As filed with the Securities and Exchange Commission on March 30, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10

GENERAL FORM FOR REGISTRATION OF SECURITIES
Pursuant to Section 12(b) or 12(g) of
The Securities Exchange Act of 1934

TreeHouse Foods, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-2311383**
(State or Other Jurisdiction of Incorporation)	*(I.R.S. Employer Identification No.)*

c/o Dean Foods Company
2515 McKinney Avenue, Suite 1200
Dallas, Texas 75201

(Address of Principal Executive Offices — Zip Code)

(214) 303-3400
(Registrant's Telephone Number, Including Area Code)

Securities to be registered pursuant to Section 12(b) of the Act:

Title of Each Class to be so Registered	**Name of Each Exchange on which Each Class is to be Registered**
Common Stock, $0.01 Par Value Per Share	New York Stock Exchange, Inc.
Preferred Stock Purchase Rights	New York Stock Exchange, Inc.

Securities to be registered pursuant to Section 12(g) of the Act:

None

TREEHOUSE FOODS, INC.

CROSS-REFERENCE SHEET BETWEEN INFORMATION STATEMENT AND ITEMS OF FORM 10

I. INFORMATION INCLUDED IN THE INFORMATION STATEMENT AND INCORPORATED BY REFERENCE INTO THE REGISTRATION STATEMENT ON FORM 10

Certain information required to be included herein is incorporated by reference to specifically identified portions of the body of the information statement filed herewith as Exhibit 99.1. None of the information contained in the information statement shall be incorporated by reference herein or deemed to be a part hereof unless such information is specifically incorporated by reference.

Item No.	Caption	Location in Information Statement
1.	Business	"Summary," "Risk Factors," "The Distribution," "Our Relationship with Dean Foods After the Distribution," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Our Business and Properties," and "Where You Can Find More Information."
2.	Financial Information	"Summary," "Risk Factors," "Capitalization," "Unaudited Pro Forma Condensed Combined Financial Statements," "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Combined Financial Statements and Schedule" including the Combined Financial Statements and Schedule.
3.	Properties	"Our Business and Properties."
4.	Security Ownership of Certain Beneficial Owners and Management	"Ownership of Our Stock."
5.	Directors and Executive Officers	"Management" and "Executive Compensation."
6.	Executive Compensation	"Executive Compensation."
7.	Certain Relationships and Related Transactions	"Our Relationship with Dean Foods After the Distribution," "Capitalization," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Certain Relationships and Related Transactions."
8.	Legal Proceedings	"Our Business and Properties — Legal Proceedings."
9.	Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters	"Summary," "The Distribution," "Dividend Policy" and "Description of Our Capital Stock."
11.	Description of Registrant's Securities to be Registered	"Description of Our Capital Stock."
12.	Indemnification of Directors and Officers	"Limitation of Liability and Indemnification of Our Officers and Directors."
13.	Financial Statements and Supplementary Data	"Summary," "Unaudited Pro Forma Condensed Combined Financial Statements," "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Index to Combined Financial Statements and Schedule" including the Combined Financial Statements and Schedule.

Item No.	Caption	Location in Information Statement
15.	Financial Statements and Exhibits	"Index to Combined Financial Statements and Schedule," including the Combined Financial Statements and Schedule.

(a) List of Combined Financial Statements and Schedule. The following Combined Financial Statements and Schedule are included in the information statement and filed as part of this Registration Statement:

Report of Independent Registered Public Accounting Firm.

TreeHouse Foods, Inc. Combined Balance Sheets as of December 31, 2004 and December 31, 2003.

TreeHouse Foods, Inc. Combined Statements of Income for the Years Ended December 31, 2004, 2003 and 2002.

TreeHouse Foods, Inc. Combined Statements of Parent's Net Investment for the Years Ended December 31, 2004, 2003 and 2002.

TreeHouse Foods, Inc. Combined Statements of Cash Flows for the Years Ended December 31, 2004, 2003 and 2002.

Notes to Combined Financial Statements for the Years Ended December 31, 2004, 2003 and 2002.

Schedule II — Valuation and Qualifying Accounts.

(b) Exhibits. The following documents are filed as exhibits hereto:

Exhibit No.	Exhibit Description
2.1*	Form of Distribution Agreement
3.1*	Restated Certificate of Incorporation of TreeHouse Foods, Inc.
3.2*	Amended and Restated By-Laws of TreeHouse Foods, Inc.
4.1*	Form of TreeHouse Foods, Inc. Common Stock Certificate
4.2	Stockholders Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc., Dean Foods Company, Sam K. Reed, David B. Vermylen, E. Nichol McCully, Thomas E. O'Neill, and Harry J. Walsh.
4.3*	Form of Rights Agreement between TreeHouse Foods, Inc. and , as rights agent
4.4*	Form of Certificate of Designation of Series A Junior Participating Preferred Stock (attached as an Exhibit to the Rights Agreement filed as Exhibit 4.3 hereto)
4.5*	Form of Rights Certificate (attached as an Exhibit to the Rights Agreement filed as Exhibit 4.3 hereto)
10.1†	Employment Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc. and Sam K. Reed
10.2†	Employment Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc. and David B. Vermylen
10.3†	Employment Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc. and E. Nichol McCully
10.4†	Employment Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc. and Thomas E. O'Neill
10.5†	Employment Agreement, dated January 27, 2005, by and between TreeHouse Foods, Inc. and Harry J. Walsh
10.6	Form of Subscription Agreement
10.7*	2005 Long-Term Stock Incentive Plan

Exhibit No.	Exhibit Description
10.8*	Tax Matters Agreement
10.9*	Trademark License Agreement between Dean Foods Company and TreeHouse Foods, Inc.
21.1*	List of Subsidiaries
99.1	Information Statement of TreeHouse Foods, Inc., subject to completion dated March 30, 2005
99.2	Consent of Sam K. Reed
99.3	Consent of Gregg L. Engles

* To be filed by amendment.

† Management contract or compensatory plan or arrangement.

II. INFORMATION NOT INCLUDED IN THE INFORMATION STATEMENT

Item 10. ***Recent Sales of Unregistered Securities.***

On January 27, 2005, TreeHouse Foods, Inc. ("TreeHouse") entered into a series of subscription agreements with Sam K. Reed, David B. Vermylen, E. Nichol McCully, Thomas E. O'Neill, and Harry J. Walsh, pursuant to which these individuals and certain family trusts affiliated with these individuals purchased an aggregate of 2,000 shares of our common stock, par value $.01 per share, representing approximately 1.7% of our outstanding common stock, for an aggregate purchase price of $10.0 million. The sales of these securities were exempt from registration under Section 4(2) of the Securities Act. The remaining 118,000 shares of TreeHouse's common stock, representing approximately 98.3% of the outstanding common stock of TreeHouse, are held indirectly by Dean Foods.

Item 14. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

SIGNATURE

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

TreeHouse Foods, Inc.

By: /s/ Sam K. Reed

Sam K. Reed
Chief Executive Officer

Date: March 30, 2005

INDEX TO EXHIBITS

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Exhibit 4.2

STOCKHOLDERS AGREEMENT

DEAN SPECIALTY FOODS HOLDINGS, INC.

Dated as of January 27, 2005

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STOCKHOLDERS AGREEMENT

STOCKHOLDERS AGREEMENT, dated as of January 27, 2005 (this " **Agreement** "), among Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), Dean Foods Company, a Delaware corporation (" **Dean** "), Sam K. Reed, David B. Vermylen, E. Nichol McCully, Thomas E. O'Neill, and Harry J. Walsh (collectively, the " **Initial TreeHouse Management** "), and each other person or entity who becomes a party to this Agreement (together with the Initial TreeHouse Management, the " **TreeHouse Investors** " and the TreeHouse Investors, together with Dean, the " **Stockholders** "). Capitalized terms used herein without definition are defined in Section 25.

The parties hereto agree as follows:

1. Stock Acquisitions . Simultaneously with the execution of this Agreement, each of the TreeHouse Investors is entering into a stock subscription agreement with the Company (collectively, the " **Subscription Agreements** ") to purchase shares of common stock, par value $.01 per share, of the Company (" **Common Stock** ") having a value of $10.0 million in the aggregate for all TreeHouse Investors. The purchase price per share for such Common Stock shall be set forth in the Subscription Agreements. Such purchase price has been determined based on the value of the Company taking into account the contributions of assets to be made by Dean as set forth in Section 3 below (but such purchase price and value are subject to adjustment as provided in Section 4.3(b)). As a condition to the closing of the purchase contemplated by the Subscription Agreements, each such TreeHouse Investor must become a party to this Agreement. Except as provided for in the Subscription Agreements, and as may occur pursuant to a stock dividend, stock split, recapitalization or other similar corporate transaction affected on a pro-rata basis so that the percentage of the Common Stock held by each stockholder immediately prior thereto is not affected, the Company shall issue no additional shares of Common Stock prior to the earlier to occur of (i) the date the registration statement or statements relating to the Spin-Off shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (such date, the " **Registration Date** ") and (ii) the date that no TreeHouse Investor holds any shares of Common Stock by reason of the exercise of the rights set forth in either Section 7 or Section 8.

2. Board of Directors; Management Structure .

2.1 Board of Directors . Each Stockholder shall vote all of his, her or its shares of Common Stock and any other voting securities of the Company over which such Stockholder has voting control, and shall take all other necessary or desirable

actions within such Stockholder's control (whether in such Stockholder's capacity as a stockholder, director, member of a board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum, execution of written consents in lieu of meetings and approval of amendments and/or restatements of the Company's certificate of incorporation or by-laws), and the Company shall take all necessary and desirable actions within its control (including, without limitation, calling special board, committee, stockholder meetings and approval of amendments and/or restatements of the Company's certificate of incorporation or by-laws), so that, at the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off (the " **Distribution Date** "):

(a) the Board of Directors of the Company (the " **Board** ") shall consist of 7 members;

(b) Sam K. Reed shall be a member of the Board and shall serve as the Board's Chairman;

(c) Dean's Chief Executive Officer in office at such date shall be a member of the Board;

(d) five individuals mutually recommended and nominated by the Dean Representative and the TreeHouse Representative shall be elected to the Board, subject to the approval of the Board of Directors of Dean (the " **Dean Board** "), in its sole discretion, provided that three of the five individuals shall not be affiliated in any way with Dean or any of the TreeHouse Investors or any of their affiliates, shall have experience and expertise that qualifies such person to serve on the Board and shall satisfy any and all applicable independence requirements for persons who would serve as members of the Company's audit or compensation committees of the Board;

(e) the composition of the board of directors of each of the Company's subsidiaries (a " **Subsidiary Board** ") shall be determined by the Board; and

(f) any committees of the Board or a Subsidiary Board shall be established by (or, in the case of a Subsidiary Board, with the approval of the Board) the Board, provided that (i) the initial membership of any such committees shall be proposed by the TreeHouse Representative after consulting with the Dean Representative and (ii) such committees shall be operated in accordance with the by-laws of the applicable company and applicable law.

2.2 Management Structure . The Company shall have the following officers: Chief Executive Officer, President & Chief Operating Officer, Chief Financial Officer, General Counsel & Chief Administrative Officer, and Senior Vice President of

Operations. Each of these offices shall be filled by the Board, provided that the person to whom such position is assigned in his or her employment agreement with the Company, dated as of the date hereof (each, an " **Employment Agreement** "), shall serve in such office in accordance with the terms of such Employment Agreement.

3. Assets and Liabilities of the Company .

(a) Transfer of Specialty Businesses . Immediately prior to the Distribution Date, the assets of the Company shall consist, directly or indirectly, of Dean's right, title and interest in and to all properties, assets and rights of every nature, kind and description, tangible and intangible (including goodwill), whether real, personal or mixed, whether accrued, contingent or otherwise that primarily relate to, or are primarily held for use in connection with, the Specialty, Mocha Mix, food service dressings, and Second Nature businesses of Dean (collectively, the " **Specialty Businesses** "), including, but not limited to, working capital assets (but excluding cash), fixed assets, intangible assets, capital leases, and other long-term assets, but excluding the trade names Dean, Carb Conquest, and Fieldcrest (and any derivatives of any such trade name) and associated logos. The liabilities of the Company shall consist of those liabilities and obligations incurred in connection with the Specialty Businesses, including, but not limited to, the fees and expenses specified in Section 5, any tax liability referenced in Section 4.2(a) or in the tax matters agreement to be entered into by Dean, the Company and their affiliates, working capital liabilities, pension and other post-retirement benefit obligations, and other employee benefit liabilities, long-term liabilities, and off balance sheet commitments and contingencies, provided that any such liabilities and obligations shall not consist of any indebtedness for borrowed money (other than capital leases) to, or any guarantees for any such indebtedness of, Dean, any of its affiliates (other than the Company) or any third party. Dean covenants that it shall take all actions reasonably necessary so that the assets of the Company immediately prior to the Distribution Date shall comprise all assets, properties and rights required for the Company to conduct the Specialty Businesses on and after the Distribution Date in all material respects in the manner in which such Specialty Businesses had been conducted immediately prior to the Distribution Date.

(b) Employment Agreements . Notwithstanding anything herein or therein to the contrary, Dean guarantees the performance of the Company's obligations arising prior to the Registration Date with respect to each Employment Agreement between the Company and any member of the Initial TreeHouse Management, including, without limitation, payment of any compensation or severance or other termination benefits payable thereunder, provided , however , that the Company shall not amend any such employment agreement to increase the amounts payable thereunder in any material respect without Dean's consent.

4. Spin-Off from Dean .

4.1 In General . Subject to Section 4.2, from and after the date hereof, the Company and the Stockholders shall use their reasonable commercial effects to consummate the Spin-Off. Such efforts shall include, but not be limited to:

(a) IRS Ruling . Dean shall use its commercially reasonable efforts to obtain a private letter ruling (the " **Private Letter Ruling** ") from the Internal Revenue Service to the effect that (i) the transfer by Dean to the Company of the assets of the Specialty Businesses, and the Company's assumption of the liabilities held by Dean related to the Specialty Businesses, followed by the distribution of Common Stock in connection with the Spin-Off to the stockholders of Dean, will qualify as a reorganization under Sections 368(a)(1)(D) and 355 of the Internal Revenue Code of 1986, as amended (the " **Code** "); (ii) no gain or loss will be recognized for U.S. federal income tax purposes by Dean on its transfer of the assets relating to the Specialty Businesses to the Company; (iii) no gain or loss will be recognized for U.S. federal income tax purposes by the Company on its receipt of the assets relating to the Specialty Businesses from Dean, and (iv) no gain or loss will be recognized for U.S. federal income tax purposes by (and no amount will otherwise be included in the income of) the stockholders of Dean upon their receipt of Common Stock pursuant to the Spin-Off;

(b) Registration Statement . The Company and the Stockholders shall use their commercially reasonable efforts to file a registration statement on Form 10 or on such other forms as may be required or appropriate under the applicable Federal securities laws to register the Common Stock to be distributed in connection with the Spin-Off pursuant to the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), and/or to register the distribution of the Common Stock pursuant to the Securities Act of 1933, as amended (the " **Securities Act** "), as applicable (any such registration statements or forms, collectively, the " **Registration Statements** "), and such amendments or supplements thereto as may be necessary in order to cause the Registration Statements to become and remain effective as required by law or the Securities and Exchange Commission (the " **Commission** "). The Company and the Stockholders shall also cooperate in preparing, filing with the Commission and causing to become effective registration statements or amendments thereof under either the Securities Act or the Exchange Act that are required to reflect the establishment of, amendments to, any employee benefit and other plans necessary or appropriate in connection with the Spin-Off;

(c) Blue Sky . The Company and the Stockholders shall use their commercially reasonable efforts to take all such actions as may be necessary or appropriate to register or qualify the Common Stock or other securities of the Company under the state securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Spin-Off; and

(d) Stock Exchange/NASDAQ Listing . The Company and the Stockholders shall use their commercially reasonable efforts to prepare, file and to make effective, an application for listing of the Common Stock that will be distributed in connection with the Spin-Off on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ), subject to official notice of issuance.

4.2 Conditions Precedent . The obligations of the Company and the Stockholders to use their commercially reasonable efforts to consummate any Spin-Off shall be conditioned on the satisfaction of the following conditions (such conditions are for the sole benefit of Dean and shall not give rise to or create any duty on the part of Dean or the Dean Board to waive or not to waive such conditions):

(a) IRS Ruling . Dean shall have obtained the Private Letter Ruling from the Internal Revenue Service in form and substance reasonably satisfactory to Dean, and such ruling shall remain in effect as of the effective date of the Spin-Off, and neither Dean nor any of its affiliates shall be required to recognize gain or income by reason of any transactions (including, without limitation, any intercompany transactions) effectuated in connection with the Spin-Off; provided , however, if the Private Letter Ruling is obtained, but Dean or any of its affiliates is required to recognize gain or income by reason of any transactions effectuated in connection with the Spin-Off, Dean (i) shall waive this condition if such recognition of gain or income is less than or equal to $20 million, and (ii) may waive this condition if such recognition of gain or income is greater than $20 million, and, in each such case, the Company shall reimburse Dean for any taxes incurred (subject to a maximum reimbursement of $20 million) as a result of the recognition of such gain or income, in which case, the adjustment provisions of Section 4.3(b) shall apply.

(b) Governmental Approvals . Any material governmental approvals and consents necessary to consummate the Spin-Off shall have been obtained and be in full force and effect;

(c) Stock Exchange/NASDAQ Listing . The Common Stock to be distributed in connection with the Spin-Off shall have been accepted for listing on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ), on official notice of issuance;

(d) No Legal Restraints . No order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Spin-Off shall be in effect and no other event outside the control of Dean shall have occurred or failed to occur that prevents the consummation of the Spin-Off;

(e) No Material Adverse Effect . No other event or developments shall have occurred that, in the judgment of the Dean Board, would result in the Spin-Off having a material adverse effect on Dean or on the stockholders of Dean;

(f) Opinions . Dean or the Company, as the case may be, shall have received any and all legal opinions, in a form reasonably satisfactory to the Board of Directors of the applicable entity, as such Board of Directors shall determine in good faith to be reasonably necessary for it to authorize the consummation of the Spin-Off; and

(g) Other Actions . Such other reasonable and customary actions as Dean shall determine to be reasonably necessary in order to assure the successful completion of the Spin-Off shall have been taken.

4.3 Certain Covenants and Acknowledgements Relating to the Spin Off .

(a) In General . From and after the date hereof, Dean and the TreeHouse Investors agree to act in good faith and diligently to pursue the Spin-Off. Notwithstanding anything to the contrary contained in this Agreement, the Company and the Stockholders acknowledge and agree that Dean shall, in consultation with the Tree House Representative, determine the date of the Spin-Off and all terms of the Spin-Off, including, but not limited to, the form, structure and terms of any transaction or transactions and/or distribution or distributions to effect the Spin-Off, and the time of and conditions to the consummation of the Spin-Off. In addition, Dean may, in consultation with the TreeHouse Investors, at any time and from time to time before the Spin-Off modify or change the terms of the Spin-Off, including, but not limited to, by accelerating or delaying the timing of all or part of the Spin-Off. Dean shall select any investment banker or bankers and manager or managers whose services may be required or advantageous in connection with the Spin-Off, as well as any financial printer, solicitation and/or exchange agent and outside counsel for Dean and the Company.

(b) Adjustment Provisions . In the event that the Company is required to reimburse Dean for any taxes incurred by Dean as contemplated by Section 4.2(a) (the amount so reimbursed hereafter called the " **Tax Reimbursement Amount** "), the Company will issue the TreeHouse Investors that number of additional shares of Common Stock equal to the excess of (i) the Required Common Stock Outstanding over (ii) the Current Common Stock Outstanding. " **Required Common Stock Outstanding** " shall mean the number of shares of Common Stock equal to the quotient of (i) the Dean Owned Shares divided by (ii) the excess of (A) one over (B) the quotient of (x) $10 million divided by (y) the Revised Valuation. " **Dean Owned Shares** " shall mean the number of shares of Common Stock owned by Dean immediately prior to any adjustment pursuant to this Section 4.3(b). " **Revised Valuation** " shall mean the excess of (i) $600 million over (ii) the product of (A) .4464 and (B) the Tax Reimbursement Amount.

" **Current Common Stock Outstanding** " shall mean the total number of shares of the Company's Common Stock outstanding immediately prior to any adjustment pursuant to this Section 4.3(b).

(c) Certain Dean Options . If the current Chief Executive Officer of Dean is a director of the Company at the time specified in Section 2.1, then, in connection with the Spin-Off, Dean shall adjust such officer's vested options to purchase shares of Dean common stock (the " **Dean Options** "), such that, following the Spin-Off, the Dean Options shall be converted into the right to purchase shares of Dean common stock and Common Stock in the same proportions as would have applied had such officer held the shares of common stock of Dean issuable upon exercise of the Dean Options on the relevant record date with respect to the Spin-Off. The exercise price of the options to purchase shares of Dean common stock and Common Stock following such adjustment shall be determined using the principles set forth in section 424 of the Code, subject to adjustment as is necessary to avoid accruing any compensation expense to the Company or Dean under U.S. Generally Accepted Accounting Principles. The adjustment to the Dean Options shall take place as soon as reasonably practicable following the Registration Date, but in no event more than 30 days after such Registration Date.

4.4 Alternative Proposals .

(a) In General . In the event that, prior to the Registration Date, the Dean Board determines not to proceed with the Spin-Off due to its receipt of an alternative proposal from an unrelated third party for (i) the acquisition by such party through one transaction or a series of transactions of (A) more than 50% of the combined voting power of the then outstanding voting securities of the Company, or (B) all or substantially all of the assets of the Company, (ii) the merger or consolidation of the Company (including, but not limited to, by means of a "reverse Morris trust transaction") as a result of which Dean does not, immediately thereafter, own, directly or indirectly, more than 50% of the combined voting power entitled to vote generally in the election of directors of the merged or consolidated company, or (iii) the acquisition by such party through one transaction or a series of transactions of (A) more than 50% of the combined voting power of the then outstanding voting securities of Dean, or (B) all or substantially all of the assets of Dean (each, an " **Alternative Proposal** "), then, upon and subject to consummation of the transaction described in the Alternative Proposal, Dean shall pay the TreeHouse Investors, in the aggregate, a cash fee equal to 1% of the Total Enterprise Value (as determined pursuant to Section 4.4(c) below). In the event that such fee becomes payable, the TreeHouse Representative shall inform Dean to whom such fee shall be paid, and in what amounts, at least 5 business days before the consummation of the transaction described in the Alternative Proposal.

(b) Conditions to Payment . Notwithstanding Section 4.4(a), no fee shall become payable (or be paid) to the TreeHouse Investors unless the TreeHouse

Management (i) continue to manage the Company until the earlier of (A) the consummation of the transaction described in the Alternative Proposal and (B) 9 months from the publication of the press release announcing such transaction, and (ii) shall have assisted, to the extent reasonably requested by Dean, in Dean's efforts to consummate such transaction.

(c) Determination of Enterprise Value . If the Alternative Proposal relates to a sale of the stock of the Company or substantially all the assets of the Company, the Total Enterprise Value will be determined based on the value of the consideration received (including any debt assumed, other than trade debt incurred in the ordinary course of business, which shall be net of any cash and cash equivalents) in connection with such sale. If the Alternative Proposal relates to the acquisition of Dean stock or assets, the determination of the Total Enterprise Value shall be $600 million (or, if any adjustment is made pursuant to Section 4.3(b), the amount of the Revised Valuation).

(d) Certain Covenants Relating to Alternative Proposals . Each of the Stockholder Representatives agree to give the other Stockholders Representative written initial notice within 3 business days after becoming aware of any written or oral expression of interest or offer for all or any portion of the stock or assets of the Company or the Specialty Businesses. Such notice shall specify in reasonable detail such expression of interest or offer. In addition, following the delivery of any such notice by either Stockholder Representative, Dean and the TreeHouse Investors shall communicate with the other (through their respective Stockholder Representative) as to the status and progress with respect to such possible transaction regarding the sale of the Common Stock or the assets of the Company, such that each such Stockholder Representative is kept promptly and continuously informed of all relevant developments in this regard. Dean agrees that it shall also notify such unrelated third party, promptly following delivery of the initial notice by either Stockholder Representative, that the TreeHouse Management shall not be available to manage the Company after the consummation of any transaction with such unrelated third party. Dean further agrees that it shall not pursue any transaction or enter into any agreement that involves any form of contingency or otherwise directly or indirectly contemplates that any member of TreeHouse Management will negotiate with or be employed by such unrelated third party after the consummation of any transaction with such unrelated third party.

5. Fees and Expenses . The Company shall reimburse the TreeHouse Management for their reasonable professional costs and out-of-pocket travel costs associated with drafting, negotiating and implementing this Agreement and the Employment Agreements, and any other arrangements between the Company and the TreeHouse Investors referenced therein, within 30 days following the submission of evidence, reasonably satisfactory to the Company, of the incurrence and purpose of each such expense, provided that, unless and until the Registration Date occurs, the amount of

expenses subject to reimbursement shall not exceed $200,000. If the Registration Date occurs, up to $12.5 million of the fees and expenses incurred by Dean and the Company in connection with (i) drafting, negotiating and implementing this Agreement and the Employment Agreements, and any other arrangements between the Company and the TreeHouse Investors referenced therein, and (ii) planning, analysis and execution of the Spin-Off shall be borne by the Company.

6. Restrictions on Transfer of Common Stock .

6.1 In General .

(a) TreeHouse Investors . Until the third anniversary of the date of this Agreement, no shares of Common Stock acquired pursuant to Subscription Agreements or any shares of Common Stock or other securities of the Company received in respect of such shares of Common Stock (the " **Restricted Shares** ") may be, directly or indirectly, sold, assigned, mortgaged, transferred, pledged, hypothecated or otherwise disposed of (each, a " **Transfer** "), provided that shares of Common Stock may be Transferred before the expiration of such period (i) pursuant to Section 6.2 (" **Estate Planning Transfers** ") or, in the case of such TreeHouse Investor's death, by will or by the laws of intestate succession, to executors, administrators, testamentary trustees, legatees or beneficiaries, provided that the transferee becomes a party to this Agreement in accordance with Section 13.3, (ii) pursuant to Section 7 (" **Dean Call Right** "), (iii) pursuant to Section 8 (" **TreeHouse Investors Put Right** "), (iv) in accordance with Section 9.2 or (v) to the Company in consideration of the payment of the exercise price of any stock options held by such TreeHouse Investor related to the Common Stock or of the taxes required to be withheld upon the exercise of any such stock options, so long as such TreeHouse Investor agrees that the restrictions contained in this Section 6.1(a) shall thereafter continue to apply to that number of shares of Common Stock received upon exercise of such stock options as is equal to the number of shares so surrendered.

(b) Dean . Except for any transfer (i) to one or more of its direct or indirect wholly-owned subsidiaries, (ii) to its stockholders in connection with the Spin-Off or (iii) pursuant to an Alternative Proposal, Dean agrees that during the pendency of this Agreement, it shall not Transfer any of the shares of Common Stock it holds.

6.2 Estate Planning Transfers . Shares of Common Stock held by a TreeHouse Investor who is an individual may be Transferred for estate-planning purposes to (a) a trust under which the distribution of the shares of Common Stock may be made only to beneficiaries who are such TreeHouse Investor, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants, (b) a charitable remainder trust, the income from which will be paid to such TreeHouse Investor during his or her life, (c) a corporation, the stockholders of which are only such TreeHouse Investor, his or her spouse, his or her parents, members of his or her

immediate family or his or her lineal descendants or (d) a partnership or limited liability company, the partners or members of which are only such TreeHouse Investor, his or her spouse, his or her parents, members of his or her immediate family or his or her lineal descendants.

7. Purchase by Dean from the TreeHouse Investors ("Dean Call Right") .

7.1 Right to Purchase . Subject to this Section 7, if the Registration Date does not occur by (a) October 31, 2005 (or such later date as the TreeHouse Representative and Dean Representative may agree to in writing), or (b) if earlier, the earlier of the date (such earlier date hereafter called the " **Early Termination Date** ") (i) the Company or Dean receives notice from the Internal Revenue Service that it does not intend to issue the Private Letter Ruling or (ii) Dean decides not to proceed with the Spin-Off because (x) the Private Letter Ruling is unsatisfactory, (y) the issuance of such Private Letter Ruling would be subject to conditions that Dean determines to be unacceptable or (z) any of the other conditions to effecting the Spin-Off set forth in Section 4.2 hereof will not or cannot be satisfied on commercially reasonable terms, then Dean shall have the right to purchase from the TreeHouse Investors, and the TreeHouse Investors shall have the obligation to sell to Dean, all, but not less than all, of the TreeHouse Investors' shares of Common Stock. Dean shall give the TreeHouse Representative notice promptly, but not later than 3 business days, after receiving any notice from the Internal Revenue Service or making any determination referenced in subclauses (i) or (ii) of subclause (b) of the immediately preceding sentence. If the reason that the Spin-Off is not effected is other than due to a TreeHouse Default, the aggregate purchase price for all such shares of Common Stock shall be $11.0 million. If the reason that the Spin-Off is not effected is due to a TreeHouse Default, the aggregate purchase price for all such shares of Common Stock shall equal the lesser of (I) $10.0 million, and (II) an amount equal to the product of (a) the quotient of (x) the fair market value of the entire Common Stock equity interest of the Company taken as a whole, without additional premiums for control or discounts for minority interests or restrictions on transfer as established by an investment bank agreed to by the Dean Representative and the TreeHouse Representative using the same methodology that was used to determine the purchase price per share for the Common Stock specified in the Subscription Agreements, divided by (y) the number of outstanding shares of Common Stock, calculated on a fully-diluted basis, multiplied by (b) the number of outstanding shares of Common Stock held by the TreeHouse Investors.

7.2 Notice . If Dean desires to purchase shares of Common Stock pursuant to Section 7.1, it shall notify each of the TreeHouse Investors not more than 30 days after October 31, 2005 (or such earlier or later date as determined pursuant to Section 7.1).

7.3 Payment . Payment for any shares of Common Stock to be purchased from the TreeHouse Investors pursuant to Section 7.1 shall be made on the date specified by the Dean Representative (but in no event more than 10 business days following the date of the receipt by the TreeHouse Investors of Dean's notice delivered pursuant to Section 7.2), and the aggregate purchase price paid by Dean shall be allocated among the TreeHouse Investors based on the number of shares of Common Stock then held by each such TreeHouse Investor.

8. Sale by TreeHouse Investors to Dean ("TreeHouse Investors Put Right") .

8.1 Right to Sell . Subject to this Section 8, if the Registration Date does not occur for any reason other than a TreeHouse Default by (a) October 31, 2005 (or such later date as the TreeHouse Representative and the Dean Representative may agree to in writing), or (b) if earlier, the Early Termination Date, then the TreeHouse Investors shall have the right to sell to Dean, and Dean shall have the obligation to purchase from the TreeHouse Investors, all, but not less than all, of the TreeHouse Investors' shares of Common Stock, at an aggregate purchase price equal to $11.0 million.

8.2 Notice . If the TreeHouse Investors desire to sell shares of Common Stock pursuant to Section 8.1, the TreeHouse Representative shall notify Dean not more than 60 days after October 31, 2005 (or such earlier or later date as determined pursuant to Section 8.1). Such notice shall specify the number of shares of Common Stock held by each TreeHouse Investor at the time notice is given.

8.3 Payment . Payment for any shares of Common Stock sold by the TreeHouse Investors pursuant to Section 8.1 shall be made on the date that is 10 business days following the date of the receipt by Dean of the TreeHouse Representative's notice with respect to such shares pursuant to Section 8.2, and the aggregate purchase price paid by Dean shall be allocated among the TreeHouse Investors based on the number of shares of Common Stock then held by each such TreeHouse Investor.

8.4 Right to Sell in the Event of Death or Disability .

(a) In General . Subject to this Section 8.4, if the employment of member of TreeHouse Management terminates due to his death or pursuant to a Termination due to Disability (as defined in the applicable Employment Agreement) prior to the Registration Date, then such member and any other TreeHouse Investor who is affiliated with such member shall have the right to sell to Dean, and Dean shall have the obligation to purchase from such TreeHouse Investors (or such TreeHouse Investor's estate), all, but not less than all, of such TreeHouse Investor's shares of Common Stock, at an aggregate purchase price equal to the aggregate purchase price paid by such TreeHouse Investors for such shares of Common Stock.

(b) Notice . If the TreeHouse Investor (or such TreeHouse Investor's estate) desires to sell shares of Common Stock pursuant to Section 8.4(a), the TreeHouse Investor (or such TreeHouse Investor's estate) shall notify Dean not more than 90 days after date of termination of such TreeHouse Investor's employment. Such notice shall specify the number of shares of Common Stock held by such TreeHouse Investor at the time notice is given.

(c) Payment . Payment for any shares of Common Stock sold by the TreeHouse Investor (or termination estate) pursuant to Section 8.4 (a) shall be made on the date that is 10 business days (or the first business day thereafter if the 10th business day is not a business day) following the date of the receipt by Dean of the TreeHouse Investor's (or the TreeHouse Investors estate's) notice with respect to such shares pursuant to Section 8.4(b).

9. Sales to Third Parties .

9.1 Sales by TreeHouse Investors . At any time after the third anniversary of the date hereof, any TreeHouse Investor may sell his, her or its Restricted Shares to a third party. Except as provided in Section 6, at any time after the Registration Date, any TreeHouse Investor may sell any shares of the Company's Common Stock without restriction by reason of the terms of this Agreement. Nothing in this Section 9.1 shall be construed to excuse any TreeHouse Investor from compliance with any applicable rules on resales as may be imposed at law, including under the Federal securities laws, or from complying with the terms of any other agreement that Executive is now, or may hereafter become a party to.

9.2 Involuntary Transfers . Prior to the Registration Date, any transfer of title or beneficial ownership of shares of Common Stock (including any of the Restricted Shares) upon default, foreclosure, forfeit, divorce, court order or otherwise than by a voluntary decision on the part of a TreeHouse Investor (each, an " **Involuntary Transfer** ") shall be void unless the TreeHouse Investor complies with this Section 9.2 and enables the Company to exercise in full its rights hereunder. Upon any Involuntary Transfer, the Company shall have the right to purchase such shares pursuant to this Section 9.2 and the person or entity to whom such shares have been Transferred (the " **Involuntary Transferee** ") shall have the obligation to sell such shares in accordance with this Section 9.2. Upon the Involuntary Transfer of any shares of Common Stock, such TreeHouse Investor shall promptly (but in no event later than two days after such Involuntary Transfer) furnish written notice to the Company indicating that the Involuntary Transfer has occurred, specifying the name of the Involuntary Transferee, giving a detailed description of the circumstances giving rise to, and stating the legal basis for, the Involuntary Transfer. Upon the receipt of such notice, and for 60 days thereafter, the Company shall have the right to purchase, and the Involuntary Transferee shall have the obligation to sell, all (but not less than all) of the shares of Common Stock

acquired by the Involuntary Transferee for a purchase price equal to the lesser of (i) the then fair market value of such shares of Common Stock as determined in accordance with Section 4.4(c), and (ii) the cost of such shares of Common Stock to the TreeHouse Investor who originally acquired such shares, provided that the excess, if any, of the purchase price so determined over the amount of such indebtedness or other liability that gave rise to the Involuntary Transfer shall be paid directly to the TreeHouse Investor and not to the Involuntary Transferee.

10. Stock Certificate Legend . A copy of this Agreement shall be filed with the Secretary of the Company and kept with the records of the Company. Each certificate representing shares of Common Stock owned by the Stockholders shall bear upon its face the following (or similar) legends, as appropriate:

(a) "THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS AND UNTIL REGISTERED UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL TO THE STOCKHOLDER, WHICH COUNSEL MUST BE, AND THE FORM AND SUBSTANCE OF WHICH OPINION ARE, SATISFACTORY TO THE ISSUER, SUCH OFFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, TRANSFER OR OTHER DISPOSITION IS EXEMPT FROM REGISTRATION OR IS OTHERWISE IN COMPLIANCE WITH THE ACT, SUCH LAWS AND THE STOCKHOLDERS AGREEMENT OF THE ISSUER, DATED AS OF JANUARY 27, 2005 (THE "STOCKHOLDERS AGREEMENT")."

(b) "THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER CONDITIONS, AS SPECIFIED IN THE STOCKHOLDERS AGREEMENT, COPIES OF WHICH ARE ON FILE AT THE OFFICE OF THE ISSUER AND WILL BE FURNISHED WITHOUT CHARGE TO THE HOLDER OF SUCH SHARES UPON WRITTEN REQUEST."

In addition, certificates representing shares of Common Stock owned by residents of certain states shall bear any legends required by the laws of such states.

All Stockholders shall be bound by the requirements of all such legends. On the Registration Date, the certificate representing the distributed shares shall be replaced, at the expense of the Company, with certificates not bearing the legends required by clauses (a) and (b) of this Section 10.

11. Covenants; Representations and Warranties .

11.1 New TreeHouse Investors . Each of the Stockholders hereby agrees that any person who is designated as a member of TreeHouse Management after the date of this Agreement and who is offered shares of any class of Common Stock or holds stock options exercisable into shares of Common Stock shall, as a condition precedent to the acquisition of such shares of Common Stock or the exercise of such stock options, as the case may be, (a) become a party to this Agreement by executing a signature page to the same and (b) if such person is a resident of a state with a community or marital property system, cause his or her spouse to execute a Spousal Waiver in the form of Exhibit A attached hereto, and deliver such executed signature page to this Agreement and Spousal Waiver, if applicable, to the Company at its address specified in Section 20 hereof. Upon such execution and delivery, such employee shall be a TreeHouse Investor for all purposes of this Agreement.

11.2 No Other Arrangements or Agreements . Each Stockholder hereby represents and warrants to the Company and to each other Stockholder that, except for this Agreement, the Subscription Agreements, the Employment Agreements and any management stock option agreement of the Company applicable to a member of TreeHouse Management, he, she or it has not entered into or agreed to be bound by any other arrangements or agreements of any kind with any other party with respect to the shares of Common Stock, including, but not limited to, arrangements or agreements with respect to the acquisition or disposition of Common Stock or any interest therein or the voting of shares of Common Stock (whether or not such agreements and arrangements are with the Company or any of its subsidiaries, or other Stockholders) and each TreeHouse Investor agrees that, except as expressly permitted under this Agreement, he, she or it will not enter into any such other arrangements or agreements.

11.3 Additional Representations and Warranties . Each Stockholder represents and warrants to the Company and each other Stockholder that:

(a) such Stockholder has the power, authority and capacity (or, in the case of any Stockholder that is a corporation, trust, limited liability company or limited partnership, all corporate, trust, limited liability company or limited partnership power and authority, as the case may be) to execute, deliver and perform this Agreement;

(b) in the case of a Stockholder that is a corporation, trust, limited liability company or limited partnership, the execution, delivery and performance of this

Agreement by such Stockholder have been duly and validly authorized and approved by all necessary corporate, trust, limited liability company or limited partnership action, as the case may be;

(c) this Agreement has been duly and validly executed and delivered by such Stockholder and constitutes a valid and legally binding obligation of such Stockholder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting or relating to creditors' rights generally and general principles of equity; and

(d) the execution, delivery and performance of this Agreement by such Stockholder does not and will not violate the terms of, or result in the acceleration of, any obligation under (i) any material contract, commitment or other material instrument to which such Stockholder is a party or by which such Stockholder is bound or (ii) in the case of a Stockholder that is a corporation, trust, limited liability company or limited partnership, the certificate of incorporation and the by-laws, trust agreement, the certificate of formation and the limited liability company agreement, or the certificate of limited partnership and the limited partnership agreement, as the case may be.

12. Amendment and Modification . This Agreement may not be amended, modified or supplemented except by a written instrument signed by the Company, Dean and the TreeHouse Representative. The Company shall notify all Stockholders promptly after any such amendment, modification or supplement shall have taken effect.

13. Parties .

13.1 Assignment Generally . The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns, provided that neither the Company nor any TreeHouse Investor may assign any of its rights or obligations hereunder without the consent of Dean unless, in the case of a TreeHouse Investor, such assignment is in connection with a Transfer explicitly permitted by this Agreement and, prior to such assignment, such assignee complies with the requirements of Section 13.3.

13.2 Termination . Any Stockholder who ceases to own shares of Common Stock or any interest therein, shall cease to be a party to, or Person who is subject to, this Agreement and thereafter shall have no rights or obligations hereunder, provided , however , that (a) a Transfer of shares of Common Stock not explicitly permitted under this Agreement shall not relieve a TreeHouse Investor of any of his, her or its obligations hereunder, and (b) a Transfer of shares of Common Stock permitted under Section 6.2 shall not relieve any TreeHouse Investor of any of his, her or its obligations hereunder. This Agreement shall automatically terminate without any action

by any of the Company or any of the Stockholders, and shall be of no further force and effect, upon the earlier of (i) the consummation of the Spin-Off, (ii) the closing of the sale of Common Stock pursuant to Sections 7 and 8, and (iii) the closing of the transaction described in any Alternative Proposal. Notwithstanding the foregoing, (i) the provisions of Section 6.1(a) pertaining to the Restricted Shares shall survive the termination of this Agreement due to the consummation of the Spin-Off and, at or prior to the Registration Date, each TreeHouse Investor agrees to execute any document that the Board may reasonably request to confirm the continued effect of such Section 6.1(a) as to the Restricted Shares and (ii) the termination of this Agreement shall not relieve the parties from fulfilling their obligations under either Section 7 or 8.

13.3 Agreements to Be Bound . Notwithstanding anything to the contrary contained in this Agreement, any Transfer of shares by a TreeHouse Investor (the " **Transferor** ") (other than pursuant to the Spin-Off or to Sections 7 or 8) shall be permitted under the terms of this Agreement only if the transferee of such Transferor (the " **Transferee** ") shall agree in writing to be bound by the terms and conditions of this Agreement pursuant to an instrument of assumption satisfactory in substance and form to the Company, and in the case of a Transferee of a Stockholder who resides in a state with a community property system, such Transferee causes his or her spouse, if any, to execute a Spousal Waiver in the form of Exhibit A attached hereto. Upon the execution of the instrument of assumption by such Transferee and, if applicable, the Spousal Waiver by the spouse of such Transferee, such Transferee shall enjoy all of the rights and shall be subject to all of the restrictions and obligations of the Transferor of such Transferee, including, without limitation, if such Transferor was a Stockholder, the provisions of Sections 7 and 8 (which shall continue to apply as though such Transferor were still the holder of such shares).

14. Recapitalizations, Exchanges, etc . Except as otherwise provided herein, the provisions of this Agreement shall apply to the full extent set forth herein with respect to (a) the shares of Common Stock and (b) any and all shares of capital stock of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or in substitution for the shares of Common Stock, by reason of any stock dividend, split, reverse split, combination, recapitalization, reclassification, merger, consolidation or otherwise. All share numbers and percentages shall be proportionately adjusted to reflect any stock split, stock dividend or other subdivision or combination effected after the date hereof.

15. No Third Party Beneficiaries . Except as otherwise provided herein, this Agreement is not intended to confer upon any Person, except for the parties hereto or their permitted transferees, any rights or remedies hereunder.

16. Further Assurances . Each party hereto shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto or Person subject hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

17. Governing Law . This Agreement and the rights and obligations of the parties hereunder and the Persons subject hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

18. Invalidity of Provision . The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

19. Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party to assert its or his or her rights hereunder on any occasion or series of occasions.

20. Notices . All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail or delivery or (d) sent by fax, as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

(i) If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, WI 54307
Telephone: (920) 497-7131
Fax: (920) 497-4604
Attention: General Counsel

with, prior to the Registration Date, a copy to Dean at its address set forth below.

(ii) If to the TreeHouse Investors, to his or her attention at:

the address identified in the Subscription Agreement executed by such TreeHouse Investor

With a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, IL 60601
Telephone: (312) 609-7500
Fax: (312) 609-5005
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(iii) If to Dean, to it at:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Telephone: (214) 303-3413
Fax: (214) 303-3853
Attention: General Counsel

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered, provided that such delivery is confirmed.

21. Headings . The headings to sections in this Agreement are for the convenience of the parties only and shall not control or affect the meaning or construction of any provision hereof.

22. Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

23. Entire Agreement . This Agreement, the Subscription Agreements and the Employment Agreements constitute the entire agreement and understanding of the parties hereto with respect to the matters referred to herein. This Agreement and the agreements referred to in the preceding sentence supersede all prior agreements and understandings among the parties with respect to such matters. There are no representations, warranties, promises, inducements, covenants or undertakings relating to

the shares of Common Stock, other than those expressly set forth or referred to herein, in the Subscription Agreements or the Employment Agreements.

24. Injunctive Relief . The shares of Common Stock cannot readily be purchased or sold in the open market, and for that reason, among others, the Company and the Stockholders will be irreparably damaged in the event this Agreement is not specifically enforced. Each of the parties therefore agrees that in the event of a breach of any provision of this Agreement, the aggrieved party may elect to institute and prosecute proceedings in any court of competent jurisdiction to enforce specific performance or to enjoin the continuing breach of this Agreement. Such remedies shall, however, be cumulative and not exclusive, and shall be in addition to any other remedy which the Company or any Stockholder may have. Each Stockholder hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts in Illinois for the purposes of any suit, action or other proceeding arising out of or based upon this Agreement or the subject matter hereof. Each Stockholder hereby consents to service of process made in accordance with Section 20.

25. Defined Terms . As used in this Agreement, the following terms shall have the meanings ascribed to them below:

Affiliate : Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

Dean Representative : the Chief Executive Officer of Dean, as in office at any time, or such other officer of Dean as designated by the Chief Executive Officer of Dean.

Person : an individual, corporation, partnership, limited liability company, joint venture, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Spin-Off : the distribution by Dean to the holders of shares of Dean common stock on the date to be determined by the Dean Board in its sole and absolute discretion as the record date for the Spin-Off of all of the shares of Common Stock held by Dean.

Stockholder Representatives : the Dean Representative and the TreeHouse Representative.

TreeHouse Default : upon any cessation of services to the Company by (a) Sam K. Reed for any reason other than due to any material breach of the applicable Employment Agreement by Dean or the Company, unless Dean shall, it is sole discretion, have consented to such cessation of services, or (b) any member of the Initial TreeHouse

Management for any reason other than due to any material breach of the applicable Employment Agreement by Dean or the Company, unless (i) within 30 days of any such cessation, a suitable replacement member is hired by the Company, the job responsibilities of the remaining members of the Initial TreeHouse Management are adjusted in an manner that is appropriate under the circumstances and that makes it unnecessary to hire a suitable replacement member, and/or such other suitable cure is implemented, and (ii) Dean shall, in its sole discretion, have consented to the actions described in clause (i), which consent shall not be unreasonably withheld. Such consent by Dean shall be given in writing, and may be given on, before or after the date of any such cessation of services (including, without limitation, following the death of any member of TreeHouse Management).

TreeHouse Management : the Initial TreeHouse Management and any other person hereafter designated as a member of TreeHouse Management by the mutual agreement of the TreeHouse Representative and the Dean Representative.

TreeHouse Representative : Sam K. Reed or, if Reed's employment with the Company terminates for any reason, David B. Vermylen or, if Vermylen's employment with the Company terminates for any reason, any remaining member of TreeHouse Management selected by the majority in interests of the TreeHouse Investors.

— Signature page follows –

IN WITNESS WHEREOF this Agreement has been signed by each of the parties hereto, and shall be effective as of the date first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

DEAN FOODS COMPANY

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

INITIAL TREEHOUSE MANAGEMENT

/s/ S.K. Reed
Sam K. Reed
Address: 622 W. Maple, Hinsdale, IL 60521

/s/ D. Vermylen
David B. Vermylen
Address: 1227 W. Kajer Lane, Lake Forest, IL 60045

/s/ E. Nichol McCully
E. Nichol McCully
Address: 2023 Oakland Avenue, Piedmont, CA 94611

/s/ Thomas E. O' Neill
Thomas E. O'Neill
Address: 19 Indian Hill Road, Winnetka, IL 60093

/s/ H.J. Walsh
Harry J. Walsh
Address: 901 Jeffrey Court, St. Charles, IL 60174

Exhibit A

SPOUSAL WAIVER

[INSERT NAME] hereby waives and releases any and all equitable or legal claims and rights, actual, inchoate or contingent, which she may acquire with respect to the disposition, voting or control of the shares of Common Stock subject to the Stockholders Agreement of Dean Specialty Foods Holdings, Inc., dated as of January 27, 2005, as the same shall be amended from time to time, except for rights in respect of the proceeds of any disposition of such Common Stock.

_____

Name:

Exhibit 10.1

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this " **Agreement** "), dated as of January 27, 2005, by and between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and Sam K. Reed (the " **Executive** ").

W I T N E S S E T H :

WHEREAS, the Company's parent corporation, Dean Foods Company (" **Dean** "), intends, subject to certain conditions, to distribute the common stock, par value $.01 per share, of the Company (the " **Common Stock** ") owned by Dean to its shareholders, whereby the Company would become a stand-alone publicly traded corporation;

WHEREAS, Executive is willing to enter into this Agreement in anticipation of the Company becoming a stand-alone publicly traded corporation through the distribution of the Common Stock to Dean's shareholders;

WHEREAS, to effect such a spin-off and to position the Company to maximize its value for Dean's shareholders, it is necessary that the Company have a strong and experienced management team with a proven track record in developing and growing a company in the consumer packaged goods industry;

WHEREAS, Executive is one of several members of a management team (the " **Team** ") that possesses the skills and experience necessary to undertake the challenges of developing the Company, including through acquisitions;

WHEREAS, in light of these skills and experience, the Company desires to secure the services of Executive and the other members of the Team, and is willing to enter into this Agreement embodying the terms of the employment of Executive by the Company, which terms include one or more substantial equity-based compensation awards; and

WHEREAS, Executive is willing to accept such employment and enter into such Agreement, subject to Dean making available to Executive and to the other members of the Team the opportunity to invest in the common stock of the Company and making the undertakings regarding the governance and management of the Company set forth in the in the stockholders agreement (the " **Stockholders Agreement** ") to be entered into by the Company, Dean, Executive, other members of the Team, and certain other investors who are affiliates of the Team contemporaneously with this Agreement; and

WHEREAS, in order to give Executive and the Team the opportunity to acquire an equity interest in the Company and as an incentive for Executive to participate in the affairs of the Company, the Company is willing to sell to Executive, and Executive

desires to purchase, shares of common stock (the " **Common Stock** "), subject to the terms and conditions set forth in the Subscription Agreement (the " **Subscription Agreement** ") to be entered into contemporaneously with this Agreement and in the Stockholders Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Employment . Upon the terms and subject to the conditions of this Agreement and, unless earlier terminated as provided in Section 8, the Company hereby employs Executive and Executive hereby accepts employment by the Company for the period (i) commencing on the date hereof (the " **Commencement Date** ") and (ii) ending on the third anniversary of (A) the Commencement Date or, (B) if the Common Stock shall become registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), during the term hereof, the third anniversary of the date such registration shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (the " **Registration Date** "); provided, however, that the term of this Agreement shall automatically be extended for one additional year on the third anniversary of the Registration Date and each subsequent anniversary thereof unless not less than 90 days prior to such anniversary date either party shall give the other written notice that he or it does not want the term to extend as of such anniversary date. The period during which Executive is employed pursuant to this Agreement (including pursuant to any extension of the term hereof pursuant to the proviso in the immediately preceding sentence) shall be referred to herein as the " **Employment Period** ."

2. Position and Duties . During the Employment Period, Executive shall serve as the Chairman of the Board and Chief Executive Officer of the Company and in such other position or positions with the Company and its majority-owned subsidiaries consistent with the foregoing position as the Board of Directors of the Company (the " **Board** ") may specify or the Company and Executive may mutually agree upon from time to time. During the Employment Period, Executive shall have the duties, responsibilities and obligations customarily assigned to individuals at comparable publicly traded companies serving in the position or positions in which Executive serves hereunder. Executive shall devote substantially all his business time to the services required of him hereunder, except for vacation time and reasonable periods of absence due to sickness, personal injury or other disability, and shall perform such services to the best of his abilities. Subject to the provisions of Section 9, nothing herein shall preclude Executive from (i) engaging in charitable activities and community affairs, (ii) managing his personal investments and affairs or (iii) serving on the board of directors or other governing body of any corporate or other business entity, so long as such service is not in violation of the covenants contained in Section 9 or the governance principles established for the Company by the Board, as in effect from time to time, provided that in no event may

such activities, either individually or in the aggregate, materially interfere with the proper performance of Executive's duties and responsibilities hereunder.

3. Place of Performance . The Company shall establish its headquarters office in Chicago, Illinois metropolitan area at which Executive shall have his principal office. Executive shall also have an office, and perform services at, the Company's offices in Green Bay, Wisconsin, on such basis as Executive deems necessary or appropriate for the performance of his duties.

4. Compensation .

(a) Base Salary . During the Employment Period, the Company shall pay Executive a base salary at the annual rate of $750,000. Beginning in 2006, the Board shall review Executive's base salary no less frequently than annually and may increase such base salary in its discretion. The amount of annual base salary payable under this Section 4(a) shall be reduced, however, to the extent Executive elects to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company or any of its subsidiaries. Executive's annual base salary payable hereunder, including any increased annual base salary, without reduction for any amounts deferred as described above, is referred to herein as " **Base Salary** ". The Company shall pay Executive the portion of his Base Salary not deferred in accordance with its standard payroll practices, but no less frequently than in equal monthly installments.

(b) Incentive Compensation . For each full calendar year during the Employment Period, Executive shall be eligible to receive an annual incentive bonus from the Company, with a target bonus opportunity of not less than 100% of his Base Salary, which will be payable, if at all, upon the achievement by Executive and/or the Company of performance objectives to be established by the Board in consultation with the Company's Chief Executive Officer and communicated to Executive during the first quarter of such year (the " **Incentive Compensation** "). Without limiting the generality of the foregoing, the actual amount payable to Executive in respect of the Incentive Compensation may be more or less than the targeted opportunity (including zero) based on the actual results against the pre-established performance objectives.

5. Stock Purchase . Substantially contemporaneously with the Commencement Date, Executive shall purchase the number of shares of Common Stock of the Company specified in the Subscription Agreement related to the purchase of such shares, to be entered into by Executive and the Company (the " **Subscription Agreement** "). The terms and conditions of such purchase shall be as set forth in the Subscription Agreement, and such shares shall be subject to the limitations and restrictions, including, without limitation, the restrictions on transfer and the put and call rights set forth in the Stockholders Agreement.

6. Public Equity Awards .

(a) Basic Restricted Stock Grant . On the fourth trading day following the Registration Date, the Company shall grant Executive an award of that number of whole restricted shares of Common Stock (the " **Basic Restricted Shares** ") as is equal to (or most closely approximates) 0.66% of the Outstanding Common Stock on the date of grant. The Basic Restricted Shares shall vest and become freely transferable in the proportions, and based upon achievement of the total shareholder return objectives, determined pursuant to Schedule A hereto, so long as Executive is continuously employed by the Company through the applicable vesting date. Any Basic Restricted Shares that have not become vested and freely transferable on or before the fifth anniversary of the grant date shall be forfeited. For purposes of this Agreement, **" Outstanding Common Stock "** shall mean the sum of (x) the number of shares Common Stock that are issued and outstanding on the Registration Date and (y) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off.

(b) Supplemental Restricted Stock Unit Grant . On the fourth trading day following the Registration Date, Executive shall be granted, automatically and without any further action on the part of the Company or the Board, an award of restricted stock units, with each such unit representing a right to receive one share of Common Stock on the terms and conditions set forth herein (the " **Supplemental Restricted Share Units** "). The number of Supplemental Restricted Share Units subject to such grant shall be equal to the quotient (rounded up to the nearest whole number) obtained by dividing (x) by (y), where (x) and (y) are:

(x) the product of (i) the excess, if any, of (A) the Initial Fair Market Value over (B) the Adjusted Per Share Purchase Price and (ii) that number of whole shares of Common Stock as is equal to (or most closely approximates) 1.98% of the Outstanding Common Stock on the date of grant; and

(y) the Initial Fair Market Value.

For purposes of this Agreement, " **Initial Fair Market Value** " shall mean the average of the closing values on the Registration Date and on each of the next four trading days immediately following the Registration Date, as reported on the principal exchange or automated quotation system on which the Common Stock is traded or reported. " **Adjusted Per Share Purchase Price** " shall mean the $5,000 purchase price per share of Common Stock, appropriately adjusted to reflect any stock split or share combination involving the Common Stock, any recapitalization of the Company, any adjustment pursuant to Section 4.3(b) of the Stockholders Agreement, or any merger, consolidation, reorganization or similar corporate event involving the Company occurring

on or after the Commencement Date and on or before the Registration Date.

The Supplemental Restricted Share Units shall vest in three equal annual installments on the first three anniversaries of the Registration Date, so long as (with respect to each installment) Executive is continuously employed by the Company through the applicable anniversary date. Notwithstanding the foregoing, no Supplemental Restricted Share Units shall become vested on any such anniversary date if, on such date, the average of the closing prices of a share of Common Stock on the principal trading market on which such shares are traded or reported for the 20 trading day period ended on such date (or, if such date is not a business day, the 20 trading day period ended on the last trading day occurring immediately prior thereto) does not exceed the Initial Fair Market Value (the " **Minimum Value Requirement** "). In the event that the Minimum Value Requirement is not satisfied on any applicable anniversary date, the Supplemental Restricted Share Units that would otherwise have vested on such anniversary date shall vest on any subsequent anniversary date or on any date after the third anniversary date (treating each such date as an anniversary date for purposes of the 20 day trading measurement period) on which both Executive is still an employee of the Company and the Minimum Value Requirement is satisfied; provided that any such Supplemental Restricted Share Units that have not become vested on or before the fifth anniversary of the grant date shall be forfeited. The shares of Common Stock corresponding to any vested Supplemental Restricted Share Units, if any, shall be distributed to Executive as soon as practicable, but not later than five (5) business days following the earlier to occur of (i) the fifth anniversary of the date of grant or (ii) the sixth month anniversary of the date Executive's employment with the Company terminates, unless the Executive elects (in a manner consistent with the applicable requirements of Section 409A of the Internal Revenue Code (the " **Code** ")) to defer the date upon which the shares of Common Stock corresponding to the vested Supplement Restricted Share Units shall be distributed.

(c) Stock Option . On the fourth trading day following the Registration Date, the Company shall automatically and without any further action on the part of the Company or the Board grant to Executive a non-qualified stock option to purchase the number of shares of Common Stock equal to the remainder of (i) the number of whole shares of Common Stock specified in Section 6(b)(x)(ii) minus (ii) the number of Supplemental Restricted Share Units awarded pursuant to Section 6(b) (the " **Option** "). The exercise price per share with respect to the Option shall be equal to the Initial Fair Market Value. The Option shall become vested and exercisable in three approximately equal annual installments on each of the first three anniversaries of the grant date of such Option, so long as Executive is continuously employed by the Company through the applicable anniversary date.

(d) Stock Incentive Plan . Each of the Basic Restricted Shares, the Supplemental Restricted Shares and the Option shall be granted pursuant to a stock incentive plan (the " **Incentive Plan** ") to be adopted by the Company prior to the Registration Date that will authorize for issuance thereunder at least (i) 13% of the

Outstanding Common Stock plus (ii) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off as provided in the Stockholders Agreement. Such Incentive Plan shall have terms and conditions which will permit the issuance of the awards to the Executive specified in this Section 6 and shall not contain any other term or condition that has an adverse effect on any award to be made to Executive pursuant to this Section 6.

(e) Award Agreements . Each of the Basic Restricted Shares, Supplemental Restricted Shares and the Option shall be subject to an award agreement having the terms and conditions specified in the preceding subparagraphs of this Section 6 and otherwise consistent with the terms and conditions of the Incentive Plan. Each such agreement shall provide for full vesting of such awards upon a Change of Control and shall provide that Executive shall have the right to elect that any applicable tax withholding requirements with respect to the vesting, exercise or distribution of Common Stock be satisfied by having the Company withhold shares of Common Stock subject to such award having a value equal to the minimum required applicable tax withholding, and that Executive may exercise the Option using previously owned shares of Common Stock, including Basic Restricted Shares that are still subject to forfeiture, provided that that number of shares deliverable upon exercise of the Option that corresponds to the number of unvested Basic Restricted Shares surrendered will be subject to the same forfeiture provisions and restrictions on transfer as the Basic Restricted Shares surrendered to exercise such Option, in whole or in part.

(f) Capital Adjustments . Notwithstanding anything to the contrary contained in Section 5 or this Section 6, the exercise price of, and the number of Shares subject to, the Option, the number of Units subject to the Supplemental Restricted Share Units, and the Minimum Value Requirement shall be appropriately adjusted, by the Board in its sole discretion, to reflect any extraordinary dividend, any dividend payable in shares of capital stock, any stock split or share combination involving the Common Stock, any recapitalization of the Company, any merger, consolidation, reorganization or similar corporate event involving the Company occurring after the Registration Date.

(g) Impact on Future Grants . Unless following the Registration Date the Board shall determine that special circumstances warrant the grant of such additional awards as it or any duly authorized committee thereof shall, in its sole discretion, determine, it is the intent and expectation of the parties that Executive will not receive any further grants of equity-based compensation prior to the third anniversary of the Commencement Date. Following such third anniversary, Executive shall be eligible to receive equity-based compensation awards in accordance the Company’s generally applicable compensation practices, as then in effect.

