management and legal and financial advisors.

16. Pursuant to the Rights Plan, among other provisions, the board of directors declared a dividend distribution of one Right for each outstanding share of the Company's common stock (the "Common Stock"). The occurrence of certain events, including commencement of a tender offer for acquisition of at least 15% of WLR's common stock, entitles the holder of each Right to purchase one-hundredth of a share of WLR Participating Preferred Stock at a price set by the board of directors in consultation with the Company's financial advisers (the "Exercise Price"). The Participating Preferred Stock would be designed so that each one-hundredth of a share has economic and voting terms similar to those of one share of Common Stock.

17. If any person acquires 15% or more of the outstanding Common Stock (the "Flip-in trigger"), then:

(i) Rights owned by the person acquiring such stock or transferees thereof will automatically be void; and

(ii) each other Right will automatically become a right to buy, for the Exercise Price, that number of shares of Common Stock or Participating Preferred Stock having a market value of twice the Exercise Price.

The Rights may be redeemed by the board of directors, at any time until a Flip-in trigger has occurred, at a Redemption Price of \$0.01 per Right.

18. WLR believes and alleges that the Rights Plan is valid and lawful and was duly adopted in full conformance with applicable law, and that its adoption was a legitimate exercise of business judgment by WLR's board of directors, and not otherwise contrary to Virginia state law and federal laws. The Rights Plan is binding in all respects, valid and enforceable.

19. Based on the language of Tyson's January 24, 1994 letter, WLR believes and alleges that the defendant or persons or entities acting in concert with them or on their behalf will contest (a) the constitutionality or validity otherwise of Articles 14 and 14.1 and (b) the validity of the Rights Plan and the Rights. Thus, an actual controversy exists between the parties to this action which is within the power of this Court to determine pursuant to 28 U.S.C. Sections 2201-2202. This Court's determination of the issues presented herein will afford relief from uncertainty and insecurity with respect to rights, status, and legal relations between the parties.

20. Without a declaratory judgment, WLR and its shareholders will be deprived of the assurance that (a) Articles 14 and 14.1 are applicable to Tyson's efforts to acquire the

corporation and (b) the Rights Plan was validly adopted and the Rights thereunder exercisable.

21. WLR has no adequate remedy at law as to matters which require injunctive relief. WHEREFORE, plaintiff hereby requests that the Court enter a judgment:

a. Declaring that Articles 14 and 14.1 of the Virginia Stock Corporation Act, are valid, lawful and binding under both the Virginia and the United States Constitutions and any other applicable laws.

b. Declaring that:

(i) the Rights Plan and the Rights are valid, lawful and binding;

(ii) the Rights Plan was adopted in full compliance with the laws of the Commonwealth of Virginia and any other applicable law; and

(iii) the Rights distributed pursuant thereto will be valid and enforceable.

c. Temporarily, preliminarily and permanently enjoining defendant, its affiliates, subsidiaries, officers, directors, and all others acting in concert with them or on their behalf, from bringing any action in any other court (a) challenging the constitutionality and validity of Articles 14 and 14.1 of the Virginia Stock Corporation Act; (b) attacking any aspect of the Rights Plan, including the Plan's adoption under Virginia or in regard to any other applicable law; and/or (c) otherwise relating to or involving Tyson's proposal to acquire

WLR and the response to that proposal by WLR and/or its directors, officers or agents, under state law and/or federal law.

d. Awarding to WLR and against defendant, costs and disbursements of this action, including reasonable attorneys fees, if permitted by law; and

e. Granting such further relief to WLR as may be just and proper under the circumstances.

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Douglas L. Gynn VSB No. 19748 Wharton, Aldhizer & Weaver A Professional Limited Liability Company 100 South Mason Street  
Harrisonburg, Virginia 22801 (703) 434-0316 Attorneys for Plaintiff

**OF COUNSEL:**

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New York, New York 10004  
(212) 558-4000  
Dated: February 9, 1994

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF VIRGINIA  
HARRISONBURG DIVISION

