



## THE MARKET

As more women enter the workforce, two-income families have time pressures and less time to cook. Frozen prepared meals have become a necessity when people don't have the time to plan meals ahead, don't know how to cook, or don't have the time required to cook from scratch and clean up afterward. As a result, most home-cooked meals today now contain at least one item that is just warmed or heated. Consumers are no longer embarrassed to serve prepared items to their families or guests. In fact, 50 percent of consumers state that "convenience is most important in the foods I eat."

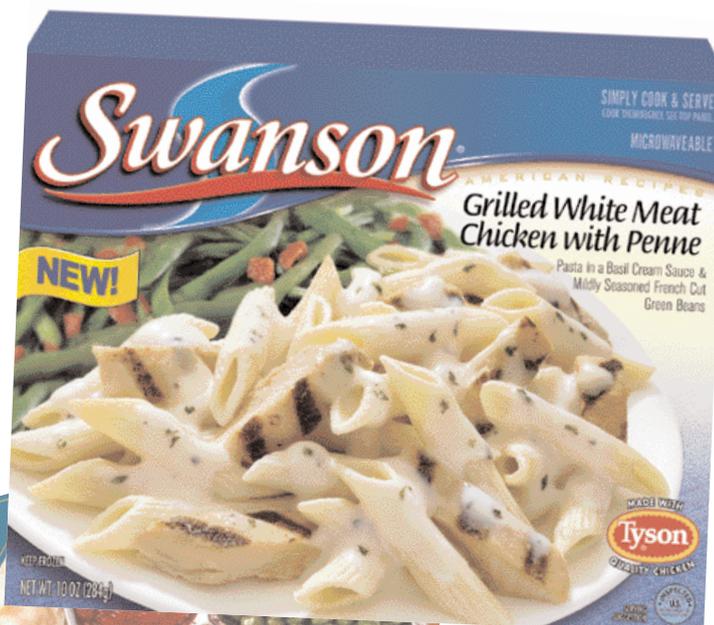
## ACHIEVEMENTS

As the originator of frozen dinners in 1953, Swanson® offered the first frozen prepared meal created with busy housewives in mind. Fifty years later, Swanson is a \$450 million brand — the second-largest brand of full-calorie frozen meals — and remains a powerful force within the frozen food industry. Swanson is a quintessential American brand, with virtually 100 percent brand awareness. Swanson continues to evoke fond memories of childhood among consumers who remember growing up with the brand.

## HISTORY

In 1896, Carl Swanson immigrated to the United States, unable to speak any English. By 1949, he had built one of the nation's largest commodity food processing companies, packing and freezing poultry for General Foods' Birds Eye label. In the early 1950s, Carl's sons took control of the company and recognized two key factors that would change its course. First, in order to be successful, they would need to move away from competing only in commodity businesses. Second, in the post-World War II era, the demographics of the American family were changing dramatically.

The Swanson brothers introduced their first frozen food product in 1951: the chicken pot pie. Although Swanson was not the first company to manufacture a chicken pot pie, Swanson introduced a higher-quality product with a better-tasting crust, more chicken, and higher-quality ingredients than its competitors. The brothers experienced instant success.



By 1952, America was recovering from the effects of the war years. Price controls were removed from fresh and processed vegetables and meats. The employment of women was the highest in history, and families were moving from radio as a form of entertainment to television — with about 10 percent of homes sporting eight-inch black-and-white sets prominently displayed in the living rooms. The Swanson brothers were desperate to find a way to capitalize on these changing trends. Women in the workforce still needed to provide high-quality meals for their families, yet had less time available to prepare them.

Returning from a business trip, one of the key Swanson sales representatives was faced with a business problem. The demand for Swanson turkeys, the company's primary product, did not

meet supply. The Thanksgiving holiday had passed, and the company had ten remaining railroad cars of turkey, each weighing 52,000 pounds. The company couldn't sell the turkeys and not enough warehouses were available to store them.

The enterprising sales rep shared with management an idea he devised while on a recent airline trip: a frozen prepared meal. Pan-Am Airways was experimenting with serving warm meals in a tray to their customers, a step up from cold sandwiches. His suggestion was to take the excess supply of turkey and use it for frozen prepared meals for the retail market. He showed them a drawing of a three-compartment aluminum tray, which would hold the staples of a turkey dinner: turkey with cornbread stuffing and gravy, sweet potatoes, and peas. This idea forever changed the frozen meal category with the introduction of the "TV dinner," born in December 1953. The product name was developed to link the very contemporary television appliance that was hitting the scene with the observation that a good deal of pot pie consumption was already occurring in front of the TV set.

In 1954, the trademarked TV Dinner® went into production, made by hand. One of the first customers was Safeway in Oakland, Calif., which bought 100 cases. Winn Dixie bought 50 cases. The product, with a suggested retail price of \$1.29, was a success. Within two years, the Swansons had added fried chicken and sliced beef. Many more products came to market over the years to respond to changing consumer demands.

In 1954, Swanson had a 100 percent share of the frozen dinner market. By 1955, the company sold 25 million dinners. This success of this brand led to the Campbell Soup Company's purchase of the company. Campbell's was certainly interested in having a piece of the fast-growing frozen foods market.

