SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

BEN & JERRYS HOMEMADE INC CIK:**768384**| IRS No.: **030267543** | State of Incorp.:**VT** | Fiscal Year End: **1231** Type: **10-K** | Act: **34** | File No.: **001-14401** | Film No.: **99573375** SIC: **2024** Ice cream & frozen desserts	Mailing Address *30 COMMUNITY DRIVE, SUITE 1* *SOUTH BURLINGTON VT 05403-6828*	Business Address *30 TECHNOLOGY DRIVE SUITE #1* *S. BURLINGTON VT 05403* *8026519600*

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X]ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 26, 1998

[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission File Number 0-13544

BEN & JERRY'S HOMEMADE, INC.

(Exact name of registrant as specified in its charter)

Vermont	03-0267543
(State of incorporation)	(I.R.S. Employer Identification No.)

30 Community Drive	
South Burlington, Vermont	05403-6828
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 802/846-1500

Securities registered pursuant to Section 12 (b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:
Class A Common Stock, $.033 par value per share
Class B Common Stock, $.033 par value per share
Class A Common Stock Purchase Right
Class B Common Stock Purchase Right

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes__X___ No __ ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (225.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Yes__X___ No __ ___

The aggregate market value of the Company's Class A and Class B Common Stock held by non-affiliates was approximately $130,577,185 and $4,886,336 respectively, at March 5, 1999.

At March 5, 1999, 6,250,209 shares of the Company's Class A Common Stock and 818,951 shares of the Company's Class B Common Stock were outstanding.

Page 1 of 146 pages. Exhibit Index appears on page 30.

BEN & JERRY'S HOMEMADE, INC.

1998 FORM 10-K ANNUAL REPORT

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ITEM 1. BUSINESS

INTRODUCTION

Ben & Jerry's Homemade, Inc. ("Ben & Jerry's" or the "Company") is a leading manufacturer of super premium ice cream, frozen yogurt and sorbet in unique and regular flavors. The Company also manufactures ice cream novelty products. The Company is committed to using milk and cream that have not been treated with the synthetic hormone, rBGH. The Company uses natural ingredients in its products. The Company embraces a philosophy that manifests itself in these attributes: being real and "down to earth," being humorous and having fun, being non-traditional and alternative and, at times, being activists around our progressive values.

The Company's products are currently distributed throughout the United States primarily through independent distributors. However, the Company's marketing resources are concentrated on certain "target markets" including New England, New York, the Mid-Atlantic region, Florida, Texas, the West Coast and selected other major markets, including the Midwest (defined for this purpose as Chicago, Illinois, Minnesota, Wisconsin and Michigan) and Denver areas. In 1998, approximately 80% of the sales of the Company's packaged pints were attributable to these target markets. The Company's products are also available in certain "non-target" markets in the United States, the United Kingdom, France, Israel, Canada, The Netherlands, Belgium, Japan and, commencing in 1999, Peru and Lebanon. The Company currently markets flavors of its ice cream, frozen yogurt and sorbet in packaged pints, for sale primarily in supermarkets, other grocery stores, convenience stores and other retail food outlets and in bulk, primarily to restaurants and Ben & Jerry's franchised "scoop shops."

The Company began active operations in May 1978, when Jerry Greenfield, now the Company's Chairperson, and Ben Cohen, now the Company's Vice Chairperson, opened a retail store in a renovated gas station in Burlington, Vermont. The Company believes that it has maintained a reputation for producing gourmet-quality natural ice cream and frozen desserts, and for sponsoring or creating light-hearted promotions that foster an image as an independent socially conscious Vermont company.

The Board of Directors of the Company has since 1988 formalized its basic business philosophy by adopting a three-part "mission statement" for Ben & Jerry's. The statement includes a "product mission," to make, distribute and sell the finest quality all-natural ice cream"; an "economic mission," to "operate the Company on a sound financial basis...increasing value for our shareholders and creating career opportunities and financial rewards for our employees"; and a "social mission," to "operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community: local, national and international. Underlying the mission of Ben & Jerry's is the determination to seek new and creative ways of addressing all three parts, while holding a deep respect for individuals inside and outside the Company and for the communities of which they are a part." Since 1988, the Company's Annual Report to Stockholders has contained a "social report" on the Company's performance during the year. The Company's social mission has always been about more than philanthropy, product donations and community relations. Ben & Jerry's has strived to integrate into its day to day business decisions a concern for the community and to seek ways to lead with its progressive values.

The Company makes cash contributions equal to 7.5% of its pretax profits to philanthropy through The Ben & Jerry's Foundation (the "Foundation"), Community Action Teams, which are employee led groups from each of its five Vermont sites, and through corporate grants. Excluded from the 7.5% are contributions out of a portion of the proceeds of incidental operations, not directly relating to Ben & Jerry's core business of the manufacturing and selling of Ben & Jerry's frozen desserts, such as a portion of the admission fees for plant tours, and excluding corporate sponsorships that have as one of their purposes the furtherance of Ben & Jerry's marketing goals. For 1998, the 7.5% amounted to approximately $792,600. The amount of the Company's cash contribution is subject to review by the Board of Directors from time to time in light of the Company's cash needs, its operating results, existing conditions in the industry and other factors deemed relevant by the Board. See "The Ben & Jerry's Foundation."

In some instances where the Company pays royalties for the licensed use of a flavor name, the licensor donates all or a portion of these royalties to charitable organizations. For example, in 1997, the Company launched Phish Food(TM) ice cream and during 1998 paid the Vermont-based band Phish $200,482 in royalties. The band established the Water Wheel Foundation to support the protection and preservation of Lake Champlain.

Ben & Jerry's maintains a special tie to the Vermont community in which it has its origins. The Company donates product to public events and community celebrations in the Vermont area. As already noted, Community Action Teams at each site make grants in Vermont. Also, the Company, acting as an agent, transfers funds to charitable organizations throughout Vermont derived from the sale of product to participating Vermont retail grocers.

Ben & Jerry's has, through the years, taken actions intended to strengthen the Company's ability to remain an independent Vermont-based company focused on carrying out its three part corporate mission. Ben & Jerry's believes these actions are in the best interests of the Company, its stockholders, employees, suppliers, customers and the Vermont community. See "anti-Takeover Effects of Class B Common Stock, Class A Preferred Stock, Classified Board of Directors, Vermont Legislation and Shareholders' Rights Plans."

In 1991, the Company decided to pay not less than a certain minimum price for its dairy ingredients other than yogurt cultures, to bring the price up to an amount based upon the average price for dairy products in certain prior periods. This commitment is part of an effort to foster the supply of Vermont dairy products and thereby also seek to maintain the long-term viability of the Company's source of supply of its principal dairy ingredients, against the marketplace background of a continuing trend of decreasing family dairy farms in Vermont.

In early 1994, the Company's agreement with the St. Albans Cooperative Creamery was amended to include, as a condition for payment of the premium, an assurance from the St. Albans Cooperative Creamery that the milk and cream purchased by the Company will not come from cows that have been treated with Recombinant Bovine Growth Hormone ("rBGH"), a synthetic growth hormone approved by the FDA.

In December 1997, the St. Albans Cooperative Creamery's board of directors approved a motion to allow for controlled use of rBGH by a limited amount of member farms beginning July 1, 1998. The Co-op has assured us that it will continue to provide Ben & Jerry's with a rBGH-free dairy supply. The Company will continue to offer a premium to the Co-op for member farms that do not use rBGH.

In 1992, the Company became a signatory to the CERES Principles adopted by the Community for Environmentally Responsible Economies. The CERES Principles establish an environmental ethic with criteria by which investors and others can assess the environmental performance of companies. Ben & Jerry's is also a member of Businesses for Social Responsibility, Inc. ("BSR"), an organization in San Francisco, California, which promotes a concept of business profitability that includes environmental responsibility and social equity. Ben & Jerry's is also a member of the Social Venture Network and Vermont Businesses for Social Responsibility.

THE SUPER PREMIUM ICE CREAM, FROZEN YOGURT AND SORBET MARKET

The packaged ice cream industry includes economy, regular, premium, premium plus and super premium products. Super premium ice cream is generally characterized by a greater richness and density than other kinds of ice cream. This higher quality ice cream generally costs more than other kinds and is usually marketed by emphasizing quality, flavor selection, texture and brand image. Other types of ice cream are largely marketed on the basis of price.

Super premium ice cream, super premium frozen yogurt and, more recently, super premium sorbet have become an important part of the frozen dessert industry. In response to the demand for lower fat, lower cholesterol products, the Company introduced its own super premium low fat frozen yogurt in 1992. In February 1996, the Company introduced lactose-free and cholesterol-free sorbet. In 1997, Ben & Jerry's introduced a new line of low fat ice cream. In 1998 the Company introduced nine new flavors and two new novelty products.

Based on information provided by Information Resources, Inc., a software and marketing information services company ("IRI"), the Company believes that total annual U.S. sales in supermarkets at retail prices (defined as grocery stores with annual revenues of at least $2 million) of super premium ice cream, frozen yogurt and sorbet were approximately $446 million in 1998 compared with about $428 million in 1997. All of the information in this paragraph is taken from IRI data.

BEN & JERRY'S SUPER PREMIUM ICE CREAM, FROZEN YOGURT AND SORBET

Ben & Jerry's ice cream has a high level of butterfat and low level of air incorporation ("overrun") during the freezing process. The approximate fat content is 15% (excluding add-ins). The approximate overrun is 20%. These physical attributes give the ice cream the rich taste and dense, creamy texture that characterizes super premium ice creams. The fat content of the ice cream is derived primarily from the butterfat in the cream, and secondarily from egg yolks. The ice cream mix consists of cream, beet sugar, non-fat milk solids, egg yolks and natural stabilizers.

Ben & Jerry's frozen yogurt is a high quality frozen yogurt with approximately 2% fat (excluding add-ins) and approximately 30% overrun. The fat content of frozen yogurt comes from the cream used in the base mix. All frozen yogurt products are sweetened with beet sugar and corn syrup. The Company uses cultured yogurt in the manufacturing of our frozen yogurt dessert products, purchased from yogurt manufacturers who use Vermont dairy ingredients.

Ben & Jerry's fruit sorbets are fat free frozen desserts with an overrun of approximately 20%. The chocolate sorbet is a low fat product with approximately 2% fat (from cocoa and chocolate liquor). All sorbets are sweetened with beet sugar and corn syrup. The water used to manufacture sorbet is Vermont Pure(TM) Spring Water.

In 1997 and 1998, Ben & Jerry's introduced a line of low fat ice cream flavors. These low fat ice creams offer high quality, all natural ingredients with less than three grams of fat and 40% overrun. The product line offers exciting flavor combinations, chunks of candy, and swirls of variegates with extraordinary flavor.

In 1999, the Company introduced a new line of frozen smoothies. Frozen Smoothies(TM) is a four item line of innovative healthy treats that take smoothies from the juice bar to the freezer.

All Ben & Jerry's frozen desserts are made of the finest quality ingredients. Its ingredients contain no preservatives or artificial components (except the flavoring component in one of the candies that the Company purchases). To date, the Company has not experienced any difficulty in obtaining the dairy products used to make its frozen desserts. The various flavorings, add-ins and variegates are readily available from multiple suppliers throughout the country.

All the Company's plants include mix-batching facilities, which allows Ben & Jerry's to manufacture its own dessert mixes. Ben & Jerry's designed and modified special machinery to mix large chunks of cookies, candies, fruits and nuts into our frozen desserts. The Company has also designed proprietary processes for swirling variegates (dessert sauces) into its finished products.

The Company also makes ice cream novelty products, including a variety of ice cream bars such as Cherry Garcia(R), Cookie Dough, Phish Stick(TM), Dilbert's World(TM)-Totally Nuts(TM) and S'mores(TM) Bars.

In 1997, the Company entered into a license agreement with Paul Newman and Newman's Own(TM) to manufacture and market a line of premium plus ice cream products under the brand name "Newman's Own." These products are currently manufactured at the Company's facilities in Vermont.

Ben & Jerry's other license agreements include licenses from the estate of Jerry Garcia, formerly of the Grateful Dead rock group, with respect to the Company's Cherry Garcia(R) flavor; political cartoonist Gary Trudeau and Andrews McMeel Universal with respect to the Company's Doonesberry(R) flavor of the sorbet line of products; Wavy Gravy for the flavor Wavy Gravy; with Phish Merchandising, Inc. with respect to Phish Food(TM), and Phish Stick(TM), a flavor launched in February of 1997; and from United Feature Syndicate, Inc. for use of the trademark Dilbert for the flavor Dilbert's World(TM)-Totally Nuts(TM) introduced in 1998.

Manufacturing

The Company manufactures Ben & Jerry's super premium ice cream and frozen yogurt pints at its Waterbury, Vermont plant. The Company's Springfield, Vermont plant is used for the production of ice cream novelties, ice cream, frozen yogurt, low fat ice cream and sorbet packaged in bulk, pints, quarts and half gallons. The Company manufactures Ben & Jerry's super premium ice cream, frozen yogurt and sorbet in packaged pints and single serve containers at its St. Albans, Vermont plant. The Company generally operates its plants two shifts a day, five or six days per week, depending upon demand requirements.

Markets and Customers

The Company markets packaged pints, quarts, single-serve containers and novelty products primarily through supermarkets, other grocery stores, convenience stores and other retail food outlets. The Company markets ice cream, frozen yogurt and sorbet in 2 1/2-gallon bulk containers primarily through franchised (and 6 Company-owned) Ben & Jerry's "scoop shops", through restaurants and food service accounts (i.e. stadiums, airports, cafeterias, hotels, etc.).

Ben & Jerry's products are distributed through independent ice cream distributors; with some exceptions, only one distributor is appointed for each territory for supermarkets. In most areas, sub-distributors are used to distribute to the smaller classes of trade. Company trucks and other distributors distribute products that are sold in Vermont and upstate New York.

In late August 1998 - January 1999, Ben & Jerry's redesigned its distribution network to create more Company control over sales and more efficiency in the distribution of its products. Under the redesign, Ben & Jerry's will increase direct sales calls by its own sales force (as distinguished from calls by the distributors' sales forces) to all grocery and chain convenience stores and will have a network where no distributor of Ben & Jerry's products will have a majority percentage of the Company's distribution. Under the distribution network redesign which will commence in April-May 1999 and will be fully effective September 1, 1999, The Pillsbury Company ("Pillsbury") will distribute Ben & Jerry's products in specified territories; the balance of domestic deliveries will be distributed primarily by Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), with Dreyer's handling a smaller volume (than before) of Ben & Jerry's distribution in other specified territories, and in part by other independent regional distributors, most of whom are already acting as distributors for Ben & Jerry's. The Company presently expects that, under the redesign, no single distributor would handle over 40% of Ben & Jerry's distribution, as compared with Dreyer's distribution activities accounting for approximately 57% of the Company's net sales in 1998 and 1997.

Pursuant to the distribution network redesign Ben & Jerry's entered into an agreement with Pillsbury which, as amended in January 1999, provides for distribution on a non-exclusive basis by Pillsbury, the parent of Haagen-Daz, a major competitor of Ben & Jerry's products in various areas of the United States on September 1, 1999, including certain areas commencing April - May 1999. The agreement with Pillsbury may not be terminated (except for cause) by Pillsbury or Ben & Jerry's until an effective date in the year 2003. The agreement further provides that Ben & Jerry's may earlier terminate without cause by making certain specified payments and it contains additional provisions relating to any termination upon a change in control of either party. The use of sub-distributors by Pillsbury is limited under the Agreement.

In January 1999, the Company concluded a new distribution agreement, also on a non-exclusive basis, with Dreyer's, effective for distribution commencing September 1, 1999. This agreement pertains to a smaller geographic area than that which is covered under the present distribution agreement and is on terms and conditions different in some respects from those applicable under the present distribution agreement. The terms as to the prices received by the Company from Dreyer's purchases of the Company's ice cream products are in line with the new Agreement the Company entered into with Pillsbury, and are expected to be more favorable to the Company.

The new agreement with Dreyer's may be terminated by either party on not less than six months' notice except that no such notice may be given during the months of October - March in any year. The present agreement gives Dreyer's certain territorial exclusivity, limits the sale by Dreyer's of competitive products (Dreyer's brands and certain brands of other ice cream competitors), and contains provisions for payment by the terminated party in the event of a change in control of the terminated party, the present agreement, as amended in January 1999, will remain in place until distribution under the new agreement with Dreyer's becomes effective as to certain territories in April - May 1999 and as to most of the territories on September 1, 1999.

The litigation filed by Dreyer's against the Company in September 1998 challenging the effective date of the Company's August 31, 1998 notice of termination of the present agreement with Dreyer's was resolved by stipulation of dismissal, with prejudice, of that litigation, and without any payments, in connection with the January 1999 amendment of the present agreement and the signing of the new agreement with Dreyer's.

While the Company believes that its relationships with Dreyer's and its other distributors generally have been satisfactory and that these relationships have been instrumental in the Company's growth, the Company has, at times, experienced difficulties in maintaining these relationships to its satisfaction. The Company believes that the recent distribution network redesign will give it

more control over the Company's distribution. However, due to the consolidations in the distribution arena, available distribution alternatives are limited. Accordingly, there can be no assurance that such difficulties with distributors, which may be related to actions by the Company's distributors, which include competitors of the Company in the marketplace (or their controlling persons), will not have a material adverse effect on the Company's business. Loss of one or more of the Company's principal distributors or termination of one or more of the related distribution agreements could have a material adverse effect on the Company's business.

In early 1998 Dreyer's made overtures to Ben Cohen and Jerry Greenfield, the Company's co-founders, to obtain their support for an offer that Dreyer's would make to acquire the Company. These overtures were rejected by the co-founders who stated: "As stockholders, each of us has always been firmly committed to the view that Ben & Jerry's Homemade, Inc. should remain an independent company headquartered in Vermont, in a position to carry out its three-part corporate mission. Accordingly, neither of us will agree to support or vote for the transaction with Dreyer's." The new agreement with Dreyer's contains a standstill provision whereby Dreyer's has agreed, subject to certain exceptions, not to acquire or seek to acquire Ben & Jerry's or stock in Ben & Jerry's.

Marketing

Ben & Jerry's marketing is characterized by a strategic discipline that continues to build brand equity, a solid reputation for the Company, and most importantly, profitable customer relationships.

Ben & Jerry's marketing strategies remain consistent with the Company's three-part mission. Building on Ben & Jerry's significant brand name recognition, the Company continues to emphasize the high quality, natural ingredients in its products while highlighting its non-traditional image in innovative packaging, sales materials, promotional and radio campaigns.

Ben & Jerry's continues to facilitate brand awareness by focusing its marketing efforts on communicating the Company's unique business approaches via Public Relations Campaigns designed to generate unpaid newspaper, magazine, radio and TV news coverage. Company founders, Ben Cohen and Jerry Greenfield, continue to make personal appearances on TV, radio and at select marketing events covered by the print and broadcast media.

The media played a significant role in the introduction of the Company's new products in 1998. Ben & Jerry's April Fool's Day promotion for it's new flavor, Dilbert's World(TM) Totally Nuts(TM) successfully garnered media exposure and generated significant consumer interest in the flavor.

Additional media opportunities in 1998 include placement of the Company's products in popular sitcoms and exclusive national sponsorship of the film, "Man With A Plan," starring Fred Tuttle - the first independently produced movie from Vermont ever distributed by the Public Broadcasting Service.

1998 marked the implementation of a new package design for Ben & Jerry's flavors. The package was restyled to communicate the quality of Ben & Jerry's products and make them easier to shop, while retaining a sense of fun and humor.

Ben & Jerry's conducts guided tours of its facility in Waterbury, Vermont to approximately 300,000 visitors annually, making it the single most popular tourist attraction in the State.

Company-sponsored annual events include the "One World, One Heart" Festival and the Ben & Jerry's Folk Festival in Newport, Rhode Island. These events are

accompanied by ice cream sampling and social activism, promoting customer loyalty and support for the Company's future product introductions.

Franchise shops are an integral part of the Company's marketing effort and their activity on the local level contributes to the Company's three-part mission. The Company's 1998 reintroduction of the Ben & Jerry's Scoop Truck program in five key markets provided an opportunity to distribute new product samples while supporting customer interaction.

Franchise Program

As of December 26, 1998, there were 147 North American Franchise and Satellite scoop shops compared to 135 Franchise and Satellite scoop shops as of December 27, 1997. In addition to our traditional Franchise and Satellite locations, the Company has five PartnerShop(R) Franchises and 19 Featuring Franchises. A

PartnerShop(R) Franchise is a franchise scoop shop, which is awarded to a not-for-profit organization. A Featuring Franchise is a business that has a scoop shop within its location, much like a store within a store. These scoop stations are often found in airports, stadiums, college campuses and similar venues. In the beginning of 1999, the Company began offering another franchise concept, Scoop Station Franchise. These locations will be located in businesses and will be serviced from a pre-fabricated unit with a small product offering. At year-end, there were six company-owned scoop shops: three in Vermont and three new locations in Paris, France. Internationally, there are nine Ben & Jerry's franchised scoop shops in Israel; four in Canada; four in the Netherlands; and one in Lima, Peru.

