WLR FOODS INC

Filed by

TYSON FOODS INC

FORM PREC14A

(Proxy Statement - Contested Solicitations (preliminary))

Filed 03/15/94

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SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

PRELIMINARY DRAFT

SCHEDULE 14A
(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the registrant / /

Filed by a party other than the registrant /X/

Check the appropriate box:

/X/ Preliminary proxy statement

/ / Definitive proxy statement

/ / Definitive additional materials

/ / Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

WLR FOODS, INC.

(Name of Registrant as Specified in Its Charter)

TYSON FOODS, INC.
WLR ACQUISITION CORP.
(Name of Person(s) Filing Proxy Statement)

/ / $125 per Exchange Act Rule 0-11(c)(1)(ii), 14a-6(i)(1), or 14a-6(j)(2).

/ / $500 per each party to the controversy pursuant to Exchange Act Rule 14a-6(i)(3).

/X/ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common Stock, no par value

(2) Aggregate number of securities to which transaction applies:

10,367,130 shares

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11: $30.00

(4) Proposed maximum aggregate value of transaction: $311,013,900.00

Pursuant to, and as provided by, Rule 0-11(c), the filing fee of $62,202.78 is based upon 1/50 of 1% of the Transaction Valuation of 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.

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

(1) Amount previously paid: $62,202.78

(2) Form, schedule or registration statement no.: Schedule 14D-1

(3) Filing party: Tyson Foods, Inc. and WLR Acquisition Corp.

(4) Date filed: March 9, 1994

PROXY STATEMENT
OF
Tyson Foods, Inc.
and
WLR Acquisition Corp.
for the
Special Meeting of Shareholders
of
WLR FOODS, INC.
TO BE HELD ON _____, 1994

Dear Fellow Shareholders:

This Proxy Statement is furnished by Tyson Foods, Inc., a Delaware corporation ("Tyson"), and by WLR Acquisition Corp., a Delaware corporation (the "Purchaser") and a wholly-owned subsidiary of Tyson, in connection with their solicitation of proxies to be used for the purposes described herein at the Special Meeting of Shareholders of WLR Foods, Inc., a Virginia corporation (the "Company"), to be held on _____, 1994 at _____ [A.M.], at _____, _____, and at any adjournments or postponements thereof (the "Special Meeting").

On March 9, 1994, the Purchaser commenced a tender offer to purchase all outstanding shares of Common Stock, no par value (the "Shares"), of the Company for $30.00 per Share net to the seller in cash, as disclosed in the Purchaser's Offer to Purchase dated March 9, 1994 and the related Letter of Transmittal (which together constitute the "Offer"). A copy of the Offer is enclosed with this Proxy Statement for your information.

Tyson and the Purchaser are soliciting proxies from shareholders of the Company to approve a proposal (the "Proposal") to grant voting rights for the Shares proposed to be acquired by the Purchaser and its associates pursuant to the Offer, and any other Shares which may be deemed to be a part of the "control share acquisition" which includes the Offer (the "Proposed Share Acquisition"). Under Article 14.1 of the Virginia Stock Corporation Act (the "Virginia Control Share Act" or the "Act"), Shares acquired by the Purchaser pursuant to, or in contemplation of, the Offer would not have voting rights unless voting rights are approved by a vote of the Company's shareholders in accordance with the Act. A condition to the purchase of Shares pursuant to the Offer is that the Shares purchased pursuant to the Offer, or in contemplation of the Offer, have full voting rights in accordance with the Act.

UNDER THE ACT, FAILURE TO CAST A VOTE IS THE EQUIVALENT OF VOTING AGAINST THE PROPOSAL. IF THE PROPOSAL IS NOT APPROVED, TYSON AND THE PURCHASER CURRENTLY INTEND TO TERMINATE THE OFFER AND TO CONSIDER ABANDONING THEIR EFFORTS TO ACQUIRE THE COMPANY. YOUR VOTE IS, THEREFORE, EXTREMELY IMPORTANT AND WE URGE YOU TO PROMPTLY

[cover page continued]

SIGN AND MAIL THE ENCLOSED BLUE PROXY CARD IN FAVOR OF GRANTING VOTING RIGHTS TO THE SHARES TO BE ACQUIRED IN THE OFFER.

Pursuant to the Company's Bylaws, _____, 1994 (the date on which the Purchaser delivered to the Company its request for the Special Meeting) has been fixed as the record date for determining those shareholders who will be entitled to vote at the Special Meeting. This Proxy Statement and the enclosed proxy are first being sent or given to shareholders on or about _____, 1994. The principal executive offices of the Company are located at P. O. Box 7000, Broadway, Virginia 22815.

IF YOU WANT THE OPPORTUNITY TO RECEIVE $30.00 PER SHARE PURSUANT TO THE OFFER OR WISH TO ENCOURAGE THE COMPANY'S BOARD OF DIRECTORS TO NEGOTIATE AN ACQUISITION WITH TYSON, WE URGE YOU TO PROMPTLY EXECUTE AND MAIL THE ENCLOSED BLUE PROXY IN FAVOR OF GRANTING VOTING RIGHTS TO THE SHARES TO BE ACQUIRED IN THE OFFER.

PURPOSE OF THE VOTE.