7. Benefits, Perquisites and Expenses .

(a) Benefits . During the Employment Period, Executive shall be eligible to participate in (i) each welfare benefit plan sponsored or maintained by the Company for its senior executive officers, including, without limitation, each group life, hospitalization, medical, dental, health, accident or disability insurance or similar plan or program of the Company, and (ii) each pension, profit sharing, retirement, deferred compensation or savings plan sponsored or maintained by the Company for its senior executive officers, in each case, whether now existing or established hereafter, in accordance with the generally applicable provisions thereof, as the same may be amended from time to time.

(b) Perquisites . During the Employment Period, Executive shall be entitled to receive such perquisites as are generally provided to other senior executive officers of the Company in accordance with the then current policies and practices of the Company.

(c) Business Expenses . During the Employment Period, the Company shall pay or reimburse Executive for all reasonable expenses incurred or paid by Executive in the performance of Executive's duties hereunder, upon presentation of expense statements or vouchers and such other information as the Company may require and in accordance with the generally applicable policies and procedures of the Company.

(d) Indemnification . The Company agrees that if Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " **Proceeding** "), by reason of the fact that he is or was a director, officer or employee of the Company or any subsidiary or affiliate thereof, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including, in each case, service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or by-laws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. If Executive serves as a director, officer, member, partner, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including, in each case, service with respect to employee benefit plans) which is a subsidiary or affiliate of the Company, it shall be presumed for purposes of this Section 7(d) that Executive serves or served in such capacity at the request of the

Company. The Company shall advance to Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 30 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses. The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering Executive to the extent the Company provides such coverage for its other executive officers or directors.

8. Termination of Employment .

(a) Early Termination of the Employment Period . Notwithstanding Section 1, the Employment Period shall end upon the earliest to occur of (i) a termination of Executive's employment on account of Executive's death, (ii) a Termination due to Disability, (iii) a Termination for Cause, (iv) a Termination Without Cause, (v) a Termination for Good Reason, (vi) a Termination due to Retirement or (vii) a Voluntary Termination.

(b) Termination Due to Death or Disability . In the event that Executive's employment hereunder terminates due to his death or as a result of a Termination due to Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(e). For purposes of this Agreement, " **Termination due to Disability** " means a termination of Executive's employment upon written notice from the Company because Executive has been incapable, regardless of any reasonable accommodation by the Company, of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than (i) four consecutive months or (ii) an aggregate of six months in any twelve month period. Any question as to the existence or extent of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

(c) Termination by the Company . The Company may terminate Executive's employment with the Company with or without Cause; provided that prior to the Registration Date, the Company may only terminate Executive's employment hereunder for Cause. " **Termination for Cause** " means a termination of Executive's employment

by the Company due to Cause. " **Cause** " means (i) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, (ii) Executive's gross neglect or willful and intentional gross misconduct in the performance of, or willful, substantial and continual refusal by Executive in breach of this Agreement to perform, the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, (iii) a TreeHouse Default (as defined in the Stockholders Agreement), (i v) any material breach by Executive of Section 9 of this Agreement or (v) a material breach by Executive of the Code of Ethics applicable to the Company's employees, as in effect from time to time; provided, however, that no act or omission shall constitute "Cause" for purposes of this Agreement unless the Board provides Executive, within 90 days of the Board learning of such act or acts or failure or failures to act, (A) written notice of the intention to terminate him for Cause, which notice states in detail clearly and fully the particular act or acts or failure or failures to act that constitute the grounds on which the Board reasonably believes in good faith constitutes "Cause", and (B) an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board to explain or defend the alleged act or acts or failure or failures to act relied upon by the Board and, to the extent such cure is possible, to cure such act or acts or failure or failures to act. If such conduct is cured to the reasonable satisfaction of the Board, such notice of termination shall be revoked. Further, no act or acts or failure or failures to act shall be considered "willful" or "intentional" if taken in good faith and Executive reasonably believed such act or acts or failure or failures to act were in the best interests of the Company.

(d) Termination by Executive . Executive may terminate his employment with the Company for Good Reason, for Retirement or in a Voluntary Termination. A " **Termination for Good Reason** " by Executive means a termination of Executive's employment by Executive within 90 days following (i) a reduction in Executive's annual Base Salary or target Incentive Compensation opportunity, (ii) the failure to elect or reelect Executive to any of the positions described in Section 2 above or the removal of him from any such position, (iii) a material reduction in Executive's duties and responsibilities or the assignment to Executive of duties and responsibilities which are materially inconsistent with his duties or which materially impair Executive's ability to function in the position specified in Section 2, (iv) a material breach of any material provision of this Agreement by the Company, (v) the earlier of (x) October 31, 2005 (or such later date as the Company and Executive (or Executive's agent appointed pursuant to the Stockholders Agreement) shall agree) and (y) the Early Termination Date (as defined in the Stockholders Agreement), if the Registration Date has not occurred on or before such earlier date other than as a result of a TreeHouse Default; (vi) any material breach by the Company or Dean of the Stockholders Agreement; (vii) any material breach by the Company of any of the award agreements referenced in Section 6(e); or (viii) the failure by the Company to obtain the assumption agreement referred to in Section 10(b) of this Agreement prior to the effectiveness of any succession referred to therein, unless the purchaser, successor or assignee referred to therein is bound to perform this Agreement by operation of law. Notwithstanding the foregoing, a

termination shall not be treated as a Termination for Good Reason (i) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of Termination for Good Reason (or non-occurrence of the event described in clause (v) of this definition) or (ii) unless Executive shall have delivered a written notice to the Board within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 10 days of the receipt of such notice. A " **Termination due to Retirement** " means Executive's voluntary termination of employment after having (i) completed at least five (5) years of service with the Company and (ii) the sum of the Executive's attained age and length of service with the Company is at least 62 (or such lower number as the Board shall permit). A " **Voluntary Termination** " shall mean a termination of employment by Executive that is not a Termination for Good Reason, a Termination due to Retirement or a Termination due to Disability, and which occurs after the Registration Date and on 90th day after Executive shall have given the Company written notice of his intent to terminate his employment (or as of such later date as Executive shall specify in such notice).

(e) Payments and Benefits Upon Certain Terminations .

(i) In the event of the termination of Executive's employment for any reason (including a voluntary termination of employment by Executive which is not a Termination for Good Reason), Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid and the Vested Benefits.

(ii) Except as provided in Section 8(e)(iii), in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason, Executive shall receive the Basic Payment.

(iii) In the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason within the 24 month period immediately following a Change of Control, Executive shall receive the Basic Payment.

(iv) In the event that Executive's employment terminates due to his death, a Termination due to Disability, a Termination due to Retirement, a Termination Without Cause or a Termination for Good Reason, in any case, after the Registration Date, (x) any portion of the Option that has not become vested and exercisable prior to such termination of employment shall become vested and exercisable and, to the extent not earlier exercised, the Option shall remain exercisable until the second anniversary of such termination or, if earlier, the expiration of its term, and (y) any Basic Restricted Shares and Supplemental Restricted Shares outstanding on such date of termination shall continue to vest, if at all, in accordance with their terms on the same terms and conditions that would have applied if Executive's employment hereunder had not been terminated.

(v) In the event of a Termination due to Disability, a Termination Without Cause or a Termination for Good Reason, Executive shall be entitled to continued participation in all medical, dental, hospitalization and life insurance coverage and in other employee benefit plans or programs in which he was participating on the date of the termination of his employment until the earlier of (A) the third anniversary of his termination of employment and (B) the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage, or benefit-by-benefit basis); provided that if Executive is precluded from continuing his participation in any employee plan or program as provided in this Section 8(e)(iv), he shall be provided with the economic equivalent of the benefits provided under the plan or program in which he is unable to participate.

(vi) Certain Definitions . For purposes of this Section 8, capitalized terms have the following meanings.

" **Basic Payment** " means an amount equal to three times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Change of Control** " means the occurrence of any of the following events following the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off: (a) any "person" (as such term is used in Section 13(d) of the Exchange Act, but specifically excluding the Company, any wholly-owned subsidiary of the Company and/or any employee benefit plan maintained by the Company or any wholly-owned subsidiary of the Company) becomes the "beneficial owner" (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (b) individuals who currently serve on the Board, or whose election to the Board or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the directors who either currently serve on the Board, or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (c) the Company or any subsidiary of the Company shall merge with or consolidate into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding immediately thereafter securities representing more than sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity (or its ultimate parent, if applicable) outstanding immediately after such merger or consolidation; or (d) the stockholders of the Company approve a plan of complete

liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or such a plan is commenced.

" **Date of Termination** " means (i) if Executive's employment is terminated by his death, the date of his death, and (ii) if Executive's employment is terminated for any other reason, the date specified in a notice of termination delivered to Executive by the Company (or if no such date is specified, the date such notice is delivered).

" **Earned Compensation** " means the sum of (a) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date on which the Employment Period ends pursuant to Section 8(a), (b) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the Employment Period ends that has not been paid on or prior to the date the Employment Period ends (other than (x) Base Salary and (y) Incentive Compensation deferred pursuant to Executive's election), (c) any accrued but unused vacation days and (d) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.

" **Target Incentive Compensation** " means with respect to any calendar year the annual Incentive Compensation Executive would have been entitled to receive under Section 4(b) for such calendar year had he remained employed by the Company for the entire calendar year and assuming that all targets for such calendar year had been met.

" **Vested Benefits** " means amounts which are vested or which Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries, at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

(f) Resignation upon Termination . Effective as of any Date of Termination under this Section 8, Executive shall resign, in writing, from all positions then held by him with the Company and its affiliates.

(g) Timing of Payments . Earned Compensation and the Basic Payment shall be paid in a single lump sum as soon as practicable, but in no event more than 15 days, following the end of the Employment Period. Vested Benefits shall be payable in accordance with the terms of the plan, policy, practice, program, contract or agreement under which such benefits have accrued.

(h) Payment Following a Change of Control . If the aggregate of all payments or benefits made or provided to Executive with respect to any of the equity compensation provided under Section 5 or Section 6, under Section 8(e)(iii)(A), if applicable, and under all other plans and programs of the Company (the " **Aggregate Payment** ") is determined to constitute a Parachute Payment, as such term is defined in Section 280G(b)(2) of the

Code, the Company shall pay to Executive, prior to the time any excise tax imposed by Section 4999 of the Code (the " **Excise Tax** ") is payable with respect to such Aggregate Payment, an additional amount which, after the imposition of all income, employment and excise taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to Executive and the time of payment pursuant to this Section 8(h) shall be made by the Company's independent auditor or, if such independent auditor is unwilling or unable to serve in this capacity, such other nationally recognized accounting firm selected by the Company with the consent of the person serving as the Chief Executive Officer of the Company immediately prior to the Change of Control, which consent shall not be unreasonably withheld (the " **Auditor** ").

(i) Full Discharge of Company Obligations . The amounts payable to Executive pursuant to this Section 8 following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Agreement and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Agreement or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are in excess of the Earned Compensation and the Vested Benefits, following the Date of Termination and if requested by the Company, Executive shall execute a release in favor of the Company in the form approved by the Company.

(j) No Mitigation; No Offset . In the event of any termination of employment under this Section 8, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain except as specifically provided with regard to the continuation of benefits in Section 8(e)(v).

9. Noncompetition and Confidentiality .

(a) Noncompetition . During the Employment Period and, in the event that Executive's employment is terminated for any reason other than death, a Termination Without Cause or a Termination for Good Reason, for a period of 12 months following the Date of Termination (the " **Post-Termination Period** "), Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of not in excess of 1% of the outstanding voting shares of any publicly traded company), that is actively engaged in any geographic area in any business which is in competition with a business conducted by the Company at the

time of the alleged competition and, in the case of the Post-Termination Period, at the Date of Termination.

(b) Confidentiality . Without the prior written consent of the Company, except (i) in the course of carrying out his duties hereunder or (ii) to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency, Executive shall not disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its subsidiaries or information designated as confidential or proprietary that the Company or any of its subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its subsidiaries (collectively, " **Confidential Information** ") to any third person unless such Confidential Information has been previously disclosed to the public by the Company or has otherwise become available to the public (other than by reason of Executive's breach of this Section 9(b)).

(c) Company Property . Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.

(d) Non-Solicitation of Employees . During the Employment Period and during the one year period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least 6 months.

(e) Injunctive Relief with Respect to Covenants . Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, nonsolicitation, confidentiality and Company property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations contained in this Section 9. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

10. Miscellaneous .

(a) Survival . Sections 7(d) (relating to the Company's obligation to indemnify Executive), 8 (relating to early termination), 9 (relating to noncompetition, nonsolicitation and confidentiality) and 10(o) (relating to governing law) shall survive the termination hereof, whether such termination shall be by expiration of the Employment Period or an early termination pursuant to Section 8 hereof.

(b) Binding Effect . This Agreement shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets as described in the preceding sentence, it shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries as provided in Section 10(d).

(c) Assignment . Except as provided under Section 10(b), neither this Agreement nor any of the rights or obligations hereunder shall be assigned or delegated by any party hereto without the prior written consent of the other party.

(d) Beneficiaries/References . Executive shall be entitled, to the extent permitted under any applicable law and the terms of any applicable plan, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(e) Resolution of Disputes . Any disputes arising under or in connection with this Agreement shall, at the election of Executive or the Company, be resolved by binding arbitration, to be held in Chicago, Illinois in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the arbitration shall be borne by the Company. Unless the arbitrator determines that Executive did not have a reasonable basis for asserting his position with respect to the dispute in question, the Company shall also reimburse Executive for his reasonable attorneys' fees incurred with respect to any arbitration. Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due

Executive under this Agreement and all benefits to which Executive is entitled at the time the dispute arises (other than the amounts which are the subject of such dispute).

(f) Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein. No amendment to this Agreement shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein. Executive acknowledges that he is entering into this Agreement of his own free will and accord, and with no duress, that he has been represented and fully advised by competent counsel in entering into this Agreement, that he has read this Agreement and that he understands it and its legal consequences.

(g) Representations . Executive represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the full corporate power and authority to execute and deliver this Agreement. The Company has taken all action required by law, the Certificate of Incorporation, its By-Laws or otherwise required to be taken by it to authorize the execution, delivery and performance by it of this Agreement. This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(h) Severability; Reformation . In the event that one or more of the provisions of this Agreement shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Section 9(a), (b) or (d) is not enforceable in accordance with its terms, Executive and the Company agree that such Section shall be reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.

(i) Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(j) Notices . Any notice required or desired to be delivered under this Agreement shall be in writing and shall be delivered personally, by courier service, by registered mail, return receipt requested, or by telecopy and shall be effective upon actual receipt when delivered or sent by telecopy and upon mailing when sent by registered mail, and shall be addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, Wisconsin 54307
Attention: General Counsel
Telecopy No.: (920) 497-4604

prior to the Registration Date, with a copy to:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Attention: General Counsel
Telecopy No.: (214) 303-3413

If to Executive:

622 W. Maple
Hinsdale, Illinois 60521

with a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, Illinois 60601
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(k) Amendments . This Agreement may not be altered, modified or amended except by a written instrument signed by each of the parties hereto.

(l) Headings . Headings to Sections in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(m) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(n) Withholding . Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(o) Governing Law . This Agreement shall be governed by the laws of the State of Delaware, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

— Signature page follows —

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has hereunto set his hand as of the day and year first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

EXECUTIVE:
/s/ S.K. Reed
Sam K. Reed

On each of January 31, 2006, January 31, 2007 and January 31, 2008, one-third of the Basic Restricted Shares shall vest, provided that the Company's Total Shareholder Return for the period commencing on the fourth trading day following the Registration Date (the "**Commencement Date**") and ending on such January 31st equals or exceeds the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group (as defined below).

In addition, on each of January 31, 2007, January 31, 2008, January 31, 2009 and January 31, 2010, any Basic Restricted Shares that could have vested, but that did not vest, on any preceding January 31st shall vest on such subsequent date if the Company's Total Shareholder Return for the period from the Commencement Date through the applicable January 31st shall equal or exceed the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group.

As used herein, "**Total Shareholder Return**" shall mean the percentage return received by all shareholders of the relevant company during the applicable measurement period, including stock price appreciation and dividends, and shall be calculated as follows:

$$\frac{\text{Ending Stock Price}^{(1)} - \text{Beginning Stock Price}^{(2)} + \text{Dividend Reinvestment}^{(3)}}{\text{Beginning Stock Price}^{(2)}}$$

(1) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock for the 20 consecutive trading day period ending on the applicable January 31st (or if the applicable January 31 is not a trading date, the immediately preceding trading date).

(2) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock on the Registration Date and each of the four consecutive trading days immediately following the Registration Date.

(3) Assumes any dividends paid on the common stock of the Company or any company in the Selected Peer Group are used to purchase its common stock at the closing stock price on the date that such dividends are payable, and includes the value of such additional shares of such common stock (based on the Ending Stock Price for such common stock).

As used herein, "**Selected Peer Group**" shall mean 20 or more companies selected by the Board of Directors of the Company (or any authorized committee thereof) from

among packaged food companies whose securities are registered to trade on a U.S. national securities exchange or automated quotation system (including, but not limited to NASDAQ) (the " **Peer Companies** ") on or as soon as practicable after the Registration Date; provided that in no event shall any Ineligible Company be selected to be a member of the Selected Peer Group. An " **Ineligible Company** " shall mean any Peer Company (i) in which significant portion of its voting securities is held by another corporate entity (other than an open-ended investment company); (ii) has filed for protection under the Federal bankruptcy law or any similar law, (iii) which is not organized, based and majority-owned in the United States, (iv) is party to any agreement the consummation of which would cause such Peer Company to cease to be publicly traded (or be described in subclause (i) or (iii)), or (v) which has announced an intention to be sold or cease to be publicly traded or to take actions which would cause it to be described in subclause (i) or (iii). To the extent that any Peer Company initially selected as part of the Selected Peer Group with respect to a measurement period shall become an Ineligible Company prior to the end of such period, such company shall be excluded from the Selected Peer Group for such period. The Selected Peer Group will be reviewed annually to determine whether any of its members shall have become Ineligible Companies.

Exhibit 10.2

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this " **Agreement** "), dated as of January 27, 2005, by and between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and David B. Vermylen (the " **Executive** ").

W I T N E S S E T H :

WHEREAS, the Company's parent corporation, Dean Foods Company (" **Dean** "), intends, subject to certain conditions, to distribute the common stock, par value $.01 per share, of the Company (the " **Common Stock** ") owned by Dean to its shareholders, whereby the Company would become a stand-alone publicly traded corporation;

WHEREAS, Executive is willing to enter into this Agreement in anticipation of the Company becoming a stand-alone publicly traded corporation through the distribution of the Common Stock to Dean's shareholders;

WHEREAS, to effect such a spin-off and to position the Company to maximize its value for Dean's shareholders, it is necessary that the Company have a strong and experienced management team with a proven track record in developing and growing a company in the consumer packaged goods industry;

WHEREAS, Executive is one of several members of a management team (the " **Team** ") that possesses the skills and experience necessary to undertake the challenges of developing the Company, including through acquisitions;

WHEREAS, in light of these skills and experience, the Company desires to secure the services of Executive and the other members of the Team, and is willing to enter into this Agreement embodying the terms of the employment of Executive by the Company, which terms include one or more substantial equity-based compensation awards; and

WHEREAS, Executive is willing to accept such employment and enter into such Agreement, subject to Dean making available to Executive and to the other members of the Team the opportunity to invest in the common stock of the Company and making the undertakings regarding the governance and management of the Company set forth in the in the stockholders agreement (the " **Stockholders Agreement** ") to be entered into by the Company, Dean, Executive, other members of the Team, and certain other investors who are affiliates of the Team contemporaneously with this Agreement; and

WHEREAS, in order to give Executive and the Team the opportunity to acquire an equity interest in the Company and as an incentive for Executive to participate in the affairs of the Company, the Company is willing to sell to Executive, and Executive

desires to purchase, shares of common stock (the " **Common Stock** "), subject to the terms and conditions set forth in the Subscription Agreement (the " **Subscription Agreement** ") to be entered into contemporaneously with this Agreement and in the Stockholders Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Employment . Upon the terms and subject to the conditions of this Agreement and, unless earlier terminated as provided in Section 8, the Company hereby employs Executive and Executive hereby accepts employment by the Company for the period (i) commencing on the date hereof (the " **Commencement Date** ") and (ii) ending on the third anniversary of (A) the Commencement Date or, (B) if the Common Stock shall become registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), during the term hereof, the third anniversary of the date such registration shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (the " **Registration Date** "); provided, however, that the term of this Agreement shall automatically be extended for one additional year on the third anniversary of the Registration Date and each subsequent anniversary thereof unless not less than 90 days prior to such anniversary date either party shall give the other written notice that he or it does not want the term to extend as of such anniversary date. The period during which Executive is employed pursuant to this Agreement (including pursuant to any extension of the term hereof pursuant to the proviso in the immediately preceding sentence) shall be referred to herein as the " **Employment Period** ."

2. Position and Duties . During the Employment Period, Executive shall serve as the President and Chief Operating Officer of the Company and in such other position or positions with the Company and its majority-owned subsidiaries consistent with the foregoing position as the Board of Directors of the Company (the " **Board** ") may specify or the Company and Executive may mutually agree upon from time to time. During the Employment Period, Executive shall have the duties, responsibilities and obligations customarily assigned to individuals at comparable publicly traded companies serving in the position or positions in which Executive serves hereunder. Executive shall devote substantially all his business time to the services required of him hereunder, except for vacation time and reasonable periods of absence due to sickness, personal injury or other disability, and shall perform such services to the best of his abilities. Subject to the provisions of Section 9, nothing herein shall preclude Executive from (i) engaging in charitable activities and community affairs, (ii) managing his personal investments and affairs or (iii) serving on the board of directors or other governing body of any corporate or other business entity, so long as such service is not in violation of the covenants contained in Section 9 or the governance principles established for the Company by the Board, as in effect from time to time, provided that in no event may such activities, either

individually or in the aggregate, materially interfere with the proper performance of Executive's duties and responsibilities hereunder.

3. Place of Performance . The Company shall establish its headquarters office in Chicago, Illinois metropolitan area at which Executive shall have his principal office. Executive shall also have an office, and perform services at, the Company's offices in Green Bay, Wisconsin, on such basis as Executive deems necessary or appropriate for the performance of his duties.

4. Compensation .

(a) Base Salary . During the Employment Period, the Company shall pay Executive a base salary at the annual rate of $500,000. Beginning in 2006, the Board shall review Executive's base salary no less frequently than annually and may increase such base salary in its discretion. The amount of annual base salary payable under this Section 4(a) shall be reduced, however, to the extent Executive elects to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company or any of its subsidiaries. Executive's annual base salary payable hereunder, including any increased annual base salary, without reduction for any amounts deferred as described above, is referred to herein as " **Base Salary** ". The Company shall pay Executive the portion of his Base Salary not deferred in accordance with its standard payroll practices, but no less frequently than in equal monthly installments.

(b) Incentive Compensation . For each full calendar year during the Employment Period, Executive shall be eligible to receive an annual incentive bonus from the Company, with a target bonus opportunity of not less than 80% of his Base Salary, which will be payable, if at all, upon the achievement by Executive and/or the Company of performance objectives to be established by the Board in consultation with the Company's Chief Executive Officer and communicated to Executive during the first quarter of such year (the " **Incentive Compensation** "). Without limiting the generality of the foregoing, the actual amount payable to Executive in respect of the Incentive Compensation may be more or less than the targeted opportunity (including zero) based on the actual results against the pre-established performance objectives.

5. Stock Purchase . Substantially contemporaneously with the Commencement Date, Executive shall purchase the number of shares of Common Stock of the Company specified in the Subscription Agreement related to the purchase of such shares, to be entered into by Executive and the Company (the " **Subscription Agreement** "). The terms and conditions of such purchase shall be as set forth in the Subscription Agreement, and such shares shall be subject to the limitations and restrictions, including, without limitation, the restrictions on transfer and the put and call rights set forth in the Stockholders Agreement.

6. Public Equity Awards .

(a) Basic Restricted Stock Grant . On the fourth trading day following the Registration Date, the Company shall grant Executive an award of that number of whole restricted shares of Common Stock (the " **Basic Restricted Shares** ") as is equal to (or most closely approximates) 0.44% of the Outstanding Common Stock on the date of grant. The Basic Restricted Shares shall vest and become freely transferable in the proportions, and based upon achievement of the total shareholder return objectives, determined pursuant to Schedule A hereto, so long as Executive is continuously employed by the Company through the applicable vesting date. Any Basic Restricted Shares that have not become vested and freely transferable on or before the fifth anniversary of the grant date shall be forfeited. For purposes of this Agreement, **" Outstanding Common Stock "** shall mean the sum of (x) the number of shares Common Stock that are issued and outstanding on the Registration Date and (y) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off.

(b) Supplemental Restricted Stock Unit Grant . On the fourth trading day following the Registration Date, Executive shall be granted, automatically and without any further action on the part of the Company or the Board, an award of restricted stock units, with each such unit representing a right to receive one share of Common Stock on the terms and conditions set forth herein (the " **Supplemental Restricted Share Units** "). The number of Supplemental Restricted Share Units subject to such grant shall be equal to the quotient (rounded up to the nearest whole number) obtained by dividing (x) by (y), where (x) and (y) are:

(x) the product of (i) the excess, if any, of (A) the Initial Fair Market Value over (B) the Adjusted Per Share Purchase Price and (ii) that number of whole shares of Common Stock as is equal to (or most closely approximates) 1.32% of the Outstanding Common Stock on the date of grant; and

(y) the Initial Fair Market Value.

For purposes of this Agreement, " **Initial Fair Market Value** " shall mean the average of the closing values on the Registration Date and on each of the next four trading days immediately following the Registration Date, as reported on the principal exchange or automated quotation system on which the Common Stock is traded or reported. " **Adjusted Per Share Purchase Price** " shall mean the $5,000 purchase price per share of Common Stock, appropriately adjusted to reflect any stock split or share combination involving the Common Stock, any recapitalization of the Company, any adjustment pursuant to Section 4.3(b) of the Stockholders Agreement, or any merger, consolidation, reorganization or similar corporate event involving the Company occurring

on or after the Commencement Date and on or before the Registration Date.

The Supplemental Restricted Share Units shall vest in three equal annual installments on the first three anniversaries of the Registration Date, so long as (with respect to each installment) Executive is continuously employed by the Company through the applicable anniversary date. Notwithstanding the foregoing, no Supplemental Restricted Share Units shall become vested on any such anniversary date if, on such date, the average of the closing prices of a share of Common Stock on the principal trading market on which such shares are traded or reported for the 20 trading day period ended on such date (or, if such date is not a business day, the 20 trading day period ended on the last trading day occurring immediately prior thereto) does not exceed the Initial Fair Market Value (the " **Minimum Value Requirement** "). In the event that the Minimum Value Requirement is not satisfied on any applicable anniversary date, the Supplemental Restricted Share Units that would otherwise have vested on such anniversary date shall vest on any subsequent anniversary date or on any date after the third anniversary date (treating each such date as an anniversary date for purposes of the 20 day trading measurement period) on which both Executive is still an employee of the Company and the Minimum Value Requirement is satisfied; provided that any such Supplemental Restricted Share Units that have not become vested on or before the fifth anniversary of the grant date shall be forfeited. The shares of Common Stock corresponding to any vested Supplemental Restricted Share Units, if any, shall be distributed to Executive as soon as practicable, but not later than five (5) business days following the earlier to occur of (i) the fifth anniversary of the date of grant or (ii) the sixth month anniversary of the date Executive's employment with the Company terminates, unless the Executive elects (in a manner consistent with the applicable requirements of Section 409A of the Internal Revenue Code (the " **Code** ")) to defer the date upon which the shares of Common Stock corresponding to the vested Supplement Restricted Share Units shall be distributed.

(c) Stock Option . On the fourth trading day following the Registration Date, the Company shall automatically and without any further action on the part of the Company or the Board grant to Executive a non-qualified stock option to purchase the number of shares of Common Stock equal to the remainder of (i) the number of whole shares of Common Stock specified in Section 6(b)(x)(ii) minus (ii) the number of Supplemental Restricted Share Units awarded pursuant to Section 6(b) (the " **Option** "). The exercise price per share with respect to the Option shall be equal to the Initial Fair Market Value. The Option shall become vested and exercisable in three approximately equal annual installments on each of the first three anniversaries of the grant date of such Option, so long as Executive is continuously employed by the Company through the applicable anniversary date.

(d) Stock Incentive Plan . Each of the Basic Restricted Shares, the Supplemental Restricted Shares and the Option shall be granted pursuant to a stock incentive plan (the " **Incentive Plan** ") to be adopted by the Company prior to the Registration Date that will authorize for issuance thereunder at least (i) 13% of the

Outstanding Common Stock plus (ii) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off as provided in the Stockholders Agreement. Such Incentive Plan shall have terms and conditions which will permit the issuance of the awards to the Executive specified in this Section 6 and shall not contain any other term or condition that has an adverse effect on any award to be made to Executive pursuant to this Section 6.

(e) Award Agreements . Each of the Basic Restricted Shares, Supplemental Restricted Shares and the Option shall be subject to an award agreement having the terms and conditions specified in the preceding subparagraphs of this Section 6 and otherwise consistent with the terms and conditions of the Incentive Plan. Each such agreement shall provide for full vesting of such awards upon a Change of Control and shall provide that Executive shall have the right to elect that any applicable tax withholding requirements with respect to the vesting, exercise or distribution of Common Stock be satisfied by having the Company withhold shares of Common Stock subject to such award having a value equal to the minimum required applicable tax withholding, and that Executive may exercise the Option using previously owned shares of Common Stock, including Basic Restricted Shares that are still subject to forfeiture, provided that that number of shares deliverable upon exercise of the Option that corresponds to the number of unvested Basic Restricted Shares surrendered will be subject to the same forfeiture provisions and restrictions on transfer as the Basic Restricted Shares surrendered to exercise such Option, in whole or in part.

(f) Capital Adjustments . Notwithstanding anything to the contrary contained in Section 5 or this Section 6, the exercise price of, and the number of Shares subject to, the Option, the number of Units subject to the Supplemental Restricted Share Units, and the Minimum Value Requirement shall be appropriately adjusted, by the Board in its sole discretion, to reflect any extraordinary dividend, any dividend payable in shares of capital stock, any stock split or share combination involving the Common Stock, any recapitalization of the Company, any merger, consolidation, reorganization or similar corporate event involving the Company occurring after the Registration Date.

(g) Impact on Future Grants . Unless following the Registration Date the Board shall determine that special circumstances warrant the grant of such additional awards as it or any duly authorized committee thereof shall, in its sole discretion, determine, it is the intent and expectation of the parties that Executive will not receive any further grants of equity-based compensation prior to the third anniversary of the Commencement Date. Following such third anniversary, Executive shall be eligible to receive equity-based compensation awards in accordance the Company’s generally applicable compensation practices, as then in effect.

7. Benefits, Perquisites and Expenses .

(a) Benefits . During the Employment Period, Executive shall be eligible to participate in (i) each welfare benefit plan sponsored or maintained by the Company for its senior executive officers, including, without limitation, each group life, hospitalization, medical, dental, health, accident or disability insurance or similar plan or program of the Company, and (ii) each pension, profit sharing, retirement, deferred compensation or savings plan sponsored or maintained by the Company for its senior executive officers, in each case, whether now existing or established hereafter, in accordance with the generally applicable provisions thereof, as the same may be amended from time to time.

(b) Perquisites . During the Employment Period, Executive shall be entitled to receive such perquisites as are generally provided to other senior executive officers of the Company in accordance with the then current policies and practices of the Company.

(c) Business Expenses . During the Employment Period, the Company shall pay or reimburse Executive for all reasonable expenses incurred or paid by Executive in the performance of Executive's duties hereunder, upon presentation of expense statements or vouchers and such other information as the Company may require and in accordance with the generally applicable policies and procedures of the Company.

(d) Indemnification . The Company agrees that if Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " **Proceeding** "), by reason of the fact that he is or was a director, officer or employee of the Company or any subsidiary or affiliate thereof, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including, in each case, service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or by-laws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. If Executive serves as a director, officer, member, partner, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including, in each case, service with respect to employee benefit plans) which is a subsidiary or affiliate of the Company, it shall be presumed for purposes of this Section 7(d) that Executive serves or served in such capacity at the request of the

Company. The Company shall advance to Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 30 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses. The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering Executive to the extent the Company provides such coverage for its other executive officers or directors.

8. Termination of Employment .

(a) Early Termination of the Employment Period . Notwithstanding Section 1, the Employment Period shall end upon the earliest to occur of (i) a termination of Executive's employment on account of Executive's death, (ii) a Termination due to Disability, (iii) a Termination for Cause, (iv) a Termination Without Cause, (v) a Termination for Good Reason, (vi) a Termination due to Retirement or (vii) a Voluntary Termination.

(b) Termination Due to Death or Disability . In the event that Executive's employment hereunder terminates due to his death or as a result of a Termination due to Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(e). For purposes of this Agreement, " **Termination due to Disability** " means a termination of Executive's employment upon written notice from the Company because Executive has been incapable, regardless of any reasonable accommodation by the Company, of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than (i) four consecutive months or (ii) an aggregate of six months in any twelve month period. Any question as to the existence or extent of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

(c) Termination by the Company . The Company may terminate Executive's employment with the Company with or without Cause; provided that prior to the Registration Date, the Company may only terminate Executive's employment hereunder for Cause. " **Termination for Cause** " means a termination of Executive's employment

by the Company due to Cause. " **Cause** " means (i) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, (ii) Executive's gross neglect or willful and intentional gross misconduct in the performance of, or willful, substantial and continual refusal by Executive in breach of this Agreement to perform, the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, (iii) a TreeHouse Default (as defined in the Stockholders Agreement), (i v) any material breach by Executive of Section 9 of this Agreement or (v) a material breach by Executive of the Code of Ethics applicable to the Company's employees, as in effect from time to time; provided, however, that no act or omission shall constitute "Cause" for purposes of this Agreement unless the Board provides Executive, within 90 days of the Board learning of such act or acts or failure or failures to act, (A) written notice of the intention to terminate him for Cause, which notice states in detail clearly and fully the particular act or acts or failure or failures to act that constitute the grounds on which the Board reasonably believes in good faith constitutes "Cause", and (B) an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board to explain or defend the alleged act or acts or failure or failures to act relied upon by the Board and, to the extent such cure is possible, to cure such act or acts or failure or failures to act. If such conduct is cured to the reasonable satisfaction of the Board, such notice of termination shall be revoked. Further, no act or acts or failure or failures to act shall be considered "willful" or "intentional" if taken in good faith and Executive reasonably believed such act or acts or failure or failures to act were in the best interests of the Company.

(d) Termination by Executive . Executive may terminate his employment with the Company for Good Reason, for Retirement or in a Voluntary Termination. A " **Termination for Good Reason** " by Executive means a termination of Executive's employment by Executive within 90 days following (i) a reduction in Executive's annual Base Salary or target Incentive Compensation opportunity, (ii) the failure to elect or reelect Executive to any of the positions described in Section 2 above or the removal of him from any such position, (iii) a material reduction in Executive's duties and responsibilities or the assignment to Executive of duties and responsibilities which are materially inconsistent with his duties or which materially impair Executive's ability to function in the position specified in Section 2, (iv) a material breach of any material provision of this Agreement by the Company, (v) the earlier of (x) October 31, 2005 (or such later date as the Company and Executive (or Executive's agent appointed pursuant to the Stockholders Agreement) shall agree) and (y) the Early Termination Date (as defined in the Stockholders Agreement), if the Registration Date has not occurred on or before such earlier date other than as a result of a TreeHouse Default; (vi) any material breach by the Company or Dean of the Stockholders Agreement; (vii) any material breach by the Company of any of the award agreements referenced in Section 6(e); or (viii) the failure by the Company to obtain the assumption agreement referred to in Section 10(b) of this Agreement prior to the effectiveness of any succession referred to therein, unless the purchaser, successor or assignee referred to therein is bound to perform this Agreement by operation of law. Notwithstanding the foregoing, a

termination shall not be treated as a Termination for Good Reason (i) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of Termination for Good Reason (or non-occurrence of the event described in clause (v) of this definition) or (ii) unless Executive shall have delivered a written notice to the Board within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 10 days of the receipt of such notice. A " **Termination due to Retirement** " means Executive's voluntary termination of employment after having (i) completed at least five (5) years of service with the Company and (ii) the sum of the Executive's attained age and length of service with the Company is at least 62 (or such lower number as the Board shall permit). A " **Voluntary Termination** " shall mean a termination of employment by Executive that is not a Termination for Good Reason, a Termination due to Retirement or a Termination due to Disability, and which occurs after the Registration Date and on 90th day after Executive shall have given the Company written notice of his intent to terminate his employment (or as of such later date as Executive shall specify in such notice).

(e) Payments and Benefits Upon Certain Terminations .

(i) In the event of the termination of Executive's employment for any reason (including a voluntary termination of employment by Executive which is not a Termination for Good Reason), Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid and the Vested Benefits.

(ii) Except as provided in Section 8(e)(iii), in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason, Executive shall receive the Basic Payment.

(iii) In lieu of the Basic Payment, in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason within the 24 month period immediately following a Change of Control, Executive shall receive the Special Payment.

(iv) In the event that Executive's employment terminates (A) due to his death, a Termination due to Disability or a Termination due to Retirement, in any such case, after the Registration Date, or (B) due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and at a time at which Sam Reed is not acting in the capacity of the Company's Chief Executive Officer, (x) any portion of the Option that has not become vested and exercisable prior to such termination of employment shall become vested and exercisable and, to the extent not earlier exercised, the Option shall remain exercisable until the second anniversary of such termination or, if earlier, the expiration of its term, and (y) any Basic Restricted Shares and Supplemental Restricted Shares outstanding on such date of termination shall continue to vest, if at

all, in accordance with their terms on the same terms and conditions that would have applied if Executive's employment hereunder had not been terminated.

(v) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, (A) in addition to any portion of the Option that at such time is vested and exercisable in the ordinary course, upon such termination, the following additional portion of the Option shall become vested and exercisable: (x) the portion of the Option, if any, that would have become vested and exercisable on the next following anniversary of the Option grant date had Executive continued to have been employed plus (y) the portion of the Option, if any, that would become vested on the second following anniversary of the Option grant date had Executive continued to have been employed times a fraction (the " **Pro-Ration Fraction** "), the numerator of which is the number of days Executive was employed since the last anniversary of such grant date through (and including) the termination date and the denominator of which is 365, and (B) any portion of the Option that is vested and exercisable on the termination date (including the portion thereof that vests and becomes exercisable on such date pursuant to subclause (A)) shall be and remain exercisable (unless earlier exercised) until the second anniversary of the termination date.

(vi) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, in addition to any portion thereof that became vested in the ordinary course prior to the date of such termination, the following additional portion of the Basic Restricted Shares and Supplemental Restricted Share Units may continue to vest in accordance with its terms on the same basis as would have applied had Executive's employment not terminated: (x) any portion of the Basic Restricted Share award and the Supplemental Restricted Share Units award that had not become vested as of the termination date solely because the performance criteria applicable thereto had not yet been satisfied (i.e ., any portion thereof as to which the service requirements has been satisfied at the date Executive's employment terminated), (y) the portion of each such award that could become vested on the next following anniversary of the date on which it was granted had Executive continued to have been employed and (z) the portion of each such award, if any, that could become vested on the second following anniversary of the grant date of such award had Executive continued to have been employed, multiplied by the Pro-Ration Fraction.

(vii) In the event of a Termination due to Disability, a Termination Without Cause or a Termination for Good Reason, Executive shall be entitled to continued participation in all medical, dental, hospitalization and life insurance

coverage and in other employee benefit plans or programs in which he was participating on the date of the termination of his employment until the earlier of (A) the second anniversary (or, in the event Executive receives the Special Payment, the third anniversary) of his termination of employment and (B) the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage, or benefit-by-benefit basis); provided that if Executive is precluded from continuing his participation in any employee plan or program as provided in this Section 8(e)(iv), he shall be provided with the economic equivalent of the benefits provided under the plan or program in which he is unable to participate.

(viii) Certain Definitions . For purposes of this Section 8, capitalized terms have the following meanings.

" **Basic Payment** " means an amount equal to two times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Change of Control** " means the occurrence of any of the following events following the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off: (a) any "person" (as such term is used in Section 13(d) of the Exchange Act, but specifically excluding the Company, any wholly-owned subsidiary of the Company and/or any employee benefit plan maintained by the Company or any wholly-owned subsidiary of the Company) becomes the "beneficial owner" (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (b) individuals who currently serve on the Board, or whose election to the Board or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the directors who either currently serve on the Board, or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (c) the Company or any subsidiary of the Company shall merge with or consolidate into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding immediately thereafter securities representing more than sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity (or its ultimate parent, if applicable) outstanding immediately after such merger or consolidation; or (d) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or such a plan is commenced.

" **Date of Termination** " means (i) if Executive's employment is terminated by his death, the date of his death, and (ii) if Executive's employment is terminated for any other reason, the date specified in a notice of termination delivered to Executive by the Company (or if no such date is specified, the date such notice is delivered).

" **Earned Compensation** " means the sum of (a) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date on which the Employment Period ends pursuant to Section 8(a), (b) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the Employment Period ends that has not been paid on or prior to the date the Employment Period ends (other than (x) Base Salary and (y) Incentive Compensation deferred pursuant to Executive's election), (c) any accrued but unused vacation days and (d) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.

" **Special Payment** " means an amount equal to three times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Target Incentive Compensation** " means with respect to any calendar year the annual Incentive Compensation Executive would have been entitled to receive under Section 4(b) for such calendar year had he remained employed by the Company for the entire calendar year and assuming that all targets for such calendar year had been met.

" **Vested Benefits** " means amounts which are vested or which Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries, at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

(f) Resignation upon Termination . Effective as of any Date of Termination under this Section 8, Executive shall resign, in writing, from all positions then held by him with the Company and its affiliates.

(g) Timing of Payments . Earned Compensation, the Basic Payment and the Special Payment shall be paid in a single lump sum as soon as practicable, but in no event more than 15 days, following the end of the Employment Period. Vested Benefits shall be payable in accordance with the terms of the plan, policy, practice, program, contract or agreement under which such benefits have accrued.

(h) Payment Following a Change of Control . If the aggregate of all payments or benefits made or provided to Executive with respect to any of the equity compensation provided under Section 5 or Section 6, under Section 8(e)(iii)(A), if applicable, and under all other plans and programs of the Company (the " **Aggregate Payment** ") is determined to constitute a Parachute Payment, as such term is defined in Section 280G(b)(2) of the Code, the Company shall pay to Executive, prior to the time any excise tax imposed by Section 4999 of the Code (the " **Excise Tax** ") is payable with respect to such Aggregate Payment, an additional amount which, after the imposition of all income, employment and excise taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to Executive and the time of payment pursuant to this Section 8(h) shall be made by the Company's independent auditor or, if such independent auditor is unwilling or unable to serve in this capacity, such other nationally recognized accounting firm selected by the Company with the consent of the person serving as the Chief Executive Officer of the Company immediately prior to the Change of Control, which consent shall not be unreasonably withheld (the " **Auditor** ").

(i) Full Discharge of Company Obligations . The amounts payable to Executive pursuant to this Section 8 following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Agreement and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Agreement or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are in excess of the Earned Compensation and the Vested Benefits, following the Date of Termination and if requested by the Company, Executive shall execute a release in favor of the Company in the form approved by the Company.

(j) No Mitigation; No Offset . In the event of any termination of employment under this Section 8, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain except as specifically provided with regard to the continuation of benefits in Section 8(e)(v).

9. Noncompetition and Confidentiality .

(a) Noncompetition . During the Employment Period and, in the event that Executive's employment is terminated for any reason other than death, a Termination Without Cause or a Termination for Good Reason, for a period of 12 months following

the Date of Termination (the " **Post-Termination Period** "), Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of not in excess of 1% of the outstanding voting shares of any publicly traded company), that is actively engaged in any geographic area in any business which is in competition with a business conducted by the Company at the time of the alleged competition and, in the case of the Post-Termination Period, at the Date of Termination.

(b) Confidentiality . Without the prior written consent of the Company, except (i) in the course of carrying out his duties hereunder or (ii) to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency, Executive shall not disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its subsidiaries or information designated as confidential or proprietary that the Company or any of its subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its subsidiaries (collectively, " **Confidential Information** ") to any third person unless such Confidential Information has been previously disclosed to the public by the Company or has otherwise become available to the public (other than by reason of Executive's breach of this Section 9(b)).

(c) Company Property . Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.

(d) Non-Solicitation of Employees . During the Employment Period and during the one year period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least 6 months.

(e) Injunctive Relief with Respect to Covenants . Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, nonsolicitation, confidentiality and Company property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate

remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations contained in this Section 9. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

10. Miscellaneous .

(a) Survival . Sections 7(d) (relating to the Company's obligation to indemnify Executive), 8 (relating to early termination), 9 (relating to noncompetition, nonsolicitation and confidentiality) and 10(o) (relating to governing law) shall survive the termination hereof, whether such termination shall be by expiration of the Employment Period or an early termination pursuant to Section 8 hereof.

(b) Binding Effect . This Agreement shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets as described in the preceding sentence, it shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries as provided in Section 10(d).

(c) Assignment . Except as provided under Section 10(b), neither this Agreement nor any of the rights or obligations hereunder shall be assigned or delegated by any party hereto without the prior written consent of the other party.

(d) Beneficiaries/References . Executive shall be entitled, to the extent permitted under any applicable law and the terms of any applicable plan, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(e) Resolution of Disputes . Any disputes arising under or in connection with this Agreement shall, at the election of Executive or the Company, be resolved by binding arbitration, to be held in Chicago, Illinois in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the

arbitration shall be borne by the Company. Unless the arbitrator determines that Executive did not have a reasonable basis for asserting his position with respect to the dispute in question, the Company shall also reimburse Executive for his reasonable attorneys' fees incurred with respect to any arbitration. Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due Executive under this Agreement and all benefits to which Executive is entitled at the time the dispute arises (other than the amounts which are the subject of such dispute).

(f) Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein. No amendment to this Agreement shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein. Executive acknowledges that he is entering into this Agreement of his own free will and accord, and with no duress, that he has been represented and fully advised by competent counsel in entering into this Agreement, that he has read this Agreement and that he understands it and its legal consequences.

(g) Representations . Executive represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the full corporate power and authority to execute and deliver this Agreement. The Company has taken all action required by law, the Certificate of Incorporation, its By-Laws or otherwise required to be taken by it to authorize the execution, delivery and performance by it of this Agreement. This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(h) Severability; Reformation . In the event that one or more of the provisions of this Agreement shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Section 9(a), (b) or (d) is not enforceable in accordance with its terms, Executive and the Company agree that such Section shall be reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.

(i) Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(j) Notices . Any notice required or desired to be delivered under this Agreement shall be in writing and shall be delivered personally, by courier service, by registered mail, return receipt requested, or by telecopy and shall be effective upon actual receipt when delivered or sent by telecopy and upon mailing when sent by registered mail, and shall be addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, Wisconsin 54307
Attention: General Counsel
Telecopy No.: (920) 497-4604

prior to the Registration Date, with a copy to:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Attention: General Counsel
Telecopy No.: (214) 303-3413

If to Executive:

1227 W. Kajer Lane
Lake Forest, Illinois 60045

with a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, Illinois 60601
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(k) Amendments . This Agreement may not be altered, modified or amended except by a written instrument signed by each of the parties hereto.

(l) Headings . Headings to Sections in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(m) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(n) Withholding . Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(o) Governing Law . This Agreement shall be governed by the laws of the State of Delaware, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

— Signature page follows —

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has hereunto set his hand as of the day and year first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

EXECUTIVE:
/s/ D. Vermylen
David B. Vermylen

On each of January 31, 2006, January 31, 2007 and January 31, 2008, one-third of the Basic Restricted Shares shall vest, provided that the Company's Total Shareholder Return for the period commencing on the fourth trading day following the Registration Date (the "**Commencement Date**") and ending on such January 31st equals or exceeds the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group (as defined below).

In addition, on each of January 31, 2007, January 31, 2008, January 31, 2009 and January 31, 2010, any Basic Restricted Shares that could have vested, but that did not vest, on any preceding January 31st shall vest on such subsequent date if the Company's Total Shareholder Return for the period from the Commencement Date through the applicable January 31st shall equal or exceed the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group.

As used herein, "**Total Shareholder Return**" shall mean the percentage return received by all shareholders of the relevant company during the applicable measurement period, including stock price appreciation and dividends, and shall be calculated as follows:

$$\frac{\text{Ending Stock Price}^{(1)} - \text{Beginning Stock Price}^{(2)} + \text{Dividend Reinvestment}^{(3)}}{\text{Beginning Stock Price}^{(2)}}$$

(1) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock for the 20 consecutive trading day period ending on the applicable January 31st (or if the applicable January 31 is not a trading date, the immediately preceding trading date).

(2) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock on the Registration Date and each of the four consecutive trading days immediately following the Registration Date.

(3) Assumes any dividends paid on the common stock of the Company or any company in the Selected Peer Group are used to purchase its common stock at the closing stock price on the date that such dividends are payable, and includes the value of such additional shares of such common stock (based on the Ending Stock Price for such common stock).

As used herein, "**Selected Peer Group**" shall mean 20 or more companies selected by the Board of Directors of the Company (or any authorized committee thereof) from

among packaged food companies whose securities are registered to trade on a U.S. national securities exchange or automated quotation system (including, but not limited to NASDAQ) (the " **Peer Companies** ") on or as soon as practicable after the Registration Date; provided that in no event shall any Ineligible Company be selected to be a member of the Selected Peer Group. An " **Ineligible Company** " shall mean any Peer Company (i) in which significant portion of its voting securities is held by another corporate entity (other than an open-ended investment company); (ii) has filed for protection under the Federal bankruptcy law or any similar law, (iii) which is not organized, based and majority-owned in the United States, (iv) is party to any agreement the consummation of which would cause such Peer Company to cease to be publicly traded (or be described in subclause (i) or (iii)), or (v) which has announced an intention to be sold or cease to be publicly traded or to take actions which would cause it to be described in subclause (i) or (iii). To the extent that any Peer Company initially selected as part of the Selected Peer Group with respect to a measurement period shall become an Ineligible Company prior to the end of such period, such company shall be excluded from the Selected Peer Group for such period. The Selected Peer Group will be reviewed annually to determine whether any of its members shall have become Ineligible Companies.

Exhibit 10.3

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this " **Agreement** "), dated as of January 27, 2005, by and between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and E. Nichol McCully (the " **Executive** ").

W I T N E S S E T H :

WHEREAS, the Company's parent corporation, Dean Foods Company (" **Dean** "), intends, subject to certain conditions, to distribute the common stock, par value $.01 per share, of the Company (the " **Common Stock** ") owned by Dean to its shareholders, whereby the Company would become a stand-alone publicly traded corporation;

WHEREAS, Executive is willing to enter into this Agreement in anticipation of the Company becoming a stand-alone publicly traded corporation through the distribution of the Common Stock to Dean's shareholders;

WHEREAS, to effect such a spin-off and to position the Company to maximize its value for Dean's shareholders, it is necessary that the Company have a strong and experienced management team with a proven track record in developing and growing a company in the consumer packaged goods industry;

WHEREAS, Executive is one of several members of a management team (the " **Team** ") that possesses the skills and experience necessary to undertake the challenges of developing the Company, including through acquisitions;

WHEREAS, in light of these skills and experience, the Company desires to secure the services of Executive and the other members of the Team, and is willing to enter into this Agreement embodying the terms of the employment of Executive by the Company, which terms include one or more substantial equity-based compensation awards; and

WHEREAS, Executive is willing to accept such employment and enter into such Agreement, subject to Dean making available to Executive and to the other members of the Team the opportunity to invest in the common stock of the Company and making the undertakings regarding the governance and management of the Company set forth in the in the stockholders agreement (the " **Stockholders Agreement** ") to be entered into by the Company, Dean, Executive, other members of the Team, and certain other investors who are affiliates of the Team contemporaneously with this Agreement; and

WHEREAS, in order to give Executive and the Team the opportunity to acquire an equity interest in the Company and as an incentive for Executive to participate in the affairs of the Company, the Company is willing to sell to Executive, and Executive

desires to purchase, shares of common stock (the " **Common Stock** "), subject to the terms and conditions set forth in the Subscription Agreement (the " **Subscription Agreement** ") to be entered into contemporaneously with this Agreement and in the Stockholders Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Employment . Upon the terms and subject to the conditions of this Agreement and, unless earlier terminated as provided in Section 8, the Company hereby employs Executive and Executive hereby accepts employment by the Company for the period (i) commencing on the date hereof (the " **Commencement Date** ") and (ii) ending on the third anniversary of (A) the Commencement Date or, (B) if the Common Stock shall become registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), during the term hereof, the third anniversary of the date of such registration shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (the " **Registration Date** "); provided, however, that the term of this Agreement shall automatically be extended for one additional year on the third anniversary of the Registration Date and each subsequent anniversary thereof unless not less than 90 days prior to such anniversary date either party shall give the other written notice that he or it does not want the term to extend as of such anniversary date. The period during which Executive is employed pursuant to this Agreement (including pursuant to any extension of the term hereof pursuant to the proviso in the immediately preceding sentence) shall be referred to herein as the " **Employment Period** ."

2. Position and Duties . Executive shall serve as a Senior Vice President and the Chief Financial Officer of the Company until the first anniversary of the Commencement Date or such later date as shall be mutually agreed by the parties (the " **CFO Period** "), and shall serve as the Vice President of Strategic Planning and Business Development for the remainder of the Employment Period. Executive shall also serve in such other position or positions with the Company and its majority-owned subsidiaries consistent with the foregoing position as the Board of Directors of the Company (the " **Board** ") may specify or the Company and Executive may mutually agree upon from time to time. During the Employment Period, Executive shall have the duties, responsibilities and obligations customarily assigned to individuals at comparable publicly traded companies serving in the position or positions in which Executive serves hereunder. Executive shall devote substantially all his business time to the services required of him hereunder, except for vacation time and reasonable periods of absence due to sickness, personal injury or other disability, and shall perform such services to the best of his abilities. Subject to the provisions of Section 9, nothing herein shall preclude Executive from (i) engaging in charitable activities and community affairs, (ii) managing his personal investments and affairs or (iii) serving on the board of directors or other governing body

of any corporate or other business entity, so long as such service is not in violation of the covenants contained in Section 9 or the governance principles established for the Company by the Board, as in effect from time to time, provided that in no event may such activities, either individually or in the aggregate, materially interfere with the proper performance of Executive's duties and responsibilities hereunder.

3. Place of Performance . The Company shall establish its headquarters office in Chicago, Illinois metropolitan area at which Executive shall perform services on such basis as Executive deems necessary or appropriate for the performance of his duties. Executive shall also have perform services at the Company's offices in Green Bay, Wisconsin, on such basis as Executive deems necessary or appropriate for the performance of his duties.

4. Compensation .

(a) Base Salary . During the CFO Period, the Company shall pay Executive a base salary at the annual rate of $400,000. Following the CFO Period, the Company shall reduce Executive's base salary in good faith in an amount commensurate with the reduction of his responsibilities hereunder. Beginning in 2006, the Board shall review Executive's base salary no less frequently than annually and may increase such base salary in its discretion. The amount of annual base salary payable under this Section 4(a) shall be reduced, however, to the extent Executive elects to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company or any of its subsidiaries. Executive's annual base salary payable hereunder, including any increases or decreases thereto, without reduction for any amounts deferred as described above, is referred to herein as " **Base Salary** ". The Company shall pay Executive the portion of his Base Salary not deferred in accordance with its standard payroll practices, but no less frequently than in equal monthly installments.

(b) Incentive Compensation . For each full calendar year during the Employment Period, Executive shall be eligible to receive an annual incentive bonus from the Company, with a target bonus opportunity of not less than 60% of his Base Salary, which will be payable, if at all, upon the achievement by Executive and/or the Company of performance objectives to be established by the Board in consultation with the Company's Chief Executive Officer and communicated to Executive during the first quarter of such year (the " **Incentive Compensation** "). Without limiting the generality of the foregoing, the actual amount payable to Executive in respect of the Incentive Compensation may be more or less than the targeted opportunity (including zero) based on the actual results against the pre-established performance objectives.

5. Stock Purchase . Substantially contemporaneously with the Commencement Date, Executive shall purchase the number of shares of Common Stock of the Company specified in the Subscription Agreement related to the purchase of such shares, to be entered into by Executive and the Company (the " **Subscription Agreement** "). The

terms and conditions of such purchase shall be as set forth in the Subscription Agreement, and such shares shall be subject to the limitations and restrictions, including, without limitation, the restrictions on transfer and the put and call rights set forth in the Stockholders Agreement.

6. Public Equity Awards.

(a) Basic Restricted Stock Grant . On the fourth trading day following the Registration Date, the Company shall grant Executive an award of that number of whole restricted shares of Common Stock (the " **Basic Restricted Shares** ") as is equal to (or most closely approximates) 0.30% of the Outstanding Common Stock on the date of grant. The Basic Restricted Shares shall vest and become freely transferable in the proportions, and based upon achievement of the total shareholder return objectives, determined pursuant to Schedule A hereto, so long as Executive is continuously employed by the Company through the applicable vesting date. Any Basic Restricted Shares that have not become vested and freely transferable on or before the fifth anniversary of the grant date shall be forfeited. For purposes of this Agreement, **" Outstanding Common Stock "** shall mean the sum of (x) the number of shares Common Stock that are issued and outstanding on the Registration Date and (y) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off.

(b) Supplemental Restricted Stock Unit Grant . On the fourth trading day following the Registration Date, Executive shall be granted, automatically and without any further action on the part of the Company or the Board, an award of restricted stock units, with each such unit representing a right to receive one share of Common Stock on the terms and conditions set forth herein (the " **Supplemental Restricted Share Units** "). The number of Supplemental Restricted Share Units subject to such grant shall be equal to the quotient (rounded up to the nearest whole number) obtained by dividing (x) by (y), where (x) and (y) are:

(x) the product of (i) the excess, if any, of (A) the Initial Fair Market Value over (B) the Adjusted Per Share Purchase Price and (ii) that number of whole shares of Common Stock as is equal to (or most closely approximates) 0.60% of the Outstanding Common Stock on the date of grant; and

(y) the Initial Fair Market Value.

For purposes of this Agreement, " **Initial Fair Market Value** " shall mean the average of the closing values on the Registration Date and on each of the next four trading days immediately following the Registration Date, as reported on the principal exchange or automated quotation system on which the Common Stock is traded or

reported. " **Adjusted Per Share Purchase Price** " shall mean the $5,000 purchase price per share of Common Stock, appropriately adjusted to reflect any stock split or share combination involving the Common Stock, any recapitalization of the Company, any adjustment pursuant to Section 4.3(b) of the Stockholders Agreement, or any merger, consolidation, reorganization or similar corporate event involving the Company occurring on or after the Commencement Date and on or before the Registration Date.

Except as otherwise provided in this Agreement, 50% of the Supplemental Restricted Share Units shall vest on the first anniversary of the Registration Date so long as Executive is continuously employed by the Company through the first anniversary of the Commencement Date, and 25% of the Supplemental Share Units shall vest on the second and third anniversaries of the Registration Date so long as Executive is continuously employed by the Company through such second and third anniversaries. Notwithstanding the foregoing, no Supplemental Restricted Share Units shall become vested on any such anniversary date if, on such date, the average of the closing prices of a share of Common Stock on the principal trading market on which such shares are traded or reported for the 20 trading day period ended on such date (or, if such date is not a business day, the 20 trading day period ended on the last trading day occurring immediately prior thereto) does not exceed the Initial Fair Market Value (the " **Minimum Value Requirement** "). In the event that the Minimum Value Requirement is not satisfied on any applicable anniversary date, the Supplemental Restricted Share Units that would otherwise have vested on such anniversary date shall vest on any subsequent anniversary date or on any date after the third anniversary date (treating each such date as an anniversary date for purposes of the 20 day trading measurement period) on which both Executive is still an employee of the Company (except with respect to the first installment) and the Minimum Value Requirement is satisfied; provided that any such Supplemental Restricted Share Units that have not become vested on or before the fifth anniversary of the grant date shall be forfeited. The shares of Common Stock corresponding to any vested Supplemental Restricted Share Units, if any, shall be distributed to Executive as soon as practicable, but not later than five (5) business days following the earlier to occur of (i) the fifth anniversary of the date of grant or (ii) the sixth month anniversary of the date Executive's employment with the Company terminates, unless the Executive elects (in a manner consistent with the applicable requirements of Section 409A of the Internal Revenue Code (the " **Code** ")) to defer the date upon which the shares of Common Stock corresponding to the vested Supplement Restricted Share Units shall be distributed.

(c) Stock Option . On the fourth trading day following the Registration Date, the Company shall automatically and without any further action on the part of the Company or the Board grant to Executive a non-qualified stock option to purchase the number of shares of Common Stock equal to the remainder of (i) the number of whole shares of Common Stock specified in Section 6(b)(x)(ii) minus (ii) the number of Supplemental Restricted Share Units awarded pursuant to Section 6(b) (the " **Option** "). The exercise price per share with respect to the Option shall be equal to the Initial Fair

Market Value. The Option shall become vested and exercisable in three installments, the first of which shall be equal to 50% of the number of shares covered by the Option and the second and third of which shall each be 25% of such number of shares. The first installment shall become vested and exercisable on the first anniversary of the Commencement Date and the second and third installments shall become vested and exercisable on each of the second and third anniversaries of the grant date of such Option, so long as Executive is continuously employed by the Company through the applicable anniversary date.