New scoop shops are opened under existing Development Agreements and under new Single Store Agreements. Development Agreements require a franchisee to develop a particular number of units annually according to the terms of their Agreement. PartnerShop(R) franchises are arrangements that permit not-for-profit organizations to own franchised scoop shops that serve as an employment resource and potentially a source of revenue for the not-for-profit groups. The Company waives the normal franchisee fee of $30,000. In addition the Company provides expertise in the start-up and operation of the PartnerShop(R).

The Company has assorted franchise concepts that include traditional shops in a variety of settings, five PartnerShop(R) Featuring Franchises and Scoop Station Franchises. Franchise Agreements generally have initial terms of five to ten years and renewal terms. Ben & Jerry's franchise scoop shops sell Ben & Jerry's ice cream, frozen yogurt, sorbet, private label hot fudge, baked goods and toppings. The menu items also include coffee, beverages, fruit smoothies, ice cream cakes, novelties and gift items. The Scoop Station is a limited concept with a smaller menu offering at a reduced term.

International

The Company regularly investigates the possibilities of entering new markets. Ben & Jerry's ice cream products are now distributed internationally in the United Kingdom and Israel and are available in parts of Japan, Ireland, France, Canada, the Netherlands, Belgium, Peru and Lebanon.

In 1992, the Company repurchased the Canadian rights to Ben & Jerry's products that it had previously licensed in 1987. In May 1998, the Company signed a non-exclusive licensing agreement with Delicious Alternative Desserts, LTD, to manufacture, sell and distribute Ben & Jerry's products through the wholesale distribution channels in Canada for royalty payments based upon a percentage of the licensee's sales. This agreement is for a five-year period with a renewal option. In connection with this agreement, the Company received 4,000,000 Common Shares of Delicious Alternative Desserts, LTD. which represents approximately 8% of total issued outstanding common shares on a fully diluted basis, and the right to designate one director.

In 1987, the Company granted an exclusive license to manufacture and sell Ben & Jerry's ice cream in Israel, and in March 1999, the Company made an investment in the Israeli licensee, which gave the Company a 60% ownership interest.

In 1997, the Company signed an Importation and Marketing Agreement with one of the largest food retailers in Japan for sale through Japanese retail stores of Ben & Jerry's products manufactured in Vermont in a special size. Following a test market, the product was launched in 1998.

Competition

The super premium ice cream, frozen yogurt and sorbet business is highly competitive, with the distinction between the super premium category and the "adjoining" premium and premium plus categories less marked than in the past. The Company's principal competitor is The Haagen-Daz Company, Inc. Other significant frozen dessert competitors are Dannon, Columbo, Healthy Choice and Starbucks (distributed by Dreyer's). Haagen-Daz, an industry leader in the super premium ice cream market, is owned by The Pillsbury Company, which in turn is owned by Diageo (previously known as Grand Metropolitan PLC), a British food and liquor conglomerate. Diageo is a large, diversified company with resources significantly greater than the Company's, and Haagen-Daz has a significant share of the markets that the Company has entered in recent years. Haagen-Daz has also entered substantially more foreign markets than the Company (including certain markets in Europe and the Pacific Rim). Haagen-Daz and certain other competitors also market flavors using pieces of cookies and candies as ingredients. As part of Ben & Jerry's distribution network redesign, Pillsbury will become a principal distributor for the Company's products.

In the ice cream novelty segment, the Company competes with several well-known brands, including Haagen-Daz and Dove Bars, manufactured by a division of Mars, Inc. Both of these other brands have achieved far larger shares of the novelty market than the Company.

During 1998, the premium category again experienced increased promotional activity driven by the national competition between Dreyer's Grand Ice Cream, Inc., a principal distributor for the Company, and Breyer's Ice Cream (owned by Unilever, a large international food company). In accordance with Dreyer's strategic plan to accelerate the sales of their branded premium products Dreyer's has increased its consumer marketing efforts and continued expansion of its distribution system into additional U.S. markets. In addition, Dreyer's has two premium plus products sold under the Starbucks and Portofino brands. There are a number of other super premium brands, including some regional ice cream companies and some new entries. Increased competition and the increased consumer demand for new lower fat, lower cholesterol products like low fat or non-fat frozen yogurt, low fat ice cream and sorbet, combined with limited shelf space within supermarkets, may have, in general, made market entry harder and has already forced some brands out of some markets. The ability to introduce innovative new flavors and low fat offerings on a periodic basis is also a significant competitive factor. The Company expects strong competition to continue, including price/promotional competition and competition for adequate distribution and limited shelf space within the frozen dessert category in supermarkets and other food retail outlets.

Seasonality

The ice cream, frozen yogurt and frozen dessert industry generally experiences the highest volume during the spring and summer months and the lowest volume in the winter months.

Regulation

The Company is subject to regulation by various governmental agencies, including the United States Food and Drug Administration and the Vermont Department of Agriculture. It must also obtain licenses from certain states where Ben & Jerry's products are sold. The criteria for labeling low fat/low cholesterol and other health-oriented foods was revised in 1994 and in some respects was made more stringent by the FDA. The Company, like other companies in the food industry, made changes in its labeling in response to these regulations and is in compliance. The Company cannot predict the impact of possible further changes that it may be required to make in response to legislation, rules or inquiries made from time to time by governmental agencies. FDA regulations may, in certain instances, affect the ability of the Company, as well as others in the frozen desserts industry, to develop and market new products. Nevertheless, the Company does not believe these legislative and administrative rules and regulations will have a significant impact on its operations.

In connection with the operation of all its plants, the Company must comply with the Federal and Vermont environmental laws and regulations relating to air quality, waste management, and other related land use matters. The Company maintains wastewater discharge permits for all of its manufacturing locations. All the plants pre-treat production effluent prior to discharge to the municipal treatment facility. The Company believes that it is in compliance with all of the required operational permits relating to environmental regulations.

Trademarks

The marks Ben & Jerry's, Ben and Jerry's Portrait, Chubby Hubby, Chunky Monkey, Cool Britannia, Dastardly Mash, Hunka Hunka Burnin' Fudge, New York Super Fudge Chunk, One World One Heart, PartnerShop, Peace Pop and Vermont's Finest are registered trademarks of the Company.

Cherry Garcia(R), Phish Food(TM), Wavy Gravy, Doonesberry(R), Heath(R), and Dilbert's World(TM) are Ben & Jerry's proprietary flavor names and are licensed to the Company.

Employees

At December 26, 1998, Ben & Jerry's employed 751 people including full-time, part-time and temporary employees. This represents a 2% increase from the 736 people employed by the Company at December 27, 1997.

During 1998, a union organizing effort took place at the Company's St. Albans, Vermont plant within the Maintenance Department. Nineteen hourly maintenance employees, by a majority vote, agreed to be represented by the International Brotherhood of Electrical Workers (IBEW). The Company is currently in contract negotiations with IBEW.

The Ben & Jerry's Foundation

In 1985, Ben Cohen, co-founder of the Company, contributed a portion of the equity of the Company which he then owned to The Ben & Jerry's Foundation, Inc., a charitable organization under Section 501(c)(3) of the Internal Revenue Code, in order to enable the Foundation to sell such equity in 1985 and invest the net proceeds (approximately $598,000) in income-producing securities to generate funds for future charitable grants. The Foundation, with its employee-led grant-making committee, under supervision of the Foundation's directors, provides the principal means for carrying out the Company's charitable cash giving policy across the nation. The Foundation continues to target its grants to small grassroots social change organizations.

In October 1985, pursuant to stockholder authorization, the Company issued to the Foundation all of the 900 authorized shares of Class A Preferred Stock. The Class A Preferred Stock gives the Foundation a special class voting right to act with respect to certain mergers and other Business Combinations (as defined in the Company's charter). The issuance of Preferred Stock was designed to perpetuate the relationship between the Foundation and the Company and to assist the Company in its determination to remain an independent business headquartered in Vermont.

Anti-Takeover Effects of Class B Common Stock, Class A Preferred Stock, Classified Board of Directors, Vermont Legislation and Shareholder Rights Plans.

The holders of Class A Common Stock are entitled to one vote for each share held on all matters voted on by stockholders, including the election of directors. The holders of Class B Common Stock are entitled to ten votes for each share held in the election of directors and on all other matters. The Class B Common Stock is generally nontransferable as such, and there is no trading market for the Class B Common Stock. The Class B Common Stock is freely convertible into Class A Common Stock on a share-for-share basis and transferable thereafter. A stockholder who does not wish to complete the prior conversion process may effect a sale by simply delivering the certificate for such shares of Class B Common Stock to a broker, properly endorsed. The broker may then present the certificate to the Company's transfer agent which, if the transfer is otherwise in good order, will issue to the purchaser a certificate for the number of shares of Class A Common Stock thereby sold.

The Company has been advised that Mr. Jerry Greenfield (Chairperson and a director of the Company), Mr. Ben Cohen (Vice-Chairperson and a director of the Company) and Mr. Jeff Furman (a director and formerly a consultant to the Company) (collectively, the "Principal Stockholders") presently intend to retain substantial numbers of shares of Class B Common Stock. As a result of conversions by "public" stockholders of Class B Common Stock, in order to enable their sales of such securities, the Class B Common Stock is now held disproportionately by Company insiders, including the above-named three directors who are Principal Stockholders. See "Security Ownership of Certain Beneficial Owners and Management." As of March 5, 1999, these three principal individual stockholders held shares representing 46% of the aggregate voting power in elections of directors and various other matters and 17% of the aggregate common equity outstanding, permitting them, as a practical matter, generally to decide elections of directors and various other questions submitted to a vote of the Company's stockholders even though they might sell substantial portions of their Class A Common Stock.

The Board of Directors, without further stockholder approval, may issue additional authorized but unissued shares of Class B Common Stock in the future and sell shares of Class B Common Stock held in the Company's treasury. In 1985, Ben Cohen, one of the Company's co-founders, contributed a portion of the equity in the Company, which he then owned, to the Ben & Jerry's Foundation, Inc. The current directors of the Foundation, Messrs. Greenfield and Furman and Ms. Bankowski are also directors of the Company. The Class A Preferred Stock gives the Foundation a class voting right to act with respect to certain Business Combinations (as defined in the Company's charter). The 1985 issuance of the Class A Preferred Stock to the Foundation effectively limits the voting rights that holders of the Class A Common Stock and Class B Common Stock, the owners of virtually all of the equity in the Company, would otherwise have with respect to Business Combinations (as defined). This may have the effect of limiting such common stockholders participation in certain transactions such as mergers, other Business Combinations (as defined) and tender offers, whether or not such transactions might be favored by such common stockholders.

At the 1997 Annual Meeting the shareholders approved amendments to the Company's Articles of Association to (a) classify the Board into three classes, as nearly as equal as possible, so that each director (after a transitional period) will serve for three years, with one class of directors being elected each year; (b) provide that directors may be removed only for cause and with the approval of at least two-thirds of the votes cast on the matter by all of the outstanding shares of capital stock of the Company entitled to vote generally in the election of directors; (c) provide that any vacancy resulting from such a removal may be filled by two-thirds of the directors then in office; and (d) increase the stockholder vote required to alter, amend, repeal or adopt any provision inconsistent with these amendments approved by stockholders in 1997 to at least two-thirds of the votes cast on the matter by all of the outstanding shares of capital stock of the Company entitled to vote generally in the elections of directors, voting together.

Also, in April, 1998 the Legislature of the State of Vermont amended a provision of the Vermont Business Corporation Act to provide that the directors of a Vermont corporation may also consider, in determining whether an acquisition offer or other matter is in the best interests of the corporation, the interests of the corporation's employees, suppliers, creditors and customers, the economy of the state in which the corporation is located and including the possibility that the best interests of the corporation may be served by the continued independence of the corporation. Also, in August, 1998, following approval by its Board of Directors, the Company put in place two Shareholder Rights Plans, one pertaining to the Class A Common Stock and one pertaining to the Class B Common Stock. These Plans are intended to protect stockholders by compelling someone seeking to acquire the Company to negotiate with the Company's Board of Directors in order to protect stockholders from unfair takeover tactics and to assist in the maximization of stockholder value. These Rights Plans, which are common for public companies in the United States, may also be deemed to be "anti-takeover" provisions in that the Board of Directors believes that these Plans will make it difficult for a third party to acquire control of the Company on terms which are unfair or unfavorable to the stockholders.

The Class B Common Stock, the Class A Preferred Stock, the Classified Board of Directors and the Shareholder Rights Plans may be deemed to be "anti-takeover" provisions in that the Board of Directors believes the existence of these securities and the 1997 amendments to the Articles of Association will make it difficult for a third party to acquire control of the Company on terms opposed by the holders of the Class B Common Stock, including primarily the Principal Stockholders and the Foundation, or for incumbent management and the Board of Directors to be removed. See also "Risk Factors" in Item 7 of this Report.

The Company believes that these provisions of the Articles of Association, the amendment to the Vermont Business Corporation Act and the Shareholder Rights Plans, reduce the possibility that a third party could effect a change, including a tender offer or a sudden or surprise change in the composition of the Company's Board of Directors, without the support of the incumbent Board and accordingly that adoption of these items strengthened Ben & Jerry's ability to remain an independent, Vermont-based company focused on carrying out its three-part corporate mission, which Ben & Jerry's believes is in the best interest of the Company, its stockholders, employees, suppliers, customers and the Vermont community.

ITEM 2. PROPERTIES

The Company owns three production facilities. Ben & Jerry's owns a 42.5 acre site in Waterbury, Vermont on which it operates a 46,000 square-foot plant producing ice cream and frozen yogurt in packaged pints. The Company owns a 12-acre site in Springfield, Vermont on which it operates a 48,000 square-foot production facility. The Springfield plant is used for the production of ice cream novelties, bulk ice cream and frozen yogurt, and at times packaged pints and quarts.

The Company's property, plant and equipment at its production facilities in Waterbury are subject to various liens securing a portion of the Company's long-term debt.

The Company owns a 42-acre site in St. Albans, Vermont on which it operates a 92,000 square foot manufacturing facility.

In 1991, the Company entered into a twenty-five year lease with an option to purchase 17.1 acres of land in Rockingham, Vermont on which the Company constructed and operates a 45,000 square-foot central distribution facility.

In February 1996, the Company entered into a ten year lease agreement for approximately 69,000 square-feet of office and warehousing space in South Burlington, Vermont where the Company's executive offices and administrative departments are located.

The Company also leases space for its retail ice cream parlors in Burlington and Montpelier, Vermont and Paris, France, and its corporate offices in the United Kingdom, France and Japan. The Company owns three single-family houses, which are situated on land adjacent to its manufacturing facility in Waterbury.

The Company believes that all of its facilities are well maintained and in good repair.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to certain litigation and claims in the ordinary course of business which management believes are not material to the Company's business.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders of the Company during the fourth quarter of 1998.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's Class A Common Stock is traded on the NASDAQ National Market System under the symbol BJICA. The following table sets forth for the period December 29, 1996 through March 5, 1999, the high and low closing sales prices of the Company's Class A Common Stock for the periods indicated.

		High		Low
1997				
First Quarter	$	14 3/8	$	10 7/8
Second Quarter		14 1/2		11
Third Quarter		14 1/2		12
Fourth Quarter		18 3/4		12 1/4
1998				
First Quarter	$	19	$	14
Second Quarter		21 1/8		17
Third Quarter		19 7/8		13 1/16
Fourth Quarter		23 7/8		14 7/8
1999				
First Quarter through March 5, 1999	$	24 5/16	$	21 3/8

The Class B Common Stock is generally non-transferable and there is no trading market for the Class B Common Stock. However, the Class B Common Stock is freely convertible into Class A Common Stock on a share-for-share basis, and transferable thereafter. A stockholder who does not wish to complete the prior conversion process may effect a sale by simply delivering the certificate for such shares of Class B Stock to a broker, properly endorsed. The broker may then present the certificate to the Company's transfer agent which, if the transfer is otherwise in good order, will issue to the purchaser a certificate for the number of shares of Class A Common Stock thereby sold.

As of March 5, 1999 there were 10,202 holders of record of the Company's Class A Common Stock and 2,025 holders of record of the Company's Class B Common Stock.

Item 6. Selected Financial Data

The following table contains selected financial information for the Company's fiscal years 1994 through 1998.

Summary of Operations (In thousands except per share data)

<TABLE>
<CAPTION>

	Fiscal Year				
	1998	1997	1996	1995	1994
<S>		<C>	<C>	<C>	<C>
Net sales	$209,203	$ 174,206	$ 167,155	$ 155,333	$ 148,802
Cost of sales	136,225	114,284	115,212	109,125	109,760
Gross profit	72,978	59,922	51,943	46,208	39,042
Selling, general & administrative expenses	63,895	53,520	45,531	36,362	36,253
Asset write-down(1)					6,799
Other income (expense) - net	693	(118)	(77)	(441)	228
Income before income taxes	9,776	6,284	6,335	9,405	(3,762)
Income taxes	3,534	2,388	2,409	3,457	(1,893)
Net income	6,242	3,896	3,926	5,948	(1,869)
Net income (loss) per share -diluted	$ 0.84	$ 0.53	$ 0.54	$ 0.82	$(0.26)
Shares outstanding -diluted	7,463	7,334	7,230	7,222	7,148

Balance Sheet Data:

	Fiscal Year				
	1998	1997	1996	1995	1994
Working capital	$ 48,381	$ 51,412	$ 50,055	$ 51,023	$ 37,456
Total assets	149,501	146,471	136,665	131,074	120,296
Long-term debt and capital lease obligations	20,491	25,676	31,087	31,977	32,419
Stockholders' equity(2)	90,908	86,919	82,685	78,531	72,502

</TABLE>

1 Write-down of assets - In 1994, the Company replaced certain of the software and equipment installed at the plant in St Albans, Vermont. The loss from the write-down of the related assets included a portion of the previously capitalized interest and project management costs.

2 No cash dividends have been declared or paid by the Company on its capital stock since the Company's organization. The Company intends to reinvest earnings for use in its business and to finance future growth. Accordingly, the Board of Directors does not anticipate declaring any cash dividends in the foreseeable future.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

The following table shows certain items as a percentage of net sales, which are included in the Company's Statement of Operations.

<TABLE>
<CAPTION>

	Percentage of Net Sales Fiscal Year			Annual Increase (Decrease)		
	1998	1997	1996	1998 Compared To 1997	1997 Compared To 1996	1996 Compared To 1995
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales	100.0%	100.0%	100.0%	20.1%	4.2%	7.6%
Cost of sales	65.1	65.6	68.9	19.2	(0.8)	5.6
Gross profit	34.9	34.4	31.1	21.8	15.4	12.4
Selling, general and administrative expense	30.5	30.7	27.2	19.4	17.5	25.2
Other income(expense)	0.3	(0.1)	0.1	687.3	53.2	(82.5)
Income before income taxes	4.7	3.6	3.8	55.6	(0.8)	(32.6)
Income taxes	1.7	1.4	1.5	48.0	(0.9)	(30.3)
Net income	3.0%	2.2%	2.3%	60.2%	(0.8)%	(34.0)%

</TABLE>

Net Sales

Net sales in 1998 increased 20.1% to $209 million from $174 million in 1997. Domestic pint volume increased 10% compared to 1997, which was primarily attributable to the Company's original line of products. This volume increase was combined with a price increase of 3% on pints sold to distributors that went into effect in July 1998. Unit volume of 2 1/2 gallon bulk container products increased 17% compared to the same period in 1997. Also contributing to the increase in sales for 1998 was the launch of the Company's new single serve products in Japan and the introduction of a new line of premium plus ice cream, Newman's Own(TM) All Natural Ice Cream, manufactured and sold under a license agreement with Paul Newman and Newman's Own(TM).

Packaged sales (primarily pints) represented approximately 81% of total net sales in 1998, 84% of total net sales in 1997 and 85% of total net sales in 1996. Net sales of 2 1/2 gallon bulk containers represented approximately 8% of total net sales in 1998 and 1997 and 7% of total net sales in 1996. Net sales of novelties accounted for approximately 9% of total net sales in 1998 and 6% of total net sales in 1997 and 1996. Net sales from the Company's retail stores represented 2% of total net sales in 1998, 1997 and 1996.

International sales were $17.4, $7.6, and $6.9 million in 1998, 1997 and 1996, respectively, which represents 8% of net sales in 1998, 4% in 1997 and 4% in 1996. The increase in 1998 was primarily due to the introduction of single serve products in Japan and higher sales to Canada.

Net sales in 1997 increased 4% to $174 million from $167 million in 1996 primarily due to price increases of approximately 3% for pints that went into effect in August 1996 and April 1997. Pint volume increased 0.7% compared to 1996. Net sales of 2 1/2 gallon bulk containers had a modest increase in 1997.

Cost of Sales

Cost of sales in 1998 increased approximately $22 million or 19% over the same period in 1997 and overall gross profit as a percentage of net sales increased from 34.4% in 1997 to 34.9% in 1998. The slightly higher gross profit margin primarily resulted from increases in selling prices effective in January 1998 and July 1998, better plant utilization due to higher production volumes and a decrease in reserves for potential product obsolescence, partially offset by substantial increases in dairy commodity costs.

The Company experienced significant increases in dairy prices in 1998 compared to 1997 levels. In response to higher dairy costs, the Company instituted a 3% price increase effective in July 1998 for its packaged pint products and a combined 10% price increase for its 2 1/2 gallon bulk containers effective in January 1998 and July 1998 to offset these increased costs. If dairy commodity prices begin to rise again to higher levels, there is the possibility that these costs will not be passed on to customers, which will negatively impact future gross profit margins. See Risk Factors in Item 7.