The Virginia Control Share Act will deny all voting rights to Shares which are acquired by the Purchaser and its "associates" (as defined in the Act) pursuant to, or in contemplation of, the Offer, unless the granting of voting rights for such Shares has been approved by the affirmative vote of the holders of a majority of the outstanding Shares other than holders of "Interested Shares" or, among other exceptions, such acquisition is by means of an offer made pursuant to a merger agreement with the Company. The term "Interested Shares" means (i) all Shares as to which Tyson, the Purchaser or their associates are entitled to exercise voting rights and (ii) Shares as to which any officer of the Company, or any director who is an employee of the Company, is entitled to exercise voting power. The Purchaser, as a holder of in excess of 5% of the outstanding Shares, is entitled under the Act to require the Company to call a special meeting of shareholders to vote on the granting of voting rights for the Shares proposed to be acquired by the Purchaser pursuant to the Offer. On _____, 1994, the Purchaser exercised its right under the Act to require the Company to call a special meeting of Shareholders.

The Purchaser is not willing to consummate the Offer unless the Shares acquired by it pursuant to the Offer have full voting rights. Accordingly, adoption of the Proposal will remove an important impediment to the Purchaser's ability to consummate the Offer. If the Proposal is not adopted, the Purchaser and Tyson currently intend to terminate the Offer and to consider abandoning their efforts to acquire the Company. Shareholders should assume, therefore, that a failure to adopt the Proposal will result in the shareholders forfeiting their opportunity to receive $30.00 per Share pursuant to the Offer. In this regard, shareholders should be aware that, prior to the public announcement of Tyson's proposal to negotiate an acquisition of the Company at $30.00 per Share, the sale price of a Share on the NASDAQ National Market System was $19.00.

In addition to removing an important impediment to the Offer, Tyson and the Purchaser believe that the vote on the Proposal at the Special Meeting will serve as a referendum of the Company's disinterested shareholders on the proposed acquisition of the Company by Tyson contemplated by the Offer. 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 vote on the Proposal at the Special Meeting is an opportunity for you to express these views.

APPROVAL OF THE PROPOSAL WILL NOT ASSURE CONSUMMATION OF THE OFFER AND WILL NOT LIMIT THE ABILITY OF THE COMPANY TO NEGOTIATE WITH TYSON CONCERNING THE TERMS OF AN ACQUISITION OF THE COMPANY BY TYSON. Even if the Proposal is adopted, the Offer will remain subject to the satisfaction of other conditions, including the redemption of the "poison pill" rights issued by the Company, which are within the control of the Company's Board of Directors. Thus, if the Proposal is adopted, Tyson and the Purchaser will continue to seek to negotiate an acquisition with the Company. IN THIS REGARD, TYSON AND THE PURCHASER ARE WILLING, AND WOULD REMAIN WILLING FOLLOWING ADOPTION OF THE PROPOSAL, TO NEGOTIATE A TRANSACTION WHICH WOULD PROVIDE SHAREHOLDERS WITH AN OPPORTUNITY TO DISPOSE OF THEIR SHARES ON A TAX-FREE BASIS.

To date, the Company's Board of Directors has declined Tyson's repeated invitations to enter into negotiations. Instead, the Company's Board of Directors has embarked on a path of resistance and entrenchment. The actions and positions taken by the Board manifest a steadfast determination to resist any acquisition of the Company by Tyson, regardless of the wishes of shareholders and regardless of the attractiveness of Tyson's proposals. The refusal of the Company to meet with Tyson has thus far been absolute. Tyson believes that the Company's Board of Directors need to be reminded that they have been elected to represent and further your interests, rather than their own.

Tyson believes that adoption of the Proposal will send a clear message from the Company's shareholders to the Company's Board of Directors regarding the Offer and Tyson's proposed acquisition of the Company. Tyson also believes that adoption of the Proposal should substantially diminish the ability of the Company's Board of Directors and management to continue to resist Tyson's proposed acquisition through entrenchment maneuvers, and should thereby act as a catalyst for a negotiated acquisition that will benefit all shareholders.

SHAREHOLDERS ENTITLED TO VOTE.

Under the Virginia Control Share Act, adoption of the Proposal requires the affirmative vote of a majority of the Company's disinterested shareholders, i.e. the holders of Shares other than Interested Shares. Interested Shares are (a) Shares as to which Tyson, the Purchaser or their associates are entitled to exercise voting power and (b) Shares as to which any officer of the Company, or any director of the Company who is also an employee (an "inside director"), is entitled to exercise voting rights. Tyson believes that the Act requires the vote of disinterested shareholders, rather than all shareholders, based on the principle that potentially fundamental decisions regarding the Company should rest with shareholders other than those whose interests may involve factors unrelated to the best interests of the Company. For this reason, Tyson believes that the Act excludes the vote of officers and inside directors because such individuals have personal interests that may be threatened by Tyson's proposed acquisition of the Company, such as preserving their positions with the Company.

As of the date hereof, Tyson and the Purchaser beneficially own 600,063 Shares (constituting 5.47% of the outstanding Shares). Such Shares are Interested Shares under the Act and therefore cannot be voted on the Proposal at the Special Meeting.

