

The Merriam Report CAG 11/28/2010 CONAGRA FOODS INC /DE/

All amounts in millions except for earnings per share

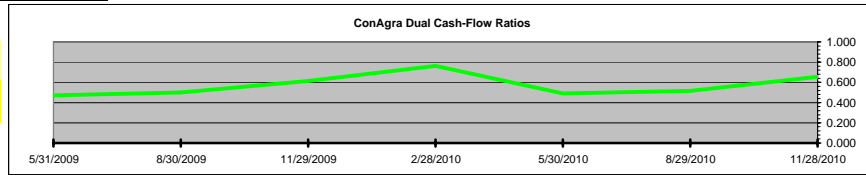
Quarterly period ending:	4	1	2	3	4	1	2	Averages	
	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010		
Earnings Per Share (Incl. Ext. Items)	\$ 0.390	\$ 0.370	\$ 0.540	\$ 0.510	\$ 0.20000	\$ 0.330	\$ 0.450	\$ 0.399	1
% Change in E.P.S. (from prev. qtr.)		-5.1%	45.9%	-5.6%	-60.8%	65.0%	36.4%	12.6%	1
Total Revenues	299290.0	288630.0	310010.0	309680.0	284860.0	281760.0	316110.0	298620.0	1
% Change in Revenues (from prev. qtr.)		-3.6%	7.4%	-0.1%	-8.0%	-1.1%	12.2%	1.1%	1
Cost of Revenues	222830.0	2180100.0	2257500.0	2308500.0	2143500.0	2165800.0	2401000.0	1954175.7	-1
Accounts Receivable:	75530.0	88610.0	86160.0	87730.0	84960.0	85330.0	90250.0	85510.0	-1
% Change in Receivables (from prev. qtr.)		17.3%	-2.8%	1.8%	-3.2%	0.4%	5.8%	3.2%	-1 -0.36%
DSO's (# of days it took customers to pay)	23.0	27.9	25.3	25.8	27.1	27.6	26.0	26.1	1 0.06%
Inventories:	182170.0	201330.0	219220.0	202120.0	160650.0	176930.0	197430.0	191407.1	-1
% Change in Inventory (from prev. qtr.)		10.5%	8.9%	-7.8%	-20.5%	10.1%	11.6%	2.1%	-1 -1.35%
Inventory as a % of Sales	60.9%	69.8%	70.7%	65.3%	56.4%	62.8%	62.5%	64.04%	1
Prepaid Expenses:	26,950.00	37,360.00	30,790.00	31,120.00	30,730.00	52,220.00	77,180.00	40,907.1	
Other Current Assets:	24690.0	0.0	0.0	0.0	24350.0	0.0	0.0	7005.7	1
Property, Plant & Equip. (net):	255920.0	266320.0	269000.0	273400.0	262500.0	264560.0	266610.0	265472.9	
% Change in P,P& E (from prev. qtr.)		4.1%	1.0%	1.6%	-4.0%	0.8%	0.8%	0.7%	
Accounts Payable:	80910.0	87500.0	95640.0	88390.0	91910.0	97730.0	112280.0	93480.0	-1
% Change in Payables (from prev. qtr.)		8.1%	9.3%	-7.6%	4.0%	6.3%	14.9%	5.8%	-1 -0.0129
Quarterly period ending:	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010		
Total Liabilities:	635240.0	643060.0	658190.0	658320.0	681410.0	674060.0	665680.0	659422.9	
Shareholder equity:	472090.0	479980.0	498460.0	516330.0	492390.0	490710.0	494670.0	492090.0	
Retained Earnings (Accum. Deficit)	404250.0	412390.0	427480.0	441530.0	441710.0	447550.0	457620.0	433218.6	
Operating Cash Flow (OCF)	527936.2	543193.2	576491.2	608372.4	578847.7	578015.9	591553.6	572058.6	1
OCF as % of Revenues	176.4%	188.2%	186.0%	196.5%	203.2%	205.1%	187.1%	191.78%	-1 0.0035
Balance Sheet Cash Flow (BSCF)	635219.2	643038.7	658168.7	658299.3	681386.8	674036.5	665652.0	659400.2	1 0.0483
BSCF as % of Revenues	212.2%	222.8%	212.3%	212.6%	239.2%	239.2%	210.6%	221.27%	0 0.0069
Spread between OCF & BSCF	-107283.0	-99845.4	-81677.6	-49926.8	-102539.1	-96020.6	-74098.4	-87341.6	
Ratios									
Spread to Revenues	-35.85%	-34.59%	-26.35%	-16.12%	-36.00%	-34.08%	-23.44%	-0.295	
Spread to OCF	0.831	0.845	0.876	0.924	0.850	0.858	0.889	0.867	
MR Dual Cash-Flow Figure	0.473	0.499	0.612	0.763	0.490	0.517	0.654	0.572	

