

WHITMAN CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT		Amount
Issue	Rating	Outstanding
1. Long term debt		\$794,992,000
2. 4 1/4% euro notes 1993	Baa3	100,908,000
CAPITAL STOCK		Shares
Issue	Par Value	Outstanding
1 Common		106,800,000

HISTORY

Incorporated in Delaware Aug. 31, 1962, as Illinois Central Industries, Inc., name changed to IC Industries, Inc. in May, 1975, present name adopted Dec. 1, 1988.

On June 1, 1965, acquired Chandeysson Electric Co., St. Louis, maker of heavy electrical equipment and products.

In Apr. 1967, ICC authorized acquisition of control of Chicago & Illinois Western R.R. by issuance of 40,000 common shares (after split) for all common & preferred stock of C.&I.W. R.R.

On Aug. 30, 1968, acquired assets and liabilities of Waukesha Foundry Co., a manufacturer of precision castings and corrosion resistant pumps.

In Dec. 1968, purchased Illinois Center.

On Dec. 26, 1968, merged Abex Corp. by issuance of 2,615,439 shares \$3.50 cumulative convertible second preferred, series 1 at rate of 0.72 share of \$3.50 preferred for each share Abex common.

In May 1969, acquired Seay & Thomas Inc. for 80,250 shares of common stock. (The name and brokerage and management business were sold in Apr. 1979 and name of residual operations changed to South Properties, Inc.)

On Feb. 2, 1970, merged Pepsi-Cola General Bottlers Inc. by the issuance of 762,349 shares of \$3.50 cumulative convertible 2nd preferred stock at a rate of 0.0 shares of \$3.50 preferred for each share of Pepsi-Cola general common.

On Mar. 11, 1970, acquired H.F. Philipsborn Co., Chicago mortgage banking and real estate firm for common shares.

In Dec. 1970, acquired Perfect Plus Hosiery, Inc., manufacturer and distributor of women's hosiery and related soft goods (liquidated in 1973).

In Aug. 1971, acquired Signal-Stat Division of Lehigh Valley Industries for \$7,200,000.

In Sept. 1971, acquired Dad's Root Beer Co. in exchange for 160,000 common shares. (Sold to The Monarch Co. in Dec. 1987).

In Dec. 1971, acquired Hunter Moss & Co., Miami, Fla. (merged with Philipsborn Equities of Florida in 1974).

On Jan. 25, 1972, merged Midas International Corp. by the issuance of 1,910,763 shares of Co. common stock for each 0.6568 shares of Midas common stock.

In Apr. 1972, merged Lincoln Financial Inc. by the issuance of 777,769 shares of Co. common stock for each 0.33 shares of Lincoln common stock. (Sold in 1979).

On Aug. 10, 1972, Illinois Central R.R., a Co. subsidiary and Gulf Mobile & Ohio R.R. Co. formally merged to form a new line, Illinois Central Gulf R.R. Co., which is now a subsidiary.

Under merger terms, Co. issued 585,657 shares of \$6.00 first preferred stock and 367,677 shares of its common stock to effect the merger and also purchase minority interest in three small Mississippi railroads.

In May 1973, acquired Bubble Up Corp. for \$3,600,000. (Sold to The Monarch Co. in Dec. 1987).

In June 1973, acquired Midwest Life Insurance Co., Lincoln, Neb. for \$15,200,000 (sold in 1979).

On Feb. 26, 1974, acquired Consolidated Acceptance Corp., Minneapolis, Minn. (sold in 1976).

In May 1974, acquired A.L. Hansen Manufacturing Co.

On Jan. 1, 1975, Signal-Stat Corp., Waukesha Foundry Co., Inc. and Chandeysson Electric Co. became divisions of Abex Corp.

On Mar. 31, 1976, A.L. Hansen Mfg. Co. became a division of Abex Corp.

In Apr. 1977, acquired Stanray Corp. The purchase cost of \$38,271,000, including expenses, consisted of cash payments of \$6,363,000 and the issuance of 765,804 shares of Industries \$3.50 Second Preferred Stock.

In Feb. 1978, Co. issued 987,805 shares of com. stk. for all outstanding Security Investment Co., which owns Pepsi-Cola Bottling Co. of Cincinnati, Ohio.

In Aug. 1978, acquired voting common stock not previously owned of Pet. Inc. for \$406,000,000.

In Jan. 1979, sold Lincoln Liberty Life Insurance Co. and Midwest Holding Corp. to USLIFE Corp.

In Mar. 1979, acquired Pepsi-Cola Bottling Co. of Kenosha & Racine, Inc. and Pepsi-Cola Kanter Bottling, Inc.