(d) Stock Incentive Plan . Each of the Basic Restricted Shares, the Supplemental Restricted Shares and the Option shall be granted pursuant to a stock incentive plan (the " **Incentive Plan** ") to be adopted by the Company prior to the Registration Date that will authorize for issuance thereunder at least (i) 13% of the Outstanding Common Stock plus (ii) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off as provided in the Stockholders Agreement. Such Incentive Plan shall have terms and conditions which will permit the issuance of the awards to the Executive specified in this Section 6 and shall not contain any other term or condition that has an adverse effect on any award to be made to Executive pursuant to this Section 6.

(e) Award Agreements . Each of the Basic Restricted Shares, Supplemental Restricted Shares and the Option shall be subject to an award agreement having the terms and conditions specified in the preceding subparagraphs of this Section 6 and otherwise consistent with the terms and conditions of the Incentive Plan. Each such agreement shall provide for full vesting of such awards upon a Change of Control and shall provide that Executive shall have the right to elect that any applicable tax withholding requirements with respect to the vesting, exercise or distribution of Common Stock be satisfied by having the Company withhold shares of Common Stock subject to such award having a value equal to the minimum required applicable tax withholding, and that Executive may exercise the Option using previously owned shares of Common Stock, including Basic Restricted Shares that are still subject to forfeiture, provided that that number of shares deliverable upon exercise of the Option that corresponds to the number of unvested Basic Restricted Shares surrendered will be subject to the same forfeiture provisions and restrictions on transfer as the Basic Restricted Shares surrendered to exercise such Option, in whole or in part. In addition, the Option award agreement shall provide that so long as Executive remains continuously employed by the Company through the first anniversary of the Commencement Date, the first installment of such Option shall remain exercisable for the remainder of the term of such Option.

(f) Capital Adjustments . Notwithstanding anything to the contrary contained in Section 5 or this Section 6, the exercise price of, and the number of Shares subject to, the Option, the number of Units subject to the Supplemental Restricted Share Units, and

the Minimum Value Requirement shall be appropriately adjusted, by the Board in its sole discretion, to reflect any extraordinary dividend, any dividend payable in shares of capital stock, any stock split or share combination involving the Common Stock, any recapitalization of the Company, any merger, consolidation, reorganization or similar corporate event involving the Company occurring after the Registration Date.

(g) Impact on Future Grants . Unless following the Registration Date the Board shall determine that special circumstances warrant the grant of such additional awards as it or any duly authorized committee thereof shall, in its sole discretion, determine, it is the intent and expectation of the parties that Executive will not receive any further grants of equity-based compensation prior to the third anniversary of the Commencement Date. Following such third anniversary, Executive shall be eligible to receive equity-based compensation awards in accordance the Company's generally applicable compensation practices, as then in effect.

7. Benefits, Perquisites and Expenses .

(a) Benefits . During the Employment Period, Executive shall be eligible to participate in (i) each welfare benefit plan sponsored or maintained by the Company for its senior executive officers, including, without limitation, each group life, hospitalization, medical, dental, health, accident or disability insurance or similar plan or program of the Company, and (ii) each pension, profit sharing, retirement, deferred compensation or savings plan sponsored or maintained by the Company for its senior executive officers, in each case, whether now existing or established hereafter, in accordance with the generally applicable provisions thereof, as the same may be amended from time to time.

(b) Perquisites . During the Employment Period, Executive shall be entitled to receive such perquisites as are generally provided to other senior executive officers of the Company in accordance with the then current policies and practices of the Company.

(c) Business Expenses . During the Employment Period, the Company shall pay or reimburse Executive for all reasonable expenses incurred or paid by Executive in the performance of Executive's duties hereunder, upon presentation of expense statements or vouchers and such other information as the Company may require and in accordance with the generally applicable policies and procedures of the Company.

(d) Indemnification . The Company agrees that if Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " **Proceeding** "), by reason of the fact that he is or was a director, officer or employee of the Company or any subsidiary or affiliate thereof, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including, in each case, service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official

capacity while serving as a director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or by-laws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. If Executive serves as a director, officer, member, partner, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including, in each case, service with respect to employee benefit plans) which is a subsidiary or affiliate of the Company, it shall be presumed for purposes of this Section 7(d) that Executive serves or served in such capacity at the request of the Company. The Company shall advance to Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 30 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses. The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering Executive to the extent the Company provides such coverage for its other executive officers or directors.

8. Termination of Employment .

(a) Early Termination of the Employment Period . Notwithstanding Section 1, the Employment Period shall end upon the earliest to occur of (i) a termination of Executive's employment on account of Executive's death, (ii) a Termination due to Disability, (iii) a Termination for Cause, (iv) a Termination Without Cause, (v) a Termination for Good Reason, (vi) a Termination due to Retirement or (vii) a Voluntary Termination.

(b) Termination Due to Death or Disability . In the event that Executive's employment hereunder terminates due to his death or as a result of a Termination due to Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(e). For purposes of this Agreement, " **Termination due to Disability** " means a termination of Executive's employment upon written notice from the Company because Executive has been incapable, regardless of any reasonable accommodation by the Company, of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than (i) four consecutive months or (ii) an aggregate of six months in any twelve month period. Any question as to the existence or extent of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified,

independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

(c) Termination by the Company . The Company may terminate Executive's employment with the Company with or without Cause; provided that prior to the Registration Date, the Company may only terminate Executive's employment hereunder for Cause. " **Termination for Cause** " means a termination of Executive's employment by the Company due to Cause. " **Cause** " means (i) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, (ii) Executive's gross neglect or willful and intentional gross misconduct in the performance of, or willful, substantial and continual refusal by Executive in breach of this Agreement to perform, the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, (iii) a TreeHouse Default (as defined in the Stockholders Agreement), (i v) any material breach by Executive of Section 9 of this Agreement or (v) a material breach by Executive of the Code of Ethics applicable to the Company's employees, as in effect from time to time; provided, however, that no act or omission shall constitute "Cause" for purposes of this Agreement unless the Board provides Executive, within 90 days of the Board learning of such act or acts or failure or failures to act, (A) written notice of the intention to terminate him for Cause, which notice states in detail clearly and fully the particular act or acts or failure or failures to act that constitute the grounds on which the Board reasonably believes in good faith constitutes "Cause", and (B) an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board to explain or defend the alleged act or acts or failure or failures to act relied upon by the Board and, to the extent such cure is possible, to cure such act or acts or failure or failures to act. If such conduct is cured to the reasonable satisfaction of the Board, such notice of termination shall be revoked. Further, no act or acts or failure or failures to act shall be considered "willful" or "intentional" if taken in good faith and Executive reasonably believed such act or acts or failure or failures to act were in the best interests of the Company.

(d) Termination by Executive . Executive may terminate his employment with the Company for Good Reason, for Retirement or in a Voluntary Termination. A " **Termination for Good Reason** " by Executive means a termination of Executive's employment by Executive during the CFO Period and within 90 days following (i) a reduction in Executive's annual Base Salary or target Incentive Compensation opportunity, (ii) the failure to elect or reelect Executive to any of the positions described in Section 2 above or the removal of him from any such position, (iii) a material

reduction in Executive's duties and responsibilities or the assignment to Executive of duties and responsibilities which are materially inconsistent with his duties or which materially impair Executive's ability to function in the position specified in Section 2, (iv) a material breach of any material provision of this Agreement by the Company, (v) the earlier of (x) October 31, 2005 (or such later date as the Company and Executive (or Executive's agent appointed pursuant to the Stockholders Agreement) shall agree) and (y) the Early Termination Date (as defined in the Stockholders Agreement), if the Registration Date has not occurred on or before such earlier date other than as a result of a TreeHouse Default; (vi) any material breach by the Company or Dean of the Stockholders Agreement; (vii) any material breach by the Company of any of the award agreements referenced in Section 6(e); or (viii) the failure by the Company to obtain the assumption agreement referred to in Section 10(b) of this Agreement prior to the effectiveness of any succession referred to therein, unless the purchaser, successor or assignee referred to therein is bound to perform this Agreement by operation of law. Notwithstanding the foregoing, a termination shall not be treated as a Termination for Good Reason (i) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of Termination for Good Reason (or non-occurrence of the event described in clause (v) of this definition) or (ii) unless Executive shall have delivered a written notice to the Board within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 10 days of the receipt of such notice. A " **Termination due to Retirement ”** means Executive's voluntary termination of employment after having (i) completed at least five (5) years of service with the Company and (ii) the sum of the Executive's attained age and length of service with the Company is at least 62 (or such lower number as the Board shall permit). A " **Voluntary Termination** " shall mean a termination of employment by Executive that is not a Termination for Good Reason, a Termination due to Retirement or a Termination due to Disability, and which occurs after the Registration Date and on 90th day after Executive shall have given the Company written notice of his intent to terminate his employment (or as of such later date as Executive shall specify in such notice).

(e) Payments and Benefits Upon Certain Terminations .

(i) In the event of the termination of Executive's employment for any reason (including a voluntary termination of employment by Executive which is not a Termination for Good Reason), Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid and the Vested Benefits.

(ii) Except as provided in Section 8(e)(iii), in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason, Executive shall receive the Basic Payment.

(iii) In lieu of the Basic Payment, in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason within the 24 month period immediately following a Change of Control, Executive shall receive the Special Payment.

(iv) In the event that Executive's employment terminates (A) due to his death, a Termination due to Disability or a Termination due to Retirement, in any such case, after the Registration Date, or (B) due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and at a time at which Sam Reed is not acting in the capacity of the Company's Chief Executive Officer, (x) any portion of the Option that has not become vested and exercisable prior to such termination of employment shall become vested and exercisable and, to the extent not earlier exercised, the Option shall remain exercisable until the second anniversary of such termination or, if earlier, the expiration of its term, and (y) any Basic Restricted Shares and Supplemental Restricted Shares outstanding on such date of termination shall continue to vest, if at all, in accordance with their terms on the same terms and conditions that would have applied if Executive's employment hereunder had not been terminated.

(v) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, (A) in addition to any portion of the Option that at such time is vested and exercisable in the ordinary course, upon such termination, the following additional portion of the Option shall become vested and exercisable: (x) the portion of the Option, if any, that would have become vested and exercisable on the next following anniversary of the Option grant date had Executive continued to have been employed plus (y) the portion of the Option, if any, that would become vested on the second following anniversary of the Option grant date had Executive continued to have been employed times a fraction (the " **Pro-Ration Fraction** "), the numerator of which is the number of days Executive was employed since the last anniversary of such grant date through (and including) the termination date and the denominator of which is 365, and (B) any portion of the Option that is vested and exercisable on the termination date (including the portion thereof that vests and becomes exercisable on such date pursuant to subclause (A)) shall be and remain exercisable (unless earlier exercised) until the second anniversary of the termination date.

(vi) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, in addition to any portion thereof that became vested in the ordinary course prior to the date of such termination, the following additional portion of the Basic Restricted Shares and Supplemental Restricted Share

Units may continue to vest in accordance with its terms on the same basis as would have applied had Executive's employment not terminated: (x) any portion of the Basic Restricted Share award and the Supplemental Restricted Share Units award that had not become vested as of the termination date solely because the performance criteria applicable thereto had not yet been satisfied (i.e ., any portion thereof as to which the service requirements has been satisfied at the date Executive's employment terminated), (y) the portion of each such award that could become vested on the next following anniversary of the date on which it was granted had Executive continued to have been employed and (z) the portion of each such award, if any, that could become vested on the second following anniversary of the grant date of such award had Executive continued to have been employed, multiplied by the Pro-Ration Fraction.

(vii) In the event of a Termination due to Disability, a Termination Without Cause or a Termination for Good Reason, Executive shall be entitled to continued participation in all medical, dental, hospitalization and life insurance coverage and in other employee benefit plans or programs in which he was participating on the date of the termination of his employment until the earlier of (A) the second anniversary (or, in the event Executive receives the Special Payment, the third anniversary) of his termination of employment and (B) the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage, or benefit-by-benefit basis); provided that if Executive is precluded from continuing his participation in any employee plan or program as provided in this Section 8(e)(iv), he shall be provided with the economic equivalent of the benefits provided under the plan or program in which he is unable to participate.

(viii) Certain Definitions . For purposes of this Section 8, capitalized terms have the following meanings.

" **Basic Payment** " means an amount equal to two times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Change of Control** " means the occurrence of any of the following events following the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off: (a) any "person" (as such term is used in Section 13(d) of the Exchange Act, but specifically excluding the Company, any wholly-owned subsidiary of the Company and/or any employee benefit plan maintained by the Company or any wholly-owned subsidiary of the Company) becomes the "beneficial owner" (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of

securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (b) individuals who currently serve on the Board, or whose election to the Board or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the directors who either currently serve on the Board, or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (c) the Company or any subsidiary of the Company shall merge with or consolidate into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding immediately thereafter securities representing more than sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity (or its ultimate parent, if applicable) outstanding immediately after such merger or consolidation; or (d) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or such a plan is commenced.

" **Date of Termination** " means (i) if Executive's employment is terminated by his death, the date of his death, and (ii) if Executive's employment is terminated for any other reason, the date specified in a notice of termination delivered to Executive by the Company (or if no such date is specified, the date such notice is delivered).

" **Earned Compensation** " means the sum of (a) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date on which the Employment Period ends pursuant to Section 8(a), (b) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the Employment Period ends that has not been paid on or prior to the date the Employment Period ends (other than (x) Base Salary and (y) Incentive Compensation deferred pursuant to Executive's election), (c) any accrued but unused vacation days and (d) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.

" **Special Payment** " means an amount equal to three times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Target Incentive Compensation** " means with respect to any calendar year the annual Incentive Compensation Executive would have been entitled to receive under Section 4(b) for such calendar year had he remained employed by the Company for the entire calendar year and assuming that all targets for such calendar year had been met.

" **Vested Benefits** " means amounts which are vested or which Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries, at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

(f) Resignation upon Termination . Effective as of any Date of Termination under this Section 8, Executive shall resign, in writing, from all positions then held by him with the Company and its affiliates.

(g) Timing of Payments . Earned Compensation, the Basic Payment and the Special Payment shall be paid in a single lump sum as soon as practicable, but in no event more than 15 days, following the end of the Employment Period. Vested Benefits shall be payable in accordance with the terms of the plan, policy, practice, program, contract or agreement under which such benefits have accrued.

(h) Payment Following a Change of Control . If the aggregate of all payments or benefits made or provided to Executive with respect to any of the equity compensation provided under Section 5 or Section 6, under Section 8(e)(iii)(A), if applicable, and under all other plans and programs of the Company (the " **Aggregate Payment** ") is determined to constitute a Parachute Payment, as such term is defined in Section 280G(b)(2) of the Code, the Company shall pay to Executive, prior to the time any excise tax imposed by Section 4999 of the Code (the " **Excise Tax** ") is payable with respect to such Aggregate Payment, an additional amount which, after the imposition of all income, employment and excise taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to Executive and the time of payment pursuant to this Section 8(h) shall be made by the Company's independent auditor or, if such independent auditor is unwilling or unable to serve in this capacity, such other nationally recognized accounting firm selected by the Company with the consent of the person serving as the Chief Executive Officer of the Company immediately prior to the Change of Control, which consent shall not be unreasonably withheld (the " **Auditor** ").

(i) Full Discharge of Company Obligations . The amounts payable to Executive pursuant to this Section 8 following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Agreement and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Agreement or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are

in excess of the Earned Compensation and the Vested Benefits, following the Date of Termination and if requested by the Company, Executive shall execute a release in favor of the Company in the form approved by the Company.

(j) No Mitigation; No Offset . In the event of any termination of employment under this Section 8, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain except as specifically provided with regard to the continuation of benefits in Section 8(e)(v).

9. Noncompetition and Confidentiality .

(a) Noncompetition . During the Employment Period and, in the event that Executive's employment is terminated for any reason other than death, a Termination Without Cause or a Termination for Good Reason, for a period of 12 months following the Date of Termination (the " **Post-Termination Period** "), Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of not in excess of 1% of the outstanding voting shares of any publicly traded company), that is actively engaged in any geographic area in any business which is in competition with a business conducted by the Company at the time of the alleged competition and, in the case of the Post-Termination Period, at the Date of Termination.

(b) Confidentiality . Without the prior written consent of the Company, except (i) in the course of carrying out his duties hereunder or (ii) to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency, Executive shall not disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its subsidiaries or information designated as confidential or proprietary that the Company or any of its subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its subsidiaries (collectively, " **Confidential Information** ") to any third person unless such Confidential Information has been previously disclosed to the public by the Company or has otherwise become available to the public (other than by reason of Executive's breach of this Section 9(b)).

(c) Company Property . Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.

(d) Non-Solicitation of Employees . During the Employment Period and during the one year period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least 6 months.

(e) Injunctive Relief with Respect to Covenants . Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, nonsolicitation, confidentiality and Company property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations contained in this Section 9. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

10. Miscellaneous .

(a) Survival . Sections 7(d) (relating to the Company's obligation to indemnify Executive), 8 (relating to early termination), 9 (relating to noncompetition, nonsolicitation and confidentiality) and 10(o) (relating to governing law) shall survive the termination hereof, whether such termination shall be by expiration of the Employment Period or an early termination pursuant to Section 8 hereof.

(b) Binding Effect . This Agreement shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets as described in the preceding sentence, it shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries as provided in Section 10(d).

(c) Assignment . Except as provided under Section 10(b), neither this Agreement nor any of the rights or obligations hereunder shall be assigned or delegated by any party hereto without the prior written consent of the other party.

(d) Beneficiaries/References . Executive shall be entitled, to the extent permitted under any applicable law and the terms of any applicable plan, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(e) Resolution of Disputes . Any disputes arising under or in connection with this Agreement shall, at the election of Executive or the Company, be resolved by binding arbitration, to be held in Chicago, Illinois in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the arbitration shall be borne by the Company. Unless the arbitrator determines that Executive did not have a reasonable basis for asserting his position with respect to the dispute in question, the Company shall also reimburse Executive for his reasonable attorneys' fees incurred with respect to any arbitration. Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due Executive under this Agreement and all benefits to which Executive is entitled at the time the dispute arises (other than the amounts which are the subject of such dispute).

(f) Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein. No amendment to this Agreement shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein. Executive acknowledges that he is entering into this Agreement of his own free will and accord, and with no duress, that he has been represented and fully advised by competent counsel in entering into this Agreement, that he has read this Agreement and that he understands it and its legal consequences.

(g) Representations . Executive represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the full corporate power and authority to execute and deliver this Agreement. The Company has taken all action required by law, the Certificate of Incorporation, its By-Laws or otherwise required to be taken by it to authorize the execution, delivery and performance by it of

this Agreement. This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(h) Severability; Reformation . In the event that one or more of the provisions of this Agreement shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Section 9(a), (b) or (d) is not enforceable in accordance with its terms, Executive and the Company agree that such Section shall be reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.

(i) Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(j) Notices . Any notice required or desired to be delivered under this Agreement shall be in writing and shall be delivered personally, by courier service, by registered mail, return receipt requested, or by telecopy and shall be effective upon actual receipt when delivered or sent by telecopy and upon mailing when sent by registered mail, and shall be addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, Wisconsin 54307
Attention: General Counsel
Telecopy No.: (920) 497-4604

prior to the Registration Date, with a copy to:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Attention: General Counsel
Telecopy No.: (214) 303-3413

If to Executive:

2023 Oakland Avenue

Piedmont, CA 94611

with a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, Illinois 60601
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(k) Amendments . This Agreement may not be altered, modified or amended except by a written instrument signed by each of the parties hereto.

(l) Headings . Headings to Sections in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(m) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(n) Withholding . Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(o) Governing Law . This Agreement shall be governed by the laws of the State of Delaware, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

— Signature page follows —

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has hereunto set his hand as of the day and year first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

EXECUTIVE:
/s/ E. Nichol McCully
E. Nichol McCully

On each of January 31, 2006, January 31, 2007 and January 31, 2008, fifty percent (50%), twenty-five percent (25%) and twenty-five percent (25%), respectively, of the Basic Restricted Shares shall vest, provided that the Company's Total Shareholder Return for the period commencing on the fourth trading day following the Registration Date (the " **Commencement Date** ") and ending on such January 31 st equals or exceeds the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group (as defined below).

In addition, on each of January 31, 2007, January 31, 2008, January 31, 2009 and January 31, 2010, any Basic Restricted Shares that could have vested, but that did not vest, on any preceding January 31 st shall vest on such subsequent date if the Company's Total Shareholder Return for the period from the Commencement Date through the applicable January 31 st shall equal or exceed the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group.

As used herein, " **Total Shareholder Return** " shall mean the percentage return received by all shareholders of the relevant company during the applicable measurement period, including stock price appreciation and dividends, and shall be calculated as follows:

$$\frac{\text{Ending Stock Price}^{(1)} - \text{Beginning Stock Price}^{(2)} + \text{Dividend Reinvestment}^{(3)}}{\text{Beginning Stock Price}^{(2)}}$$

(1) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock for the 20 consecutive trading day period ending on the applicable January 31st (or if the applicable January 31 is not a trading date, the immediately preceding trading date).

(2) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock on the Registration Date and each of the four consecutive trading days immediately following the Registration Date.

(3) Assumes any dividends paid on the common stock of the Company or any company in the Selected Peer Group are used to purchase its common stock at the closing stock price on the date that such dividends are payable, and includes the value of such additional shares of such common stock (based on the Ending Stock Price for such common stock).

As used herein, " **Selected Peer Group** " shall mean 20 or more companies selected by the Board of Directors of the Company (or any authorized committee thereof) from among packaged food companies whose securities are registered to trade on a U.S. national securities exchange or automated quotation system (including, but not limited to NASDAQ) (the " **Peer Companies** ") on or as soon as practicable after the Registration Date; provided that in no event shall any Ineligible Company be selected to be a member of the Selected Peer Group. An " **Ineligible Company** " shall mean any Peer Company (i) in which significant portion of its voting securities is held by another corporate entity (other than an open-ended investment company); (ii) has filed for protection under the Federal bankruptcy law or any similar law, (iii) which is not organized, based and majority-owned in the United States, (iv) is party to any agreement the consummation of which would cause such Peer Company to cease to be publicly traded (or be described in subclause (i) or (iii)), or (v) which has announced an intention to be sold or cease to be publicly traded or to take actions which would cause it to be described in subclause (i) or (iii). To the extent that any Peer Company initially selected as part of the Selected Peer Group with respect to a measurement period shall become an Ineligible Company prior to the end of such period, such company shall be excluded from the Selected Peer Group for such period. The Selected Peer Group will be reviewed annually to determine whether any of its members shall have become Ineligible Companies.

Exhibit 10.4

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this " **Agreement** "), dated as of January 27, 2005, by and between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and Thomas E. O'Neill (the " **Executive** ").

W I T N E S S E T H :

WHEREAS, the Company's parent corporation, Dean Foods Company (" **Dean** "), intends, subject to certain conditions, to distribute the common stock, par value $.01 per share, of the Company (the " **Common Stock** ") owned by Dean to its shareholders, whereby the Company would become a stand-alone publicly traded corporation;

WHEREAS, Executive is willing to enter into this Agreement in anticipation of the Company becoming a stand-alone publicly traded corporation through the distribution of the Common Stock to Dean's shareholders;

WHEREAS, to effect such a spin-off and to position the Company to maximize its value for Dean's shareholders, it is necessary that the Company have a strong and experienced management team with a proven track record in developing and growing a company in the consumer packaged goods industry;

WHEREAS, Executive is one of several members of a management team (the " **Team** ") that possesses the skills and experience necessary to undertake the challenges of developing the Company, including through acquisitions;

WHEREAS, in light of these skills and experience, the Company desires to secure the services of Executive and the other members of the Team, and is willing to enter into this Agreement embodying the terms of the employment of Executive by the Company, which terms include one or more substantial equity-based compensation awards; and

WHEREAS, Executive is willing to accept such employment and enter into such Agreement, subject to Dean making available to Executive and to the other members of the Team the opportunity to invest in the common stock of the Company and making the undertakings regarding the governance and management of the Company set forth in the in the stockholders agreement (the " **Stockholders Agreement** ") to be entered into by the Company, Dean, Executive, other members of the Team, and certain other investors who are affiliates of the Team contemporaneously with this Agreement; and

WHEREAS, in order to give Executive and the Team the opportunity to acquire an equity interest in the Company and as an incentive for Executive to participate in the affairs of the Company, the Company is willing to sell to Executive, and Executive

desires to purchase, shares of common stock (the " **Common Stock** "), subject to the terms and conditions set forth in the Subscription Agreement (the " **Subscription Agreement** ") to be entered into contemporaneously with this Agreement and in the Stockholders Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Employment . Upon the terms and subject to the conditions of this Agreement and, unless earlier terminated as provided in Section 8, the Company hereby employs Executive and Executive hereby accepts employment by the Company for the period (i) commencing on the date hereof (the " **Commencement Date** ") and (ii) ending on the third anniversary of (A) the Commencement Date or, (B) if the Common Stock shall become registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), during the term hereof, the third anniversary of the date such registration shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (the " **Registration Date** "); provided, however, that the term of this Agreement shall automatically be extended for one additional year on the third anniversary of the Registration Date and each subsequent anniversary thereof unless not less than 90 days prior to such anniversary date either party shall give the other written notice that he or it does not want the term to extend as of such anniversary date. The period during which Executive is employed pursuant to this Agreement (including pursuant to any extension of the term hereof pursuant to the proviso in the immediately preceding sentence) shall be referred to herein as the " **Employment Period** ."

2. Position and Duties . During the Employment Period, Executive shall serve as the Senior Vice President, General Counsel and Chief Administrative Officer of the Company and in such other position or positions with the Company and its majority-owned subsidiaries consistent with the foregoing position as the Board of Directors of the Company (the " **Board** ") may specify or the Company and Executive may mutually agree upon from time to time. During the Employment Period, Executive shall have the duties, responsibilities and obligations customarily assigned to individuals at comparable publicly traded companies serving in the position or positions in which Executive serves hereunder. Executive shall devote substantially all his business time to the services required of him hereunder, except for vacation time and reasonable periods of absence due to sickness, personal injury or other disability, and shall perform such services to the best of his abilities. Subject to the provisions of Section 9, nothing herein shall preclude Executive from (i) engaging in charitable activities and community affairs, (ii) managing his personal investments and affairs or (iii) serving on the board of directors or other governing body of any corporate or other business entity, so long as such service is not in violation of the covenants contained in Section 9 or the governance principles established for the Company by the Board, as in effect from time to time, provided that in no event

may such activities, either individually or in the aggregate, materially interfere with the proper performance of Executive's duties and responsibilities hereunder.

3. Place of Performance . The Company shall establish its headquarters office in Chicago, Illinois metropolitan area at which Executive shall have his principal office. Executive shall also have an office, and perform services at, the Company's offices in Green Bay, Wisconsin, on such basis as Executive deems necessary or appropriate for the performance of his duties.

4. Compensation .

(a) Base Salary . During the Employment Period, the Company shall pay Executive a base salary at the annual rate of $350,000. Beginning in 2006, the Board shall review Executive's base salary no less frequently than annually and may increase such base salary in its discretion. The amount of annual base salary payable under this Section 4(a) shall be reduced, however, to the extent Executive elects to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company or any of its subsidiaries. Executive's annual base salary payable hereunder, including any increased annual base salary, without reduction for any amounts deferred as described above, is referred to herein as " **Base Salary** ". The Company shall pay Executive the portion of his Base Salary not deferred in accordance with its standard payroll practices, but no less frequently than in equal monthly installments.

(b) Incentive Compensation . For each full calendar year during the Employment Period, Executive shall be eligible to receive an annual incentive bonus from the Company, with a target bonus opportunity of not less than 60% of his Base Salary, which will be payable, if at all, upon the achievement by Executive and/or the Company of performance objectives to be established by the Board in consultation with the Company's Chief Executive Officer and communicated to Executive during the first quarter of such year (the " **Incentive Compensation** "). Without limiting the generality of the foregoing, the actual amount payable to Executive in respect of the Incentive Compensation may be more or less than the targeted opportunity (including zero) based on the actual results against the pre-established performance objectives.

5. Stock Purchase . Substantially contemporaneously with the Commencement Date, Executive shall purchase the number of shares of Common Stock of the Company specified in the Subscription Agreement related to the purchase of such shares, to be entered into by Executive and the Company (the " **Subscription Agreement** "). The terms and conditions of such purchase shall be as set forth in the Subscription Agreement, and such shares shall be subject to the limitations and restrictions, including, without limitation, the restrictions on transfer and the put and call rights set forth in the Stockholders Agreement.

6. Public Equity Awards .

(a) Basic Restricted Stock Grant . On the fourth trading day following the Registration Date, the Company shall grant Executive an award of that number of whole restricted shares of Common Stock (the " **Basic Restricted Shares** ") as is equal to (or most closely approximates) 0.30% of the Outstanding Common Stock on the date of grant. The Basic Restricted Shares shall vest and become freely transferable in the proportions, and based upon achievement of the total shareholder return objectives, determined pursuant to Schedule A hereto, so long as Executive is continuously employed by the Company through the applicable vesting date. Any Basic Restricted Shares that have not become vested and freely transferable on or before the fifth anniversary of the grant date shall be forfeited. For purposes of this Agreement, **" Outstanding Common Stock "** shall mean the sum of (x) the number of shares Common Stock that are issued and outstanding on the Registration Date and (y) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off.

(b) Supplemental Restricted Stock Unit Grant . On the fourth trading day following the Registration Date, Executive shall be granted, automatically and without any further action on the part of the Company or the Board, an award of restricted stock units, with each such unit representing a right to receive one share of Common Stock on the terms and conditions set forth herein (the " **Supplemental Restricted Share Units** "). The number of Supplemental Restricted Share Units subject to such grant shall be equal to the quotient (rounded up to the nearest whole number) obtained by dividing (x) by (y), where (x) and (y) are:

(x) the product of (i) the excess, if any, of (A) the Initial Fair Market Value over (B) the Adjusted Per Share Purchase Price and (ii) that number of whole shares of Common Stock as is equal to (or most closely approximates) 0.90% of the Outstanding Common Stock on the date of grant; and

(y) the Initial Fair Market Value.

For purposes of this Agreement, " **Initial Fair Market Value** " shall mean the average of the closing values on the Registration Date and on each of the next four trading days immediately following the Registration Date, as reported on the principal exchange or automated quotation system on which the Common Stock is traded or reported. " **Adjusted Per Share Purchase Price** " shall mean the $5,000 purchase price per share of Common Stock, appropriately adjusted to reflect any stock split or share combination involving the Common Stock, any recapitalization of the Company, any adjustment pursuant to Section 4.3(b) of the Stockholders Agreement, or any merger, consolidation, reorganization or similar corporate event involving the Company occurring

on or after the Commencement Date and on or before the Registration Date.

The Supplemental Restricted Share Units shall vest in three equal annual installments on the first three anniversaries of the Registration Date, so long as (with respect to each installment) Executive is continuously employed by the Company through the applicable anniversary date. Notwithstanding the foregoing, no Supplemental Restricted Share Units shall become vested on any such anniversary date if, on such date, the average of the closing prices of a share of Common Stock on the principal trading market on which such shares are traded or reported for the 20 trading day period ended on such date (or, if such date is not a business day, the 20 trading day period ended on the last trading day occurring immediately prior thereto) does not exceed the Initial Fair Market Value (the " **Minimum Value Requirement** "). In the event that the Minimum Value Requirement is not satisfied on any applicable anniversary date, the Supplemental Restricted Share Units that would otherwise have vested on such anniversary date shall vest on any subsequent anniversary date or on any date after the third anniversary date (treating each such date as an anniversary date for purposes of the 20 day trading measurement period) on which both Executive is still an employee of the Company and the Minimum Value Requirement is satisfied; provided that any such Supplemental Restricted Share Units that have not become vested on or before the fifth anniversary of the grant date shall be forfeited. The shares of Common Stock corresponding to any vested Supplemental Restricted Share Units, if any, shall be distributed to Executive as soon as practicable, but not later than five (5) business days following the earlier to occur of (i) the fifth anniversary of the date of grant or (ii) the sixth month anniversary of the date Executive's employment with the Company terminates, unless the Executive elects (in a manner consistent with the applicable requirements of Section 409A of the Internal Revenue Code (the " **Code** ")) to defer the date upon which the shares of Common Stock corresponding to the vested Supplement Restricted Share Units shall be distributed.

(c) Stock Option . On the fourth trading day following the Registration Date, the Company shall automatically and without any further action on the part of the Company or the Board grant to Executive a non-qualified stock option to purchase the number of shares of Common Stock equal to the remainder of (i) the number of whole shares of Common Stock specified in Section 6(b)(x)(ii) minus (ii) the number of Supplemental Restricted Share Units awarded pursuant to Section 6(b) (the " **Option** "). The exercise price per share with respect to the Option shall be equal to the Initial Fair Market Value. The Option shall become vested and exercisable in three approximately equal annual installments on each of the first three anniversaries of the grant date of such Option, so long as Executive is continuously employed by the Company through the applicable anniversary date.

(d) Stock Incentive Plan . Each of the Basic Restricted Shares, the Supplemental Restricted Shares and the Option shall be granted pursuant to a stock incentive plan (the " **Incentive Plan** ") to be adopted by the Company prior to the Registration Date that will authorize for issuance thereunder at least (i) 13% of the

Outstanding Common Stock plus (ii) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off as provided in the Stockholders Agreement. Such Incentive Plan shall have terms and conditions which will permit the issuance of the awards to the Executive specified in this Section 6 and shall not contain any other term or condition that has an adverse effect on any award to be made to Executive pursuant to this Section 6.

(e) Award Agreements . Each of the Basic Restricted Shares, Supplemental Restricted Shares and the Option shall be subject to an award agreement having the terms and conditions specified in the preceding subparagraphs of this Section 6 and otherwise consistent with the terms and conditions of the Incentive Plan. Each such agreement shall provide for full vesting of such awards upon a Change of Control and shall provide that Executive shall have the right to elect that any applicable tax withholding requirements with respect to the vesting, exercise or distribution of Common Stock be satisfied by having the Company withhold shares of Common Stock subject to such award having a value equal to the minimum required applicable tax withholding, and that Executive may exercise the Option using previously owned shares of Common Stock, including Basic Restricted Shares that are still subject to forfeiture, provided that that number of shares deliverable upon exercise of the Option that corresponds to the number of unvested Basic Restricted Shares surrendered will be subject to the same forfeiture provisions and restrictions on transfer as the Basic Restricted Shares surrendered to exercise such Option, in whole or in part.

(f) Capital Adjustments . Notwithstanding anything to the contrary contained in Section 5 or this Section 6, the exercise price of, and the number of Shares subject to, the Option, the number of Units subject to the Supplemental Restricted Share Units, and the Minimum Value Requirement shall be appropriately adjusted, by the Board in its sole discretion, to reflect any extraordinary dividend, any dividend payable in shares of capital stock, any stock split or share combination involving the Common Stock, any recapitalization of the Company, any merger, consolidation, reorganization or similar corporate event involving the Company occurring after the Registration Date.

(g) Impact on Future Grants . Unless following the Registration Date the Board shall determine that special circumstances warrant the grant of such additional awards as it or any duly authorized committee thereof shall, in its sole discretion, determine, it is the intent and expectation of the parties that Executive will not receive any further grants of equity-based compensation prior to the third anniversary of the Commencement Date. Following such third anniversary, Executive shall be eligible to receive equity-based compensation awards in accordance the Company’s generally applicable compensation practices, as then in effect.

7. Benefits, Perquisites and Expenses .

(a) Benefits . During the Employment Period, Executive shall be eligible to participate in (i) each welfare benefit plan sponsored or maintained by the Company for its senior executive officers, including, without limitation, each group life, hospitalization, medical, dental, health, accident or disability insurance or similar plan or program of the Company, and (ii) each pension, profit sharing, retirement, deferred compensation or savings plan sponsored or maintained by the Company for its senior executive officers, in each case, whether now existing or established hereafter, in accordance with the generally applicable provisions thereof, as the same may be amended from time to time.

(b) Perquisites . During the Employment Period, Executive shall be entitled to receive such perquisites as are generally provided to other senior executive officers of the Company in accordance with the then current policies and practices of the Company.

(c) Business Expenses . During the Employment Period, the Company shall pay or reimburse Executive for all reasonable expenses incurred or paid by Executive in the performance of Executive's duties hereunder, upon presentation of expense statements or vouchers and such other information as the Company may require and in accordance with the generally applicable policies and procedures of the Company.

(d) Indemnification . The Company agrees that if Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " **Proceeding** "), by reason of the fact that he is or was a director, officer or employee of the Company or any subsidiary or affiliate thereof, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including, in each case, service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or by-laws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. If Executive serves as a director, officer, member, partner, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including, in each case, service with respect to employee benefit plans) which is a subsidiary or affiliate of the Company, it shall be presumed for purposes of this Section 7(d) that Executive serves or served in such capacity at the request of the

Company. The Company shall advance to Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 30 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses. The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering Executive to the extent the Company provides such coverage for its other executive officers or directors.

8. Termination of Employment .

(a) Early Termination of the Employment Period . Notwithstanding Section 1, the Employment Period shall end upon the earliest to occur of (i) a termination of Executive's employment on account of Executive's death, (ii) a Termination due to Disability, (iii) a Termination for Cause, (iv) a Termination Without Cause, (v) a Termination for Good Reason, (vi) a Termination due to Retirement or (vii) a Voluntary Termination.

(b) Termination Due to Death or Disability . In the event that Executive's employment hereunder terminates due to his death or as a result of a Termination due to Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(e). For purposes of this Agreement, " **Termination due to Disability** " means a termination of Executive's employment upon written notice from the Company because Executive has been incapable, regardless of any reasonable accommodation by the Company, of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than (i) four consecutive months or (ii) an aggregate of six months in any twelve month period. Any question as to the existence or extent of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

(c) Termination by the Company . The Company may terminate Executive's employment with the Company with or without Cause; provided that prior to the Registration Date, the Company may only terminate Executive's employment hereunder for Cause. " **Termination for Cause** " means a termination of Executive's employment

by the Company due to Cause. " **Cause** " means (i) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, (ii) Executive's gross neglect or willful and intentional gross misconduct in the performance of, or willful, substantial and continual refusal by Executive in breach of this Agreement to perform, the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, (iii) a TreeHouse Default (as defined in the Stockholders Agreement), (i v) any material breach by Executive of Section 9 of this Agreement or (v) a material breach by Executive of the Code of Ethics applicable to the Company's employees, as in effect from time to time; provided, however, that no act or omission shall constitute "Cause" for purposes of this Agreement unless the Board provides Executive, within 90 days of the Board learning of such act or acts or failure or failures to act, (A) written notice of the intention to terminate him for Cause, which notice states in detail clearly and fully the particular act or acts or failure or failures to act that constitute the grounds on which the Board reasonably believes in good faith constitutes "Cause", and (B) an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board to explain or defend the alleged act or acts or failure or failures to act relied upon by the Board and, to the extent such cure is possible, to cure such act or acts or failure or failures to act. If such conduct is cured to the reasonable satisfaction of the Board, such notice of termination shall be revoked. Further, no act or acts or failure or failures to act shall be considered "willful" or "intentional" if taken in good faith and Executive reasonably believed such act or acts or failure or failures to act were in the best interests of the Company.

(d) Termination by Executive . Executive may terminate his employment with the Company for Good Reason, for Retirement or in a Voluntary Termination. A " **Termination for Good Reason** " by Executive means a termination of Executive's employment by Executive within 90 days following (i) a reduction in Executive's annual Base Salary or target Incentive Compensation opportunity, (ii) the failure to elect or reelect Executive to any of the positions described in Section 2 above or the removal of him from any such position, (iii) a material reduction in Executive's duties and responsibilities or the assignment to Executive of duties and responsibilities which are materially inconsistent with his duties or which materially impair Executive's ability to function in the position specified in Section 2, (iv) a material breach of any material provision of this Agreement by the Company, (v) the earlier of (x) October 31, 2005 (or such later date as the Company and Executive (or Executive's agent appointed pursuant to the Stockholders Agreement) shall agree) and (y) the Early Termination Date (as defined in the Stockholders Agreement), if the Registration Date has not occurred on or before such earlier date other than as a result of a TreeHouse Default; (vi) any material breach by the Company or Dean of the Stockholders Agreement; (vii) any material breach by the Company of any of the award agreements referenced in Section 6(e); or (viii) the failure by the Company to obtain the assumption agreement referred to in Section 10(b) of this Agreement prior to the effectiveness of any succession referred to therein, unless the purchaser, successor or assignee referred to therein is bound to perform this Agreement by operation of law. Notwithstanding the foregoing, a

termination shall not be treated as a Termination for Good Reason (i) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of Termination for Good Reason (or non-occurrence of the event described in clause (v) of this definition) or (ii) unless Executive shall have delivered a written notice to the Board within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 10 days of the receipt of such notice. A " **Termination due to Retirement** " means Executive's voluntary termination of employment after having (i) completed at least five (5) years of service with the Company and (ii) the sum of the Executive's attained age and length of service with the Company is at least 62 (or such lower number as the Board shall permit). A " **Voluntary Termination** " shall mean a termination of employment by Executive that is not a Termination for Good Reason, a Termination due to Retirement or a Termination due to Disability, and which occurs after the Registration Date and on 90th day after Executive shall have given the Company written notice of his intent to terminate his employment (or as of such later date as Executive shall specify in such notice).

(e) Payments and Benefits Upon Certain Terminations .

(i) In the event of the termination of Executive's employment for any reason (including a voluntary termination of employment by Executive which is not a Termination for Good Reason), Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid and the Vested Benefits.

(ii) Except as provided in Section 8(e)(iii), in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason, Executive shall receive the Basic Payment.

(iii) In lieu of the Basic Payment, in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason within the 24 month period immediately following a Change of Control, Executive shall receive the Special Payment.

(iv) In the event that Executive's employment terminates (A) due to his death, a Termination due to Disability or a Termination due to Retirement, in any such case, after the Registration Date, or (B) due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and at a time at which Sam Reed is not acting in the capacity of the Company's Chief Executive Officer, (x) any portion of the Option that has not become vested and exercisable prior to such termination of employment shall become vested and exercisable and, to the extent not earlier exercised, the Option shall remain exercisable until the second anniversary of such termination or, if earlier, the expiration of its term, and (y) any Basic Restricted Shares and Supplemental Restricted Shares outstanding on such date of termination shall continue to vest, if at

all, in accordance with their terms on the same terms and conditions that would have applied if Executive's employment hereunder had not been terminated.

(v) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, (A) in addition to any portion of the Option that at such time is vested and exercisable in the ordinary course, upon such termination, the following additional portion of the Option shall become vested and exercisable: (x) the portion of the Option, if any, that would have become vested and exercisable on the next following anniversary of the Option grant date had Executive continued to have been employed plus (y) the portion of the Option, if any, that would become vested on the second following anniversary of the Option grant date had Executive continued to have been employed times a fraction (the " **Pro-Ration Fraction** "), the numerator of which is the number of days Executive was employed since the last anniversary of such grant date through (and including) the termination date and the denominator of which is 365, and (B) any portion of the Option that is vested and exercisable on the termination date (including the portion thereof that vests and becomes exercisable on such date pursuant to subclause (A)) shall be and remain exercisable (unless earlier exercised) until the second anniversary of the termination date.

(vi) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, in addition to any portion thereof that became vested in the ordinary course prior to the date of such termination, the following additional portion of the Basic Restricted Shares and Supplemental Restricted Share Units may continue to vest in accordance with its terms on the same basis as would have applied had Executive's employment not terminated: (x) any portion of the Basic Restricted Share award and the Supplemental Restricted Share Units award that had not become vested as of the termination date solely because the performance criteria applicable thereto had not yet been satisfied (i.e ., any portion thereof as to which the service requirements has been satisfied at the date Executive's employment terminated), (y) the portion of each such award that could become vested on the next following anniversary of the date on which it was granted had Executive continued to have been employed and (z) the portion of each such award, if any, that could become vested on the second following anniversary of the grant date of such award had Executive continued to have been employed, multiplied by the Pro-Ration Fraction.

(vii) In the event of a Termination due to Disability, a Termination Without Cause or a Termination for Good Reason, Executive shall be entitled to continued participation in all medical, dental, hospitalization and life insurance

coverage and in other employee benefit plans or programs in which he was participating on the date of the termination of his employment until the earlier of (A) the second anniversary (or, in the event Executive receives the Special Payment, the third anniversary) of his termination of employment and (B) the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage, or benefit-by-benefit basis); provided that if Executive is precluded from continuing his participation in any employee plan or program as provided in this Section 8(e)(iv), he shall be provided with the economic equivalent of the benefits provided under the plan or program in which he is unable to participate.

(viii) Certain Definitions . For purposes of this Section 8, capitalized terms have the following meanings.

" **Basic Payment** " means an amount equal to two times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Change of Control** " means the occurrence of any of the following events following the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off: (a) any "person" (as such term is used in Section 13(d) of the Exchange Act, but specifically excluding the Company, any wholly-owned subsidiary of the Company and/or any employee benefit plan maintained by the Company or any wholly-owned subsidiary of the Company) becomes the "beneficial owner" (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (b) individuals who currently serve on the Board, or whose election to the Board or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the directors who either currently serve on the Board, or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (c) the Company or any subsidiary of the Company shall merge with or consolidate into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding immediately thereafter securities representing more than sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity (or its ultimate parent, if applicable) outstanding immediately after such merger or consolidation; or (d) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or such a plan is commenced.

" **Date of Termination** " means (i) if Executive's employment is terminated by his death, the date of his death, and (ii) if Executive's employment is terminated for any other reason, the date specified in a notice of termination delivered to Executive by the Company (or if no such date is specified, the date such notice is delivered).

" **Earned Compensation** " means the sum of (a) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date on which the Employment Period ends pursuant to Section 8(a), (b) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the Employment Period ends that has not been paid on or prior to the date the Employment Period ends (other than (x) Base Salary and (y) Incentive Compensation deferred pursuant to Executive's election), (c) any accrued but unused vacation days and (d) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.

" **Special Payment** " means an amount equal to three times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Target Incentive Compensation** " means with respect to any calendar year the annual Incentive Compensation Executive would have been entitled to receive under Section 4(b) for such calendar year had he remained employed by the Company for the entire calendar year and assuming that all targets for such calendar year had been met.

" **Vested Benefits** " means amounts which are vested or which Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries, at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

(f) Resignation upon Termination . Effective as of any Date of Termination under this Section 8, Executive shall resign, in writing, from all positions then held by him with the Company and its affiliates.

(g) Timing of Payments . Earned Compensation, the Basic Payment and the Special Payment shall be paid in a single lump sum as soon as practicable, but in no event more than 15 days, following the end of the Employment Period. Vested Benefits shall be payable in accordance with the terms of the plan, policy, practice, program, contract or agreement under which such benefits have accrued.

(h) Payment Following a Change of Control . If the aggregate of all payments or benefits made or provided to Executive with respect to any of the equity compensation provided under Section 5 or Section 6, under Section 8(e)(iii)(A), if applicable, and under all other plans and programs of the Company (the " **Aggregate Payment** ") is determined to constitute a Parachute Payment, as such term is defined in Section 280G(b)(2) of the Code, the Company shall pay to Executive, prior to the time any excise tax imposed by Section 4999 of the Code (the " **Excise Tax** ") is payable with respect to such Aggregate Payment, an additional amount which, after the imposition of all income, employment and excise taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to Executive and the time of payment pursuant to this Section 8(h) shall be made by the Company's independent auditor or, if such independent auditor is unwilling or unable to serve in this capacity, such other nationally recognized accounting firm selected by the Company with the consent of the person serving as the Chief Executive Officer of the Company immediately prior to the Change of Control, which consent shall not be unreasonably withheld (the " **Auditor** ").

(i) Full Discharge of Company Obligations . The amounts payable to Executive pursuant to this Section 8 following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Agreement and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Agreement or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are in excess of the Earned Compensation and the Vested Benefits, following the Date of Termination and if requested by the Company, Executive shall execute a release in favor of the Company in the form approved by the Company.

(j) No Mitigation; No Offset . In the event of any termination of employment under this Section 8, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain except as specifically provided with regard to the continuation of benefits in Section 8(e)(v).

9. Noncompetition and Confidentiality .

(a) Noncompetition . During the Employment Period and, in the event that Executive's employment is terminated for any reason other than death, a Termination Without Cause or a Termination for Good Reason, for a period of 12 months following

the Date of Termination (the " **Post-Termination Period** "), Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of not in excess of 1% of the outstanding voting shares of any publicly traded company), that is actively engaged in any geographic area in any business which is in competition with a business conducted by the Company at the time of the alleged competition and, in the case of the Post-Termination Period, at the Date of Termination.

(b) Confidentiality . Without the prior written consent of the Company, except (i) in the course of carrying out his duties hereunder or (ii) to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency, Executive shall not disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its subsidiaries or information designated as confidential or proprietary that the Company or any of its subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its subsidiaries (collectively, " **Confidential Information** ") to any third person unless such Confidential Information has been previously disclosed to the public by the Company or has otherwise become available to the public (other than by reason of Executive's breach of this Section 9(b)).

(c) Company Property . Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.

(d) Non-Solicitation of Employees . During the Employment Period and during the one year period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least 6 months.

(e) Injunctive Relief with Respect to Covenants . Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, nonsolicitation, confidentiality and Company property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate

remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations contained in this Section 9. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

10. Miscellaneous .

(a) Survival . Sections 7(d) (relating to the Company's obligation to indemnify Executive), 8 (relating to early termination), 9 (relating to noncompetition, nonsolicitation and confidentiality) and 10(o) (relating to governing law) shall survive the termination hereof, whether such termination shall be by expiration of the Employment Period or an early termination pursuant to Section 8 hereof.

(b) Binding Effect . This Agreement shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets as described in the preceding sentence, it shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries as provided in Section 10(d).

(c) Assignment . Except as provided under Section 10(b), neither this Agreement nor any of the rights or obligations hereunder shall be assigned or delegated by any party hereto without the prior written consent of the other party.

(d) Beneficiaries/References . Executive shall be entitled, to the extent permitted under any applicable law and the terms of any applicable plan, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(e) Resolution of Disputes . Any disputes arising under or in connection with this Agreement shall, at the election of Executive or the Company, be resolved by binding arbitration, to be held in Chicago, Illinois in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the

arbitration shall be borne by the Company. Unless the arbitrator determines that Executive did not have a reasonable basis for asserting his position with respect to the dispute in question, the Company shall also reimburse Executive for his reasonable attorneys' fees incurred with respect to any arbitration. Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due Executive under this Agreement and all benefits to which Executive is entitled at the time the dispute arises (other than the amounts which are the subject of such dispute).

(f) Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein. No amendment to this Agreement shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein. Executive acknowledges that he is entering into this Agreement of his own free will and accord, and with no duress, that he has been represented and fully advised by competent counsel in entering into this Agreement, that he has read this Agreement and that he understands it and its legal consequences.

(g) Representations . Executive represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the full corporate power and authority to execute and deliver this Agreement. The Company has taken all action required by law, the Certificate of Incorporation, its By-Laws or otherwise required to be taken by it to authorize the execution, delivery and performance by it of this Agreement. This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(h) Severability; Reformation . In the event that one or more of the provisions of this Agreement shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Section 9(a), (b) or (d) is not enforceable in accordance with its terms, Executive and the Company agree that such Section shall be reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.

(i) Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(j) Notices . Any notice required or desired to be delivered under this Agreement shall be in writing and shall be delivered personally, by courier service, by registered mail, return receipt requested, or by telecopy and shall be effective upon actual receipt when delivered or sent by telecopy and upon mailing when sent by registered mail, and shall be addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, Wisconsin 54307
Attention: General Counsel
Telecopy No.: (920) 497-4604

prior to the Registration Date, with a copy to:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Attention: General Counsel
Telecopy No.: (214) 303-3413

If to Executive:

19 Indian Hill Road
Winnetka, Illinois 60093

with a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, Illinois 60601
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(k) Amendments . This Agreement may not be altered, modified or amended except by a written instrument signed by each of the parties hereto.

(l) Headings . Headings to Sections in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(m) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(n) Withholding . Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(o) Governing Law . This Agreement shall be governed by the laws of the State of Delaware, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

— Signature page follows —

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has hereunto set his hand as of the day and year first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

EXECUTIVE:
/s/ Thomas E. O' Neil
Thomas E. O'Neill

On each of January 31, 2006, January 31, 2007 and January 31, 2008, one-third of the Basic Restricted Shares shall vest, provided that the Company's Total Shareholder Return for the period commencing on the fourth trading day following the Registration Date (the "**Commencement Date**") and ending on such January 31st equals or exceeds the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group (as defined below).

In addition, on each of January 31, 2007, January 31, 2008, January 31, 2009 and January 31, 2010, any Basic Restricted Shares that could have vested, but that did not vest, on any preceding January 31st shall vest on such subsequent date if the Company's Total Shareholder Return for the period from the Commencement Date through the applicable January 31st shall equal or exceed the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group.

As used herein, "**Total Shareholder Return**" shall mean the percentage return received by all shareholders of the relevant company during the applicable measurement period, including stock price appreciation and dividends, and shall be calculated as follows:

$$\frac{\text{Ending Stock Price}^{(1)} - \text{Beginning Stock Price}^{(2)} + \text{Dividend Reinvestment}^{(3)}}{\text{Beginning Stock Price}^{(2)}}$$

(1) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock for the 20 consecutive trading day period ending on the applicable January 31st (or if the applicable January 31 is not a trading date, the immediately preceding trading date).

(2) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock on the Registration Date and each of the four consecutive trading days immediately following the Registration Date.

(3) Assumes any dividends paid on the common stock of the Company or any company in the Selected Peer Group are used to purchase its common stock at the closing stock price on the date that such dividends are payable, and includes the value of such additional shares of such common stock (based on the Ending Stock Price for such common stock).

As used herein, "**Selected Peer Group**" shall mean 20 or more companies selected by the Board of Directors of the Company (or any authorized committee thereof) from

among packaged food companies whose securities are registered to trade on a U.S. national securities exchange or automated quotation system (including, but not limited to NASDAQ) (the " **Peer Companies** ") on or as soon as practicable after the Registration Date; provided that in no event shall any Ineligible Company be selected to be a member of the Selected Peer Group. An " **Ineligible Company** " shall mean any Peer Company (i) in which significant portion of its voting securities is held by another corporate entity (other than an open-ended investment company); (ii) has filed for protection under the Federal bankruptcy law or any similar law, (iii) which is not organized, based and majority-owned in the United States, (iv) is party to any agreement the consummation of which would cause such Peer Company to cease to be publicly traded (or be described in subclause (i) or (iii)), or (v) which has announced an intention to be sold or cease to be publicly traded or to take actions which would cause it to be described in subclause (i) or (iii). To the extent that any Peer Company initially selected as part of the Selected Peer Group with respect to a measurement period shall become an Ineligible Company prior to the end of such period, such company shall be excluded from the Selected Peer Group for such period. The Selected Peer Group will be reviewed annually to determine whether any of its members shall have become Ineligible Companies.

Exhibit 10.5

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this " **Agreement** "), dated as of January 27, 2005, by and between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and Harry J. Walsh (the " **Executive** ").

W I T N E S S E T H :

WHEREAS, the Company's parent corporation, Dean Foods Company (" **Dean** "), intends, subject to certain conditions, to distribute the common stock, par value $.01 per share, of the Company (the " **Common Stock** ") owned by Dean to its shareholders, whereby the Company would become a stand-alone publicly traded corporation;

WHEREAS, Executive is willing to enter into this Agreement in anticipation of the Company becoming a stand-alone publicly traded corporation through the distribution of the Common Stock to Dean's shareholders;

WHEREAS, to effect such a spin-off and to position the Company to maximize its value for Dean's shareholders, it is necessary that the Company have a strong and experienced management team with a proven track record in developing and growing a company in the consumer packaged goods industry;

WHEREAS, Executive is one of several members of a management team (the " **Team** ") that possesses the skills and experience necessary to undertake the challenges of developing the Company, including through acquisitions;

WHEREAS, in light of these skills and experience, the Company desires to secure the services of Executive and the other members of the Team, and is willing to enter into this Agreement embodying the terms of the employment of Executive by the Company, which terms include one or more substantial equity-based compensation awards; and

WHEREAS, Executive is willing to accept such employment and enter into such Agreement, subject to Dean making available to Executive and to the other members of the Team the opportunity to invest in the common stock of the Company and making the undertakings regarding the governance and management of the Company set forth in the in the stockholders agreement (the " **Stockholders Agreement** ") to be entered into by the Company, Dean, Executive, other members of the Team, and certain other investors who are affiliates of the Team contemporaneously with this Agreement; and

WHEREAS, in order to give Executive and the Team the opportunity to acquire an equity interest in the Company and as an incentive for Executive to participate in the affairs of the Company, the Company is willing to sell to Executive, and Executive

desires to purchase, shares of common stock (the " **Common Stock** "), subject to the terms and conditions set forth in the Subscription Agreement (the " **Subscription Agreement** ") to be entered into contemporaneously with this Agreement and in the Stockholders Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Company and Executive hereby agree as follows:

1. Employment . Upon the terms and subject to the conditions of this Agreement and, unless earlier terminated as provided in Section 8, the Company hereby employs Executive and Executive hereby accepts employment by the Company for the period (i) commencing on the date hereof (the " **Commencement Date** ") and (ii) ending on the third anniversary of (A) the Commencement Date or, (B) if the Common Stock shall become registered under Section 12(g) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), during the term hereof, the third anniversary of the date such registration shall have become effective and trading of Common Stock on a registered national securities exchange or automated quotation system (including, but not limited to, NASDAQ) shall have commenced (the " **Registration Date** "); provided, however, that the term of this Agreement shall automatically be extended for one additional year on the third anniversary of the Registration Date and each subsequent anniversary thereof unless not less than 90 days prior to such anniversary date either party shall give the other written notice that he or it does not want the term to extend as of such anniversary date. The period during which Executive is employed pursuant to this Agreement (including pursuant to any extension of the term hereof pursuant to the proviso in the immediately preceding sentence) shall be referred to herein as the " **Employment Period** ."

2. Position and Duties . During the Employment Period, Executive shall serve as the Senior Vice President of Operations of the Company and in such other position or positions with the Company and its majority-owned subsidiaries consistent with the foregoing position as the Board of Directors of the Company (the " **Board** ") may specify or the Company and Executive may mutually agree upon from time to time. During the Employment Period, Executive shall have the duties, responsibilities and obligations customarily assigned to individuals at comparable publicly traded companies serving in the position or positions in which Executive serves hereunder. Executive shall devote substantially all his business time to the services required of him hereunder, except for vacation time and reasonable periods of absence due to sickness, personal injury or other disability, and shall perform such services to the best of his abilities. Subject to the provisions of Section 9, nothing herein shall preclude Executive from (i) engaging in charitable activities and community affairs, (ii) managing his personal investments and affairs or (iii) serving on the board of directors or other governing body of any corporate or other business entity, so long as such service is not in violation of the covenants contained in Section 9 or the governance principles established for the Company by the Board, as in effect from time to time, provided that in no event may such activities, either

individually or in the aggregate, materially interfere with the proper performance of Executive's duties and responsibilities hereunder.

3. Place of Performance . The Company shall establish its headquarters office in Chicago, Illinois metropolitan area at which Executive shall have his principal office. Executive shall also have an office, and perform services at, the Company's offices in Green Bay, Wisconsin, on such basis as Executive deems necessary or appropriate for the performance of his duties.

4. Compensation .

(a) Base Salary . During the Employment Period, the Company shall pay Executive a base salary at the annual rate of $350,000. Beginning in 2006, the Board shall review Executive's base salary no less frequently than annually and may increase such base salary in its discretion. The amount of annual base salary payable under this Section 4(a) shall be reduced, however, to the extent Executive elects to defer such salary under the terms of any deferred compensation or savings plan or arrangement maintained or established by the Company or any of its subsidiaries. Executive's annual base salary payable hereunder, including any increased annual base salary, without reduction for any amounts deferred as described above, is referred to herein as " **Base Salary** ". The Company shall pay Executive the portion of his Base Salary not deferred in accordance with its standard payroll practices, but no less frequently than in equal monthly installments.

(b) Incentive Compensation . For each full calendar year during the Employment Period, Executive shall be eligible to receive an annual incentive bonus from the Company, with a target bonus opportunity of not less than 60% of his Base Salary, which will be payable, if at all, upon the achievement by Executive and/or the Company of performance objectives to be established by the Board in consultation with the Company's Chief Executive Officer and communicated to Executive during the first quarter of such year (the " **Incentive Compensation** "). Without limiting the generality of the foregoing, the actual amount payable to Executive in respect of the Incentive Compensation may be more or less than the targeted opportunity (including zero) based on the actual results against the pre-established performance objectives.

5. Stock Purchase . Substantially contemporaneously with the Commencement Date, Executive shall purchase the number of shares of Common Stock of the Company specified in the Subscription Agreement related to the purchase of such shares, to be entered into by Executive and the Company (the " **Subscription Agreement** "). The terms and conditions of such purchase shall be as set forth in the Subscription Agreement, and such shares shall be subject to the limitations and restrictions, including, without limitation, the restrictions on transfer and the put and call rights set forth in the Stockholders Agreement.

6. Public Equity Awards .

(a) Basic Restricted Stock Grant . On the fourth trading day following the Registration Date, the Company shall grant Executive an award of that number of whole restricted shares of Common Stock (the " **Basic Restricted Shares** ") as is equal to (or most closely approximates) 0.30% of the Outstanding Common Stock on the date of grant. The Basic Restricted Shares shall vest and become freely transferable in the proportions, and based upon achievement of the total shareholder return objectives, determined pursuant to Schedule A hereto, so long as Executive is continuously employed by the Company through the applicable vesting date. Any Basic Restricted Shares that have not become vested and freely transferable on or before the fifth anniversary of the grant date shall be forfeited. For purposes of this Agreement, **" Outstanding Common Stock "** shall mean the sum of (x) the number of shares Common Stock that are issued and outstanding on the Registration Date and (y) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off.