In 1997, cost of sales decreased approximately $900,000 or 0.8% over 1996 and overall gross profit as a percentage of net sales increased from 31.1% in 1996 to 34.4% in 1997. The higher gross profit as a percentage of net sales in 1997 was a result of higher selling prices instituted in August 1996 and April 1997, improved operating efficiencies and decreases in certain raw material commodity prices. The Company experienced a modest decrease in dairy commodity prices during 1997 compared to 1996. Dairy costs started to increase in the summer and fall of 1996 and continued into the first half of 1997. In response to higher dairy commodity costs, the Company instituted a price increase of approximately 3% for its packaged pint products effective April 1997. Though dairy commodity prices were lower in the third quarter of 1997 as compared to the comparable quarter in the prior year, they began to escalate in the latter half of the fourth quarter.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased 19% to $64 million in 1998 from $54 million in 1997 and decreased slightly as a percentage of net sales to 30.5% in 1998 from 30.7% in 1997. The $10 million increase in expenses is attributable to increased sales and marketing expenses to support the launch of a new line of premium plus ice cream under the name of Newman's Own(TM) All Natural Ice Cream , increased international costs, increases in radio advertising, in-store programs to drive product trial and brand awareness, scoop truck marketing and the rollout of the new pint package design.

Selling, general and administrative expenses increased 17% to $54 million in 1997 from $46 million in 1996 and increased as a percentage of net sales to 30.7% in 1997 from 27.2% in 1996. This increase primarily reflects increased marketing and sales expenses and includes national radio advertising and increased trade promotions to support the Company's brand both domestically and in Europe.

Other Income (Expense)

Interest income increased from $1.9 million in 1997 to $2.2 million in 1998. The increase in interest income was due to higher average invested balance throughout 1998. Interest expense in 1998 decreased $104,000 in 1998 as compared to 1997 due to the $5 million Senior Notes principal installment payment. Other income (expense) increased in 1998 from other expense of $118,000 in 1997 to other income of $693,000 in 1998. This is primarily due to increased losses associated with foreign currency exchange in comparison to 1997 combined with income received from the Company's cost basis investment.

Interest income increased from $1.7 million in 1996 to $1.9 million in 1997. The increase in interest income was due to a higher average invested balance throughout 1997. Interest expense in 1997 remained level with 1996. Other income (expense) decreased in 1997 from other income of $243,000 in the prior year to other expense of $64,000 in 1997. This is primarily due to the receipt of insurance settlement proceeds.

Income Taxes

The Company's effective income tax rate in 1998 decreased to 36% from 38% in 1997 and 1996. The decrease was a result of lower state income taxes, more tax-exempt interest income, and the overall geographic mix of earnings. Management expects 1999's effective income tax rate to decrease to approximately 35% based upon the expected geographic mix of earnings.

Net Income

Net income for 1998 increased to $6.2 million compared to $3.9 million in 1997. Net income as a percentage of net sales was 2.9% in 1998 as compared to 2.2% in 1997 and 2.3% in 1996.

Seasonality

The Company typically experiences more demand for its products during the summer than during the winter.

Inflation

Inflation has not had a material effect on the Company's business to date, with the exception of dairy raw material commodity costs. See the Risk Factors below. Management believes that the effects of inflation and changing prices were successfully managed in 1998, with both margins and earnings being protected through a combination of pricing adjustments, cost control programs and productivity gains.

Liquidity and Capital Resources

As of December 26, 1998 the Company had $47.2 million of cash, cash equivalents and marketable securities ($25.1 million of cash and cash equivalents and $22.1 million of marketable securities), a $570,000 decrease since December 27, 1997. Net cash provided by operations in 1998 was $16.1 million of which approximately

$8.8 million was used for net additions to property, plant and equipment, primarily for improvements at the Company's manufacturing facilities, the build out of three Company owned scoop shops in France and fit-up costs for a chain of cinemas in the United Kingdom. In addition, $3.1 million cash was used to repurchase shares of the Company's Class A Common Stock and $5.3 million was used to pay down debt and capital leases.

From December 27, 1997 to December 26, 1998 inventories and the sum of accounts payable and accrued expenses have increased $2 million and $5 million, respectively. These increases reflect the growth in the Company's business and increased sales and marketing expenses.

The Company anticipates capital expenditures in 1999 of approximately $9 million plus $1 million for its acquisition of 60% of its licensee in Israel during 1999. Most of these projected capital expenditures relate to equipment upgrades and enhancements at the Company's manufacturing facilities, research and development equipment, computer related expenditures and corporate space expansion.

During the year ended December 26, 1998 the Company repurchased a total of 166,500 shares of the Company's Class A Common Stock for approximately $3.1 million. Pursuant to the repurchase program announced May 8, 1997, 122,500 shares were purchased for use in connection with stock option awards under the 1995 Equity Incentive Plan. These transactions, together with earlier repurchases of 77,500 shares in 1997, complete the repurchase of the 200,000 shares authorized under this program. An additional 44,000 shares were purchased through December 26, 1998 for approximately $733,000 under a repurchase program announced in September 1998 authorizing the Company to purchase shares of the Company's Class A Common Stock up to an aggregate cost of $5 million for use for general corporate purposes. Subsequent to December 26, 1998 and through March 5, 1999 the Company repurchased an additional 68,000 shares under this program for approximately $1.5 million.

The Company's short and long-term debt at December 26, 1998 includes $25 million aggregate principal amount of Senior Notes issued in 1993 and 1994. The first principal payment of $5 million was paid in September 1998 and the remainder of principal is payable in annual installments through 2003.

The Company has available two $10,000,000 unsecured working capital line of credit agreements with two banks. Interest on borrowings under the agreements is set at the banks' base rate or at LIBOR plus a margin based on a pre-determined formula. No amounts were borrowed under these or any bank agreements during 1998. The working capital line of credit agreements expire December 23, 2001.

Management believes that internally generated funds, cash, cash equivalents and marketable securities and equipment lease financing and/or borrowings under the Company's two unsecured bank lines of credit will be adequate to meet anticipated operating and capital requirements.

Year 2000 Readiness Disclosure

Background of Year 2000 Issues. The "Year 2000" issue is the result of computer systems and software programs using two rather than four digits to define a year. As a result, computer systems that have date sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. Unless remedied, the Year 2000 issue could result in system failures, miscalculations, and the inability to process necessary transactions or engage in similar normal business activities. In addition to computer systems and software, equipment using embedded chips, such as manufacturing and telephone equipment, could also be at risk.

State of Readiness. The Company has developed, and is implementing a Year 2000 plan to address Year 2000 issues. The plan focuses on the following three broad categories: (a) information technology systems; (b) manufacturing facilities including embedded technology; and (c) external noncompliance by customers, distributors, suppliers and other business partners.

The Company has substantially completed the inventory and assessment of the core software applications and hardware infrastructure. The Company has identified and is in various stages of remediating software and hardware deficiencies caused by the Year 2000 issue. The financial, human resources, manufacturing and distribution systems are currently being repaired; testing and validation of these systems are scheduled during the second quarter of 1999. The Company's networking equipment is not compliant and is scheduled to undergo renovation and testing during the second quarter of 1999 as well.

While the Company is continuing detailed assessment of its manufacturing facilities and embedded chip technology, it has not identified any problems thus far that would have a material impact upon operations. The assessment phase for the manufacturing facilities is expected to be completed in April 1999. At the same time, the Company is testing and remediating certain equipment and software systems known to have possible Year 2000 issues and is expected to complete this phase during the second quarter of 1999.

A critical step in this project is the coordination of Year 2000 readiness with third parties. The Company is communicating with its significant suppliers, distributors and customers to determine the extent to which the Company is vulnerable if the third parties fail to resolve their Year 2000 issues. The Company will continue to assess and work with all of its major partners to understand the associated risks and plan for contingencies.

Risks Related to Year 2000 Issues. The Company presently believes that the Year 2000 issue will not pose significant operational problems and that the internal Year 2000 issues will be resolved in a timely manner. However, the future compliance of Year 2000 processing within the Company is dependent upon key personnel, vendor software, vendor equipment and components. In the unlikely event that no further progress is made on the Company's year 2000 project, the Company may be unable to manufacture or ship product, invoice customers or collect payments. As a result, Year 2000 issues could have a material adverse impact on the Company's operations and its financial results. In addition, if systems operated by third parties (including municipalities or utilities) are not Year 2000 compliant, this could also have a material adverse affect on the Company.

Costs to Address Year 2000 Issues. The Company does not separately track the internal costs incurred for the Year 2000 project, which are primarily the related payroll costs for its information systems ("IS") group. There have been no incremental payroll costs related to the Year 2000 project, however non-critical IS projects have been deferred due to concentration on Year 2000 efforts. The delay of these projects is not expected to have a material impact on the operations of the Company.

The external costs for software; hardware, equipment and services related to the Year 2000 project are expected to be approximately $1.2 million. The Company will expense the costs of modifying existing systems and capitalize the replacement cost of software or equipment that is not Year 2000 compliant. There can be no guarantee, however, that the systems of other entities which the Company relies upon will be converted on a timely basis or that any failure to convert by another entity would not have an adverse effect on the Company's systems and operations.

Contingency Plans. Due to the general uncertainty inherent in the Year 2000 problem, including uncertainty regarding the Year 2000 readiness of suppliers, distributors and other manufacturers, the Company is developing contingency plans. This process includes, among others, developing backup procedures in case of systems failures, identifying alternative production plans and developing alternative plans to engage in business activities with customers, distributors and suppliers that are not experiencing Year 2000 problems.

The above forward looking statements with regard to the timing and overall cost estimates of the Company's efforts to address the Year 2000 problem are based upon the Company's experience thus far in this effort. Should the Company encounter unforeseen difficulties either in the continuing review of its internal systems, the ultimate remediation, or the responses of its business partners, the actual results could vary significantly from the estimates in these forward-looking statements.

Forward-Looking Statements

This section, as well as other portions of this document, includes certain forward-looking statements about the Company's business, new products, sales, dairy prices, other expenditures and cost savings, Year 2000 program costs, effective tax rate, operating and capital requirements and refinancing. Any such statements are subject to risks that could cause the actual results or needs to vary materially. These risks are discussed below.

Risk Factors

Dependence on Independent Ice Cream Distributors. Historically, the Company has been dependent on maintaining satisfactory relationships with Dreyer's Grand Ice Cream, Inc. ("Dreyer's") and the other independent ice cream distributors that have acted as the Company's exclusive or master distributor in their assigned territories. In 1998, Dreyer's distributed significantly more than a majority of the sales of Ben & Jerry's products. While the Company believes its relationships with Dreyer's and its other distributors generally have been satisfactory and have been instrumental in the Company's growth, the Company has at times experienced difficulty in maintaining such relationships to its satisfaction. In addition, in early 1998 Dreyer's made overtures to Ben Cohen and Jerry Greenfield, the Company's co-founders, to obtain their support for an offer that Dreyer's would make to acquire the Company. The co-founders rejected these overtures.

In August 1998 - January 1999, the Company redesigned its distribution network, entering into a distribution agreement with The Pillsbury Company ("Pillsbury") and a new agreement with Dreyer's. These arrangements take effect September 1, 1999, except for certain territories, which are effective, in April - May 1999. The Company believes the terms of the new arrangements will, on balance, be more favorable to its Company and expects that, under the distribution network redesign, no one distributor will account for more than 40% of the Company's net sales. However, both Pillsbury, through its Haagen-Daz unit, and Dreyer's are competitors of the Company.

Since available distribution alternatives are limited, there can be no assurance that difficulties in maintaining satisfactory relationships with Pillsbury, Dreyer's and its other distributors, some of which are also competitors of the Company, will not have a material adverse effect on the Company's business. (See "Business-Markets and Customers")

Growth in Sales and Earnings. In 1998, net sales of the Company increased 20.1% to $209 million from $174 million in 1997. Pint volume increased 10.2% compared to 1997. The super premium ice cream, frozen yogurt and sorbet industry category sales increased 4% in 1998 as compared to 1997. Given these overall domestic super premium industry trends, the successful introduction of innovative flavors on a periodic basis has become increasingly important to sales growth by the Company. Accordingly, the future degree of market acceptance of any of the Company's new products, which will be accompanied by significant promotional expenditures, is likely to have an important impact on the Company's 1999 and future financial results. See "Management's Discussion and Analysis of Financial Conditions and Results of Operations."

Competitive Environment. The super premium frozen dessert market is highly competitive with the distinctions between the super premium category, and the "adjoining" premium and premium plus categories less marked than in the past. As noted above, the ability to successfully introduce innovative flavors on a periodic basis that are accepted by the marketplace is a significant competitive factor. In addition, the Company's principal competitors are large, diversified companies with resources significantly greater than the Company's, two of which are distributors for the Company. The Company expects strong competition to continue, including competition for adequate distribution and competition for the limited shelf space for the frozen dessert category in supermarkets and other retail food outlets. See "Business Competition" and "Business The Super Premium Frozen Dessert Market."

Increased Cost of Raw Materials. Management believes that the general trend of increased dairy ingredient commodity costs may continue and it is possible that at some future date both gross margins and earnings may not be adequately protected by pricing adjustments, cost control programs and productivity gains.

Reliance on a Limited Number of Key Personnel. The success of the Company is significantly dependent on the services of Perry Odak, the Chief Executive Officer, and a limited number of executive managers working under Mr. Odak, as well as certain continued services of Jerry Greenfield the Chairperson of the Board and co-founder of the Company; and Ben Cohen, Vice Chairperson and co-founder of the Company. Loss of the services of any of these persons could have a material adverse effect on the Company's business. See "Directors and Executive Officers of the Company."

The Company's Social Mission. The Company's basic business philosophy is embodied in a three-part "mission statement," which includes a "social mission" to "operate the Company in a way that actively recognizes the central role that business plays in the structure of society by initiating innovative ways to improve the quality of life of a broad community: local, national and international. Underlying the mission of Ben & Jerry's is the determination to seek new and creative ways of addressing all three parts, while holding a deep respect for individuals inside and outside the Company and for the communities of which they are a part." The Company believes that implementation of its social mission, which is being more integrated into the Company's business, has been beneficial to the Company's overall financial performance. However, it is possible that at some future date the amount of the Company's energies and resources devoted to its social mission could have some material adverse financial effect. See "Business-Introduction" and "Business-Marketing."

International. Total international net sales represented approximately 8% of total consolidated net sales in 1998. The Company's principal competitors have substantial market shares in various countries outside the United States, principally Europe and Japan. The Company sells product in Japan, Canada, the United Kingdom, Ireland, France, the Netherlands, Belgium and will start selling in Peru and Lebanon in 1999. In 1987, the Company granted an exclusive license to manufacture and sell Ben & Jerry's products in Israel. In February 1999, the Company made an investment commitment in the Israeli licensee, which gave the Company a 60% ownership interest. In May 1998, the Company signed a Licensing Agreement with Delicious Alternative Desserts, LTD. to manufacture, sell and distribute Ben & Jerry's products through the wholesale distribution channels in Canada. The Company is investigating the possibility of further international expansion. However, there can be no assurance that the Company will be successful in entering (directly or indirectly through licensing), on a long-term profitable basis, such international markets as it selects.

Control of the Company. The Company has two classes of common stock - the Class A Common Stock, entitled to one vote per share, and the Class B Common Stock (authorized in 1987), entitled, except to the extent otherwise provided by law, to ten votes per share. Ben Cohen, Jerry Greenfield and Jeffrey Furman (collectively the "Principal Stockholders") hold shares representing 46% of the aggregate voting power in elections for directors, permitting them as a practical matter to elect all members of the Board of Directors and thereby effectively control the business, policies and management of the Company. Because of their significant holdings of Class B Common Stock, the Principal Stockholders may continue to exercise this control even if they sell substantial portions of their Class A Common Stock. See "Security Ownership of Certain Beneficial Owners and Management."

In addition, the Company issued all of the authorized Class A Preferred Stock to the Foundation in 1985. All current directors of the Foundation are directors of the Company. The Class A Preferred Stock gives the Foundation a class voting right to act with respect to certain Business Combinations (as defined in the Company's charter) and significantly limits the voting rights that holders of the Class A Common Stock and Class B Common Stock, the owners of virtually all of the equity in the Company, would otherwise have with respect to such Business Combinations. See "Business The Ben & Jerry's Foundation."

Also, in April, 1998 the Legislature of the State of Vermont amended a provision of the Vermont Business Corporation Act to provide that the directors of a Vermont corporation may also consider, in determining whether an acquisition offer or other matter is in the best interests of the corporation, the interests of the corporation's employees, suppliers, creditors and customers, the economy of the state in which the corporation is located and including the possibility that the best interests of the corporation may be served by the continued independence of the corporation. Also in August, 1998, following approval by its Board of Directors, the Company put in place two Shareholder Rights Plans, one pertaining to the Class A Common Stock and one pertaining to the Class B Common Stock. These Plans are intended to protect stockholders by compelling someone seeking to acquire the Company to negotiate with the Company's Board of Directors in order to protect stockholders from unfair takeover tactics and to assist in the maximization of stockholder value. These Rights Plans, which are common for public companies in the United States, may also be deemed to be "anti-takeover" provisions in that the Board of Directors believes that these Plans will make it difficult for a third party to acquire control of the Company on terms which are unfair or unfavorable to the stockholders.

While the Board of Directors believes that the Class B Common Stock and the Class A Preferred Stock are important elements in keeping Ben & Jerry's an independent, Vermont-based business focused on its three-part corporate mission, the Class B Common Stock and the Class A Preferred Stock may be deemed to be "anti-takeover" provisions in that the Board of Directors believes the existence of these securities will make it difficult for a third party to acquire control of the Company on terms opposed by the holders of the Class B Common Stock, including primarily the Principal Stockholders, or The Foundation, or for incumbent management and the Board of Directors to be removed. In addition, the 1997 amendments to the Company's Articles of Association to classify the Board of Directors and to add certain other related provisions; the April 1998 Vermont Legislative Amendment of the Vermont Business Corporation Act and the Shareholder Rights Plans put in place in August, 1998 (see "Anti-Takeover Effects of Class B Common Stock, Class A Common Stock, Class A Preferred Stock, Classified Board of Directors, Vermont Legislation and Shareholder Rights Plans" in Item 1) may be deemed to be "anti-takeover" provisions in that the Board of Directors believes that these amendments and legislation will make it difficult for a third party to acquire control of the Company on terms opposed by the holders of the Class B Common Stock, including primarily the Principal Stockholders and the Foundation, or for incumbent management and the Board of Directors to be removed.

Item 7A. Market Risk

The Company is exposed to a variety of market risks, including changes in interest rates affecting the return on its investments and foreign currency fluctuations. The Company's exposure to market risk for a change in interest rates relates primarily to the Company's investment portfolio. The Company has classified all of its short-term and long-term investments as "available for sale" except for certificates of deposits which are held to maturity. The majority of these investments are municipal bonds and fixed income preferred

stock in which the market value approximates its cost at December 26, 1998. The Company does not intend to hold such investments to maturity if there is an underlying change in interest rates or the Company's cash flow requirements. Certificates of deposits do not expose the consolidated statement of operations or balance sheets to fluctuations in interest rates. The Company's exposure to market risk for fluctuations in foreign currency relate primarily to the amounts due from subsidiaries. Exchange gains and losses related to amounts due from subsidiaries have not been material for each of the years presented.

Item 8. Financial Statements and Supplementary Data

The response to this is in Item 14(a) of this Report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 10. Directors and Executive Officers of the Company

Directors and Executive Officers

The directors and executive officers of the Company are as follows:

Name	Age	Office
Jerry Greenfield	47	Chairperson and Director
Ben Cohen	47	Vice Chairperson and Director
Perry Odak	53	Chief Executive Officer, President and Director
Elizabeth Bankowski	51	Director and Director of Social Mission
Pierre Ferrari	48	Director
Jeffrey Furman	55	Director
Jennifer Henderson	45	Director
Frederick A. Miller	52	Director
Henry Morgan	73	Director
Lawrence Benders	42	Chief Marketing Officer
Bruce Bowman	46	Senior Director of Operations
Charles Green	44	Senior Director Sales and Distribution
Angelo Pezzani	57	Senior Director of Business Development
Frances Rathke	38	Chief Financial Officer and Secretary

The Board of Directors has an Audit Committee on which Directors Ferrari, Furman and Morgan (Chairperson) serve; a Compensation Committee on which Directors Miller, Morgan and Henderson, (Chairperson) serve; a Social Mission/Workculture Committee on which Directors Bankowski, Furman, Henderson and Miller (Chairperson) serve; an Executive Committee on which Directors Cohen, Miller, Morgan, Odak and Ferrari serve; and a Nominating Committee on which Directors Ferrari, Greenfield, Henderson, Odak and Cohen (Chairperson) serve.

Elizabeth Bankowski has served as Director of Social Mission Development since December 1991. Ms. Bankowski has been a director of the Company since 1990. Additionally, Ms. Bankowski is Secretary and a director of The Ben & Jerry's Foundation, Inc.