In Apr. 1979, sold Benjamin Franklin Savings Association of Houston, Lincoln Liberty Investment Corp. and IC Financial Development Corp. to Mischner Corp. for \$16,400,000 cash.

In May 1979, reached definitive agreement to acquire Alton Manufacturing Co. through Hussmann Group of Pet. Inc.

In July 1979, Midas International Corp. merged wholly-owned European retail outlets with those of TI Silencers, Ltd. to operate retail outlets to be known as Midas Silencer Centres.

In Dec. 1979, acquired Applied Air Systems through Hussmann Group of Pet. Inc.

In Apr. 1980, acquired Blanchard-Ness for 71,875 common shares.

In Aug. 1981, Co. sold the Musselman Fruit Products division of its Pet. Inc. unit to MFP Enterprises Inc. The transaction was valued at \$32,000,000 including \$28,000,000 in cash.

In June 1982, acquired Wm Underwood Co.

Also in May, 1982, Union Pacific Corp. sold to Company 2,149,319 shares of Co. com. stk. owned by Union Pacific Corp. The purchase price of \$72,000,000 is equivalent to approximately \$33.50 per share.

In Aug. 1982, sold to Coachmen Industries, Inc. the remaining assets of the Vehicle Group of Midas International, a subsidiary. Details were not disclosed.

In Apr. 1983, acquired 5.1% of Trane Co. Details were not disclosed.

In July 1983, acquired additional Trane Co. stock, bringing total holdings to 24.54% (sold in Jan. 1984).

In Sept. 1983, acquired Havana Pepsi-Cola Bottling Co., Havana, Ill.

In June 1984, through a subsidiary, acquired Turner Refrigeration Ltd. and Refrigerator Contracts Ltd. from Turner & Co., Ltd., Glasgow, Scotland.

In Oct. 1984, through subsidiaries, acquired Pepsi-Cola Bottling Co. of Springfield, Mo., and Pepsi-Cola Bottling Company of Flat River, Mo., a 100% interest in a Mexican joint venture Infinsa, a 100% interest in a German joint venture, 1,2,3 AutoService, and Riordan Holdings Ltd., United Kingdom.

In Nov. 1984, through subsidiary, acquired 100% interest in United Kingdom joint venture Midas L. K. Ltd.

On July 1, 1985, sold P&C Foods 42-store Carls Drug Chain to Revco D.S.

On July 31, 1985, sold Pneumo's P&C Food Markets subsidiary Syracuse, N.Y. to an investment group headed by senior management of P&C and an investment group organized by Riordan Freeman Spigell Ltd. Angeles.

In Aug. 1985, Pet. Inc. subsidiary, acquired E.B. Evans Co. Philadelphia.

On Nov. 18, 1985, sold Claud S. Gordon Co., Richmond, Ill., to Waukesha Electric Manufacturing Co.

On Jan. 1, 1986, Pneumo Corporation and Abex Corporation merged to form Pneumo Abex Corporation.

Also in 1985, acquired BIH Foodservice Inc. and Basuar-Blessing Foodservice Equipment Co., Inc. and their subsidiaries for approx. \$77.3 million in cash.

In April 1986, acquired Le Silencieux the midas joint venture in France.

In Apr. 1986, Pneumo Abex Corp., subsidiary, acquired Jensen, Kelly Machine Products, Industry, Cal.

In May 1986, Hussmann Corp., subsidiary, acquired Harris Brothers Industries.

In Aug. 1986, Pepsi-Cola General Bottlers, subsidiary, acquired Pepsi-Cola Bottling Co. of Sedalia, and Pepsi-Cola Bottling Co. of Columbia, MO.

In September 1986, Pet. Inc., subsidiary, acquired Primo Foods Canada.

In Nov. 1986, Hussmann Corp., subsidiary, acquired Coldstream Products of Canada and Fleming Pedlar Ltd.

In Nov. 1986, acquired Ogden Food Products Corp. for \$320,000,000.

In May 1987, Pet. Inc., subsidiary, acquired Faccini Foods Co. Ltd.

In June 1987, Pneumo Abex Corp., a subsidiary, formed the Abex Defense Systems division.

In July 1987, sold its Abex railroad products group to ABC Rail Corp.

In July 1987, Pet. Inc., a subsidiary, acquired Country Queen Food's production facility.

In Sept. 1987, Pet. Inc., a subsidiary, acquired Oronoque, Inc.

In Nov. 1987, Co. acquired RKO Bottlers Inc. from GenCorp Inc.

In Dec. 1987, Pneumo Abex Corp., a subsidiary, acquired Equi Tech Inc.

In Dec. 1987, Pet. Inc., a subsidiary, acquired Milioni Foods, Ltd.

In 1987, Pet. Inc., a subsidiary, sold its Southland Canning operations.

