



H.J. Heinz Company

(In Millions, Except per Share Amounts)

	2005	2006	2007	Q108	Q208	Q308	Q408	2008	Q109
Category Sales:									
Ketchup and Sauces	\$ 3,234.2	\$ 3,530.3	\$ 3,682.1	\$ 971.8	\$ 999.4	\$ 1,010.9	\$ 1,099.7	\$ 4,081.9	\$ 1,098.6
Meals and Snacks	3,680.9	3,876.7	4,026.2	944.8	1,147.9	1,235.0	1,193.9	4,521.7	1,058.2
Infant/Nutrition	855.6	863.9	929.1	239.0	268.9	276.3	305.5	1,089.5	309.5
Other	332.7	372.4	364.3	92.7	107.1	88.7	89.2	377.7	117.0
Total Sales	8,103.5	8,643.4	9,001.6	2,248.3	2,523.4	2,610.9	2,688.3	10,070.8	2,583.2
Cost of products sold	5,069.9	5,550.4	5,608.7	1,409.9	1,591.6	1,675.4	1,713.2	6,390.1	1,649.1
Gross Profit	3,033.5	3,093.1	3,392.9	838.4	931.8	935.4	975.1	3,680.7	934.1
Gross Margin	37.4%	35.8%	37.7%	37.3%	36.9%	35.8%	36.3%	36.5%	36.2%
Selling, general and administrative expenses	1,752.1	1,979.5	1,946.2	471.7	510.8	529.4	599.8	2,111.7	541.9
Operating Income	1,281.5	1,113.6	1,446.7	366.7	421.0	406.1	375.3	1,569.0	392.3
Net Interest Expense	205.1	283.1	291.4	78.3	87.0	84.2	73.8	323.3	63.2
Asset impairment charges for cost and equity investments	73.8	111.0	-	-	-	-	-	-	-
Other Expense, net	15.0	26.1	30.9	8.6	10.8	2.5	5.9	27.8	8.0
Income from Continuing Operations before income taxes	987.5	693.5	1,124.4	279.7	323.2	319.4	295.5	1,217.8	321.1
Provision for income taxes	299.5	250.7	332.8	74.4	96.2	100.8	101.4	372.9	92.1
Income from continuing operations	688.0	442.8	791.6	205.3	227.0	218.5	194.1	844.9	229.0
Income/(loss) from discontinued operations, net of tax	64.7	202.8	(5.9)	-	-	-	-	-	-
Net Income	\$ 752.7	\$ 645.6	\$ 785.7	\$ 205.3	\$ 227.0	\$ 218.5	\$ 194.1	\$ 844.9	\$ 229.0
Income/(loss) per common share - Diluted									
Continuing operations	\$ 1.95	\$ 1.29	\$ 2.38	\$ 0.63	\$ 0.71	\$ 0.68	\$ 0.61	\$ 2.63	\$ 0.72
Discontinued operations	0.18	0.59	(0.02)	-	-	-	-	-	-
Net Income	\$ 2.13	\$ 1.89	\$ 2.36	\$ 0.63	\$ 0.71	\$ 0.68	\$ 0.61	\$ 2.63	\$ 0.72
Average common shares outstanding -	353.5	342.1	332.5	325.5	321.9	321.4	318.0	321.7	316.8
Income/(loss) per common share - Basic									
Continuing operations	\$ 1.97	\$ 1.31	\$ 2.41	\$ 0.64	\$ 0.72	\$ 0.69	\$ 0.62	\$ 2.67	\$ 0.73
Discontinued operations	0.18	0.60	(0.02)	-	-	-	-	-	-
Net Income	\$ 2.15	\$ 1.90	\$ 2.39	\$ 0.64	\$ 0.72	\$ 0.69	\$ 0.62	\$ 2.67	\$ 0.73
Average common shares outstanding - basic	350.0	339.1	328.6	320.8	317.1	316.6	313.3	317.0	312.0

Fiscal years 2005 and 2006 contain special items. Please refer to published financial statements for further information.