(b) Supplemental Restricted Stock Unit Grant . On the fourth trading day following the Registration Date, Executive shall be granted, automatically and without any further action on the part of the Company or the Board, an award of restricted stock units, with each such unit representing a right to receive one share of Common Stock on the terms and conditions set forth herein (the " **Supplemental Restricted Share Units** "). The number of Supplemental Restricted Share Units subject to such grant shall be equal to the quotient (rounded up to the nearest whole number) obtained by dividing (x) by (y), where (x) and (y) are:

(x) the product of (i) the excess, if any, of (A) the Initial Fair Market Value over (B) the Adjusted Per Share Purchase Price and (ii) that number of whole shares of Common Stock as is equal to (or most closely approximates) 0.90% of the Outstanding Common Stock on the date of grant; and

(y) the Initial Fair Market Value.

For purposes of this Agreement, " **Initial Fair Market Value** " shall mean the average of the closing values on the Registration Date and on each of the next four trading days immediately following the Registration Date, as reported on the principal exchange or automated quotation system on which the Common Stock is traded or reported. " **Adjusted Per Share Purchase Price** " shall mean the $5,000 purchase price per share of Common Stock, appropriately adjusted to reflect any stock split or share combination involving the Common Stock, any recapitalization of the Company, any adjustment pursuant to Section 4.3(b) of the Stockholders Agreement, or any merger, consolidation, reorganization or similar corporate event involving the Company occurring

on or after the Commencement Date and on or before the Registration Date.

The Supplemental Restricted Share Units shall vest in three equal annual installments on the first three anniversaries of the Registration Date, so long as (with respect to each installment) Executive is continuously employed by the Company through the applicable anniversary date. Notwithstanding the foregoing, no Supplemental Restricted Share Units shall become vested on any such anniversary date if, on such date, the average of the closing prices of a share of Common Stock on the principal trading market on which such shares are traded or reported for the 20 trading day period ended on such date (or, if such date is not a business day, the 20 trading day period ended on the last trading day occurring immediately prior thereto) does not exceed the Initial Fair Market Value (the " **Minimum Value Requirement** "). In the event that the Minimum Value Requirement is not satisfied on any applicable anniversary date, the Supplemental Restricted Share Units that would otherwise have vested on such anniversary date shall vest on any subsequent anniversary date or on any date after the third anniversary date (treating each such date as an anniversary date for purposes of the 20 day trading measurement period) on which both Executive is still an employee of the Company and the Minimum Value Requirement is satisfied; provided that any such Supplemental Restricted Share Units that have not become vested on or before the fifth anniversary of the grant date shall be forfeited. The shares of Common Stock corresponding to any vested Supplemental Restricted Share Units, if any, shall be distributed to Executive as soon as practicable, but not later than five (5) business days following the earlier to occur of (i) the fifth anniversary of the date of grant or (ii) the sixth month anniversary of the date Executive's employment with the Company terminates, unless the Executive elects (in a manner consistent with the applicable requirements of Section 409A of the Internal Revenue Code (the " **Code** ")) to defer the date upon which the shares of Common Stock corresponding to the vested Supplement Restricted Share Units shall be distributed.

(c) Stock Option . On the fourth trading day following the Registration Date, the Company shall automatically and without any further action on the part of the Company or the Board grant to Executive a non-qualified stock option to purchase the number of shares of Common Stock equal to the remainder of (i) the number of whole shares of Common Stock specified in Section 6(b)(x)(ii) minus (ii) the number of Supplemental Restricted Share Units awarded pursuant to Section 6(b) (the " **Option** "). The exercise price per share with respect to the Option shall be equal to the Initial Fair Market Value. The Option shall become vested and exercisable in three approximately equal annual installments on each of the first three anniversaries of the grant date of such Option, so long as Executive is continuously employed by the Company through the applicable anniversary date.

(d) Stock Incentive Plan . Each of the Basic Restricted Shares, the Supplemental Restricted Shares and the Option shall be granted pursuant to a stock incentive plan (the " **Incentive Plan** ") to be adopted by the Company prior to the Registration Date that will authorize for issuance thereunder at least (i) 13% of the

Outstanding Common Stock plus (ii) the number of shares of Common Stock issuable pursuant to any stock options granted by Dean prior to the Registration Date in respect of its common stock and converted into the right to purchase Common Stock in connection with or in contemplation of the Spin-Off as provided in the Stockholders Agreement. Such Incentive Plan shall have terms and conditions which will permit the issuance of the awards to the Executive specified in this Section 6 and shall not contain any other term or condition that has an adverse effect on any award to be made to Executive pursuant to this Section 6.

(e) Award Agreements . Each of the Basic Restricted Shares, Supplemental Restricted Shares and the Option shall be subject to an award agreement having the terms and conditions specified in the preceding subparagraphs of this Section 6 and otherwise consistent with the terms and conditions of the Incentive Plan. Each such agreement shall provide for full vesting of such awards upon a Change of Control and shall provide that Executive shall have the right to elect that any applicable tax withholding requirements with respect to the vesting, exercise or distribution of Common Stock be satisfied by having the Company withhold shares of Common Stock subject to such award having a value equal to the minimum required applicable tax withholding, and that Executive may exercise the Option using previously owned shares of Common Stock, including Basic Restricted Shares that are still subject to forfeiture, provided that that number of shares deliverable upon exercise of the Option that corresponds to the number of unvested Basic Restricted Shares surrendered will be subject to the same forfeiture provisions and restrictions on transfer as the Basic Restricted Shares surrendered to exercise such Option, in whole or in part.

(f) Capital Adjustments . Notwithstanding anything to the contrary contained in Section 5 or this Section 6, the exercise price of, and the number of Shares subject to, the Option, the number of Units subject to the Supplemental Restricted Share Units, and the Minimum Value Requirement shall be appropriately adjusted, by the Board in its sole discretion, to reflect any extraordinary dividend, any dividend payable in shares of capital stock, any stock split or share combination involving the Common Stock, any recapitalization of the Company, any merger, consolidation, reorganization or similar corporate event involving the Company occurring after the Registration Date.

(g) Impact on Future Grants . Unless following the Registration Date the Board shall determine that special circumstances warrant the grant of such additional awards as it or any duly authorized committee thereof shall, in its sole discretion, determine, it is the intent and expectation of the parties that Executive will not receive any further grants of equity-based compensation prior to the third anniversary of the Commencement Date. Following such third anniversary, Executive shall be eligible to receive equity-based compensation awards in accordance the Company’s generally applicable compensation practices, as then in effect.

7. Benefits, Perquisites and Expenses .

(a) Benefits . During the Employment Period, Executive shall be eligible to participate in (i) each welfare benefit plan sponsored or maintained by the Company for its senior executive officers, including, without limitation, each group life, hospitalization, medical, dental, health, accident or disability insurance or similar plan or program of the Company, and (ii) each pension, profit sharing, retirement, deferred compensation or savings plan sponsored or maintained by the Company for its senior executive officers, in each case, whether now existing or established hereafter, in accordance with the generally applicable provisions thereof, as the same may be amended from time to time.

(b) Perquisites . During the Employment Period, Executive shall be entitled to receive such perquisites as are generally provided to other senior executive officers of the Company in accordance with the then current policies and practices of the Company.

(c) Business Expenses . During the Employment Period, the Company shall pay or reimburse Executive for all reasonable expenses incurred or paid by Executive in the performance of Executive's duties hereunder, upon presentation of expense statements or vouchers and such other information as the Company may require and in accordance with the generally applicable policies and procedures of the Company.

(d) Indemnification . The Company agrees that if Executive is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a " **Proceeding** "), by reason of the fact that he is or was a director, officer or employee of the Company or any subsidiary or affiliate thereof, or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including, in each case, service with respect to employee benefit plans, whether or not the basis of such Proceeding is Executive's alleged action in an official capacity while serving as a director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or by-laws or resolutions of the Board or, if greater, by the laws of the State of Delaware, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if he has ceased to be a director, officer, member, employee or agent of the Company or other entity and shall inure to the benefit of Executive's heirs, executors and administrators. If Executive serves as a director, officer, member, partner, employee or agent of another corporation, partnership, joint venture, limited liability company, trust or other enterprise (including, in each case, service with respect to employee benefit plans) which is a subsidiary or affiliate of the Company, it shall be presumed for purposes of this Section 7(d) that Executive serves or served in such capacity at the request of the

Company. The Company shall advance to Executive all reasonable costs and expenses incurred by him in connection with a Proceeding within 30 days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by Executive to repay the amount of such advance, if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses. The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering Executive to the extent the Company provides such coverage for its other executive officers or directors.

8. Termination of Employment .

(a) Early Termination of the Employment Period . Notwithstanding Section 1, the Employment Period shall end upon the earliest to occur of (i) a termination of Executive's employment on account of Executive's death, (ii) a Termination due to Disability, (iii) a Termination for Cause, (iv) a Termination Without Cause, (v) a Termination for Good Reason, (vi) a Termination due to Retirement or (vii) a Voluntary Termination.

(b) Termination Due to Death or Disability . In the event that Executive's employment hereunder terminates due to his death or as a result of a Termination due to Disability (as defined below), no termination benefits shall be payable to or in respect of Executive except as provided in Section 8(e). For purposes of this Agreement, " **Termination due to Disability** " means a termination of Executive's employment upon written notice from the Company because Executive has been incapable, regardless of any reasonable accommodation by the Company, of substantially fulfilling the positions, duties, responsibilities and obligations set forth in this Agreement because of physical, mental or emotional incapacity resulting from injury, sickness or disease for a period of more than (i) four consecutive months or (ii) an aggregate of six months in any twelve month period. Any question as to the existence or extent of Executive's disability upon which Executive and the Company cannot agree shall be determined by a qualified, independent physician jointly selected by the Company and Executive. If the Company and Executive cannot agree on the physician to make the determination, then the Company and Executive shall each select a physician and those physicians shall jointly select a third physician, who shall make the determination. The determination of any such physician shall be final and conclusive for all purposes of this Agreement. Executive or his legal representative or any adult member of his immediate family shall have the right to present to such physician such information and arguments as to Executive's disability as he, she or they deem appropriate, including the opinion of Executive's personal physician.

(c) Termination by the Company . The Company may terminate Executive's employment with the Company with or without Cause; provided that prior to the Registration Date, the Company may only terminate Executive's employment hereunder for Cause. " **Termination for Cause** " means a termination of Executive's employment

by the Company due to Cause. " **Cause** " means (i) Executive's conviction of a felony or the entering by Executive of a plea of nolo contendere to a felony charge, (ii) Executive's gross neglect or willful and intentional gross misconduct in the performance of, or willful, substantial and continual refusal by Executive in breach of this Agreement to perform, the duties, responsibilities or obligations assigned to Executive pursuant to the terms hereof, (iii) a TreeHouse Default (as defined in the Stockholders Agreement), (i v) any material breach by Executive of Section 9 of this Agreement or (v) a material breach by Executive of the Code of Ethics applicable to the Company's employees, as in effect from time to time; provided, however, that no act or omission shall constitute "Cause" for purposes of this Agreement unless the Board provides Executive, within 90 days of the Board learning of such act or acts or failure or failures to act, (A) written notice of the intention to terminate him for Cause, which notice states in detail clearly and fully the particular act or acts or failure or failures to act that constitute the grounds on which the Board reasonably believes in good faith constitutes "Cause", and (B) an opportunity, within thirty (30) days following Executive's receipt of such notice, to meet in person with the Board to explain or defend the alleged act or acts or failure or failures to act relied upon by the Board and, to the extent such cure is possible, to cure such act or acts or failure or failures to act. If such conduct is cured to the reasonable satisfaction of the Board, such notice of termination shall be revoked. Further, no act or acts or failure or failures to act shall be considered "willful" or "intentional" if taken in good faith and Executive reasonably believed such act or acts or failure or failures to act were in the best interests of the Company.

(d) Termination by Executive . Executive may terminate his employment with the Company for Good Reason, for Retirement or in a Voluntary Termination. A " **Termination for Good Reason** " by Executive means a termination of Executive's employment by Executive within 90 days following (i) a reduction in Executive's annual Base Salary or target Incentive Compensation opportunity, (ii) the failure to elect or reelect Executive to any of the positions described in Section 2 above or the removal of him from any such position, (iii) a material reduction in Executive's duties and responsibilities or the assignment to Executive of duties and responsibilities which are materially inconsistent with his duties or which materially impair Executive's ability to function in the position specified in Section 2, (iv) a material breach of any material provision of this Agreement by the Company, (v) the earlier of (x) October 31, 2005 (or such later date as the Company and Executive (or Executive's agent appointed pursuant to the Stockholders Agreement) shall agree) and (y) the Early Termination Date (as defined in the Stockholders Agreement), if the Registration Date has not occurred on or before such earlier date other than as a result of a TreeHouse Default; (vi) any material breach by the Company or Dean of the Stockholders Agreement; (vii) any material breach by the Company of any of the award agreements referenced in Section 6(e); or (viii) the failure by the Company to obtain the assumption agreement referred to in Section 10(b) of this Agreement prior to the effectiveness of any succession referred to therein, unless the purchaser, successor or assignee referred to therein is bound to perform this Agreement by operation of law. Notwithstanding the foregoing, a

termination shall not be treated as a Termination for Good Reason (i) if Executive shall have consented in writing to the occurrence of the event giving rise to the claim of Termination for Good Reason (or non-occurrence of the event described in clause (v) of this definition) or (ii) unless Executive shall have delivered a written notice to the Board within 60 days of his having actual knowledge of the occurrence of one of such events stating that he intends to terminate his employment for Good Reason and specifying the factual basis for such termination, and such event, if capable of being cured, shall not have been cured within 10 days of the receipt of such notice. A " **Termination due to Retirement** " means Executive's voluntary termination of employment after having (i) completed at least five (5) years of service with the Company and (ii) the sum of the Executive's attained age and length of service with the Company is at least 62 (or such lower number as the Board shall permit). A " **Voluntary Termination** " shall mean a termination of employment by Executive that is not a Termination for Good Reason, a Termination due to Retirement or a Termination due to Disability, and which occurs after the Registration Date and on 90th day after Executive shall have given the Company written notice of his intent to terminate his employment (or as of such later date as Executive shall specify in such notice).

(e) Payments and Benefits Upon Certain Terminations .

(i) In the event of the termination of Executive's employment for any reason (including a voluntary termination of employment by Executive which is not a Termination for Good Reason), Executive shall be entitled to any Earned Compensation owed to Executive but not yet paid and the Vested Benefits.

(ii) Except as provided in Section 8(e)(iii), in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason, Executive shall receive the Basic Payment.

(iii) In lieu of the Basic Payment, in the event the Employment Period ends by reason of a Termination Without Cause or a Termination for Good Reason within the 24 month period immediately following a Change of Control, Executive shall receive the Special Payment.

(iv) In the event that Executive's employment terminates (A) due to his death, a Termination due to Disability or a Termination due to Retirement, in any such case, after the Registration Date, or (B) due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and at a time at which Sam Reed is not acting in the capacity of the Company's Chief Executive Officer, (x) any portion of the Option that has not become vested and exercisable prior to such termination of employment shall become vested and exercisable and, to the extent not earlier exercised, the Option shall remain exercisable until the second anniversary of such termination or, if earlier, the expiration of its term, and (y) any Basic Restricted Shares and Supplemental Restricted Shares outstanding on such date of termination shall continue to vest, if at

all, in accordance with their terms on the same terms and conditions that would have applied if Executive's employment hereunder had not been terminated.

(v) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, (A) in addition to any portion of the Option that at such time is vested and exercisable in the ordinary course, upon such termination, the following additional portion of the Option shall become vested and exercisable: (x) the portion of the Option, if any, that would have become vested and exercisable on the next following anniversary of the Option grant date had Executive continued to have been employed plus (y) the portion of the Option, if any, that would become vested on the second following anniversary of the Option grant date had Executive continued to have been employed times a fraction (the " **Pro-Ration Fraction** "), the numerator of which is the number of days Executive was employed since the last anniversary of such grant date through (and including) the termination date and the denominator of which is 365, and (B) any portion of the Option that is vested and exercisable on the termination date (including the portion thereof that vests and becomes exercisable on such date pursuant to subclause (A)) shall be and remain exercisable (unless earlier exercised) until the second anniversary of the termination date.

(vi) In the event that Executive's employment terminates due to a Termination Without Cause or a Termination for Good Reason, in either case, after the Registration Date and while Sam Reed is acting in the capacity of the Company's Chief Executive Officer, in addition to any portion thereof that became vested in the ordinary course prior to the date of such termination, the following additional portion of the Basic Restricted Shares and Supplemental Restricted Share Units may continue to vest in accordance with its terms on the same basis as would have applied had Executive's employment not terminated: (x) any portion of the Basic Restricted Share award and the Supplemental Restricted Share Units award that had not become vested as of the termination date solely because the performance criteria applicable thereto had not yet been satisfied (i.e ., any portion thereof as to which the service requirements has been satisfied at the date Executive's employment terminated), (y) the portion of each such award that could become vested on the next following anniversary of the date on which it was granted had Executive continued to have been employed and (z) the portion of each such award, if any, that could become vested on the second following anniversary of the grant date of such award had Executive continued to have been employed, multiplied by the Pro-Ration Fraction.

(vii) In the event of a Termination due to Disability, a Termination Without Cause or a Termination for Good Reason, Executive shall be entitled to continued participation in all medical, dental, hospitalization and life insurance

coverage and in other employee benefit plans or programs in which he was participating on the date of the termination of his employment until the earlier of (A) the second anniversary (or, in the event Executive receives the Special Payment, the third anniversary) of his termination of employment and (B) the date, or dates, he receives equivalent coverage and benefits under the plans and programs of a subsequent employer (such coverages and benefits to be determined on a coverage-by-coverage, or benefit-by-benefit basis); provided that if Executive is precluded from continuing his participation in any employee plan or program as provided in this Section 8(e)(iv), he shall be provided with the economic equivalent of the benefits provided under the plan or program in which he is unable to participate.

(viii) Certain Definitions . For purposes of this Section 8, capitalized terms have the following meanings.

" **Basic Payment** " means an amount equal to two times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Change of Control** " means the occurrence of any of the following events following the date of distribution of the Common Stock to the stockholders of Dean in connection with the Spin-Off: (a) any "person" (as such term is used in Section 13(d) of the Exchange Act, but specifically excluding the Company, any wholly-owned subsidiary of the Company and/or any employee benefit plan maintained by the Company or any wholly-owned subsidiary of the Company) becomes the "beneficial owner" (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing thirty percent (30%) or more of the combined voting power of the Company's then outstanding securities; or (b) individuals who currently serve on the Board, or whose election to the Board or nomination for election to the Board was approved by a vote of at least two-thirds (2/3) of the directors who either currently serve on the Board, or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board; or (c) the Company or any subsidiary of the Company shall merge with or consolidate into any other corporation, other than a merger or consolidation which would result in the holders of the voting securities of the Company outstanding immediately prior thereto holding immediately thereafter securities representing more than sixty percent (60%) of the combined voting power of the voting securities of the Company or such surviving entity (or its ultimate parent, if applicable) outstanding immediately after such merger or consolidation; or (d) the stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, or such a plan is commenced.

" **Date of Termination** " means (i) if Executive's employment is terminated by his death, the date of his death, and (ii) if Executive's employment is terminated for any other reason, the date specified in a notice of termination delivered to Executive by the Company (or if no such date is specified, the date such notice is delivered).

" **Earned Compensation** " means the sum of (a) any Base Salary earned, but unpaid, for services rendered to the Company on or prior to the date on which the Employment Period ends pursuant to Section 8(a), (b) any annual Incentive Compensation payable for services rendered in the calendar year preceding the calendar year in which the Employment Period ends that has not been paid on or prior to the date the Employment Period ends (other than (x) Base Salary and (y) Incentive Compensation deferred pursuant to Executive's election), (c) any accrued but unused vacation days and (d) any business expenses incurred on or prior to the date of the Executive's termination that are eligible for reimbursement in accordance with the Company's expense reimbursement policies as then in effect.

" **Special Payment** " means an amount equal to three times the sum of (a) the annual Base Salary payable to Executive immediately prior to the end of the Employment Period (or in the event a reduction in Base Salary is the basis for a Termination for Good Reason, then the Base Salary in effect immediately prior to such reduction) and (b) the Target Incentive Compensation for the calendar year in which the Employment Period ends pursuant to Section 8(a).

" **Target Incentive Compensation** " means with respect to any calendar year the annual Incentive Compensation Executive would have been entitled to receive under Section 4(b) for such calendar year had he remained employed by the Company for the entire calendar year and assuming that all targets for such calendar year had been met.

" **Vested Benefits** " means amounts which are vested or which Executive is otherwise entitled to receive under the terms of or in accordance with any plan, policy, practice or program of, or any contract or agreement with, the Company or any of its subsidiaries, at or subsequent to the date of his termination without regard to the performance by Executive of further services or the resolution of a contingency.

(f) Resignation upon Termination . Effective as of any Date of Termination under this Section 8, Executive shall resign, in writing, from all positions then held by him with the Company and its affiliates.

(g) Timing of Payments . Earned Compensation, the Basic Payment and the Special Payment shall be paid in a single lump sum as soon as practicable, but in no event more than 15 days, following the end of the Employment Period. Vested Benefits shall be payable in accordance with the terms of the plan, policy, practice, program, contract or agreement under which such benefits have accrued.

(h) Payment Following a Change of Control . If the aggregate of all payments or benefits made or provided to Executive with respect to any of the equity compensation provided under Section 5 or Section 6, under Section 8(e)(iii)(A), if applicable, and under all other plans and programs of the Company (the " **Aggregate Payment** ") is determined to constitute a Parachute Payment, as such term is defined in Section 280G(b)(2) of the Code, the Company shall pay to Executive, prior to the time any excise tax imposed by Section 4999 of the Code (the " **Excise Tax** ") is payable with respect to such Aggregate Payment, an additional amount which, after the imposition of all income, employment and excise taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to Executive and the time of payment pursuant to this Section 8(h) shall be made by the Company's independent auditor or, if such independent auditor is unwilling or unable to serve in this capacity, such other nationally recognized accounting firm selected by the Company with the consent of the person serving as the Chief Executive Officer of the Company immediately prior to the Change of Control, which consent shall not be unreasonably withheld (the " **Auditor** ").

(i) Full Discharge of Company Obligations . The amounts payable to Executive pursuant to this Section 8 following termination of his employment (including amounts payable with respect to Vested Benefits) shall be in full and complete satisfaction of Executive's rights under this Agreement and any other claims he may have in respect of his employment by the Company or any of its subsidiaries other than claims for common law torts or under other contracts between Executive and the Company or its subsidiaries. Such amounts shall constitute liquidated damages with respect to any and all such rights and claims and, upon Executive's receipt of such amounts, the Company shall be released and discharged from any and all liability to Executive in connection with this Agreement or otherwise in connection with Executive's employment with the Company and its subsidiaries and, as a condition to payment of any such amounts that are in excess of the Earned Compensation and the Vested Benefits, following the Date of Termination and if requested by the Company, Executive shall execute a release in favor of the Company in the form approved by the Company.

(j) No Mitigation; No Offset . In the event of any termination of employment under this Section 8, Executive shall be under no obligation to seek other employment and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain except as specifically provided with regard to the continuation of benefits in Section 8(e)(v).

9. Noncompetition and Confidentiality .

(a) Noncompetition . During the Employment Period and, in the event that Executive's employment is terminated for any reason other than death, a Termination Without Cause or a Termination for Good Reason, for a period of 12 months following

the Date of Termination (the " **Post-Termination Period** "), Executive shall not become associated with any entity, whether as a principal, partner, employee, consultant or shareholder (other than as a holder of not in excess of 1% of the outstanding voting shares of any publicly traded company), that is actively engaged in any geographic area in any business which is in competition with a business conducted by the Company at the time of the alleged competition and, in the case of the Post-Termination Period, at the Date of Termination.

(b) Confidentiality . Without the prior written consent of the Company, except (i) in the course of carrying out his duties hereunder or (ii) to the extent required by an order of a court having competent jurisdiction or under subpoena from an appropriate government agency, Executive shall not disclose any trade secrets, customer lists, drawings, designs, information regarding product development, marketing plans, sales plans, manufacturing plans, management organization information (including data and other information relating to members of the Board and management), operating policies or manuals, business plans, financial records, packaging design or other financial, commercial, business or technical information relating to the Company or any of its subsidiaries or information designated as confidential or proprietary that the Company or any of its subsidiaries may receive belonging to suppliers, customers or others who do business with the Company or any of its subsidiaries (collectively, " **Confidential Information** ") to any third person unless such Confidential Information has been previously disclosed to the public by the Company or has otherwise become available to the public (other than by reason of Executive's breach of this Section 9(b)).

(c) Company Property . Promptly following termination of Executive's employment, Executive shall return to the Company all property of the Company, and all copies thereof in Executive's possession or under his control, except that Executive may retain his personal notes, diaries, Rolodexes, calendars and correspondence.

(d) Non-Solicitation of Employees . During the Employment Period and during the one year period following any termination of Executive's employment for any reason, Executive shall not, except in the course of carrying out his duties hereunder, directly or indirectly induce any employee of the Company or any of its subsidiaries to terminate employment with such entity, and shall not directly or indirectly, either individually or as owner, agent, employee, consultant or otherwise, knowingly employ or offer employment to any person who is or was employed by the Company or a subsidiary thereof unless such person shall have ceased to be employed by such entity for a period of at least 6 months.

(e) Injunctive Relief with Respect to Covenants . Executive acknowledges and agrees that the covenants and obligations of Executive with respect to noncompetition, nonsolicitation, confidentiality and Company property relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations may cause the Company irreparable injury for which adequate

remedies are not available at law. Therefore, Executive agrees that the Company shall be entitled to an injunction, restraining order or such other equitable relief restraining Executive from committing any violation of the covenants and obligations contained in this Section 9. These injunctive remedies are cumulative and are in addition to any other rights and remedies the Company may have at law or in equity.

10. Miscellaneous .

(a) Survival . Sections 7(d) (relating to the Company's obligation to indemnify Executive), 8 (relating to early termination), 9 (relating to noncompetition, nonsolicitation and confidentiality) and 10(o) (relating to governing law) shall survive the termination hereof, whether such termination shall be by expiration of the Employment Period or an early termination pursuant to Section 8 hereof.

(b) Binding Effect . This Agreement shall be binding on, and shall inure to the benefit of, the Company and any person or entity that succeeds to the interest of the Company (regardless of whether such succession does or does not occur by operation of law) by reason of a merger, consolidation or reorganization involving the Company or a sale of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets as described in the preceding sentence, it shall use its reasonable best efforts to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. This Agreement shall also inure to the benefit of Executive's heirs, executors, administrators and legal representatives and beneficiaries as provided in Section 10(d).

(c) Assignment . Except as provided under Section 10(b), neither this Agreement nor any of the rights or obligations hereunder shall be assigned or delegated by any party hereto without the prior written consent of the other party.

(d) Beneficiaries/References . Executive shall be entitled, to the extent permitted under any applicable law and the terms of any applicable plan, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, reference in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

(e) Resolution of Disputes . Any disputes arising under or in connection with this Agreement shall, at the election of Executive or the Company, be resolved by binding arbitration, to be held in Chicago, Illinois in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Costs of the

arbitration shall be borne by the Company. Unless the arbitrator determines that Executive did not have a reasonable basis for asserting his position with respect to the dispute in question, the Company shall also reimburse Executive for his reasonable attorneys' fees incurred with respect to any arbitration. Pending the resolution of any arbitration or court proceeding, the Company shall continue payment of all amounts due Executive under this Agreement and all benefits to which Executive is entitled at the time the dispute arises (other than the amounts which are the subject of such dispute).

(f) Entire Agreement . This Agreement constitutes the entire agreement between the parties hereto with respect to the matters referred to herein. No amendment to this Agreement shall be binding between the parties unless it is in writing and signed by the party against whom enforcement is sought. There are no promises, representations, inducements or statements between the parties other than those that are expressly contained herein. Executive acknowledges that he is entering into this Agreement of his own free will and accord, and with no duress, that he has been represented and fully advised by competent counsel in entering into this Agreement, that he has read this Agreement and that he understands it and its legal consequences.

(g) Representations . Executive represents that his employment hereunder and compliance by him with the terms and conditions of this Agreement will not conflict with or result in the breach of any agreement to which he is a party or by which he may be bound. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has the full corporate power and authority to execute and deliver this Agreement. The Company has taken all action required by law, the Certificate of Incorporation, its By-Laws or otherwise required to be taken by it to authorize the execution, delivery and performance by it of this Agreement. This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(h) Severability; Reformation . In the event that one or more of the provisions of this Agreement shall become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not be affected thereby. In the event any of Section 9(a), (b) or (d) is not enforceable in accordance with its terms, Executive and the Company agree that such Section shall be reformed to make such Section enforceable in a manner which provides the Company the maximum rights permitted at law.

(i) Waiver . Waiver by any party hereto of any breach or default by the other party of any of the terms of this Agreement shall not operate as a waiver of any other breach or default, whether similar to or different from the breach or default waived. No waiver of any provision of this Agreement shall be implied from any course of dealing between the parties hereto or from any failure by either party hereto to assert its or his rights hereunder on any occasion or series of occasions.

(j) Notices . Any notice required or desired to be delivered under this Agreement shall be in writing and shall be delivered personally, by courier service, by registered mail, return receipt requested, or by telecopy and shall be effective upon actual receipt when delivered or sent by telecopy and upon mailing when sent by registered mail, and shall be addressed as follows (or to such other address as the party entitled to notice shall hereafter designate in accordance with the terms hereof):

If to the Company:

857-897 School Place
P.O. Box 19057
Green Bay, Wisconsin 54307
Attention: General Counsel
Telecopy No.: (920) 497-4604

prior to the Registration Date, with a copy to:

Dean Foods Company
2515 McKinney Avenue
Suite 1200
Dallas, Texas 75201
Attention: General Counsel
Telecopy No.: (214) 303-3413

If to Executive:

901 Jeffrey Court
St. Charles, Illinois 60174

with a copy to:

Vedder, Price, Kaufman & Kammholz, P.C.
222 N. LaSalle Street
Chicago, Illinois 60601
Attention: Robert J. Stucker, Esq.
Thomas P. Desmond, Esq.

(k) Amendments . This Agreement may not be altered, modified or amended except by a written instrument signed by each of the parties hereto.

(l) Headings . Headings to Sections in this Agreement are for the convenience of the parties only and are not intended to be part of or to affect the meaning or interpretation hereof.

(m) Counterparts . This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(n) Withholding . Any payments provided for herein shall be reduced by any amounts required to be withheld by the Company from time to time under applicable federal, state or local income or employment tax laws or similar statutes or other provisions of law then in effect.

(o) Governing Law . This Agreement shall be governed by the laws of the State of Delaware, without reference to principles of conflicts or choice of law under which the law of any other jurisdiction would apply.

— Signature page follows —

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and Executive has hereunto set his hand as of the day and year first above written.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: /s/ Edward Fugger
Name: Edward Fugger
Title: Vice President—Corporate Development

EXECUTIVE:
/s/ H. J. Walsh
Harry J. Walsh

On each of January 31, 2006, January 31, 2007 and January 31, 2008, one-third of the Basic Restricted Shares shall vest, provided that the Company's Total Shareholder Return for the period commencing on the fourth trading day following the Registration Date (the "**Commencement Date**") and ending on such January 31st equals or exceeds the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group (as defined below).

In addition, on each of January 31, 2007, January 31, 2008, January 31, 2009 and January 31, 2010, any Basic Restricted Shares that could have vested, but that did not vest, on any preceding January 31st shall vest on such subsequent date if the Company's Total Shareholder Return for the period from the Commencement Date through the applicable January 31st shall equal or exceed the median of the Total Shareholder Return for such period for the companies in the Selected Peer Group.

As used herein, "**Total Shareholder Return**" shall mean the percentage return received by all shareholders of the relevant company during the applicable measurement period, including stock price appreciation and dividends, and shall be calculated as follows:

$$\frac{\text{Ending Stock Price}^{(1)} - \text{Beginning Stock Price}^{(2)} + \text{Dividend Reinvestment}^{(3)}}{\text{Beginning Stock Price}^{(2)}}$$

(1) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock for the 20 consecutive trading day period ending on the applicable January 31st (or if the applicable January 31 is not a trading date, the immediately preceding trading date).

(2) With respect to each of the Company and each company in the Selected Peer Group, the average of the closing prices of its common stock on the Registration Date and each of the four consecutive trading days immediately following the Registration Date.

(3) Assumes any dividends paid on the common stock of the Company or any company in the Selected Peer Group are used to purchase its common stock at the closing stock price on the date that such dividends are payable, and includes the value of such additional shares of such common stock (based on the Ending Stock Price for such common stock).

As used herein, "**Selected Peer Group**" shall mean 20 or more companies selected by the Board of Directors of the Company (or any authorized committee thereof) from

among packaged food companies whose securities are registered to trade on a U.S. national securities exchange or automated quotation system (including, but not limited to NASDAQ) (the " **Peer Companies** ") on or as soon as practicable after the Registration Date; provided that in no event shall any Ineligible Company be selected to be a member of the Selected Peer Group. An " **Ineligible Company** " shall mean any Peer Company (i) in which significant portion of its voting securities is held by another corporate entity (other than an open-ended investment company); (ii) has filed for protection under the Federal bankruptcy law or any similar law, (iii) which is not organized, based and majority-owned in the United States, (iv) is party to any agreement the consummation of which would cause such Peer Company to cease to be publicly traded (or be described in subclause (i) or (iii)), or (v) which has announced an intention to be sold or cease to be publicly traded or to take actions which would cause it to be described in subclause (i) or (iii). To the extent that any Peer Company initially selected as part of the Selected Peer Group with respect to a measurement period shall become an Ineligible Company prior to the end of such period, such company shall be excluded from the Selected Peer Group for such period. The Selected Peer Group will be reviewed annually to determine whether any of its members shall have become Ineligible Companies.

Exhibit 10.6

STOCK SUBSCRIPTION AGREEMENT

Stock Subscription Agreement, dated as of January 27, 2005, between Dean Specialty Foods Holdings, Inc., a Delaware corporation (the " **Company** "), and the Purchaser named on the signature page of this Agreement (the " **Purchaser** ").

WHEREAS, the Purchaser desires to subscribe for, and the Company desires to make available for purchase, those shares of the Company's common stock, par value $.01 per share (the " **Shares** "), indicated as being subscribed for by the Purchaser on the signature page of this Agreement, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual covenants and obligations set forth in this Agreement, the parties hereto agree as follows:

1. Purchase and Sale of the Shares .

(a) General . Subject to all of the terms and conditions of this Agreement and in reliance upon the representations and warranties contained herein, at the Closing (as defined in Section 2(a)), the Purchaser hereby subscribes for and agrees to purchase, and the Company agrees to sell to the Purchaser for the Purchaser's own account, the number of Shares set forth opposite the Purchaser's signature on the signature page of this Agreement.

Notwithstanding anything in this Agreement to the contrary, the Company shall not have any obligation to sell any of the Shares to any Purchaser who is a resident of a jurisdiction in which the sale of Shares to such Purchaser would constitute a violation of the securities, "blue sky" or other similar laws of such jurisdiction.

(b) Purchase Price; Fair Market Value . The purchase price per Share shall be $5,000. At the Closing, the Purchaser shall purchase the Shares for the aggregate amount set forth on the signature page of this Agreement (the " **Purchase Price** "). The Purchase Price shall be paid by the Purchaser at the Closing in cash (payable by wire transfer of immediately available funds to an account designated by the Company or certified or bank cashier's check).

2. Closing .

(a) Time and Place . The closing of the transactions contemplated by this Agreement (the " **Closing** ") shall be held at the offices of the Company on January 27, 2005 or such later date as the Company and the TreeHouse Representative (as defined

in the Stockholders Agreement, dated as of the Closing Date (as amended from time to time, the " **Stockholders Agreement** ")) may determine (the " **Closing Date** ").

(b) Delivery by the Company . At the Closing, against delivery of the Purchase Price, the Company will deliver to the Purchaser (i) a stock certificate registered in the Purchaser's name and representing the number of Shares purchased by the Purchaser, which certificate shall bear the legends set forth in the Stockholders Agreement, among the Company, the Purchaser and each other purchaser of the Company's Common Stock and (ii) a signature page to the Stockholders Agreement executed by the Company. Notwithstanding anything to the contrary contained in this Agreement, the Company shall have no obligation to the Purchaser under this Agreement unless, on or before the Closing Date, (A) the TreeHouse Investors (as defined in the Stockholders Agreement) shall have executed and delivered to the Company stock subscription agreements, substantially in the form hereof, in respect of Common Stock having an aggregate purchase price of $10 million and (B) each other member of the Initial TreeHouse Management (as defined in the Stockholders Agreement) shall have executed and delivered to the Company a stock subscription agreement, substantially in the form hereof, evidencing such other member's purchase of shares of the Company's Common Stock.

(c) Delivery by the Purchaser . At the Closing, the Purchaser will deliver (i) the Purchase Price as provided in Section 1(b) and (ii) an executed signature page to the Stockholders Agreement.

3. Purchaser's Representations, Warranties and Covenants .

(a) Investment Intention and Restrictions on Disposition . The Purchaser represents and warrants that the Purchaser is acquiring the Shares solely for the Purchaser's own account for investment and not with a view to, or for sale in connection with, any distribution thereof. The Purchaser agrees that the Purchaser will not, directly or indirectly, offer, transfer, sell, pledge, hypothecate or otherwise dispose of any of the Shares (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of any of the Shares) or any interest therein or any rights relating thereto, except in compliance with the Securities Act of 1933, as amended, and the rules and regulations thereunder (the " **Act** "), all applicable state securities or "blue sky" laws and the Stockholders Agreement. Any attempt by the Purchaser, directly or indirectly, to offer, transfer, sell, pledge, hypothecate or otherwise dispose of any of the Shares or any interest therein, or any rights relating thereto, without complying with the provisions of this Agreement and the Stockholders Agreement shall be void and of no effect.

(b) Securities Law Matters . The sale of the Shares hereunder is being effected pursuant to an exemption from registration under the Securities Act of 1933, as amended, available under Regulation D. The Purchaser acknowledges receipt of advice from the Company that (i) the Shares have not been registered under the Act or qualified

under any state securities or "blue sky" laws, (ii) it is not anticipated that there will be any public market for the Shares, except as contemplated by the Stockholders Agreement, (iii) the Shares must be held indefinitely and the Purchaser must continue to bear the economic risk of the investment in the Shares, unless such Shares are subsequently registered under the Act and such state laws or an exemption from such registration is available, or as contemplated by the Stockholders Agreement, (iv) Rule 144 promulgated under the Act (" **Rule 144** ") is not presently available with respect to sales of any securities of the Company and the Company has made no covenant to make Rule 144 available and Rule 144 is not anticipated to be available in the foreseeable future, (v) when and if the Shares may be disposed of without registration in reliance upon Rule 144, such disposition can be made only in limited amounts and in accordance with the terms and conditions of such Rule, (vi) if the exemption afforded by Rule 144 is not available, public sale of the Shares without registration will require the availability of an exemption under the Act, (vii) restrictive legends in the form set forth in the Stockholders Agreement shall be placed on the certificate representing the Shares and (viii) a notation shall be made in the appropriate records of the Company indicating that the Shares are subject to restrictions on transfer and, if the Company should in the future engage the services of a stock transfer agent, appropriate stop-transfer instructions will be issued to such transfer agent with respect to the Shares.

(c) Ability to Bear Risk . The Purchaser represents and warrants that (i) the financial situation of the Purchaser is such that the Purchaser can afford to bear the economic risk of holding the Shares for an indefinite period and (ii) the Purchaser can afford to suffer the complete loss of the Purchaser's investment in the Shares.

(d) Access to Information; Sophistication; Lack of Reliance . The Purchaser represents and warrants that (i) the Purchaser has been granted the opportunity to ask questions of, and receive answers from, representatives of the Company concerning the Company and the terms and conditions of the purchase of the Shares and to obtain any additional information that the Purchaser deems necessary, (ii) the Purchaser's knowledge and experience in financial business matters is such that the Purchaser is capable of evaluating the merits and risk of the investment in the Shares and (iii) the Purchaser has carefully reviewed the terms and provisions of the Stockholders Agreement and has evaluated the restrictions and obligations contained therein. In furtherance of the foregoing, each Purchaser represents and warrants that (i) no representation or warranty, express or implied, whether written or oral, as to the financial condition, results of operations, prospects, properties or business of the Company or as to the desirability or value of an investment in the Company has been made to such Purchaser by or on behalf of the Company, except for those representations and warranties contained in Section 4 and the Stockholders Agreement, (ii) such Purchaser has relied upon such Purchaser's own independent appraisal and investigation, and the advice of such Purchaser's own counsel, tax advisors and other advisors, regarding the risks of an investment in the Company and (iii) such Purchaser will continue to bear sole

responsibility for making its own independent evaluation and monitoring of the risks of its investment in the Company. For purposes of this Section 3(d), the Company includes each of the businesses to be acquired by the Company on the Closing Date.

(e) Accredited Investor . The Purchaser represents and warrants that the Purchaser is an "accredited investor" as such term is defined in Rule 501(a) promulgated under the Act and, if the Purchaser is a natural person, that:

(i) the Purchaser has an individual net worth, or joint net worth with the Purchaser's spouse, in excess of $1,000,000; or

(ii) the Purchaser has had an individual income in excess of $200,000 in each of 2003 and 2004 or joint income with the Purchaser's spouse in excess of $300,000 in each of 2003 and 2004, and the Purchaser has a reasonable expectation of reaching the same income level in 2005.

(f) Due Execution, Enforceability, etc . The Purchaser represents and warrants that (i) the Purchaser has duly executed and delivered this Agreement, (ii) all actions required to be taken by or on behalf of the Purchaser to authorize the Purchaser to execute, deliver and perform the Purchaser's obligations under this Agreement and the Stockholders Agreement have been taken, (iii) this Agreement constitutes and, upon execution thereof, the Stockholders Agreement will constitute the Purchaser's legal, valid and binding obligations, enforceable against the Purchaser in accordance with their respective terms, (iv) the execution and delivery of this Agreement and the Stockholders Agreement and the consummation by the Purchaser of the transactions contemplated hereby and thereby in the manner contemplated hereby and thereby do not and will not conflict with, or result in a breach of any terms of, or constitute a default under, any agreement or instrument or any statute, law, rule or regulation, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or governmental authority which is applicable to the Purchaser or by which the Purchaser or any material portion of the Purchaser's properties is bound, (v) no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or third person is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the Stockholders Agreement or the performance of the Purchaser's obligations hereunder or thereunder and (vi) if the Purchaser is an individual, the Purchaser is a resident of the state set forth below the Purchaser's signature on the signature page and if the Purchaser is not an individual, the Purchaser's principal place of business and mailing address is in the state set forth below the Purchaser's signature on the signature page.

4. Representations and Warranties of the Company . The Company represents and warrants to the Purchaser that prior to the Closing (i) it will have taken all corporate actions necessary to authorize it to enter into and perform its obligations under this Agreement and to consummate the transactions contemplated hereby and (ii) this

Agreement will be duly executed and delivered by the Company and constitute the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

5. Miscellaneous .

(a) Binding Effect; Benefits . This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement and their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) Waiver . The waiver by either party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

(c) Amendments . This Agreement may be amended, modified or supplemented only by the written agreement of the parties hereto.

(d) Assignability . Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or the Purchaser without the prior written consent of the other party.

(e) Governing Law . This Agreement shall be governed by and construed in accordance with, the law of the State of Delaware, without giving effect to the choice of law principles thereof.

(f) Notices . All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if (i) delivered personally, (ii) mailed, certified or registered mail with postage prepaid, (iii) sent by next-day or overnight mail or delivery or (iv) sent by fax, as follows: if to the Purchaser, to the Purchaser at the address set forth under the Purchaser's name on the signature page of this Agreement or to such other person or address as the Purchaser shall specify by notice in writing to the Company, with a copy to Vedder, Price, Kaufman & Kammholz, 222 N. LaSalle Street, Chicago, Illinois 60601, Telephone: (312) 609-7500, Fax: (312) 609-5005, Attention: Robert J. Stucker, Esq. and Thomas P. Desmond, Esq.; and if to the Company, to it at 857-897 School Place, P.O. Box 19057, Green Bay, WI 54307, Telephone: (920) 497-7131, Fax: (920) 497-4604,

Attention: General Counsel, with, prior to the Registration Date (as defined in the Stockholders Agreement), a copy to Dean Foods Company, 2515 McKinney Avenue, Suite 1200, Dallas, Texas 75201, Telephone: (214) 303-3413, Fax: (214) 303-3853, Attention: General Counsel. All such notices, requests, demands, letters, waivers and other communications shall be deemed to have been received (w) if by personal delivery, on the day delivered, (x) if by certified or registered mail, on the fifth business day after the mailing thereof, (y) if by next-day or overnight mail or delivery, on the day delivered, or (z) if by fax, on the day delivered, provided that such delivery is confirmed.

(g) Headings . The headings contained herein are for convenience only and shall not control or affect the meaning or interpretation of any provision hereof.

(h) Counterparts . This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and which together shall constitute one and the same agreement.

(i) Severability . In case any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, the validity and enforceability of the remaining provisions shall not in any way be affected thereby.

(j) Entire Agreement . The Stockholders Agreement, this Agreement, and any employment agreement between the Purchaser and the Company shall constitute the entire agreement of the parties hereto with respect to the subject matter hereof and shall supersede all prior agreements, arrangements, understandings, documents, instruments and communications, whether written or oral, with respect to such subject matter.

— Signature page follows —

IN WITNESS WHEREOF, the Company and the Purchaser have executed this Agreement as of the first date written above.

DEAN SPECIALTY FOODS HOLDINGS, INC.

By: _____

Name:
Title:

Total number of shares of Common Stock subscribed for:

_____Shares

_____Purchase Price for Shares

_____
(Signature of Purchaser)

_____
(Print Name of Purchaser)

_____
(Address of Purchaser)

_____

_____
(Phone Number of Purchaser)

_____
(Fax Number of Purchaser

A Subscription Agreement in the form of the preceding Exhibit 10.6 was executed by each individual or entity listed below, for the number of shares and purchase price indicated opposite his or its name.

Name	Number of Shares	Purchase Price
Sam K. and Victoria P. Reed 1995 Inter Vivos Trust	1,000	$5,000,000
David B. Vermylen Trust dated August 25, 1997	400	$2,000,000
E. Nichol McCully	200	$1,000,000
Thomas E. O'Neill	200	$1,000,000
Harry J. Walsh	200	$1,000,000

Subject to Completion dated March 30, 2005

INFORMATION STATEMENT

[TreeHouse Logo]

Common Stock

($0.01 Par Value Per Share)

We are providing this information statement to you as a stockholder of Dean Foods Company, which we refer to as "Dean Foods." We are currently an indirect, majority-owned subsidiary of Dean Foods. The Board of Directors of Dean Foods has authorized the distribution of all of the shares of our common stock held by Dean Foods to its stockholders by means of a share dividend. These shares represent approximately 98.3% of our outstanding common stock. The remaining approximately 1.7% of our common stock is held by our senior management team, Sam K. Reed, David B. Vermylen, E. Nichol McCully, Thomas E. O'Neill and Harry J. Walsh. We refer to these individuals as the "management investors." This amount excludes certain awards of restricted stock, stock options and restricted stock units that the management investors will be entitled to receive shortly after the distribution. See "Executive Compensation." Immediately prior to the distribution, Dean Foods will transfer to us the business currently conducted by its Specialty Foods Group segment, in addition to its *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses. Dean Foods and its subsidiaries will not own any of our shares following the distribution, and we will be an independent public company. See "The Distribution."

Dean Foods has requested a ruling from the U.S. Internal Revenue Service, which we refer to as the "IRS", that the distribution of our common stock will not be taxable to Dean Foods or Dean Foods' stockholders for U.S. federal income tax purposes.

We expect that the distribution will be made on or about , 2005. The record date for the distribution is , 2005. For every share[s] of Dean Foods common stock held by you as of 5:00 p.m., New York City time, on the record date, you will receive share[s] of our common stock. If as a result of the foregoing ratio you would be entitled to a fraction of a share of our common stock, you will receive cash in lieu of a fractional share interest, which generally will be taxable. See "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution." Each share of our common stock also will be accompanied by the right to receive one share of Series A Junior Participating Preferred Stock, which we refer to as a "preferred stock purchase right." You do not have to vote or take any other action to receive your shares of our common stock or your preferred stock purchase right. You will not be required to pay anything or to surrender your Dean Foods shares.

Our shares will be distributed by book entry, which means that a book-entry account statement reflecting your ownership of whole shares of our common stock will be mailed to you, or your brokerage account will be credited for the shares, on or about , 2005. The number of Dean Foods shares that you own will not change as a result of the distribution.

There is no current trading market for our common stock. However, a "when-issued" trading market likely will develop prior to completion of the distribution. We will apply to list our common stock on the New York Stock Exchange under the symbol " ." See "The Distribution — Listing and Trading of Our Common Stock."

In reviewing this information statement and evaluating the benefits and risks of holding or disposing of the shares of our common stock you will receive in the distribution, you should carefully consider the risk factors beginning on page 10 of this information statement.

No stockholder approval of the distribution of our common stock is required or sought. We are not asking you for a proxy and you are requested not to send us a proxy.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement is not an offer to sell, or a solicitation of an offer to buy, any securities.

The date of this information statement is , 2005.

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SUMMARY

The following summary contains certain information from this information statement. It does not contain all the details concerning the distribution of our common stock. To better understand the distribution and our business and financial position, you should carefully review this entire information statement.

We are a newly formed entity that will have no business operations until the distribution. All of the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities of our business that we describe in this information statement as "ours" are in fact the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities of the businesses to be transferred to us by Dean Foods in connection with the distribution. References in this information statement to "TreeHouse," "we," "our" and "us" mean TreeHouse Foods, Inc. and its subsidiaries on a pro forma basis as if the distribution has already been completed. References in this information statement to "Dean Foods" mean Dean Foods Company and its subsidiaries, other than TreeHouse, unless the context otherwise requires. Our historical financial results as part of Dean Foods contained in this information statement will not reflect our financial results in the future as an independent company or what our financial results would have been had we been operated as a separate, independent company during the periods presented.

Following the distribution, we will be an independent public company and Dean Foods will have no continuing stock ownership in us.

Our Company

We are a food manufacturer servicing primarily the retail grocery and foodservice channels. Our products include pickles and related products, such as peppers and relishes; non-dairy powdered creamer used as coffee creamer and as an ingredient in certain other food products; and other food products, such as aseptic cheese sauces and puddings. We manufacture and sell:

- private label products to retailers, such as supermarkets and mass merchandisers, for resale under the retailers' own or controlled labels;
- private label and branded products to the foodservice industry, including foodservice distributors and national restaurant operators;
- branded products under our own proprietary brands, primarily on a regional basis to retailers; and
- products to our industrial customer base, including for repackaging in portion control packages and for use as an ingredient by other food manufacturers.

We believe we are the largest manufacturer of pickles and non-dairy powdered creamer in the United States. We also are the leading retail supplier of private label pickles and private label non-dairy powdered creamer in the United States. In 2004, private label products, which compete with branded products on the basis of equivalent quality at a lower price, represented approximately one-third of all pickle products and approximately one-half of all non-dairy powdered creamer sold in the retail grocery channel in the United States.

We sell our products primarily to the retail grocery and foodservice channels. For the year ended December 31, 2004, sales to the retail grocery and foodservice channels represented approximately 50% and 30%, respectively, of our combined net sales. The remaining approximately 20% represented sales to other food manufacturers. A majority of our sales are private label products.

Our business has two reportable segments: pickles and non-dairy powdered creamer. We also manufacture and sell other food products, as described more fully below.

In 2004, approximately 49% of our combined net sales were in our pickles segment and approximately 35% were in our non-dairy powdered creamer segment. The remaining approximately 16% were attributable to sales of our other food products.

Pickles. We produce pickles, peppers, relishes and related products at six of our production facilities. Our products include whole pickles, sliced pickles, pickle relish, peppers and other products in a variety of flavor formulations. We supply private label pickles to supermarkets and mass merchandisers across the United States. We also sell pickle products to foodservice customers, including relish and hamburger pickle slices. In addition, we sell pickle products under our own brands, including *Farmans* ®, *Nalley's* ®, *Peter Piper* ® and *Steinfeld* ™, that have a regional following in certain areas of the country. Our pickles segment also sells sauces and syrups to retail grocers in the Eastern, Midwestern and Southeastern United States under our proprietary *Bennett's* ®, *Hoffman House* ® and *Roddenberry's* ® *Northwoods* ® brand names.

Non-Dairy Powdered Creamer. We produce non-dairy powdered creamer at three of our production facilities. Non-dairy powdered creamer is primarily used as coffee creamer or whitener. It is also used as an ingredient in baking, beverage and gravy mixes and similar products. We sell non-dairy powdered creamer under private labels and under our proprietary *Cremora* ® brand to the retail grocery and foodservice markets. We also sell non-dairy powdered creamer to our industrial customer base for repackaging in portion control packages and for use as an ingredient by other food manufacturers.

Other Food Products. We are a leading producer of aseptic cheese sauces and puddings for the foodservice market. Aseptic cheese sauces and puddings are processed under heat and pressure in a sterile environment, creating a product that does not require refrigeration prior to use. We have one production facility devoted to the manufacture of aseptic products.

Other food products that we manufacture and sell include *Mocha Mix* ®, a non-dairy liquid creamer, *Second Nature* ®, a liquid egg substitute, and salad dressings sold in foodservice channels. All of these products are refrigerated and historically have been manufactured by Dean Foods at three separate production facilities. In connection with the distribution, production of these items will be transitioned into a single production facility that will be transferred to us. *Mocha Mix* ® and *Second Nature* ® are branded products sold to retail customers.

Most of our products have long shelf lives and are shipped from our production facilities directly to customers or to our distribution centers, where products are consolidated for shipment to customers.

See "Our Business and Properties — Our Products" for a detailed description of our reportable segments and other food products.

We were incorporated under the laws of the State of Delaware on January 25, 2005. After the distribution, our principal executive offices will be located at , Chicago, Illinois, and our telephone number will be . We will maintain a website at . We will post on this site all reports we file with the SEC and our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of business conduct and ethics, as well as all reports our executive officers file with the SEC under Section 16 of the Securities Exchange Act of 1934, as amended. Information on our website is not, however, a part of this information statement.

The distribution of shares of our common stock will be effective on the distribution date. No vote of the stockholders of Dean Foods is required to approve the distribution.

Questions and Answers about TreeHouse and the Distribution

What is TreeHouse?	We are a food manufacturing company servicing primarily the retail grocery and foodservice channels. Our products include pickles, non-dairy powdered creamer and other food products. For more information on our business and products, see "Our Business and Properties."

Why is Dean Foods separating our business and distributing our stock?	The Board of Directors of Dean Foods has determined that the separation of our business from Dean Foods is in the best interests of Dean Foods and its stockholders and will provide each company with certain opportunities and benefits. For example, the planned separation has already enabled us to attract a senior management team, led by Sam K. Reed, to manage TreeHouse as an independent public company after the distribution. In addition, the separation will allow us to develop incentive programs to better attract and retain current and future employees through the use of stock-based and performance-based incentive plans that more directly link their compensation with our financial performance. Moreover, we anticipate that our only outstanding long-term debt at the time of the distribution will be our capital lease obligations and borrowings necessary to pay the transaction-related expenses associated with the distribution, and we expect to have sufficient financing capacity for rapid growth. We also will be able to invest any excess cash flow from our business into the growth of our own business, and we will have direct access to the capital markets. In addition, the separation will allow each company to better focus its resources on its own distinct businesses and business challenges so that each can pursue the most appropriate long-term growth opportunities and business strategies. See "The Distribution — Background and Reasons for the Distribution."
How will the separation and distribution work?	The separation and distribution will be accomplished through a series of transactions. First, the assets and liabilities of Dean Foods' Specialty Foods Group, *Mocha Mix* ®, *Second Nature*® and foodservice salad dressings businesses will be transferred to us. Then, our common stock held by Dean Foods will be distributed to Dean Foods stockholders on a pro rata basis as a dividend.
Why is the separation of TreeHouse and Dean Foods structured as a distribution?	Dean Foods' Board of Directors believes that a tax-free distribution of shares of TreeHouse offers Dean Foods and its stockholders the greatest long-term value and is the most tax efficient way to separate the companies.
What indebtedness will TreeHouse have immediately after the distribution?	At the time of the distribution, we do not anticipate having any long-term debt outstanding other than capital lease obligations and borrowings necessary to pay the transaction-related expenses associated with the distribution. We are negotiating with a group of major financial institutions to obtain an approximately $ unsecured revolving credit facility to provide for both our short-term and long-term financing needs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources." In the future, we may enter into additional financing arrangements and/or raise capital through debt and/or equity issuances.
What will our relationship be with Dean Foods after the distribution?	Dean Foods and TreeHouse will be independent, publicly owned companies. However, Gregg L. Engles, Chief Executive Officer and Chairman of the Board of Dean Foods, will be one of our seven directors and may have influence over the activity of our Board of Directors. In addition, we will enter into certain

	agreements with Dean Foods to define our ongoing relationship after the distribution. These agreements will define responsibility for obligations arising before and after the distribution date, including tax matters, transition services (including employee benefits administration and payroll, information technology and other administrative services), trademark licenses, shared customer and supply contracts, and arrangements concerning certain of our production facilities. For additional information, see "Our Relationship with Dean Foods After the Distribution."
How will we be managed?	Sam K. Reed will be Chairman of our Board of Directors and Chief Executive Officer. He has over 27 years of experience in the food manufacturing industry. He will be supported by an experienced management team that includes David B. Vermylen, President and Chief Operating Officer, E. Nichol McCully, Senior Vice President and Chief Financial Officer, Thomas E. O'Neill, Senior Vice President, General Counsel and Chief Administrative Officer, and Harry J. Walsh, Senior Vice President of Operations. We refer to these individuals as the "management investors." Our Board of Directors will consist of seven members (including our Chief Executive Officer and Mr. Engles, Chief Executive Officer and Chairman of the Board of Dean Foods), a majority of whom will be independent. For more information, see "Management."
When will the distribution occur?	We expect that Dean Foods will distribute the shares of our common stock that it owns on , 2005 to holders of record of Dean Foods common stock on the record date.
What is the record date for the distribution?	, 2005.
Can Dean Foods decide to cancel the distribution even if all the conditions have been met?	Yes. The distribution is conditioned upon satisfaction or waiver of certain conditions. See "The Distribution — Distribution Conditions." Dean Foods has the right to terminate the distribution agreement even if all of these conditions are met. However, if Dean Foods exercises its right to terminate the distribution agreement, Dean Foods may be required to pay certain termination fees and/or repurchase the TreeHouse common stock from the management investors pursuant to the stockholders agreement. See "Our Relationship with Dean After the Distribution — Stockholders Agreement." In addition, if Dean Foods causes us to terminate the employment agreements of the management investors under such circumstances, we will be required to pay severance to the management investors pursuant to the terms of their employment agreements. See "Executive Compensation — General."
What do I have to do to participate in the distribution?	Nothing. You are not required to take any action to receive our common stock in the distribution. No vote by the Dean Foods stockholders is needed to effect the distribution. If you own shares of Dean Foods common stock as of 5:00 p.m., New York City time, on the record date, a book-entry account statement reflecting your ownership of our shares of common stock will be mailed to you, or your brokerage account will be credited for the

	shares, on or about , 2005. You should not mail in Dean Foods common stock certificates to receive our common stock.
How many shares of common stock will I receive?	Dean Foods will distribute share[s] of our common stock for every share[s] of Dean Foods common stock you own as of 5:00 p.m., New York City time, on the record date. For example, if you own share[s] of Dean Foods common stock on the record date, you will receive share[s] of our common stock in the distribution. Based on approximately shares of Dean Foods common stock that we expect to be outstanding on the record date, and the distribution ratio for the distribution, Dean Foods will distribute a total of approximately shares of our common stock. Delivery of a share of our common stock in connection with the distribution also will constitute the delivery of the preferred stock purchase right associated with the share. The existence of the preferred stock purchase rights may deter a potential acquiror from making a hostile takeover proposal or a tender offer. For a more detailed discussion of these rights, see "Description of Our Capital Stock — Rights Agreement."
Will Dean Foods distribute fractional shares?	No. In lieu of fractional shares of our common stock, stockholders of Dean Foods will receive cash. Fractional shares you would otherwise be entitled to receive will be aggregated and sold in the public market by the distribution agent. The aggregate net cash proceeds of these sales will be distributed ratably to those stockholders who would otherwise have received fractional shares of our common stock in accordance with their fractional share interests. If you own fewer than shares of Dean Foods common stock on the record date, you will not receive any shares of our common stock in the distribution, but you will receive cash in lieu of fractional shares. The receipt of cash in lieu of fractional shares will generally be taxable to the recipient stockholders. For more information, see "The Distribution — Manner of Effecting the Distribution" and "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution."
Does TreeHouse have any shares of any other classes of capital stock issued and outstanding?	No. Immediately after the distribution, there will not be any shares of any other classes of capital stock issued and outstanding other than common stock and associated preferred stock purchase rights. However, TreeHouse is authorized to issue additional shares of its common stock and up to 10,000,000 shares of preferred stock.
What is book-entry?	The book-entry system allows registered owners to hold their shares without the need for physical stock certificates. Holding shares in book-entry form eliminates the problems associated with paper certificates, such as storage and safety of certificates, and the requirement for physical movement of stock certificates at the time of sale or transfer of ownership. You will not receive a stock certificate unless you request one from our transfer agent after the distribution.