In 1987, Hussmann Corp., a subsidiary, acquired CBM Katterbach-Recherstorfer, an affiliated company CBM Contracting Co. and Southland Escan Corp.

In 1987, Pneumo Abex, a subsidiary, acquired Canparts Automotive International, Ltd.

In Jan. 1988, Pneumo Abex Corp., a subsidiary, sold its Waukesha Pump Division to AMCA International Corp., a subsidiary of AMCA International Ltd.

In May 1988, Hussmann Corp., a subsidiary, acquired Gallagher Co. of Louisiana.

In Aug. 1988, Co. sold its Pneumo Abex subsidiaries for \$1.2 billion cash plus other considerations.

On Dec. 30, 1988, Co. spun-off its subsidiary Central Gulf Railroad and its distribution to Co. stockholders of one share Illinois Central Transportation Co. for each 5 Co. com. shares held.

In 1988, Co. acquired Oval Kent, Shoreman Food Technologies, Smp Pty Ltd. and Gallagher Co.

In fiscal 1989, Co. acquired six companies, excluding Midas shops, a total cost of \$213,700,000, including the purchase of Van de Kamp's Process Seafoods.

In 1989, Co. acquired Pepsi-Cola franchise in Oshkosh and Wisconsin Rapids, Wisconsin, as well as several small Dr. Pepper franchise in Missouri, Virginia and West Virginia.

In 1989, Co. sold Hussmann's Food Service Group for \$62,500,000.

In fiscal 1990, Co. acquired 39 Carex muffler shops, a European multi-service chain and three Pepsi-Cola franchises at a total cost of \$37,400,000.

Spin-Off: Stockholders of record March 28, 1991 received one share common stock of Pet. Inc. for each share of common stock of Co. held.

JOINT VENTURE

In Nov. 1987, Co. and PepsiCo, Inc. formed a joint venture to bottle Pepsi-Cola products in key markets throughout the Midwest. The joint venture consists of the following operations: Pepsi-Cola General Bottlers, Inc., a subsidiary of Co., RKO Bottling Inc., purchased by Co. from GenCorp Inc., Pepsi-Cola Bottling Co. of Bloomington, Illinois and Milwaukee.

The joint venture, which represents a total investment of nearly \$1,300,000,000, is owned 80% by Co. and 20% by PepsiCo. There is proportionate sharing of profits and proportionate representation on the board of directors of Pepsi-Cola General Bottlers. PepsiCo's investment in the joint venture will come through the acquisition of newly issued com. stock of Pepsi-Cola General Bottlers, Inc. In addition to transferring the bottling operations in Bloomington and Milwaukee to the joint venture, Pepsi-Cola will invest cash in the business. The joint venture agreement is subject to routine review by government agencies. The agreement also resolved a long dispute between Co. and PepsiCo arising from the proposed transfer of bottling franchises currently held by RKO Bottlers.

BUSINESS AND PRODUCTS

Co. is engaged in three distinct businesses. Pepsi-Cola and other drinks, Midas automotive services, and Hussmann refrigeration systems and equipment.

Prior to 1968, Whitman's only substantial business was the Illinois Central Railroad. Between 1968 and 1986, Whitman effected a series of acquisitions aimed at diversifying beyond the railroad business. In 1978, Pet. Inc., created, together with its subsidiary Hussmann, was acquired as a part of a diversification program. In 1987, Whitman began a program of strategic restructuring designed to transform itself into an enterprise more focused on consumer goods and services. In 1988, Whitman sold its Pneumo Abex Corporation aerospace and defense subsidiary, and in January 1989 spun off railroad operations to its shareholders. Since 1987, Whitman has effected a number of acquisitions directed toward its strategic repositioning.

On April 1, 1991, Whitman spun off its Pet. subsidiary (excluding its Hussmann subsidiary) to its shareholders. As an independent, publicly traded company, Pet. can concentrate its efforts and resources on its food businesses, free from the demands of the remaining Whitman group. After Pet. spin-off, the principal operating companies of Whitman are Pepsi-Cola General Bottlers, Inc. ("Pepsi General"), Midas International Corporation ("Midas") and Hussmann Corporation ("Hussmann").

PEPSI GENERAL

Pepsi General packages and distributes under exclusive franchises Pepsi-Cola products and other brand-name soft drinks, including Dad's Root Beer, 7-Up, Dr. Pepper, Canada Dry and Hawaiian Punch. Pepsi General sells Pepsi-Cola products in twelve states in the northcentral U.S., a total population of over 25 million people, and sells its other soft drinks in certain of these areas.

Pepsi General's franchisees grant it the exclusive right to produce the products and use the related trade names and trademarks in franchised territories. The franchisees require Pepsi General, among things, to purchase its concentrate requirements solely from the franchisee.