(Totals may not add due to rounding)



H. J. Heinz Company  
Continuing Operations, Excluding Special Items

<i>(In Millions, Except per Share Amounts)</i>	2005	2006	2007	Q108	Q208	Q308	Q408	2008	Q109
<u>Reported results from continuing operations</u>									
Net Sales	\$ 8,103.5	\$ 8,643.4	\$ 9,001.6	\$ 2,248.3	\$ 2,523.4	\$ 2,610.9	\$ 2,688.3	\$ 10,070.8	\$ 2,583.2
Gross Profit	\$ 3,033.5	\$ 3,093.1	\$ 3,392.9	\$ 838.4	\$ 931.8	\$ 935.4	\$ 975.1	\$ 3,680.7	\$ 934.1
Separation, downsizing and integration	-	17.4	-	-	-	-	-	-	-
Net loss on disposals & impairments	27.0	74.1	-	-	-	-	-	-	-
Gross Profit excluding special items	\$ 3,060.5	\$ 3,184.6	\$ 3,392.9	\$ 838.4	\$ 931.8	\$ 935.4	\$ 975.1	\$ 3,680.7	\$ 934.1
Operating Income	\$ 1,281.5	\$ 1,113.6	\$ 1,446.7	\$ 366.7	\$ 421.0	\$ 406.1	\$ 375.3	\$ 1,569.0	\$ 392.3
Separation, downsizing and integration	-	146.7	-	-	-	-	-	-	-
Net loss on disposals & impairments	27.0	89.7	-	-	-	-	-	-	-
Operating Income excluding special items	\$ 1,308.4	\$ 1,350.0	\$ 1,446.7	\$ 366.7	\$ 421.0	\$ 406.1	\$ 375.3	\$ 1,569.0	\$ 392.3
Income from continuing operations	\$ 688.0	\$ 442.8	\$ 791.6	\$ 205.3	\$ 227.0	\$ 218.5	\$ 194.1	\$ 844.9	\$ 229.0
Separation, downsizing and integration	-	96.6	-	-	-	-	-	-	-
Net loss on disposals & impairments	18.0	48.3	-	-	-	-	-	-	-
Asset impairment charges for cost and equity investments	73.8	105.6	-	-	-	-	-	-	-
American jobs creation act	-	24.4	-	-	-	-	-	-	-
Income from continuing operations excluding special items	\$ 779.8	\$ 717.7	\$ 791.6	\$ 205.3	\$ 227.0	\$ 218.5	\$ 194.1	\$ 844.9	\$ 229.0
Earnings per share from continuing operations	\$ 1.95	\$ 1.29	\$ 2.38	\$ 0.63	\$ 0.71	\$ 0.68	\$ 0.61	\$ 2.63	\$ 0.72
Separation, downsizing and integration	0.00	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net loss on disposals & impairments	0.05	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Asset impairment charges for cost and equity investments	0.21	0.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
American jobs creation act	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Earnings per share from continuing operations excluding special items	\$ 2.21	\$ 2.10	\$ 2.38	\$ 0.63	\$ 0.71	\$ 0.68	\$ 0.61	\$ 2.63	\$ 0.72
Segment Operating Income/(Loss), excluding special items:									
North American Consumer Products	\$ 530.4	\$ 590.0	\$ 625.7	\$ 152.4	\$ 177.5	\$ 183.4	\$ 165.1	\$ 678.4	\$ 168.1
Europe	526.9	526.4	566.4	138.4	160.0	164.3	174.2	636.9	156.7
Asia / Pacific	121.6	126.6	150.2	51.3	55.8	40.7	47.2	194.9	66.5
U.S. Foodservice	224.8	212.1	216.1	43.5	51.5	46.8	27.8	169.6	24.9
Rest of World	26.3	31.6	39.5	10.2	12.8	11.2	11.3	45.4	12.7
Non-Operating	(121.6)	(136.6)	(151.1)	(29.1)	(36.5)	(40.4)	(50.2)	(156.2)	(36.7)
Total Operating Income	\$ 1,308.4	\$ 1,350.0	\$ 1,446.7	\$ 366.7	\$ 421.0	\$ 406.1	\$ 375.3	\$ 1,569.0	\$ 392.3

Fiscal years 2005 and 2006 contain special items. Please refer to published financial statements for further information.