Is the distribution taxable for U.S. federal income tax purposes?	Dean Foods has requested a ruling from the IRS to the effect that the distribution will be tax-free to Dean Foods and to its U.S. common stockholders, except with respect to cash paid in lieu of fractional shares. See "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution" for a more complete discussion of the U.S. federal income tax consequences of the distribution to Dean Foods stockholders.
How will the distribution affect my tax basis in Dean Foods common stock?	Your tax basis in your Dean Foods common stock will be allocated between the Dean Foods common stock and our common stock received in the distribution in proportion to their relative fair market values on the date of the distribution. For example, if you own shares of Dean Foods common stock having an aggregate fair market value of $ immediately following the distribution and you receive shares of our common stock having an aggregate fair market value of $ immediately following the distribution, then % (/) of your tax basis in each share of your Dean Foods common stock will be allocated to such share of Dean Foods common stock and the remaining % (/) of your tax basis in such share of your Dean Foods common stock will be allocated to your shares (or fraction of a share) of our stock received with respect to such share of your Dean Foods common stock. Within a reasonable time after the distribution is completed, Dean Foods will provide to U.S. taxpayers information to enable them to compute their tax basis in each of Dean Foods and our common stock and other information they will need to report their receipt of our common stock on their 2005 U.S. federal income tax return as a tax-free transaction. See "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution" for a more complete description of the effects of the distribution on your tax basis.
Will I be paid any dividends on TreeHouse common stock?	We presently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. All decisions regarding the payment of dividends by our company will be made by our Board of Directors from time to time in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit our payment of dividends.
What if I want to sell my Dean Foods shares or my TreeHouse shares?	You should consult with your own financial advisors, such as your stockbroker, bank or tax advisor. Dean Foods does not make recommendations on the purchase, retention or sale of shares of Dean Foods common stock or TreeHouse common stock. If you do decide to sell any shares, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Dean Foods common stock or your TreeHouse common stock, or both. The following answer may be helpful in discussions with your stockbroker, bank or other nominee.

Where will I be able to trade shares of TreeHouse common stock?	There is not currently a public market for our common stock. We will apply to list our common stock on the New York Stock Exchange under the symbol " ." We anticipate that trading in shares of our common stock will begin on a "when-issued" basis on or around the record date and before the distribution date, and "regular way" trading will begin on the first trading day after the distribution date. "When-issued" trading in the context of a distribution refers to a transaction effected on or before the distribution date and made conditionally because the securities of the spun off entity have not yet been distributed. When-issued trades generally settle within four trading days after the distribution date. On the first trading day following the distribution date, any when-issued trading in respect of our common stock will end and regular way trading will begin. "Regular way" trading refers to trading after the security has been distributed and typically involves a trade that settles on the third full trading day following the date of the sale transaction. If trading does begin on a "when-issued" basis, you may purchase or sell our common stock after that time, but your transaction will not settle until after the distribution date. Shares of our common stock generally will be freely tradable after the distribution date.
If I sell, on or before the distribution date, shares of Dean Foods common stock that I held on the record date, am I still entitled to receive shares of TreeHouse common stock distributable with respect to the shares of Dean Foods common stock I sold?	No. If you own shares of Dean Foods common stock on the record date and thereafter sell those shares regular way on or prior to the distribution date, you also will be selling your entitlement to the shares of our common stock that would have been distributed to you in the distribution with respect to the shares of Dean Foods common stock you sell.
What will happen to outstanding Dean Foods options?	Upon the distribution, the Compensation Committee of the Board of Directors of Dean Foods will adjust all outstanding options to purchase shares of Dean Foods common stock to reflect the distribution, as permitted by the applicable Dean Foods stock option plans. The purpose of the adjustment will be to ensure that the stock options outstanding at the date of the distribution have the same value before and after the distribution. See "The Distribution — Effect of the Distribution on Dean Foods' Outstanding Stock Options."
What will happen to outstanding Dean Foods options held by Dean Foods employees who become our employees?	All options to purchase shares of Dean Foods common stock held by Dean Foods employees who become TreeHouse employees will be adjusted as described above. In addition, all such options will vest and shall remain exercisable until the 60th day following the date of distribution (unless sooner cancelled in accordance with the applicable option agreement). For a description of the treatment of certain options held by Mr. Engles, see "The Distribution — Effect of the Distribution on Dean Foods' Outstanding Stock Options" and "Our Relationship with Dean Foods After the Distribution — Mr. Engles."

Will Dean Foods retain any ownership interest in TreeHouse after the distribution?	No. Dean Foods will not own any shares of TreeHouse common stock after the distribution and TreeHouse will not own any shares of Dean Foods common stock after the distribution.
Who owns that portion of TreeHouse stock that Dean Foods does not own?	On January 27, 2005, TreeHouse sold shares of common stock to the management investors, who purchased approximately 1.7% of the outstanding common stock of TreeHouse, for an aggregate purchase price of $10.0 million. After the distribution is complete, the management investors will continue to own approximately 1.7% of TreeHouse common stock, excluding certain awards of restricted stock, stock options and restricted stock units that they will be entitled to receive shortly after the distribution, as described more fully under "Executive Compensation."
Will the number of Dean Foods shares I own change as a result of the distribution?	No. The number of shares of Dean Foods common stock you own will not change as a result of the distribution.
What will happen to the listing of Dean Foods common stock?	Nothing. Dean Foods common stock will continue to be traded on the New York Stock Exchange under the symbol of "DF."
Will the distribution affect the market price of my Dean Foods shares?	Yes. As a result of the distribution, we expect the trading price of Dean Foods shares immediately following the distribution to be lower than immediately prior to the distribution because the trading price should no longer reflect the value of the businesses Dean Foods will transfer to us. The Specialty Foods Group, *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses that Dean Foods will transfer to us represented approximately 6.6% of Dean Foods' consolidated net sales for the year ended December 31, 2004. Furthermore, until the market has fully analyzed the operations of Dean Foods without these businesses, the price of Dean Foods shares may fluctuate significantly. In addition, the combined trading prices of Dean Foods common stock and TreeHouse common stock after the distribution may be less than the trading price of Dean Foods common stock prior to the distribution. See "The Distribution — Listing and Trading of Our Common Stock."
Do I have appraisal rights?	No. Holders of Dean Foods common stock have no appraisal rights under applicable law in connection with the distribution.
Are there risks to owning TreeHouse common stock?	Yes. Our business is subject to both general and specific business risks relating to our operations. In addition, our separation from Dean Foods presents risks relating to being an independent public company for the first time as well as risks relating to the nature of the distribution transaction itself. These risks are described in the "Risk Factors" section of this information statement. We encourage you to read that section carefully.
Whom do I contact for information regarding you and the distribution?	Before the distribution, you should direct inquiries relating to the distribution to: Dean Foods Company 2515 McKinney Avenue, Suite 1200 Dallas, TX 75201

Attention: Investor Relations
(214) 303-3400

After the distribution, you should direct inquiries relating to an investment in our common stock to:

After the distribution, the transfer agent and registrar for our common stock will be:

RISK FACTORS

You should carefully consider each of the following risks and all of the other information contained in this information statement. Some of the risks described below relate principally to our business and the industry in which we operate, while others relate principally to the distribution and our separation from Dean Foods. The remaining risks relate principally to the securities markets generally and ownership of our common stock.

Our business, financial condition, results of operations or liquidity could be materially adversely affected by any of these risks, and, as a result, the trading price of our common stock could decline.

Risks Related to Our Business and Industry

Because we are dependent upon a limited number of customers, the loss of a significant customer could adversely affect our operating results.

A relatively limited number of customers accounts for a large percentage of our combined net sales. For the year ended December 31, 2004, our largest customer, Wal-Mart (including its subsidiaries, such as Sam's Club), represented approximately 10.1% of our combined sales and approximately 21.8% of our non-dairy powdered creamer segment's sales. During the same period, our five largest customers represented approximately 31.0% of our combined sales. For the year ended December 31, 2004, our pickles segment's five largest customers represented approximately 33.5% of that segment's sales. Our other food products group also had a single customer that represented approximately 17.7% of sales during 2004.

These percentages may increase if the recent trends of consolidation in the retail grocery and foodservice industries continue. We expect that a significant portion of our net sales will continue to be derived from a small number of customers. These customers typically do not enter into written contracts, and the contracts that they do enter into generally are terminable at will. Our customers make purchase decisions based on a combination of price, product quality and customer service performance. If our product sales to one or more of these customers are reduced, this reduction may have a material adverse effect on our business, results of operations and financial condition. Loss of a significant customer also could adversely affect our reputation.

Increases in input costs, such as raw materials, packaging materials and fuel costs, could adversely affect us.

We were adversely affected by rising input costs during 2004, and we expect our financial results to continue to be adversely affected by high input costs in 2005.

The most important raw material that we use in our pickle operations is cucumbers. We purchase cucumbers under seasonal grower contracts with a variety of growers strategically located to supply our production facilities. Bad weather or disease in a particular growing area can damage or destroy the crop in that area, which would impair crop yields. If we are not able to buy cucumbers from one of our local suppliers, we likely either would purchase cucumbers from foreign sources, such as Mexico or India, or ship cucumbers from other growing areas in the United States, thereby increasing our production costs, which most likely would have an adverse effect on our results of operations. In many cases we are unable to adjust quickly our pricing to reflect changes in raw material costs. If we are unable to increase our prices to offset increased costs as a result of consumer sensitivity to pricing or otherwise, we most likely would experience reduced margins and profitability.

Other important raw materials that we use in our products are soybean oil, coconut oil, casein, cheese and corn syrup. These raw materials generally are purchased under supply contracts, and we occasionally engage in forward buying when we determine such buying to be to our advantage. We believe these raw materials to be generally available from a number of suppliers.

The most important packaging materials that we use in our operations are glass, plastic containers, cardboard, metal closures and metal cans. These packaging materials are purchased under long-term supply contracts. We believe these packaging materials to be generally available from a number of suppliers, with the exception of glass, which we procure through a long-term supply contract that expires in December 2007.

The most important factor affecting utility costs at our production facilities and our transportation costs is the cost of fuel.

The costs of raw materials, packaging materials and fuel have varied widely in recent years and future changes in such costs may cause our results of operations and our operating margins to fluctuate significantly. Many of the raw materials that we use in our products rose to unusually high levels during 2004, including soybean oil, casein, cheese and packaging materials. Fuel costs also are at very high levels. Prices for many of these raw materials and packaging materials and for fuel are expected to remain high and in some cases increase in 2005. Increases in the costs of raw materials, packaging materials and fuel could have a material adverse effect on our operating profit and margins unless and until we are able to pass the increased cost along to our customers. Changes in the prices of our products may lag behind changes in the costs of our materials. Competitive pressures also may limit our ability to raise prices in response to increased raw materials, packaging material and fuel costs. Accordingly, we do not know whether, or the extent to which, we will be able to offset these cost increases with increased product prices.

Our failure to successfully compete could adversely affect our prospects and financial results.

Our businesses are subject to significant competition in each of our product markets.

In sales of private label products to retailers, the principal competitive factors are price, product quality and quality of service. In sales of private label products to consumers, the principal competitive factors are price and product quality. In many cases, competitors with nationally branded products have a competitive advantage over private label products primarily due to name recognition. In addition, when branded competitors focus on price and promotion, the environment for private label producers becomes more challenging because the price difference between private label products and branded products can become less meaningful. In sales of products to foodservice customers, the principal competitive factors are product quality and specifications, reliability of service and price.

Competition to obtain shelf space for our branded products with retailers generally is based on the expected or historical performance of our product sales relative to our competitors. The principal competitive factors for sales of our branded products to consumers are brand recognition and loyalty, product quality and price. Most of our branded competitors have significantly greater resources and brand recognition than we do.

Competitive pressures or other factors could cause us to lose market share, which may require us to lower prices, increase marketing and advertising expenditures, or increase the use of discounting or promotional campaigns, each of which would adversely affect our margins and could result in a decrease in our operating results and profitability.

The consolidation trend among our customer base could adversely affect our profitability.

The consolidation trend is continuing in the retail grocery and foodservice industries, and mass merchandisers are gaining market share. As this trend among grocery retailers continues and our retail customers, including mass merchandisers, grow larger and become more sophisticated, these retailers may demand lower pricing and increased promotional programs from product suppliers. If we are not selected by these retailers for most of our products or if we fail to effectively respond to their demands, our sales and profitability could be adversely affected. Furthermore, some of our large customers may seek more favorable terms for their purchases of our products. Sales to our large customers on terms less favorable than existing terms could have an adverse effect on our profitability. In addition, we have been subject to a

number of competitive bidding situations over the last few years, which have resulted in margin erosion on sales to several customers, including some large customers. In bidding situations we are subject to the risk of losing certain customers altogether. Loss of any of our largest customers could have an adverse impact on our financial results.

Because our management team is new to the company, we may not be able to execute our business strategy successfully.

Our senior management team joined our company on January 27, 2005. Their extensive experience in the food manufacturing industry does not include prior experience with our company or the products we manufacture and sell. There can be no assurance that they will be able to develop and implement an effective business strategy to optimize and grow our current business.

We may be unsuccessful in our future acquisition endeavors, if any, which may have an adverse effect on our business.

Consistent with our stated strategy, our future growth rate depends, in large part, on our acquisition of additional food manufacturing businesses, products or processes. As a result, we intend to engage in acquisition activity. We may be unable to identify suitable targets, opportunistic or otherwise, for acquisition or make acquisitions at favorable prices. If we identify a suitable acquisition candidate, our ability to successfully implement the acquisition would depend on a variety of factors including our ability to obtain financing on acceptable terms. In addition, restrictions contained in the tax matters agreement will restrict our ability to make acquisitions using our equity securities for two years following the distribution.

Acquisitions involve risks, including those associated with integrating the operations, financial reporting, disparate technologies and personnel of acquired companies; managing geographically dispersed operations; the diversion of management's attention from other business concerns; the inherent risks in entering markets or lines of business in which we have either limited or no direct experience; unknown risks; and the potential loss of key employees, customers and strategic partners of acquired companies. We may not successfully integrate any businesses or technologies we may acquire in the future and may not achieve anticipated revenue and cost benefits. Acquisitions may be expensive, time consuming and may strain our resources. Acquisitions may not be accretive to our earnings and may negatively impact our results of operations as a result of, among other things, the incurrence of debt, one-time write-offs of goodwill and amortization expenses of other intangible assets. In addition, future acquisitions that we may pursue could result in dilutive issuances of equity securities.

We may be unable to anticipate changes in consumer preferences, which may result in decreased demand for our products.

Our success depends in part on our ability to anticipate the tastes and eating habits of consumers and to offer products that appeal to their preferences. Consumer preferences change from time to time, and our failure to anticipate, identify or react to these changes could result in reduced demand for our products, which would adversely affect our operating results and profitability.

We may be subject to product liability claims.

We sell food products for human consumption, which involve risks such as:

- product contamination or spoilage;
- misbranding;
- product tampering; and
- other adulteration of food products.

Consumption of a misbranded, adulterated, contaminated or spoiled product may result in personal illness or injury. We could be subject to claims or lawsuits relating to an actual or alleged illness or injury, and we could incur liabilities that are not insured or that exceed our insurance coverages. Even if product liability claims against us are not successful or fully pursued, these claims could be costly and time-consuming and may require management to spend time defending the claims rather than operating our business.

Although we maintain quality control programs designed to address food quality and safety issues, a product that has been actually or allegedly misbranded or becomes adulterated could result in:

- product withdrawals;
- product recalls;
- destruction of product inventory;
- negative publicity;
- temporary plant closings; and
- substantial costs of compliance or remediation.

Any of these events, including a significant product liability judgment against us, could result in a loss of confidence in our food products, which could have an adverse effect on our financial condition, results of operations or cash flows.

Compliance with recent government regulations could increase our operating costs and adversely affect our profitability.

As a producer and marketer of food items we are subject to regulation by various federal, state and local governmental entities and agencies. Recently, the Bioterrorism Act of 2002 was enacted which includes regulations relating to the tracking and tracing of food products, including ingredients and raw materials, throughout the process of production. Although we believe we currently are in compliance with these regulations, we will need to expend monetary and non-monetary resources in the future to maintain such compliance. In addition, future regulations by these entities or agencies could become more stringent. In each instance, continued compliance with these and any similar requirements could increase our operating costs and adversely affect our profitability in the future.

Loss of or inability to attract key personnel could adversely affect our business.

Our success depends to a large extent on the skills, experience and performance of our key personnel. We depend particularly on the efforts of Mr. Reed. We have entered into employment agreements with five of our executives, including Mr. Reed, all of which provide for a three-year employment term, except for our agreement with Mr. McCully. Our employment agreement with Mr. McCully provides that he will serve initially in the position of chief financial officer for one year, and thereafter he will continue to serve as Vice President of Strategic Planning and Business Development. The loss of one or more of these persons could cause substantial disruption to our business. If we are unable to attract and retain a new chief financial officer and other key personnel, our ability to manage our overall operation and successfully implement our business strategy could be adversely affected. We do not maintain key man life insurance on any of our executive officers, directors or other employees.

Our business could be harmed by strikes or work stoppages by our employees.

Currently, approximately 63% of our full time distribution, production and maintenance employees are covered by collective bargaining agreements with the International Brotherhood of Teamsters or the United Food and Commercial Workers Union. While we currently have good labor relationships, we cannot assure you that production interruptions caused by work stoppages could not occur. If a strike or

work stoppage were to occur, our business, financial condition and results of operations could be adversely affected.

Risks Related to the Distribution and Our Separation from Dean Foods

Our historical financial data is not representative of our results as a separate company and, therefore, will not be reliable as an indicator of our future performance.

The historical financial data we have included in this information statement presents the results of operations and financial position of the businesses to be transferred to us as they have historically been operated by Dean Foods. Accordingly, this data may not be indicative of our future performance, nor does it reflect what our financial position and results would have been, had we operated as a separate, stand-alone entity during the periods presented. This is because, among other things:

- we have made certain adjustments detailed under the heading "Unaudited Pro Forma Condensed Combined Financial Statements" in this information statement, because Dean Foods did not account for us as, and we were not operated as, a single, stand-alone business; and
- the information does not reflect changes that we expect to occur in the future as a result of our separation from Dean Foods, including taxes, capital spending projects, employee and transitional services matters, the establishment of new offices, transitioning production in the City of Industry plant and certain ongoing annual incremental expenses such as marketing, research and development, and general expenses related to being a stand-alone public company.

We could incur significant tax liabilities if the distribution becomes a taxable event.

Dean Foods has requested a private letter ruling from the IRS substantially to the effect that, for U.S. federal income tax purposes, the distribution of our common stock held by Dean Foods to its stockholders will qualify as a tax-free transaction under Section 355 of the Internal Revenue Code of 1986, as amended (the "Code"). Although a private letter ruling from the IRS generally is binding on the IRS, if the facts presented or representations made in the letter ruling request are untrue or incomplete in any material respect, the letter ruling could be retroactively revoked or modified by the IRS.

Furthermore, as described in "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution," the IRS will not rule on whether a distribution satisfies certain requirements for a Section 355 distribution. Therefore, in addition to obtaining a letter ruling from the IRS, Dean Foods and we expect to obtain an opinion from the law firm of Wilmer Cutler Pickering Hale and Dorr LLP that the distribution will qualify as a transaction under Section 355 of the Code. The opinion will rely on the IRS letter ruling as to matters covered by the ruling. In addition, the opinion will be based on, among other things, certain assumptions and representations as to factual matters made by Dean Foods and us, which if incorrect or inaccurate in any material respect would jeopardize the conclusions reached by counsel in its opinion. The opinion will not be binding on the IRS or the courts, and no assurance can be given that the IRS or the courts will agree with the opinion.

Notwithstanding receipt by Dean Foods of the private letter ruling and opinion of counsel, the IRS could assert that the distribution should be treated as a taxable event. If the IRS were successful in taking this position, our initial public stockholders and Dean Foods could be subject to significant U.S. federal income tax liability. In addition, even if the distribution otherwise were to qualify under Section 355 of the Code, it may be taxable to Dean Foods (but not to Dean Foods stockholders) under Section 355(e) of the Code, if the distribution were later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire directly or indirectly stock representing a 50 percent or greater interest in Dean Foods or us. For this purpose, any acquisitions of Dean Foods stock or of our common stock within the period beginning two years before the distribution and ending two years after the distribution are presumed to be part of such a plan, although we or Dean Foods may be able to

rebut that presumption. For a more complete discussion of the U.S. federal income tax consequences of the distribution, see "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution."

Although the taxes resulting from a taxable distribution generally would be imposed on Dean Foods and its stockholders, we would in certain circumstances be liable under the tax matters agreement for all or a portion of Dean Foods' taxes resulting from the distribution being taxable. See "Our Relationship with Dean Foods After the Distribution — Tax Matters Agreement" for a more detailed discussion of the tax matters agreement between Dean Foods and us. If we were to become liable for such taxes, it would have a material adverse effect on our financial condition and results of operations.

In connection with transitioning the operations of Mocha Mix®, Second Nature® and our salad dressings business into one production facility, we may incur unexpected costs or lose customers or sales, which could have an adverse effect on our financial results.

Upon the distribution, we will assume the lease of Dean Foods' City of Industry South plant located in City of Industry, California, where Dean Foods manufactures the foodservice salad dressings that will be transferred to us in connection with the distribution. In addition to salad dressings, Dean Foods processes various other product lines at this production facility that will not be transferred to us. Production of all products, except salad dressings, will be transferred out of this production facility and into other Dean Foods facilities beginning in the second quarter of 2005. Following the distribution, the production of *Mocha Mix* ® and *Second Nature* ® will be transitioned from two other Dean Foods production facilities to our City of Industry plant. We expect the transition of production in and out of the City of Industry plant to be completed by the first quarter of 2006. Until this transition is complete, we will have temporary co-pack agreements with Dean Foods for the production of these products.

The process of transitioning operations into a single production facility involves a number of operating risks. The physical relocation of the processing equipment of *Mocha Mix* ® and *Second Nature* ® will be an expensive process, which may take longer or cost more than we currently anticipate. The full integration of these products will be a lengthy process involving numerous aspects of operations, including purchasing, production and administration. In addition, we will transition the sales, marketing and distribution functions for these products, which will present further challenges and may result in customer supply disruptions and potential loss of customers.

This process presents a number of challenges and will require a significant amount of management's attention. This process could cause us to incur unexpected costs or to lose customers or sales, which could have an adverse effect on our financial results.

We may not realize the potential benefits of, and we may incur material costs in connection with, our separation from Dean Foods.

We cannot assure you that we will realize the potential benefits that we expect from our separation from Dean Foods. We have described those benefits elsewhere in this information statement. In addition, we will incur significant costs as a result of being an independent public company, including costs associated with:

- managing all of our own administrative arrangements;
- supervising all of our own legal and financial affairs and complying with the laws and regulations that apply to public companies; and
- arranging our own funding.

We anticipate that these costs will be material to our business. There can be no assurance that these costs will not be higher than those for which we have planned or that we have anticipated all potential costs.

The transition services to be provided for us by Dean Foods may be difficult for us to perform or replace without operational problems and additional cost.

We will enter into a transition services agreement with Dean Foods pursuant to which Dean Foods will provide for us certain transitional corporate services for a period of time following the distribution. These services will include, among others, employee benefits administration and payroll, information technology and other administrative services. If, after the expiration or earlier termination of the agreement (which expires with respect to most services on), we are unable to perform these services or replace them in a timely manner or on terms and conditions as favorable as those we expect, we may experience operational problems and increased costs. See "Our Relationship with Dean Foods After the Distribution" for more information on the transition services agreement.

We may not be able to fund our future capital requirements internally or obtain third-party financing.

In the past, our working capital and capital expenditure requirements have been met from cash flow generated by our businesses and from Dean Foods. Following the distribution, however, we may be required or choose to obtain third-party financing to meet our future working capital requirements, as well as to fund capital expenditures and acquisitions. We are negotiating with a group of major financial institutions to obtain an approximately $ unsecured revolving credit facility to provide for both our short-term and long-term financing needs. This facility, as well as any other future debt financings, could involve restrictive covenants that limit our ability to take certain actions, including the payment of dividends. Any future equity financings could be dilutive to the existing holders of our common stock. We cannot assure you that we will be able to obtain sufficient funds to repay any amounts outstanding under any financing arrangement before it expires, either from one or more replacement financing arrangements or an alternative debt or equity financing. If we are not able to obtain sufficient funding on favorable terms, our ability to grow our business may be impaired. In addition, restrictions contained in the tax matters agreement will restrict our ability to finance our operations by issuing equity securities and to raise money by selling assets not in the ordinary course for two years following the distribution.

We will indemnify Dean Foods for certain liabilities accruing after the distribution date.

We have entered into a distribution agreement with Dean Foods under which we have agreed to assume all contingent and undisclosed liabilities relating to our businesses or operations of our assets, including those incurred prior to the distribution, and to indemnify Dean Foods for liabilities, other than certain tax liabilities, incurred by Dean Foods relating to the businesses or operations of our assets. In addition, under the tax matters agreement, we will, with limited exceptions, be liable for all taxes attributable to our business that are required to be paid after the distribution. We have agreed to indemnify Dean Foods for claims arising under the distribution agreement and the tax matters agreement.

Currently, there are no suits pending which would require us to pay Dean Foods under the indemnification provisions of the distribution agreement or tax matters agreement. However, we cannot assure you that no legal proceeding or other claim will occur that would require us to indemnify Dean Foods.

Following our separation from Dean Foods, we may experience increased costs resulting from decreased purchasing power, which could decrease our overall profitability.

Prior to our separation from Dean Foods, we were able to take advantage of Dean Foods' size and purchasing power in procuring:

- soybean oil, plastic resin, cardboard, fuel and other raw materials and packaging goods used in the manufacturing, distribution and sale of our products;

- services and technology, such as management information services;
- health insurance, pension and other employee benefits, payroll administration, risk management; and
- tax and other services.

As a separate, stand-alone entity, we may be unable to obtain similar goods, services and technology at prices or on terms as favorable as those obtained prior to the separation, which could have an adverse effect on our profitability.

We will have liability in connection with our stockholders agreement with Dean Foods.

As part of the announcement of the separation of our business from that of Dean Foods, we entered into a stockholders agreement with Dean Foods and the management investors. Under that stockholders agreement, we are required to reimburse Dean Foods up to $12.5 million of fees and expenses incurred by Dean Foods in connection with planning, analysis and execution of the distribution. In addition, under certain circumstances we will be required to reimburse Dean Foods for up to $20 million of tax liabilities that could result from intercompany transactions effectuated in connection with the distribution. If we are required to reimburse Dean Foods for these tax liabilities, then we will be required to issue additional shares of our common stock to the management investors to reflect a revised valuation of TreeHouse that takes into account the tax liability reimbursement. These amounts presently are not determinable.

Risks Related to Ownership of Our Common Stock and Dean Common Stock

The distribution will affect the trading price of Dean Foods common stock.

Following the distribution, Dean Foods' common stock will continue to be listed and traded on the New York Stock Exchange under the symbol "DF." As a result of the distribution, we expect that the trading price of Dean Foods common stock immediately following the distribution will be lower than the trading price of Dean Foods common stock immediately prior to the distribution because it will no longer reflect the value of Dean Foods' Specialty Foods Group, *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses. Net sales in these businesses represented approximately 6.6% of Dean Foods' consolidated net sales for the year ended December 31, 2004. Further, the combined trading prices of Dean Foods common stock and TreeHouse common stock after the distribution may be less than the trading prices of Dean Foods common stock immediately prior to the distribution.

Substantial sales of Dean Foods common stock following the distribution may have an adverse impact on the trading price of Dean Foods common stock.

After the distribution, some Dean Foods stockholders may decide that their investment objectives do not include ownership of shares in a company consisting only of dairy and branded products businesses, and may sell their Dean Foods common stock following the distribution. Furthermore, certain Dean Foods stockholders that are institutional investors have investment parameters that depend on their portfolio companies maintaining a minimum market capitalization that Dean Foods may not achieve after the distribution. If the trading price of Dean Foods declines significantly after the distribution, Dean Foods' lower market capitalization could result in substantial sales by institutional investors. If Dean Foods stockholders sell large numbers of shares of Dean Foods common stock over a short period of time, or if investors anticipate large sales of Dean Foods shares over a short period of time, this could adversely affect further the trading price of the Dean Foods common stock.

Substantial sales of our common stock following the distribution may have an adverse impact on the trading price of our common stock.

Based on the number of shares of Dean Foods common stock outstanding on , 2005, Dean Foods will distribute to Dean Foods' stockholders a total of approximately shares of our

common stock. Under the United States federal securities laws, all of these shares may be resold immediately in the public market, except for TreeHouse shares held by affiliates of TreeHouse. See "The Distribution — Federal Securities Laws Considerations."

Some of the Dean Foods stockholders who receive TreeHouse shares may decide that their investment objectives do not include ownership of shares in a small capitalization company, and may sell their TreeHouse shares following the distribution. In particular, certain Dean Foods stockholders that are institutional investors have investment parameters that depend on their portfolio companies maintaining a minimum market capitalization that we may not achieve after the distribution. We cannot predict whether stockholders will resell large numbers of TreeHouse shares in the public market following the distribution or how quickly they may resell these TreeHouse shares. If TreeHouse stockholders sell large numbers of TreeHouse shares over a short period of time, or if investors anticipate large sales of TreeHouse shares over a short period of time, this could adversely affect the trading price of the TreeHouse shares.

There has been no prior market for our common stock, and we cannot guarantee that our stock price will not decline after the distribution.

There is no current trading market for the TreeHouse common stock, although a when-issued trading market likely will develop prior to completion of the distribution. We will submit an application to list the TreeHouse common stock on the New York Stock Exchange under the symbol " " following completion of the distribution.

There can be no assurance as to whether the TreeHouse common stock will be actively traded or as to the prices at which the TreeHouse common stock will trade. Development of an orderly trading market in TreeHouse common stock may take some time following the distribution. Until an orderly market develops, the prices at which the TreeHouse shares trade may fluctuate significantly and may be lower than the price that would be expected for a fully distributed issue. Prices for our common stock will be determined in the trading markets and may be influenced by many factors, including:

- actual or anticipated fluctuations in our financial results;
- developments generally affecting the food manufacturing industry;
- general economic, industry and market conditions;
- the depth and liquidity of the market for our common stock;
- investor perceptions of our business and us; and
- the impact of the factors referred to elsewhere in "Risk Factors."

We will not pay cash dividends for the foreseeable future.

We anticipate that earnings, if any, will be retained for the development of our business and that no cash dividends will be declared on our common stock for the foreseeable future. Furthermore, the credit facility that we anticipate entering into prior to the distribution may restrict dividend payments on our common stock.

Anti-takeover provisions in our charter documents and under Delaware law and our rights plan could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our restated certificate of incorporation and our amended and restated by-laws may delay or prevent an acquisition of us or a change in our Board of Directors or management. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors,

because our Board of Directors is responsible for appointing the members of our management team. These provisions include:

- a classified Board of Directors;
- a prohibition on actions by our stockholders by written consent;
- limitations on the removal of directors; and
- advance notice requirements for proposing nominees for election to our Board of Directors and for proposing matters that can be acted upon at stockholder meetings.

In addition, our Board of Directors has adopted a stockholder rights plan the provisions of which could make it more difficult for a potential acquiror to consummate an acquisition transaction.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware, which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. These provisions would apply even if the proposed merger or acquisition could be considered beneficial by some stockholders.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This information statement and other materials we have filed or will file with the Securities and Exchange Commission (the "SEC") (as well as information included in our other written or oral statements) contain, or will contain, disclosures that are "forward-looking statements." Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as "may," "will," "should," "could," "expects," "seek to," "anticipates," "plans," "believes," "estimates," "intends," "predicts," "projects," "potential" or "continue" or the negative of such terms and other comparable terminology. These statements are only predictions. The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievement expressed or implied by these forward-looking statements. The "Questions and Answers about TreeHouse and the Distribution" and "Risk Factors" sections and those sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Our Business and Properties," as well as other sections in this information statement, discuss some of the factors that could contribute to these differences.

This information statement also contains market data related to our business and industry. This market data includes projections that are based on a number of assumptions. If these assumptions turn out to be incorrect, actual results may differ from the projections based on these assumptions. As a result, our markets may not grow at the rates projected by these data, or at all. The failure of these markets to grow at these projected rates may have a material adverse effect on our business, financial condition, results of operations and the market price of our common stock.

You are cautioned not to unduly rely on such forward-looking statements, which speak only as of the date made, when evaluating the information presented in this information statement. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any statement is based.

THE DISTRIBUTION

Background and Reasons for the Distribution

The Board of Directors of Dean Foods regularly reviews the various businesses conducted by Dean Foods to ensure that resources are deployed and activities are pursued in the best interests of its stockholders. On January 27, 2005, Dean Foods announced that it intended to pursue a tax-free spin-off of our company, which, upon completion of the spin-off, will consist of Dean Foods' Specialty Foods Group segment, in addition to the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses conducted by Dean Foods' other segments. In connection with the planned spin-off, Dean Foods also announced that it had entered into employment agreements with a new management team for our company and that the new management team had made an equity investment in our company. On , 2005, Dean Foods announced that its Board had authorized the distribution of our common stock to Dean Foods' stockholders by means of a tax-free spin-off. This authorization is subject to, among other things, final approval by the Dean Foods Board of the agreements to be entered into between us and Dean Foods, the distribution ratio and the record and distribution dates. See "— Distribution Conditions." In making the determination to spin off our business, the Board of Directors of Dean Foods acknowledged that the principal focus of Dean Foods is its dairy and branded products businesses, and that our business did not fit within that focus.

We and Dean Foods believe that our separation from Dean Foods will provide both companies with certain opportunities and benefits, including the following:

- Ability to Attract and Retain Management. The planned separation has already enabled us to attract a senior management team, led by Sam K. Reed, to manage TreeHouse as an independent public company after the distribution. In addition, the separation will allow us to develop incentive programs to better attract and retain current and future employees through the use of stock-based and performance-based incentive plans that more directly link their compensation with our financial performance.
- Greater Financial Resources. As a stand-alone company, we anticipate that our only outstanding long-term debt at the time of the distribution will be our capital lease obligations and borrowings necessary to pay the transaction-related expenses associated with the distribution. We are negotiating with a group of major financial institutions to obtain an approximately $ unsecured revolving credit facility to provide for both our short-term and long-term financing needs. As a result, we expect to have sufficient financing capacity for rapid growth, including product expansion and potential future acquisitions. We also will have direct access to the public capital markets to allow us to seek to finance our operations and growth without having to compete with other Dean Foods businesses in respect of that financing. In addition, we will be able to invest any excess cash flow from our business into the growth of our business, rather than having a portion of that cash flow reinvested into Dean Foods' other businesses.
- Increased Focus on Core Businesses. The separation will allow each company to better focus its resources on its own distinct businesses and business challenges so that each can pursue the most appropriate long-term growth opportunities and business strategies.

Distribution Conditions

We expect that the distribution will be effective at the close of business on the distribution date, , 2005, provided that, among other things:

- our registration statement on Form 10, of which this information statement is a part, has become effective under the Securities Exchange Act of 1934, as amended, and we and Dean Foods have obtained all necessary approvals or no action letters from the SEC;

- we and Dean Foods have taken all such action as may be necessary or appropriate under state and foreign securities and blue sky laws in connection with the distribution;
- the distribution agreement and the transactions contemplated thereby, including the declaration of the distribution, have been approved by the Dean Foods Board of Directors;
- Dean Foods has received the tax ruling that it has requested from the IRS, in form and substance satisfactory to it, and that tax ruling remains in effect as of the distribution date;
- our common stock has been approved for listing on a registered national securities exchange or automated quotation system;
- any material governmental approvals and consents required to consummate the distribution have been obtained and are in full force and effect;
- no order, injunction or decree issued by any court or agency of competent jurisdiction or other legal restraint or prohibition preventing consummation of the distribution or any of the transactions contemplated by the distribution agreement is in effect and no other event outside the control of Dean Foods has occurred, or failed to occur, that prevents consummation of the distribution;
- each of the agreements described in the section titled "Our Relationship with Dean Foods After the Distribution" have been executed and delivered, and each of such agreements are in full force and effect;
- no other event or developments have occurred that, in the judgment of the Dean Foods Board of Directors, would result in the distribution having a material adverse effect on Dean Foods or on the stockholders of Dean Foods;
- we and Dean Foods have received any and all legal opinions, in a form reasonably satisfactory to the Board of Directors of the applicable entity, as such Board of Directors shall determine in good faith to be reasonably necessary for it to authorize the consummation of the distribution; and
- we and Dean Foods have taken all other reasonable and customary actions, as determined by Dean Foods, that are reasonably necessary in order to assure the successful completion of the distribution.

Dean Foods' Board of Directors may, in its sole discretion, waive any of these conditions. Also, the fulfillment of the foregoing conditions will not create any obligation on Dean Foods' part to effect the distribution. However, if the distribution is not consummated by October 31, 2005 (other than as a result of a default by the management investors) or Dean Foods otherwise does not proceed with the distribution, then Dean Foods will have the right to repurchase TreeHouse common stock from the management investors, and the management investors will have the right to sell such stock to Dean Foods, at an aggregate repurchase price of $11 million. If Dean Foods does not proceed with the distribution and instead pursues an alternative transaction (as defined in the stockholders agreement entered into by Dean Foods, TreeHouse and the management investors in connection with the management investors' investment in TreeHouse, which we refer to as the "stockholders agreement") involving the TreeHouse businesses, Dean Foods also will pay the management investors a transaction fee equal to 1% of the total enterprise value of TreeHouse, as defined in the stockholders agreement. See "Our Relationship with Dean Foods After the Distribution — Stockholders Agreement." In addition, if the distribution is not consummated by October 31, 2005 or Dean Foods otherwise does not proceed with the distribution, the management investors will be entitled to terminate their employment agreements and receive a severance payment equal to two times (three times, in the case of Mr. Reed) the sum of the annual base salary payable to the management investor plus any target bonus.

Manner of Effecting the Distribution

The general terms and conditions relating to the distribution are set forth in the distribution agreement between Dean Foods and us. For a description of that agreement see, "Our Relationship with Dean Foods After the Distribution — Distribution Agreement."

On the distribution date, Dean Foods will effect the distribution by delivering all of the outstanding shares of our common stock that it owns to The Bank of New York Company, Inc., as distribution agent. Those shares will be distributed to the holders of record of Dean Foods common stock at 5:00 p.m., New York City time, on the record date of . The actual total number of TreeHouse shares to be distributed will depend on the number of Dean Foods shares outstanding on the record date. Dean Foods owns approximately 98.3% of the outstanding TreeHouse common stock. Based upon the number of Dean Foods shares outstanding on , 2005, an aggregate of approximately TreeHouse shares will be distributed to Dean Foods stockholders. Immediately following the distribution, the management investors will own approximately 1.7% of TreeHouse's shares (excluding certain awards of restricted stock, stock options and restricted stock units that they will be entitled to receive shortly after the distribution), and Dean Foods and its subsidiaries will not own any TreeHouse shares and TreeHouse will be an independent public company.

Please note that if any stockholder of Dean Foods on the record date sells shares of Dean Foods common stock regular way after the record date but on or before the distribution, the buyer of those shares, and not the seller, will become entitled to receive the shares of our common stock issuable in respect of the shares sold. See "The Distribution — Listing and Trading of Our Common Stock" below for more information. The distribution will be made in book-entry form on the basis of share[s] of our common stock for every share[s] of Dean Foods common stock held on the record date. Each share of our common stock that is distributed will be validly issued, fully paid and nonassessable and free of preemptive rights.

A book-entry account statement reflecting your ownership of whole shares of our common stock will be mailed to you, or your brokerage account will be credited for the shares, on or about . A delivery of a share of our common stock in connection with the distribution also will constitute the delivery of the preferred stock purchase right associated with the share. See "Description of Our Capital Stock — Rights Agreement" and "Description of Our Capital Stock — Anti Takeover Effects of Provisions of Our Certificate of Incorporation, By-Laws and Rights Plan and of Delaware Law." You will receive a check, or a credit to your brokerage account, for the cash equivalent of any fractional shares you otherwise would have received in the distribution. If you request a certificate for your shares of our common stock, you will receive a certificate for the whole number of shares you own and cash in lieu of any fractional shares that otherwise would have been credited to your book-entry account. The distribution agent will, on or after the distribution date, aggregate and sell all of those fractional interests on the open market at then applicable market prices and distribute the aggregate proceeds ratably to Dean Foods stockholders otherwise entitled to those fractional interests in accordance with their fractional share interests. Dean Foods will pay all brokers' fees and commissions in connection with the sale of fractional interests. If you own fewer than shares of common stock of Dean Foods on the record date, you will not receive any shares of our stock in the distribution, but you will receive cash in lieu of fractional shares. See "The Distribution — Material U.S. Federal Income Tax Consequences of the Distribution" for a discussion of the U.S. federal income tax treatment of proceeds from fractional shares.

No Dean Foods stockholder will be required to pay any cash or other consideration for the TreeHouse common stock received in the distribution, or to surrender or exchange Dean Foods common stock in order to receive TreeHouse common stock. The distribution will not affect the number of, or the rights attaching to, outstanding Dean Foods common stock. No vote of Dean Foods stockholders is required or sought in connection with the distribution, and Dean Foods stockholders will have no appraisal rights under applicable law in connection with the distribution.

Results of the Separation and Distribution

After the separation and distribution, we will be an independent public company owning and operating what had previously been Dean Foods' Specialty Foods Group segment, in addition to the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses currently conducted by other Dean Foods segments. Immediately after the distribution, we expect to have approximately holders of shares of our common stock and approximately shares of our common stock issued and outstanding based on the distribution ratio described above and the anticipated number of beneficial stockholders and outstanding Dean Foods shares on , 2005, the record date. The actual number of shares to be distributed will be determined based on the number of shares of Dean Foods common stock outstanding on the record date.

The distribution will not affect the number of outstanding Dean Foods shares or any rights of Dean Foods stockholders, although it may affect the market value of the outstanding Dean Foods common shares. See "Questions and Answers About TreeHouse and the Distribution."

Effect of the Distribution on Dean Foods' Outstanding Stock Options

Except with respect to the treatment of certain options held by Mr. Engles, as described below, upon the distribution, the Compensation Committee of the Board of Directors of Dean Foods will adjust all outstanding options to purchase shares of Dean Foods common stock to reflect the distribution, as permitted by the applicable Dean Foods stock option plans. The purpose of the adjustment will be to ensure that the stock options outstanding at the date of the distribution have the same value before and after the distribution.

All options to purchase shares of Dean Foods common stock held by Dean Foods employees who become TreeHouse employees will be adjusted as described above. In addition, all such options will vest and shall remain exercisable until the 60th day following the date of distribution (unless sooner cancelled in accordance with the applicable option agreement).

Upon the distribution, Mr. Engles, Chairman of the Board and Chief Executive Officer of Dean Foods, will become a member of our Board of Directors. At that time, his vested options to purchase shares of Dean Foods common stock will be adjusted pro rata into the vested right to purchase shares of Dean Foods common stock and the vested right to purchase shares of TreeHouse common stock based on the distribution ratio. See "Our Relationship with Dean After the Distribution — Mr. Engles." Mr. Engles' unvested options to acquire shares of Dean Foods common stock will be adjusted in the same manner as those of other Dean employees as described above. Following such adjustment, the aggregate value of Mr. Engles' options, including both those related to TreeHouse and those related to Dean Foods common stock, will have the same value as Mr. Engles' outstanding options prior to the distribution.

Listing and Trading of Our Common Stock

There is not currently a public market for our common stock. We will apply to list our common stock on the New York Stock Exchange under the symbol " ." We anticipate that trading in shares of our common stock will begin on a "when-issued" basis on or around the record date and before the distribution date, and "regular way" trading will begin on the first trading day after the distribution date. "When-issued" trading in the context of a distribution refers to a transaction effected on or before the distribution date and made conditionally because the securities of the spun off entity have not yet been distributed. When-issued trades generally settle within four trading days after the distribution date. During this time, shares of Dean Foods common stock that trade on the regular way market will trade with an entitlement to receive shares of the same series of our common stock distributable in the spin off. Therefore, if you own shares of Dean Foods common stock on the record date and thereafter sell those shares regular way on or prior to the distribution date, you also will be selling your entitlement to the shares of our common stock that would have been distributed to you in the distribution with respect to the shares of Dean Foods common stock you sell. On the first trading day following the distribution date,

shares of Dean Foods common stock will begin trading without any entitlement to receive shares of our common stock.

On the first trading day following the distribution date, any when-issued trading in respect of our common stock will end and regular way trading will begin. “Regular way” trading refers to trading after the security has been distributed and typically involves a trade that settles on the third full trading day following the date of the sale transaction. If trading does begin on a “when-issued” basis, you may purchase or sell our common stock after that time, but your transaction will not settle until after the distribution date. Shares of our common stock generally will be freely tradable after the distribution date.

We cannot predict the trading prices for our common stock before or after the distribution date. Immediately after the distribution, the trading price of our common stock may fluctuate significantly, particularly until an orderly market develops. Some of the Dean Foods stockholders who receive TreeHouse shares may decide that their investment objectives do not include ownership of shares in a small capitalization company, and may sell their TreeHouse shares following the distribution. In particular, certain Dean Foods stockholders that are institutional investors have investment parameters that depend on their portfolio companies maintaining a minimum market capitalization that we may not achieve after the distribution. This may delay the development of an orderly trading market in the TreeHouse shares for a period of time following the distribution. Prices for our common stock will be determined in the trading markets and may be influenced by many factors, including:

- actual or anticipated fluctuations in our financial results;
- developments generally affecting the food manufacturing industry;
- general economic, industry and market conditions;
- the depth and liquidity of the market for our common stock;
- investor perceptions of our business and us; and
- the impact of the factors referred to in “Risk Factors.”

Following the distribution, Dean Foods’ common stock will continue to be listed and traded on the New York Stock Exchange under the symbol “DF.” As a result of the distribution, we expect that the trading price of Dean Foods common stock immediately following the distribution will be lower than the trading price of Dean Foods common stock immediately prior to the distribution. In addition, the combined trading prices of Dean Foods common stock and the TreeHouse common stock after the distribution may be less than the trading prices of Dean Foods common stock immediately prior to the distribution. The prices for Dean Foods common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for the shares, Dean Foods’ results of operations, what investors think of Dean Foods’ dairy and branded products businesses, changes in economic conditions in the dairy and branded products industries and general economic and market conditions.

Following the distribution, Dean Foods’ operations will consist only of its dairy and branded products businesses. These businesses represented approximately 93.4% of Dean Foods’ consolidated net sales for the year ended December 31, 2004. Some Dean Foods stockholders may decide that their investment objectives do not include ownership of shares in a company consisting only of dairy and branded products businesses, and may sell their Dean Foods common stock following the distribution. Furthermore, certain Dean Foods stockholders that are institutional investors have investment parameters that depend on their portfolio companies maintaining a minimum market capitalization that Dean Foods may not achieve after the distribution. These and other factors may delay or hinder the return to an orderly trading market in the Dean Foods common stock following the distribution.

We have appointed to serve as transfer agent and registrar for our common stock.

You should consult with your own financial advisors, such as your stockbroker, bank or tax advisor with respect to your continued ownership of our common stock. We do not make recommendations on the purchase, retention or sale of shares of Dean Foods common stock or TreeHouse common stock.

If you do decide to sell any shares, you should make sure your stockbroker, bank or other nominee understands whether you want to sell your Dean Foods common stock or your TreeHouse common stock, or both.

Federal Securities Laws Considerations

General. Shares of our common stock distributed to Dean Foods stockholders in the distribution will be freely transferable under the Securities Act of 1933, as amended, except for shares received by persons who may be deemed to be our affiliates. Persons who may be deemed to be our affiliates after the distribution generally include individuals or entities that control, are controlled by or are under common control with us, and may include certain of our officers, directors or principal stockholders. After we become a publicly traded company, securities held by our affiliates will be subject to the resale restrictions under the Securities Act. Our affiliates will be permitted to sell shares of our common stock only pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, such as the exemption afforded by Rule 144 under the Securities Act. Our affiliates will not be permitted to sell shares of our common stock under Rule 144 until 90 days after the date on which the registration statement of which this information statement forms a part is declared effective, subject to satisfaction of the other conditions of Rule 144. It is believed that persons who may be deemed to be affiliates of TreeHouse after the distribution will beneficially own approximately TreeHouse shares, or approximately % of the outstanding TreeHouse shares.

Restrictions on Transfer Contained in the Stockholders Agreement. No shares of TreeHouse common stock acquired by the management investors pursuant to the subscription agreements entered into by TreeHouse and each management investor in connection with the management investors' investment in TreeHouse, or any shares of TreeHouse common stock or other securities received in respect of such common stock may be, directly or indirectly, sold, assigned, mortgaged, transferred, pledged, hypothecated or otherwise disposed of until January 27, 2008, subject to certain exceptions set forth in the stockholders agreement.

Material U.S. Federal Income Tax Consequences of the Distribution

The following discussion is a summary of the material U.S. federal income tax consequences of the distribution to Dean Foods and its stockholders. This discussion is based on the Code, laws, regulations, rulings and decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect, and to varying interpretations, which could result in U.S. federal income tax consequences different from those described below.

This discussion addresses only the U.S. federal income tax consequences to Dean Foods stockholders who hold their shares of stock as capital assets and does not address all of the U.S. federal income tax consequences that may be relevant to particular holders in light of their individual circumstances. This discussion does not address the tax consequences to holders who are subject to special rules, including, without limitation, financial institutions, tax-exempt organizations, insurance companies, dealers in securities or foreign currencies, foreign holders, persons who hold their shares as or in a hedge against currency risk, persons who hold their shares as a result of a constructive sale or as part of a conversion transaction, holders who acquired their shares of stock pursuant to the exercise of employee stock options or otherwise as compensation, or holders of options to acquire Dean Foods common stock. In addition, this discussion does not address the tax consequences to Dean Foods stockholders under any state, local or foreign tax laws or the alternative minimum tax provisions of the Code.

YOU ARE URGED TO CONSULT YOUR TAX ADVISER WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE DISTRIBUTION, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE, LOCAL AND FOREIGN TAX RULES AND THE EFFECT OF POSSIBLE CHANGES IN LAWS THAT MAY AFFECT THE TAX CONSEQUENCES DESCRIBED IN THIS INFORMATION STATEMENT.

Dean Foods has requested a private letter ruling from the IRS to the effect that the distribution of our common stock held by Dean Foods to its stockholders will qualify as a tax-free transaction under Section 355 of the Code, and that certain transactions undertaken to transfer assets to us in connection with the distribution will not result in any tax liability to Dean Foods. The ruling sought would provide that for U.S. federal income tax purposes:

- no gain or loss will be recognized by Dean Foods on the distribution;
- no gain or loss will be recognized by, and no amount will otherwise be included in the income of, a holder of Dean Foods common stock on the distribution, except to the extent such holder receives cash in lieu of a fractional share of our common stock;
- a Dean Foods stockholder who receives shares of our common stock in the distribution will have an aggregate basis in the holder's shares of our common stock (including any fractional share of our common stock to which the holder is entitled) and the holder's shares of Dean Foods common stock immediately after the distribution equal to the holder's aggregate basis in the holder's shares of Dean Foods common stock immediately before the distribution, which basis will be allocated between the holder's shares of Dean Foods common stock and shares of our common stock in proportion to their relative fair market values on the date of the distribution;
- the holding period for the shares of our common stock received by a Dean Foods stockholder will include the holding period for the shares of the Dean Foods common stock with respect to which the shares of our common stock are received, provided that such shares of Dean Foods common stock are held as capital assets on the date of the distribution; and
- a stockholder of Dean Foods who receives cash from the distribution agent in respect of a fractional share of our common stock will recognize capital gain or loss on the sale of the fractional share interest equal to the difference between the cash received and the stockholder's basis in the fractional share interest (as determined above) provided that such fractional share interest is held as a capital asset.

A private letter ruling from the IRS, while generally binding on the IRS, may under certain circumstances be retroactively revoked or modified by the IRS. A letter ruling is based on the facts and representations presented in the request for the ruling. Generally, a letter ruling will not be revoked or modified retroactively if there has been no misstatement or omission of material facts, the facts at the time of the transaction are not materially different from the facts upon which the letter ruling was based, and there has been no change in the applicable law. Neither we nor Dean Foods are aware of any facts or circumstances that would cause any of the representations in the ruling request to be untrue or incomplete.

Under its current ruling policy, the IRS will not determine whether a distribution satisfies the following three requirements for a Section 355 distribution: (i) whether a distribution is being carried out for one or more corporate business purposes, (ii) whether a distribution is used principally as a device for the distribution of earnings and profits, or (iii) whether a distribution and an acquisition are part of a plan described in Section 355(e) of the Code. Instead, such determinations may be made upon an examination of Dean Foods' income tax return. Dean Foods was required to submit representations to the IRS that there is a valid business purpose for the distribution, the distribution is not being used as a device for the distribution of earnings and profits and the distribution is not part of a plan described in Section 355(e) of the Code. If these representations are incorrect or inaccurate in any material respect, the distribution would be taxable to Dean Foods and possibly its stockholders.

Therefore, in addition to obtaining a letter ruling, Dean Foods and we expect to obtain an opinion from the law firm of Wilmer Cutler Pickering Hale and Dorr LLP that the distribution will qualify as a transaction under Section 355 of the Code. The opinion of counsel will rely on the IRS letter ruling as to matters covered by the ruling. It also will be based on, among other things, certain assumptions and representations as to factual matters made by Dean Foods and us, which if incorrect or inaccurate in any

material respect would jeopardize the conclusions reached by counsel in its opinion. Dean Foods and we are not aware of any facts or circumstances that would cause such assumptions and representations to be untrue or incorrect. The opinion will represent the views of Wilmer Cutler Pickering Hale and Dorr LLP as to the interpretation of existing tax law. Such opinion will not be binding on the IRS or the courts, and no assurance can be given that the IRS or the courts will agree with the opinion.

If the distribution does not qualify as a transaction under Section 355 of the Code, Dean Foods would recognize taxable gain equal to the amount by which the fair market value of our common stock distributed to the Dean Foods stockholders exceeds Dean Foods' tax basis in our common stock. In addition, each stockholder who receives our common stock in the distribution would generally be treated as receiving a taxable distribution in an amount equal to the fair market value of our common stock received (including any fractional share sold on behalf of the stockholder), which would be taxable as a dividend to the extent of the holder's pro rata share of Dean Foods' current and accumulated earnings and profits (as increased to reflect any gain recognized by Dean Foods on the taxable distribution). The balance of the distribution will be treated as a nontaxable return of capital to the extent of the holder's tax basis in its shares of Dean Foods common stock, with any remaining amount being taxed as capital gain.

Even if the distribution otherwise qualifies under Section 355 of the Code, it may be taxable to Dean Foods (but not to Dean Foods stockholders) under Section 355(e) of the Code, if the distribution is later deemed to be part of a plan (or series of related transactions) pursuant to which one or more persons acquire directly or indirectly stock representing a 50 percent or greater interest in Dean Foods or us. For this purpose, any acquisitions of Dean Foods stock or of our common stock within the period beginning two years before the distribution, and ending two years after the distribution, are presumed to be part of such a plan, although we or Dean Foods may be able to rebut that presumption. Other than the purchase of our common stock by the management investors, we are not aware of any acquisitions of Dean Foods stock or our stock within the period beginning two years before the distribution that must be taken into account for purposes of Section 355(e) of the Code. In addition, neither Dean Foods nor we are a party to or aware of any plan pursuant to which one or more persons would acquire directly or indirectly stock representing a 50 percent or greater interest in Dean Foods or us following the distribution. If acquisitions of our stock or Dean Foods stock cause Section 355(e) of the Code to apply, Dean Foods would recognize taxable gain as described above, but the distribution would be tax-free to each Dean Foods stockholder (except for cash received in respect of a fractional share of our common stock).

Under the tax matters agreement between Dean Foods and us, we are required to pay or reimburse Dean Foods for any taxes arising from the failure of the distribution to qualify under Section 355 of the Code (including as a result of the application of Section 355(e) of the Code) if the failure to so qualify is attributable to actions, events, or transactions relating to the stock, assets, or business of us or any of our affiliates or a breach of the relevant representations made by us in the tax matters agreement or the distribution agreement. See "Our Relationship with Dean Foods After the Distribution — Tax Matters Agreement" for a more detailed discussion of the tax matters agreement between Dean Foods and us.

Accordingly, if the distribution does not qualify under Section 355 or is part of a plan described in Section 355(e), Dean Foods and possibly its stockholders could be subject to a material amount of taxes as a result of the distribution and we may be liable to Dean Foods for any such taxes.

Current U.S. Treasury regulations require each Dean Foods stockholder who receives shares of our common stock in the distribution to attach to his or her U.S. federal income tax return for the year in which the distribution occurs a detailed statement setting forth such data as may be appropriate to show the applicability of Section 355 of the Code to the distribution. Dean Foods will provide its stockholders who receive our common stock pursuant to the distribution with the information necessary to comply with such requirement.

Reason for Furnishing this Information Statement

This information statement is being furnished solely to provide information to stockholders of Dean Foods who will receive shares of our common stock in the distribution. It is not and is not to be construed as an inducement or encouragement to buy or sell any of our securities. We believe that the information contained in this information statement is accurate as of the date set forth on its cover. Changes may occur after that date, and we will not update the information except in the normal course of our public disclosure obligations and practices.

OUR RELATIONSHIP WITH DEAN FOODS AFTER THE DISTRIBUTION

General

Currently we are an indirect, majority-owned subsidiary of Dean Foods. After the distribution, Dean Foods will not have any ownership interest in our common stock, and we will be an independent, publicly traded company.

We will enter into certain agreements with Dean Foods prior to the distribution to define our ongoing relationship after the distribution. These agreements will include agreements that define our respective responsibilities for taxes, employee matters and all other liabilities and obligations related to our business. We will enter into these agreements with Dean Foods while we are still a majority-owned subsidiary of Dean Foods. As a result, certain terms of these agreements are not necessarily the same as could have been obtained from an independent third party.

The following descriptions are summaries of the material terms of the agreements that we will enter into with Dean Foods. We encourage you to read, in their entirety, each of the agreements which are included as exhibits to the registration statement of which this information statement forms a part.

Distribution Agreement

The distribution agreement will provide for, among other things, the principal corporate transactions required to effect the separation of our business from Dean Foods, the distribution of our common stock owned by Dean Foods to the holders of record of Dean Foods common stock and certain other agreements governing our relationship with Dean Foods after the distribution date.

The Transfer. Pursuant to the distribution agreement, Dean Foods will transfer, or cause its subsidiaries to transfer, to us the assets described under "Our Business and Properties." These assets include: Dean Foods' right, title and interest in all properties, assets and rights of every nature, kind and description, tangible and intangible (including goodwill), whether real, personal or mixed, whether accrued, contingent or otherwise that primarily relate to, or are primarily held for use in connection with, Dean Foods' Specialty Foods Group, *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses (collectively, the "transferred businesses"), including but not limited to:

- working capital assets (but excluding cash);
- fixed assets;
- intangible assets;
- capital leases; and
- other long-term assets, but excluding the trade names "Dean Foods," "Carb Conquest" and "Fieldcrest" (and any derivatives of any such trade name) and associated logos.

For a more complete description of the assets and properties to be held by us after the distribution, see "Our Business and Properties."

The transfers will occur immediately prior to the distribution of our common stock owned by Dean Foods to Dean Foods' stockholders and will be made on an "as is, where is" basis without any representations or warranties, and we will bear the economic and legal risks of the transfer. We also will assume and agree to perform and fulfill all of the liabilities arising after the distribution date out of the ownership or use of the transferred assets or the operation of the transferred business both before and after the transfer.

The Distribution. Completion of the distribution is subject to the satisfaction or waiver of certain conditions, including those described in the section titled "The Distribution — Distribution Conditions." Even if all of the conditions to the distribution are satisfied, Dean Foods will have the right to terminate the distribution agreement and the related transactions at any time prior to the distribution date. The

Board of Directors of Dean Foods currently intends to proceed with the distribution if each condition is satisfied.

Dean Foods has the sole and absolute discretion without our approval or the approval of Dean Foods' stockholders to determine whether and when to proceed with the distribution and whether to alter any and all terms of the distribution at any time prior to the distribution date. However, in the event that the distribution agreement is terminated and the distribution is abandoned, Dean Foods may be required to pay certain termination fees and/or repurchase the TreeHouse common stock from the management investors pursuant to the stockholders agreement. See "— Stockholders Agreement." In addition, if Dean Foods causes us to terminate the employment agreements of the management investors under such circumstances, we will be required to pay each management investor a severance payment equal to two times (or three times, in the case of Mr. Reed) the sum of the annual base salary payable to the management investor plus any target bonus. See "Executive Compensation — General."

After the distribution date, the distribution agreement may not be terminated except by an agreement in writing signed by both Dean Foods and us.

Releases, Indemnification and Insurance Matters. The distribution agreement will provide for us and our affiliates to release Dean Foods and its affiliates from all liabilities arising from or based on facts existing on or before the distribution date, except as set forth in the distribution agreement.

In addition, the distribution agreement will provide for cross-indemnities principally designed to place financial responsibility for the liabilities of our business with us and financial responsibility for the obligations and liabilities of Dean Foods' retained businesses with Dean Foods, except as may otherwise be set forth in the distribution agreement. The distribution agreement also will establish procedures with respect to indemnification claims and related matters.