Ben Cohen, a founder of the Company, served as Chairperson of the Board of Directors from February 1989 through November 1998. Mr. Cohen currently serves as Vice Chairperson of the Board of Directors. From January 1, 1991 through January 29, 1995 he was the Chief Executive Officer of the Company. Mr. Cohen has been a director of the Company since 1977. Mr. Cohen is a director of Blue Fish Clothing, Inc., Community Products, Inc., Social Venture Network and GreenPeace International. In 1997, Community Products Inc. filed for protection under Chapter 11 of the United States Bankruptcy Code.

Pierre Ferrari has served as a director of the Company since June 1997. In 1997 Mr. Ferrari became President of Lang International, a marketing consulting firm. From 1994 to 1997 Mr. Ferrari was the Special Assistant to the President and CEO of Care, the World's largest private relief and development agency. Prior to 1994, Mr. Ferrari held various senior level marketing positions at The Coca-Cola Company.

Jeffrey Furman has served as a director of the Company since 1982. Mr. Furman is Treasurer and director of The Ben & Jerry's Foundation, Inc. Currently, Mr. Furman is a self-employed consultant. From March 1991 through December 1996, Mr. Furman was a consultant to the Company.

Jerry Greenfield, a founder of the Company, served as director and Vice Chairperson of the Board of Directors from 1990 to November 1998 at which time he was elected Chairperson of the Board of Directors. Mr. Greenfield is also President and a director of The Ben & Jerry's Foundation, Inc.

Jennifer Henderson has served as a director of the Company since June 1996. Ms. Henderson is director of Training at the Center for Community Change in Washington, DC and President of Strategic Interventions, Inc., a leadership and management consulting firm.

Frederick A. Miller has served as a director of the Company since 1992. Since 1985 Mr. Miller has served as President of the Kaleel Jamison Consulting Group, Inc., a strategic culture change and management consulting firm.

Henry Morgan has served as a director of the Company since 1987. Mr. Morgan is retired Dean Emeritus of Boston University School of Management. Mr. Morgan serves on the Board of Directors of Cambridge Bancorporation, Southern Development Bancorporation and Cleveland Development Bancorporation.

Perry D. Odak has served as Chief Executive Officer of the Company since December 31, 1996, as director of the Company since January 1997, and as Chief Executive Officer and President since June 1997. From 1990 to 1996, Mr. Odak was a principal in Odak, Pezzani & Company, a private management consulting firm. From 1994 to 1995, Mr. Odak was Chief Executive Officer of Graham Packaging.

Other Key Executives

Lawrence E. Benders joined the Company in October 1997 as Chief Marketing Officer. Prior to joining the Company Mr. Benders was Vice President of International Marketing at Coors Brewing Company. From 1994 until 1996 Mr. Benders was a marketing executive with Nabisco Foods Group. From 1993 until 1994, Mr. Benders was a Division Manager for American Telephone and Telegraph. Prior to 1993, Mr. Benders was a marketing executive with Johnson & Johnson.

Bruce Bowman has served as Senior Director of Operations since August 1995. Prior to joining the Company Mr. Bowman was Senior Vice President of Operations at Tom's Foods, Inc., a food manufacturing company (April 1991 to August 1995).

Richard Doran joined the Company in 1997 as Senior Director of Human Resources. From 1987 until joining the Company Mr. Doran was a management consultant and Vice President for the Kaleel Jamison Consulting Group, a strategic culture change and management consulting firm.

Charles Green joined the Company in October of 1996 as Senior Director of Sales and Distribution. From 1993 to 1996 Mr. Green was General Manager of Dari-Farms, the distributor of Ben & Jerry's products in the Massachusetts and Connecticut areas. From 1991 to 1993, Mr. Green was Vice President of Sales for HP Hood.

Angelo Pezzani joined the Company in January 1998 as Senior Director of Business Development. From 1995 to 1996, Mr. Pezzani was Executive Vice President of Sony Interactive Entertainment. From 1989 to 1995, Mr. Pezzani was a principal of Odak, Pezzani & Company, a private management consulting company.

Frances Rathke has served as Chief Financial Officer, Chief Accounting Officer and Secretary of the Company since April 1990.

Item 11. Executive Compensation

Summary Compensation Table

The following table sets forth the cash compensation paid by the Company in Fiscal Years 1996 - 1998 as well as certain other compensation paid, awarded or accrued for those years to the Company's Chief Executive Officer and the other four highest-paid executive officers during the 1998 fiscal year. Perry Odak became the Chief Executive Officer on January 1, 1997.

<TABLE>
<CAPTION>

		Annual Compensation			Awards	Long-Term Compensation Pay-outs		
Name and Principal Position	Year	Salary	Bonus (1)	Other Annual Compen-sation	Restricted Stock Awards	Securities Underlying Options/ SARS	LTIP Pay-outs	All Other Compensation (2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Perry D. Odak	1998	$305,769	$150,000					$ 7,750
CEO, President and	1997	$300,000	$100,000			360,000		$25,000
Director	1996	$ --	$ --					$ --
Bruce Bowman	1998	$211,692	$ 75,000					$ 6,964
Senior Director of	1997	$200,000	$ 50,000			27,000		$ 4,131
Operations	1996	$169,231	$ 20,000			10,000		$ 1,099
Lawrence E. Benders	1998	$229,327	$ 40,000					$ 52
Chief Marketing Officer	1997	$ 38,942	$ 5,000			52,000		$ --
	1996	$ --	$ --					$ --
Charles Green	1998	$182,885	$ 75,000					$ 5,755
Senior Director of	1997	$162,596	$ 40,000			45,000		$ --
Sales & Distribution	1996	$ 24,231	$ --			5,000		$ --

Angelo Pezzani	1998	$254,808	$ 75,000	30,000	$ 4,327
Senior Director of	1997	$208,332	$ --	52,000	$ --
Business Development	1996	$ --	$ --		$ --

(1) "Bonus" includes 1998 discretionary distributions under the Company's Management Incentive Program.

(2) "All Other Compensation" includes Company contributions to 401(k) plans and relocation fees.
</TABLE>

Option/SAR Grants in Fiscal 1998

<TABLE>
<CAPTION>

Name	Options/SARS Granted	Percentage of Total Options/SARS Granted to Employees in 1998	Exercise or Base Price (per share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
<S>	<C>	<C>	<C>	<C>		
					5%	10%
Angelo Pezzani	30,000	70.6%	$19.25	7/28/08	$363,187	$920,386

</TABLE>

Aggregated Option/SAR Exercises in 1998 and 1998 Year-End Option/SAR Values
<TABLE>
<CAPTION>

Name	Shares Acquired on Exercise (#)	Value Realized	Number of Unexercised Options/SARS at 12/26/98		Value of Unexercised In-the-money Options/SARS at 12/26/98	
			Exercisable	Unexercisable	Exercisable	Unexercisable
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Perry D. Odak	0	0	140,000	220,000	$1,626,800	$2,556,400
Bruce Bowman	0	0	24,125	37,875	$ 162,656	$ 258,514
Charles Green	0	0	19,375	30,625	$ 170,594	$ 267,456
Lawrence Benders	0	0	16,250	35,750	$ 160,388	$ 352,853
Angelo Pezzani	0	0	19,250	62,750	$ 132,243	$ 412,978

</TABLE>

Effective January 1, 1998, Directors who are not employees or full-time consultants of the Company receive an annual retainer fee of $18,000, in addition to a $1,000 per board meeting attendance fee, and reimbursement of reasonable out-of-pocket expenses.

The Company adopted the 1995 Non-Employee Directors Plan for Stock in Lieu of Directors Cash Retainer under which directors may elect to be paid, in lieu of the annual cash retainer, shares of common stock having a fair market value (as of the date of payment) equal to the amount of such annual retainer. Four non-employee directors each made an election under the Plan and received 941 shares of stock for the period July 1, 1998 through June of 1999 under the Plan.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information as of March 5, 1999 with respect to the beneficial ownership of the outstanding shares of Class A Common Stock, Class B Common Stock and Class A Preferred Stock by (i) all persons owning of record, or beneficially to the knowledge of the Company, more than five percent of the outstanding shares of any class, (ii) each director and executive officer of the Company individually, (iii) all directors and officers of the Company as a group, and (iv) The Ben & Jerry's Foundation, Inc. The mailing address of each of the persons shown and of the Foundation is c/o Ben & Jerry's Homemade, Inc., 30 Community Drive, South Burlington, Vermont 05403-6828.

<TABLE>
<CAPTION>

Name	Amount of Beneficial Ownership					
	Class A Common Stock		Class B Common Stock		Preferred Stock	
	# Shares	% Outstanding shares (1)	# Shares	% Outstanding Shares (2)	# Shares	% Outstanding Shares

----	--------	-------------	--------	------------	--------	------------
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ben Cohen (3)	447,373	7.2%	488,486	59.6%	--	--
Jeffrey Furman (4)(5)	17,000	*	30,300	3.7%	--	--
Jerry Greenfield (4)	130,000	2.1%	90,000	11.0%	--	--
Perry Odak (6)	213,250	3.4%	--	--	--	--
Elizabeth Bankowski (4)	28,766	*	--	--	--	--
Pierre Ferrari	6,377	*	--	--	--	--
Jennifer Henderson	524	*	--	--	--	--
Frederick A. Miller	3,101	*	--	--	--	--
Henry Morgan	5,101	*	--	--	--	--
Lawrence E. Benders	18,417	*	--	--	--	--
Bruce Bowman	31,931	*	--	--	--	--
Charles Green	21,250	*	--	--	--	--
Angelo Pezzani	23,917	*	--	--	--	--
Frances Rathke	38,091	*	--	--	--	--
The Capital Group Companies, Inc. (7) 333 South Hope St Los Angeles, CA 90071	587,500	9.4%	--	--	--	--
Warburg Pincus Asset Management 466 Lexington Ave New York, NY 10017	745,800	11.9%	--	--	--	--
All Officers and Directors as a group of 15 persons	1,008,535	16.1%	608,786	74.3%	--	--
The Ben & Jerry's Foundation, Inc. (4)	--	--	--	--	900	100%

</TABLE>

* Less than 1%

(1) Based on the number of shares of Class A Common Stock outstanding as of March 5, 1999. Each share of Class A Common Stock entitles the holder to one vote per share.
(2) Based on the number of shares of Class B Common Stock outstanding as of March 5, 1999. Each share of Class B Common Stock entitles the holder to ten votes.
(3) Under the regulations and interpretations of the Securities and Exchange Commission, Mr. Cohen may be deemed to be a parent of the Company.
(4) By virtue of their positions as directors of The Foundation, which has the power to vote or dispose of the Class A Preferred Stock, each of Messrs. Greenfield, a co-founder, Director and Chairperson of the Company, and Furman, a Director of and formerly a consultant to the Company, and Ms. Bankowski, an Officer and Director of the Company, may be deemed under the regulations and interpretations of the Securities and Exchange Commission, to own beneficially the Class A Preferred Stock.
(5) Does not include 210 shares of Class A Common Stock and 105 Shares of Class B Common Stock owned by Mr. Furman's wife, as to which he disclaims beneficial ownership under the securities laws. Includes 7,000 shares held by Mr. Furman as trustee for others, which are deemed beneficially owned by Mr. Furman under rules and regulations of the Securities and Exchange Commission.
(6) Does not include 15,080 shares of Class A Common Stock beneficially owned by Mr. Odak's wife under the rules and regulations of the Securities and Exchange Commission, as to which he disclaims beneficial ownership.
(7) The Capital Group Companies, Inc., is the parent company of Capital Research and Management Company, SMALLCAP World Fund, Inc. and Capital Guardian Trust Company. As a result of the investment power and in some cases the voting power held by the subsidiary companies, The Capital Group Companies, Inc., is deemed to "beneficially own" such securities by virtue of Rule 13d-3 under the Securities and Exchange Act of 1934.

Item 13. Certain Relationships and Related Transactions

Under the terms of a Severance and Non-competition Agreement between the Company and Mr. Furman, dated December 31, 1990, the Company provided at no cost to Mr. Furman family health insurance coverage under the Company's regular employee health insurance plan. This obligation terminated March 2, 1999.

Mr. Cohen, a Co-founder of the Company, Vice-Chairperson and Director of the Company, has entered into an Employment Agreement with the Company for an employment term expiring on December 31, 1999 (renewable automatically thereafter in successive one year periods unless either Mr. Cohen or the Company gives notice to the other of non-renewal). The Agreement provides for a base salary of $200,000 per annum, subject to increases and bonuses at the discretion of the Board. The Agreement provides for a covenant not to compete during the employment term of the Agreement and for a three-year period thereafter, in consideration of payment by the Company (except as otherwise provided in the Agreement) of severance equal to the then-current base salary during the three-year period. The Agreement then provides for annual payments of $75,000 (adjusted for changes in the Consumer Price Index) for life, commencing with the end of the three-year severance period, and for specified insurance benefits and contains a provision for contemplated services to be provided to the Company after the end of the term of employment and severance period.

Mr. Greenfield, a Co-founder of the Company, Chairperson, and Director of the Company, has entered into an Employment Agreement with the Company for an employment term expiring on December 31, 1999 (renewable automatically thereafter in successive one year periods unless either Mr. Greenfield or the Company gives notice to the other of non-renewal). The Agreement provides for a base salary of $200,000 per annum, subject to increases and bonuses at the discretion of the Board. The Agreement also provides for a covenant not to compete during the employment term of the Agreement and for a three-year period thereafter, in consideration of payment by the company (except as otherwise provided in the Agreement) of severance equal to the then-current base salary during the three-year period. The Agreement then provides for annual payments of $75,000 (adjusted for changes in the Consumer Price Index) for life, commencing with the end of the three-year severance period, for specified insurance benefits and contains a provision for certain services contemplated to be provided to the Company after the end of the term of employment and severance period.

Mr. Odak, Chief Executive Officer, has a three-year Employment Agreement with the Company dated December 31, 1996, as amended. Under the terms of the Agreement, Mr. Odak is entitled to a base salary of $300,000 per annum, subject to increases from time to time by the Board of Directors, in its sole discretion ($315,000 has been set by the Board as the 1999 base salary). Mr. Odak received non-incentive stock options to purchase an aggregate of 360,000 shares of Class A Common Stock of the Company exercisable at $10.88 per share, the fair market value on the dates of grant by the Compensation Committee of the Board of Directors under the 1995 Equity Incentive Plan. These options become exercisable at various dates specified in the Employment Agreement, subject to acceleration of vesting as to specified amounts in the event that certain financial goals are achieved and the Compensation Committee makes certain findings with respect to Mr. Odak's performance in the applicable prior period, all as specified in detail in the Employment Agreement.

The Employment Agreement may be terminated at any time by the Company for cause, as defined. If terminated for cause, the Company shall have no further obligation to Mr. Odak, other than for base salary through the date of termination, and any options that are vested shall continue to be exercisable for thirty days (unless terminated by the vote of the Compensation Committee). All other options terminate.

The Company may also terminate the Employment Agreement other than for cause, in which event the Company has a continuing obligation to pay Mr. Odak his base amount at the rate in effect on the date of termination for the monthly periods specified in the Agreement, which are dependent upon the date of such termination. Additionally, the Company will continue to contribute, for the period during which the base amount is continued, the cost of Mr. Odak's participation (including his family) in the Company's group medical and hospitalization insurance plans and group life insurance plan. Upon such termination, unvested options shall become exercisable to the extent so provided by the Agreement.

Mr. Odak may terminate his employment with the Company for good reason, as defined (in the absence of cause). In the event of such termination, base amount, benefits and options (including acceleration, period of exercisability and termination of options) shall be paid or provided in the same manner and extent as for a termination by the Company other than for cause.

Mr. Odak agrees not to compete with the Company during his period of employment and, after termination, for the greater of one year or the period during which severance payments are made.

Mr. Pezzani, Senior Director of Business Development has an Employment Agreement dated January 1, 1998, expiring December 31, 2000 with an annual renewal provision. The agreement provides for an annual base salary of $250,000 per annum, subject to increases from time to time by the CEO with approval by the Board of Directors. He is eligible for an annual bonus that is guaranteed to be at least $75,000, as determined by the CEO and approved by the Board of Directors. Mr. Pezzani received incentive stock options to purchase an aggregate of 52,000 shares of Class A common stock of the Company exercisable at $13.89 per share, the fair market value on the date of grant by the Compensation Committee of the Board of Directors under the 1995 Equity Incentive Plan. These options become exercisable over a four year period with one-fourth being exercisable on March 1, 1998 and up to an additional 1/48 of the shares covered by this Option on the last day of each month in the next three years. The Agreement also provides for medical, life insurance, 401 (k) plan and other employee benefits, a covenant not to compete during the term of the Agreement and for a two -year period thereafter.

The Agreement may be terminated at any time for by the Company for cause, as defined. The Company may also terminate the Agreement other than for cause, in which event the Company has a continuing obligation to pay Mr. Pezzani his base salary, bonuses that are earned and unpaid, for the monthly periods, but for a period not less than twelve months, specified in the Agreement. Additionally, the Company will continue to contribute the cost of Mr. Pezzani's participation in the Company's group medical and life insurance plans during the same period as his base salary is continued. Upon such termination, unvested options shall become exercisable to the extent so provided by the Agreement. Mr. Pezzani may terminate his employment with the Company for good reason, as defined (in the absence of cause). In the event of such termination, base salary, bonus, benefits and options shall be paid or provided in the same manner and extent as for termination by the Company Other Than For Cause.

Mr. Benders, Chief Marketing Officer, has an Employment Agreement dated October 20, 1997, expiring October 20, 2000. The agreement provides for an annual base salary of $225,000 per annum, subject to increases from time to time by the CEO with approval by the Board of Directors. He is eligible for an annual bonus as determined by the CEO and approved by the Board of Directors. Mr. Benders received incentive stock options to purchase an aggregate of 52,000 shares of Class A common stock of the Company exercisable at $12.63 per share, the fair market value on the date of grant by the Compensation Committee of the Board of Directors under the 1995 Equity Incentive Plan. These options become exercisable over a four year period with one-fourth being exercisable on October 20, 1998 and up to an additional 1/48 of the shares covered by this Option on the last day of each month in the next three years. The Agreement also provides for medical, life insurance, 401 (k) plan and other employee benefits, a covenant not to compete during the term of the Agreement and for a two - year period thereafter.

The Agreement may be terminated at any time for by the Company for cause, as defined. The Company may also terminate the Agreement other than for cause, in which event the Company has a continuing obligation to pay Mr. Benders his base salary for six months. Additionally, the Company will continue to contribute the cost of Mr.Benders' participation in the Company's group medical and life insurance plans during the same period as his base salary is continued.

Copies of the above described Agreements have been filed as exhibits to this Report on Form 10-K and the above descriptions are qualified by the definitive terms of the Agreements so filed as exhibits.

During the year ended December 27, 1997, the Company purchased RainForest Crunch cashew-brazilnut butter crunch candy to be included in Ben & Jerry's RainForest Crunch(R) flavor ice cream for an aggregate purchase price of approximately $800,000 from Community Products, Inc., a company of which Messrs. Cohen and Furman were the principal stockholders and directors. The candy was purchased from Community Products, Inc., at competitive prices and on standard terms and conditions. Community Products, Inc. filed for protection under Chapter 11 of the U.S. Bankruptcy Code in early 1997, its business was sold and the matter (and related litigation) is pending in U.S. Bankruptcy Court. Ben & Jerry's located an alternative supplier for cashew-brazilnut butter crunch and no purchases were made in 1998 from Community Products, Inc. The termination of Ben & Jerry's relationship with Community Products, Inc. had no material effect on the Company's business.

In 1998, the Company paid $20,000 to Ms. Jennifer Henderson for services as a consultant in connection with service as a member of the Board of Directors.

In 1997, the Company paid a $60,000 fee to the Kaleel Jamison Consulting Group, Inc., for its role in the Company's hiring of Mr. Richard Doran, Senior Director of Human Resources. Mr. Frederick A. Miller, a Director of the Company is President of Kaleel Jamison Consulting Group, Inc. Prior to joining the Company, Mr. Doran was an employee of Kaleel Jamison Consulting Group, Inc.

In December 1997, the Company advanced $140,000 to Mr. Lawrence E. Benders, Chief Marketing Officer, under a non-interest bearing bridge loan for the purchase of his home in Vermont. In January 1998, Mr. Benders paid the bridge loan in full.

Item 14. Exhibits, Financial Statements, Financial Statement Schedule and Reports on Form 8-K

A. List of financial statements and financial statement schedule:

<TABLE>
<CAPTION>

<S>	Form 10-K Page Number <C>
1. The following consolidated financial statements are included in Item 8:	
Consolidated Balance Sheets as of December 26, 1998 and December 27, 1997	F-2

</TABLE>

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

3. The following designated exhibits are, as indicated below, either filed herewith or have heretofore been filed with the Securities and Exchange Commission under the Securities Act of 1933 or the Securities Exchange Act of 1934 and are referred to and incorporated herein by reference to such filings.