(Totals may not add due to rounding)



H. J. Heinz Company  
Sales Variance Analysis

(Dollars in Millions)

	2005	2006**	2007**	Q108	Q208	Q308	Q408	2008	Q109
<b>Net external sales:</b>									
North American Consumer Products	\$ 2,256.9	\$ 2,554.1	\$ 2,739.5	\$ 664.7	\$ 756.2	\$ 807.6	\$ 783.0	\$ 3,011.5	\$ 741.2
Europe	2,908.6	2,987.7	3,076.8	766.0	872.4	923.1	970.8	3,532.3	918.2
Asia / Pacific	1,128.5	1,221.1	1,319.2	371.3	395.8	386.6	446.1	1,599.9	457.8
U.S. Foodservice	1,503.8	1,569.8	1,556.3	363.7	406.4	400.6	388.7	1,559.4	353.4
Rest of World	305.6	310.7	309.8	82.6	92.4	93.0	99.8	367.7	112.6
Sales (Net Revenue)	\$ 8,103.5	\$ 8,643.4	\$ 9,001.6	\$ 2,248.3	\$ 2,523.4	\$ 2,610.9	\$ 2,688.3	\$ 10,070.8	\$ 2,583.2
<b>Sales Variance by Segment:</b>									
North American Consumer Products:									
Volume	5.7%	7.7%	2.6%	3.3%	6.7%	5.4%	(1.0%)	3.5%	4.7%
Price	2.7%	0.4%	2.1%	1.9%	3.0%	4.5%	4.3%	3.5%	5.6%
Acquisition	1.6%	3.9%	1.9%	1.9%	0.9%	0.0%	0.0%	0.7%	0.0%
Divestiture	(1.6%)	(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Exchange	0.9%	1.3%	0.7%	0.9%	1.9%	3.0%	2.8%	2.2%	1.3%
Total Change in Net Sales	9.3%	13.2%	7.3%	8.0%	12.6%	13.0%	6.1%	9.9%	11.5%
Total Organic Growth	8.4%	8.1%	4.7%	5.2%	9.7%	9.9%	3.3%	7.0%	10.3%
Europe:									
Volume	0.2%	1.2%	(2.4%)	2.4%	9.1%	3.9%	2.6%	4.5%	6.4%
Price	(2.1%)	(1.4%)	1.7%	3.4%	1.3%	2.7%	5.4%	3.3%	4.3%
Acquisition	0.0%	9.1%	1.9%	0.0%	0.0%	(0.0%)	0.3%	0.1%	1.3%
Divestiture	(0.7%)	(1.8%)	(5.6%)	(2.0%)	(1.6%)	(1.2%)	(1.2%)	(1.5%)	(0.1%)
Exchange	7.6%	(4.3%)	7.3%	7.9%	9.2%	8.1%	8.6%	8.5%	8.0%
Total Change in Net Sales	5.0%	2.7%	3.0%	11.7%	18.0%	13.5%	15.8%	14.8%	19.9%
Total Organic Growth	(1.9%)	(0.2%)	(0.7%)	5.8%	10.4%	6.6%	8.0%	7.8%	10.7%
Asia/Pacific:									
Volume	2.2%	8.1%	4.6%	6.1%	3.5%	9.8%	6.9%	6.5%	10.2%