Tyson has requested the Company to advise it as to the precise number of Shares as to which voting rights may be exercised by officers or inside directors of the Company and which would therefore constitute Interested Shares. To date, the Company has not responded to such request. According to the Company's Proxy Statement for its 1993 Annual Meeting, as of July 3, 1993, an aggregate of _____ Shares (constituting ____% of the then outstanding shares) were beneficially owned by the executive officers and directors of the Company, of which amount _____ Shares (constituting ____% of the then outstanding shares) were beneficially owned by directors who at that time did not appear to be officers or inside directors of the Company.

Shareholders should be aware that the Company's Board of Directors and management have taken a series of actions for the purpose of frustrating the vote of the disinterested Shareholders provided for in the Act by attempting to cause the Shares beneficially owned by certain directors not to be Interested Shares.

At the meeting of the Company's Board of Directors held on February 4, 1994 at which the Company responded to Tyson's initial acquisition proposal, the Board adopted amendments to the Company's Bylaws that purport to reclassify the positions of Chairman and Vice Chairman of the Board of Directors as officers of the Board of Directors, rather than officers of the Company. At the same time, Messrs. Charles W. Wampler, Jr. and Herman D. Mason, the Chairman and Vice Chairman of the Board of Directors of the Company, respectively, agreed to terminate their compensation from the Company. Also on February 4, 1994, directors William D. Wampler and Charles E. Bryan resigned their [long standing] positions as Senior Vice Presidents of the Company and agreed to terminate their compensation from the Company. In connection with these actions, all four of such directors were awarded individual deferred compensation agreements which provide post-retirement health insurance coverage for life for these directors and their families, and will continue to serve as directors of the Company.

Through this scheme, these four directors (who appear to control almost 12% of the outstanding Shares), have attempted to become "disinterested", virtually overnight, for the sole purpose of voting their Shares at the Special Meeting. In a letter to shareholders dated February 23, 1994, Mr. James Keeler, the Company's President and CEO, stated that "[t]he resignations...protect our shareholders' ability to react to any unfriendly takeover efforts", when in reality these moves deprive you, the truly disinterested Shareholders, of your voting power. In the same letter, the Company states that "all four of these men were part of the Founding Families that created Wampler Foods, Inc. [the Company's predecessor] in 1969...[and] have continued to serve the company in a variety of ways...[e]ach had voted with all other directors to reject the takeover proposal." In fact, each of these four directors has been either an officer or an employee of the Company since its formation. The letter went on to say "I'm confident that the majority of our shareholders support the Board of Directors' decision to reject Tyson's offer."

Your Company has evidenced this "confidence" by attempting to influence improperly the vote at the Special Meeting and to hinder significantly the ability of the truly disinterested Shareholders to express their own views with respect to the Offer. Tyson believes that these actions also manifest a remarkable disregard on the part of the Board and management for the purpose and

spirit of the Control Share Act. Accordingly, Tyson is contesting the validity and propriety of the actions taken in this respect at the February 4 Board Meeting and is, in particular, contesting the ability of the four "inside" directors to vote Shares beneficially owned by them at the Special Meeting. See "Litigation Matters".

BACKGROUND OF THE OFFER AND THE SPECIAL MEETING.

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. These actions are more fully described below.

In light of the rejection of Tyson's proposal by the Company's Board of Directors and the actions taken by the Board in connection therewith, on March 9, 1994, Tyson and the Purchaser commenced the Offer.

On March 14, 1994, the Board of Directors of the Company disclosed that it had met on March 11, 1994 to consider the Offer. The Board also stated that it recommended that the Company's shareholders reject the Offer and not tender their Shares pursuant to the Offer.

Despite the repeated requests of Tyson, the Board of Directors and management of the Company have continued to refuse to meet with Tyson to discuss any proposed acquisition of the Company.

RESPONSE OF THE COMPANY AND MANAGEMENT TO TYSON'S PROPOSAL.

In addition to refusing to meet with Tyson, the Board of Directors and management of the Company and the Company's management have taken various actions which Tyson believes were designed to entrench management and the directors and to prevent you from receiving maximum value for your Shares.

***** THE BOARD OF DIRECTORS OF THE COMPANY ADOPTS A POISON PILL *****

At the February 4 Board Meeting, the Company's Board of Directors adopted a poison pill rights plan and issued preferred share purchase rights ("Rights") as a dividend to shareholders. The Rights, if not redeemed or invalidated, effectively preclude the consummation of the Offer, unless the Company's Board of Directors approves the Offer. The Company issued the Rights after it had received Tyson's proposal to acquire the Company for a cash price of $30.00 per Share.

The Purchaser believes that the issuance of Rights under the poison pill rights plan and the failure to redeem the Rights (despite the Purchaser's request that it do so) constitute a breach of fiduciary duties on the part of the Company's Board of Directors. The continuance of the Rights to be outstanding will effectively deny you the right to decide for yourself whether you wish to accept the Offer and to realize the significant premium for your Shares represented by the Offer. This will be the case even if shareholders approve the Proposal at the Special Meeting.

In light of terms and structure of the Offer, which provides for a full and fair price and treats all shareholders equally, Tyson believes that the Rights serve no valid business purpose and have the effect of entrenching management at the expense of shareholders.