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WLR FOODS, INC. )  
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 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 TYSON FOODS, INC., )  
 )  
 Defendant. )  
 )  
 and )  
 )  
 TYSON FOODS, INC., ) Civil Action No. 94-0012(H)  
 )  
 Counterclaimant, )  
 )  
 v. )  
 )  
 WLR FOODS, INC., )  
 )  
 Counterclaim- )  
 Defendant, )  
 )  
 and )  
 )  
 GEORGE E. BRYAN, )  
 CHARLES L. CAMPBELL, )  
 STEPHEN W. CUSTER, )  
 CALVIN G. GERMROTH, )  
 WILLIAM H. GROSECLOSE, )  
 J. CRAIG HOTT, )  
 JAMES L. KEELER, )  
 HERMAN D. MASON, )  
 CHARLES W. WAMPLER, JR., )  
 WILLIAM D. WAMPLER, )  
 )  
 Additional Counter- )  
 Claim Defendants. )

\_\_\_\_\_)  
**ANSWER, AFFIRMATIVE DEFENSES  
AND COUNTERCLAIMS OF TYSON FOODS, INC.**

## ANSWER

Defendant Tyson Foods, Inc. ("Tyson"), by counsel, answers WLR Foods, Inc.'s ("WLR") Amended Complaint as follows:

1. Admits that the Amended Complaint purports to seek a declaratory judgment regarding the "Rights Plan" as that term is defined in the Amended Complaint. The remaining allegations are legal conclusions which do not require a response. To the extent a response is required, Tyson denies them.
2. Admits that the Amended Complaint purports to seek a declaration that Article 14, Va. Code Sections 13.1-725 ET SEQ. and Article 14.1, Va. Code Sections 13.1-728.1 ET SEQ. of Virginia's Stock Corporation Act are constitutional under the Virginia and United States Constitutions. The remaining allegations are legal conclusions which do not require a response. To the extent a response is required, Tyson denies them.
3. Denies, except to the extent the allegations constitute legal conclusions which require no response.
4. Admits.
5. Admits.
6. Admits that Tyson believes a basis may exist for challenging the validity of measures such as the Rights Plan. Tyson denies the remaining allegations, except to the extent that the letter dated January 24, 1994 is quoted accurately.
7. Admits that Tyson believes a basis may exist for challenging the validity of provisions of Virginia's Stock Corporation Act. Tyson denies the remaining allegations, except to the extent the letter dated January 24, 1994 is quoted accurately.

8. Admits.
9. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
10. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
11. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
12. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
13. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
14. Denies, except to the extent that the letter dated January 24, 1994 is quoted accurately.
15. Admits that Tyson is aware that the Board of Directors of WLR adopted a "Shareholders Rights Plan." Tyson is without sufficient information to admit or deny the remaining allegations and therefore denies them.
16. Admits that Tyson is aware that the WLR Board of Directors adopted a "Shareholders Rights Plan." Tyson refers to the full text of the "Shareholders Rights Plan" for its content.
17. Admits that Tyson is aware that the WLR Board of Directors adopted a "Shareholders Rights Plan." Tyson refers to the full text of the "Shareholders Rights Plan" for its content.
18. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.
19. Tyson is without knowledge or information sufficient to form a belief as to the truth of the allegations relating to WLR's belief. Tyson denies the remaining allegations except to

the extent that the allegations constitute legal conclusions to which no response is required.

20. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

21. Denies, except to the extent that the allegations constitute legal conclusions to which no response is required.

22. The remaining allegations are a demand for relief to which no response is required. To the extent a response is required; Tyson denies them.

23. Tyson denies every allegation not specifically admitted.

#### **AFFIRMATIVE DEFENSES**

1. The Amended Complaint fails to state a claim upon which relief may be granted.

2. WLR is guilty of unclean hands.

3. The claims pleaded are barred by the doctrine of estoppel.

4. The claims pleaded are barred by the doctrine of illegality.

5. The claims pleaded are barred by WLR's fraud, which is set forth in the Counterclaims.

#### **COUNTERCLAIMS**

Counterclaim plaintiff Tyson, by counsel, states as its counterclaims:

## **THE PARTIES**

1. Tyson is a Delaware corporation with its principal place of business in Arkansas. Tyson has operations throughout the United States, including facilities in the Commonwealth of Virginia. At all relevant times, Tyson owned shares of WLR. Tyson purchased additional shares at times during the relevant period.
2. WLR is a Virginia corporation with its principal place of business in Rockingham County, Virginia. Shares of WLR's common stock are publicly traded on the NASDAQ National Market System.
3. George E. Bryan, Charles L. Campbell, Stephen W. Custer, Calvin G. Germroth, William H. Groseclose, J. Craig Hott, James L. Keeler, Herman D. Mason, Charles W. Wampler, Jr., and William D. Wampler ("Directors") are members of the WLR Board of Directors.