Price	(0.6%)	0.0%	2.3%	1.2%	2.6%	4.2%	3.2%	2.8%	5.6%
Acquisition	2.7%	2.3%	0.0%	0.7%	3.7%	3.8%	2.9%	2.8%	1.8%
Divestiture	(1.5%)	(1.3%)	(0.3%)	(1.5%)	(1.5%)	(1.0%)	(0.9%)	(1.2%)	0.0%
Exchange	3.1%	(0.9%)	1.5%	11.1%	8.4%	10.7%	11.5%	10.4%	5.8%
Total Change in Net Sales	5.8%	8.2%	8.0%	17.6%	16.8%	27.4%	23.6%	21.3%	23.3%
Total Organic Growth	1.5%	8.1%	6.9%	7.3%	6.1%	14.0%	10.1%	9.3%	15.8%
U.S. Foodservice:									
Volume	2.9%	0.2%	(0.4%)	(2.7%)	(1.7%)	4.3%	(4.3%)	(1.1%)	(4.3%)
Price	1.5%	0.3%	1.7%	3.2%	2.1%	(0.5%)	2.1%	1.7%	1.5%
Acquisition	0.9%	3.9%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Divestiture	0.0%	0.0%	(3.7%)	(1.3%)	(0.3%)	(0.0%)	0.0%	(0.4%)	0.0%
Exchange	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Change in Net Sales	5.3%	4.4%	(0.9%)	(0.8%)	0.1%	3.8%	(2.2%)	0.2%	(2.8%)
Total Organic Growth	4.3%	0.5%	1.2%	0.5%	0.4%	3.8%	(2.2%)	0.6%	(2.8%)
Rest of World:									
Volume	(1.6%)	2.6%	5.0%	6.3%	6.7%	2.5%	9.6%	6.3%	12.6%
Price	(3.0%)	6.4%	8.9%	9.4%	13.8%	15.0%	15.9%	13.6%	24.6%
Acquisition	7.4%	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Divestiture	0.0%	(8.3%)	(11.8%)	(6.9%)	(0.1%)	(0.0%)	0.0%	(1.7%)	0.0%
Exchange	0.7%	(3.9%)	(2.3%)	(0.2%)	1.3%	1.2%	0.0%	0.6%	(0.9%)
Total Change in Net Sales	3.5%	1.7%	(0.3%)	8.6%	21.7%	18.7%	25.5%	18.7%	36.4%
Total Organic Growth	(4.6%)	8.9%	13.8%	15.7%	20.5%	17.5%	25.5%	19.9%	37.2%
Total Heinz:									
Volume	2.4%	3.8%	0.7%	2.5%	5.5%	5.2%	1.2%	3.6%	5.0%
Price	0.0%	(0.1%)	2.1%	2.8%	2.6%	3.4%	4.5%	3.3%	5.2%
Acquisition	1.3%	5.6%	1.5%	0.7%	0.8%	0.5%	0.5%	0.6%	0.7%
Divestiture	(0.9%)	(1.2%)	(3.1%)	(1.4%)	(0.8%)	(0.6%)	(0.5%)	(0.8%)	0.0%
Exchange	3.5%	(1.5%)	2.9%	4.6%	5.0%	5.3%	5.6%	5.1%	4.0%
Total Change in Net Sales	6.3%	6.7%	4.1%	9.1%	13.0%	13.8%	11.3%	11.9%	14.9%
Total Organic Growth	2.4%	3.7%	2.8%	5.3%	8.1%	8.6%	5.7%	6.9%	10.2%