The Merriam Report

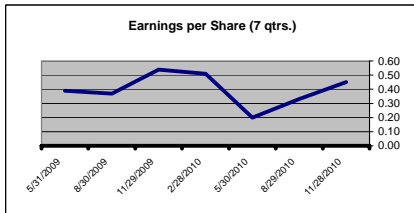
Quarterly period ending:	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010
MR Dual Cash-Flow Figure	0.473	0.499	0.612	0.763	0.490	0.517	0.654

Merriam Report Signals:

Recent Bullish
Confirmed Bullish



MR Dual Cash-Flow Figure (avg.) 0.572



	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010	
P/E	8.61	12.83	12.75	13.44	14.83	13.67	14.41	-1 12.934
P/S	0.67	0.74	0.81	0.9	0.91	0.8	0.8	0 0.8043
P/FCF	-12.3588	407.5619	16.7042	13.902	17.0324	20.3431	29.5715	0 70.394
PEG	0.6541	-0.3535	-0.4795	-0.7918	-0.6018	0	-1.0032	-1 -0.368
Earnings Yield	0.1162	0.0779	0.0784	0.0744	0.0674	0.0731	0.0694	-1 0.0795
Cash-to-Total-Asse	0.022	0.0258	0.0424	0.0669	0.0812	0.0722	0.047	-1 0.0511
Debt-to-Assets	0.3145	0.3107	0.3013	0.2968	0.2971	0.2981	0.2789	1 0.2996

Accrual Ratios	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010
Average Accruals	-1.89%	0.15%	-0.38%	-1.10%	-2.02%	0.38%	0.62%

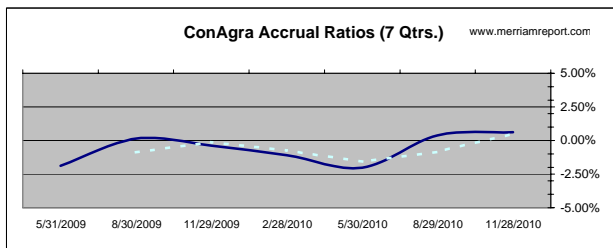
Revenue Metrics (as % of Sales)

	Recent Qtr.	Combined Avg.
Research & Development	0.00%	#DIV/0!
Cost of Sales	75.95%	75.03%
S/G/A	13.55%	15.08%
Payables	35.52%	31.30%

Capital Productivity

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.625	\$ 0.641
Receivables / Revenues	\$ 0.2855	\$ 0.2864
Inventory & Receivables / Revenues	\$ 0.910	\$ 0.927
P,P&E / Revenues	\$ 0.843	\$ 0.889