## **JURISDICTION AND VENUE**

4. This Court has subject matter jurisdiction over these counterclaims pursuant to:
  - (a) 28 U.S.C. Section 1331 because the matter in controversy arises under the United States Constitution and the laws of the United States;
  - (b) 28 U.S.C. Section 1332 because there is complete diversity of citizenship between the counterclaim plaintiff and the counterclaim defendants and the amount in controversy, exclusive of interest and costs, exceeds \$50,000;
  - (c) 28 U.S.C. Section 1337(a) because the action arises under an act of Congress regulating commerce;

(e) 28 U.S.C. Section 1367 under the principles of supplemental jurisdiction.

### **FACTUAL BACKGROUND**

5. On January 24, 1994, Tyson sent a letter to the Board of Directors of WLR proposing a merger of WLR with Tyson (or a subsidiary of Tyson). Tyson's merger offer proposed to pay WLR shareholders \$30.00 per share in cash for each of their shares. This offer represented a premium to WLR shareholders of approximately \$110 million or 56% over the pre-offer market share price for WLR stock. Tyson requested a response to its January 24th letter by close of business on February 4, 1994. No response from WLR was received by that time.

6. On January 25, 1994, James L. Keeler sent a letter on behalf of the Directors to WLR shareholders in which WLR promised to "keep you posted on important corporate developments."

7. On February 4, 1994, the WLR Board held a meeting in which they rejected Tyson's proposal. At that February 4 meeting, WLR's board took a series of actions designed to erect numerous barriers that would insulate WLR from any acquisition not approved by the WLR board. Through its actions, WLR's board attempted to impose its will on WLR's shareholders, by eliminating any opportunity for those shareholders to exercise their shareholder rights thereby attempting to deprive them of the benefits of an acquisition proposal from Tyson or any other third party not endorsed by the Board of Directors.

8. Specifically, at the February 4, 1994 Board meeting, the Directors:

- (a) adopted a Shareholder Rights Agreement ("Poison Pill");
- (b) adopted certain executive severance arrangements ("Golden Parachutes");
- (c) adopted certain severance packages for salaried and hourly employees ("Other Parachutes");
- (d) amended the corporate bylaws of WLR relating to the roles that the Chairman and Vice Chairman of WLR play as officers to enhance management's voting power to block Tyson's merger proposal;
- (e) took actions which denied WLR's disinterested shareholders the opportunities to consider Tyson's proposal; and
- (f) purported to terminate the employment of a number of WLR officers, while at the same time promising to expend substantial sums for the benefit of those officers in the future, again to enhance management's voting power to block Tyson's merger proposal.

These actions are described in WLR's Form 10-Q for the quarterly period ending January 1, 1994, which was filed with the Securities and Exchange Commission on February 15, 1994 ("Form 10-Q").

9. Pursuant to the Poison Pill, the Board of Directors of WLR declared, among other provisions, that a dividend of one "Right" per outstanding share of WLR stock be issued to WLR stockholders.

10. The Poison Pill provides that it is triggered, or "flips-in," when any person acquires voting control of 15% or more of the outstanding Common Stock of WLR. Once triggered, the

Poison Pill provides that the Rights owned by the acquiring person are automatically void, and all other Rights holders automatically may purchase for shares of Common Stock in WLR at half the market price. The Board of Directors of WLR may redeem the Rights at anytime before the flip-in trigger occurs for \$0.01 per Right.

11. The Poison Pill adopted by the Board of Directors of WLR makes any acquisition of more than 15% of the shares of WLR prohibitively expensive to any prospective acquirors. In addition to imposing a severe financial penalty on a potential acquiror, the "flip-in" of the Poison Pill would cut that potential acquiror's voting rights almost in half. As a result, the adoption of the Poison Pill has the effect of deterring any takeover offers for WLR except those that are approved by the Board of Directors of WLR. Through their adoption of the Poison Pill, the Board of Directors of WLR have entrenched themselves and the present officers of WLR in their positions, and at the same time have deprived WLR's shareholders of the opportunity to consider lucrative offers for their shares.