*****GOLDEN PARACHUTE CONTRACTS AWARDED*****

At the February 4 Board Meeting, the Board of Directors of the Company approved lucrative "golden parachute" severance agreements with certain top executives of the Company and adopted group severance arrangements covering all salaried and hourly clerical employees of the Company. The golden parachute contracts awarded to certain executives provide, among other things, that in the event of a "change in control" of the Company (including the acquisition of more than 20% of the Shares), the executives will be entitled to receive certain benefits, including lump sum cash payments from the Company, if they decide to resign or were terminated. Based on its analysis of publicly available information, the Purchaser believes that the golden parachute contracts granted to the top officers of the Company could result in pre-tax cash payments by the Company to such individuals aggregating several million dollars, plus continued benefits for a period of 18 to 36 months. The Purchaser has been advised that the amount of such payments is so excessive that, under existing federal tax regulations designed to discourage excessive severance payments, a significant portion of such payments will not even be deductible by the Company for tax purposes.

As of the date of this Proxy Statement, the Company has not even disclosed the terms of the severance package awarded as of February 4, 1994 to all salaried and hourly clerical employees of the Company or disclosed sufficient information to calculate precisely the full amount of the payments that would be made to its top executives under their parachutes, thereby depriving shareholders of the opportunity to calculate the true cost of these arrangements to the Company and its shareholders.

***** THE BOARD OF DIRECTORS AND MANAGEMENT ATTEMPT TO RIG THE VOTE *****

As described above under "Shareholders Entitled to Vote," the Company's Board of Directors and management took a series of actions designed to enable four inside directors (who

appear to control almost 12% of the outstanding Shares) to vote on the Proposal, notwithstanding the requirements of the Virginia Control Share Act that the vote on the Proposal be limited to a vote of disinterested shareholders. Tyson believes that these actions demonstrate a remarkable degree of contempt on the part of the Board for even the most basic principles of shareholder democracy. [Update on pending litigation to come.]

* * *

THE COMPANY'S BOARD OF DIRECTORS AND MANAGEMENT ARE PURSUING AND PROTECTING THEIR OWN INTERESTS, RATHER THAN YOURS, AND ARE NOT ALLOWING YOU TO MAKE YOUR OWN DECISION CONCERNING THE OFFER.

YOU CAN TAKE SOME IMMEDIATE STEPS:

(1) RETURN YOUR BLUE PROXY CARD IN FAVOR OF ACCORDING VOTING RIGHTS TO THE SHARES TO BE ACQUIRED PURSUANT TO THE OFFER,

(2) TENDER YOUR SHARES PURSUANT TO THE OFFER (YOU CAN WITHDRAW TENDERED SHARES AT ANY TIME PRIOR TO THE EXPIRATION OF THE OFFER), AND

(3) MAKE YOUR VIEWS KNOWN TO THE COMPANY'S BOARD OF DIRECTORS.

By taking these steps, you will give the Board of Directors of the Company a clear message to start representing you, rather than themselves, by entering into good faith negotiations with Tyson and by allowing you to have the opportunity to receive $30.00 per Share pursuant to the Offer.

THE PROPOSAL

In order to permit the Company's shareholders to have the opportunity to receive $30.00 per Share pursuant to the Offer, the following resolution to authorize voting rights for the Shares to be acquired pursuant to, or in contemplation of, the Offer will be submitted for a vote of shareholders (other than holders of Interested Shares) at the Special Meeting:

"VOTED, that any and all shares of Common Stock, no par value (the "Shares"), of WLR Foods, Inc., a Virginia corporation, that have previously been acquired by Tyson Foods, Inc., a Delaware corporation ("Tyson"), or any of its "associates" (as defined in Article 14.1 of the Virginia Stock Corporation Act), or that may be acquired, directly or indirectly, by Tyson or any of its associates, including, without limitation, its wholly owned subsidiary, WLR Acquisition Corp., a Delaware corporation (the "Purchaser"), pursuant to the Purchaser's Offer to Purchase, dated March 9, 1994, as it may be amended from time to time, and any Shares thereafter acquired by Tyson, the Purchaser or any of their associates, shall have the same voting rights as all other Shares."

IT IS IMPORTANT TO NOTE THAT ADOPTION OF THE PROPOSAL AT THE SPECIAL MEETING REQUIRES THE AFFIRMATIVE VOTE OF THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OTHER THAN THE HOLDERS OF INTERESTED SHARES. THIS MEANS THAT THE FAILURE TO VOTE YOUR SHARES WILL COUNT AS A VOTE AGAINST THE VOTING RIGHTS PROPOSAL. THEREFORE, IT IS EXTREMELY IMPORTANT THAT YOU VOTE YOUR SHARES AT THE SPECIAL MEETING.

A VOTE IN FAVOR OF THE PROPOSAL WILL NOT REQUIRE THAT YOU TENDER SHARES IN THE OFFER. IT WILL, HOWEVER, REMOVE AN IMPORTANT IMPEDIMENT TO THE OFFER AND SEND A CLEAR MESSAGE TO THE COMPANY'S BOARD OF DIRECTORS.

VOTING YOUR SHARES

Whether or not you plan to attend the Special Meeting, we urge you to vote FOR approval of the Proposal by so indicating on the enclosed BLUE proxy and immediately mailing it in the enclosed envelope. You may do this even if you have already sent in a different proxy card solicited by the Company's Board of Directors. It is the last dated proxy that counts.