Exhibit No.	
3.1	Articles of Association, as amended, of the Company [filed with the Securities and Commission as Exhibit 3.1 and 3.1.1 to the Company's Registration Statement on Form-1 (File No. 33-284) and incorporated herein by reference].
3.1.1	Amendment to Articles of Association on June 27, 1987 (filed as Exhibit 1 to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 1987 and incorporated herein by reference).
3.1.2	Amendment to Articles of Association on September 7, 1993 (filed as Exhibit 1 to the Company's Quarterly Report on Form 10-Q for the period ended June 26, 1993 and incorporated herein by reference).
3.1.3	Amendment to Articles of Association on August 4, 1995 (filed as Exhibit 3.1.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995 and incorporated herein by reference).
3.1.4	Amendment to Articles of Association approved June 28, 1997 (filed as Exhibit 3.1.4 to the Company's Annual Report on Form 10-K for the period ended December 27, 1997 and incorporated herein by reference).
3.2	By-laws as amended through November 10, 1995 (filed as Exhibit 3.2.2 to the Company's Report on Form 10-Q for the period ended September 30, 1995 and incorporated herein by reference).
3.2.1	Section 2 of Article 5 of the By-laws as amended on January 18, 1996 (filed as Exhibit 3.2.1 to the company's Form 10-K for the year ended December 30, 1995, and incorporated herein by reference).
3.2.2	Amendment to By-laws dated March 31, 1998 (filed as Exhibits 1 and 2 to the Company's Form 8-K dated April 1, 1998 and incorporated herein by reference).
3.2.3	Amendment to By-laws dated June 26, 1998 (filed as Exhibit A to the Company's Form 8-K dated July 30, 1998 and incorporated herein by reference).
4.1	See Exhibit 3.1.
4.2	See Exhibit 3.2.
4.3	Mortgage and Security Agreement between the state of Vermont, the Company and the Howard Bank, N.A. [filed as Exhibit 4.1 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference].
4.4	Guaranty by the Company accepted by the Howard Bank, N.A.,

	Trustee, and Marine Midland Bank, N.A., as amended [filed as Exhibits 4.2 and 4.2.1 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference], as amended November 20, 1987 [filed as Exhibit 4.4 to the Company's Registration Statement on Form S-1 (file no. 33-17516) and incorporated by reference], as amended January 31 and March 10, 1989 (filed as Exhibit 4.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 1988 and incorporated herein by reference).
4.4.1	Amendment to item 4.4 dated July 28, 1992 [filed as Exhibit to the Company's Registration Statement on Form S-3 (file no. 33-51550) and incorporated herein by reference].
4.5	Loan Agreement and Amendment between the Village of Waterbury, Vermont and the Company [filed as Exhibit 4.4 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference].
4.6	Second Mortgage and Security Agreement dated December 11, 1984, between the Company and the Village of Waterbury, Vermont [filed as Exhibit 4.5 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference].
4.7	Grant Agreement between the Secretary of Housing and Urban Development and the Village of Waterbury, Vermont, dated September 15, 1984 [filed as Exhibit 4.6 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference].
4.8	Form of Class A Common Stock Certificate [filed as Exhibit 4.8 to the Company's Registration Statement on Form S-1 (file no. 33-17516) and incorporated herein by reference].
4.9	Form of Class B Common Stock Certificate [filed as Exhibit 4.9 to the Company's Registration Statement on Form S-1 (file no. 33-17516) and incorporated herein by reference].
4.11	Senior Note Agreement dated as of October 13, 1993 between Ben & Jerry's Homemade, Inc., and The Travelers Insurance Company and Principal Mutual Life Insurance Company (filed as Exhibit 1 to the Company's Quarterly Report on Form 10-Q for the period ended September 25, 1993 and incorporated herein by reference).
	The registrant agrees to furnish a copy to the Commission upon request of any other instrument with respect to long-term debt (not filed as an exhibit) none of which relates to securities exceeding 10% of the total assets of the registrants.
4.12	Class A Common Stock Stockholder Rights Agreement between the Company and American Stock Transfer & Trust Company dated as of July 30, 1998 (filed as Exhibit 1 to the Report on Form 8-K, dated August 13,1998 and hereby incorporated by reference).
4.13	Class B Common Stock Stockholder Rights Agreement dated July 30, 1998 (filed as Exhibit 4 to the Report on Form 8-K, dated August 13,1998 and hereby incorporated by reference).
10.1*	Employment Agreement dated as of January 29, 1998 between Bennett R. Cohen and the Company (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the period ended December 26, 1997 and hereby incorporated by reference).

* Indicates management contract or compensatory plan, contract or arrangement.

10.4*	Employment Agreement dated as of January 29, 1998 between Jerry Greenfield and the Company (filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the period ended December 26, 1997 and hereby incorporated by reference).
10.5	Settlement Agreement dated March 29, 1985 between the Company and Haagen-Daz, Inc. [filed as Exhibit 10.8 to the Company's Registration Statement on Form S-1 (file no. 33-284) and incorporated herein by reference].

10.8	Distribution Agreement between the Company and Dreyer's Grand Ice Cream, Inc., dated January 6, 1987 (filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1986 and incorporated herein by reference), as amended as of January 30, 1989 (filed as Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 1988 and incorporated herein by reference).
10.8.1	Amendment to Item 10.8 dated August 31, 1992 [filed as Exhibit 28.1 to the Company's Registration Statement on Form S-3 (file no. 33-51550) and incorporated herein by reference].
10.8.2	Amendment to Item 10.8 dated April 18, 1994 (filed as Exhibit 2 to the Company's Quarterly Report on Form 10-Q dated March 26, 1994 and incorporated herein by reference).
10.8.3**	Amendment to Item 10.8 dated as of January 11, 1999 (filed herewith).
10.9	License Agreement between the Company and Jerry Garcia and Grateful Dead Productions, Inc. dated July 26, 1987 [filed as Exhibit 10.15 to the company's Registration Statement on Form S-1 (file no. 33-17516) and incorporated herein by reference].
10.10**	New Distribution Agreement with Dreyer's Grand Ice Cream, Inc., dated as of January 11, 1999 (filed herewith).
10.10.1**	Addendum to Item 10.10 (filed herewith).
10.11**	Agreement with the Pillsbury Company dated as of August 26, 1998 (filed herewith).
10.11.1	Amendment to Item 10.11 (filed herewith).
10.15	Franchise Agreement between the Company and BJ O/R, a California limited partnership, dated June 9, 1993 (filed as Exhibit 2 to the Company's Quarterly Report on Form 10-Q for the period ended June 26, 1993 and incorporated herein by reference).
10.19*	1986 Restricted Stock Plan (filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 30, 1989 and incorporated herein by reference).

* Indicates management contract or compensatory plan, contract or arrangement.

** Confidential treatment requested as to certain portions. The term "confidential treatment" and the mark "*" as used throughout the indicated Exhibits mean that material has been omitted and separately filed with the Commission.

10.20	1986 Employee Stock Purchase Plan [filed as Exhibit 4 to the Company's Registration Statements on Form S-8 (file nos. 33-9420 and 33-17594) and incorporated herein by reference].
10.20.1	Amendment to Employee Stock Purchase Plan dated on August 4, 1995 (filed as Exhibit 10.20.1 on Form 10-Q for the period ended July 1, 1995 and incorporated herein by reference).
10.21*	1985 Stock Option Plan (filed as Exhibit 10.21 to the company's Annual Report on Form 10-K for the year ended December 30, 1989 and incorporated herein by reference).
10.21.1*	1994 Amendment to 1985 Stock Option Plan (filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 30, 1994 and incorporated herein by reference).
10.22	Ben & Jerry's Homemade, Inc. Employees' Retirement Plan as amended (filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 30, 1989 and incorporated herein by reference).
10.22.1	Amendment to Item 10.22 dated January 1, 1990 (filed as Exhibit 10.22.1 to the Company's Report on Form 10-K for the year ended December 29, 1991 and incorporated herein by reference).
10.22.2	Amendment to Item 10.22 dated June 28, 1990 (filed as

Exhibit 10.22 to the Company's Report on Form 10-K for the year ended December 25, 1993 and incorporated herein by reference).

10.22.3 Amendment to Item 10.22 dated January 1, 1991 (filed as Exhibit 10.22.3 to the Company's Report on Form 10-K for the year ended December 25, 1993 and incorporated herein by reference).

10.22.4 Amendment to Item 10.22 dated January 1, 1998 (filed herewith).

10.23* 1991 Restricted Stock Plan (filed as Exhibit 10.23 to the Company's Report on Form 10-K for the year ended December 25, 1993 and incorporated herein by reference).

10.24 Severance/Non-Competition Agreement dated as of December 31, 1990 between Jeffrey Furman and the Company (filed as Exhibit 10.24 to the Company's Report on Form 10-K for the year ended December 25, 1993 and incorporated herein by reference).

10.25 1999 Equity Incentive Plan (filed herewith)

10.27 1992 Non-employee Directors' Restricted Stock Plan (filed as Exhibit 10.27 to the Company's Report on Form 10-K for the year ended December 25, 1993 and incorporated herein by reference).

* Indicates management contract or compensatory plan, contract or arrangement.

** Confidential treatment requested as to certain portions. The term "confidential treatment" and the mark "*" as used throughout the indicated Exhibits mean that material has been omitted and separately filed with the Commission.

10.29* 1995 Equity Incentive Plan (filed as Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995 and incorporated herein by reference).

10.29.1* Amendment to Item 10.29 (filed as Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995, and incorporated herein by reference).

10.29.2* Amendment to Item 10.29 (filed herewith).

10.30 Non-Employee Directors' Plan for Stock in Lieu of Directors' Cash Retainer dated August 4, 1995 (filed as Exhibit 10.30 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 1995 and incorporated herein by reference).

10.31* Employment Agreement dated August 21, 1995 between the Company and Bruce Bowman (filed as Exhibit 10.31 to the Company's Form 10-K for the year ended December 30, 1995 and incorporated herein by reference).

10.32 Lease dated February 1, 1996 between the Company and Technology Park Associates, Inc. (filed as Exhibit 10.31 to the company's Form 10-K for the year ended December 30, 1995 and incorporated herein by reference).

10.33* Employment Agreement dated December 31, 1996 between the company and Perry D. Odak (filed as Exhibit 10.33 to the Company's Form 10-K for the year ended December 28, 1996 and incorporated herein by reference).

10.33.1* Amendment dated as of February 28, 1999 to Item 10.33 (filed herewith.)

10.34* Employment Agreement dated January 1, 1998 between the Company and Angelo M. Pezzani (filed as Exhibit 10.34 to the Company's Form 10-K for the year ended December 27, 1997 and incorporated herein by reference).

10.35* Employment Agreement dated October 20, 1997 between the Company and Lawrence Benders (filed as Exhibit 10.34 to the Company's Form 10-K for the year ended December 27, 1997 and incorporated herein by reference).

10.36 Importation and Marketing Agreement between the Company, Seven-Eleven Japan Co., Ltd., Tower Enterprise Corporation and ATF Co., Ltd. dated December 19, 1997 (filed as Exhibit 10.34 to the Company's Form 10-K for the year ended December 27, 1997 and incorporated herein by reference).

11.0 The computation of Per Share Earnings is incorporated by reference from Note 11 of the Company's consolidated financial statements (filed herewith).

21.1 Subsidiaries of the registrant as of December 26, 1998 (filed herewith).

23.0 Consent of Ernst & Young LLP (filed herewith).

27.0 Financial data schedule (filed herewith). (b) No current reports on Form 8-K were filed during the fourth quarter of 1998.

* Indicates management contract or compensatory plan, contract or arrangement.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BEN & JERRY'S HOMEMADE, INC.

Dated: March 26, 1999

By: /s/ Frances Rathke

Frances Rathke
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the date indicated.

March 25, 1999	/s/ Elizabeth Bankowski Elizabeth Bankowski Director, Director of Social Mission Development
March 25, 1999	/s/ Bennett R. Cohen Bennett R. Cohen Director and Vice-Chairperson
March 25, 1999	/s/ Pierre Ferrari Pierre Ferrari Director
March 25, 1999	/s/ Jeffrey Furman Jeffrey Furman Director
March 25, 1999	/s/ Jerry Greenfield Jerry Greenfield Director and Chairperson
March 25, 1999	/s/ Jennifer Henderson Jennifer Henderson Director
March 25, 1999	/s/ Frederick A. Miller Frederick A. Miller Director
March 25, 1999	/s/ Henry Morgan Henry Morgan Director
March 25, 1999	/s/ Perry Odak

Perry Odak
Director, Principal Executive Officer
and President

March 25, 1999 /s/ Frances Rathke

Frances Rathke
Principal Financial Officer and
Principal Accounting Officer

ANNUAL REPORT ON FORM 10-K

ITEM 8, ITEM 14 (a) (1) AND (2), (c) and (d)

LIST OF FINANCIAL STATEMENTS

AND

FINANCIAL STATEMENT SCHEDULE

YEAR ENDED DECEMBER 26, 1998

BEN & JERRY'S HOMEMADE, INC.

SOUTH BURLINGTON, VERMONT

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND
FINANCIAL STATEMENT SCHEDULE

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REPORT OF ERNST & YOUNG LLP

INDEPENDENT AUDITORS

The Board of Directors and Stockholders
Ben & Jerry's Homemade, Inc.

We have audited the accompanying consolidated balance sheets of Ben & Jerry's Homemade, Inc. as of December 26, 1998 and December 27, 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 26, 1998. Our audits also included the financial statement schedule listed in the Index at Item 14(a)(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ben & Jerry's Homemade, Inc. at December 26, 1998 and December 27, 1997 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 26, 1998, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

ERNST & YOUNG LLP

Boston, Massachusetts

January 22 1999, except for Note 17,
as to which the date is February 26, 1999

BEN & JERRY'S HOMEMADE, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands except share amounts)

<TABLE>
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<S>	December 26, 1998 <C>	December 27, 1997 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,111	$ 47,318
Short term investments	22,118	481
Trade accounts receivable:		
(less allowance of $979 in 1998 and $1,066 in 1997 for doubtful accounts)	11,338	12,710
Inventories	13,090	11,122
Deferred income taxes	7,547	6,071
Prepaid expenses and other current assets	3,105	2,378
Total current assets	82,309	80,080
Property, plant and equipment, net	63,451	62,724
Investments	303	1,061
Other assets	3,438	2,606
	$ 149,501	$ 146,471
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 28,662	$ 23,266
Current portion of long-term debt and obligations under capital leases	5,266	5,402

Total current liabilities	33,928	28,668
Long-term debt and obligations under capital leases	20,491	25,676
Deferred income taxes	4,174	5,208
Stockholders' equity:		
$1.20 noncumulative Class A preferred stock - par value $1.00 per share, redeemable at $12.00 per share; 900 shares authorized, issued and outstanding; aggregated preference on liquidation - $9,000	1	1
Class A common stock - $.033 par value; authorized 20,000,000 shares; issued: 6,592,392 at December 26, 1998 and 6,494,835 at December 27, 1997	218	214
Class B common stock - $.033 par value; authorized 3,000,000 shares; issued: 824,480 at December 26, 1998 and 866,235 at December 27, 1997	27	29
Additional paid-in-capital	50,556	49,681
Retained earnings	45,328	39,086
Accumulated other comprehensive income	(151)	(129)
Treasury stock, at cost: 291,032 Class A and 1,092 Class B shares at December 26, 1998 and 124,532 Class A and 1,092 Class B shares at December 27, 1997	(5,071)	(1,963)
Total stockholders' equity	90,908	86,919
	$ 149,501	$ 146,471

See notes to consolidated financial statements.

</TABLE>

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BEN & JERRY'S HOMEMADE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except share amounts)

	Fiscal Year Ended		
	December 26, 1998	December 27, 1997	December 28, 1996
<S>	<C>	<C>	<C>
Net sales	$ 209,203	$ 174,206	$ 167,155
Cost of sales	136,225	114,284	115,212
Gross profit	72,978	59,922	51,943
Selling, general and administrative expenses	63,895	53,520	45,531
Other income (expense):			
Interest income	2,248	1,938	1,676
Interest expense	(1,888)	(1,992)	(1,996)
Other income (expense), net	333	(64)	243
	693	(118)	(77)
Income before income taxes	9,776	6,284	6,335
Income taxes	3,534	2,388	2,409
Net income	$ 6,242	$ 3,896	$ 3,926
Shares used to compute net income per common share			
Basic	7,197	7,247	7,189
Diluted	7,463	7,334	7,230

Net income per common share			
Basic	$ 0.87	$ 0.54	$ 0.55
Diluted	$ 0.84	$ 0.53	$ 0.54

See notes to consolidated financial statements.

</TABLE>

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Consolidated Statements of Stockholders' Equity
(In thousands except share data)

	Preferred Stock Par Value	Common Stock Class A Par Value	Common Stock Class B Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at December 30, 1995	$1	$209	$30	$48,521	$31,264	$(114)
Net income					3,926	
Common stock issued under stock purchase plan (15,674 Class A shares)				205		
Conversion of Class B shares to Class A shares (16,661 shares)		1	(1)			
Common stock issued under restricted stock plan (2,096 Class A shares)				27		
Foreign currency translation adjustment						(4)
Net comprehensive income						
Balance at December 28, 1996	1	210	29	48,753	35,190	(118)
Net income					3,896	
Common stock issued under stock purchase plan (15,406 Class A shares)		1		148		
Conversion of Class B shares to Class A shares (31,451 shares)		1				
Common stock issued under stock and option plans (83,267 Class A shares)		2		907		
Repurchase of common stock (77,500 Class A shares)						
Issuance of treasury stock for compensation (20,000 Class A shares)				(127)		
Foreign currency translation adjustment						(11)
Net comprehensive income						
Balance at December 27, 1997	1	214	29	49,681	39,086	(129)
Net income					6,242	
Common stock issued under stock purchase plan (14,277 Class A shares)		-		179		
Conversion of Class B shares to Class A shares (41,755 shares)		2	(2)			
Common stock issued under stock and option plans(41,525 Class A shares)		2		696		
Repurchase of Common Stock (166,500 Class A shares)						
Foreign currency translation adjustment						(22)
Net comprehensive income						
Balance at December 26, 1998	$1	$218	$27	$50,556	$45,328	$(151)

	Treasury Stock Class A Cost	Treasury Stock Class B Cost	Total Stockholders' Equity	Comprehensive Income
<S>	<C>	<C>	<C>	<C>
Balance at December 30, 1995	$(1,375)	$(5)	$78,531	
Net income			3,926	$3,926
Common stock issued under stock purchase plan (15,674 Class A shares)			205	
Conversion of Class B shares to Class A shares (16,661 shares)				
Common stock issued under restricted stock plan (2,096 Class A shares)			27	
Foreign currency translation adjustment			(4)	(4)
Net comprehensive income				$3,922
Balance at December 28, 1996	(1,375)	(5)	82,685	
Net income			3,896	$3,896
Common stock issued under stock purchase plan (15,406 Class A shares)			149	
Conversion of Class B shares to Class A shares (31,451 shares)			1	
Common stock issued under stock and option plans (83,267 Class A shares)			909	
Repurchase of common stock (77,500 Class A shares)	(988)		(988)	
Issuance of treasury stock for compensation (20,000 Class A shares)	405		278	
Foreign currency translation adjustment			(11)	(11)
Net comprehensive income				$3,885
Balance at December 27, 1997	(1,958)	(5)	86,919	
Net income			6,242	$6,242
Common stock issued under stock purchase plan (14,277 Class A shares)			179	
Conversion of Class B shares to Class A shares (41,755 shares)				
Common stock issued under stock and option plans(41,525 Class A shares)			698	
Repurchase of Common Stock (166,500 Class A shares)	(3,108)		(3,108)	
Foreign currency translation adjustment			(22)	(22)
Net comprehensive income				$6,220
Balance at December 26, 1998	$(5,066)	$(5)	$90,908	

</TABLE>

See notes to consolidated financial statements.

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BEN & JERRY'S HOMEMADE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Fiscal Year Ended		
	December 26, 1998	December 27, 1997	December 28, 1996
<S>	<C>	<C>	<C>
Cash flows from operating activities:			
Net income	$ 6,242	$ 3,896	$ 3,926
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,181	7,711	7,091
Provision for bad debts	50	630	408
Deferred income taxes	(2,510)	(1,599)	809
Stock compensation		405	10
Loss on disposition of assets	112	124	
Changes in operating assets and liabilities:			
Accounts receivable	1,460	(5,318)	3,146
Inventories	(1,968)	4,243	(89)
Prepaid expenses	(501)	(64)	(2,749)
Accounts payable and accrued expenses	5,385	5,868	897
Income taxes payable/receivable	(364)	1,743	806
Net cash provided by operating activities	16,087	17,639	14,255
Cash flows from investing activities:			
Additions to property, plant and equipment	(8,770)	(5,236)	(12,333)
Proceeds from sale of assets	0	48	168
Changes in other assets	(1,082)	(425)	(466)
Increase in investments	(20,879)	(76)	(320)
Net cash used for investing activities	(30,731)	(5,689)	(12,951)
Cash flows from financing activities:			
Repayments of long-term debt and capital leases	(5,321)	(669)	(678)
Repurchase of common stock	(3,108)	(988)	
Proceeds from issuance of common stock	877	932	232
Net cash used for financing activities	(7,552)	(725)	(446)
Effect of exchange rate changes on cash	(11)	(11)	(160)
(Decrease) increase in cash and cash equivalents	(22,207)	11,214	698
Cash and cash equivalents at beginning of year	47,318	36,104	35,406
Cash and cash equivalents at end of year	$ 25,111	$ 47,318	$ 36,104

See notes to consolidated financial statements.