## THE PRODUCT

Swanson has built a reputation of excellence, quality, and trust by evolving to meet ever-changing consumer needs:

- Swanson recognized that the breakfast meal occasion was another opportunity to deliver balanced meals for the family. Swanson Frozen



overhauled for the first time in ten years, also reinforcing Swanson's quality and contemporary image. Most significantly, Swanson Hungry-Man was advertised for the first time in many years to remind consumers of a brand that was not top-of-mind.

While much of the brand's recent success has come from growth of existing products, new products figure prominently in the future. Product variations on Hungry-Man,



Breakfasts were introduced in 1969 and are still the leader in frozen breakfast entrees.

- In 1973, Swanson addressed the heartier appetites in the family. Swanson Hungry-Man®, larger portions of the stick-to-your-ribs foods, was introduced. Today Swanson is the number-one brand of hearty frozen meals.
- Capitalizing on a growth trend in comfort foods, Swanson provided innovation into the pot pie category, introducing a line of Potato-Topped Pot Pies, combining two of America's most popular foods, pot pies and mashed potatoes.

While fried chicken and turkey are still Swanson's heritage, the Swanson line includes many other varieties. Swanson ships approximately 150 million frozen meals into American homes each year.

#### RECENT DEVELOPMENTS

After creating and ruling the frozen food industry for years, Swanson struggled in the 1980s and 1990s as Campbell Soup Company shifted their focus away from frozen foods. Eventually, Campbell's decided to spin off the Swanson brand to a newly formed Vlastic Foods International, which eventually went bankrupt.

Pinnacle Foods Corporation, backed by the leveraged buyout firm of Hicks, Muse, Tate and Furst (HMTF), recently purchased the brand out of bankruptcy. HMTF's stated goal is to reinvest in Swanson to restore it to a solid leadership position within frozen foods.

Upgrading Swanson product quality was the first step taken to restore Swanson. Co-branding agreements were developed with high-quality suppliers such as Tyson Foods, Inc., to reinforce Swanson's quality image. Package graphics were

Swanson Dinners, and Great Starts Breakfasts are hitting the market to reflect current food trends. Consumers will always find new items to try from Swanson.

#### PROMOTION

Throughout the years, Swanson has been promoted as the brand to trust. Associations with leading TV shows like *Lassie*, *Donna Reed*, and Johnny Carson's *Who Do You Trust* supported the notion that Swanson was meant for families.

"Have a Swanson Night" and "Have Dinner with the Swanson's" were popular themes of Swanson dinner advertising. Swanson was also known as the brand that was a special treat for parents' night out. Kids had liberty to choose their favorite meal — and to eat the dessert first — and Mom knew that they were having a wholesome meal.

Over the years the brand has been promoted as one that allowed busy moms to spend more time with their families yet still provide their families with balanced high-quality meals. The message to moms was clear: When you're not home cooking, Swanson is.

Hungry-Man tackled hearty appetites and built a strong association with NFL celebrities including Mean Joe Greene, Charles Mann, Randall Cunningham, and Roger Craig. This affiliation lasted for 15 years. Regional TV spots featured local talent, and national sweepstakes

sent consumers to Fantasy Football Camp. Hungry-Man sponsored the development of "Hungriest Men in the NFL" videos that spotlighted key plays of leading role models who, of course, ate Hungry-Man dinners.

Promotional activity waned as Vlastic International struggled to gain financial security. While most brands would have broken under heavy competitive onslaught and reduced marketing activity, the strength of the brand was solid enough to weather the storm. In 2001, after 10 years of being off the air, Swanson returned with a vengeance, investing heavily behind the advertising. Returning to the TV airwaves by supporting the new and improved Hungry-Man products caused a major turnaround in the business trends. Swanson recaptured the hearts of hungry men. A new campaign in 2002 featured Swanson American Recipe Dinner.

#### BRAND VALUES

From its very inception, Swanson has been committed to delivering products that were of the highest quality. One of the guiding principles for the originators of Swanson frozen meals was to provide a meal of the quality that could be found in a restaurant. This emphasis has convinced consumers to trust Swanson for over 50 years. Parents value it as a brand that is always there to serve the family when they do not have time to cook. Family members value it as a special treat. Growing up with Swanson evokes warm family memories and product experiences from metal TV trays, family TV shows, eating dessert first, and, of course, special moments with the babysitter.

Swanson® is a registered trademark of CSC Brands, Inc. Hungry-Man® and TV Dinner® are the registered trademarks of Pinnacle Foods Brands Corporation.



#### THINGS YOU DIDN'T KNOW ABOUT SWANSON

- Desserts did not become part of the dinners until 1960, six years after the brand was introduced
- Swanson dinners were sold in aluminum trays until 1986, when the entire dinner line was reformulated and repackaged for the new microwave ovens.
- The original Swanson dinner tray was placed into the Smithsonian Institute (next to Fonzi's jacket) in 1986.
- Swanson is truly an American icon brand. Ninety-eight percent of all households are aware of the brand and 86 percent have ever bought it.
- The celebration of Swanson's 45th anniversary was celebrated on TV in 1999 with over 500 news stories delivered across the country. National coverage spanned four months and generated over \$5 million in media coverage, with key celebrities like Jay Leno spreading the Swanson story.
- An imprint of the TV dinner tray was put on the Walk of Fame outside Grauman's Chinese Theatre.