You may revoke your proxy at any time prior to its exercise by attending the Special Meeting and voting in person (although attendance at the Special Meeting will not in and of itself constitute revocation of a proxy), by giving oral notice of termination of your proxy at the Special Meeting, or by delivering a written notice of revocation or a duly executed proxy relating to the matters to be considered at the Special Meeting and bearing a later date to the Secretary of the Company at P. O. Box 7000, Broadway, Virginia 22815 [, or to the Secretary of Tyson at 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999]. Unless revoked in the manner set forth above, proxies in the form enclosed will be voted at the Special Meeting in accordance with your instructions. In the absence of such instructions, such proxies will be voted for the approval of the Voting Rights Proposal.

YOUR VOTE IS IMPORTANT!!

PLEASE SIGN, DATE AND RETURN THE BLUE PROXY TODAY.

IF YOU HAVE ALREADY SENT A PROXY TO THE BOARD OF DIRECTORS OF THE COMPANY, YOU MAY REVOKE THAT PROXY AND VOTE FOR THE PROPOSAL BY SIGNING, DATING AND MAILING THE ENCLOSED BLUE PROXY. WHETHER OR NOT YOU HAVE ALREADY SENT A PROXY TO THE BOARD OF DIRECTORS OF THE COMPANY, WE URGE YOU TO VOTE FOR THE PROPOSAL BY SIGNING, DATING AND MAILING THE ENCLOSED BLUE PROXY. YOU ARE URGED TO SUBMIT YOUR PROXY OR VOTE BECAUSE THE FAILURE TO DO SO IS THE EQUIVALENT OF A VOTE AGAINST ALLOWING YOU TO HAVE THE OPPORTUNITY TO RECEIVE $30.00 PER SHARE PURSUANT TO THE OFFER.

If you have any questions about the voting of Shares or the Offer, please call:

[INSERT CAMERA READY PROOF
FOR MACKENZIE PARTNERS, INC.]
156 Fifth Avenue, 9th Floor
New York, New York 10010

(212) 929-5500 (call collect) or 1-800-322-2885

PROPOSED SHARE ACQUISITION

Prior to the commencement of the Offer, Tyson owned 600,063 Shares, constituting approximately 5.47% of the outstanding Shares. On March 9, 1994, the Purchaser commenced the Offer, which is being made solely pursuant to the Offer to Purchase dated March 9, 1994 (the "Offer to Purchase") and the related Letter of Transmittal (the "Letter of Transmittal"). A copy of the Offer to Purchase and the Letter of Transmittal is included with this Proxy Statement for your information. The Offer to Purchase contains important information and should be read by shareholders before any decision is made with respect to the voting of Shares at the Special Meeting.

The cash price of $30.00 proposed to be paid for each Share in the Offer represents a premium of approximately 56% over the $19.00 closing market price of a Share on the NASDAQ National Market System on January 24, 1994, which was the last full trading day prior to the date Tyson publicly disclosed its written proposal to acquire the Company at $30.00 per Share in cash. The $30.00 per Share price represents a price/earnings multiple of 21.4 times the Company's fiscal year 1993 earnings.

Consummation of the Offer is conditioned upon, among other things, approval of the Proposal by shareholders in accordance with the Act, such that Tyson, the Purchaser and their associates have full voting rights with respect to the Shares acquired by them pursuant to the Offer or otherwise. Such approval will not be required as a condition to the purchase of Shares pursuant to the Offer if the Purchaser is satisfied that the Act is inapplicable to the Purchaser, Tyson and the Offer. For a description of the conditions of the Offer, see the discussion in the Introduction of the Offer to Purchase and the disclosure contained in the Offer to Purchase under the caption "Conditions of the Offer."

The Offer is presently scheduled to expire on _____, 1994.

On _____ __, 1994, Tyson and the Purchaser delivered to the Company a Control Share Acquisition Statement (the "Information Statement") as provided in the Act and thereby exercised their right to require the Company to call the Special Meeting to consider the Proposal. A conformed copy of the Information Statement is annexed hereto as Annex A.

The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. As soon as practicable after consummation of the Offer, the Purchaser intends to propose and seek to have the Company consummate a merger or similar business combination (the "Proposed Merger") with the Purchaser or one of its affiliates 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 rights under the Virginia Stock Corporation Act (the "VSCA") to dissent and receive fair value for their Shares) would be converted into the right to receive an amount in cash equal to the price per Share paid in the Offer. For a description of the legal requirements with respect to any such merger, see the discussion contained under the caption "Purpose of the Offer; Plans for the Company; Other Matters Relating to the Offer and the Proposed Merger" in the Offer to Purchase.

If the Offer is consummated and the voting rights of the Purchaser are not limited by operation of the 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.

CERTAIN MATTERS RELATING TO THE CONTROL SHARE ACT

BY VOTING IN FAVOR OF THE PROPOSAL, A SHAREHOLDER IS NOT REQUIRED TO TENDER SHARES IN THE OFFER AND WOULD NOT BE PROHIBITED FROM LATER VOTING AGAINST A PROPOSED BUSINESS COMBINATION WITH TYSON OR THE PURCHASER. IF THE PROPOSAL IS APPROVED BY THE HOLDERS OF THE REQUISITE NUMBER OF SHARES, THE SHARES HELD OR TO BE ACQUIRED BY TYSON AND THE PURCHASER WOULD SIMPLY BE ACCORDED THE SAME VOTING RIGHTS THAT ALL OTHER SHARES ALREADY POSSESS.