The distribution agreement will provide for the allocation of benefits between Dean Foods and us under existing insurance policies after the distribution date for occurrences prior to the distribution date and set forth procedures for the administration of insured claims.

Dispute Resolution. The distribution agreement will contain provisions that govern, except as otherwise provided in any related agreement, the resolution of disputes, controversies or claims that may arise between us and Dean Foods. These provisions will contemplate that efforts will be made to resolve disputes, controversies and claims by escalation of the matter to senior management or other mutually agreed representatives of us and Dean Foods. If such efforts are not successful, either we or Dean Foods will be permitted to submit the dispute, controversy or claim to a court for resolution.

City of Industry Plant

Upon the distribution, we will assume the lease of Dean Foods' City of Industry South plant located in City of Industry, California, where Dean Foods manufactures the foodservice salad dressings that will be transferred to us in connection with the distribution. In addition to salad dressings, Dean Foods processes various other product lines at this production facility that will not be transferred to us. Production of all products, except salad dressings, will be transferred out of this production facility and into other Dean Foods facilities beginning in the second quarter of 2005. Following the distribution, the production of *Mocha Mix* ® and *Second Nature* ® will be transitioned from two other Dean Foods production facilities to our City of Industry plant. We expect the transition of production in and out of the City of Industry plant to be completed by the first quarter of 2006. Until this transition is complete, we will have temporary co-pack agreements with Dean Foods for the production of these products.

Transition Services Agreement

We will enter into a transition services agreement with Dean Foods pursuant to which Dean Foods will provide for us a variety of transitional corporate services for a period of time following the distribution, including certain employee benefits administration and payroll, information technology and other administrative services. Each service will be made available to us on an as-needed basis through ,

or such shorter or longer periods as may be provided in the transition services agreement. The fees charged for the services will generally be based upon the fair market value of providing the services.

We will be permitted to terminate the provision of a particular service upon days' notice to Dean Foods, except where longer notice periods may be specified in the transition services agreement. In addition, either we or Dean Foods will be permitted to terminate the transition services agreement for cause or upon certain changes of ownership relating to the other party as set forth in the transition services agreement.

Employee Matters Agreement

We will enter into an employee matters agreement with Dean Foods that will provide for our respective obligations to employees and former employees who are or were associated with our business and for other employment and employee benefits matters. The material terms of the employee matters agreement are described below.

Pursuant to the employee matters agreement, after the distribution we will employ all employees of Dean Foods with employment duties principally related to our business who are not covered by collective bargaining agreements on terms and conditions substantially similar to the current terms and conditions of their employment with Dean Foods. We also will offer employment to all employees covered by collective bargaining agreements that currently are in effect at our operations. However, no such agreement between us and Dean Foods will be deemed to create any third-party rights, and all employees shall be employees at-will, except to the extent that such employees are covered by a collective bargaining agreement that may provide otherwise.

Currently, approximately 63% of our full time distribution, production and maintenance employees are covered by collective bargaining agreements with the International Brotherhood of Teamsters or the United Food and Commercial Workers Union. Should any liability be incurred due to our negotiations and/or from any resulting collective bargaining agreements reached with the unions, we have agreed to indemnify Dean Foods for any such liability.

Some of the collective bargaining agreements include obligations to contribute to multiemployer pension plans. The agreement between Dean Foods and us will provide that we will assume the obligations to make the contributions to the multiemployer pension plans that are required to be made pursuant to the collective bargaining agreements. We will indemnify Dean Foods for any liability that may result if we cease to have an obligation to contribute to the multiemployer plans or do not continue to make those contributions.

We also have agreed to assume and indemnify Dean Foods against certain liabilities related to employees of our business who are employed by us and certain former employees. We expect to establish retirement plans substantially similar to the Dean Foods retirement plans in which non-union employees will participate. For those employees covered by collective bargaining agreements, we expect to establish retirement plans identical to the Dean Foods retirement plans in which such employees of our business will participate. We expect to grant credit for service that was recognized under the Dean Foods plans for all purposes under our plans. Subject to the requirements of applicable law, Dean Foods has agreed to transfer the assets and liabilities of the Dean Foods retirement plans attributable to transferring employees of our business to our plans.

We will provide other postretirement benefits for certain of our employees and certain former employees of our business pursuant to the terms of certain plans. We also will establish certain health and welfare, life insurance and disability plans to provide benefits for certain of our employees and certain former employees of our business after the distribution date. However, no such plans will create any third-party rights. Until the creation of such plans, we expect to provide employees not covered by a collective bargaining agreement substantially similar levels of benefits provided under the Dean Foods plans. To the extent employees are covered by a collective bargaining agreement, we expect to provide the same level of benefits provided prior to the distribution.

Upon the distribution, the Compensation Committee of the Board of Directors of Dean Foods will adjust all outstanding options to purchase shares of Dean Foods common stock to reflect the distribution, as permitted by the applicable Dean Foods stock option plans. The purpose of the adjustment will be to ensure that the stock options outstanding at the date of the distribution have the same value before and after the distribution.

All options to purchase shares of Dean Foods common stock held by Dean Foods' employees who become TreeHouse employees will be adjusted as described above. In addition, all such options will vest and shall remain exercisable until the 60th day following the date of distribution (unless sooner cancelled in accordance with the applicable option agreement).

For a description of the treatment of certain options held by Mr. Engles, see "The Distribution — Effect of the Distribution on Dean Foods' Outstanding Stock Options" and "Our Relationship with Dean Foods After the Distribution — Mr. Engles."

Tax Matters Agreement

We will enter into a tax matters agreement with Dean Foods which will generally govern Dean Foods' and our respective rights, responsibilities and obligations after the distribution with respect to taxes attributable to our business, as well as any taxes incurred by Dean Foods as a result of the failure of the distribution to qualify for tax-free treatment under Section 355 of the Code.

General Taxes. Under the tax matters agreement, we will, with limited exceptions, be liable for all U.S. federal, state, local and foreign taxes attributable to our business that are required to be paid after the distribution. The tax matters agreement sets forth rules for determining which taxes are attributable to our business and rules on the effect of subsequent adjustments to those taxes due to tax audits or examinations.

Distribution-Related Taxes. Under the tax matters agreement, we will be liable for taxes that may be incurred by Dean Foods that arise from the failure of the distribution to qualify as a tax-free transaction under Section 355 of the Code (including as a result of Section 355(e) of the Code) if the failure to so qualify is attributable to actions, events, or transactions relating to the stock, assets, or business of us or any of our affiliates, or a breach of the relevant representations made by us in the tax matters agreement or the distribution agreement.

Administrative Matters. The tax matters agreement also will set forth Dean Foods' and our respective obligations with respect to the filing of tax returns, the administration of tax contests, assistance and cooperation and other matters.

Trademark License Agreement

We will enter into a trademark license agreement with Dean Foods pursuant to which Dean Foods will grant to us a license to use the *Dean* ® and *Fieldcrest* ® trademarks until our current supply of packaging materials is depleted. In addition, we will grant to Dean Foods a perpetual, royalty-free license to use the *Rod's* ® trademark in connection with Dean Foods' operations. The trademark license agreement will contain standard provisions, including those dealing with quality control and termination upon, among other things, material breach or bankruptcy.

Stockholders Agreement

On January 27, 2005, TreeHouse and Dean Foods entered into a stockholders agreement with each of the management investors. The stockholders agreement provides that Dean Foods, TreeHouse and the management investors will use commercially reasonable efforts to consummate the distribution by means of a tax-free dividend. The consummation of the distribution is conditioned on the satisfaction of certain conditions for the sole benefit of Dean Foods. See "The Distribution — Distribution Conditions" for more information. The material terms of the stockholders agreement are described below.

If the distribution is not consummated by October 31, 2005 (other than as a result of a default by the management investors, as defined in the stockholders agreement) or if Dean Foods does not proceed with the distribution, then Dean Foods will have the right to repurchase the common stock of TreeHouse from the management investors, and the management investors will have the right to sell such stock to Dean Foods, at an aggregate repurchase price of $11 million. In the event of a default by the management investors prior to the consummation of the distribution, Dean Foods will have the right to repurchase the common stock of TreeHouse from the management investors at a price equal to the lesser of the initial purchase price or the fair market value of such stock determined in accordance with the stockholders agreement. If, prior to the consummation of the distribution, Dean Foods decides not to pursue the distribution because Dean Foods has received an alternative proposal for an acquisition of Dean Foods or the businesses to be transferred to us, then Dean Foods also will pay the management investors a transaction fee equal to 1% of the total enterprise value of Dean Foods' Specialty Foods Group, *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses determined in accordance with the stockholders agreement.

We have agreed to reimburse Dean Foods up to $12.5 million of fees and expenses incurred by Dean Foods in connection with the distribution. In addition, we have agreed to reimburse Dean Foods for up to $20 million of potential tax liabilities that could result from intercompany transactions effectuated in connection with the distribution. If we are required to reimburse Dean Foods for these tax liabilities, then we have agreed to issue additional shares of our common stock to the management investors to reflect a revised valuation of TreeHouse that takes into account the tax liability reimbursement. See "Our Relationship with Dean Foods After the Distribution — Tax Matters Agreement" for more information.

The management investors will not be entitled to transfer or sell the shares purchased pursuant to the subscription agreements entered into by TreeHouse and each of the management investors until January 27, 2008, except, among other things, in accordance with put and call rights as defined in the stockholders agreement or as payment of the exercise price of the stock options that will be granted shortly after the distribution.

Shares of TreeHouse common stock held by a management investor may be transferred for estate-planning purposes, including transfers to a trust, a charitable remainder trust, a corporation, partnership or limited liability company, in each case, subject to the limitations set forth in the stockholders agreement. In addition, if a management investor's employment is terminated due to his death or disability (as defined in the applicable employment agreement) prior to the distribution, the management investor will have the right to sell all, but not less than all, of his shares of our common stock to Dean Foods, and Dean Foods will have the obligation to purchase such common stock at a price equal to the aggregate purchase price of such common stock.

Mr. Engles

From and after the distribution, Gregg L. Engles, Dean Foods' Chairman of the Board and Chief Executive Officer, will be a member of our Board of Directors. See "Management."

Upon the distribution, Mr. Engles' vested options to purchase shares of Dean Foods common stock will be adjusted pro rata into the vested right to purchase shares of Dean Foods common stock and the vested right to purchase shares of TreeHouse common stock based on the distribution ratio. For a description of the treatment of Mr. Engles' unvested options to purchase shares of Dean Foods common stock, see "The Distribution — Effect of the Distribution on Dean Foods' Outstanding Stock Options."

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2004 on a historical basis and a pro forma basis to give effect to the distribution and transactions related to the distribution. You should read this table together with the "Selected Historical Combined Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical and unaudited pro forma condensed combined financial statements included elsewhere in this information statement. Please see Note 1 to our Combined Financial Statements for a description of the basis of presentation of the historical financial information shown below. The pro forma entries reflected in the table below eliminate Dean Foods' receivables-backed facility of $22.0 million and add our obligation to reimburse $12.5 million of transaction-related expenses incurred by Dean Foods and the transfer to us of approximately $3.0 million of manufacturing assets related to the *Mocha Mix*® , *Second Nature*® and foodservice salad dressings businesses currently conducted by other affiliates of Dean Foods. For further explanation of the unaudited pro forma adjustments made to our historical financial statements, see "Unaudited Pro Forma Condensed Combined Financial Statements."

	As of December 31, 2004	
	Historical	Pro Forma
	(In thousands)	(Unaudited)
Liabilities:		
Total long-term debt(1)	$ 28,511	$ 19,028
Shareholder's equity:		
Common Stock, par value $0.01 per share, authorized, issued and outstanding as of December 31, 2004	$ —	$ —
Additional paid-in capital	—	—
Parent's net investment	493,275	505,758
Total shareholder's equity	$ 493,275	$ 505,758

(1) Includes current portion of long-term debt.

DIVIDEND POLICY

We presently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. All decisions regarding our payment of dividends will be made by our Board of Directors from time to time in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, plans for expansion and possible loan covenants which may restrict or prohibit our payment of dividends.

SELECTED HISTORICAL COMBINED FINANCIAL DATA

The following tables set forth our selected historical financial data prepared on a combined basis. You should read the information set forth below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical audited Combined Financial Statements and Notes to those statements included elsewhere in this information statement. Please see Note 1 to our Combined Financial Statements for a description of the basis of presentation of the historical data shown below. The Statement of Operations Data for the years ended December 31, 2004, 2003 and 2002 and the Statement of Financial Position Data as of December 31, 2004 and 2003 set forth below are derived from our audited Combined Financial Statements included elsewhere in this information statement. The Combined Statement of Operations Data for each of the years ended December 31, 2001 and 2000 and the Combined Statement of Financial Position Data as of December 31, 2002, 2001 and 2000 set forth below are derived from our unaudited combined financial statements not included in this information statement.

On December 21, 2001, Suiza Foods Corporation ("Suiza") acquired the former Dean Foods Company ("Legacy Dean"). At the same time, Suiza changed its name to Dean Foods Company (the "Dean Acquisition"). Dean Foods acquired its Specialty Foods Group segment and foodservice salad dressings business as a part of the Dean Acquisition. The acquisition was accounted for as a purchase and resulted in a revaluation of assets and liabilities to fair value. The related purchase accounting adjustments, including goodwill, have been "pushed down" and are reflected in the Combined Statement of Financial Position Data for 2004, 2003, 2002 and 2001. The 2000 Combined Statement of Financial Position Data and 2001 and 2000 Combined Statement of Operations Data are presented on a predecessor basis and have not been combined as the predecessor Legacy Dean businesses and the Suiza businesses did not operate under common control until December 21, 2001.

	Year Ended December 31						
	2004	2003	2002	2001		2000	
	(In thousands)						
				Legacy Dean	Suiza	Legacy Dean	Suiza
Statement of Operations Data							
Net Sales	$ 694,619	$ 696,134	$ 683,819	$659,586	$ 27,395	$675,623	$ 31,408
Gross Profit	156,649	178,238	180,577	149,430	15,605	174,433	17,883
Income from continuing operations	44,671	63,864	64,597	37,306	10,982	35,490	8,491
Statement of Financial Position Data							
Total assets	$ 631,443	$ 659,878	$ 639,935	$674,095		$504,857	$ 55,011
Long-term debt(1)	28,511(2)	25,205(2)	10,298	10,979		7,598	—

(1) Includes current portion of long-term debt.

(2) Beginning in 2003, we began participating in Dean Foods' receivables-backed facility.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The Unaudited Pro Forma Condensed Combined Financial Statements presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the audited Combined Financial Statements and the related Notes included elsewhere in this information statement. The following Unaudited Pro Forma Condensed Combined Financial Statements have been prepared giving effect to the distribution as of December 31, 2004 for the Unaudited Pro Forma Condensed Combined Balance Sheet and as of January 1, 2004 for the Unaudited Pro Forma Condensed Combined Statement of Income. These financial statements include adjustments to reflect the elimination of certain transaction-related expenses incurred in 2004 and the addition of pro forma compensation costs for the management investors. In addition, capitalization is adjusted to reflect the distribution in which we retain only company-specific indebtedness. Please see Note 1 to our Combined Financial Statements for a description of the basis of presentation of the historical data shown below.

The Unaudited Pro Forma Condensed Combined Balance Sheet and Statement of Operations included in this information statement have been derived from the audited Combined Financial Statements included elsewhere in this information statement and do not purport to represent what our financial position and results of operations would have been had the distribution and related transactions occurred on the dates indicated or to project our financial performance for any future period. Dean Foods did not account for us as, and we were not operated as, a separate, stand-alone entity for the period presented.

Our Unaudited Pro Forma Condensed Combined Financial Statements do not reflect certain ongoing annual incremental expenses associated with being a separate, stand-alone company for the periods presented. These expenses include marketing, regulatory compliance, raw materials procurement and general expenses related to operating on a separate, stand-alone basis.

TREEHOUSE FOODS, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
For the Year Ended December 31, 2004

	Historical	Adjustments	Pro Forma
		(In thousands, except share data)	
Net sales	$ 694,619	$ —	$ 694,619
Cost of sales	537,970	—	537,970
Gross profit	156,649	—	156,649
Operating costs and expenses	85,081	(4,800)(A) 4,610 (B) 4,000 (C)	88,891
Other expense	826	750 (D)	1,576
Income from continuing operations before income taxes	70,742	(4,560)	66,182
Income taxes	26,071	(1,678)(E)	24,393
Income from continuing operations	$ 44,671	$ (2,882)	$ 41,789

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

TREEHOUSE FOODS, INC.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of December 31, 2004

	Historical	Adjustments	Pro Forma
		(In thousands)	
Assets:			
Cash and cash equivalents	$ 165	$ —	$ 165
Accounts receivables, net	30,411	—	30,411
Inventories	115,294	—	115,294
Other current assets	12,434	—	12,434
Total current assets	158,304	—	158,304
Property, plant and equipment	125,246	3,000 (F)	128,246
Goodwill	308,695	—	308,695
Identifiable intangible and other assets	39,198	—	39,198
Total assets	$ 631,443	$ 3,000	$ 634,443
Liabilities:			
Accounts payable and accrued expenses	$ 56,711	$ —	$ 56,711
Current portion of long-term debt	215	—	215
Total current liabilities	56,926	—	56,926
Long-term debt	28,296	(21,983)(G) 12,500 (D)	18,813
Deferred income taxes	32,408	—	32,408
Other long-term liabilities	20,538	—	20,538
Total liabilities	138,168	(9,483)	128,685
Parent's net investment	493,275	(12,500)(D) 3,000 (F) 21,983 (G)	505,758
Total liabilities and Parent's net investment	$ 631,443	$ 3,000	$ 634,443

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

TREEHOUSE FOODS, INC.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

A. Our historical combined financial statements include a management fee allocated to us from Dean Foods for various services performed by Dean Foods including tax, treasury, human resources, risk management, legal, information technology, internal audit, accounting and reporting. Included in the $11.1 million management fee for 2004 were $4.8 million of transaction-related expenses which will not be recurring. Pro forma entry A eliminates this portion of the management fee charged by Dean Foods.

B. In January 2005, Dean Foods entered into employment agreements with the management investors. The pro forma annual salaries, bonuses, benefits and other expenses of $4.6 million are not reflected in our historical Combined Statements of Income. Pro forma entry B reflects the pro forma incremental compensation cost that we may have incurred had the employment agreements been in place as of January 1, 2004. See "Executive Compensation" for further discussion.

C. Shortly after the Registration Date, as defined under the heading "Executive Compensation" within this information statement, we will grant to the management investors an aggregate award of restricted shares of our common stock equal to 2% in the aggregate of our outstanding common stock on the date of grant. The restricted shares will vest ratably over three years upon the achievement of certain stockholder return objectives set forth in the management investors' employment agreements and subject to the management investors' continued employment with us. We estimate aggregate compensation expense of $12 million, or $4 million per year, will be recognized over the three-year vesting period from the date of grant. Pro forma entry C represents estimated compensation expense had this grant been made on January 1, 2004. We also will issue stock options shortly after the registration date. Statement of Financial Accounting Standards ("SFAS") No. 123(R), which will be effective for us in the third quarter of 2005, will require us to expense these options over the vesting period when they are granted. No estimate of this expense has been included in the pro forma adjustments.

D. As a part of the announcement of the separation of our business from those of Dean Foods, we entered into a stockholders agreement with Dean Foods and the management investors. Under that stockholders agreement, we are required to reimburse Dean Foods up to $12.5 million of fees and expenses incurred by Dean Foods in connection with planning, analysis and execution of the distribution. We expect to make this payment to Dean Foods at the date of Distribution utilizing our new credit facility. Pro forma entry D represents our estimated liability and related interest expense. The interest expense charge is calculated at an estimated interest rate of 6.0%.

E. This pro forma adjustment represents the tax effect of pro forma entries A, B, C and D using our blended effective tax rate for the year ended December 31, 2004 of 36.8%.

F. As discussed in Note 1 to the audited Consolidated Financial Statements, the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressing businesses are currently integrated within other segments of Dean Foods. As a result, certain assets and liabilities, including accounts receivable, accounts payable, accrued liabilities, and manufacturing equipment, cannot be segregated. Prior to the distribution, Dean Foods will transfer these businesses to us and we will maintain the related assets and liabilities and production, distribution and commission costs after the transfer. We estimate that the working capital assets largely will be offset by the liabilities of these businesses. Pro forma entry F reflects our estimate of the manufacturing assets that will be transferred to us prior to the distribution.

G. Prior to the distribution, we will cease to participate in the Dean Foods receivables-backed facility. Pro forma entry G reflects the elimination of the facility obligation allocated to us as of December 31, 2004.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We are currently a wholly-owned indirect subsidiary of Dean Foods. We were formed on January 25, 2005 in order to accomplish the distribution, via stock dividend, to Dean Foods' stockholders of Dean Foods' Specialty Foods Group segment, in addition to the Mocha Mix®, Second Nature® and foodservice salad dressings businesses currently conducted by other segments within Dean Foods.

We have never conducted operations. Dean Foods intends to transfer the assets and liabilities of its Specialty Foods Group segment, in addition to the Mocha Mix®, Second Nature® and foodservice salad dressings businesses currently conducted by other businesses owned by Dean Foods (collectively, the "transferred businesses") to us immediately prior to the distribution.

The Combined Financial Statements contained in this information statement were prepared for the purpose of accomplishing the distribution.

All of the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities referred to as "ours" in this information statement, including the Combined Financial Statements and the accompanying Notes, are in fact the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities of the transferred businesses. All references in this information statement, including the Combined Financial Statements and accompanying Notes, to "TreeHouse," "we," "our" and "us" mean TreeHouse Foods, Inc. as if the transferred businesses had already been transferred, unless the context otherwise requires.

Business Overview

We believe we are the largest manufacturer of pickles and non-dairy powdered creamer in the United States. We also are the leading retail supplier of private label pickles and private label non-dairy powdered creamer in the United States. Our current operations consist of the following:

- Our pickles segment sells pickles, peppers, relishes and related products. We supply private label pickles to supermarkets and mass merchandisers across the United States. We also sell pickle products to foodservice customers, including relish and hamburger pickle slices. In addition, we sell pickle products under our own brands, including *Farmans* ®, *Nalley's* ®, *Peter Piper* ® and *Steinfeld* ™, that have a regional following in certain areas of the country. Our pickles segment also sells sauces and syrups to retail grocers in the Eastern, Midwestern and Southeastern United States under our proprietary *Bennett's* ®, *Hoffman House* ® and *Roddenberry's* ® *Northwoods* ® brand names.
- Our non-dairy powdered creamer segment sells non-dairy powdered creamer under private labels and under our proprietary *Cremora* ® brand. Product offerings in this segment include private label products packaged for retailers, such as supermarkets and mass merchandisers, foodservice products for use in coffee service and other industrial applications, including for repackaging in portion control packages and for use as an ingredient by other food manufacturers.
- We also sell a variety of aseptic and refrigerated products. Aseptic products are processed under heat and pressure in a sterile production and packaging environment, creating a product that does not require refrigeration prior to use. We manufacture aseptic cheese sauces and puddings for sale primarily in the foodservice market. Our refrigerated products include *Mocha Mix* ®, a non-dairy liquid creamer, *Second Nature* ®, a liquid egg substitute, and salad dressings sold in foodservice channels.

Prior to 2005, we manufactured and sold aseptic nutritional beverages under co-pack arrangements and private labels. We exited the nutritional beverages business in the fourth quarter of 2004 due to significant declines in volume, which we believed could not be replaced without significant investments in

capital and research and development. Our historical financial statements have been restated to reflect the operations and assets related to the nutritional beverages business as discontinued operations.

We sell our products primarily to the retail grocery and foodservice markets.

Results of Continuing Operations

The following table presents certain information concerning our financial results from continuing operations, including information presented as a percentage of combined net sales.

	Year Ended December 31					
	2004		2003		2002	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
	(Dollars in thousands)					
Combined net sales	$ 694,619	100.0%	$ 696,134	100.0%	$ 683,819	100.0%
Cost of sales	537,970	77.5	517,896	74.4	503,242	73.6
Gross profit	156,649	22.5	178,238	25.6	180,577	26.4
Operating costs and expenses:						
Selling and distribution	61,484	8.9	57,136	8.2	58,385	8.5
General and administrative	11,020	1.6	11,719	1.7	12,611	1.8
Management fee paid to Parent	11,100	1.6	5,400	0.8	3,600	0.5
Amortization of intangibles	1,477	0.2	1,344	0.2	1,551	0.2
Total operating costs and expenses	85,081	12.2	75,599	10.9	76,147	11.1
Total operating income	$ 71,568	10.3	$ 102,639	14.7%	$ 104,430	15.3%

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003

Combined Net Sales — Combined net sales decreased approximately 0.2% to $694.6 million during 2004 from $696.1 million in 2003. Combined net sales by segment are shown in the table below.

	Combined Net Sales			
	2004	2003	$ Increase/ (Decrease)	% Increase/ (Decrease)
	(Dollars in thousands)			
Pickles	$ 339,080	$ 352,622	$ (13,542)	(3.8)%
Non-dairy powdered creamer	241,494	218,563	22,931	10.5
Other	114,045	124,949	(10,904)	(8.7)
Total	$ 694,619	$ 696,134	$ (1,515)	(0.2)%

Declines in sales in the pickles segment and in other products in 2004 were offset almost entirely by increased sales in the non-dairy powdered creamer segment. Sales in the non-dairy powdered creamer segment increased 10.5% due to increased prices in response to rising input costs, the acquisition of the *Cremora*® brand in December 2003 and increased volumes, net of the *Cremora*® acquisition, in the retail channel. Net sales in the pickles segment decreased 3.8% to $339.1 million in 2004 from $352.6 million in 2003 primarily due to declines in sales to retail customers partially attributable to the bankruptcy of a large foodservice customer and the loss of a retail chain customer in 2004. Combined net sales of other products decreased 8.7% to $114.0 million in 2004 from $124.9 million in 2003 primarily due to lower sales of aseptic cheese sauces and puddings due primarily to continued disruption of business caused by the relocation of our aseptic manufacturing line in late 2003.

Cost of Sales — All expenses incurred to bring a product to completion are included in cost of sales, such as raw material, ingredient and packaging costs; labor costs; facility and equipment costs, including costs to operate and maintain our warehouses; and costs associated with transporting our finished products from our manufacturing facilities to our own distribution centers. Cost of sales as a percentage of combined net sales increased to 77.5% in 2004 from 74.4% in 2003, primarily due to substantially higher raw material costs, particularly casein, soybean oil, coconut oil and cheese, as well as increases in glass and other packaging costs. In addition, our employee benefit costs increased by approximately $1.7 million, as a result of higher workers' compensation claims. Higher fuel and energy costs also negatively impacted cost of sales. See "— Year Ended December 31, 2004 Compared to Year Ended December 31, 2003 — Results by Segment."

Operating Costs and Expenses — Our operating expenses increased approximately $9.5 million, or approximately 12.5%, during 2004 compared to the prior year. Operating expenses increased primarily due to the following:

- higher fuel prices, which we estimate added a total of approximately $4 million to distribution costs for 2004 as compared to the prior year; and
- an increase in the management fee charged by Dean Foods of approximately $5.7 million in 2004 compared to the prior year. Approximately $4.8 million of the increase in the management fee related to the allocation of expenses related to the distribution.

Our operating expenses as a percentage of combined net sales increased 1.3% from 12.2% in 2004 as compared to 10.9% in 2003.

Operating Income — Operating income during 2004 was $71.6 million, a decrease of $31.1 million, or 30.3%, from operating income of $102.6 million in 2003 as a result of the effect of higher costs of sales and higher operating costs and expenses in 2004. Our operating margin was 10.3% in 2004 as compared to 14.7% in 2003.

Income Taxes — Income tax expense was recorded at an effective rate of 36.8% in 2004 compared to 37.3% in 2003. Our effective tax rate varies based on the relative earnings of our business units.

Year Ended December 31, 2004 Compared to Year Ended December 31, 2003 — Results by Segment

We had two reportable segments in 2004: pickles and non-dairy powdered creamer. See Note 16 to our Combined Financial Statements. The designation of our segments has been made in anticipation of the distribution. We have designated our reportable segments based largely on how management views our business and on differences in manufacturing processes between product categories. The key performance indicators of both of our segments are sales, gross profit and adjusted gross margin, which is our gross profit less the cost of transporting products to customer locations (referred to in the tables below as "freight out") and commissions paid to independent brokers.

Pickles —

	Year Ended December 31			
	2004		2003	
	Dollars	Percent	Dollars	Percent
	(Dollars in thousands)			
Net sales	$ 339,080	100.0%	$ 352,622	100.0%
Cost of sales	266,018	78.4	261,109	74.0
Gross profit	73,062	21.6	91,513	26.0
Freight out and commissions	22,589	6.7	21,101	6.0
Adjusted gross margin	$ 50,473	14.9%	$ 70,412	20.0%

Net sales in the pickles segment decreased by approximately $13.5 million, or 3.8%, in 2004 versus 2003. The change in net sales from 2003 to 2004 was due to the following:

	Dollars	Percent
	(Dollars in millions)	
2003 Net sales	$ 352.6	
Volume	(6.9)	(2.0)%
Pricing	(6.6)	(1.8)
2004 Net sales	$ 339.1	(3.8)%

The decrease in net sales from 2003 to 2004 resulted primarily from declines in volume sales to retail customers attributed to the bankruptcy of a large foodservice customer in 2003, the loss of a large retail customer in 2004 and cool, wet weather in the summer months, which led to decreased retail demand. The balance of the decline in sales was due to price decreases in response to continued competitive pricing pressures in the retail environment.

Cost of sales as a percentage of net sales increased from 74.0% in 2003 to 78.4% in 2004 primarily as a result of increases in packaging and raw material costs including (i) a 12% increase in glass costs as a result of entering into a new supply agreement with a major glass vendor; (ii) an 8% increase in plastic containers due to rising resin costs; and (iii) rising natural gas costs. In addition, the cost of our employee health and welfare programs increased 15% over 2003 due to increased premiums. Due largely to competitive pressures, we were unable to pass through these product cost increases in 2004 to our customers.

Freight out and commissions paid to independent brokers increased $1.5 million, or 7.1%, to $22.6 million in 2004 compared to $21.1 million in 2003 primarily as a result of higher fuel and distribution costs.

Non-dairy powdered creamer —

	Year Ended December 31			
	2004		2003	
	Dollars	Percent	Dollars	Percent
	(Dollars in thousands)			
Net sales	$ 241,494	100.0%	$ 218,563	100.0%
Cost of sales	186,932	77.4	167,857	76.8
Gross profit	54,562	22.6	50,706	23.2
Freight out and commissions	12,426	5.1	9,837	4.5
Adjusted gross margin	$ 42,136	17.5%	$ 40,869	18.7%

Net sales in the non-dairy powdered creamer segment increased by approximately $22.9 million, or 10.5%, in 2004 versus 2003. The change in net sales from 2003 to 2004 was due to the following:

	Dollars	Percent
	(Dollars in millions)	
2003 Net sales	$ 218.6	
Acquisitions	6.7	3.1%
Volume	3.2	1.5
Pricing	13.0	5.9
2004 Net sales	$ 241.5	10.5%

Over half of the increase in net sales from 2003 to 2004 was due to price increases passed through to customers in 2004. Price increases in 2004 were in response to significant increases in raw material costs

such as soybean oil and casein. Also, volume sales, net of acquisitions, increased by approximately 1.5%, which we believe was due to continued positive response to our new packaging for retail customers introduced in mid-2002. Finally, we benefitted from the full year impact of the *Cremora* ® brand acquired in December 2003.

Cost of sales as a percentage of net sales increased only slightly from 76.8% in 2003 to 77.4% in 2004, as significant increases in raw material and utility costs were passed through to customers in the form of higher product prices. Increases in raw material costs included a 25% increase in soybean oil and 35% increase in casein in 2004 compared to 2003. Utility costs increased 9% in 2004 compared to 2003, as well as a 15% increase in our employee health and welfare programs in 2004 over 2003 due to increases in insurance costs.

Freight out and commissions paid to independent brokers increased $2.6 million, or 26.3%, to $12.4 million in 2004 compared to $9.8 million in 2003 primarily as a result of increased fuel costs and due to the increase in net sales volume. Freight and commissions as a percentage of net sales increased to 5.1% in 2004 compared to 4.5% in 2003 as a result of rising fuel and distribution costs.

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002

Combined net sales — Combined net sales increased 1.8% to $696.1 million during 2003 from $683.8 million in 2002. Combined net sales by segment are shown in the table below.

	Combined Net Sales			
	2003	2002	$ Increase/ (Decrease)	% Increase/ (Decrease)
	(Dollars in thousands)			
Pickles	$ 352,622	$ 356,201	$ (3,579)	(1.0)%
Non-dairy powdered creamer	218,563	199,228	19,335	9.7
Other	124,949	128,390	(3,441)	(2.7)
Total	$ 696,134	$ 683,819	$ 12,315	1.8%

Increases in sales in the non-dairy powdered creamer segment were partially offset by declines in the pickles segment and in other products. Net sales in the non-dairy powdered creamer segment increased 9.7% in 2003 to $218.6 million from $199.2 million in 2002 due to price increases in response to rising raw material costs, as well as volume growth on sales to retail customers. Net sales in the pickles segment declined 1.0% to $352.6 million in 2003 compared to $356.2 million in 2002 largely due to a decrease in sales to foodservice customers due to continued weakness in customer demand as a result of the economic downturn. Net sales of other products decreased 2.7% to $124.9 million in 2003 from $128.4 million in 2002 primarily due to lower sales of aseptic cheese sauces and puddings due to the disruption of business caused by the relocation of our aseptic manufacturing line in late 2003.

Cost of Sales — All expenses incurred to bring a product to completion are included in cost of sales, such as raw material, ingredient and packaging costs; labor costs; facility and equipment costs, including costs to operate and maintain our warehouses; and costs associated with transporting our finished products from our manufacturing facilities to our own distribution centers. The ratio of cost of sales to combined net sales increased to 74.4% in 2003 from 73.6% in 2002, primarily due to substantially higher raw material costs, particularly soybean oil, corn syrup, and cheese, as well as increases in glass and other packaging costs. See "— Year Ended December 31, 2003 Compared to Year Ended December 31, 2002 — Results by Segment."

Operating Costs and Expenses — Our combined operating costs and expenses remained approximately level in 2003 in comparison to 2002. Changes in categories of expenses within operating costs and expenses included the following:

- general and administrative expenses declined by $892,000 in 2003 in comparison to 2002 due to lower bonus expense as a result of actual results not meeting targets; and
- the management fee paid to Dean Foods increased by $1.8 million in 2003 from 2002.

Our operating expenses as a percentage of combined net sales was 10.9% for 2003 as compared to 11.1% for 2002.

Operating Income — Operating income during 2003 was $102.6 million, a decrease of $1.8 million, or 1.7%, from 2002 operating income of $104.4 million. Our operating margin in 2003 was 14.7% compared to 15.3% in 2002.

Income Taxes — Income tax expense was recorded at an effective rate of 37.3% in 2003 compared to 37.6% in 2002. Our effective tax rate varies based on the relative earnings of our business units.

Year Ended December 31, 2003 Compared to Year Ended December 31, 2002 — Results by Segment

As noted above, our reportable segments are pickles and non-dairy powdered creamer.

Pickles —

	Year Ended December 31			
	2003		2002	
	Dollars	Percent	Dollars	Percent
	(Dollars in thousands)			
Net sales	$ 352,622	100.0%	$ 356,201	100.0%
Cost of sales	261,109	74.0	263,445	74.0
Gross profit	91,513	26.0	92,756	26.0
Freight out and commissions	21,101	6.0	20,358	5.7
Adjusted gross margin	$ 70,412	20.0%	$ 72,398	20.3%

The pickles segment's net sales decreased by approximately $3.6 million, or 1.0%, in 2003 versus 2002. The change in net sales from 2002 to 2003 was due to the following:

	Dollars	Percent
	(Dollars in millions)	
2002 Net sales	$ 356.2	
Volume	(1.3)	(0.4)%
Pricing	(2.3)	(0.6)
2003 Net sales	$ 352.6	(1.0)%

The decrease in net sales from 2002 to 2003 resulted from declines in volume sales to foodservice customers as a result of overall weakness in customer demand in the foodservice industry due to the economic downturn and increased promotional expense to retail customers which is recorded as a reduction of the sales price.

Cost of sales as a percentage of net sales was consistent at 74.0% in 2003 and 2002 as higher raw material prices for cucumbers, sweeteners and packaging in 2003 were offset by cost savings as a result of the closure and consolidation of certain pickle plants in mid to late 2002.

Freight out and commissions paid to independent brokers increased $743,000, or 3.7%, to $21.1 million in 2003 compared to $20.4 million in 2002 primarily resulting from increases in fuel and distribution costs.

Non-dairy powdered creamer —

	Year Ended December 31			
	2003		2002	
	Dollars	Percent	Dollars	Percent
	(Dollars in thousands)			
Net sales	$ 218,563	100.0%	$ 199,228	100.0%
Cost of sales	167,857	76.8	154,052	77.3
Gross profit	50,706	23.2	45,176	22.7
Freight out and commissions	9,837	4.5	8,410	4.2
Adjusted gross margin	$ 40,869	18.7%	$ 36,766	18.5%

Net sales in the non-dairy powdered creamer segment increased by approximately $19.3 million, or 9.7%, in 2003 versus 2002. The change in net sales from 2002 to 2003 was due to the following:

	Dollars	Percent
	(Dollars in millions)	
2002 Net sales	$ 199.2	
Volume	17.6	8.8%
Pricing	1.8	0.9
2003 Net sales	$ 218.6	9.7%

The increase in net sales from 2002 to 2003 was primarily a result of increased volume sales to retail customers. We believe the increase in sales to retail customers was the result of a positive response to our new packaging for retail customers introduced in mid-2002. Sales also increased due to increased prices in response to rising soybean oil and sweetener costs.

Cost of sales as a percentage of net sales decreased from 77.3% in 2002 to 76.8% in 2003, primarily as a result of an 11% decrease in casein prices.

Freight out and commissions paid to independent brokers increased by $1.4 million, or 17.0%, to $9.8 million in 2003 compared to $8.4 million in 2002 primarily as a result of the increase in net sales volume. Freight out and commissions as a percentage of net sales increased to 4.5% in 2003 compared to 4.2% in 2002 as a result of rising fuel and distribution costs.

Liquidity and Capital Resources

Historically, we have generated and expect to continue to generate positive cash flow from operations.

As part of Dean Foods, our cash is swept regularly by Dean Foods. Dean Foods also funds our operating and investing activities as needed. Our transfers of cash both to and from Dean Foods' cash management system are reflected on our balance sheets as "Parent's net investment." Dean Foods does not allocate the interest expense related to its receivables-backed facility or other financing obligations to its segments, except for specific borrowings for industrial revenue bonds. Therefore, the interest expense reflected in our Combined Financial Statements relates only to our capital lease and industrial revenue bond obligations.

At the time of the distribution, we do not anticipate having any outstanding long-term debt, except for our capital lease obligations and borrowings necessary to pay the transaction-related expenses associated with the distribution. Debt balances as of December 31, 2004 include proceeds from an accounts receivable securitization of $22.0 million and capital lease obligations of $6.5 million. We sell accounts receivable through a receivables-backed facility controlled by Dean Foods. Prior to the distribution, we will cease to participate in Dean Foods' receivables-backed facility, and at the date of the distribution we will have no obligations under this facility.

Our short-term financing needs primarily are for financing of working capital during the year and reimbursement of transaction expenses associated with the distribution. Due to the seasonality of pickle production driven by the cucumber harvest cycle, which occurs primarily during the spring and summer, pickle inventories generally are at a low point in late spring and at a high point during the fall. Our long-term financing needs will depend largely on potential acquisition activity. We are negotiating with a group of major financial institutions to obtain an approximately $ unsecured revolving credit facility with financing capacity for both working capital and acquisitions. We expect the terms of the credit agreement to be typical for a company of our size and operating characteristics. The planned credit agreement, plus cash flow from operations, is expected to be adequate to provide liquidity for our planned growth strategy.

Historical Cash Flow

	Year Ended December 31,		
	2004	2003	2002
		(In thousands)	
Cash provided by operating activities	$ 91,977	$ 68,782	$ 85,149
Capital spending	21,990	17,101	10,404

Cash provided by operating activities increased by $23.2 million, or 33.7%, in 2004 compared to 2003, primarily as a result of reductions in inventory balances. Inventory balances declined primarily due to lower pickle inventories as a result of decreased sales over the last several years and lower non-dairy powdered creamer inventory. Non-dairy powdered creamer inventories were unusually high at the end of 2003. Cash provided by operating activities decreased $16.4 million, or 19.2%, in 2003 compared to 2002, primarily as a result of changes in our working capital balances.

Contractual Obligations

The following table presents the total contractual obligations for which cash flows are fixed and determinable as of December 31, 2004:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(In thousands)		
Capital lease obligations	$ 14,587	$ 953	$ 1,885	$ 1,744	$ 10,005
Operating lease obligations	42,874	6,196	11,138	9,793	15,747
Purchase obligations	90,478	46,321	18,802	14,718	10,637
Total	$ 147,939	$ 53,470	$ 31,825	$ 26,255	$ 36,389

Purchase obligations primarily relate to purchases of raw materials.

Long-Term Liabilities

Our employees and retirees participate in various defined benefit pension plans and certain health care and life insurance benefits provided by Dean Foods. The liability related to the pension and other postretirement benefits was $5.6 million and $825,000, respectively, at December 31, 2004. Based on current projections, 2005 funding requirements for our pension and other postretirement benefit obligations will be approximately $4.2 million and $61,000, respectively.

Other Commitments and Contingencies

In addition to contingent liabilities related to ordinary course litigation and audits, we have certain indemnification obligations related to our business. See “Our Relationship with Dean After the Distribution — Distribution Agreement and Tax Matters Agreement.”

See Note 14 to our Combined Financial Statements for more information about our commitments and contingent obligations.

We have not yet determined our future capital expenditures.

Known Trends and Uncertainties

Prices of Raw Materials

We were adversely affected by rising input costs during 2004, and we expect our financial results to continue to be adversely affected by high input costs in 2005.

Many of the raw materials that we use in our products rose to unusually high levels during 2004, including soybean oil, casein, cheese and packaging materials. High fuel costs are also having a negative impact on our results. Prices for many of these raw materials and packaging materials used are expected to remain high and in some cases increase in 2005. For competitive reasons, we may not be able to pass along increases in raw materials and other input costs as we incur them. Therefore, the current raw materials environment is expected to continue to adversely affect our financial results in 2005.

Competitive Environment

There has been significant consolidation in the retail grocery and foodservice industries in recent years, and mass merchandisers are gaining market share. As our customer base continues to consolidate, we expect competition to intensify as we compete for the business of fewer customers. There can be no assurance that we will be able to keep our existing customers, or gain new customers. As the consolidation of the retail grocery and foodservice industries continues, we could lose sales if any one or more of our existing customers were to be sold.

Many of our retail customers have become increasingly price sensitive in the current intensely competitive environment. Over the past few years, we have been subject to a number of competitive bidding situations, which have resulted in margin erosion on sales to several customers, including some large customers. We expect this trend to continue. In bidding situations we are subject to the risk of losing certain customers altogether. Loss of any of our largest customers could have a material adverse impact on our financial results. We do not have contracts with many of our largest customers, and most of the contracts that we do have are generally terminable at will by the customer.

Both the difficult economic environment and the increased competitive environment at the retail and foodservice levels have caused competition to become increasingly intense in our business. We expect this trend to continue for the foreseeable future.

Tax Rate

Our 2004 tax rate was 36.8%. Recent and proposed changes to federal and state tax codes may cause the rate to change from historical rates.

See “Risk Factors” for a description of various other risks and uncertainties concerning our business.

Critical Accounting Policies

“Critical accounting policies” are defined as those that are both most important to the portrayal of a company’s financial condition and results, and that require our most difficult, subjective or complex judgments. In many cases the accounting treatment of a particular transaction is specifically dictated by generally accepted accounting principles with no need for the application of our judgment. In certain circumstances, however, the preparation of our Combined Financial Statements in conformity with generally accepted accounting principles requires us to use our judgment to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Combined Financial Statements and the reported

amounts of revenues and expenses during the reporting period. We have identified the policies described below as our critical accounting policies. See Note 2 to our Combined Financial Statements for a detailed discussion of these and other accounting policies.

Sales Recognition and Accounts Receivable — Sales are recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product has been shipped to the customer and there is a reasonable assurance of collection of the sales proceeds. In accordance with Emerging Issues Task Force ("EITF") 01-09, "Accounting for Consideration Given by a Vendor to a Customer," sales are reduced by certain sales incentives, some of which are recorded by estimating expense based on our historical experience. We provide credit terms to customers ranging up to 30 days, perform ongoing credit evaluation of our customers and maintain allowances for potential credit losses based on historical experience. Estimated product returns, which have not been material in the historical periods, are deducted from sales at the time of shipment.

Goodwill and Intangible Assets — Our goodwill and intangible assets totaled $308.7 million as of December 31, 2004 resulting primarily from our acquisition by Dean Foods. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including trademarks and customer-related intangible assets, with any remaining purchase price recorded as goodwill. Goodwill and trademarks with indefinite lives are not amortized.

We believe a trademark has an indefinite life if it has sufficient market share and a history of strong sales and cash flow performance that we expect to continue for the foreseeable future. If these perpetual trademark criteria are not met, the trademarks are amortized over their expected useful lives. Determining the expected life of a trademark requires considerable management judgment and is based on an evaluation of a number of factors including the competitive environment, market share, trademark history and anticipated future trademark support.

Perpetual trademarks and goodwill are evaluated for impairment at least annually to ensure that future cash flows continue to exceed the related book value. A perpetual trademark is impaired if its book value exceeds fair value. Goodwill is evaluated for impairment if the book value exceeds its fair value. If the fair value of an evaluated asset is less than its book value, the asset is written down to fair value based on its discounted future cash flows.

Amortizable intangible assets are only evaluated for impairment upon a significant change in the operating environment. If an evaluation of the undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value, which is generally based on discounted future cash flows.

Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash flows. Assumptions used in our impairment evaluations, such as forecasted growth rates and our cost of capital, are consistent with our internal projections and operating plans.

We did not recognize any impairment charges for perpetual trademarks or goodwill during 2004.

Income Taxes — We are included in Dean Foods' consolidated income tax returns and we do not file separate federal tax returns. Our income taxes have been determined and recorded in our Combined Financial Statements as if we were filing a separate return for federal income tax purposes. Deferred income taxes are provided for temporary differences between amounts recorded in the Combined Financial Statements and tax bases of assets and liabilities using current tax rates. Deferred tax assets, including the benefit of net operating loss carry-forwards, are evaluated based on the guidelines for realization and are reduced by a valuation allowance if deemed necessary. We have established no valuation allowance against our deferred tax assets. In determining the need for valuation allowances, we consider many factors, including the specific taxing jurisdiction, income tax strategies and forecasted earnings for the entities in each jurisdiction. A valuation allowance would be recognized if, based on the weight of available evidence, we conclude that it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

Insurance Accruals — We participate in Dean Foods' insurance programs. We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third-party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverages. Accrued liabilities for incurred but not reported losses related to these retained risks are calculated based upon loss development factors which contemplate a number of variables including claims history and expected trends. These loss development factors are developed by Dean Foods in consultation with external insurance brokers and actuaries. At December 31, 2004 and 2003, we recorded accrued liabilities related to these retained risks of $5.7 million and $5.0 million, respectively, including both current and long-term liabilities.

Employee Benefit Plan Costs — Our employees and retirees have participated in various pension, profit sharing and other postretirement benefit plans sponsored by Dean Foods. We record annual amounts relating to these plans based on calculations specified by generally accepted accounting principles, which include various actuarial assumptions, such as discount rates, long-term rate of return on pension plan assets, compensation increases, employee turnover rates and health care cost trend rates. Dean Foods reviews actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when it is deemed appropriate. As required by generally accepted accounting principles, the effect of the modifications is generally recorded and amortized over future periods. Different assumptions that we make could result in the recognition of different amounts of expense over different periods of time.

Dean Foods manages pension plan assets in a master trust. Upon the distribution, we will manage the portion of these plan assets related to our employees. We are currently in the process of developing an investment policy. Dean Foods current asset mix guidelines under the investment policy target equities at 65-75% of the portfolio and fixed income at 25-35%. At December 31, 2004 Dean Foods' pension plan weighted average asset allocations were generally consistent with the target mix guidelines.

Dean Foods determines the expected long-term rate of return based on expectations of future returns for the pension plan's investments based on target allocations of the pension plan's investments. Additionally, Dean Foods considers the weighted-average return of a capital markets model that was developed by the plans' investment consultants and historical returns on comparable equity, debt and other investments. The resulting weighted average expected long-term rate of return on plan assets is 8.5%.

While a number of the key assumptions related to the qualified pension plans are long-term in nature, including assumed investment rates of return, compensation increases, employee turnover rates and mortality rates, generally accepted accounting principles require that the discount rate assumption be more heavily weighted to current market conditions. As such, the discount rate likely will change more frequently. In 2004 Dean Foods reduced the discount rate utilized to determine the estimated future benefit obligations from a range of 6.0-6.5% at December 31, 2003 to 5.75% at December 31, 2004.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements — In December 2003, the Financial Accounting Standards Board ("FASB") issued SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits" in an attempt to improve financial statement disclosures regarding defined benefit plans. This standard requires that companies provide more details about their plan assets, benefit obligations, cash flows, benefit costs and other relevant information. In addition to expanded annual disclosures, we are required to report the various elements of pension and other postretirement benefit costs on a quarterly basis. SFAS No. 132 (revised 2003) is effective for fiscal years ending after December 15, 2003, and for quarters beginning after December 15, 2003. The expanded disclosure requirements are included in Notes 11 and 12 to our Combined Financial Statements.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was signed into law. The Act introduces a prescription drug benefit under Medicare Part D, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit

that is at least actuarially equivalent to Medicare Part D. In April 2004, the FASB issued Staff Position ("FSP") No. SFAS 106-2 to address the accounting and disclosure requirements related to the Act. The FSP is effective for interim or annual periods beginning after September 15, 2004. As substantially all of our postretirement benefits terminate at age 65, the FSP did not have a material effect on our Combined Financial Statements.

Recently Issued Accounting Pronouncements — The FASB issued SFAS No. 123(R), "Share-Based Payment" in December 2004. It will require the cost of employee compensation paid with equity instruments to be measured based on grant-date fair values. That cost will be recognized over the vesting period. SFAS No. 123(R) will become effective for us in the third quarter of 2005. Our pro forma stock option disclosures included in Note 2 to the Combined Financial Statements include the effect of Dean Foods stock options issued to our employees by Dean Foods. These options will vest at the date of distribution and will not be an expense to us. We intend to adopt stock-based compensation plans following the distribution.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs — an Amendment of ARB No. 43, Chapter 4." SFAS No. 151, which is effective for inventory costs incurred during years beginning after June 15, 2005, clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material, requiring that those items be recognized as current-period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads be based on the normal capacity of the production facilities. We do not believe the adoption of this standard will have a material impact on our Combined Financial Statements.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29." SFAS No. 153 is effective for nonmonetary exchanges occurring in years beginning after June 15, 2005. SFAS No. 153 eliminates the rule in APB No. 29 which excluded from fair value measurement exchanges of similar productive assets. Instead, SFAS No. 153 excludes from fair value measurement exchanges of nonmonetary assets which do not have commercial substance. We do not believe the adoption of this standard will have a material impact on our Combined Financial Statements.

Quantitative and Qualitative Disclosures About Market Risk

We do not utilize financial instruments for trading purposes and hold no derivative financial instruments which could expose us to significant market risk. In addition, all of our foreign sales are transacted in U.S. dollars. Our exposure to market risk for changes in interest rates relates primarily to the increase in the amount of interest expense we expect to pay with respect to our revolving credit facility to be entered into in connection with the distribution, which will be tied to variable market rates.

OUR BUSINESS AND PROPERTIES

General

We are a food manufacturer servicing primarily the retail grocery and foodservice channels. Our products include pickles and related products, such as peppers and relishes; non-dairy powdered creamer used as coffee creamer and as an ingredient in other food products; and certain other food products, such as aseptic cheese sauces and puddings. We manufacture and sell:

- private label products to retailers, such as supermarkets and mass merchandisers, for resale under the retailers' own or controlled labels;
- private label and branded products to the foodservice industry, including foodservice distributors and national restaurant operators;
- branded products under our own proprietary brands, primarily on a regional basis to retailers; and
- products to our industrial customer base, including for repackaging in portion control packages and for use as an ingredient by other food manufacturers.

We believe we are the largest manufacturer of pickles and non-dairy powdered creamer in the United States. We also are the leading retail supplier of private label pickles and private label non-dairy powdered creamer in the United States. In 2004, private label products, which compete with branded products on the basis of equivalent quality at a lower price, represented approximately one-third of all pickle products and approximately one-half of all non-dairy powdered creamer sold in the retail grocery channel in the United States.

We sell our products primarily to the retail grocery and foodservice channels. For the year ended December 31, 2004, sales to the retail grocery and foodservice channels represented approximately 50% and 30%, respectively, of our combined net sales. The remaining approximately 20% represented sales to other food manufacturers. A majority of our sales are private label products.

Our business has two reportable segments: pickles and non-dairy powdered creamer. We also manufacture and sell other food products, as described more fully below.

In 2004, approximately 49% of our combined net sales were in our pickles segment and approximately 35% were in our non-dairy powdered creamer segment. The remaining approximately 16% were attributable to sales of our other food products.

Pickles. We produce pickles, peppers, relishes and related products at six of our production facilities. Our products include whole pickles, sliced pickles, pickle relish, peppers and other products in a variety of flavor formulations. We supply private label pickles to supermarkets and mass merchandisers across the United States. We also sell pickle products to foodservice customers, including relish and hamburger pickle slices. In addition, we sell pickle products under our own brands, including *Farmans* ®, *Nalley's* ®, *Peter Piper* ® and *Steinfeld* ™, that have a regional following in certain areas of the country. Our pickles segment also sells sauces and syrups to retail grocers in the Eastern, Midwestern and Southeastern United States under our proprietary *Bennett's* ®, *Hoffman House* ® and *Roddenberry's* ® *Northwoods* ® brand names.

Non-Dairy Powdered Creamer. We produce non-dairy powdered creamer at three of our production facilities. Non-dairy powdered creamer is primarily used as coffee creamer or whitener. It is also used as an ingredient in baking, beverage and gravy mixes and similar products. We sell non-dairy powdered creamer under private labels and under our proprietary *Cremora* ® brand to the retail grocery and foodservice markets. We also sell non-dairy powdered creamer to our industrial customer base for repackaging in portion control packages and for use as an ingredient by other food manufacturers.

Other Food Products. We are a leading producer of aseptic cheese sauces and puddings for the foodservice market. Aseptic cheese sauces and puddings are processed under heat and pressure in a sterile

environment, creating a product that does not require refrigeration prior to use. We have one production facility devoted to the manufacture of aseptic products.

Other food products that we manufacture and sell include *Mocha Mix* ®, a non-dairy liquid creamer, *Second Nature* ®, a liquid egg substitute, and salad dressings sold in foodservice channels. All of these products are refrigerated and historically have been manufactured by Dean Foods at three separate production facilities. In connection with the distribution, production of these items will be transitioned into a single production facility that will be transferred to us. *Mocha Mix* ® and *Second Nature* ® are branded products sold to retail customers.

Prior to 2005, we manufactured and sold aseptic nutritional beverages under co-pack arrangements and private labels. We exited the nutritional beverages business in the fourth quarter of 2004 due to significant declines in volume, which we believed could not be replaced without significant investments in capital and research and development. Our historical financial statements have been restated to reflect the operations and assets related to the nutritional beverages business as discontinued operations.

Most of our products have long shelf lives and are shipped from our production facilities directly to customers or to our distribution centers, where products are consolidated for shipment to customers.

See "— Our Products" below for a detailed description of our reportable segments and other food products.

History of Our Business

The substantial majority of our operations are the operations of Dean Foods' former Specialty Foods Group segment. On December 21, 2001, Dean Foods (under its former name, Suiza Foods Corporation) acquired the former Dean Foods Company ("Legacy Dean"), including its Specialty Foods Group segment. Legacy Dean entered the pickle business in 1962 when it acquired Green Bay Foods Company, which traces its heritage in the pickle industry to 1862. In time, Legacy Dean grew to become what we believe is now the largest manufacturer of pickles in the United States, based on total sales. After many years of growth and expansion, Legacy Dean's Green Bay Foods operations expanded to include powdered non-dairy creamer, sauces, syrups and other specialty food products.

Business Strategy

Our strategy is to optimize our current business and grow through acquisitions.

Optimize the Current Business

- **Improve marketing strategies in an effort to increase sales to national accounts** . While we have high private label market share in both pickles and non-dairy powdered creamer, we still have significant potential for growth with several key national retailers and foodservice customers that we either do not currently serve, or that we currently serve in a limited manner. We intend to focus on gaining these customers, and expanding our relationships with existing customers, by improving our marketing strategies through more sophisticated account planning and customer targeting.
- **Invest in capacity and research and development to support additional growth** . Our non-dairy powdered creamer business continues to grow with both retail and industrial customers. The primary use for our non-dairy creamer is as coffee creamer or whitener. However, non-dairy creamer is also a highly versatile ingredient that can be used in many products, including hot cocoa mixes, cappuccino mixes, sauces and gravies. We intend to focus on increasing sales by capitalizing on the versatility of our product, and we believe our current strong retail customer base and industrial customer base, supported by our superior product quality and low cost manufacturing, well position us for growth in both the retail and industrial powder markets. Therefore, we intend to invest in capacity for our non-dairy powder as appropriate to support our growth. We also intend to invest in research and

development related to non-dairy powdered creamer to find new uses for our product and to ensure that we are keeping pace with changing consumer needs.

We also believe there are opportunities to grow our aseptic business with key foodservice and industrial customers, and we intend to invest in research and development and additional capacity as necessary to grow our business.

- **Further expand our cost advantage.** Although we are a low cost producer, we believe that there are cost savings opportunities that exist in our operations. We intend to pursue these opportunities by improving supply chain efficiency, including manufacturing, sourcing and distribution.

Grow Through Acquisitions

- **Build on current business core competencies.** We believe our core competency lies in our low cost manufacturing and our ability to service our customers efficiently with a single order, invoice and shipment. We expect to focus initially on acquisitions within our current product categories, as well as adjacent categories. We have successfully acquired and integrated seven acquisitions with total annualized sales of over $200 million in both pickles and non-dairy creamer between 1997 and 2004.
- **Move up the "value chain."** Products such as non-dairy powdered creamer and aseptic cheese sauces are key ingredients in value-added products such as drink mixes, sauces, gravies and prepared foods. We intend to pursue acquisitions of product lines and businesses in which these ingredients are critical components of the final product.
- **Develop new platforms for the private label and foodservice markets** . Both the private label and foodservice markets are growing faster than the branded retail grocery markets yet the manufacturer base is highly fragmented. With the retailer consolidation that currently is underway, we believe that retailers will place increased emphasis on reducing supply chain complexity and costs. While our initial new platform focus will be on shelf stable products, we also will explore new platforms in frozen and refrigerated products for both retail and foodservice.

Our Products

We believe we are the largest manufacturer of pickles and non-dairy powdered creamer in the United States. We also are the leading retail supplier of private label pickles and private label non-dairy powdered creamer in the United States. Financial information about our pickles and non-dairy powdered creamer segments, as well as our other operating divisions, can be found under "Management's Discussion and Analysis of Financial Condition and Results of Operation — Results of Continuing Operations" and in Note 17 to our Combined Financial Statements included elsewhere in this information statement.

The following table sets forth on a pro forma basis, after giving effect to the distribution and certain adjustments described under the heading "Unaudited Pro Forma Condensed Combined Financial

Statements," our combined net sales by product category and distribution channel for the year ended December 31, 2004:

	Distribution Channel							
	Retailers		Foodservice		Industrial and Other		Total	
Products	Net Sales	% of Product Sales	Net Sales	% of Product Sales	Net Sales	% of Product Sales	Net Sales	% of Product Sales
	(Dollars in thousands)							
Pickles	$ 195,592	58%	$ 127,761	37%	$ 15,727	5%	$ 339,080	100%
Non-Dairy Powdered Creamer	122,481	51	4,637	2	114,376	47	$ 241,494	100%
Other	25,780	23	76,177	67	12,088	10	$ 114,045	100%
Total	$ 343,853		$ 208,575		$ 142,191		$ 694,619	

Pickles

Our pickles are manufactured and sold as either shelf stable, fresh pack or refrigerated products. Shelf stable pickles go through a fermentation process and are pasteurized. Fresh pack pickles are not fermented but are pasteurized and packed. Both shelf stable and fresh pack pickles are sold primarily to the retail grocery and foodservice markets. Refrigerated pickles are packed fresh and are not pasteurized. They are sold primarily to the foodservice market.

Pickles are made from cucumbers, which we source from growers in different regions of the United States where our production facilities are located. We also source cucumbers and pickles in both bulk and packaged form from Mexico and India. Due to the seasonal nature of the cucumber harvest, our pickle processing operations are busiest during the summer months, although we pack pickles year round.

Our pickles are produced and packaged as whole pickles, cut or sliced pickles and as pickle relish. The basic flavor formulations are dill or sweet, with many additional flavor variations depending on customer requirements. Packaging for retail pickles is generally in glass jars. Foodservice pickles are packaged in plastic containers and other packaging formats depending on customer requirements.