12. The Golden Parachutes fall into at least three categories. In the first category is James L. Keeler, President and Chief Executive Officer of WLR. If Keeler decides to leave WLR during a specified period after a "Change of Control" (as that term is defined in the Golden Parachutes) in WLR, Keeler will receive three times his total compensation, including base salary, bonuses, and deferred compensation. In addition, Keeler would receive a cash payment equivalent to the value of his stock options which are not vested at the time of the Change of

Control, and his fringe benefits such as health insurance will be extended for three years. The Board provided that Keeler's compensation will be "grossed up" if necessary to ensure this level of compensation is received by Keeler as a net amount and any taxes ordinarily paid by Keeler will be borne by WLR. Under Federal tax law, however, a substantial portion of those payments may not be deducted by WLR for federal income tax purposes.

13. In the second category of Golden Parachutes are Delbert L. Seitz, Chief Financial Officer, Secretary, and Treasurer of WLR, and James L. Mason, President of Wampler-Longacre, Inc., a subsidiary of WLR. The terms of Messrs. Seitz' and Mason's Golden Parachutes are identical to those of Mr. Keeler's Golden Parachute, including the "gross up" provision, except that they do not include deferred compensation.

14. The third category of Golden Parachutes provide certain executives with a payment equal to 150% of their annual compensation (base salary plus bonuses) if the individual is terminated after a "Change in Control." The individuals in the third category will also receive a cash payment equivalent to the value of their stock options which are not vested at the time of the Change of Control and their fringe benefits, such as health insurance, will be extended for one and one-half years. Again, where applicable, these benefits will be "grossed up" at WLR's expense.

15. The terms of the Other Parachutes are not disclosed in the 10Q, thereby depriving Tyson and the other shareholders from learning the true cost to WLR of these precipitous acts by the Directors. Also, because of the gross-up provisions of the

Golden Parachutes, the shareholders are further deprived of learning information about the true cost to WLR caused by the Directors' self-serving actions.

16. The Golden Parachutes adopted by the Board of Directors of WLR provide for extremely lucrative financial benefits to WLR's present management, a number of whom presently are members of WLR's Board of Directors. At the same time, the Golden Parachutes and Other Parachutes adopted by the Board of Directors make any acquisition of WLR considerably more expensive, and thereby reduce the likelihood of any such acquisition, or at the least reduce the price that WLR's shareholders might receive as a result of any such acquisition. WLR has never disclosed the true financial cost of the Golden Parachutes and Other Parachutes that it has conferred on its officers and employees. These costs, which cannot be calculated based on available information run into an undeterminable number of millions of dollars.

17. In addition, the WLR Board adopted a bylaw that provides that the record date for any special meeting held pursuant to the Virginia Control Share Acquisitions statute will be the day on which an Acquiring Person (as defined by the statute) requests such a meeting. Other provisions of the Virginia Control Share Acquisitions statute regarding the timing of such a meeting, and the solicitations that may precede such a meeting, make it extremely difficult for any third party to prevail against management at such a meeting. The bylaw adopted by the Board compounds any such third party's problems because it maintains voting rights for numerous shareholders who will have sold their shares to purchasers who will not have had advance

knowledge of a record date. Accordingly, the purchasing shareholders will be disenfranchised at a special meeting held pursuant to the Control Share Acquisitions statute. On the other hand, the selling shareholders who will maintain their voting rights will have little incentive to vote at all. Such non-voters would be counted against the third party, and in favor of management. The bylaw, in combination with other provisions of the Virginia Control Share Acquisitions statute, make it extremely unlikely that a third party could effectively make its case to WLR's shareholders in connection with a meeting, and thereby eliminates the possibility that WLR's shareholders will have the opportunity to participate in a fair referendum with respect to a third party's participation in WLR's future. Moreover, in light of the bylaw adopted by WLR, the operation of the Virginia Control Share Acquisitions statute would conflict with the operation of federal law regarding the solicitation of proxies.

18. Also on February 4, 1994, the Directors amended the corporate Bylaws purporting to "clarify" that the roles of the Chairman of the Board and the Vice Chairman of the Board are officers of the Board, not of WLR. Notwithstanding this supposed "clarification", in truth and in fact, both the Chairman and the Vice Chairman of the Board have always acted as officers of WLR, as well as to WLR's Board. Simultaneously, two members of the Board, William D. Wampler and George E. Bryan resigned as Senior Vice Presidents; and Charles W. Wampler, Jr., Herman D. Mason, William D. Wampler, and George E. Bryan, the four of whom who

control well in excess of 10% of the shares of WLR, resigned as employees of WLR but remained as directors.