If shareholders do not approve the Proposal, the Company would be entitled, if so provided in its articles of incorporation or bylaws, to redeem the Shares acquired by Tyson, the Purchaser or their associates pursuant to the Offer at a price equal to the average per Share price paid by Tyson, the Purchaser and such other persons for such Shares. Based on publicly available information as of the date hereof, the Company's Bylaws currently contain such a provision.

Unless the Proposal is approved at the Special Meeting or the Act is invalidated or is otherwise deemed inapplicable to the Offer, the Purchaser does not currently intend to purchase Shares tendered pursuant to the Offer.
ACCORDINGLY, IT IS OF THE UTMOST IMPORTANCE THAT SHAREHOLDERS WHO WANT THE OPPORTUNITY TO RECEIVE $30.00 IN CASH FOR EACH OF THE SHARES PURSUANT TO THE OFFER VOTE "FOR" THE PROPOSAL.

DISSENTERS' RIGHTS

Pursuant to Article 14.1 of the VSCA, unless otherwise provided in a corporation's articles of incorporation or bylaws before a control share acquisition has occurred, in the event shares acquired in a control share acquisition are accorded full voting rights and the acquiring person has beneficial ownership of shares entitled to cast a majority of the votes which could be cast in an election of directors, all shareholders of the corporation (other than the acquiring person) have the right to dissent from the granting of voting rights and to demand payment of the fair value of their shares under Article 15 of the VSCA. Fair value shall in no event be less than the highest price per Share paid in the Proposed Share Acquisition. Based upon publicly available information, on the date hereof, the Company's Articles of Restatement and Bylaws do no restrict the dissenter's rights granted under Article 14.1 of the VSCA. Therefore, if the Shares acquired by the Purchaser and its associates pursuant to, or in contemplation of, the Offer are accorded full voting rights by means of

the adoption of the Proposal at the Special Meeting and the Offer is consummated, shareholders who do not vote in favor of the Proposal may be entitled to exercise dissenters' rights under Article 14.1 of the VSCA.

THE FOREGOING SUMMARY DOES NOT PURPORT TO BE A COMPLETE STATEMENT OF THE PROVISIONS OF SECTION 13.1-728.8 AND ARTICLE 15 OF THE VSCA AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO ANNEX C HERETO AND TO ANY AMENDMENTS TO SUCH SECTION AS MAY BE ADOPTED AFTER THE DATE OF THIS PROXY STATEMENT.

Any shareholder who desires to exercise his dissenters' rights should carefully review the VSCA and the relevant provisions of the Act and is urged to consult his legal advisor before exercising or attempting to exercise such rights.

Shareholders should be aware that in the event the Company and Tyson enter into a negotiated acquisition agreement following adoption of the Proposal and prior to consummation of the Offer, Tyson may require that the Bylaws of the Company to be amended to eliminate the right of shareholders to exercise the dissenter's rights described above. The elimination of such rights may be necessary in the event that Tyson and the Company determine to negotiate a transaction which provides shareholders with the opportunity to dispose of their Shares on a tax-free basis.

CERTAIN INFORMATION CONCERNING TYSON AND OTHER PARTICIPANTS IN THE SOLICITATION

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. Tyson commenced business in 1935 and was first incorporated in Arkansas in 1947. It was reincorporated in Delaware in 1986. Its principal executive offices are located at 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999.

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.

Certain information relating to Tyson, the Purchaser and other participants in the solicitation of proxies hereunder is contained in Annex B hereto and is incorporated herein by reference.

PRINCIPAL SHAREHOLDERS OF THE COMPANY

According to Schedules 13D filed with the Securities and Exchange Commission as of the date hereof, the following persons owned, beneficially or of record, 5% or more of the outstanding Shares:

NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP	PERCENTAGE OF OUTSTANDING SHARES(1)
Tyson Foods, Inc. WLR Acquisition Corp. 2210 West Oaklawn Drive Springdale, Arkansas 72762	600,063(2)	5.47%
William D. Wampler Route 8, Box 112 Harrisonburg, Virginia 22801	608,550(3)	5.4%

(1) Based on 10,967,193 Shares outstanding as of February 1, 1994 as reported in the Company's Quarterly Report on Form 10-Q for the fiscal quarter of the Company ended January 1, 1994.

(2) Tyson owns 63 Shares directly. The remaining 600,000 Shares are beneficially owned by Tyson indirectly, through its ownership of all of the outstanding capital stock of the Purchaser.

(3) Includes 280,333 shares owned directly and as general partner of Wampler Land, 133,637 shares owned by his wife, 18,793 shares owned by May Meadows Farms, Inc., of which Mr. Wampler is an officer and director, 129,646 shares held as trustee of the Charles W. Wampler, Sr. Family Trust, and 46,141 shares held as trustee of the Charles W. W, Sr. Charitable Annuity Trust. Mr. Wampler disclaims beneficial interest in the shares owned by his wife or held by the Trusts.

According to the Company Proxy Statement, as of July 3, 1993, the executive officers and directors of the Company beneficially owned 1,780,881 Shares (or approximately 16.2% of the Shares reported as outstanding on February 1, 1994). Additional information relating to the number of Shares beneficially owned by officers and directors of the Company should be contained in the Company's proxy statement for the Special Meeting.

