

## ConAgra Cuts 4Q Outlook on Weaker Sales

Associated Press

OMAHA, Neb. (AP) — ConAgra Foods Inc. warned Wednesday that its fiscal fourth-quarter net income will be lower than previously forecast, largely a result of weaker sales. The news sent ConAgra's shares down 7 percent.

The food company behind Chef Boyardee and Slim Jim beef jerky said that it expects to post adjusted fourth-quarter earnings of 55 cents per share, instead of its previous estimate that earnings would be above 60 cents per share.

On average, analysts had estimated fourth-quarter earnings of 62 cents per share, according to FactSet.

The company blamed slower sales in its consumer foods unit and weaker profits from its private brands group. ConAgra bought Ralcorp, a private-label food company, for \$5 billion in January 2013.

ConAgra's announcement raised questions about how the company has used its money, including the acquisition of Ralcorp, said Akshay Jagdale, an analyst at KeyBanc Capital Markets in a note to clients. He cut his rating on the company's stock to "Hold" from "Buy."

"Our confidence in management's ability to successfully turn around the business has been shaken by the recent string of earnings disappointments," Jagdale wrote.

ConAgra cautioned that its most recent numbers are still preliminary and said it will provide more details when it reports fourth-quarter results on June 26.

Shares in ConAgra slumped \$2.34 to \$30.52 on Wednesday. ConAgra has traded as low as \$28.09 and as high as \$37.28 over the past year.

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