\*\* Fiscal 2007 had one less week than Fiscal 2006

(Totals may not add due to rounding)



H. J. Heinz Company  
Consolidated Balance Sheets

(In millions)	2005*	2006	2007	2008	Q109
<b>Current assets:</b>					
Cash and cash equivalents	\$ 1,083.7	\$ 445.4	\$ 652.9	\$ 617.7	\$ 554.3
Receivables (net of allowances)	1,092.4	1,002.1	996.9	1,161.5	1,202.8
Inventories	1,256.8	1,073.7	1,198.0	1,378.2	1,483.7
Prepaid expenses	174.8	139.7	132.6	139.5	174.2
Other current assets	37.8	43.0	38.7	28.7	31.8
<b>Total current assets</b>	<b>3,645.6</b>	<b>2,703.9</b>	<b>3,019.0</b>	<b>3,325.6</b>	<b>3,446.9</b>
<b>Property, plant and equipment, net</b>	<b>2,163.9</b>	<b>1,900.6</b>	<b>1,998.2</b>	<b>2,104.7</b>	<b>2,092.0</b>
<b>Other non-current assets:</b>					
Goodwill	2,138.5	2,822.6	2,834.6	2,997.5	2,984.9
Trademarks, net	651.6	776.9	892.7	957.1	952.6
Other intangibles, net	171.7	269.6	412.5	456.9	450.4
Other non-current assets	1,806.5	1,264.3	876.0	723.2	706.9
<b>Total other non-current assets</b>	<b>4,768.2</b>	<b>5,133.3</b>	<b>5,015.9</b>	<b>5,134.8</b>	<b>5,094.8</b>
<b>Total assets</b>	<b>\$ 10,577.7</b>	<b>\$ 9,737.8</b>	<b>\$ 10,033.0</b>	<b>\$ 10,565.0</b>	<b>\$ 10,633.7</b>
<b>Current liabilities:</b>					
Short-term debt	\$ 28.5	\$ 54.1	\$ 165.1	\$ 124.3	\$ 147.7
Portion of long-term debt due within one year	544.8	0.9	303.2	328.4	3.3
Accounts payable	1,181.7	1,035.1	1,181.1	1,247.5	1,228.0
Salaries and wages	76.0	84.8	85.8	92.6	81.1
Accrued marketing	260.6	216.3	262.2	298.3	270.5
Other accrued liabilities	365.0	476.7	414.1	487.7	398.8
Income taxes	130.6	150.4	93.6	91.3	114.1
<b>Total current liabilities</b>	<b>2,587.1</b>	<b>2,018.2</b>	<b>2,505.1</b>	<b>2,670.1</b>	<b>2,243.5</b>
<b>Long-term debt and other liabilities:</b>					
Long-term debt	4,122.0	4,357.0	4,413.6	4,730.9	5,106.6
Deferred income taxes	508.6	518.7	463.7	409.2	413.8
Other liabilities	757.5	795.0	808.9	867.0	859.2
<b>Total long-term debt and other liabilities</b>	<b>5,388.1</b>	<b>5,670.7</b>	<b>5,686.2</b>	<b>6,007.2</b>	<b>6,379.7</b>
<b>Shareholders' equity:</b>					
Preferred stock	0.1	0.1	0.1	0.1	0.1
Common stock	107.8	107.8	107.8	107.8	107.8
Additional capital	430.1	502.2	580.6	617.8	699.5
Retained earnings	5,210.7	5,454.1	5,778.6	6,129.0	6,226.3
Less:					
Treasury shares, at cost	3,140.6	3,852.2	4,406.1	4,905.8	4,957.2
Unearned compensation	31.1	32.8	-	-	-
Accumulated other comprehensive (income)/loss	(25.6)	130.4	219.3	61.1	66.0
<b>Total shareholder's equity</b>	<b>2,602.6</b>	<b>2,048.8</b>	<b>1,841.7</b>	<b>1,887.8</b>	<b>2,010.5</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$ 10,577.7</b>	<b>\$ 9,737.8</b>	<b>\$ 10,033.0</b>	<b>\$ 10,565.0</b>	<b>\$ 10,633.7</b>

\* Includes amounts from the European seafood and Tegel® poultry businesses that were discontinued in Fiscal 2006.

The following are acquisitions (A) and divestitures (D) that occurred during the respective years:

Fiscal 2005: Shanghai LongFong Foods (A-China), Appetizers And, Inc. (A-U.S. Foodservice), ABAL, S.A. DE C.V (A-Mexico) and Korean oil and fats product line (D).

Fiscal 2006: HP Foods (A-U.K., U.S. and Canada), Petrosovuz (A-Russia), Nancy's Specialty Foods, Inc. (A-U.S. and Canada), Kabobs, Inc. (A-U.S. Foodservice), European seafood (D),

Tegel® poultry (D- New Zealand), Hain equity investment (D-U.S.) and HAK® vegetable product line (D- Northern Europe).

Fiscal 2007: Renee's Gourmet Foods (A-Canada), non-core U.S. Foodservice product line (D), U.K. frozen and chilled product line (D) and Argentina pet food business (D).

Fiscal 2008: Cottee's® and Rose's® license (A-Australia and New Zealand), Wyko® brand and sauce business (A) and Portugal tomato paste business (D).