LITIGATION MATTERS

On February 6, 1994, the Company filed a lawsuit (the "Virginia Action") in the United States District Court for the Western District of Virginia, Harrisonburg Division (Civil Action No. 94-

0012(H)) naming Tyson as a defendant. The Virginia Action seeks a declaratory judgment that the Company's Shareholder Protection 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 Virginia Action also seeks a declaration that the Virginia Control Share Act and Article 14 of the VSCA (the "Virginia Affiliated Transactions Law") are constitutional under the Virginia and United States Constitutions and valid under any other applicable law. The Virginia Action also seeks a temporary, preliminary and permanent injunction enjoining Tyson and the Purchaser 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 existing Board of Directors. Tyson's counterclaims allege that through its actions, the Company's board 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 existing Board of Directors.

Specifically, Tyson's counterclaims allege that on February 4, 1994, the Company's directors breached their duties to the Company's shareholders by:
(a) adopting a Shareholder Protection Rights Agreement and issuing the poison pill 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 of the Company 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 poison pill 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.

[To be Updated]

OTHER MATTERS

Neither Tyson nor the Purchaser is aware of any other substantive matter to be considered at the Special Meeting. However, if any other matter properly comes before the Special Meeting, Tyson and the Purchaser will vote their Shares and all proxies held by them as they may, in their discretion, determine with respect to such matters.

The information concerning the Company contained in this Proxy Statement has been taken from or is based upon documents and records on file with the Securities and Exchange Commission and other publicly available information. Although neither Tyson nor the Purchaser has any knowledge that would indicate that any statements contained herein based upon such documents and records and other publicly available information are untrue, neither Tyson nor the Purchaser takes any responsibility for the accuracy or completeness of any such information contained herein, 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 Tyson or the Purchaser.

The Annexes to this Proxy Statement contain important information and should be read by Shareholders before any decision is made with respect to the voting of Shares at the Special Meeting.

PLEASE SIGN, DATE AND MAIL THE ENCLOSED BLUE PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES. BY SIGNING AND MAILING THE ENCLOSED PROXY, ANY PROXY PREVIOUSLY SIGNED BY YOU WILL BE AUTOMATICALLY REVOKED.

COST OF PROXY SOLICITATION

Proxies will be solicited by mail, telephone or telegraph and in person. Solicitation will be made by officers and employees of Tyson. No such persons will receive additional compensation for such solicitation. Banks, brokerage houses, other custodians, nominees and fiduciaries have been requested to forward the solicitation materials to the beneficial owners of the Shares they hold of record, and Tyson will reimburse them for their reasonable out-of-pocket expenses.

In addition, Tyson has retained MacKenzie Partners, Inc. for solicitation and advisory services in connection with the Offer and this Proxy Statement and related proxy and authorization solicitations, for which it will be paid not more than $_____ and will be reimbursed for its reasonable out-of-pocket expenses. Tyson has also agreed to indemnify MacKenzie Partners against certain liabilities, including liabilities under the Federal securities laws. MacKenzie Partners will solicit proxies from individuals, brokers, bank nominees and other institutional holders.

The total expenditures relating to this solicitation will be borne by Tyson and the Purchaser. Tyson and the Purchaser are also required to reimburse the Company for its expenses for the Special Meeting[, other than the Company's expenses in resisting approval of voting rights]. The Company has not informed Tyson or the Purchaser of its expected expenses.

Tyson and the Purchaser will seek reimbursement of the costs of this and related solicitations from the Company to the extent legally permissible. The question of the Company's reimbursement of the solicitation expenses will not be submitted to a vote of shareholders unless such submission is required by law or the Company chooses to do so.

TYSON FOODS, INC.
WLR ACQUISITION CORP.

Dated: _____, 1994

ADDITIONAL INFORMATION

If you have any questions, would like a copy of the Offer to Purchase and related documents, or require any additional information concerning this proxy material or the Offer, please contact MacKenzie Partners as set forth below. If your Shares are held in the name of a brokerage firm or bank nominee or other institution, only they can vote your Shares. Accordingly, please contact the person responsible for your account and give instructions for your Shares to be voted.

[INSERT CAMERA READY PROOF
FOR MACKENZIE PARTNERS, INC.]
156 Fifth Avenue, 9th Floor
New York, New York 10010

(212) 929-5500 (call collect) or 1-800-322-2885

ANNEX B

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF TYSON AND THE PURCHASER AND CERTAIN EMPLOYEES AND OTHER REPRESENTATIVES OF TYSON AND THE PURCHASER

The following table sets forth the name and present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is carried on, of (1) the directors and executive officers of Tyson and the Purchaser (who may assist MacKenzie Partners in soliciting proxies from Shareholders) and (2) certain employees and other representatives of Tyson and the Purchaser who may also assist MacKenzie Partners in soliciting proxies from Shareholders. Unless otherwise indicated, the principal business address of each director, executive officer, employee or representative is 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999.