19. The sole motive for the actions described in paragraph 18 was to circumvent the fundamental purpose of the Control Share Acquisitions statute which is to leave solely to the disinterested shareholders the decision whether "interested" shareholders will have a right to vote on a transaction. These cynical acts by the Directors are intended directly to dilute the voting power of the disinterested shareholders, allowing these four directors the opportunity to vote their shares, totalling well in excess of 10% of the outstanding voting shares of WLR, while at the same time barring Tyson from exercising its voting rights, all in direct violation of the plain intent of the statute. The effect of the Board's actions is compounded by the fact that under the Control Share Acquisitions statute, Tyson will be unable to vote its shares, thereby enhancing the voting rights of the remaining shareholders. Thus, unless the Board's actions are rescinded, its own officers who have a plain interest in the outcome of a special meeting called pursuant to the Control Share Acquisitions Act, will have enhanced voting power because of the statute's provision that Tyson will not be able to vote its own shares at such a meeting.

20. On February 6, 1994, defendant Charles W. Wampler, Jr., Chairman of WLR, sent a letter to the Chairman of the Board of Directors of Tyson reporting that the WLR Board unanimously rejected Tyson's offer of merger.

21. By letter dated February 6, 1994, WLR announced to the public that on February 4, 1994 the Directors rejected Tyson's January 24, 1994 merger proposal.

22. Also on February 6, 1994, the Directors sent a letter to WLR's shareholders describing the Poison Pill.

23. None of the February 6, 1994 letters nor any other voluntary communication revealed the actions taken by the Board of Directors of WLR that are described in paragraphs 8 (b)-(e), 12-14 or 17-18.

24. These actions were only made public through the compulsory filing of the Form 10-Q, eleven days after the fact.

### **COUNT I**

25. Tyson realleges paragraphs 1-24.

26. In its Amended Complaint, WLR seeks a declaration that the

Virginia Affiliated Transactions Statute is constitutional.

27. On its face and as applied, the Virginia Affiliated Transactions Statute essentially gives a Virginia corporation's pre-existing board of directors DE FACTO veto power over mergers and therefore thwarts shareholder democracy and burdens interstate commerce.

28. By denying a meaningful opportunity for success by any possibly interested merger partner other than one receiving the pre-existing board's approval, the Virginia Affiliated Transactions statute on its face and as applied:

(a) is preempted by the Williams Act and therefore violates the Supremacy Clause of the United States Constitution;

(b) violates the Commerce Clause of the United States Constitution.

29. The unconstitutionality of the Virginia Affiliated Transactions Statute has injured and continues to injure Tyson because it:

(a) diminishes the value of Tyson's shares in WLR; and

(b) may affect Tyson's ability to merge with WLR.

## **COUNT II**

30. Tyson incorporates paragraphs 1-24.

31. The Virginia Control Share Acquisitions statute defines "interested shares" in pertinent part as the shares of a corporation subject to the statute, the voting of which may be exercised or directed by (a) an acquiror with respect to a control share acquisition; (b) any officer of a corporation subject to the statute; and (c) any employee of a corporation subject to the statute who is also a director of the corporation. Va. Code Section 13.1-728.1.

32. Among other things, the Virginia Control Share Acquisitions statute provides that shares acquired in a control share acquisition, as that term is defined by the statute, shall have no voting rights unless voting rights are granted by resolution adopted by a majority of all the votes which could be cast in an election of directors by all outstanding shares, other than "interested shares," which are not entitled to vote on the matter. Va. Code Section 13.1-728.3(A)-(B).

33. The actions taken by the WLR Board of Directors on February 4, 1994, including (a) the amendments made to the WLR

corporate bylaws relating to the roles that the Chairman and Vice Chairman play as officers of the corporation; (b) the resignations of Additional Counterclaim Defendants William D. Wampler and George E. Bryan as Senior Vice-Presidents; and (c) the termination of compensation from WLR to Additional Counterclaim Defendants Charles W. Wampler, Jr., Herman D. Mason, William D. Wampler, and George E. Bryan, were intended to circumvent the clear purpose of the statute by allowing "interested shares" owned by "management" to vote in a manner prohibited by Va. Code Section 13.1-728.3(B).

34. Notwithstanding the actions taken by the WLR Board described in paragraph 18, the shares owned or controlled by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason are "interested shares" under the Virginia Control Share Acquisitions statute.