</TABLE>

Notes to Consolidated Financial Statements
Dollars in tables in thousands except share data

1. SIGNIFICANT ACCOUNTING POLICIES

Business

Ben & Jerry's Homemade, Inc. (the "Company") makes and sells super premium ice cream and other frozen dessert products through distributors and directly to retail outlets primarily located in the United States and selected foreign countries, including Company-owned and franchised ice cream parlors.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all its wholly owned subsidiaries. Inter-company accounts and transactions have been eliminated.

Fiscal Year

The Company's fiscal year is the 52 or 53 weeks ending on the last Saturday in December. Fiscal years 1998, 1997 and 1996 consisted of the 52 weeks ended December 26, 1998, December 27, 1997 and December 28, 1996, respectively.

Use of Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Cash Equivalents

Cash equivalents represent highly liquid investments with maturities of three months or less at date of purchase.

Investments

Management determines the appropriate classification of investments at the time of purchase and reevaluates such designation as of each balance sheet date. At December 26, 1998, the Company considers all its investments, except for certificates of deposit, as available for sale. Available-for-sale securities are carried at cost, which approximates fair value for the year ended December 26, 1998 and December 27, 1997. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in interest income. Held-to-maturity securities and available-for-sale securities are stated at amortized cost, adjusted for amortization of premium and accretion of discounts to maturity. Such amortization is included in interest income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in income. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in interest income.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to significant concentration of credit risk, consist of cash and cash equivalents, investments and trade accounts receivable. The Company places its investments in highly rated financial institutions, obligations of the United States Government and investment grade short-term instruments. No more than 20% of the total investment portfolio is invested in any one issuer or guarantor other than United States Government instruments which limits the amount of credit exposure.

The Company sells its products primarily to well-established frozen dessert distribution or retailing companies throughout the United States and in certain countries outside the United States. The Company performs ongoing credit evaluations of its customers and maintains reserves for potential credit losses. Historically, the Company has not experienced significant losses related to investments or trade receivables.

Property, Plant and Equipment

Property, plant and equipment are carried at cost. Depreciation, including amortization of leasehold improvements, is computed using the straight-line method over the estimated useful lives of the related assets. Amortization of assets under capital leases is computed on the straight-line method over the lease term and is included in depreciation expense.

Other Assets

Other assets include intangible and other noncurrent assets. Intangible assets are reviewed for impairment based on an assessment of future operations to ensure that they are appropriately valued. Intangible assets are amortized on a straight-line basis over their estimated economic lives.

Translation of Foreign Currencies

Assets and liabilities of the Company's foreign operations are translated into United States dollars at exchange rates in effect on the balance sheet date. Income and expense items are translated at average exchange rates prevailing during the year. Translation adjustments are included in accumulated other comprehensive income. Transaction gains or losses are recognized as other income or expense in the period incurred. Translation and transaction gains or losses have been immaterial for all periods presented.

Foreign Currency Hedging

The Company hedges foreign currency risk by entering into future options based on projected forecasts of a portion of the Company's International Business. In addition, from time to time, the Company enters into forward contracts to hedge foreign currency denominated sales. Realized and unrealized gains or losses on contracts or options that hedge anticipated cash flows are determined by comparison of contract or option value upon execution (realized) and at each balance sheet for open contracts or options (unrealized). Realized gains and losses are recognized at the balance sheet date as other income or expense for the period. In the case of options entered into based on projected forecasts, unrealized gains and losses are recognized upon the determination that circumstances have changed which cause the hedged instrument to be speculative in nature.

Transaction gains or losses have been immaterial for all periods presented.

Revenue Recognition

The Company recognizes revenue and the related costs when product is shipped. The Company recognizes franchise fees as income for individual stores when services required by the franchise agreement have been substantially performed and the store opens for business. Franchise fees relating to area franchise agreements are recognized in proportion to the number of stores for which the required services have been substantially performed. Franchise fees recognized as income and included in net sales were approximately $708,000, $553,000 and $301,000 in 1998, 1997 and 1996, respectively.

Advertising

Advertising costs are expensed as incurred. Advertising expense (excluding cooperative advertising with distribution companies) amounted to approximately $10.6 million, $6.7 million, and $3.4 million in 1998, 1997 and 1996, respectively.

Income Taxes

The Company accounts for income taxes under the liability method in accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. Under the liability method, deferred tax liabilities and assets are recognized for the tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities.

Stock Based Compensation

The Company has adopted Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (FAS 123). As permitted by FAS 123, the Company continues to account for its stock-based plans under Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and provides pro forma disclosures of the compensation expense determined under the fair value provisions of FAS 123.

Earnings Per Share

In 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings per Share (FAS 128). FAS 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options, warrants or convertible securities. Diluted earnings per share is very similar to the previously reported fully diluted earnings per share.

Comprehensive Income

As of December 28, 1997 the Company adopted Statement No. 130, Reporting Comprehensive Income (FAS 130). FAS 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this statement had no impact on the Company's net income or shareholders' equity. Statement 130 requires unrealized gains or losses on the Company's available-for-sale securities and foreign currency translation adjustments to be included in other comprehensive income.

Dollars in tables in thousands except share data

Total comprehensive income amounted to $6.2 million for the year ended December 26, 1998 and $3.9 million for the years ended December 27, 1997 and December 28, 1996, respectively. Other comprehensive income consisted of adjustments for net foreign currency translation losses in the amounts of $22,000, $11,000 and $4,000 for 1998, 1997 and 1996, respectively.

Segment Information

As of December 28, 1997, the Company adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (Statement 131). Statement 131 superseded FASB Statement No. 14, Financial Reporting for Segments of a Business Enterprise. Statement 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Statement 131 also establishes standards for related disclosures about products and services, geographic areas, and major customers. The adoption of Statement 131 did not affect results of operations or financial position, but did affect the disclosure of segment information. See Note 15.

Impact of Recently Issued Accounting Standards

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, Accounting for Derivative Instruments and Hedging Activities (FAS 133). FAS 133 establishes standards for public companies regarding the recognition and measurement of derivatives and hedging activities. The statement is effective for the Company in fiscal year 2000. The Company does not believe the adoption of this statement will have a material impact on the Company's financial statements based on the nature and extent of the Company's use of derivative instruments at the present time.

2. CASH AND INVESTMENTS

The following is a summary of cash, cash equivalents and investments as of December 26, 1998 and December 27, 1997:

	December 26, 1998		
	Cash and Cash Equivalents	Short-Term Investments	Investments
Cash	$ 7,834		
Commercial paper	3,277		
Tax exempt floating rate notes	800		
Municipal bonds	13,200	$14,926	
Convertible bonds		955	
Preferred stock		5,649	
	25,111	21,530	
Certificates of deposit		588	$303
	$25,111	$22,118	$303

	December 27, 1997		
	Cash and Cash Equivalents	Short-Term Investments	Investments
Cash	$ 1,750		

Dollars in tables in thousands except share data

Municipal bonds	45,568	----	------
	47,318		
Certificates of deposit		$481	$1,061
	$47,318	$481	$1,061

The Company considers all of its investments, except for certificates of deposit, as available for sale. Certificates of deposit are held to maturity. Municipal bonds included in cash and cash equivalents mature at par in thirty to forty-five days, at which time the interest rate is reset to the then market rate, and the Company may convert the investment to cash. Municipal bonds and convertible bonds recorded as short-term investments have varying maturities in 1999 and beyond, however, the Company does not intend to hold such investments to maturity. During 1998, the Company also invested in fixed income preferred stock of primarily financial institutions.

The costs of all short-term investments approximated the estimated fair value of such investments. Gross unrealized gains and losses were not significant for all short-term investments held at December 26, 1998 or December 27, 1997.

Gross purchases and maturities aggregated $221.6 million and $228.4 million in 1998, $43.1 million and $25.4 million in 1997, and $61.1 million and $63.9 million in 1996. Realized gains and losses were not material for all periods presented.

3. INVENTORIES

	December 26, 1998	December 27, 1997
Ice cream and ingredients	$12,025	$10,294
Paper goods	524	536
Food, beverages, and gift items	541	292
	$13,090	$11,122

The Company purchased certain ingredients from a company owned by the Company's Vice Chairperson and a member of the Board of Directors, which amounted to approximately $800,000 in 1997. No such purchases were made in 1998 or 1996.

4. PROPERTY, PLANT AND EQUIPMENT
<TABLE>
<CAPTION>

<S>	December 26, 1998 <C>	December 27, 1997 <C>	Estimated Useful Lives/Lease Term <C>
Land and improvements	$ 4,520	$ 4,520	15-25 years
Buildings	37,940	37,650	25 years
Equipment and furniture	52,047	44,609	3-20 years
Leasehold improvements	3,727	3,221	3-10 years
Construction in progress	2,058	2,676	
	100,292	92,676	
Less accumulated depreciation	36,841	29,952	
	$ 63,451	$ 62,724	

</TABLE>

Depreciation expense for the years ended December 26, 1998, December 27, 1997 and December 28, 1996 was $7.9 million, $7.4 million and $6.7 million, respectively.

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 26, 1998	December 27, 1997

Trade accounts payable	$ 4,623	$ 3,832
Accrued expenses	12,552	10,313
Accrued payroll and related costs	3,272	2,076
Accrued promotional costs	4,297	3,581
Accrued marketing costs	2,837	2,230
Accrued insurance expense	1,081	1,234
	$ 28,662	$ 23,266

6. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	December 26, 1998	December 27, 1997
Senior Notes - Series A payable in annual installments beginning in 1998 through 2003 with interest payable semiannually at 5.9%	$16,680	$20,000
Senior Notes - Series B payable in annual installments beginning in 1998 through 2003 with interest payable semiannually at 5.73%	8,333	10,000
Other long-term obligations	744	1,078
	25,757	31,078
Less current portion	5,266	5,402
	$20,491	$25,676

Property, plant and equipment having a net book value of approximately $19.5 million at December 26, 1998 are pledged as collateral under certain long-term debt arrangements.

Long-term debt and capital lease obligations at December 26, 1998 maturing in each of the next five years and thereafter are as follows:

	Capital Lease Obligations	Long-term Debt
1999	$ 78	$ 5,219
2000	78	5,076
2001	57	5,039
2002	15	5,033
2003	15	5,098
Thereafter	199	-
Total minimum payments	442	25,465
Less amounts representing interest	150	-
	$ 292	$ 25,465

The Company capitalized no interest in 1998, 1997 or 1996. Interest paid amounted to $1,832,000, $1,975,000 and $1,973,000 for 1998, 1997 and 1996, respectively.

The Company has available two $10,000,000 unsecured working capital line of credit agreements with two banks. Interest on borrowings under the agreements is set at the banks' base rate or at LIBOR plus a margin based on a pre-determined formula. No amounts were borrowed under these or any bank agreements during 1998. The working capital line of credit agreements expire December 23, 2001.

Certain of the debt agreements contain restrictive covenants requiring maintenance of minimum levels of working capital, net worth and debt to capitalization ratios. As of December 26, 1998, the Company was in compliance with the provisions of these agreements. Under the most restrictive of these covenants, distributions are limited to an amount of $5 million plus 75% of earnings and 100% of net losses since June 30, 1993; approximately $20.6 million of retained earnings at December 26, 1998 was available for payment of dividends.

As of December 26, 1998, the carrying amount and fair value of the Company's long-term debt were $25.8 million and $24.4 million, respectively, and as of December 27, 1997, they were $31.1 million and $29.7 million, respectively.

Dollars in tables in thousands except share data

7. STOCKHOLDERS' EQUITY

The Class A Preferred Stock has one vote per share on all matters on which it is entitled to vote and is entitled to vote as a separate class in certain business combinations, such that approval of two-thirds of the class is required for such business combinations. The Class A Preferred Stock is redeemable by the Company, by vote of the Continuing Directors (as defined in the Articles of Association). The Class A Common Stock has one vote per share on all matters on which it is entitled to vote. In June 1987, the Company's shareholders adopted an amendment to the

Company's Articles of Association that authorized 3 million shares of a new Class B Common Stock and redesignated the Company's existing Common Stock as Class A Common Stock. The Class B Common Stock has ten votes per share on all matters on which it is entitled to vote, except as may be otherwise provided by law, is generally non-transferable as such and is convertible into Class A Common Stock on a one-for-one basis. A stockholder who does not wish to complete the prior conversion process may effect a sale by simply delivering the certificate for such shares of Class B Stock to a broker, properly endorsed. The broker may then present the certificate to the Company's Transfer Agent, which, if the transfer is otherwise in good order, will issue to the purchaser a certificate for the number of shares of Class A Common Stock thereby sold.

8. SHAREHOLDER RIGHTS PLAN

In early August, 1998, following approval by its Board of Directors, the Company put in place two Shareholder Rights Plans, one pertaining to the Class A Common Stock and one pertaining to the Class B Common Stock. These Plans are intended to protect stockholders by compelling someone seeking to acquire the Company to negotiate with the Company's Board of Directors in order to protect stockholders from unfair takeover tactics and to assist in the maximization of stockholder value. These Rights Plans, which are common for public companies in the United States, may also be deemed to be "anti-takeover" provisions in that the Board of Directors believes that these Plans will make it difficult for a third party to acquire control of the Company on terms which are unfair or unfavorable to the stockholders. Also, in April, 1998 the Legislature of the State of Vermont amended a provision of the Vermont Business Corporation Act to provide that the directors of a Vermont corporation may also consider, in determining whether an acquisition offer or other matter is in the best interests of the corporation, the interests of the corporation's employees, suppliers, creditors and customers, the economy of the state in which the corporation is located and including the possibility that the best interests of the corporation may be served by the continued independence of the corporation.

9. STOCK BASED COMPENSATION PLANS

The Company has two stock option plans:

The 1985 Option Plan provides for the grant of incentive and non-incentive stock options to employees or consultants. The 1985 Option Plan provides that options are granted with an exercise price equal to the market price of the Company's common stock on the date of grant. The 1985 Option Plan expired in August 1995, however, some options granted under this plan are outstanding as of December 26, 1998. While the Company grants options which may become exercisable at different times or within different periods, the Company has generally granted options to employees which vest over a period of four, five, or eight years, and in some cases with provisions for acceleration of vesting upon the occurrence of certain events. The exercise period cannot exceed ten years from the date of grant.

A summary of the 1985 Option Plan activity is as follows:
<TABLE>
<CAPTION>

	Number of Options	Weighted Average Exercise Price Per Share	Option Price Per Share	
<S>	<C>	<C>	<C>	<C>

Outstanding at December 30, 1995	357,437	$13.40	$10.63	-	$16.75
Granted	-	-	-	-	-
Exercised	-	-	-	-	-
Forfeited	(109,819)	11.34	10.81	-	16.75
Outstanding at December 28, 1996	247,618	14.31	10.63	-	16.75
Granted	-	-	-	-	-
Exercised	(80,000)	10.81	10.81	-	10.81
Forfeited	(10,807)	16.75	16.75	-	16.75
Outstanding at December 27, 1997	156,811	15.92	10.63	-	16.75
Granted	-	-	-	-	-
Exercised	(34,859)	16.75	16.75	-	16.75
Forfeited	(6,381)	16.75	16.75	-	16.75
Outstanding at December 26, 1998	115,571	$15.63	10.63	-	16.75
Options vested at December 26, 1998	100,571	$15.87	10.63	-	16.75

</TABLE>

The 1995 Equity Incentive Plan provides for the grant to employees, and other key persons or entities, including non-employee directors who are in the position, in the opinion of the Compensation Committee, to make a significant contribution to the success of the Company, of incentive and non-incentive stock options, stock appreciation rights, restricted stock, unrestricted stock awards, deferred stock awards, cash or stock performance awards, loans or supplemental grants, or combinations thereof. While the Company grants options which may become exercisable at different times or within different periods, the Company has generally granted options to employees which vest over a period of four, five, or six years, and in some cases subject to acceleration of vesting upon specified events including a change in control (as defined). The exercise period cannot exceed ten years from the date of grant. At December 26, 1998, 103,500 shares of Class A Common Stock were available under the 1995 Equity Incentive Plan.

A summary of the 1995 Equity Incentive Plan activity is as follows:

<TABLE>
<CAPTION>

<S>	Number of Options <C>	Weighted Average Exercise Price Per Share <C>	Option Price Per share <C>		<C>
Outstanding at December 30, 1995	25,000	$19.00	$19.00	-	$19.00
Granted	62,500	13.97	12.38	-	16.00
Exercised	--	--	--		--
Forfeited	--	--	--		--
Outstanding at December 28, 1996	87,500	15.41	12.38	-	19.00
Granted	694,000	12.04	10.88	-	13.89
Exercised	--	--	--		--
Forfeited	(27,500)	16.00	16.00	-	16.00
Outstanding at December 27, 1997	754,000	12.28	10.88	-	19.00
Granted	42,500	18.19	14.75	-	19.25
Exercised	(1,770)	12.63	12.63	-	12.63
Forfeited	--	--	--		--
Outstanding at December 26, 1998	794,730	$12.60	10.88	-	19.25
Options vested at December 26, 1998	281,450	$12.37	10.88	-	19.25

</TABLE>

The Company maintains an Employee Stock Purchase Plan, which authorizes the issuance of up to 300,000 shares of common stock. All employees with six months of continuous service are eligible to participate in this plan. Participants in the plan are entitled to purchase Class A Common Stock during specified semi-annual periods through the accumulation of payroll, at the lower of 85% of market value of the stock at the beginning or end of the offering period. At December 26, 1998 142,021 shares had been issued under the plan and 157,979 were available for future issuance.

The Company has a Restricted Stock Plan (the 1992 Plan) which provides that non-employee directors, on becoming eligible, may be awarded shares of Class A Common Stock by the compensation Committee of the Board of Directors. Shares issued under the plan become vested over periods of up to five years. The Company has also adopted the 1995 Plan, which provides that non-employee directors can elect to receive stock in lieu of a Director's annual cash retainer. In 1998, 4,896 shares were issued to non-employee directors. These shares vest immediately. At December 26, 1998 a total of 12,259 shares had been awarded under these plans, all of which were fully vested, and 22,741 shares were available for future awards. Unearned compensation on unvested shares is recorded as of the award date and is amortized over the vesting period.

Exercise prices for options outstanding at December 26, 1998 under all of the Company's stock plans ranged from $10.63 - $19.25. The weighted average remaining contractual life of those options is 8.0 years.

As of December 26, 1998, a total of 284,220 shares are reserved for future grant or issue under all of the Company's stock plans.

The Company's stock option plans provide for the grant of options to purchase shares of the Company's common stock to both employees and consultants. The Company has elected to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25) and related interpretations. In accounting for its employee stock options under APB 25, when the exercise price of the Company's employee stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized. The Company has followed FAS 123 for stock options granted to non-employees as required.

Pro forma information regarding net income and earnings per share is required by FAS 123, which also requires that the information to be determined as if the Company has accounted for its employee stock options granted subsequent to December 31, 1994 under the fair value method of that Statement. The fair value for these options was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions:

	1998	1997	1996
Risk-free interest rates	5.10%	5.53%	6.15%
Dividend yield	0.00%	0.00%	0.00%
Volatility factor	0.32	0.34	0.39
Weighted average expected lives (in years)	2.4	3.6	3.3

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The impact on pro forma net income may not be representative of compensation expense in future years when the effect of the amortization of multiple awards would be reflected in the pro forma disclosures. The Company's pro forma information follows (in thousands except for earnings per share information):

	1998	1997	1996
Pro forma net income	$5,935	$3,600	$3,796
Pro forma earnings per share - diluted	$0.80	$0.49	$0.53
Weighted average fair value of options at the date of grant	$4.22	$4.16	$4.26

10. INCOME TAXES

The provision for income taxes consists of the following:

	1998	1997	1996
Federal			
Current	$5,041	$3,300	$1,348
Deferred	(2,093)	(1,388)	681
	2,948	1,912	2,029
State			

Dollars in tables in thousands except share data

Current	1,003	686	252
Deferred	(417)	(210)	128
	-------	--------	---------
	586	476	380
	-------	-------	---------
	$3,534	$2,388	$2,409
	=======	=======	========

</TABLE>

Income taxes computed at the federal statutory rate differ from amounts provided as follows:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Tax at statutory rate	34.0 %	34.0 %	34.0 %
State tax, less federal tax effect	4.0	5.0	6.0
Income tax credits	(1.0)	(1.0)	(1.0)
Tax exempt interest	(3.0)	(2.9)	(2.4)
Other, net	2.1	2.9	1.4
	-----	-----	-----
Provision for income taxes	36.1 %	38.0 %	38.0 %
	=====	=====	=====

</TABLE>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and are attributable to the following:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
Deferred tax assets:		
Accrued liabilities	$6,425	$3,872
Inventories	1,413	1,503
Accounts receivable	430	475
Other	475	221
	------	------
Total deferred tax assets	8,743	6,071
Deferred tax liabilities:		
Depreciation	5,231	5,193
Other	139	15
	------	-------
Total deferred tax liabilities	5,370	5,208
	------	------
Net deferred tax assets	$3,373	$ 863
	======	======

</TABLE>

Income taxes paid amounted to $6.2 million, $2.2 million and $1.7 million during 1998, 1997 and 1996, respectively.

11. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Numerator:			

Net income	$6,242	$3,896	$3,926
Denominator:			
Denominator for basic earnings per share- weighted-average shares	7,197	7,247	7,189
Dilutive employee stock options	266	87	41
Denominator for diluted earnings per share- adjusted weighted-average shares and assumed conversions	7,463	7,334	7,230
Net income per common share			
Basic	$0.87	$0.54	$0.55
Diluted	$0.84	$0.53	$0.54

</TABLE>

Options to purchase 32,500 shares of common stock at $19.25 were outstanding during 1998 but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive. Options to purchase 146,811 shares of common stock at prices ranging from $16.75 - $19.00 and 194,033 shares of common stock at prices ranging from $12.38 - $16.75 were outstanding in 1997 and 1996, respectively, but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares and, therefore, the effect would be antidilutive.

Under an agreement with an outside consultant, if the average of the closing market value of the stock is in excess of $22.00 per share over a ninety day period, the consultant would be entitled to purchase 125,000 shares of common stock at $14.00 per share. These 125,000 additional warrants, which expire on July 1, 2004, are not included in the computation of diluted earnings per share because the stock did not exceed $22.00 during 1998.

12. THE BEN & JERRY'S FOUNDATION, INC.

In October 1985, the Company issued 900 shares of Class A Preferred Stock to the Ben & Jerry's Foundation, Inc. (the Foundation), a not-for-profit corporation qualified under Section 501 (c)(3) of the Internal Revenue Code. The primary purpose of the Foundation is to be the principal recipient of cash contributions from the Company which are then donated to various community organizations and other charitable institutions. Contributions to the Foundation and directly to other charitable organizations, at the rate of approximately 7.5% of income before income taxes, amounted to approximately $793,000, $510,000 and $514,000 for 1998, 1997 and 1996 respectively.

The Class A Preferred Stock is entitled to vote as a separate class in certain business combinations, such that approval of two-thirds of the class is required for such business combination. The three directors of the Foundation, including one of the founders of the Company, are members of the Board of Directors of the Company.

13. EMPLOYEE BENEFIT PLANS

The Company maintains profit sharing and savings plans for all eligible employees. The Company has also implemented a management incentive program, which provides for discretionary bonuses for management. Contributions to the profit sharing plan are allocated among all current full-time and regular part-time employees (other than the co-founders, Chief Executive Officer and Officers that are Senior Directors of functions) and are allocated fifty percent based upon length of service and fifty percent split evenly among all employees. The profit sharing plan and the management incentive plan are informal and discretionary. Recipients who participate in the management incentive program are not eligible to participate in the profit sharing plan. The savings plan is maintained in accordance with the provisions of Section 401(k) of the Internal Revenue Code and allows all employees with at least twelve months of service to make annual tax-deferred voluntary contributions up to fifteen percent of their salary. The Company contributes one percent of eligible employees' gross annual salary and may match the contribution up to an additional three percent of the employee's gross annual salary. Effective January 1, 1998 the Company amended its employees' retirement plan to permit contributions of shares of its stock to the plan from time to time. In 1998, the Board of Directors approved the contribution of $250,000 worth of Class A Common Stock to be allocated among all eligible employees' accounts. Total contributions by the Company to the profit sharing, management incentive program and savings plans were approximately $2.7

Dollars in tables in thousands except share data

million, $1.2 million and $670,000 for 1998, 1997 and 1996, respectively.

14. COMMITMENTS

The Company leases certain property and equipment under operating leases. Minimum payments for operating leases having initial or remaining noncancellable terms in excess of one year are as follows:

1999	$1,093
2000	889
2001	767
2002	598
2003	553
Thereafter	1,442

Rent expense for operating leases amounted to approximately $1.5 million, $1.2 million and $1.1 million in 1998, 1997 and 1996, respectively.

15. SEGMENT INFORMATION

Ben & Jerry's Homemade Inc. has one reportable segment: ice cream manufacturing and distribution. The Company manufactures super premium ice cream, frozen yogurt, sorbet and various ice cream novelty products. These products are distributed throughout the United States primarily through independent distributors and in certain countries outside the United States.

During 1998, 1997 and 1996 the Company's most significant customer, Dreyer's Grand Ice Cream, Inc., accounted for 57%, 57% and 55% of net sales respectively. Sales and cash receipts are recorded and received primarily in U.S. dollars. Foreign exchange variations have little or no effect on the Company at this time.

Information concerning operations by geographic area are as follows:

<TABLE>
<CAPTION>

<S>	December 26, 1998 <C>	December 27, 1997 <C>	December 28, 1996 <C>
Sales to Unaffiliated Customers			
United States	$191,777	$166,592	$160,263
Foreign	17,426	7,614	6,892
	$209,203	$174,206	$167,155
Profit or Loss			
United States	$ 6,444	$ 4,136	$ 3,662
Foreign	(202)	(240)	264
	$ 6,242	$ 3,896	$ 3,926
Assets			
United States	$143,308	$142,051	$132,481
Foreign	6,193	4,420	4,184
	$149,501	$146,471	$136,665

</TABLE>

All intersegment sales are made from the United States to the Company's foreign locations and amounted to $14.6 million, $13.2 million and $12.3 million for 1998, 1997 and 1996, respectively.

Note: Foreign operations include the United Kingdom, France, Canada, The Netherlands, Belgium and Japan.

16. SELECTED QUARTERLY FINANCIAL INFORMATION (Unaudited)

<TABLE>
<CAPTION>

1998 <S>	First Quarter (1) <C>	Second Quarter (1) <C>	Third Quarter (1) <C>	Fourth Quarter (1) <C>
Net sales	$41,556	$58,749	$64,566	$44,332
Gross profit	13,964	21,153	24,227	13,634
Net income	380	2,130	2,892	840
Net income per common share				

Basic	.05	.29	.40	.12
Diluted	.05	.28	.39	.11
1997				
Net sales	$36,148	$50,701	$49,956	$37,401
Gross profit	10,003	19,150	19,118	11,651
Net (loss) income	(1,059)	1,741	2,528	686
Net (loss) income per common share				
Basic	(.15)	.24	.35	.09
Diluted	(.15)	.24	.34	.09

</TABLE>

(1) Each quarter represents a thirteen week period for all periods presented

Notes to Consolidated Financial Statements
Dollars in tables in thousands except share data

17. SUBSEQUENT EVENT

Effective February 26, 1999, the Company made an investment commitment of $1 million in its Israeli Licensee, which gave the Company a 60% ownership interest. The Company will consolidate this majority owned subsidiary beginning March 1999.

BEN & JERRY'S HOMEMADE, INC.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Years ended December 26, 1998, December 27, 1997 and December 28, 1996
(In 000's)

<TABLE>
<CAPTION>

<S>	Balance at beginning of year <C>	Charged to costs and expenses <C>	Charged to other accounts <C>	Deductions (1) <C>	Balance at end of year <C>
Year ended December 26, 1998 Allowance for doubtful accounts (deducted from accounts receivable)	$1,066	$ 50	$----	$137	$ 979
Year ended December 27, 1997 Allowance for doubtful accounts (deducted from accounts receivable)	$ 695	$630	$----	$259	$1,066
Year ended December 28, 1996 Allowance for doubtful accounts (deducted from accounts receivable)	$ 802	$408	$----	$515	$ 695

</TABLE>

(1) Accounts deemed to be uncollectible.

EXHIBIT 10.8.3
LETTER AMENDMENT AGREEMENT

Letter Amendment Agreement entered into as of January 11, 1999 to that certain Distribution Agreement between Ben & Jerry's Homemade, Inc., a Vermont corporation headquartered at 30 Community Drive, South Burlington, Vermont 05403 (the "Manufacturer") and Dreyer's Grand Ice Cream, Inc., a California corporation located at 5929 College Avenue, Oakland, California 94618 and certain of its subsidiaries (collectively, the "Distributor") dated as of January 6, 1987 and as amended from time to time prior to the date hereof (such Agreement as in effect immediately prior to this Letter Amendment Agreement being sometimes referred to as the "Prior Agreement").

WHEREAS, the parties have agreed on certain amendments to the Prior Agreement contained below, which shall be applicable to the distribution of the Manufacturer's Products by Distributor during the period September 1, 1998 through August 31, 1999 (said period sometimes being referred to as the "Interim Period").

WHEREAS, the parties have agreed that the Prior Agreement as further amended hereby (the Prior Agreement as so further amended hereby being sometimes referred to as the "Old Agreement") shall automatically expire, without any further notice or actions, at the close of business on August 31, 1999 as more fully set forth herein;

WHEREAS, the parties have simultaneously entered into a new distribution agreement of even date (the "New Distribution Agreement") providing for the purchase, commencing September 1, 1999, by Distributor of products of the Manufacturer for resale and distribution in the territory specified in said New Distribution Agreement (a copy of which is attached hereto); and

WHEREAS, the parties have simultaneously terminated, by stipulation of dismissal, with prejudice, the litigation entitled Dreyer's Grand Ice Cream, Inc. and Edy's Grand Ice Cream vs. Ben & Jerry's Homemade, Inc. pending in the United States District Court for the northern District of California.

NOW THEREFORE, in consideration of these premises and the mutual promises of the parties and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. Prior Notices. No effect shall be given to the termination notice dated August 31, 1998 from Manufacturer to Distributor and the related notices of the Distributor to Manufacturer dated September 22, 1998 and of the Manufacturer to Distributor dated August 26, 1998 and October 12, 1998.

Definitions used in the Prior Agreement are used herein with such defined meanings, except as otherwise expressly provided herein.

2. Amendments to the Prior Agreement. The parties agree that the following amendments (or confirmations in some cases) to the Prior Agreement are effective from and after this date and shall control, notwithstanding any provisions of the Prior Agreement.

(i) The area within which Distributor shall purchase and resell Manufacturer's Products under the Old Agreement shall continue to be the Territory set forth in the Prior Agreement, subject to the following provisions of this Letter Amendment Agreement. Distributor's rights in all portions of the Territory (other than the New York Territory) shall be exclusive to the extent they were exclusive under the Prior Agreement on August 30, 1998 and shall be non-exclusive to the extent they were non-exclusive under the Prior Agreement on August 30, 1998.

Subject to the terms of the existing agreements with such parties, including the Prior Agreement, as applicable, during the Interim Period, Manufacturer agrees to maintain or cause to be maintained on essentially the same terms and conditions, the current distribution relationships with Sunbelt Distributors Inc. of Houston, Texas, and with Rainbo Distributors of San Leandro, California, which serves the out-of-home markets in Northern California.

(ii) Distributor's exclusive rights to purchase and distribute Manufacturer's Products to the supermarket trade (three cash registers or more) in the New York Territory (the New York City metropolitan area, including the five boroughs of New York, Nassau County, Suffolk County, Westchester County and Northern New Jersey) are hereby agreed to terminate automatically, without any further notice or action, on April 15, 1999 and Distributor agrees that it will not make any sales of Manufacturer's Products, directly or indirectly, in such supermarket trade in the New York Territory or to any person for resale in such supermarket trade in the New York Territory after April 15, 1999. The parties understand that the remaining channels of distribution in the New York Territory remain exclusive until April 15, 1999 and will then continue on a non-exclusive basis until August 31, 1999. The parties confirm that, notwithstanding any provision of the Old Agreement, the Manufacturer has no right to make Distributor's distribution rights non-exclusive in any channel of distribution in the New York Territory prior to April 15, 1999.

(iii) The parties confirm that, without limiting Distributor's best efforts obligations under the Prior Agreement to distribute Manufacturer's Products, Distributor shall, during the Interim Period, be required to purchase Manufacturer's Products in at least an amount equal to the volume purchase commitment set forth in Section 8 of the Prior Agreement (which commitment became applicable as a result of Manufacturer's notice of August 31, 1998 and Distributor's election of September 22, 1998 and which is hereby confirmed to remain a commitment binding Distributor during the Interim Period; provided, however, that this volume purchase commitment shall not be applicable with respect to the Territory described in Schedule 2A to the New Distribution

Agreement. The parties understand that such commitment shall be adjusted to reflect changes in the Territory herein and the method of selling hereunder. Distributor recognizes that this commitment forms part of the Prior Agreement and is subject to the "for cause" termination provisions thereof.

(iv) In addition to the purchase prices payable by Distributor for Manufacturer's Products specified in the Old Agreement, for the period beginning January 5, 1999 Distributor shall pay a rebate to Manufacturer, payable every month in arrears 28 days after the end of each month, equal to [*] of the amount of the Distributor's monthly sales of all Products to all customers including (without duplication) sales by subdistributors (but excluding sales to or by those Non-affiliated subdistributors making purchases in smaller quantities [i.e., 10 pallets or less on an occasional basis] up to an aggregate of [*] of Distributor's total monthly sales). The term "Non-affiliated subdistributors" shall mean subdistributors in which Distributor does not own more than 20% of the equity interests. As used in this Section, Distributor's monthly sales shall mean gross revenues less returns and allowances for damaged goods. Distributor's failure to make rebate payments when due shall constitute a failure to comply by Distributor which will permit termination of the Old Agreement by Manufacturer under Section 8 of the Old Agreement unless cured within 30 days after notice of such failure from Manufacturer to Distributor.

(v) The parties have previously agreed under the Prior Agreement that Distributor will pay Manufacturer [*] of the cost of the trade promotions on the Manufacturer's Products that have been mutually agreed for the remaining months of the year 1998. With respect to the period January 1, 1999 through August 31, 1999 Distributor agrees to pay Manufacturer [*] of the trade promotion dollars in an amount equal to the cost for the same months in 1998 (which are hereby deemed to be mutually agreed in advance through August 31, 1999 and agreed through April 15, 1999 in the case of the supermarket channel in the New York Territory) provided that Manufacturer pays the remaining [*] of the cost of such promotions. The parties confirm that payments shall be made by Distributor in the manner that has been the current practice under the Prior Agreement in 1998, namely promptly by way of off-invoice credits and debits.

For these purposes, trade promotions on the Manufacturer's Products shall not include print, radio, television or other media advertising placed by the Manufacturer and all consumer promotions, i.e. scoop trucks, marketing agents and community agents or slotting, but shall include off-invoice, retailer ads, retailer display specials, bunker programs, etc. and other trade promotional techniques which may be used in lieu of such conventional trade promotions. If Manufacturer wishes to conduct additional trade promotions for the period

* This confidential portion has been omitted and filed separately with the Commission.

January 1, 1999 through August 31, 1999, Distributor shall not be required to make any [*] payment of the cost of such additional trade promotions unless

Distributor has given its express consent. If the Distributor does not give its consent, then Manufacturer may continue such additional trade promotions and bear [*] of the cost thereof.

(vi) During the Interim Period, Distributor shall pay its portion of the cost of all slotting on the Manufacturer's Products in accordance with Section 4(c) of the Prior Agreement.

(vii) With respect to "selling" activities pertaining to the Products of the Manufacturer during the Interim Period, it is agreed that Manufacturer shall take over on January 5, 1999, the "corporate selling", which means selling to all chain accounts and headquarters selling; provided, however, that Distributor will continue to provide such services so as to work with Manufacturer to provide a smooth transition from Distributor to Manufacturer but in no event shall this continued support last more than three to four weeks after the execution of this Letter Amendment. Distributor will continue to do the selling activities "up and down the street" trade at the store level through its route salesmen and other personnel.

(viii) During the Interim Period, Distributor shall not, directly or indirectly manufacture, test market, market, promote or sell super premium ice cream or products as previously defined in the Prior Agreement (and for convenience, set forth below) except as follows:

Manufacturer agrees that the provisions of the Old Agreement relating to super premium ice cream or products, including, without limitation, the provisions of Section 8A thereof, shall not apply to the following activities of Distributor and that the following activities shall be permitted and shall not be deemed inconsistent with the performance by Distributor of its best efforts obligations under the Old Agreement:

1. The development of formulae, processes, marketing and sales plans and other plans relating to super premium ice cream or products;

2. Test-marketing, promoting, selling and manufacturing (to the extent appropriate to test-marketing) super premium ice cream or products within the territory described in Schedule 2A to the New Distribution Agreement, within the State of California or, beginning April 15, 1999, within the State of New York;

* This confidential portion has been omitted and filed separately with the Commission.

"ice cream, frozen yogurt, sorbets, ices or other frozen dessert products whether dairy based or not (although not to include super premium novelties) primarily sold in pint-size containers for a current retail price equal to or greater than an average of $2.19 per pint over a 52 week period adjusted by the CPI Index (December 1993 to equal 100 for this purpose), and including quart or half-gallon sizes of such products."

(ix) The Old Agreement, including without limitation the provisions relating to the New York Territory, shall automatically, without any further notice or actions, expire at the close of business on August 31, 1999 unless sooner terminated in accordance with its provisions. Notwithstanding this agreed expiration of the Old Agreement, all claims arising prior to such expiration for any breach of or for any amount due under the Old Agreement (excluding any such claims that have been satisfied, waived or released prior to such expiration) shall survive such expiration in each case.

(x) All sums payable to Manufacturer for Manufacturer's Products purchased hereunder shall be paid in arrears 21 days from the date of Manufacturer's invoice (which shall be the post-marked date of the invoice or any earlier date of facsimile transmission or other delivery to Distributor) with a 7-day grace period. As to all sums not paid within such 28 day period, Distributor shall in addition pay a [*] late payment premium.

(xi) The amount of credit available under paragraph 9 of the Old Agreement shall be changed to [*] and all other provisions of the line of credit and its workings will remain as in the Old Agreement. Said credit line shall be available unless Distributor is in breach of a material provision of the Old Agreement or unless Manufacturer determines, pursuant to the exercise of its regular credit policy, that Distributor's financial condition warrants a change in the said credit line.

3. The Partiesd' Current Compliance; Best Efforts Standard. The parties acknowledge and agree that as of the date of this Letter Amendment Agreement each party is in full compliance with all of the terms of Prior Agreement, including, without limitation, each party's best efforts obligations, and each party hereby waives any non-compliance (to the extent the relevant party knows or has reason to know of non-compliance) by the other under the Prior Agreement prior to the date of this Letter Amendment Agreement. Notwithstanding any other provision of the Old Agreement, Distributor shall not be in breach of any of its best efforts obligations under the Old Agreement if Distributor is performing under the Old Agreement in a manner substantially consistent with its performance during the twelve (12) month period

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immediately preceding the date of execution of this Letter Amendment Agreement (the "Comparison Period"). Nothing herein shall be deemed to waive compliance with the "best efforts" commitment under the Prior Agreement.

4. Negotiation of Agreement. Each party and its counsel have cooperated in the drafting and preparation of this Letter Amendment Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Letter

Amendment Agreement against the party that drafted it is of no application and is hereby expressly waived.

5. Representation and Covenant. Distributor hereby represents that as of the date hereof it is not in default in any respect under, and will not be in default in any respect but for the running of any applicable grace period under, any loan agreement or other agreement for the borrowing of money or capitalized leases (collectively referred to as the "Financing Agreements").

6. Entire Agreement; Amendments. The Prior Agreement as amended hereby and the New Distribution Agreement constitute the entire agreement between the parties, and there are no representations, warranties or conditions or agreements (other than invoices, purchase orders and the like necessary to implement said agreements) not contained herein (or in any document not referred to herein) that constitutes any part hereof or that are being relied upon by any party hereunder. If any provision of this Letter Agreement is held by a court of competent judgment to be invalid, void or unenforceable, the other provisions shall nevertheless be in full force and effect without being impaired or invalidated in any way.

Except as expressly amended hereby, the Prior Agreement shall continue in full force and effect.

No provisions of the Old Agreement may be modified or amended except by a written instrument signed by each of Manufacturer and Distributor.

7. Governing Law. This Letter Amendment Agreement shall be binding on the parties and successors and assigns, as provided in the Prior Agreement. This Letter Amendment Agreement and all actions related hereto shall be governed by, and any dispute relating to this Letter Amendment Agreement or the Prior Agreement or the entering into of this Letter Amendment Agreement or the expiration of the Old Agreement shall be resolved in accordance with, the provisions of the Old Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered by its duly authorized representative as of the day and year first above-written.

BEN & JERRY'S HOMEMADE, INC.
By:
Title:

DREYER'S GRAND ICE CREAM, INC.
By:
Title:

EDY'S GRAND ICE CREAM, INC.
By:
Title:

EXHIBIT 10.10

NEW DISTRIBUTION AGREEMENT

This Distribution Agreement (sometimes referred to as the "New Distribution Agreement" or this "Agreement") is entered into as of this 11th day of January, 1999 by and between Dreyer's Grand Ice Cream, Inc., a Delaware corporation headquartered at 5929 College Avenue, Oakland, California 94618 ("Distributor") and Ben & Jerry's Homemade, Inc., a Vermont corporation headquartered at 30 Community Drive, South Burlington, Vermont 05403-6828 ("Manufacturer").

WHEREAS, the parties wish to confirm that a certain Distribution Agreement dated as of January 6, 1987, as amended, including by a Letter Amendment Agreement dated on the date hereof (the "Letter Amendment Agreement", and such 1987 Agreement as so amended by the Letter Amendment Agreement being sometimes referred to as the "Old Agreement"), will automatically expire, without further notice or actions, as of the close of business on August 31, 1999, and wish, simultaneously with the entering into the Letter Amendment Agreement and the filing of the Stipulation of dismissal with prejudice in the pending case of Dreyer's Grand Ice Cream, Inc. and Edy's Grand Ice Cream vs. Ben & Jerry's Homemade, Inc., to enter into this Agreement effective today, but providing for the distribution upon the terms and conditions set forth below, commencing on September 1, 1999, of the Manufacturer's Products by Distributor in the Distributor Territory as defined below and for certain related matters set forth below.