DIRECTORS AND EXECUTIVE OFFICERS OF TYSON

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
Don Tyson	Chairman of the Board of Directors of Tyson.
Leland E. Tollett	Vice Chairman of the Board of Directors and President and Chief Executive Officer of Tyson.
Neely Cassady Cassady 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 Cassady Associates, Inc. and its affiliate, H.H. Brewer Electric Arkansas State Senator; Director of Tyson.
Lloyd V. Hackley Fayetteville State University 1200 Murchison Road Fayetteville, N.C. 28301-4298	Chancellor and Tenured Professor of Political Science at Fayetteville State University, Fayetteville, North Carolina; Director of Tyson.
Shelby Massey Sparks Commodities Brokerage House 889 Ridgelake Blvd., Suite 30 Memphis, Tennessee 38120	Farmer and private investor; Director of Tyson.
Joe F. Starr	Vice President of Tyson; Director of Tyson.
Barbara Tyson	Vice President of Tyson; Director of Tyson.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
John H. Tyson	President, Beef and Pork Division and Director of Governmental, Media and Public Relations of Tyson; Director of Tyson.
Fred S. Vorsanger University of Arkansas P.O. Box 7777 Fayetteville, Arkansas 72701	Private business consultant, Walton Arena Manager and Vice President (Emeritus) of the University of Arkansas; Director of McIlroy Bank & Trust Co. of Fayetteville, Arkansas; Director of Tyson.
Donald E. Wray	Chief Operating Officer of Tyson; Director of Tyson.
Ellis Brunton	Group Vice President, Research and Quality Assurance of Tyson.
Wayne Britt	Vice President, International Sales of Tyson; Vice President, Wholesale Club Division of Tyson; Vice President and Treasurer of Tyson.
William Jaycox	Group Vice President, Human Resources of Tyson.
Gary Johnson	Controller of Tyson.
Gerald Johnston	Executive Vice President, Finance of Tyson.
Greg Lee	Senior Vice President, Sales and Marketing of Tyson.
Bill Moeller	Group Vice President, Swine Division of Tyson.
David S. Purtle	Senior Vice President, Operations of Tyson.
Mary Rush	Secretary and Director of Investor Relations of Tyson.

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT

DIRECTORS AND EXECUTIVE OFFICERS OF THE PURCHASER

NAME	PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT
James B. Blair	President, Secretary and a Director of the Purchaser; General Counsel of Tyson.
Gerald Johnston	Vice President and a Director of the Purchaser; Executive Vice President, Finance of Tyson.

CERTAIN EMPLOYEES AND OTHER REPRESENTATIVES OF TYSON AND THE PURCHASER WHO MAY ALSO SOLICIT PROXIES

[TO COME]

SHARES HELD BY TYSON AND THE PURCHASER, AND THEIR DIRECTORS AND EXECUTIVE OFFICERS AND CERTAIN EMPLOYEES AND OTHER REPRESENTATIVES OF TYSON AND THE PURCHASER WHO MAY ALSO SOLICIT PROXIES

The Purchaser is the record owner and, as a result of its ownership of the Purchaser Tyson is the beneficial owner, of 600,000 Shares, which Shares were purchased during the period February 7, 1994 through February 24, 1994 in open market transactions executed on the NASDAQ for prices ranging from $28.125 to $29.375 per Share. Tyson owns 63 Shares acquired through the acquisition of two corporate entities in the 1980's.

Mr. James B. Blair, the President and a Director of the Purchaser and General Counsel of Tyson, owns 100 Shares (constituting less than 1% of the outstanding Shares), jointly with his wife, which Shares were purchased for investment purposes in June, 1991. Mr. Wayne Britt, Vice President and Treasurer of Tyson, owns 1,000 Shares (constituting less than 1% of the outstanding Shares), which Shares were purchased for investment purposes in November, 1992.

Form of Proxy

[Front]

WLR FOODS, INC.
P.O. Box 7000
Broadway, Virginia 22815

This Proxy is solicited by Tyson Foods, Inc. and WLR Acquisition Corp.
for Special Meeting of Shareholders to be held _____, 1994

The undersigned hereby appoints _____, _____ and _____ and each of them proxies for the undersigned with full power of substitution, to vote all shares of Common Stock of WLR Food, Inc. which the undersigned is entitled to vote at the Special Meeting of Shareholders of the Company to be held on _____, 1994, and any adjournments thereof, hereby revoking all prior proxies on the matters set forth below as follows:

1. PROPOSAL TO AUTHORIZE THE PROPOSED SHARE ACQUISITION:

___ FOR ___ AGAINST ___ ABSTAIN

2. In their discretion, the proxies are authorized to vote upon such matters as may properly come before the meeting or any adjournments thereof.

(continued, and to be signed on the reverse side hereof)

THE SUBMISSION OF THIS PROXY IF PROPERTY EXECUTED REVOKES ALL PRIOR

PROXIES

[Reverse Side]

THIS PROXY WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS GIVEN, THIS PROXY WILL BE VOTED FOR THE PROPOSED SHARE ACQUISITION.

PLEASE MARK, DATE, SIGN, AND RETURN THIS PROXY PROMPTLY IN THE ENCLOSED ENVELOPE.

Dated _____, 1994

Please sign exactly as name appears at left
(Do not print)

_____

_____

_____

IMPORTANT: WHEN STOCK IS IN TWO OR MORE NAMES, ALL SHOULD SIGN, WHEN SIGNING AS EXECUTOR, TRUSTEE, GUARDIAN OR OFFICER

OF A CORPORATION, GIVE TITLE AS SUCH.