We also produce a variety of related products at our pickle production facilities, including peppers and pickled vegetables. These products include jalapeno peppers, pepperoncini peppers, sliced banana peppers and pickled okra.

We also include sauces and syrups in our pickles segment. One of our production facilities produces sauces, including shrimp, tartar, horseradish, chili and sweet and sour sauces under the *Bennett's* ® and *Hoffman House* ® brand names. These products are sold primarily to supermarkets in the Eastern, Midwestern and Southern United States. Another of our production facilities produces pancake and waffle syrup under the *Roddenberry's* ® *Northwoods* ® brand, which is a leading value brand in the Southeastern United States based on volume of units sold.

After giving effect to the distribution and certain adjustments described under the heading "Unaudited Pro Forma Condensed Combined Financial Statements," pickles and related products represented approximately 49% of our combined net sales for the year ended December 31, 2004.

Non-Dairy Powdered Creamer

Non-dairy powdered creamer is produced from soybean oil, casein (a milk protein) and corn syrup. It is used as coffee creamer or whitener and as an ingredient in baking, beverage and gravy mixes and similar products.

Product offerings in this segment include private label products packaged for retailers, such as supermarkets and mass merchandisers, foodservice products for use in coffee service and other industrial

applications, including for repackaging in portion control packages and for use as an ingredient by other food manufacturers. We also manufacture and sell the *Cremora* ® brand of non-dairy powdered creamer.

After giving effect to the distribution and certain adjustments described under the heading "Unaudited Pro Forma Condensed Combined Financial Statements," non-dairy powdered creamer represented approximately 35% of our combined net sales for the year ended December 31, 2004.

Other Food Products

Aseptic products are processed under heat and pressure in a sterile production and packaging environment, creating a product that does not require refrigeration prior to use. Our principal aseptic products are cheese sauces and puddings. These products are sold in the foodservice market in cans and flexible packages. We have developed new product formulations and packaging formats in this product line in response to customer needs.

Other food products that we manufacture and sell include *Mocha Mix* ®, a non-dairy liquid creamer, and *Second Nature* ®, a liquid egg substitute. *Mocha Mix* ® is distributed on a regional basis primarily on the West Coast of the United States. It also is sold as an ingredient to a third-party ice cream processor that produces its own frozen product under the *Mocha Mix* ® brand name. *Second Nature* ® is distributed primarily in eleven states throughout the United States. We also sell refrigerated salad dressings to foodservice distributors and operators. All of these products are refrigerated and currently are manufactured by Dean Foods at three separate production facilities. In connection with the distribution, production of these items will be transitioned into a single production facility that will be transferred to us.

Prior to 2005, we manufactured and sold aseptic nutritional beverages under co-pack arrangements and private labels. We exited the nutritional beverages business in the fourth quarter of 2004 due to significant declines in volume, which we believed could not be replaced without significant investments in capital and research and development. Our historical financial statements have been restated to reflect the operations and assets related to the nutritional beverages business as discontinued operations.

Marketing, Sales and Distribution

We sell our products through various distribution channels, including retail grocery, foodservice and industrial, including food manufacturers and repackagers of foodservice products. We have an internal sales force that manages customer relationships and also manages our broker network, which is used for sales to retail and foodservice accounts. Industrial food products are generally sold directly to customers without the use of a broker. Most of our customers, including long-standing customers, purchase products from us either by purchase order or pursuant to contracts that generally are terminable at will. We have many customer supply arrangements that are not evidenced by written agreements.

In 2004, sales to retailers, foodservice and industrial customers represented approximately 50%, 30% and 20%, respectively, of our combined net sales.

A relatively limited number of customers accounts for a large percentage of our combined net sales. For the year ended December 31, 2004, our largest customer, Wal-Mart (including its subsidiaries, such as Sam's Club), represented approximately 10.1% of our combined sales and approximately 21.8% of our non-dairy powdered creamer segment's sales. During the same period, our five largest customers represented approximately 31.0% of our combined sales. In addition to Wal-Mart, other major retail customers include Kroger and Topco. Major foodservice customers include US Food Service, Unipro and McDonalds. For the year ended December 31, 2004, our pickles segment's five largest customers represented approximately 33.5% of that segment's sales. Our other food products group also had a single customer that represented approximately 17.7% of sales during 2004.

Our products generally are shipped from inventory upon receipt of a customer order. In certain cases, we produce to order. Sales order backlogs are not material to our business.

Products are shipped from our production facilities directly to customers or to our distribution centers, where products are consolidated for shipment to customers. This consolidation of products enables us to improve customer service by offering our customers a single order, invoice and shipment.

Seasonality

Demand for our products does not vary significantly by season.

Raw Materials

The most important raw material that we use in our pickle operations is cucumbers. We purchase cucumbers under seasonal grower contracts with a variety of growers strategically located to supply our production facilities. We select seeds and advise growers regarding planting techniques. We also monitor agricultural practices and direct the harvest. Bad weather or disease in a particular growing area can reduce crop yields in that area, requiring us to purchase cucumbers from foreign sources or ship cucumbers from other growing areas in the United States, which increases production costs. The strategic location of our production facilities relative to cucumber growing areas mitigates this risk. We have long-standing relationships with many of our growers. In addition, we also procure cucumbers and pickles in both bulk and packaged form from Mexico and India.

Other important raw materials that we use in our operations are soybean oil, coconut oil casein, cheese and corn syrup. These raw materials generally are purchased under supply contracts, and we occasionally engage in forward buying when we determine such buying to be to our advantage. We believe these raw materials to be generally available from a number of suppliers.

The most important packaging materials that we use in our operations are glass, plastic containers, cardboard, metal closures and metal cans. These packaging materials are purchased under long-term supply contracts. We believe these packaging materials to be generally available from a number of suppliers, with the exception of glass, which we procure through a long-term supply contract that expires in December 2007.

Certain of our raw materials are purchased under long-term contracts in an attempt to guarantee supply and in order to obtain lower costs. The prices of our raw materials increase and decrease based on supply, demand and other factors. We are not always able to adjust our pricing to reflect changes in raw materials costs. Volatility in the cost of our raw materials can adversely affect our performance as price changes often lag behind changes in costs.

For additional discussion of the risks associated with the raw materials used in our operations, see “Risk Factors — Cost increases of raw materials, packaging materials and transportation could adversely affect us.”

Working Capital

Components of our working capital generally are stable throughout the year with the exception of pickle inventories. The peak season for pickle production occurs during the spring and summer as cucumbers are harvested and processed. As a result, pickle inventories tend to reach a low point in the second quarter and are at a high point at the end of the third quarter.

Competition

We have several competitors in each of our product markets. In sales of private label products to retailers, the principal competitive factors are price, product quality and quality of service. In sales of private label products to consumers, the principal competitive factors are price and product quality. In sales of products to foodservice customers, the principal competitive factors are product quality and specifications, reliability of service and price.

Competition to obtain shelf space for our branded products with retailers generally is based on the expected or historical performance of our product sales relative to our competitors. The principal competitive factors for sales of our branded products to consumers are brand recognition and loyalty, product quality and price. Most of our branded competitors have significantly greater resources and brand recognition than we do.

The consolidation trend is continuing in the retail grocery and foodservice industries, and mass merchandisers are gaining market share. As our customer base continues to consolidate, we expect competition to intensify as we compete for the business of fewer customers.

Properties and Facilities

We currently operate 11 principal production facilities, all of which are owned except for the facility in City of Industry, California, which is leased. We believe that these facilities are suitable for our operations and provide sufficient capacity to meet our requirements for the foreseeable future. The chart below lists the location and principal products produced at our production facilities:

Facility Location	Principal Products
City of Industry, California	*Mocha Mix* ®, *Second Nature* ® and salad dressings(1)
La Junta, Colorado	Pickles, peppers and relish
Chicago, Illinois	Refrigerated foodservice pickles
Dixon, Illinois	Aseptic cheese sauces, puddings and gravies
Pecatonica, Illinois(2)	Powders used for non-dairy creamers
Plymouth, Indiana	Pickles, peppers and relish
New Hampton, Iowa	Powders used for non-dairy creamers
Wayland, Michigan	Powders used for non-dairy creamers and other powdered products
Faison, North Carolina	Pickles, peppers and relish; syrup
Portland, Oregon(3)	Pickles, peppers and relish
Green Bay, Wisconsin	Pickles, peppers, relish and sauces

(1) Planned. See "Our Relationship with Dean Foods After the Distribution — City of Industry Plant."

(2) We also have a research and development facility located at this property. See "— Research and Development" below.

(3) We also lease adjacent land at this facility for use in connection with our pickle processing plant operations.

Prior to 2005, we manufactured and sold aseptic nutritional beverages under co-pack arrangements and private labels. We exited the nutritional beverages business in the fourth quarter of 2004 due to significant declines in volume, which we believed could not be replaced without significant investments in capital and research and development. As a result, we closed our facility in Benton Harbor, Michigan. This facility currently is held for sale. In addition, we have entered into a written contract for the sale of our former production facility in Cairo, Georgia, which we expect to close in the near future subject to customary closing conditions. See Note 13 to our Consolidated Financial Statements for more information about the closing of the Cairo, Georgia production facility.

We also operate five principal distribution centers, all of which are leased except for the La Junta, Colorado distribution center, which is owned. The chart below lists the location and size of our five principal distribution centers.

Facility Location	Size (square feet)
La Junta, Colorado(1)	200,000
Plymouth, Indiana	300,500
Turkey, North Carolina	495,000
Portland, Oregon	250,000
Hobart, Wisconsin	510,000

(1) We own the building and lease the underlying land pursuant to a long-term ground lease.

In addition to the facilities listed above, we also utilize a number of other warehouses and distribution centers, most of which are operated by third parties. In particular, we utilize a 286,000 square foot warehouse facility in Dixon, Illinois and a 139,000 square foot warehouse facility in Pecatonica, Illinois. Both of these facilities are owned and operated by third parties.

Research and Development

Our research facilities include a Research and Development Center in Pecatonica, Illinois. The Center focuses on the development of aseptic and powdered creamer products. Product development work for aseptic products also is carried out at our production facility in Dixon, Illinois. Research and development for our pickles segment is carried out at our production facility in Green Bay, Wisconsin. In addition, all of our manufacturing facilities are used for sample preparation, plant trials, ingredient approval and other quality control procedures.

Intellectual Property

We own several trademarks that are used primarily for our regionally branded pickles and sauces. We protect our trademarks by obtaining registrations where appropriate and opposing any infringements.

In connection with the distribution, Dean Foods will grant to us a license to use its *Dean* ® and *Fieldcrest* ® trademarks until our current supply of packaging materials is depleted. In addition, we will grant to Dean Foods a perpetual, royalty-free license to use the *Rod's* ® trademark in connection with Dean Foods' operations. See "Our Relationship with Dean Foods After the Distribution — Trademark License Agreement."

Employee and Labor Relations

As of , 2005, our work force consisted of approximately 1,800 full-time employees. Of these, approximately 1,640 were engaged in manufacturing, approximately 50 were engaged in marketing and sales and approximately 110 were engaged in administration.

We employ temporary and contract labor for cucumber procurement and pickle processing during the harvest season. Seasonal labor needs normally peak at approximately 1,050 workers during the cucumber harvest period in the summer.

Currently, approximately 63% of our full time distribution, production and maintenance employees are covered by collective bargaining agreements with locals of the International Brotherhood of Teamsters or the United Food and Commercial Workers Union.

We currently have good labor and employee relations.

Legal Proceedings

We are subject to legal proceedings, claims and litigation arising in the ordinary course of our business. While the outcome of these matters is currently not determinable, we do not expect that the ultimate costs to resolve these matters will have a material adverse effect on our financial position, results of operations or cash flows.

Government Regulation

Public Health

As a manufacturer and distributor of food products, we are subject to a number of food-related regulations, including the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the U.S. Food and Drug Administration (the "FDA"). This comprehensive regulatory framework governs the manufacturing (including composition and ingredients), labeling, packaging and safety of food in the United States. The FDA:

- regulates manufacturing practices for foods through its current good manufacturing practices regulations;
- specifies the standards of identity for certain foods, including many of the products we sell; and
- prescribes the format and content of certain information required to appear on food product labels.

In addition, the FDA enforces the Public Health Service Act and regulations issued thereunder, which authorize regulatory activity necessary to prevent the introduction, transmission or spread of communicable diseases. We also are subject to numerous other federal, state and local regulations involving such matters as the licensing and registration of manufacturing facilities, enforcement by government health agencies of standards for our products, inspection of our facilities and regulation of our trade practices in connection with the sale of food products.

We use quality control laboratories in our manufacturing facilities to test raw ingredients. Product quality and freshness are essential to the successful distribution of our products. To monitor product quality at our facilities, we maintain quality control programs to test products during various processing stages. We believe that our facilities and manufacturing practices comply with all material government regulations.

Employee Safety Regulations

We are subject to certain safety regulations including regulations issued pursuant to the U.S. Occupational Safety and Health Act. These regulations require us to comply with certain manufacturing safety standards to protect our employees from accidents. We believe that we are in material compliance with all employee safety regulations.

Environmental Laws and Regulations

Our operations are subject to various federal state and local laws and regulations relating to the protection of the environment, including those governing prevention and control of emissions to the air and discharges to water, management and disposal of hazardous materials, and cleanup of contaminated sites.

We maintain above-ground petroleum storage tanks at many of our production facilities. We are required to make expenditures from time to time in order to maintain these tanks in accordance with applicable requirements. Each of our pickle processing facilities uses and processes large quantities of brine in tanks and other structures. In certain situations, we have been required to undertake measures to investigate chloride groundwater contamination resulting from brine operations, and we are currently investigating or remediating such chloride releases at three production facilities. Investigation and

remediation costs associated with these efforts have not been and are not expected to be material. There may be chloride releases at other facilities that will require investigation or remediation, and we cannot assure you that any such future costs will not be material.

Certain of our production facilities discharge wastewater into municipal waste treatment facilities in excess of levels permitted under local regulations. Because of this, certain of our production facilities are required to pay wastewater surcharges or to upgrade wastewater pretreatment facilities. These surcharges and upgrade costs have not been and are not expected to be material.

Like many in the food manufacturing industry, we use ammonia as a refrigerant in our operations. Due to its toxicity, ammonia is defined as an “extremely hazardous substance” by rules under the Emergency Planning and Community Right-to-Know Act, and we manage it accordingly.

We believe our facilities and practices are sufficient to maintain material compliance with currently applicable requirements. To maintain compliance with environmental laws and regulations, we are required from time to time to make expenditures to upgrade or replace air and water pollution control equipment. Our anticipated capital expenditures for compliance with environmental laws and regulations during the remainder of 2005 and 2006 are not expected to be material.

Based on our experience to date, we do not believe that liability for environmental conditions and the future costs of compliance with existing environmental laws will have a material adverse effect on our capital expenditures, earnings or competitive position.

MANAGEMENT

Our Directors and Executive Officers

We expect that our Board of Directors following the distribution will be comprised of seven directors, of which at least a majority will be considered independent under the independence requirements of the SEC and the New York Stock Exchange. Sam K. Reed, who is our Chief Executive Officer, will serve as Chairman of the Board. Gregg L. Engles, Chairman of the Board and Chief Executive Officer of Dean Foods, also will serve on our Board of Directors. Mr. Reed and Mr. Engles will select five additional persons to serve on our Board from and after the distribution date, at least three of whom will not be affiliated in any way with Dean Foods or the management investors. The Dean Foods Board of Directors must approve the five directors selected by Mr. Reed and Mr. Engles. Our Board of Directors will be divided into three classes. Each director will serve for a term expiring at the annual meeting of stockholders in the year indicated below. For more information, see "Description of Our Capital Stock — Anti Takeover Effects of Provisions of Our Certificate of Incorporation, By-Laws and Rights Plan and of Delaware Law."

Set forth below is information concerning our executive officers and Mr. Engles.

Name	Position	Term as Director
Sam K. Reed	Chief Executive Officer and Chairman of the Board Nominee	Expires 2008
Gregg L. Engles	Director Nominee	Expires 2008
David B. Vermylen	President and Chief Operating Officer	
E. Nichol McCully	Senior Vice President and Chief Financial Officer	
Thomas E. O'Neill	Senior Vice President, General Counsel and Chief Administrative Officer	
Harry J. Walsh	Senior Vice President of Operations	

Sam K. Reed, age 58, will be elected Chairman of our Board of Directors. Mr. Reed has served as our Chief Executive Officer since January 2005. Prior to joining us, Mr. Reed was a principal in TreeHouse LLC, an entity unrelated to us that was formed to pursue investment opportunities in consumer packaged goods businesses. From March 2001 to April 2002, Mr. Reed served as Vice Chairman of Kellogg Company. From January 1996 to March 2001, Mr. Reed served as the Chief Executive Officer and as a director of Keebler Foods Company. Prior to joining Keebler, Mr. Reed served as Chief Executive Officer of Specialty Foods Corporation's (unrelated to Dean Foods) Western Bakery Group division from 1994 to 1995. Mr. Reed also has served as President and Chief Executive Officer of Mother's Cake and Cookie Co. and has held Executive Vice President positions at Wyndham Bakery Products and Murray Bakery Products. In addition to our Board, Mr. Reed serves on the Boards of Weight Watchers International and Tractor Supply Company. Mr. Reed holds a B.A. from Rice University and an M.B.A. from Stanford University.

Gregg L. Engles, age 47, will be elected as a Director. Mr. Engles has served as Dean Foods' Chief Executive Officer and as a director of Dean Foods since the company's formation in October 1994. From October 1994 until December 21, 2001, Mr. Engles served as Chairman of the Board of Dean Foods. When Dean Foods acquired the former Dean Foods Company ("Legacy Dean") on December 21, 2001, Mr. Howard Dean was named Chairman of the Board pursuant to the merger agreement concerning Dean Foods' acquisition of Legacy Dean, and Mr. Engles was named Vice Chairman of the Board. In April 2002, Mr. Dean retired and Mr. Engles resumed his position as Chairman of the Board. Prior to the formation of Dean Foods, Mr. Engles served as Chairman of the Board and Chief Executive Officer of certain predecessors to Dean Foods. In addition to our Board and the Board of Dean Foods, Mr. Engles

also serves on the Board of Directors of Swift & Company. Mr. Engles holds a B.A. from Dartmouth College and a J.D. from Yale Law School.

David B. Vermylen, age 54, is our President and Chief Operating Officer and has served in that position since January 2005. Prior to joining us, Mr. Vermylen was a principal in TreeHouse, LLC. From March 2001 to October 2002, Mr. Vermylen served as President and CEO of Keebler Foods Company, a division of Kellogg Company. Prior to becoming CEO of Keebler, Mr. Vermylen served as the President of Keebler Brands from January 1996 to February 2001. Mr. Vermylen also has served as the Chairman, President and CEO of Brother's Gourmet Coffee and Vice President of Marketing and Development and later President and CEO of Mother's Cake and Cookie Co. His prior experience also includes three years with the Fobes Group and fourteen years with General Foods Corporation where he served in various marketing positions. Mr. Vermylen serves on the Boards of Directors of Aeropostale, Inc. and Birds Eye Foods, Inc. Mr. Vermylen holds a B.A. from Georgetown University and an M.B.A from New York University.

E. Nichol McCully, age 50, is our Chief Financial Officer and has served in that position since January 2005. Prior to joining us, Mr. McCully was a principal in TreeHouse, LLC. From January 1996 to March 2001, Mr. McCully served as Chief Financial Officer and Senior Vice President — Finance of Keebler Foods Company. Prior to joining Keebler, Mr. McCully served as the Group Chief Financial Officer for the Western Bakery Group division of Specialty Foods Corporation from 1993 to 1995. He also served as Vice President — Finance for Mother's Cake and Cookie Co. from 1991 until its acquisition by Specialty Foods Corporation (unrelated to Dean Foods) in 1993. In addition, Mr. McCully has held financial management positions with Spreckels Sugar Corporation, Triad Systems Corporation and Wells Fargo Leasing Corporation and was formerly an accountant with Arthur Andersen & Co. Mr. McCully serves on the Board of Directors of Otis Spunkmeyer, Inc. Mr. McCully holds a B.A. from the University of California at Berkeley and an M.B.A. from the University of California at Los Angeles.

Thomas E. O'Neill, age 50, is our General Counsel and Chief Administrative Officer and has served in that position since January 2005. Prior to joining us, Mr. O'Neill was a principal in TreeHouse, LLC. From February 2000 to March 2001, he served as Senior Vice President, Secretary and General Counsel of Keebler Foods Company. He previously served at Keebler as Vice President, Secretary and General Counsel from December 1996 to February 2000. Prior to joining Keebler, Mr. O'Neill served as Vice President and Division Counsel for the Worldwide Beverage Division of the Quaker Oats Company from December 1994 to December 1996, Vice President and Division Counsel of the Gatorade Worldwide Division of the Quaker Oats Company from 1991 to 1994 and Corporate Counsel at Quaker Oats from 1985 to 1991. Prior to joining Quaker Oats, Mr. O'Neill was an attorney at Winston & Strawn LLP. Mr. O'Neill holds a B.A. and J.D. from the University of Notre Dame.

Harry J. Walsh, age 49, is our Senior Vice President of Operations and has served in that position since January 2005. Prior to joining us, Mr. Walsh was a principal in TreeHouse, LLC. From June 1996 to October 2002, Mr. Walsh served as Senior Vice President of the Specialty Products Division of Keebler Foods Company. Mr. Walsh was President and Chief Operations Officer of Bake-Line Products from March 1999 to February 2001; Vice-President-Logistics and Supply Chain Management from April 1997 to February 1999; Vice President-Corporate Planning and Development from January 1997 to April 1997; and Chief Operating Officer of Sunshine Biscuits from June 1996 to December 1996. Prior to joining Keebler, Mr. Walsh served as Vice President of G.F. Industries, Inc. and President and Chief Operating Officer and Chief Financial Officer for Granny Goose Foods, Inc. Prior to entering the food industry, Mr. Walsh was an accountant with Arthur Andersen & Co. Mr. Walsh holds a B.A. from the University of Notre Dame.

Annual Meeting

Our by-laws provide that an annual meeting of stockholders will be held each year on a date specified by our Board of Directors. We expect the first annual meeting of our stockholders after the distribution to be held in the spring of 2006.

Committees of the Board of Directors

Our Board of Directors plans to establish three standing committees prior to the distribution date: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these committees will operate under a charter approved by our Board of Directors. Copies of each committee's charter will be posted on our website, .

All of the members of each of our Board of Directors' three standing committees will be independent as defined under the rules of the New York Stock Exchange, including, in the case of all members of the Audit Committee, the independence requirements contemplated by Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

Audit Committee

The Audit Committee's responsibilities will include:

- reporting regularly to our Board of Directors;
- appointing, setting the compensation of, and assessing the performance, qualifications and independence of our independent auditors;
- overseeing the work of our independent auditors, including through the receipt and consideration of certain reports from the independent auditors;
- reviewing and discussing with management and the independent auditors our annual and quarterly financial statements and related disclosures;
- monitoring our internal control over financial reporting, disclosure controls and procedures and code of business conduct and ethics;
- overseeing our internal audit function;
- discussing our risk management and risk assessment policies and guidelines;
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- meeting independently with our internal auditing staff, independent auditors and management; and
- preparing the audit committee report to be included in our annual proxy statement.

We expect that the Audit Committee will consist of three directors who will join our Board of Directors on the distribution date. We expect that at least one of the members of the Audit Committee will be an "audit committee financial expert" as defined in Item 401(h) of Regulation S-K, and that each member of the Audit Committee will be financially literate, as required by the rules of the New York Stock Exchange.

Compensation Committee

The Compensation Committee's responsibilities will include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our chief executive officer;
- producing a compensation committee report to be included in our annual proxy statement;
- determining and approving the compensation of our chief executive officer;

- reviewing and approving, or making recommendations to our Board of Directors with respect to, the compensation of our other executive officers;
- overseeing an evaluation of our senior executives, including our chief executive officer;
- overseeing and administering our cash and equity incentive plans; and
- reviewing and making recommendations to our Board of Directors with respect to non-employee director compensation, including any compensation under our equity-based plans.

We expect that the Compensation Committee will consist of three directors who will join our Board of Directors on the distribution date. Each member of the Compensation Committee will be a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act of 1934, as amended and shall be an "outside director" for purposes of Section 162(m) of the Code.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's responsibilities will include:

- identifying individuals qualified to become Board members;
- recommending to our Board of Directors the persons to be nominated for election as directors and to each of the Board's committees;
- overseeing a regular review by our Board of Directors with respect to management succession planning;
- developing and recommending to our Board of Directors corporate governance guidelines; and
- overseeing an annual self-evaluation of our Board of Directors.

We expect that the Nominating and Corporate Governance Committee will consist of three directors who will join our Board of Directors on the distribution date.

Corporate Governance Guidelines

Our Board of Directors will adopt corporate governance guidelines to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of our company and our stockholders. These guidelines, which will provide a framework for the conduct of the Board's business, will:

- state that the principal responsibility of the directors will be to oversee the management of our company;
- require that majority of the members of the Board of Directors must be independent directors;
- require the non-management directors to meet regularly in executive session;
- require that directors have full and free access to management and, as necessary and appropriate, independent advisors;
- encourage new directors to participate in an orientation program and to participate in continuing director education on an ongoing basis; and
- require that at least annually the Board of Directors conduct a self-evaluation to determine whether the Board and its committees are functioning effectively.

Code of Business Conduct and Ethics

We will adopt a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. We will post a copy of the code on our website, which will be located at . In addition, we intend to post on our website all disclosures that are required by law or NYSE stock market listing standards concerning any amendments to, or waivers from, any provision of the code.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee will adopt policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent auditors. This policy generally will provide that we will not engage our independent auditors to render audit or non-audit services unless the service is approved in advance by the Audit Committee or the engagement is entered into pursuant to one of the pre-approval procedures described below.

From time to time, the Audit Committee may pre-approve services that are expected to be provided to us by our independent auditors during the succeeding 12 months. Any such pre-approval will be detailed as to the particular service or type of services to be provided.

The Audit Committee also will delegate to the chairman of the Audit Committee the authority to approve any audit or non-audit services to be provided to us by our independent auditors. Any approval of services by the chairman of the Audit Committee pursuant to this delegated authority will be reported on at the next regularly scheduled meeting of the Audit Committee.

EXECUTIVE COMPENSATION

Employment Agreements

General

On January 27, 2005, we entered into employment agreements with Messrs. Reed, Vermylen, McCully, O'Neill and Walsh. We refer to these individuals as the "management investors." The terms of these employment agreements are substantially similar other than the individual's title, salary, bonus, option and restricted stock entitlements, which are summarized in the table below. The employment agreements provide for a three-year term ending on the third anniversary of (i) the commencement of their employment or (ii) if the registration statement becomes effective, the effectiveness of the Form 10 registration statement, of which this information statement forms a part, and the commencement of trading of our common stock on a registered national securities exchange or automated quotation system (such date, the "Registration Date"). The employment agreements also provide for one-year automatic extensions absent written notice from either party of its intention not to extend the agreement. The employment agreement for Mr. McCully, who initially will serve as our Chief Financial Officer, provides that he will serve in that position for one full year and thereafter continue to serve as Vice President of Strategic Planning and Business Development at reduced compensation.

Under the employment agreements, each management investor is entitled to a base salary at a specified annual rate plus an incentive bonus based upon the achievement of certain performance objectives to be determined by our Board of Directors after the distribution. The employment agreements also provide that each management investor will receive restricted shares of our common stock and options to purchase additional shares of our common stock, each subject to certain conditions and restrictions on transferability. Each management investor also may receive restricted stock units representing a right to receive one share of our common stock, subject to certain conditions and restrictions on transferability. For a discussion of the terms of the restricted stock, the stock options and the restricted stock units, see "Restricted Stock," "Stock Options" and "Restricted Stock Units" below.

Each management investor also is entitled to participate in any benefit plan we maintain for our senior executive officers, including any life, medical, accident, or disability insurance plan and any pension, profit sharing, retirement, deferred compensation or savings plan for our senior executive officers. We also will pay the reasonable expenses incurred by each management investor in the performance of his duties to us and indemnify the management investor against any loss or liability suffered in connection with such performance.

We are entitled to terminate each employment agreement with or without cause (as defined in the employment agreements), provided that we may not terminate any employment agreement without cause prior to the Registration Date. Each management investor is entitled to terminate his employment agreement for good reason, which includes a reduction in base salary or a material alteration in duties and responsibilities or for certain other specified reasons, such as if the Registration Date has not occurred by October 31, 2005. An employment agreement also may be terminated upon death, disability or retirement of the management investor. If an employment agreement is terminated either without cause by us or with good reason by a management investor, the management investor will be entitled to a severance payment equal to two times (or three times, in the case of Mr. Reed) the sum of the annual base salary payable to the management investor immediately prior to the end of the employment period plus any incentive bonus the management investor would have been entitled to receive for the calendar year had he remained employed by us. If an employment agreement is terminated under the same circumstances and within 24 months after a change of control in our company, the management investor will be entitled to a severance payment equal to three times the annual base salary payable to the management investor immediately prior to the end of the employment period plus any incentive bonus the management investor would have been entitled to receive for the calendar year had he remained employed by us. For a discussion of the vesting of certain equity-based awards upon the termination of a management investor's employment agreement, see "Vesting of Equity-Based Awards" below.

The following table sets forth information regarding the individual base salaries, bonus percentage, and equity-based awards to be paid to the management investors pursuant to their employment agreements for the fiscal year ending 2005.

Name and Principal Position	Base Salary	Target Bonus Percentage	Stock Option Award(1)	Restricted Stock Award(2)
Sam K. Reed Chairman & Chief Executive Officer	$ 750,000	100%	1.98%	0.66%
David B. Vermylen President & Chief Operating Officer	$ 500,000	80%	1.32%	0.44%
E. Nichol McCully Senior Vice President and Chief Financial Officer	$ 400,000	60%	0.60%(3)	0.30%
Thomas E. O'Neill Senior Vice President, General Counsel and Chief Administrative Officer	$ 350,000	60%	0.90%	0.30%
Harry J. Walsh Senior Vice President of Operations	$ 350,000	60%	0.90%	0.30%

(1) Shortly after the Registration Date, each management investor will receive options to purchase shares of our common stock equal to the indicated percentage of Outstanding TreeHouse Stock. Under certain circumstances, restricted stock units may be granted in lieu of options. See "Restricted Stock Units." As used in this section, "Outstanding TreeHouse Stock" means all of our outstanding common stock on the Registration Date, assuming the exercise of Mr. Engles' options to purchase shares of our common stock. See "Stock Options" below.

(2) Shortly after the Registration Date, each management investor will receive restricted shares of our common stock equal to the indicated percentage of Outstanding TreeHouse Stock. See "Restricted Stock" below.

(3) Mr. McCully's stock option grant will vest 50% on the first anniversary of the date of grant, and 25% on each of the second and third anniversaries of the date of grant, in each case, subject to his continued employment with us.

Restricted Stock

Shortly after the Registration Date, we will grant to the management investors an aggregate award of restricted shares of our common stock equal to 2% in the aggregate of Outstanding TreeHouse Stock. These restricted shares will vest ratably over three years upon the achievement of certain stockholder return objectives set forth in the management investors' employment agreements and subject to each management investor's continued employment with us. The stockholder return objectives will be achieved if our total stockholder return (appreciation or depreciation in our stock price plus any dividends) equals or exceeds the total stockholder return of a group of our peers. This peer group will include 20 or more companies selected by our Board of Directors from among packaged foods companies whose securities are traded on a national securities exchange or an automated quotation system. If the stockholder return objectives are not achieved on a particular vesting date, the restricted shares will vest on any subsequent vesting date if our total stockholder return for the period from commencement of employment through the subsequent vesting date equals or exceeds the total stockholder return for such period for our selected peer group. The other principal terms of the restricted stock are described below under "Stock Incentive Plan." For a more complete understanding of the terms of the restricted stock, please refer to the entire text of our 2005 Long-Term Stock Incentive Plan and the employment agreements filed as exhibits to the Form 10 registration statement, of which this information statement forms a part.

Stock Options

Shortly after the Registration Date, we will grant to the management investors options to purchase shares of our common stock equal to approximately 5.7% in the aggregate of Outstanding TreeHouse Stock with an exercise price equal to the market price of such stock on that date. Under certain circumstances, restricted stock units may be granted in lieu of options. See "Restricted Stock Units." The stock options will have a ten-year term and will vest ratably over three years from the date of grant (with the exception of Mr. McCully's options; see footnote 3 in the table above), subject to each management

investor's continued employment with us. The other principal terms of the stock options are described below under "Stock Incentive Plan." For a more complete understanding of the terms of the stock options, please refer to the entire text of our 2005 Long-Term Stock Incentive Plan and the employment agreements filed as exhibits to the Form 10 registration statement, of which this information statement forms a part.

Restricted Stock Units

As the options described above will not be granted until shortly after the Registration Date, we will grant to the management investors an award of restricted stock units to compensate for the appreciation, if any, in the value of our common stock between January 27, 2005, the date the management investors initially purchased shares of our common stock (the "Date of Investment"), and the Registration Date. Shortly after the Registration Date, each management investor will receive restricted stock units for that number of shares of our common stock equal to the appreciation, if any, that would have been realized had the management investor's stock options been granted at an exercise price equal to the per share purchase price paid on the Date of Investment, as adjusted for various events or in connection with the reimbursement of certain tax items. The number of restricted stock units issued to a management investor will reduce the number of options granted to that investor (as described in the table above) on a one-for-one basis. The restricted stock units will vest ratably over three years provided that the market price of our common stock at the vesting date is at least equal to the market price of such stock at the time of the distribution and subject to each management investor's continued employment with us. Payments in respect of restricted stock units will be made in shares of common stock. The other principal terms of the restricted stock units are described below under "Stock Incentive Plan." For a more complete understanding of the terms of the restricted stock units, please refer to the entire text of our 2005 Long-Term Stock Incentive Plan and the employment agreements filed as exhibits to the Form 10 registration statement, of which this information statement forms a part.

Vesting of Equity-Based Awards

Pursuant to the employment agreements, if a management investor is terminated either without cause by us or with good reason by the management investor, the management investor's equity-based awards will vest as follows:

- in the case of Mr. Reed, all unvested stock options will become fully vested and may be exercised for two years after such termination, and all restricted shares and restricted share units will be eligible to continue to vest on their original terms and subject to their original conditions (other than continued employment); and
- for all other management investors, the equity-based awards will vest on the same terms as Mr. Reed if Mr. Reed is no longer serving as our Chief Executive Officer, or, if Mr. Reed is still serving as our Chief Executive Officer, the equity awards will vest or be eligible to vest for the period the management investor actually worked since the last vesting date (or the distribution, if no portion of the equity awards has yet vested) plus one additional year of vesting (to the extent needed to be eligible to fully vest).

In addition, all unvested stock options will become fully vested and may be exercised for two years after the death or disability of a management investor or upon a management investor's retirement, provided the management investor has completed at least five years of service with us and the sum of such period of service and the management investor's age equal at least 62. Furthermore, the service condition to the vesting of restricted shares and restricted share units will be waived after the death or disability of a management investor.

Stock Incentive Plan

On or before the distribution, we will adopt, with the approval of Dean Foods and the management investors as our stockholders, the TreeHouse Foods, Inc. 2005 Long-Term Stock Incentive

Plan (the "Plan"). The purposes of the Plan will be to attract and retain executive personnel and other key employees of outstanding ability, to motivate them by means of performance-related incentives and to enable them to participate in our long-term growth and financial success. Eligibility in the Plan will be limited to our employees (including officers and directors who are employees) and the employees of our subsidiaries.

The Plan will be administered by our Compensation Committee, which will consist entirely of independent directors. The Compensation Committee or, with respect to awards to employees who are below the position of senior vice president (or any analogous title) and not executive officers, and if the committee so designates, our Chief Executive Officer or such other officer or officers will, from time to time, determine the specific persons to whom awards under the Plan will be granted, the extent of any such awards and the terms and conditions of each award. The Compensation Committee or its designee, pursuant to the terms of the Plan, also will make all other necessary decisions and interpretations under the Plan.

Under the Plan, the Compensation Committee may grant awards of various types of equity-based compensation, including stock options, restricted stock and restricted stock units, performance shares and performance units and other types of stock-based awards. The maximum number of shares that are available to be awarded under the Plan is 13% of the Outstanding TreeHouse Stock. The maximum number of shares of our common stock that may be issued in respect of incentive stock options may not exceed shares. In addition, no participant may be granted more than shares of restricted stock, restricted stock units, performance shares and performance units and no participant may be granted options over more than shares of our common stock in any calendar year.

Performance Shares and Performance Units

The Compensation Committee may grant awards of performance shares or performance units under the Plan based upon the achievement of specified performance objectives or the occurrence of other events, such as a change in control, as determined by the Compensation Committee in its discretion. The Compensation Committee has the authority to determine other terms and conditions of the performance shares and performance units. Participants may not transfer any shares underlying such awards before they vest. Unless otherwise determined by the Compensation Committee, if a participant's employment is terminated by reason of death, disability or retirement on or after the first anniversary of the commencement of the relevant performance period, the participant (or any designated beneficiary) will be entitled to the same payment in respect of the performance shares or performance units for that performance period as would have been payable if the participant's employment with us had continued until the end of that performance period. If a participant's employment is terminated for any other reason, all of the participant's rights to performance shares and performance units will be immediately forfeited and cancelled (unless otherwise determined by the Compensation Committee), and in any event, all such rights will be immediately forfeited and cancelled upon termination of employment for cause.

Restricted Stock and Restricted Stock Units

In addition to the restricted stock and the restricted stock units to be granted to the management investors, the Compensation Committee may grant awards of restricted stock and restricted stock units under the Plan to employees. The restricted stock and restricted stock units are forfeitable until they vest, and the participant may not transfer the restricted stock before it vests. Unless otherwise determined by the Compensation Committee, the restricted stock and the restricted stock units will vest on the third anniversary of the date of grant (subject to the participant's continued employment with us) or upon satisfaction of any additional conditions to vesting, such as the achievement of specified performance objectives or changes in control, as determined by the Compensation Committee in its discretion. Unless otherwise determined by the Compensation Committee, if a participant's employment is terminated by reason of death, disability or retirement during the restricted period, a pro rata portion of any restricted stock or restricted stock units held by the participant will vest and become not forfeitable based on the number of full calendar months of the participant's employment relative to the number of months in the

restricted period at the date of termination. If a participant's employment is terminated for any other reason, any restricted stock or restricted stock units held by the participant will be immediately forfeited and cancelled (unless otherwise determined by the Compensation Committee), and, in any event, all such restricted stock and restricted stock units will be immediately forfeited and cancelled upon termination of employment for cause.

Stock Options

In addition to the stock options to be granted to the management investors, the Compensation Committee may grant awards of stock options under the Plan. The stock options may be either "incentive stock options" (as that term is defined in Section 422 of the Code), which provide the recipient with favorable tax treatment, or options that are not incentive stock options ("non-qualified stock options"). The Compensation Committee has the authority to determine the terms and conditions of the stock options, including the number of shares subject to each stock option, the exercise price per share, which must be at least the fair market value of a share of our common stock on the date of grant, and when the stock option will become exercisable. Unless otherwise determined by the Compensation Committee, the stock options will become vested and exercisable in three approximately equal installments on each of the first three anniversaries of the date of grant. Options may also become exercisable upon satisfaction of any additional conditions to vesting, such as the achievement of specified performance objectives or changes in control, as determined by the Compensation Committee in its discretion. The exercise period for any stock options awarded under the Plan may not extend beyond ten years from the date of grant.

Stock options awarded under the Plan that become vested and exercisable may be exercised in whole or in part. The exercise price must be paid either in cash or cash equivalents or, if permitted by the Compensation Committee, with previously acquired shares of our common stock, by means of a brokered cashless exercise or by a combination of the foregoing provided that the consideration tendered, valued as of the date tendered, is at least equal to the exercise price for the stock options being exercised.

If a participant's employment is terminated by reason of death or disability, all stock options held by the participant at the date of termination will vest and become exercisable and will remain exercisable until the earlier to occur of (i) the second anniversary of such termination or (ii) the date such participant's employment with us would otherwise have terminated. If a participant's employment is terminated for any other reason, any stock options held by the participant that have not become vested and exercisable will be immediately cancelled and any stock options that have become vested and exercisable will remain exercisable for 90 days following such termination. In any event, all stock options (whether or not then vested and exercisable) will be immediately cancelled upon termination of employment for cause.

Change in Control

Upon a change in control (as defined in the Plan) of TreeHouse, (i) all outstanding stock options will become immediately vested and exercisable; (ii) the restricted period of all outstanding restricted stock and restricted stock units will immediately lapse; and (iii) each outstanding performance share and performance unit will be cancelled in exchange for 100% of its payment value. In addition, the Compensation Committee may provide that in connection with a change in control:

- each stock option will be cancelled in exchange for an amount equal to the excess, if any, of the price per share offered in respect of our common stock in conjunction with the transaction giving rise to the change in control or, in the case of a change in control occurring by reason of a change in the composition of our Board of Directors, the highest fair market value of our common stock on any of the preceding 30 trading days (such price, the "Change in Control Price") over the exercise price for such option; and
- each share of restricted stock and each restricted stock unit will be cancelled in exchange for an amount equal to the Change in Control Price multiplied by the number of shares of our common stock covered by such award. All amounts payable as a result of a change in

control will be paid in cash or, at the discretion of the Compensation Committee, in shares of stock of any new employer.

If a change in control occurs as a result of a merger, reorganization, consolidation or sale of all or substantially all of our assets, any participant whose employment is involuntarily terminated (other than for cause) on or after the date on which our stockholders approve the transaction giving rise to the change in control will be treated for purposes of the Plan as continuing employment with us until the consummation of the change in control and to have been terminated immediately thereafter.

The Board may terminate or suspend the Plan at any time, and from time to time may amend or modify the Plan, provided that without the approval by a majority of the votes cast at a duly constituted meeting of stockholders, no amendment or modification to the Plan may (i) materially increase the benefits accruing to participants under the Plan, (ii) except as a result of an adjustment in capitalization, materially increase the number of shares of stock subject to awards under the Plan or the number of awards or amount of cash that may be granted to a participant under the Plan, (iii) materially modify the requirements for participation in the Plan, or (iv) materially modify the Plan in any way that would require stockholder approval under any regulatory requirement that the Compensation Committee determines to be applicable. No amendment, modification, or termination of the Plan shall in any manner adversely affect any award previously granted under the Plan, without the consent of the participant. The Plan shall continue in effect, unless sooner terminated by the Board, until the tenth anniversary of the date on which it is adopted by the Board.

Summary of Federal Tax Consequences

The following is a brief description of the federal income tax treatment that generally will apply to Plan awards. The description is based on current federal tax laws, rules and regulations, which are subject to change, and does not purport to be a complete description of the federal income tax aspects of the Plan. A grantee may also be subject to state and local taxes.

Non-Qualified Stock Options. The grant of a non-qualified stock option will not result in taxable income to the grantee. The grantee will realize ordinary income at the time of exercise in an amount equal to the excess, if any, of the then fair market value of the stock acquired over the exercise price for those shares, and we will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains or losses, with the basis in such stock equal to the fair market value of the shares at the time of exercise.

Incentive Stock Options. The grant of an incentive stock option will not result in taxable income to the grantee. The exercise of an incentive stock option will not result in taxable income to the grantee if the grantee was, without a break in service, employed by us or an affiliate from the date of the grant of the option until the date three months prior to the date of exercise (one year prior to the date of exercise if the grantee is disabled). The excess, if any, of the fair market value of the stock at the time of the exercise over the exercise price is an adjustment that is included in the calculation of the grantee's alternative minimum taxable income for the tax year in which the incentive stock option is exercised.

If the grantee does not sell or otherwise dispose of the stock within two years from the date of the grant of the incentive stock option or within one year after the transfer of such stock to the grantee, then, upon disposition of such stock, any amount realized in excess of the exercise price will be taxed to the grantee as capital gain, and we will not be entitled to a corresponding deduction. A capital loss will be recognized to the extent that the amount realized is less than the exercise price. If the foregoing holding period requirements are not met, the grantee will generally realize ordinary income at the time of the disposition of the shares, in an amount equal to the lesser of (i) the excess, if any, of the fair market value of the stock on the date of exercise over the exercise price, or (ii) the excess, if any, of the amount realized upon disposition of the shares over the exercise price, and we will be entitled to a corresponding deduction. If the amount realized exceeds the value of the shares on the date of exercise, the additional amount will be capital gain. If the amount realized is less than the exercise price, the grantee will

recognize no income, and a capital loss will be recognized equal to the excess of the exercise price over the amount realized upon the disposition of the shares.

Restricted Stock and Performance Shares. A grant of restricted stock or performance shares will not result in taxable income to the grantee at the time of grant, and we will not be entitled to a corresponding deduction, assuming that the shares are subject to transferability restrictions and that certain restrictions on the shares constitute a "substantial risk of forfeiture" for federal income tax purposes. Upon vesting, the holder will realize ordinary income in an amount equal to the then fair market value of the vested shares, and we will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains or losses, with the basis in such shares equal to the fair market value of the shares at the time of vesting. Dividends paid to the holder of restricted stock during the restricted period also will be compensation income to the grantee, and we will be entitled to a corresponding deduction when the dividends no longer are subject to a substantial risk of forfeiture or become transferable. A grantee may elect pursuant to Section 83(b) of the Code to have income recognized at the date a restricted stock award or performance share award, as the case may be, is granted and to have the applicable capital gain holding period commence as of that date. In such a case, we will be entitled to a corresponding deduction on the date of grant.

Restricted Stock Units and Performance Units. A grant of restricted stock units or performance units will not result in taxable income to the grantee at the time of grant, and we will not be entitled to a corresponding deduction. Upon vesting and issuance of the underlying shares, the holder will realize ordinary income in an amount equal to the then fair market value of the issued shares, and we will be entitled to a corresponding deduction. Gains or losses realized by the grantee upon disposition of such shares will be treated as capital gains or losses, with the basis in such shares equal to the fair market value of the shares at the time of vesting and issuance. Dividend equivalents paid to the holder of restricted stock units during the restricted period also will be compensation income to the grantee, and we will be entitled to a corresponding deduction when the dividend equivalents are paid. No election pursuant to Section 83(b) of the Code may be made with respect to restricted stock units and performance units.

Tax Withholding. As a condition to the delivery of any shares to the recipient of an award, we may require the recipient to make arrangements for meeting certain tax withholding requirements in connection with the award.

The preceding is based on current federal tax laws and regulations, which are subject to change, and does not purport to be a complete description of the federal income tax aspects of the Plan. A grantee may also be subject to state and local taxes.

For a more complete understanding of the Plan, please refer to the entire text of the Plan filed as an exhibit to the Form 10 registration statement, of which this information statement forms a part.

Defined Benefit Retirement Plan

We expect to adopt a defined benefit retirement plan that is substantially similar to the Dean Foods defined benefit retirement plan. Subject to the requirements of applicable law, Dean Foods has agreed to transfer the assets and liabilities of the Dean Foods defined benefit retirement plan attributable to employees of our business to our defined benefit retirement plan.

Supplemental Retirement Plan

We expect to adopt a supplemental retirement plan that is substantially similar to the Dean Foods supplemental retirement plan.

Compensation of Directors

We expect that each director who is not our employee, referred to in this information statement as an "outside director," will receive an annual retainer fee of $ and will be paid $ for each Board and Committee meeting attended. The chairperson of the Audit Committee will be paid an

additional $ per year and directors chairing other committees will be paid an additional $ per year. In addition, to ensure that directors have an ownership interest aligned with other stockholders, we expect that each outside director will be granted annually following his or her election to our Board options and/ or restricted shares or restricted share units of our common stock having a value to be determined by our Board. Employee directors will receive no additional compensation for serving on our Board.

OWNERSHIP OF OUR STOCK

Prior to the distribution, Dean Foods owned approximately 98.3% of the outstanding shares of our common stock. Our management and the Chairman of our Board of Directors owned the remaining approximately 1.7% of the outstanding shares of our common stock.

The following table sets forth the anticipated beneficial ownership of our common stock immediately following the distribution date by each of our directors and executive officers, all directors and executive officers as a group and holders of 5% or more of our common stock, based upon information available to us concerning ownership of Dean Foods common stock on , 2005 (and assuming a distribution ratio of share[s] of our common stock for every share[s] of Dean Foods common stock). The mailing address of our directors and executive officers is c/o . As used in this information statement, "beneficial ownership" means that a person has, or may have within 60 days, the sole or shared power to vote or direct the voting of a security and/or the sole or shared investment power with respect to a security (i.e., the power to dispose or direct the disposition of a security).

Name	Shares Projected to be Beneficially Owned(1)	Percent of Class(2)
Sam K. Reed		%
Gregg L. Engles		%
David B. Vermylen		%
E. Nichol McCully		%
Thomas E. O'Neill		%
Harry J. Walsh		%
Iridian Asset Management LLC(4)		%
All directors and executive officers as a group (persons)		%

(1) Except as otherwise noted, the directors and executive officers, and all directors and executive officers as a group, have sole voting power and sole investment power over the shares listed.

(2) An asterisk indicates that the percentage of common stock projected to be beneficially owned by the named individual does not exceed one percent of our common stock.

(3) Includes the following shares which could be acquired within 60 days of , 2005: Mr. Engles, shares; and all directors and executive officers as a group, shares.

(4) As reported on the Schedule 13G filed with the SEC on February 8, 2005 by Iridian Asset Management LLC ("Iridian"), which has direct beneficial ownership of 7,908,362 shares of Dean Foods as of December 31, 2004. Due to their ownership interests, direct and indirect, in Iridian, the Governor and Company of the Bank of Ireland, IBI Interfunding, Banc Ireland/ First Financial, Inc. and BIAM (US) Inc. may share beneficial ownership of the shares. Iridian's address is 276 Post Road West, Westport, CT 06880-4704.

LIMITATION OF LIABILITY AND INDEMNIFICATION OF OUR OFFICERS AND DIRECTORS

Section 102 of the General Corporation Law of the State of Delaware (the "DGCL") allows a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Our certificate of incorporation includes a provision that eliminates the personal liability of our directors to us and our stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent prohibited by the DGCL.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against amounts paid and expenses incurred in connection with an action or proceeding to which he is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful; provided that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances.

Our certificate of incorporation provides that we will indemnify any person who was, is or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by us or in our right), by reason of the fact that such person is, was or had agreed to become a director or officer of us or is or was serving or had agreed to serve at our request as a director, officer, partner, employee or trustee of, or in another similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, including any employee benefit plan, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of such person in connection therewith, provided that such person acted in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Our certificate of incorporation also provides that we will indemnify any person who was or is made or is threatened to be made a party to any threatened, pending or completed action or suit by us or in our right, by reason of the fact that such person is, was or had agreed to become a director or officer of us or is or was serving or had agreed to serve at our request as a director, officer, partner, employee or trustee of, or in another similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, including any employee benefit plan, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred by or on behalf of such person in connection therewith, provided that such person acted in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable to us, unless, and only to the extent, that the Court of Chancery of Delaware determines upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses (including attorneys' fees) the Court of Chancery of Delaware deems proper.

Our certificate of incorporation also provides that we shall pay the expenses incurred by a director or officer in defending any such proceeding in advance of its final disposition, subject to such person providing us with certain undertakings.

The indemnification provisions contained in our certificate of incorporation are not exclusive of any other rights to which a person may be entitled by law, agreement, vote of stockholders or disinterested directors or otherwise.

In addition, the management investors are entitled to reimbursement of the reasonable expenses incurred by each of them in the performance of their duties to us and indemnification against any loss or liability suffered in connection with such performance pursuant to the terms of their employment agreements.

We intend to obtain directors and officers liability insurance providing coverage to our directors and officers.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Historically, Dean Foods has provided us with certain administrative services including tax, treasury, human resources, risk management, legal, information technology, internal audit, accounting and reporting in return for a management fee. The management fee was based on budgeted annual expenses for Dean Foods' corporate headquarters and is allocated among Dean Foods' segments. In addition, the 2004 management fee included a $4.8 million allocation for transaction-related expenses. Dean Foods charged us management fees of $11.1 million, $5.4 million and $3.6 million in 2004, 2003 and 2002, respectively.

In connection with the distribution, we will enter into certain agreements with Dean Foods to define our ongoing relationship with Dean Foods after the distribution. These other agreements will define responsibility for obligations arising before and after the distribution date, including, among others, obligations relating to our employees, certain transition services and taxes. See "Our Relationship with Dean Foods After the Distribution."

There is no family relationship between any of TreeHouse's executive officers or directors, and there are no arrangements or understandings between any of TreeHouse's executive officers or directors and any other person pursuant to which any of them was elected an officer or director, other than the stockholders agreement entered into by Dean Foods, TreeHouse and the management investors on January 27, 2005 and arrangements or understandings with directors or officers of TreeHouse acting solely in their capacities as such. See "Our Relationship with Dean Foods After the Distribution — Stockholders Agreement."

DESCRIPTION OF OUR CAPITAL STOCK

General

Our authorized capital stock consists of shares of common stock, par value $0.01 per share, and 10,000,000 shares of undesignated preferred stock, par value $0.01 per share. The following description of our capital stock is intended as a summary only and is qualified in its entirety by reference to our restated certificate of incorporation and amended and restated by-laws filed as exhibits to the registration statement of which this information statement forms a part, and to Delaware corporate law. We refer in this section to our restated certificate of incorporation as our certificate of incorporation, and we refer to our amended and restated by-laws as our by-laws.

Common Stock

Based on approximately shares of Dean Foods common stock that we expect will be outstanding on the record date, approximately shares of our common stock will be outstanding immediately following the distribution. As of , 2005, there were six holders of record of our common stock. Immediately following the distribution, we expect to have more than holders of record of our common stock.

The holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of the stockholders and do not have any cumulative voting rights. Holders of our common stock are entitled to receive proportionally any dividends declared by our Board of Directors, subject to any preferential dividend or other rights of outstanding preferred stock.

In the event of our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of all debts and other liabilities, subject to the prior rights of any outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. All outstanding shares of our common stock are validly issued, fully paid and nonassessable. The shares to be issued by us in the distribution will be fully paid and nonassessable.

The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any series of preferred stock that we may designate and issue in the future.

We will apply to list our common stock on the New York Stock Exchange under the symbol " ."

The transfer agent and registrar for our common stock will be .

Undesignated Preferred Stock

Our certificate of incorporation provides that we may issue up to 10,000,000 shares of preferred stock in one or more series as may be determined by our Board of Directors. Our Board of Directors has broad discretionary authority with respect to the rights of any new series of preferred stock and may establish the following with respect to the shares to be included in each series, without any vote or action of the stockholders:

- the number of shares;
- the designations, preferences and relative rights, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences; and
- any qualifications, limitations or restrictions.

We believe that the ability of our Board of Directors to issue one or more series of preferred stock will provide us with flexibility in structuring possible future financings and acquisitions, and in meeting other corporate needs that might arise. The authorized shares of preferred stock, as well as shares of

common stock, will be available for issuance without action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded.

The Board of Directors may authorize, without stockholder approval, the issuance of preferred stock with voting and conversion rights that could adversely affect the voting power and other rights of holders of common stock. Although our Board of Directors has no intention at the present time of doing so, it could issue a series of preferred stock that could, depending on the terms of such series, impede the completion of a merger, tender offer or other takeover attempt of our company. Our Board of Directors could also issue preferred stock having terms that could discourage an acquisition attempt through which an acquiror may be able to change the composition of the Board of Directors, including a tender offer or other transaction that some, or a majority, of our stockholders might believe to be in their best interests or in which stockholders might receive a premium for their stock over the then current market price. Any issuance of preferred stock could therefore have the effect of decreasing the market price of our common stock.

Our Board of Directors will make any determination to issue such shares based on its judgment as to our company's best interests and the best interests of our stockholders. We have no current plans to issue any shares of our preferred stock.

Rights Agreement

On , 2005, we entered into a rights agreement with , our rights agent, which also serves as our transfer agent. In addition, on , 2005, our Board of Directors declared a dividend of one right for each outstanding share of our common stock to stockholders of record at 5:00 p.m., New York City time, on , 2005.

Pursuant to the rights agreement, each right entitles the registered holder to purchase from us of a share of our Series A Junior Participating Preferred Stock, $0.01 par value per share, at a purchase price of $ per share in cash, subject to adjustment. The description and terms of the rights are set forth in the rights agreement.

Initially, the rights are not exercisable and will be attached to all certificates representing shares of our common stock, and no separate certificate representing rights will be distributed. The rights will separate from the common stock, and the rights distribution date will occur, upon the earlier of:

- 10 business days following the first date of a public announcement that a person or group of affiliated or associated persons, which we refer to as an acquiring person, has acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding shares of our common stock; or
- 10 business days following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of our outstanding common stock.

The rights distribution date may be deferred in circumstances determined by our Board of Directors. In addition, certain inadvertent acquisitions will not trigger the rights distribution date. Until the rights distribution date (or earlier redemption or expiration of the rights), the rights will be evidenced by certificates for the common stock outstanding on the record date, together with a summary of rights, or by new certificates for common stock issued after the record date which contain a notation incorporating the rights agreement by reference, the rights will be transferred only with such common stock certificates, and the surrender for transfer of any certificates representing shares of common stock outstanding (with or without a copy of the summary of rights or such notation) also will constitute the transfer of the rights associated with the shares of common stock represented by such certificate.

The rights are not exercisable until the rights distribution date and will expire upon the close of business on , 2010 unless earlier redeemed or exchanged as described below. As soon as

practicable after the rights distribution date, separate rights certificates will be mailed to the holders of record of our common stock as of the close of business on the rights distribution date and, thereafter, the separate rights certificates alone will represent the rights. Except as otherwise determined by our Board of Directors, and except for shares of common stock issued upon exercise, conversion or exchange of then outstanding options, convertible or exchangeable securities or other contingent obligations to issue shares or pursuant to any employee benefit plan or arrangement, only shares of common stock issued prior to the rights distribution date will be issued with rights.

In the event that any person becomes an acquiring person, unless the event causing the 15% threshold to be crossed is a permitted offer (as defined in the rights agreement), then, promptly following the first occurrence of such an event, each holder of a right (except as provided below and in the rights agreement) shall thereafter have the right to receive, upon exercise of each right, that number of shares of common stock (or, in certain circumstances, cash, property or other securities of ours) which equals the exercise price of the right divided by 50% of the current market price (as defined in the rights agreement) of a share of our common stock at the date of the occurrence of the event. However, rights are not exercisable following the event until such time as the rights are no longer redeemable by us as described below. Notwithstanding any of the foregoing, following the occurrence of such an event, all rights that are, or, under certain circumstances, were, beneficially owned by any acquiring person will be null and void. The event summarized in this paragraph is referred to as a "Section 11(a)(ii) Event."

In the event that, at any time after any person becomes an acquiring person, (i) we are consolidated with, or merged with and into, another entity and we are not the surviving entity of the consolidation or merger (other than a consolidation or merger which follows a permitted offer) or if we are the surviving entity, but outstanding shares of our common stock are changed or exchanged for stock or securities of any other person or cash or any other property, or (ii) more than 50% of our assets or earning power is sold or transferred, each holder of a right (except rights which previously have been voided) shall thereafter have the right to receive, upon exercise of each right, that number of shares of common stock of the acquiring company which equals the exercise price of the right divided by 50% of the current market price (as defined in the rights agreement) of a share of common stock of the acquiring company at the date of the occurrence of such event. The events summarized in this paragraph are referred to as "Section 13 Events." A Section 11(a)(ii) Event and Section 13 Event are collectively referred to as "Triggering Events."

At any time after the occurrence of a Section 11(a)(ii) Event, when no person owns a majority of the shares of our outstanding common stock, our Board of Directors may exchange the rights (other than rights owned by the acquiring person which have become void), in whole or in part, at an exchange ratio of one share of common stock, or of a share of preferred stock, or of a share of another class or series of our preferred stock having equivalent rights, preferences and privileges, per right (subject to adjustment).

The purchase price payable, and the number of units of preferred stock or other securities or property issuable, upon exercise of the rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the preferred stock, (ii) if holders of the preferred stock are granted certain rights or warrants to subscribe for preferred stock or convertible securities at less than the then-current market price (as defined in the rights agreement) of the preferred stock, or (iii) upon the distribution to holders of the preferred stock of evidences of indebtedness or assets (excluding regular periodic cash dividends paid out of earnings or retained earnings) or of subscription rights or warrants (other than those referred to above). The number of rights associated with each share of common stock is also subject to adjustment in the event of a stock split of the common stock or a stock dividend on the common stock payable in common stock or subdivisions, consolidations or combinations of the common stock occurring, in any such case, prior to the rights distribution date.

With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments amount to at least 1% of the purchase price. No fractional shares of preferred stock, other

than fractions which are integral multiples of of a share of preferred stock, will be issued and, in lieu thereof, an amount in cash will be paid based on the market price of the preferred stock on the last trading date prior to the date of exercise.

As provided in our certificate of incorporation, the preferred stock purchasable upon exercise of the rights will not be redeemable. Each share of preferred stock will be entitled to receive, when, as and if declared by our Board of Directors, a minimum preferential quarterly dividend payment of $ per share or, if greater, an aggregate dividend of times the dividend declared per share of common stock. In the event of liquidation, the holders of the preferred stock will be entitled to a minimum preferential liquidation payment of $ per share, plus an amount equal to accrued and unpaid dividends, and will be entitled to an aggregate payment of times the payment made per share of common stock. Each share of preferred stock will have votes, voting together with the common stock. In the event of any merger, consolidation or other transaction in which common stock is changed or exchanged, each share of preferred stock will be entitled to receive times the amount received per share of common stock. These rights are protected by customary antidilution provisions. Because of the nature of the preferred stock's dividend, liquidation and voting rights, the value of of a share of preferred stock purchasable upon exercise of each right should approximate the value of one share of common stock.