35. An actual controversy exists concerning whether the shares owned or controlled by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason are "interested shares" prohibited from voting on a resolution to extend voting rights to shares acquired in a control share acquisition as provided by Va. Code Section 13.1-728.3(A).

36. Similarly, if the Court determines that the bylaw described above in paragraph 18 is not rescinded, then such statute as applied:

(a) is preempted by federal proxy law developed under Section 14 of the Securities Exchange Act of 1934 and thereby violates the Supremacy Clause of the United States Constitution; and,

(b) violates the Commerce Clause of the United States Constitution.

37. In the event the Directors' actions described in paragraph 15 are not rescinded, Tyson is entitled to a declaratory judgment, pursuant to 28 U.S.C. Section 2201, that all WLR shares owned directly, indirectly or beneficially, by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason, are "interested shares" under the Virginia Control Share Acquisitions statute and accordingly may not be voted in the referendum provided by the statute.

38. Alternatively, if the Court determines that the shares owned directly, indirectly or beneficially, by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason, are not "interested shares" under the Virginia Control Share Acquisitions statute, then such statute as applied:

(a) is preempted by the Williams Act and therefore violates the Supremacy Clause of the United States Constitution;

(b) violates the Commerce Clause of the United States Constitution.

39. The unconstitutionality of the Virginia Control Share Acquisitions statute as applied has injured and continues to injure Tyson because it:

(a) diminishes the value of Tyson's shares in WLR; and

(b) may affect Tyson's ability to merge with WLR.

### **COUNT III**

40. Tyson realleges paragraphs 1-24.

41. The operation of the Virginia Affiliated Transactions Statute, the Virginia Control Share Acquisitions statute, and Va. Code Section 13.1-646, taken together, on their face and as applied, gives a Virginia corporation's pre-existing board of directors a DE FACTO veto power over mergers, and therefore thwarts shareholder democracy and burden interstate commerce by, among other things:

(a) allowing intransigent management to manipulate the record date for determining stock ownership to deprive shareholders of the ability to vote their shares in a fully informed and meaningful way;

(b) discouraging shareholders from voting their stock by permitting a discriminatory poison pill to be adopted in the face of a noncoercive proposal, particularly when combined with the manipulation of these statutes by the Board as in this case;

(c) frustrating the full purposes and objectives of Congress in enacting the Williams Act by giving intransigent management the ability to impede a noncoercive proposal without consulting shareholders; and

(d) impermissibly tilting the balance between management and an acquiror in the context of a noncoercive proposal.

42. By denying a meaningful opportunity for success by any possibly interested merger partner in the face of intransigent management, the operation of the Virginia Affiliated Transaction statute, the Virginia Control Share Acquisitions statute, and Va. Code Section 13.1-646, taken together, on their face and as applied,

(a) are preempted by the Williams Act and therefore violate the Supremacy Clause of the United States Constitution;

(b) violate the Commerce Clause of the United States Constitution.

43. The unconstitutionality of these Virginia statutes have injured and continue to injure Tyson because they:

(a) diminish the value of Tyson's shares in WLR; and

(b) may affect Tyson's ability to merge with WLR.

#### **COUNT IV**

44. Tyson realleges paragraphs 1-24.

45. The Directors have fiduciary duties and a duty of loyalty to WLR's shareholders and others.

46. The actions described in paragraphs 7-18 violate these fiduciary duties; are contrary to the interests of WLR's shareholders; and are intended to entrench WLR's present management in its positions at WLR by making an acquisition by Tyson or any other third party practically impossible, all for the purpose of protecting existing management and depriving shareholders the opportunity to consider a non-coercive proposal.

Specifically, the actions taken by the Board of Directors of WLR:

(a) allow intransigent management to manipulate the Record Date of stock ownership to deprive shareholders of the ability to vote their stock;

(b) discourage shareholders from voting their shares by permitting a discriminatory poison pill to be adopted in the face of a noncoercive proposal;

- (c) frustrate the full purposes and objectives of Congress in enacting the Williams Act by giving intransigent management the ability to defeat a noncoercive proposal without consulting shareholders;
- (d) impermissibly tilt the balance between management and a potential acquiror in the context of a noncoercive proposal;
- (e) burden WLR with increased and undisclosed costs through operation of the Golden and Other Parachutes;
- (f) manipulate WLR's Bylaws and the status of WLR's officers solely for the purpose of entrenching existing management;
- (g) fail to disclose Board action to the shareholders in a timely and meaningful way; and
- (h) establish a series of corporate artifices in an attempt to deprive the shareholders of the opportunity to consider the Tyson proposal in a fully-informed manner.