(Totals may not add due to rounding)



H. J. Heinz Company  
Consolidated Statements of Cash Flows

(In Millions)	2005*	2006*	2007	2008	Q109
<b>Cash Flows from Operating Activities</b>					
Income from continuing operations	\$ 752.7	\$ 645.6	\$ 785.7	\$ 844.9	\$ 229.0
Adjustments to reconcile net income to cash provided by operating activities:					
Depreciation	227.2	227.5	233.4	250.8	65.7
Amortization	25.3	36.4	32.8	38.1	10.0
Deferred tax provision/(benefit)	53.9	(57.7)	52.2	18.5	14.8
Other items, net	144.8	87.1	9.7	6.6	(28.0)
Changes in current assets and liabilities, excluding effects of acquisitions and divestitures:					
Receivables	45.9	115.6	11.0	(55.8)	(53.2)
Inventories	(25.3)	(47.4)	(82.5)	(133.6)	(114.0)
Prepaid expenses and other current	2.6	13.6	14.2	5.7	(26.6)
Accounts payable	8.1	56.5	56.5	89.2	(29.0)
Accrued liabilities	25.1	57.4	(4.5)	28.3	(123.9)
Income taxes	(99.4)	(59.5)	(46.3)	95.6	41.3
<b>Cash provided by/(used for) operating activities</b>	<u>1,160.8</u>	<u>1,075.0</u>	<u>1,062.3</u>	<u>1,188.3</u>	<u>(13.9)</u>
<b>Investing activities:</b>					
Capital expenditures	(240.7)	(230.6)	(244.6)	(301.6)	(41.6)
Proceeds from disposals of property, plant and equipment	<u>22.3</u>	<u>19.4</u>	<u>60.7</u>	<u>8.5</u>	<u>0.7</u>
<b>Operating Free Cash Flow</b>	942.4	863.8	878.4	895.2	(54.9)
Acquisitions, net of cash acquired	(126.5)	(1,100.4)	(89.0)	(151.6)	-
Net proceeds/(payments) related to	51.2	856.7	(4.1)	63.5	5.5
Purchases of short-term investments	(293.5)	-	-	-	-
Sales of short-term investments	333.5	-	-	-	-
Other items, net	(10.2)	3.1	(49.2)	(173.0)	-
<b>Cash used for investing activities</b>	<u>(264.1)</u>	<u>(451.8)</u>	<u>(326.2)</u>	<u>(554.2)</u>	<u>(35.4)</u>
<b>Financing activities:</b>					
Payments on long-term debt	(480.5)	(727.8)	(52.1)	(368.2)	(336.9)
Proceeds from long-term debt	-	230.8	-	-	849.8
Proceeds from/(payments on) commercial paper and short-term debt, net	26.5	298.5	384.1	483.7	(398.2)
Dividends	(398.9)	(408.2)	(461.2)	(485.2)	(131.3)
Purchase of treasury stock	(291.3)	(823.4)	(760.7)	(580.7)	(181.4)
Exercise of stock options	79.4	142.0	259.8	78.6	182.6
Other items, net	14.0	18.5	9.2	113.7	2.0
<b>Cash used for financing activities</b>	<u>(1,050.9)</u>	<u>(1,269.4)</u>	<u>(620.9)</u>	<u>(758.1)</u>	<u>(13.4)</u>
Cash provided by operating activities of discontinued operations spun-off to Del Monte	28.2	13.3	33.5	-	-
Effect of exchange rate changes on cash and cash equivalents	<u>69.7</u>	<u>(5.4)</u>	<u>58.8</u>	<u>88.8</u>	<u>(0.6)</u>
Net (decrease)/increase in cash and cash equivalents	(56.3)	(638.3)	207.5	(35.2)	(63.3)
Cash and cash equivalents at beginning of year	<u>1,140.0</u>	<u>1,083.7</u>	<u>445.4</u>	<u>652.9</u>	<u>617.7</u>
Cash and cash equivalents at end of year	\$ <u>1,083.7</u>	\$ <u>445.4</u>	\$ <u>652.9</u>	\$ <u>617.7</u>	\$ <u>554.3</u>

\* Includes amounts from the European seafood and Tege® poultry businesses that were discontinued in Fiscal 2006.

(Totals may not add due to rounding)