At any time prior to the earlier of the tenth business day, or such later date as may be determined by our Board of Directors, after the stock acquisition date, we may redeem the rights in whole, but not in part, at a price of $ per right, which we refer to as the redemption price, payable in cash or stock. Immediately upon the redemption of the rights or such earlier time as established by our Board of Directors in the resolution ordering the redemption of the rights, the rights will terminate and the only right of the holders of rights will be to receive the redemption price. The rights may also be redeemable following certain other circumstances specified in the rights agreement.

Until a right is exercised, the holder of a right, as such, will have no rights as a stockholder, including, without limitation, the right to vote or to receive dividends. Although the distribution of the rights should not be taxable to stockholders or to us, stockholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for common stock (or other consideration) or for common stock of the acquiring company as set forth above.

Any provision of the rights agreement, other than the redemption price, may be amended by our Board of Directors prior to such time as the rights are no longer redeemable. Once the rights are no longer redeemable, the authority of our Board of Directors to amend the rights is limited to correcting ambiguities or defective or inconsistent provisions in a manner that does not adversely affect the interest of holders of rights.

The rights are intended to protect our stockholders in the event of an unfair or coercive offer to acquire us and to provide our Board of Directors with adequate time to evaluate unsolicited offers. The rights may have anti-takeover effects. For example, the rights will cause substantial dilution to a person or group that attempts to acquire us without conditioning the offer on a substantial number of rights being acquired. The rights, however, should not affect any prospective offeror willing to make an offer at a fair price and otherwise in the best interests of our company and our stockholders, as determined by a majority of our Board of Directors. The rights should not interfere with any merger or other business combination approved by our Board of Directors.

Anti Takeover Effects of Provisions of Our Certificate of Incorporation, By-Laws and Rights Plan and of Delaware Law

We are subject to the provisions of Section 203 of the DGCL of Delaware. Subject to certain exceptions, Section 203 prohibits a publicly-held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years after the person became an interested stockholder, unless the interested stockholder attained such status with the approval of our Board of Directors or the business combination is approved in a prescribed manner. A business

combination includes, among other things, a merger or consolidation involving us and the interested stockholder and the sale of more than 10% of our assets. In general, an interested stockholder is any entity or person beneficially owning 15% or more of our outstanding voting stock and any entity or person affiliated with or controlling or controlled by such entity or person.

Our certificate of incorporation and our by-laws divide our Board of Directors into three classes with staggered three-year terms. In addition, our certificate of incorporation and our by-laws provide that directors may be removed only for cause by the affirmative vote of the holders of 75% of our shares of capital stock entitled to vote. Under our certificate of incorporation and our by-laws, any vacancy on our Board of Directors, including a vacancy resulting from an enlargement of our Board of Directors, may only be filled by vote of a majority of our directors then in office. The classification of our Board of Directors and the limitations on the removal of directors and filling of vacancies could make it more difficult for a third party to acquire, or discourage a third party from acquiring, control of us.

Our certificate of incorporation and our by-laws also provide that any action required or permitted to be taken by our stockholders at an annual meeting or special meeting of stockholders may only be taken if it is properly brought before the meeting and may not be taken by written action in lieu of a meeting. Our certificate of incorporation and our by-laws further provide that, except as otherwise required by law, special meetings of the stockholders may only be called by the chairman of the Board, chief executive officer or our Board of Directors. In addition, our by-laws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of persons for election to the Board of Directors. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board of Directors or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely written notice in proper form to our secretary of the stockholder's intention to bring such business before the meeting. These provisions could have the effect of delaying until the next stockholders' meeting stockholder actions that are favored by the holders of a majority of our outstanding voting securities. These provisions may also discourage a third party from making a tender offer for our common stock, because even if it acquired a majority of our outstanding voting securities, the third party would be able to take action as a stockholder, such as electing new directors or approving a merger, only at a duly called stockholders' meeting, and not by written consent.

The DGCL provides generally that the affirmative vote of a majority of the shares entitled to vote on any matter is required to amend a corporation's certificate of incorporation or by-laws, unless a corporation's certificate of incorporation or by-laws, as the case may be, requires a greater percentage. Our certificate of incorporation and by-laws require the affirmative vote of the holders of at least 75% of the shares of our capital stock issued and outstanding and entitled to vote to amend or repeal any of the provisions described in the prior two paragraphs.

We have also entered into a rights agreement pursuant to which our Board of Directors declared a dividend of one right to purchase of a share of our Series A Junior Participating Preferred Stock for each outstanding share of our common stock. The rights initially will be triggered if a person or group of affiliated or associated persons acquires, or has the right to acquire, beneficial ownership of 15% or more of our outstanding common stock or commences a tender offer or exchange offer that would result in a person or group beneficially owning 15% or more of our common stock. The rights are intended to protect our stockholders in the event of an unfair or coercive offer to acquire our company and to provide our Board of Directors with adequate time to evaluate unsolicited offers. The rights may have anti-takeover effects. For example, the rights will cause substantial dilution to a person or group that attempts to acquire our company without conditioning the offer on a substantial number of rights being acquired.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement, of which this information statement constitutes a part, under the Securities Exchange Act of 1934, as amended, with respect to our common

stock and the associated preferred stock purchase right to be received by Dean Foods stockholders in the distribution. This information statement does not contain all of the information set forth in the registration statement. For further information with respect to our business and our common stock being received by Dean Foods' stockholders in the distribution, please refer to the registration statement. While we have provided a summary of the material terms of certain agreements and other documents, the summary does not describe all of the details of the agreements and other documents. In each instance where a copy of an agreement or other document has been filed as an exhibit to the registration statement, please refer to the registration statement. The registration statement, including the exhibits filed as a part of the registration statement, may be inspected at the public reference facility maintained by the SEC at its public reference room at 450 Fifth Street, NW, Washington, DC 20549 and copies of all or any part thereof may be obtained from that office upon payment of the prescribed fees. You may call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room and you can request copies of the documents upon payment of a duplicating fee, by writing to the SEC. In addition, the SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants, including Dean Foods and us, that file electronically with the SEC which can be accessed at http://www.sec.gov. Upon completion of the distribution, we will become subject to the information and periodic reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference rooms and the SEC's website.

You can also find additional information about Dean Foods and TreeHouse at www.deanfoods.com and , respectively. We will post on our website all reports we file with the SEC and our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of business conduct and ethics, as well as reports our executive officers file with the SEC under Section 16 of the Securities Exchange Act of 1934, as amended. Information on our website is not, however, a part of this information statement.

We intend to furnish our stockholders with annual reports containing consolidated financial statements (beginning with 2005) audited by independent accountants.

You should rely only on the information contained in this information statement and other documents referred to in this information statement. Neither we nor Dean Foods has authorized anyone to provide you with information that is different. This information statement is being furnished by Dean Foods solely to provide information to Dean Foods stockholders who will receive our common stock in the distribution. It is not, and it is not to be construed as, an inducement or encouragement to buy or sell any securities of Dean Foods or TreeHouse. We and Dean Foods believe that the information presented herein is accurate as of the date hereof. Changes will occur after the date of this information statement, and neither we nor Dean Foods will update the information except to the extent required in the normal course of our respective public disclosure practices and as required pursuant to the federal securities laws.

INDEX TO COMBINED FINANCIAL STATEMENTS AND SCHEDULE

Our Combined Financial Statements and Schedule are included in this information statement on the following pages.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

Dean Foods Company
Dallas, Texas

We have audited the accompanying combined balance sheets of TreeHouse Foods, Inc. (the "Company") as of December 31, 2004 and 2003 and the related combined statements of income, Parent's net investment and cash flows for each of the three years in the period ended December 31, 2004. Our audits also included the financial statement schedule listed in the Index to Combined Financial Statements and Schedule at page F-1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards as established by the Auditing Standards Board (United States) and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying combined financial statements were prepared to present the assets and liabilities and related results of operations and cash flows of the Company, which is to be spun off to Dean Foods Company's stockholders as described in Note 1 to the combined financial statements, and may not be indicative of the conditions that would have existed or the results of operations and cash flows if the Company had operated as a stand-alone company during the periods presented.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of TreeHouse Foods, Inc. as of December 31, 2004 and 2003 and the results of its operations and cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, when considered in relation to the basic combined financial statements taken as a whole, presents fairly in all material respects, the information set forth herein.

As discussed in Note 2 to the combined financial statements, in 2002 the Company changed its method of accounting for goodwill and other intangible assets to conform to Statement of Financial Accounting Standards No. 142.

DELOITTE & TOUCHE LLP

Dallas, Texas
March 23, 2005

TREEHOUSE FOODS, INC.

COMBINED BALANCE SHEETS

	December 31	
	2004	2003
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 165	$ 1,105
Receivables, net of allowance for doubtful accounts of $130 and $1,000	30,411	29,175
Inventories	115,294	132,662
Deferred income taxes	5,163	3,632
Prepaid expenses and other current assets	1,327	3,763
Assets of discontinued operations	5,944	25,638
Total current assets	158,304	195,975
Property, plant and equipment	125,246	116,112
Goodwill	308,695	308,695
Identifiable intangible and other assets	39,198	39,096
Total	$ 631,443	$ 659,878
LIABILITIES AND PARENT'S NET INVESTMENT		
Current liabilities:		
Accounts payable and accrued expenses	$ 55,280	$ 56,116
Current portion of long-term debt	215	4,035
Liabilities of discontinued operations	1,431	4,263
Total current liabilities	56,926	64,414
Long-term debt	28,296	21,170
Deferred income taxes	32,408	22,286
Other long-term liabilities	20,538	23,509
Commitments and contingencies (Note 14)	—	—
Parent's net investment	495,737	529,665
Accumulated other comprehensive income	(2,462)	(1,166)
Total parent's net investment	493,275	528,499
Total	$ 631,443	$ 659,878

See Notes to Combined Financial Statements

TREEHOUSE FOODS, INC.

COMBINED STATEMENTS OF INCOME

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Net sales	$ 694,619	$ 696,134	$ 683,819
Cost of sales	537,970	517,896	503,242
Gross profit	156,649	178,238	180,577
Operating costs and expenses:			
Selling and distribution	61,484	57,136	58,385
General and administrative	11,020	11,719	12,611
Management fee paid to Parent	11,100	5,400	3,600
Amortization of intangibles	1,477	1,344	1,551
Total operating costs and expenses	85,081	75,599	76,147
Operating income	71,568	102,639	104,430
Other expense:			
Interest expense, net	710	750	831
Other expense, net	116	—	117
Total other expense	826	750	948
Income from continuing operations before income taxes	70,742	101,889	103,482
Income taxes	26,071	38,025	38,885
Income from continuing operations	44,671	63,864	64,597
(Loss) income from discontinued operations, net of tax	(9,595)	3,894	3,876
Income before cummulative effect of accounting change	35,076	67,758	68,473
Cummulative effect of accounting change, net of tax	—	—	(23,464)
Net income	$ 35,076	$ 67,758	$ 45,009

See Notes to Combined Financial Statements

TREEHOUSE FOODS, INC.

COMBINED STATEMENTS OF PARENT'S NET INVESTMENT

	Parent's Net Investment	Accumulated Other Comprehensive Income (Loss)	Total Parent's Net Investment	Comprehensive Income
		(In thousands)		
Balance January 1, 2002	$ 561,164	$ —	$ 561,164	
Net Income	45,009	—	45,009	$ 45,009
Net cash activity with Parent	(76,449)	—	(76,449)	—
Non-cash activity with Parent	(12,520)	—	(12,520)	—
Other Comprehensive Income:				
Minimum pension liability adjustment	—	—	—	—
Comprehensive Income				$ 45,009
Balance December 31, 2002	517,204	—	517,204	
Net Income	67,758	—	67,758	$ 67,758
Net cash activity with Parent	(42,620)	—	(42,620)	—
Non-cash activity with Parent	(12,677)	—	(12,677)	—
Other Comprehensive Income:				
Minimum pension liability adjustment	—	(1,166)	(1,166)	(1,166)
Comprehensive Income				$ 66,592
Balance December 31, 2003	529,665	(1,166)	528,499	
Net Income	35,076	—	35,076	$ 35,076
Net cash activity with Parent	(66,695)	—	(66,695)	—
Non-cash activity with Parent	(2,309)	—	(2,309)	—
Other Comprehensive Income:				
Minimum pension liability adjustment	—	(1,296)	(1,296)	(1,296)
Comprehensive Income				$ 33,780
Balance December 31, 2004	$ 495,737	$ (2,462)	$ 493,275	

See Notes to Combined Financial Statements

TREEHOUSE FOODS, INC.

COMBINED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 35,076	$ 67,758	$ 45,009
(Income) loss from discontinued operations	9,595	(3,894)	(3,876)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	14,863	14,032	14,517
Loss on disposition of assets	278	131	35
Deferred income taxes	8,591	8,105	1,022
Cumulative effect of accounting change	—	—	23,464
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(1,236)	1,216	5,900
Inventories	17,368	(3,438)	(4,522)
Prepaid expenses and other assets	835	114	(845)
Accounts payable, accrued expenses and other	(1,106)	(14,404)	2,730
Net cash provided by continued operations	84,264	69,620	83,434
Net cash provided by (used in) discontinued operations	7,713	(838)	1,715
Net cash provided by operating activities	91,977	68,782	85,149
Cash flows from investing activities:			
Additions to property, plant and equipment	(21,990)	(17,101)	(10,404)
Cash outflows for acquisitions	—	(12,576)	—
Net proceeds from divestiture	—	—	1,373
Proceeds from sale of property, plant and equipment	—	701	272
Net cash used in continuing operations	(21,990)	(28,976)	(8,759)
Net cash used in discontinued operations	(732)	646	—
Net cash used in investing activities	(22,722)	(28,330)	(8,759)
Cash flows from financing activities:			
Repayment of debt	(3,500)	(302)	(302)
Net cash activity with Parent	(66,695)	(42,620)	(76,449)
Net cash used in financing activities	(70,195)	(42,922)	(76,751)
Net decrease in cash and cash equivalents	(940)	(2,470)	(361)
Cash and cash equivalents, beginning of period	1,105	3,575	3,936
Cash and cash equivalents, end of period	$ 165	$ 1,105	$ 3,575

See Notes to Combined Financial Statements

1. BASIS OF PRESENTATION

TreeHouse Foods, Inc. is currently a wholly-owned indirect subsidiary of Dean Foods Company ("Dean Foods"). TreeHouse was formed on January 25, 2005 in order to accomplish the spin-off, via stock dividend (the "Distribution"), to Dean Foods' stockholders of Dean Foods' Specialty Foods Group segment, in addition to the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses currently conducted by other segments within Dean Foods.

TreeHouse has never conducted operations. Dean Foods intends to transfer the assets and liabilities of its Specialty Foods Group segment, in addition to the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses currently conducted by other businesses owned by Dean Foods (collectively, the "transferred businesses") to TreeHouse immediately prior to the Distribution.

The accompanying Combined Financial Statements were prepared solely for the purpose of accomplishing the Distribution.

All of the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities referred to as "ours" in the accompanying Combined Financial Statements and in these Notes are in fact the historical assets, liabilities, sales, expenses, income, cash flows, products, businesses and activities of the transferred businesses. References in the accompanying Combined Financial Statements and in these Notes to the "Refrigerated Products" businesses means the *Mocha Mix* ®, *Second Nature* ® and foodservice salad dressings businesses included within the transferred businesses. All references in the accompanying Combined Financial Statements and in these Notes to "TreeHouse," "we," "our" and "us" mean TreeHouse Foods, Inc. as if the transferred businesses had already been transferred, unless the context otherwise requires.

The accompanying Combined Financial Statements have been prepared using Dean Foods' historical basis in the assets and liabilities of the transferred businesses, as well as Dean Foods' historical results of operations and cash flows derived from the assets and liabilities of the transferred businesses. Additionally, the Combined Financial Statements reflect the following:

Acquisition of Dean Foods Company — On December 21, 2001, Dean Foods, formerly Suiza Foods Corporation, acquired the former Dean Foods Company ("Legacy Dean"). At the same time, Suiza Foods Corporation changed its name to Dean Foods Company. Dean Foods' current Specialty Foods Group segment was a part of Legacy Dean. At the time of the acquisition, Specialty Foods Group's assets and liabilities were revalued to fair value. The related purchase accounting adjustments, including goodwill, have been "pushed down" and are reflected in our Combined Balance Sheets at December 31, 2004 and 2003.

Refrigerated Products — The Refrigerated Products businesses are currently integrated within other segments of Dean Foods. As a result, accounts receivable are billed and recorded and accounts payable and accrued expenses are recorded and paid centrally by those segments, and are commingled with the accounts receivable, accounts payable and accrued expenses of such segments, which are unrelated to the Refrigerated Products businesses, and cannot be segregated. As such, our Combined Financial Statements do not include the accounts receivable, accounts payable, and accrued expenses related to the Refrigerated Products businesses. Prior to the Distribution, Dean Foods intends to segregate the assets and liabilities related to the Refrigerated Products businesses and transfer them to us at the time of the Distribution.

The Refrigerated Products are currently manufactured within several facilities operated by other segments of Dean Foods which also manufacture other products unrelated to the Refrigerated Products businesses. Product costs are charged to the Refrigerated Products

businesses based on the direct materials, direct processing costs and allocated indirect labor, benefits and other processing and facility costs applicable to our products on a shared services basis. As a result, our Combined Statements of Income reflect the fully absorbed costs for these products, along with allocated distribution, commission and administrative costs based on the volumes of products sold, including Refrigerated Products.

In connection with the Distribution, Dean Foods intends to consolidate the Refrigerated Products manufacturing activities into a leased facility in City of Industry, California, and transfer the facility to us. The manufacturing assets have an estimated net book value of $3.0 million and are not reflected in our Combined Balance Sheets.

Management Fee Paid to Dean Foods — Dean Foods provides us with certain administrative services such as tax, treasury, human resources, risk management, legal, information technology, internal audit, accounting and reporting in return for a management fee. The management fee is based on budgeted annual expenses for Dean Foods' corporate headquarters and is allocated among Dean Foods' segments. In addition, the 2004 management fee included a $4.8 million allocation for transaction-related expenses. Dean Foods charged us management fees of $11.1 million, $5.4 million and $3.6 million in 2004, 2003 and 2002, respectively. The management fee is reflected in our Combined Financial Statements.

Cash Management — Dean Foods uses a centralized approach to cash management and financing of our operations. Our cash is available for use and is regularly "swept" by Dean Foods at its discretion. Dean Foods also funds our operating and investing activities as needed. Our transfers of cash both to and from Dean Foods' cash management system are reflected as a component of equity on our Combined Balance Sheets within "Parent's net investment." Beginning in October 2003, we began participating in Dean Foods' receivables-backed facility pursuant to which we sell certain accounts receivable balances to a special purpose entity controlled by Dean Foods. The special purpose entity transfers the receivables to third-party asset-backed commercial paper conduits sponsored by major financial institutions. The assets and liabilities of the special purpose entity are fully reflected on our Combined Balance Sheet and the securitization is treated as a borrowing for accounting purposes. Dean Foods does not allocate the interest expense related to the receivables-backed facility or other financing obligations to its segments, except for specific borrowings for industrial revenue bonds. Therefore, the interest expense reflected in the historical Combined Statements of Income relates only to our capital lease and industrial revenue bond obligations. Prior to the Distribution, we will cease to participate in Dean Foods' receivables-backed facility. See Note 9 for additional information about our debt obligations.

Pension, Profit Sharing and Postretirement Benefits — Our employees and retirees participate in various pension, profit sharing and other postretirement benefit plans sponsored by Dean Foods. Employee benefit plan obligations and expenses included in our Combined Financial Statements are determined based on plan assumptions, employee demographic data, claims and payments developed by Dean Foods. The costs and obligations for these employee benefit programs are included in our results of operations. We will separate assets and liabilities related to our employees and retirees into our own pension, profit sharing and other post retirement benefit plans from the Dean Foods plans at the date of Distribution. See Notes 11 and 12 for additional information about our pension, profit sharing and postretirement benefits plans.

Stock-Based Compensation Plans — Certain of our employees participate in stock-based compensation plans sponsored by Dean Foods that are settled in Dean Foods common stock. The Combined Statements of Income reflect the compensation expense related to grants of stock units ("SUs") made under such plans. No expense has been recognized in the historical financial

statements related to stock option grants. Under the plan agreements, the unvested stock options and SUs held by our employees will vest at the time of the Distribution. As such, additional compensation expense of approximately $125,000 will be recognized at the time of the Distribution related to the deferred compensation expense for the SUs held by our employees. It is our intent to adopt our own stock-based compensation plans following the Distribution. See Notes 2 and 10 for additional information about our stock-based compensation plans.

Insurance Costs — We participate in Dean Foods' insurance programs related to property and casualty risks, employee health care, workers' compensation claims and other casualty losses. Potential losses under these insurance programs are covered under insurance programs with third-party carriers, which include a self-insured portion with stop-loss coverages on an individual claim and aggregate basis. Dean Foods charged us insurance-related costs of $13.2 million, $11.2 million and $10.8 million in 2004, 2003 and 2002, respectively. These charges are based on Dean Foods' claims experience and other direct expenses incurred by us, along with an allocation of premium costs. Insurance liabilities in our Combined Balance Sheets are determined based on our specific claims experience using loss development factors developed by Dean Foods in consultation with external insurance brokers and actuaries. We have insurance liabilities of $5.7 million and $5.0 million at December 31, 2004 and 2003, respectively. See Note 15 for additional information regarding commitments and contingencies.

Assets and liabilities included in our Combined Balance Sheets may not reflect the assets and liabilities ultimately transferred to us upon Distribution. We believe the assumptions underlying our Combined Financial Statements are reasonable. However, the allocation methodology followed in preparing our Combined Financial Statements may not necessarily reflect our financial position, results of operations or cash flows in the future, or what our results of operations, cash flows or financial position would have been had we operated as a separate stand-alone legal entity. We have eliminated all significant intercompany balances and transactions within TreeHouse. Sales to other Dean Foods segments, which are not material in the historical periods, have not been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates — The preparation of our Combined Financial Statements in conformity with generally accepted accounting principles ("GAAP") requires us to use our judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates under different assumptions or conditions.

Cash Equivalents — We consider temporary cash investments with an original maturity of three months or less to be cash equivalents.

Inventories — Inventories are stated at the lower of cost or market. Pickle inventories are valued using the last-in, first-out ("LIFO") method. All of our other inventory is valued on the first-in, first-out method. The costs of finished goods inventories include raw materials, direct labor and indirect production and overhead costs.

Property, Plant and Equipment — Property, plant and equipment are stated at acquisition cost, plus capitalized interest on borrowings during the actual construction period of major capital projects.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Asset	Useful Life
Buildings and improvements	7 to 40 years
Machinery and equipment	3 to 20 years

We perform impairment tests when circumstances indicate that the carrying value may not be recoverable. Capitalized leases are amortized over the shorter of their lease term or their estimated useful lives. Expenditures for repairs and maintenance, which do not improve or extend the life of the assets are expensed as incurred.

Intangible and Other Assets — Identifiable intangible assets are amortized over their related estimated useful lives as follows:

Asset	Useful Life
Customer relationships	Straight-line method over 7 to 15 years
Trademarks/trade names	Straight-line method over 5 years
Noncompetition agreements	Straight-line method over the terms of the agreements

Effective January 1, 2002, in accordance with Statement of Financial Accounting Standards ("SFAS") No. 142, goodwill and other intangible assets determined to have indefinite useful lives are no longer amortized. Instead, we now conduct impairment tests on our goodwill, trademarks and other intangible assets with indefinite lives annually and when circumstances indicate that the carrying value may not be recoverable. To determine whether an impairment exists, we use present value techniques.

Stock-Based Compensation — Certain of our employees participate in employee stock-based compensation plans sponsored by Dean Foods. Dean Foods has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for stock options. No compensation expense has been recognized as the stock options were granted at exercise prices that were at or above market value at the grant date. Compensation expense for grants of SUs is recognized over the vesting period. See Note 10 for more information about our employees' participation in the Dean Foods stock option and SU plans. If compensation expense had been determined for stock option grants using fair value methods provided for in SFAS No. 123, "Accounting for Stock-Based Compensation," our pro forma net income would have been the amounts indicated below:

	Year Ended December 31		
	2004	2003	2002
	(In thousands, except share data)		
Net income, as reported	$ 35,076	$ 67,758	$ 45,009
Add: Stock-based compensation expense included in reported net income, net of tax	58	—	—
Less: Stock-based compensation expense determined under fair value-based methods for all awards, net of tax	(1,352)	(1,087)	(673)
Pro forma net income	$ 33,782	$ 66,671	$ 44,336
Stock option share data:			
Stock options granted during period	85,000	126,205	226,500
Weighted average option fair value	$ 9.47	$ 11.49	$ 9.89

The fair value of each stock option grant is calculated using the Black-Scholes option pricing model, with the following assumptions:

	2004	2003	2002
Expected volatility	25%	38%	38%
Expected dividend yield	0%	0%	0%
Expected option term	5 years	7 years	7 years
Risk-free rate of return	2.98%	3.64%	4.64 - 4.87%

Sales Recognition and Accounts Receivable — Sales are recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product has been shipped to the customer and there is a reasonable assurance of collection of the sales proceeds. In accordance with Emerging Issues Task Force ("EITF") 01-09, "Accounting for Consideration Given by a Vendor to a Customer," sales are reduced by certain sales incentives, some of which are recorded by estimating expense based on our historical experience. We provide credit terms to customers generally ranging up to 30 days, perform ongoing credit evaluation of our customers and maintain allowances for potential credit losses based on historical experience. Estimated product returns, which have not been material in the historical periods, are deducted from sales at the time of shipment.

Shipping and Handling Fees — Our shipping and handling costs are included in both cost of sales and selling and distribution expense, depending on the nature of the costs. Shipping and handling costs included in cost of sales reflect inventory warehouse costs, product loading and handling costs and costs associated with transporting finished products from our manufacturing facilities to our own distribution warehouses. Shipping and handling costs included in selling and distribution expense consist primarily of the costs of shipping products to customers using third-party carriers. Shipping and handling costs that were recorded as a component of selling and distribution expense were approximately $29.5 million, $25.6 million and $23.2 million in 2004, 2003 and 2002, respectively.

Income Taxes — We are included in Dean Foods' consolidated income tax returns and we do not file separate federal tax returns. Our income taxes have been determined and recorded in our Combined Financial Statements as if we were filing a separate return for federal income tax purposes. Deferred income taxes are provided for temporary differences between amounts recorded in the Combined Financial Statements and tax bases of assets and liabilities using current tax rates. Deferred tax assets, including the benefit of net operating loss carry-forwards, are evaluated based on the guidelines for realization and are reduced by a valuation allowance if deemed necessary. Taxes currently payable as well as current and prior period income tax payments and settlements are cleared directly with Dean Foods and, as a result, amounts related to us are included in Parent's net investment in our Combined Balance Sheets.

Advertising Expense — We sell primarily to private label and foodservice customers. Therefore, our third-party advertising expense is not material and we have no prepaid advertising expense at December 31, 2004 and 2003.

Recently Adopted Accounting Pronouncements — In December 2003, the Financial Accounting Standards Board ("FASB") issued SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits" in an attempt to improve financial statement disclosures regarding defined benefit plans. This standard requires that companies provide more details about their plan assets, benefit obligations, cash flows, benefit costs and other relevant information. In addition to expanded annual disclosures, we are required to report the various elements of pension and other postretirement benefit costs on a quarterly basis. SFAS No. 132 (revised 2003) is effective for fiscal years ending after December 15, 2003, and for quarters beginning after December 15, 2003. The expanded disclosure requirements are included in Notes 11 and 12.

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was signed into law. The Act introduces a prescription drug benefit under Medicare Part D, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In April 2004, the FASB issued Staff Position ("FSP") No. SFAS 106-2 to address the accounting and disclosure requirements related to the Act. The FSP is effective for interim or annual periods beginning after September 15, 2004. As substantially all of our postretirement benefits terminate at age 65, the FSP did not have material effect on our Combined Financial Statements.

Recently Issued Accounting Pronouncements — The FASB issued SFAS No. 123(R), "Share-Based Payment" in December 2004. It will require the cost of employee compensation paid with equity instruments to be measured based on grant-date fair values. That cost will be recognized over the vesting period. SFAS No. 123(R) will become effective for us in the third quarter of 2005. Our pro forma stock option disclosures included in this Note include the effect of Dean Foods stock options issued to our employees by Dean Foods. We intend to adopt stock-based compensation plans following the Distribution.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs — an Amendment of ARB No. 43, Chapter 4." SFAS No. 151, which is effective for inventory costs incurred during years beginning after June 15, 2005, clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material, requiring that those items be recognized as current-period charges. In addition, SFAS No. 151 requires that allocation of fixed production overheads be based on the normal capacity of the production facilities. We do not believe the adoption of this standard will have a material impact on our Combined Financial Statements.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29." SFAS No. 153 is effective for nonmonetary exchanges occurring in years beginning after June 15, 2005. SFAS No. 153 eliminates the rule in APB No. 29, which excluded from fair value measurement exchanges of similar productive assets. Instead, SFAS No. 153 excludes from fair value measurement exchanges of nonmonetary assets which do not have commercial substance. We do not believe the adoption of this standard will have a material impact on our Combined Financial Statements.

3. ACQUISITION, DIVESTITURE AND DISCONTINUED OPERATIONS

Acquisition

On December 24, 2003, we acquired the *Cremora* ® branded non-dairy powdered creamer business from Eagle Family Foods. Prior to the acquisition, we produced *Cremora* ® creamer for Eagle Family Foods pursuant to a co-packing arrangement, which generated approximately $8.9 million of net sales for us in 2003. *Cremora* ® is our only branded powdered coffee creamer. The *Cremora* ® brand had sales of approximately $15.8 million in the twelve months ended June 30, 2003. We purchased the *Cremora* ® business for a purchase price of approximately $12.6 million, all of which was funded using borrowings under Dean Foods' senior credit facility. The purchase price was allocated to assets of $13.7 million, including goodwill of $7.6 million and liabilities of $1.1 million.

The *Cremora* ® acquisition was accounted for using the purchase method of accounting as of the acquisition date and, accordingly, only the results of operations of the acquired company subsequent to the acquisition date are included in our Combined Financial Statements.

Divestiture

In 2002, we completed the sale of assets related to a boiled peanut business for net proceeds of approximately $1.4 million.

Discontinued Operations

On September 7, 2004, we announced our decision to exit our nutritional beverages business. Our decision to exit this line of business resulted from significant declines in volume, which we believed could not be replaced. In accordance with generally accepted accounting principles, our financial statements have been restated to reflect our former nutritional beverages business as discontinued operations.

Net sales and income (loss) before taxes generated by our nutritional beverages business were as follows:

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Net sales	$ 22,166	$ 39,398	$ 34,445
Income (loss) before tax	(15,308)	6,212	6,184

All intercompany net sales and expenses have been appropriately eliminated in the table above.

As part of the discontinuation of the nutritional beverages business, we recorded charges to close our manufacturing facility in Benton Harbor, Michigan. These charges were accounted for in accordance with SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” We expect to incur additional charges of approximately $1.2 million in shut down and other costs. The majority of these additional charges are expected to be completed by December 2005. The principal components of the facility closure included (i) workforce reductions as a result of the facility closing; (ii) shutdown costs, including those costs that are necessary to prepare the abandoned facility for closure and resale; (iii) costs incurred after shutdown such as utilities and property taxes; and (iv) write-downs of property, plant and equipment. The impaired property and equipment was written down to its estimated fair value of $2.6 million and held for sale at December 31, 2004.

Activity for 2004 with respect to the facility closure costs is summarized below:

	Charges	Payments	Accrued Charges at December 31, 2004
		(In thousands)	
Cash charges:			
Workforce reduction costs	$ 1,832	$ (392)	$ 1,440
Shutdown costs	241	(241)	—
Other	333	(329)	4
Subtotal	2,406	$ (962)	$ 1,444
Noncash charges:			
Write-down of assets	7,714		
Total charges	$ 10,120		

4. INVENTORIES

	December 31	
	2004	2003
	(In thousands)	
Raw materials and supplies	$ 34,462	$ 37,313
Finished goods	84,787	96,770
LIFO reserve	(3,955)	(1,421)
Total	$ 115,294	$ 132,662

Approximately $88.2 million and $97.6 million of our inventory was accounted for under the LIFO method of accounting at December 31, 2004 and 2003, respectively.

5. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2004	2003
	(In thousands)	
Land	$ 3,859	$ 2,166
Building and improvements	59,922	51,722
Machinery and equipment	89,221	79,963
Construction in progress	8,125	4,793
	161,127	138,644
Less accumulated depreciation and amortization	(35,881)	(22,532)
Total	$ 125,246	$ 116,112

6. INTANGIBLE ASSETS

The changes in the carrying amount of goodwill for the years ended December 31, 2004 and 2003 are as follows:

	Total
	(In thousands)
Balance of December 31, 2002	$ 301,069
Acquisitions	7,626
Balance at December 31, 2003 and 2004	$ 308,695

The gross carrying amount and accumulated amortization of our intangible assets other than goodwill as of December 31, 2004 and 2003 are as follows:

	December 31					
	2004			2003		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets with indefinite lives:						
Trademarks	$ 25,640	$ —	$ 25,640	$ 25,640	$ —	$ 25,640
Intangible assets with finite lives:						
Customer-related	13,675	(4,002)	9,673	11,200	(2,580)	8,620
Total other intangible	$ 39,315	$ (4,002)	$ 35,313	$ 36,840	$ (2,580)	$ 34,260

Amortization expense on intangible assets was $1.4 million and $1.3 million in 2004 and 2003, respectively. Estimated aggregate intangible asset amortization expense for the next five years is as follows:

2005	$ 1.8 million
2006	1.8 million
2007	1.7 million
2008	1.3 million
2009	1.2 million

Our goodwill and intangible assets have resulted primarily from acquisitions and our acquisition by Dean Foods. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including trademarks and customer-related intangible assets, with any remaining purchase price recorded as goodwill. Goodwill and trademarks with indefinite lives are not amortized.

A trademark is recorded with an indefinite life if it has sufficient market share and a history of strong sales and cash flow performance that we expect to continue for the foreseeable future. If these perpetual trademark criteria are not met, the trademarks are amortized over their expected useful lives. Determining the expected life of a trademark is based on a number of factors including the competitive environment, market share, trademark history and anticipated future trademark support.

In accordance with SFAS No. 142, we conduct impairment tests of goodwill and intangible assets with indefinite lives annually in the fourth quarter or when circumstances arise that indicate a possible impairment might exist. If the fair value of an evaluated asset is less than its book value, the asset is written down to fair value based on its discounted future cash flows. Our 2004 and 2003 annual impairment tests of both goodwill and intangibles with indefinite lives indicated no impairments. Upon adoption of SFAS No. 142 in 2002, we recognized an impairment of $23.5 million, net of tax, related to our *Mocha Mix* ® trademark. The impairment was recorded in the first quarter of 2002 as a cumulative effect of an accounting change.

Amortizable intangible assets are only evaluated for impairment upon a significant change in the operating environment. If an evaluation of the undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value, which is based on discounted future cash flows.

7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31	
	2004	2003
	(In thousands)	
Accounts payable	$ 35,963	$ 32,324
Accrued payroll and benefits	4,880	9,835
Health insurance, workers' compensation and other insurance costs	3,240	2,612
Other accrued expenses	11,197	11,345
Total	$ 55,280	$ 56,116

8. INCOME TAXES

The following table presents the 2004, 2003 and 2002 provisions for income taxes.

	Year Ended December 31		
	2004(1)	2003(1)	2002(1)(2)
		(In thousands)	
Current taxes expense:			
Federal	$ 16,670	$ 27,921	$ 34,880
State	810	1,999	2,983
Deferred income tax expense	8,591	8,105	1,022
Total	$ 26,071	$ 38,025	$ 38,885

(1) Excludes ($5.4) million, $2.3 million and $2.3 million of income tax (benefit) expense related to discontinued operations in 2004, 2003 and 2002, respectively.

(2) Excludes a $13.9 million income tax benefit related to cumulative effect of accounting change.

The following is a reconciliation of income taxes computed at the U.S. federal statutory tax rate to the income taxes reported in the combined statements of income:

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Tax expense at statutory rate	$ 24,760	$ 35,661	$ 36,219
State income taxes	1,311	2,364	2,666
Total	$ 26,071	$ 38,025	$ 38,885

The tax effects of temporary differences giving rise to deferred income tax assets and liabilities were:

	December 31	
	2004	2003
	(In thousands)	
Deferred income tax assets:		
Accrued liabilities	$ 15,274	$ 16,964
State and foreign tax credits	291	291
Other	3,489	993
	19,054	18,248
Deferred income tax liabilities:		
Asset valuation reserves	$ (6,616)	$ (6,395)
Depreciation and amortization	(39,683)	(30,507)
	(46,299)	(36,902)
Net deferred income tax liability	$ (27,245)	$ (18,654)

These net deferred income tax assets (liabilities) are classified in our combined balance sheets as follows:

	December 31	
	2004	2003
	(In thousands)	
Current assets	$ 5,163	$ 3,632
Noncurrent liabilities	(32,408)	(22,286)
Total	$ (27,245)	$ (18,654)

No valuation allowance has been provided on deferred tax assets as management believes it is more likely than not that the deferred income tax assets will be fully recoverable.

9. LONG-TERM DEBT

	December 31			
	2004		2003	
	Amount Outstanding	Interest Rate	Amount Outstanding	Interest Rate
	(In thousands)			
Receivables-backed facility	$ 21,983	2.83%	$ 15,014	1.84%
Industrial development revenue bonds	—		3,500	1.40
Capital lease obligations and other	6,528		6,691	
	28,511		25,205	
Less current portion	(215)		(4,035)	
Total	$ 28,296		$ 21,170	

Receivables-Backed Facility — In 2003, we began participating in Dean Foods' receivables-backed facility. We sell our accounts receivable to a wholly-owned special purpose entity controlled by Dean Foods that is intended to be bankruptcy-remote. The special purpose entity transfers the receivables to third-party asset-backed commercial paper conduits sponsored by major financial institutions. The assets

and liabilities of the special purpose entity are fully reflected in our Combined Balance Sheets, and the securitization is treated as a borrowing for accounting purposes. The receivables-backed facility bears interest at a variable rate based on the commercial paper yield, as defined in the agreement. Dean Foods does not allocate interest related to the receivables-backed facility to its segments. Therefore, no interest costs related to this facility have been reflected in the Combined Income Statements. Prior to the Distribution, we will cease to participate in Dean Foods' receivables-backed facility, and we will have no obligations under this facility at the time of the distribution.

Industrial Development Revenue Bonds — At December 31, 2003, our obligations under industrial development revenue bonds was $3.5 million. This bond was secured by irrevocable letters of credit issued by financial institutions, along with a first mortgage on the related real property and equipment. This bond was retired in the first quarter of 2004.

Capital Lease Obligations and Other — Capital lease obligations and other includes a promissory note for the purchase of property, plant, and equipment and capital lease obligations. The promissory note payable is payable in monthly installments of principal and interest. Capital lease obligations represent machinery and equipment financing obligations, which are payable in monthly installments of principal and interest and are collateralized by the related assets financed.

10. STOCK-BASED COMPENSATION

Certain of our employees participate in Dean Foods' stock-based compensation plans. At the date of the Distribution, all unvested stock options and SUs held by our employees will vest and our employees will have 60 days to exercise their Dean Foods stock options.

The following table summarizes the status of our participation in Dean Foods' stock option compensation programs:

	Options	Weighted Average Exercise Price
Outstanding at January 1, 2002.	747,050	$ 14.97
Granted(1)	226,500	20.40
Cancelled	(122,568)	14.26
Exercised	(350,579)	14.46
Outstanding at December 31, 2002	500,403	18.24
Granted(1)	126,205	24.79
Cancelled	(6,000)	21.46
Exercised	(140,170)	17.25
Outstanding at December 31, 2003	480,438	19.91
Granted(1)	85,000	31.17
Cancelled	(36,500)	21.33
Exercised	(127,179)	19.41
Outstanding at December 31, 2004	401,759	22.32
Exercisable at December 31, 2002	247,653	$ 16.03
Exercisable at December 31, 2003	231,688	17.78
Exercisable at December 31, 2004	213,509	18.70

(1) Employee options vest as follows: one-third on the first anniversary of the grant date, one-third on the second anniversary of the grant date, and one-third on the third anniversary of the grant date.

The following table summarizes information about options issued to our employees outstanding and exercisable at December 31, 2004:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price
$10.14 to $12.47	4,596	1.12	$ 10.82	4,596	$ 11.17
$14.07 to $14.07	49,136	5.41	14.25	49,136	14.07
$16.54 to $16.84	36,424	4.22	18.14	36,424	16.57
$20.35 to $20.35	134,000	7.04	20.35	83,750	20.35
$21.91 to $21.91	13,478	3.41	23.48	13,478	21.91
$24.41 to $24.79	80,875	8.01	24.79	26,125	24.78
$31.17 to $31.17	83,250	9.03	31.00	—	31.17

Dean Foods issued SUs to certain of our employees in 2004. Each SU represents the right to receive one share of common stock in the future. SUs have no exercise price. Each of our employee's SU grants vests ratably over five years, subject to certain accelerated vesting provisions based primarily on

Dean Foods' stock price. The following table summarizes the status of the SU compensation program as it relates to our employees:

Outstanding at December 31, 2003.	—
SUs issued	15,000
SUs cancelled	—
SUs outstanding at December 31, 2004.	15,000
Weighted average fair value at grant date	$ 31.17
Compensation expense recognized in 2004 (in thousands)	$ 94

11. EMPLOYEE RETIREMENT AND PROFIT SHARING PLANS

We participate in certain defined benefit and defined contribution retirement plans, including various employee savings and profit sharing plans sponsored by Dean Foods. We contribute, through Dean Foods, to various multiemployer pension plans on behalf of our employees. The information that follows relates to our portion of Dean Foods' employee retirement and profit sharing plans. At the date of Distribution, the portion of assets and liabilities for these plans related to our employees will be separated from the Dean Foods plans and will become our own separate pension and profit sharing plans.

During 2004, 2003 and 2002, our retirement and profit sharing plan expenses were as follows:

	Year Ended December 31		
	2004	2003	2002
	(In thousands)		
Multiemployer pension and certain union plans	$ 1,065	$ 909	$ 909
Defined contribution plans	659	955	837
Defined benefit plans	1,196	1,245	845
Total	$ 2,920	$ 3,109	$ 2,591

Defined Benefit Plans — When Legacy Dean was acquired by Dean Foods in 2001 the plan covering our nonunion employees was frozen. Our multiemployer and union plans continue to operate under the applicable collective bargaining agreements. The benefits under these defined benefit plans are based on years of service and employee compensation. Dean Foods' funding policy is to contribute annually the minimum amount required under ERISA regulations.

The following table sets forth the funded status of the portion of the Dean Foods defined benefit plan related to our employees recognized in our Combined Balance Sheets:

	December 31	
	2004	2003
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 26,324	$ 23,415
Service cost	360	325
Interest cost	1,711	1,340
Plan Amendments	—	1,504
Actuarial loss	3,730	1,811
Benefits paid	(3,686)	(2,071)
Benefit obligation at end of year	28,439	26,324
Change in plan assets:		
Fair value of plan assets at beginning of year	12,246	9,569
Actual return on plan assets	3,614	1,559
Employer contribution	3,576	3,189
Benefits paid	(3,686)	(2,071)
Fair value of plan assets at end of year	15,750	12,246
Funded status	(12,689)	(14,078)
Unrecognized prior service cost	1,409	1,504
Unrecognized net loss	5,705	2,860
Net amount recognized	$ (5,575)	$ (9,714)
Amount recognized in the statement of financial position consists of:		
Accrued benefit liability	(10,925)	(13,078)
Intangible asset	1,409	1,504
Accumulated other comprehensive income	3,941	1,860
	$ (5,575)	$ (9,714)

A summary of the key actuarial assumptions used to determine benefit obligations as of December 31, 2004 and 2003 follows:

	December 31	
	2004	2003
Discount rate	5.75%	6.50%
Expected return on plan assets	8.50%	8.50%
Rate of compensation increase	4.00%	4.00%

A summary of the key actuarial assumptions used to determine net periodic benefit cost for the years ended December 31, 2004, 2003 and 2002 follows:

	Year Ended December 31		
	2004	2003	2002
Discount rate	6.50%	6.75%	6.75%
Expected return on plan assets	8.50%	8.50%	9.00%
Rate of compensation increase	4.00%	4.00%	5.00%

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Components of net periodic pension cost:			
Service cost	$ 360	$ 325	$ —
Interest cost	1,711	1,340	1,504
Expected return on plan assets	(1,095)	(706)	(1,166)
Amortization of prior service cost	80	—	—
Amortization of unrecognized net loss	13	53	—
Effect of settlement	127	233	507
Net periodic benefit cost	$ 1,196	$ 1,245	$ 845

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plan with accumulated benefit obligations in excess of plan assets were $28.4 million, $26.7 million and $15.8 million, respectively, as of December 31, 2004 and $26.3 million, $25.3 million and $12.2 million, respectively, as of December 31, 2003.

Dean Foods manages pension plan assets in a master trust. Upon the Distribution, we will manage the portion of these plan assets related to our employees. We are currently in the process of developing an investment policy. Dean Foods' current asset mix guidelines target equities at 65-75% of the portfolio and fixed income at 25-35%.

Dean Foods determines the expected long-term rate of return based on the expectations of future returns for the pension plan investments based on target allocations of the pension plan investments. Additionally, Dean Foods considers the weighted-average return of a capital markets model that was developed by the plan's investment consultants and historical returns on comparable equity, fixed income and other investments. The resulting weighted average expected long-term rate of return on plan assets is 8.5%.

The weighted average asset allocations of Dean Foods' pension plan at December 31, 2004 and 2003 by asset category were generally consistent with the target mix guidelines. Equity securities of the plan did not include any investment in Dean Foods common stock at December 31, 2004 or 2003.

We expect to contribute $4.2 million for our portion of the Dean Foods plans for 2005. Estimated pension plan benefit payments for the next ten years is as follows:

2005	$ 0.7 million
2006	1.7 million
2007	0.9 million
2008	1.0 million
2009	0.6 million
Next five years	7.3 million

Defined Contribu t *ion Plans* — Certain of our non-union personnel may elect to participate in savings and profit sharing plans sponsored by Dean Foods. These plans generally provide for salary reduction contributions to the plans on behalf of the participants of between 1% and 20% of a participant's annual compensation and provide for employer matching and profit sharing contributions as determined by Dean Foods' Board of Directors.

Multiemployer Pension and Certain Union Plans — Dean Foods contributes to several multiemployer union pension plans on behalf of our employees. These plans are administered jointly by management and union representatives and cover substantially all full-time and certain part-time union employees who are not covered by other plans. The Multiemployer Pension Plan Amendments Act of 1980 amended ERISA to establish funding requirements and obligations for employers participating in multiemployer plans, principally related to employer withdrawal from or termination of such plans. We could, under certain circumstances, be liable for unfunded vested benefits or other expenses of jointly administered union/management plans. At this time, we have not established any liabilities because withdrawal from these plans is not probable.

12. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Certain of our employees participate in Dean Foods' benefit programs, which provide certain health care benefits for retired employees and their eligible dependents. At the date of Distribution, the portion of assets and liabilities for these plans related to our employees will be separated from the Dean Foods plans and will become our separate postretirement benefit plans.

The following table sets forth the funded status for the portion of the Dean Foods plan related to our employees recognized in our Combined Balance Sheets:

	December 31	
	2004	2003
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 1,480	$ 1,220
Service cost	203	188
Interest cost	82	67
Actuarial loss	47	200
Benefits paid	(353)	(195)
Benefit obligation at end of year	1,459	1,480
Fair value of plan assets at end of year	—	—
Funded status	(1,459)	(1,480)
Unrecognized net loss	634	622
Net amount recognized	$ (825)	$ (858)

A summary of the key actuarial assumptions used to determine the benefit obligation as of December 31, 2004 and 2003 follows:

	December 31	
	2004	2003
Healthcare inflation:		
Initial rate	10.00%	12.00%
Ultimate rate	5.00%	5.00%
Year of ultimate rate achievement	2009	2009
Discount rate	5.75%	6.50%

The weighted average discount rate used to determine net periodic benefit cost was 6.50%, 6.75% and 6.75% for the years ended December 31, 2004 and 2003 and 2002.

	Year Ended December 31		
	2004	2003	2002
	(In thousands)		
Components of net periodic benefit cost:			
Service and interest cost	$ 285	$ 255	$ 356
Amortization of unrecognized net loss	35	10	—
Net periodic benefit cost	$ 320	$ 265	$ 356

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percent change in assumed health care cost trend rates would have the following effects:

	1-percentage-point increase	1-percentage-point decrease
	(In thousands)	
Effect on total of service and interest cost components	$ 23	$ (20)
Effect on postretirement obligation	108	(98)

We expect to contribute $61,000 for the portion of the Dean Foods postretirement health care plans related to our employees for 2005. Estimated postretirement health care plan benefit payments for the next ten years is as follows:

2005	$ 61,000
2006	94,000
2007	96,000
2008	138,000
2009	185,000
Next five years	1.8 million

13. FACILITY CLOSING AND REORGANIZATION COSTS

As part of Legacy Dean's acquisition by Dean Foods, we accrued costs in 2002 pursuant to plans to exit certain activities and operations in order to rationalize production costs and inefficiencies. Under these plans, our facilities in Atkins, Arkansas and Cairo, Georgia were closed. We also shut down two pickle tank yards and relocated production between plants as part of our overall integration and efficiency efforts.

The principal components of the plans include (i) workforce reductions as a result of facility closings and facility reorganizations; (ii) shutdown costs, including those costs that are necessary to clean and prepare abandoned facilities for closure; and (iii) costs incurred after shutdown such as lease obligations or termination costs, utilities and property taxes after shutdown of the facility.

Activity with respect to these acquisition liabilities for 2004 and 2003 is summarized below:

	Accrued Charges at December 31, 2002	Payments	Accrued Charges at December 31, 2003	Payments	Accrued Charges at December 31, 2004
			(In thousands)		
Workforce reduction costs	$ 3,754	$ (3,754)	$ —	$ —	$ —
Shutdown costs	2,756	(986)	1,770	(233)	1,537
Total	$ 6,510	$ (4,740)	$ 1,770	$ (233)	$ 1,537

14. COMMITMENTS AND CONTINGENCIES

Leases — We lease certain property, plant and equipment used in our operations under both capital and operating lease agreements. Such leases, which are primarily for machinery, equipment and vehicles, have lease terms ranging from 1 to 20 years. Certain of the operating lease agreements require the payment of additional rentals for maintenance, along with additional rentals based on miles driven or units produced. Certain leases require us to guarantee a minimum value of the leased asset at the end of the lease. Our maximum exposure under those guarantees is not a material amount. Rent expense, including additional rent, was $7.4 million, $8.3 million and $7.7 million for the years ended December 31, 2004, 2003 and 2002, respectively.

The composition of capital leases which are reflected as property, plant and equipment in our consolidated balance sheets are as follows:

	December 31	
	2004	2003
	(In thousands)	
Machinery and equipment	$ 6,311	$ 5,618
Less accumulated amortization	(930)	(562)
	$ 5,381	$ 5,056

Purchase Obligations — We have entered into various contracts obligating us to purchase minimum quantities of raw materials used in our production processes including cucumbers and tank yard space. Due to the pressure on available supplies of raw materials and processing space, we entered into these contracts to help source raw ingredients and processing space sufficient to meet our growth and to facilitate our ability to maintain prices consistent with current levels.

Future minimum payments at December 31, 2004, under non-cancelable capital leases, operating leases and purchase obligations are summarized below:

	Capital Leases	Operating Leases	Purchase Obligations
		(In thousands)	
2005	$ 953	$ 6,196	$ 46,321
2006	950	5,635	9,480
2007	935	5,503	9,322
2008	880	5,270	7,484
2009	864	4,523	7,234
Thereafter	10,005	15,747	10,637
Total minimum lease payments	14,587	$ 42,874	$ 90,478
Less amount representing interest	(8,059)		
Present value of capital lease obligations	$ 6,528		

Guaranty of Dean Foods' Obligations Under Its Senior Credit Facility — Certain of Dean Foods' subsidiaries, including us, are required to guarantee Dean Foods' indebtedness under its senior credit facility. We have pledged substantially all of our assets (other than our real property and our ownership interests in our subsidiaries) as security for our guaranty. At the time of the Distribution, we will be released from our guarantee of Dean Foods' senior credit facility.

Insurance — We participate in Dean Foods insurance programs. We retain selected levels of property and casualty risks, primarily related to employee healthcare, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third-party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverages. These deductibles range from $350,000 for medical claims to $2 million for casualty claims. We believe we have established adequate reserves to cover these claims.

Litigation, Investigations and Audits — We are party, in the ordinary course of business to certain other claims, litigation, audits and investigations. We believe we have adequate reserves for any liability we may incur in connection with any such currently pending or threatened matter. In our opinion, the settlement of any such currently pending or threatened matter is not expected to have a material adverse impact on our financial position, results of operations or cash flows.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Pursuant to SFAS No. 107, "Disclosure About Fair Value of Financial Instruments," we are required to disclose an estimate of the fair value of our financial instruments as of December 31, 2004 and 2003. SFAS No. 107 defines the fair value of financial instruments as the amount at which the instrument could be exchanged in a current transaction between willing parties.

Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value. In addition, because the interest rates on our debt are variable, its fair value approximates its carrying value.

16. SEGMENT AND GEOGRAPHIC INFORMATION AND MAJOR CUSTOMERS

We believe we are the largest manufacturer of pickles and non-dairy powdered creamer in the United States. We also are the leading retail supplier of private label pickles and private label non-dairy powdered creamer in the United States.

Our pickles segment sells a variety of pickle, relish, sauerkraut and pepper products under customer brands and under our proprietary brands including *Farmans* ®, *Nalley's* ®, *Peter Piper* ® and *Steinfeld* ™. Branded products are sold to retailers and private label products are sold to retailers, foodservice customers and in bulk to other food processors. The pickles segment also includes shrimp, seafood, tartar, horseradish, chili, sweet and sour sauces and syrups sold to retail grocers in the Eastern, Midwestern and Southeastern United States. These products are sold under the *Bennett's*® , *Hoffman House* ® and *Roddenberry's*® *Northwoods* ® brand names.

Our non-dairy powdered creamer segment includes private label powdered creamer and our proprietary *Cremora* ® brand. The majority of our powdered products are sold under customer brands to retailers, distributors and in bulk to other food companies for use as ingredients in their products.

In addition to powdered coffee creamer, we also sell shortening powders and other high-fat powder formulas used in baking, beverage mixes, gravies and sauces.

Our aseptic products and other refrigerated products do not qualify as a reportable segment and are included under other food products. Aseptic products are sterilized using a process which allows storage for prolonged periods without refrigeration. We manufacture aseptic cheese sauces and puddings. Our cheese sauces and puddings are sold primarily under private labels to distributors. Our refrigerated products include *Mocha Mix* ®, a non-dairy liquid creamer, *Second Nature* ®, a liquid egg substitute, and salad dressings sold in foodservice channels.

Prior to December 2004, we also manufactured and distributed certain nutritional beverage products. Our historical financial statements have been restated to reflect the operations related to the nutritional beverage business as discontinued operations.

The designation of our segments has been made in anticipation of the Distribution. Historically, we have managed operations on a company-wide basis, thereby making determinations as to the allocation of resources in total rather than on a segment-level basis. We have designated our reportable segments based largely on how management views our business and on differences in manufacturing processes between product categories. We do not segregate assets between segments for internal reporting. Therefore, asset-related information has been presented in total.

We evaluate the performance of our segments based on adjusted gross margin. The amounts in the following tables are obtained from reports used by our senior management team and do not include

any allocated income taxes, management fees or the LIFO reserve adjustment. There are no significant non-cash items reported in segment profit or loss other than depreciation and amortization.

	Year Ended December 31		
	2004	2003	2002
		(In thousands)	
Net sales to external customers:			
Pickles	$ 339,080	$ 352,622	$ 356,201
Non-Dairy Powdered Creamer	241,494	218,563	199,228
Other	114,045	124,949	128,390
Total	$ 694,619	$ 696,134	$ 683,819
Operating income from continuing operations:			
Pickles	$ 50,473	$ 70,412	$ 72,398
Non-Dairy Powdered Creamer	42,136	40,869	36,766
Other	23,676	29,919	36,108
Segment Adjusted Gross Margin (1)	116,285	141,200	145,272
Other operating expenses	44,717	38,561	40,842
Operating income	71,568	102,639	104,430
Other (income) expense:			
Interest expense	710	750	831
Other (income) expense, net	116	—	117
Combined income from continuing operations before tax	$ 70,742	$ 101,889	$ 103,482
Depreciation and amortization	$ 14,863	$ 14,032	$ 14,517
Total Assets	630,034	659,878	639,935
Capital expenditures	21,990	17,101	10,404

(1) Amounts represent the gross margin less allocated freight-out and commission expense.

Geographic Information — During 2004 we had foreign sales of approximately 4% of combined net sales. We primarily export to Canada and Asia.

Major Customers — Our non-dairy powdered creamer segment had one customer that represented greater than 10% of their 2004 sales. Approximately 10.1% of our combined 2004 sales were to that same customer. Our other food products group also had one customer that represented greater than 10% of their 2004 sales. Approximately 6.9% of our combined 2004 sales were to that same customer.

17. QUARTERLY RESULTS OF OPERATIONS (unaudited)

The following is a summary of our unaudited quarterly results of operations for 2004 and 2003.

	Quarter			
	First	Second	Third	Fourth
	(In thousands)			
2004				
Net sales	$ 165,575	$ 180,354	$ 169,204	$ 179,486
Gross profit	39,155	42,534	36,568	38,392
Income from continuing operations before income taxes	19,325	21,134	15,942	14,341
Net income (1)	12,362	12,555	869	9,290
2003				
Net sales	$ 170,706	$ 178,332	$ 167,931	$ 179,165
Gross profit	44,063	46,501	44,869	42,805
Income from continuing operations before income taxes	24,922	26,626	26,797	23,544
Net income (2)	16,172	17,830	18,252	15,504

(1) Includes income (loss), net of tax, from discontinued operations of $330,000, $(603,000), $(9.1) million and $(266,000) in the first, second, third and fourth quarters, respectively.

(2) Includes income, net of tax, from discontinued operations of $551,000, $1.1 million, $1.5 million and $746,000 in the first, second, third and fourth quarters, respectively.

18. RELATED PARTY TRANSACTIONS

Included in net sales are sales to other Dean Foods' segments of $3.6 million, $10.7 million and $16.3 million for the years ended December 31, 2004, 2003 and 2002, respectively.

19. SUBSEQUENT EVENTS (unaudited)

Olive Sales — During the first quarter of 2005, we decided to exit the olive importation business during the first half of 2005. We import packaged olive products. However, due to increased competition and unfavorable currency movements during 2004 and into 2005, which we have been unable to pass through to our customers, the product line profitability has been significantly impacted. We had net sales of $8.1 million in 2004 related to the olives product line. We expect any costs incurred to exit the olives product line to be minimal.

New Management — On January 27, 2005, in anticipation of the Distribution, Dean Foods engaged a new management team for our company to lead TreeHouse as an independent public company. On the same day, the new management team, headed by Sam K. Reed, former CEO of Keebler Foods Company, made a cash investment in TreeHouse of $10 million. The cash investment represents a 1.7% ownership interest in TreeHouse.

In addition, on January 27, 2005, we entered into various employment agreements with various management personnel. The terms of the employment agreements are substantially similar other than the individual's title, salary, bonus, option and restricted stock entitlements. In addition, each employment agreement entitles the individual to participate in any benefit plan we maintain for our senior executive officers, including any life, medical, accident, or disability insurance plan and any pension, profit sharing, retirement, deferred compensation or savings plan for our senior executive officers.

SCHEDULE II

TREEHOUSE FOODS, INC.

VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2004, 2003 and 2002

Allowance for doubtful accounts deducted from accounts receivable:

Year	Balance Beginning of Year	Charged to Income	Write-Off of Uncollectible Accounts
		(In thousands)	
2002	$ 700	$ 200	$ 156	$ 744
2003	744	348	92	1,000
2004	1,000	818	1,688	130

EXHIBIT 99.2

Consent to be Named as a Director of TreeHouse Foods, Inc.

I hereby consent to be named as a person to become a director and Chairman of the Board of TreeHouse Foods, Inc., a Delaware corporation ("TreeHouse"), under the circumstances described in the registration statement on Form 10 filed by TreeHouse with the Securities and Exchange Commission in connection with the distribution by Dean Foods Company of the common stock of TreeHouse owned by Dean Foods Company.

/s/ Sam K. Reed

Date: March 30, 2005

EXHIBIT 99.3

Consent to be Named as a Director of TreeHouse Foods, Inc.

I hereby consent to be named as a person to become a director of TreeHouse Foods, Inc., a Delaware corporation ("TreeHouse"), under the circumstances described in the registration statement on Form 10 filed by TreeHouse with the Securities and Exchange Commission in connection with the distribution by Dean Foods Company of the common stock of TreeHouse owned by Dean Foods Company.

/s/ Gregg L. Engles

Date: March 30, 2005