47. These violations have injured and continue to injure Tyson because they:

- (a) diminish the value of Tyson's shares in WLR; and
- (b) may affect Tyson's ability to merge with WLR.

#### **IRREPARABLE INJURY**

48. Unless preliminary and permanent injunctive relief is granted, Tyson will be irreparably harmed because it will be denied the opportunity to have its proposal freely and fairly considered by WLR's shareholders, and WLR's shareholders will be

irreparably harmed because they will be denied the opportunity to consider and, if they so choose, to accept Tyson's proposal.

49. Unless preliminary and permanent injunctive relief is granted, Tyson will be irreparably harmed in at least the following additional respects:

- (a) Tyson will be denied a meaningful opportunity to consummate the proposal;
- (b) WLR's management will hold a decided and unlawful advantage in opposing Tyson's proposal;
- (c) Tyson will be compelled to terminate its efforts to acquire control of WLR due to the economic and financial uncertainties posed by the Virginia statutes, the Poison Pill, the Golden Parachutes, the Other Parachutes, and the Board's other actions described above;
- (d) WLR's shareholders will be discouraged from tendering their shares to Tyson because of the economic and financial uncertainty created by the Virginia statutes, the Poison Pill, the Golden Parachutes, the Other Parachutes, and the Board's other actions described above;
- (e) Tyson will be deprived of the opportunity to acquire control of WLR, a unique business;
- (f) Tyson will suffer a massive dilution of its equity and voting interest in WLR, pursuant to a discriminatory, unlawful, and ULTRA VIRES Poison Pill; and
- (g) Tyson will be subjected to unnecessary and unreasonable delay in obtaining the approval of any business combination by the incumbent Board of Directors and management, which could prevent it from consummating an acquisition of WLR.

50. Unless preliminary and permanent injunctive relief is granted, WLR's shareholders, including any residing in the Commonwealth of Virginia, will be irreparably harmed by losing their right to sell their shares to Tyson at a premium.

51. The foregoing circumstances constitute a deprivation of Tyson's rights under the Williams Act, the United States Constitution, and the laws of the Commonwealth of Virginia, and will result in irreparable injury to Tyson, to WLR shareholders, and to the investing public.

### **RELIEF SOUGHT**

52. Tyson has no adequate remedy at law.

53. Tyson seeks a declaration that:

(a) the Virginia Affiliated Transactions statute (Va. Code Section

13.1-725 ET SEQ.) on its face and as applied is unconstitutional;

(b) the Control Share Acquisitions Statute (Va. Code Section 13.1-728.1, ET. SEQ.) as applied is unconstitutional;

(c) Section 13.1-646 of the Virginia Stock Corporation Act as applied is unconstitutional;

(d) the Directors breached their fiduciary duties and duty of loyalty in taking the actions described in the Counterclaims;

(e) the Poison Pill, Golden Parachutes and Other Parachutes are invalid;

(f) notwithstanding the actions taken by the WLR Board described in paragraph 18, the shares owned by Additional Counterclaim Defendants W. Wampler, C. Wampler, Bryan and Mason

are "interested shares" under the Virginia Control Share Acquisitions Statute.

54. Tyson seeks to temporarily, preliminarily and permanently:

(a) enjoin defendants from taking any action invoking the terms of the Virginia Affiliated Transactions and Control Share Acquisitions statutes;

(b) enjoin defendants from taking any action in furtherance of the Poison Pill, Golden Parachutes or Other Parachutes;

(c) directing the Directors to rescind the actions described in paragraphs 8-18;

(d) directing the Directors to redeem the Poison Pill;

(e) directing the individuals identified in paragraph 18 to rescind the transactions described in paragraph 18.

(f) directing the Directors to rescind the bylaw described above in paragraph 18, or in the alternative enjoin the operation of such bylaw.

55. Tyson seeks such other and further relief as this Court may deem just and proper, including its costs and attorney's fees.

Respectfully submitted,

**TYSON FOODS, INC.**

*BY: /S/ R. CRAIG WOOD*  
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#### **CERTIFICATE OF SERVICE**

A copy of this document was mailed on February 25, 1994, to:

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