

Hillshire Backs Away From Pinnacle Foods Offer

CHICAGO (AP) — Hillshire Brands Co. is backing off of its offer to buy Pinnacle Foods Inc., a move that it needs to make in order for its \$7.75 billion proposed deal with Tyson Foods to go through.

Tyson won a bidding war with Pilgrim's Pride earlier this month to buy Hillshire, maker of Jimmy Dean sausages and Ball Park hot dogs. The final offer from Tyson Foods Inc. ended up at \$63 per share, but it was contingent on Hillshire not going through with its bid for Pinnacle Foods, which makes Birds Eye frozen vegetables.

Hillshire said Monday that its board unanimously decided to withdraw its recommendation for the PinnacleFoods transaction and considers the Tyson takeover offer a superior proposal. Pinnacle Foods may be entitled to a termination fee of up to \$163 million.

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