-0.92% 1.52%



Summary of Merriam Report Signals

Dual Cash-Flow Figures

Recent Bearish

Confirmed Bearish

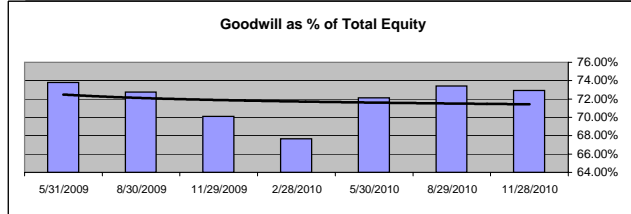
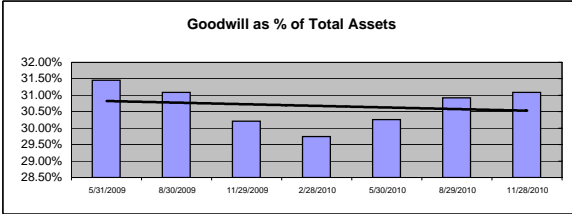
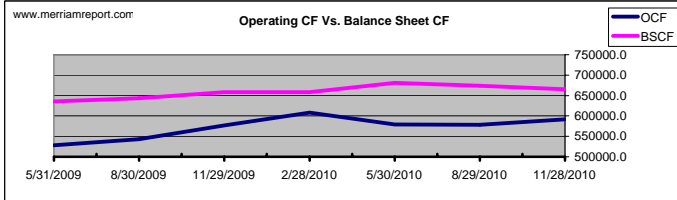
Recent Bullish

Confirmed Bullish

	Recent Bearish	Confirmed Bearish	Recent Bullish	Confirmed Bullish
Operating Cash-Flow Trend		OCF 527936.2	5/31/2009 8/30/2009 11/29/2009 2/28/2010	5/30/2010 8/29/2010 11/28/2010
Balance Sheet Cash-Flow Trend		BSCF 635219.2	576491.2 608372.4 578847.7 578015.9 591553.6	681386.8 674036.5 665652.0

Comparison of Recent Quarter Changes to Average

EPS	
Revenues	
Accounts Receivable	
Days Sales Outstanding	
Inventory	
Accounts Payable	
Accrual Ratios	Neutral



	5/31/2009	8/30/2009	11/29/2009	2/28/2010	5/30/2010	8/29/2010	11/28/2010	AVG.	
Goodwill as % of Total Assets	31.46%	31.09%	30.21%	29.75%	30.26%	30.92%	31.08%	30.68%	-1
Goodwill as % of Total Equity	73.79%	72.74%	70.10%	67.68%	72.14%	73.40%	72.92%	71.82%	-1
	2.35	2.34	2.32	2.27	2.38	2.37	2.35	2.34	1
									-1

Dual Cash Flow Trend	2
Financial Ratios (conventional)	-3
Balance Sheet and Income Statement	0
Accrual Ratios	-0.45
Revenue Metrics and Capital Productivity	3
Goodwill Trends	-1
Merriam Report Score	0.55

CONAGRA FOODS INC /DE/	11/28/2010	3/6/2011
Ending Period Share Price	21.62 \$	23.16
Estimated Fair Value	21.65 \$	
End Price to Est. FV	-2.05%	6.96%

SHORT CANDIDATE

AVOID

HOLD

BUY

STRONG BUY

Valuation

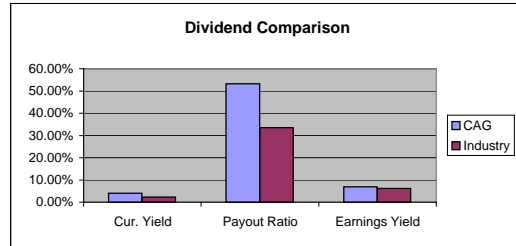
Food Processing

OVERVALUED

Consumer/Non-Cyclical
Food and kindred products

Earnings Quality
A+
A-
B+
B-
C+
C-

	CAG	Industry
Cur. Yield	4.00%	2.27%
Payout Ratio	53.20%	33.54%
Earnings Yield	6.94%	6.25%



DISCLAIMER: This worksheet and its contents are provided for illustrative and display purposes only. Although financial statement information included in this report was obtained from third party sources believed to be reliable, there is no guarantee to the accuracy of information provided.

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Adjustments (Payables)	\$	(0.29)
Adjustments (Receivables)	\$	(0.08)
Adjustments (DSO)	\$	0.01
Adjustments (OCF)	\$	0.08
Adjustments (BSCF)	\$	0.15
Adjustments (Inventory)	\$	(0.30)
Total Adjustments	\$	(0.42)