NOW THEREFORE, in consideration of these premises, the mutual promises of the parties and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. PURPOSES OF AGREEMENT. Manufacturer is engaged in the manufacture, sale and distribution of ice cream and frozen dessert products manufactured and sold under the trade name "Ben & Jerry's" and in some cases other names. Distributor is engaged in the manufacture, sale and distribution of ice cream products and frozen desserts sold under several brand names including "Dreyer's" and "Edy's" and including ice cream products manufactured by or for others. The use of the term "Distributor" in this Agreement means Dreyer's Grand Ice Cream, Inc. and any controlled subsidiaries thereof engaged in ice cream operations in the United States (production or distribution). The term "Manufacturer" shall mean Ben & Jerry's Homemade, Inc. and any controlled subsidiaries thereof engaged in the United States.

Distributor and Manufacturer desire to enter into this Agreement setting forth the mutual rights and responsibilities of the parties with respect to the distribution, resale and promotion of Products (as defined) of the Manufacturer through the distribution system of the Distributor, being the Distributor's owned and operated distribution system and its authorized subdistributors.

It is understood that such distribution will commence September 1, 1999, and that all of the provisions of this Agreement shall only be effective commencing September 1, 1999, provided, however, that the provisions of Section 13 hereof shall be effective immediately.

"Best efforts" as used in this Agreement means commercially reasonable use of available resources to accomplish the specified objectives.

1.1 Representation. Distributor hereby represents that as of the date hereof it is not in default in any respect under, and will not be in default in any respect but for the running of any applicable grace period under, any loan agreement or other agreement for the borrowing of money or capitalized leases.

2. Distribution.

2.1 Appointment of Distributor. Subject to all of the terms hereof, Manufacturer hereby appoints Distributor, commencing September 1, 1999, as a non-exclusive distributor for the Products (as defined below) in the Distributor Territory within the United States as set out in Schedule 2A (the "Distributor Territory"), which Distributor Territory may be changed by mutual written consent of the parties.

The Products distributed by Distributor hereunder include (i) Ben & Jerry's brand items which are pints, quarts, half gallons, single serve and including bulk sizes of ice cream, frozen yogurt, sorbet, novelties and other frozen desserts manufactured by the Manufacturer and (ii) subject to the effect of distribution agreements between Distributor and third parties effective prior to a designation by Manufacturer adding Products hereunder, such other brand ice cream, frozen yogurt, sorbet, novelties and other frozen desserts of other persons as are involved in a significant relationship with Manufacturer as may be designated by Manufacturer from time to time, all as set forth in Schedule 2B as supplemented or revised by Manufacturer from time to time with reasonable notice to Distributor (collectively, the "Products").

Subject to all of the terms hereof, Distributor accepts such appointment and agrees to use its best efforts to distribute, resell, and deliver the Products in all flavors and sizes to all types of retail stores and all other types of accounts in this Distributor Territory and to promote the Products in accordance with the terms of this Agreement throughout the Distributor Territory.

In accordance with the foregoing, Distributor will use its best efforts to meet the distribution performance standards set out in Schedule 2C, and with such updates and revisions as shall be agreed at least annually with respect to each ADI or other market area listed on Schedule 2A (the "Performance Requirements"). It is understood that the Distributor is responsible for meeting the Performance Requirements on an annual basis on a market by market basis within the Distributor Territory for the Distributor Territory served directly (and if expressly applicable under Section 2 of this Agreement, geographic areas within the Distributor Territory served indirectly, by using authorized subdistributors). It is understood that, in the event that the Manufacturer adds an additional distributor in part of the Distributor Territory, the volume levels contained in the Performance Requirements shall be appropriately reduced to reflect such appointment.

The performance goals, i.e. annual business plan volume, etc. (the "Performance Goals") for any given calendar year, determined as provided below, shall include the performance matters referred to in the immediately preceding paragraph that the Distributor reasonably should be expected to achieve in the Distributor Territory for such year and shall be determined by taking into account (a) the Performance Goals for the immediately preceding year, (b) actual performance of the Distributor during the immediately preceding year, (c) any events or situations out of the ordinary that have occurred in the immediately preceding year or are reasonably expected to occur in the marketplace in the following year, which affected or would reasonably be expected to affect Distributor's performance, and (d) any reasonably reliable market performance data for the various markets in which the Distributor and other distributors distribute substantially the same products of the Manufacturer.

The Performance Requirements and the Performance Goals for each calendar year commencing 2000 shall be proposed no later than October 1 of the preceding year by Manufacturer, after prior consultation with Distributor, and thereafter shall be the subject of good faith negotiations by the parties. In the event the parties fail to reach agreement by October 15 in any year on the Performance Requirements and Performance Goals for the next calendar year, then the Performance Requirements and Performance Goals for the next calendar year shall be determined by the averaging of the Performance Requirements and Performance Goals (where applicable) for the top four (other than those to be applicable under this Agreement) of the major national markets used by the Manufacturer for distribution, planning and operational purposes, provided that, as to 1999 (which consists of the months of September - December), the parties commit to reach agreement on the 1999 Performance Requirements and Performance Goals by no later than March 31, 1999.

Distributor confirms that it will, except as otherwise specified in this Agreement, use its best efforts to follow Manufacturer's general distribution policies (the "Distribution Policies") as now in effect and as reasonably amended for application to Manufacturer's distributors generally upon reasonable written notice to Distributor (see Schedule 2D for the Distribution Policies as in effect on the date hereof).

2.2 Accounts. It is agreed that Distributor Territory will include, for all Products except bulk, any and all channels and all retail outlets, including, but not limited to, supermarkets, A and B stores/supermarkets, military bases, food service accounts and concession areas, Distributor owned push carts and bunker promotions in supermarkets, convenience stores, Mom and Pops and specialty food stores and club stores (including those served on a consignment basis as provided below). Except for mutually agreed authorized subdistributors (whether or not Distributor owns a minority interest therein), Distributor will establish, maintain and operate company-owned and operated trucks, warehouse and related assets as necessary to obtain the distribution coverage needed to carry out Distributor's obligations to distribute the Products. Distributor will sell the Products to accounts whether or not the account wishes to purchase any other products distributed by Distributor.

Distributor agrees that it will not knowingly, directly or indirectly, through independent distributors or otherwise, sell, market or distribute the Products to any person outside the Distributor Territory or for sale outside the Distributor Territory.

2.3 Sales in Distributor Territory and Authorized Accounts. Food Service Accounts. With respect to distribution of Food Service (which shall include novelties that are also distributed as provided in Section 2.2. above and bulk) which shall consist of sales to non-grocery channels, including, but not limited to, concessionaires, captive accounts, institutional accounts, restaurants and the like and shall also include such scooping venues (other than franchises) as may be established from time to time by the Manufacturer, the Distributor shall sell to such Food Service accounts as the Manufacturer may reasonably designate from time to time. It is understood that there may be changes in the Manufacturer's designation of Food Service accounts which are to be handled by the Distributor, and the parties agree to reach reasonable accommodations in order to realize the potential for sales of the Products to Food Service accounts.

Distributor agrees to distribute only to the authorized types of accounts in the Distributor Territory in accordance with this Agreement, including Sections 2.2 - 2.4. In order to carry out the provisions of this Agreement, Distributor will abide by and, where applicable, impose these contractual restrictions on all the persons distributing Products under this Agreement who are not presently bound by an agreement with Distributor, except when otherwise authorized in writing by the Manufacturer. Notwithstanding the foregoing, nothing herein shall permit enlargement of the Distributor Territory. Nonetheless, in the event that the Products are made available to a non-permitted account, Distributor agrees to use its best efforts to remedy the situation. Distributor, consistent with applicable law, will use its best efforts to terminate any distributor or other person who continues to sell unauthorized accounts. It is understood that the best efforts obligations of Distributor with respect to the customer/territorial limitations are to use best efforts, consistent with law, in enforcing such customer/territorial restrictions under this Agreement and that Distributor shall not be liable to the Manufacturer for any unauthorized sales or resales by the other distributors as long as Distributor has not authorized any sales by other distributors in derogation of the rights retained by the Manufacturer.

2.4 Distribution to Franchisees, etc. To the extent Manufacturer supplies the Products to Distributor, Distributor agrees to supply the Products, including bulk, to Manufacturer's franchised, licensed and company-owned scoop shops in the Distributor Territory on a drayage basis. Distributor understands that Manufacturer's franchise agreements require it to serve franchise customers first in the event of product shortage. Distributor will receive a handling fee per item delivered as established by Manufacturer, that fee currently being [*] per 2 1/2 gallon bulk tub and [*] per sleeve of pints and miscellaneous boxed goods, with [*] of the freight to the Distributor to be the responsibility of Distributor.

* This confidential portion has been omitted and filed separately with the Commission

2.5 No Exclusive Rights. As of the date of this Agreement, Manufacturer has no other distributors in the Distributor Territory for the supermarket channels of distribution. Before Manufacturer grants any other person a right to distribute the Products in the Distributor Territory, Manufacturer shall first give not less than 30 days prior written notice to Distributor and shall consult with Distributor. Before Distributor commences the distribution of any ice cream products of another person not being distributed by Distributor on the date hereof, Distributor will give Manufacturer not less than 30 days prior written notice and shall consult with Manufacturer.

2.6 Distributor's directly Owned and Operated Distribution System. It is understood that in the Distributor Territory Manufacturer shall sell the Products to Distributor for distribution through Distributor's distribution system (as more specifically described in Section 5.2 hereof ("DSD")) and with a small percentage distributed by authorized subdistributors of the Distributor. Distributor agrees that its maximum resale prices on Products resold to subdistributors will not exceed [*] above the prices paid by Distributor for such Products to the Manufacturer, including freight, under Section 9.

Distributor agrees that all subdistributors shall be subject to the approval of the Manufacturer, which may not be unreasonably denied. All current subdistributors are hereby approved by Manufacturer and will be listed on a Schedule 2.6 to be delivered by Distributor to Manufacturer as soon as practicable after execution of this Agreement by the parties. Manufacturer shall have the right to suggest subdistributors subject to the approval of Distributor, which may not be unreasonably denied. Without limiting any other provision of this Agreement, the Manufacturer shall also have the right to appoint an additional subdistributor or, if Distributor does not accept a designated subdistributor, a co-distributor in an area if Distributor is unable to sell any Products into a particular class of trade (such as Mom & Pops) or a particular account of significance (an account with at least six stores) and, provided that this right shall be limited to sales to such account(s) or class of trade.

2.7 SUPPLY OF PRODUCTS FOR DISTRIBUTION. Manufacturer agrees to use its best efforts to make the Products available to Distributor hereunder F.O.B.

Manufacturer's plants in Vermont, in such quantities and flavor assortments as Distributor may reasonably require, subject only to Manufacturer's right, if reasonably required by force majeure or other unforeseen circumstances affecting production delays (subject to any priority contractually required by the franchise agreements referred to above) to allocate Products between all distributors and franchisees, including Distributor and Manufacturer's other distributors (independent or company-owned) in this country or those buying for distribution in foreign countries. Distributor shall purchase on full pallet basis (or on a split pallet basis with a picking charge), one flavor per pallet and on half-trailer load minimum basis.

* This confidential portion has been omitted and filed separately with the Commission

2.8 No Discrimination. In order to ensure that competition for the Products and products of the Distributor is vigorous, Distributor agrees that all incentive, commission or other compensation programs or benefits for its route salesmen or other sales and sales-type employees and other employees directly involved in the distribution function shall have incentive/commission/compensation/benefit terms relating to distribution of the Products of the Manufacturer that are at least equal to those relating to distribution of products manufactured by Distributor or other products distributed by Distributor and that the instructions to and conduct of the Distributor's personnel in the Distributor Territory shall be implemented so as not to discriminate, directly or indirectly, against distribution of the Products of the Manufacturer.

2.9 Co-Distribution, Etc. As to all ADI's within the Distributor Territory where Distributor distributes products directly (or through independent distributors and subdistributors, if and where so permitted by the express terms of this Agreement) and where Manufacturer may be selling to other distributors, Distributor will be co-distributors with Manufacturer's other distributors, and, as between the Manufacturer and Distributor, Distributor will not commit any material unfair trade practices as to such other distributors or attempt to unlawfully interfere with their customers, and Manufacturer, when acting as a distributor, will not commit any material unfair trade practices as to Distributor or attempt to unlawfully interfere with Distributor's customers, it being understood that neither Distributor nor Manufacturer shall be responsible for actions taken or not taken by any of the other distributors or subdistributors used by them.

3. Marketing and Sales. Manufacturer shall be responsible for marketing of the Products in accordance with the provisions of this Agreement, subject to the following:

3.1 Manufacturer and Distributor shall regularly exchange by electronic means any information necessary to the performance of their respective responsibilities and roles hereunder. Manufacturer will receive from Distributor data provided through the standard UCS 867 product transfer/resale set. The data, provided weekly, will be of the same quality and coverage as has been supplied by Distributor in 1998 under the Old Agreement. Each party will cooperate with the other to be able to receive and transmit data through the standard UCS 867 protocol as soon as practicable.

3.2 Manufacturer will be responsible for the generation and [*] of the cost of the following: all print, radio, tv or other media advertising placed by the Manufacturer and all consumer promotions, i.e., scoop trucks, marketing events and community events. Each party shall promptly pay, subject to the following provisions, [*] of the cost of all slotting and trade promotions on the Manufacturer's Products in the Distributor Territory, which shall not include the foregoing items in the previous sentence, but shall include off-invoice, retailer ads, retailer display specials, bunker programs, etc., other trade promotional techniques which may be used in lieu of such conventional trade promotions. So long as each party's cost of trade promotions and

* This confidential portion has been omitted and filed separately with the Commission

slotting as so defined herein on the Manufacturer's Products does not in the aggregate exceed for all markets in the Distributor Territory [*] per Equivalent Unit (as such term is defined in Schedule 3.2) per year, the Distributor shall pay its [*] share of such trade promotions and slotting, without any requirement for consent by Distributor.

With respect to the second category of trade promotions that would in the aggregate exceed for all markets [*] per EU per year [*] share of trade promotions, the parties must mutually agree on the promotion, in the event of which agreement the cost of the trade promotion shall be shared on a [*] basis, provided that, in the event the parties do not mutually agree on a trade promotion in this second category, then the Manufacturer may require such trade promotion to be carried out as directed, but with [*] of the cost of such trade promotion being the responsibility of Manufacturer, it being understood that Manufacturer shall first be required to send a notice to Distributor committing to such [*] cost responsibility. It is understood that the provision of [*] per EU per year will be subject to appropriate adjustment in the event of a meaningful change in market conditions for promotion of Manufacturer's Products (for example, if a retailer materially changes its way of doing business). All credits or other payments necessary to carry out the provisions of this Section 3.2 shall be made by the parties on a monthly basis, and any adjustment necessary to "true up" the amounts shall be made on a quarterly basis, with the final adjustment promptly after the end of each calendar year.

3.3 It is understood that, unless otherwise agreed, Manufacturer's sales representatives shall make presentations and sales calls to Supermarket Channel (three cash registers or more), convenience store chains, national accounts, restaurants, and any other accounts designated by Manufacturer following reasonable notice to Distributor as to presentations and sales calls in the Distributor Territory, provided that Distributor personnel in the distribution system may accompany Manufacturer's personnel, unless inappropriate in Manufacturer's judgment, to assist in the effective promotion of the Products through the distribution system. With respect to other accounts which are to be sold by Distributor under this Agreement, including convenience stores (other than convenience store chains) and Mom & Pops, Manufacturer has determined that it would be most efficient for sales calls to be made by Distributor personnel at the direction of the Manufacturer. In addition, all promotions on the Products must be only those authorized by the Manufacturer, prior to offering these to accounts.

4. Social Mission Activities. Distributor recognizes the benefit of the image and reputation of the Products and of the Manufacturer that has been previously created in the Distributor Territory, including that part of the image and reputation related to the Manufacturer's approach to marketing activities, community oriented events, promotions or benefits and the Manufacturer's Social Mission, as set forth in Schedule 4.1. Distributor acknowledges its responsibility to maintain and sustain that image and reputation in Distributor activities as a distributor of the Manufacturer in the Distributor Territory, including the obligations set forth in Section 4.1 hereof.

* This confidential portion has been omitted and filed separately with the Commission

4.1 Distributor shall use its best efforts to integrate into its business of distributing the Products of Manufacturer hereunder a reasonable number (given the size of Distributor's operation) of socially responsible activities which are not inconsistent with those activities and programs which Manufacturer conducts to implement its social mission, as described in Manufacturer's Annual Report for 1997 and other Manufacturer's materials attached as Schedule 4.1 and as reasonably updated from year to year by Manufacturer upon reasonable notice to Distributor. The Manufacturer acknowledges that the activities of the Distributor set forth in Schedule 4.2 are examples of such socially responsible activities and that activities of the Distributor in the "socially responsible" arena have been acceptable overall through the date of execution of this Agreement. However, Distributor as is its custom, will strive to make improvements to the same as may be reasonable in the circumstances. It is also understood that, in completing the Questionnaire furnished under Schedule 4.1 on an annual basis, Distributor shall be entitled not to respond to the extent that the response would include confidential business information of Distributor. Material failure by Distributor to identify and implement such socially responsible activity from time to time, after notice of such failure, in reasonable detail, from Manufacturer and 90 days cure period, shall, unless reasonably cured by Distributor in said cure period, constitute Cause under Section 8.3.

5. Delivery; Other Services. Distributor shall be responsible for delivery

of the Products and shall provide the same delivery service and care it provides for its own products, including service (such intervals in the week as is necessary, given the retail outlet, to exploit the market potential) for all types of accounts, products rotation, correct flavor assortment, proper display and pricing of product, removal of damaged product (provided that in the event that Product is required to be removed pursuant to a decision of the Manufacturer, such as discontinuance of a slow moving item, the Distributor shall be solely entitled to credit for the purchase price previously paid for such Product), assurance of adequate back stock where allowed and display of merchandising materials in and around the freezer case. Distributor also agrees to comply with Manufacturer's general service standards for distributors as set forth in the Distribution Policies referred to above and including those in Section 5.2 below.

These services will be provided by Distributor where Distributor delivers its own products. To the extent that the Products are expressly permitted by this Agreement to be delivered by independent distributors (or subdistributors) used by Distributor, Distributor will exercise best efforts to cause such independent distributors (or subdistributors) to provide delivery service and care of the Products as aforesaid but shall in no event be liable to Manufacturer for any act or omission in respect thereof by any such distributor. However, in the event that such independent distributors (or subdistributors) do not provide such delivery and care of the Products, Distributor will take action to correct the deficiency or appoint other distributors (or subdistributors) to provide the required delivery and care of the Products.

5.2 Temperature/Handling. All Products of the Manufacturer must be stored at -15 degrees F. The Products may at no time in the channel of distribution go above -10 degrees F under this Section 5.2 and as provided in the Distribution Policies of Manufacturer. In the event Manufacturer determines that Products are being handled at improper temperatures, Manufacturer reserves the right to insist that Product be destroyed if quality of such Product is affected at any time and Distributor will remain responsible for payment for the destroyed Products.

It is agreed that the required form of market delivery by Distributor under this Agreement is direct store delivery ("DSD"). DSD is the process by which consumer demand is fulfilled and delivered at the store level. As part of this process, Distributor's personnel are directly responsible for developing store specific orders, schematics, and replenishment schedules. Product delivery to the store (non involving a retailer's warehouse) and merchandising may be performed by Distributor or a contracted third party.

6. Other Distribution by the distributor. Notwithstanding any other provision of this Agreement, the parties acknowledge that Distributor intends to continue its existing business which may be deemed to compete with Manufacturer's Products, and may manufacture, sell and/or distribute additional ice cream products and other products which may compete directly with

Manufacturer's Products, in all parts of the United States and abroad, to all classes of trade. Manufacturer agrees that nothing in this Agreement is intended to, or shall limit or affect in any way such activities by Distributor. Nothing herein shall be deemed to waive compliance with the "best efforts" commitment of Section 2 hereof.

7. Relationship of Distributor and Manufacturer. The relationship of Distributor and Manufacturer with respect to sale and purchase of Products is that of distributor (purchaser) and manufacturer (seller), and nothing in this Agreement shall be construed to create any agency or partnership or any other relationship, except as set forth herein.

Neither Distributor nor Manufacturer shall have, nor shall either represent itself as having, any right, power or authority to create any contract or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall consent thereto in advance in writing. Without limitation of the foregoing, Manufacturer shall not make any representation concerning Distributor or use of Distributor name in Manufacturer's marketing and sales effort without Distributor's advance written approval. Manufacturer does have the right without prior approval of Distributor to inform the trade that the Products are being distributed through the Distributor's system, and as is necessary to carry out the purposes of this Agreement. Without limitation to the foregoing, Distributor shall not make any representation concerning Manufacturer or use of Manufacturer's name in Distributor's marketing and sales effort without Manufacturer's advance written approval. Distributor does have the right without prior approval of Manufacturer to inform the trade that the Products are being distributed through the Distributor's system, and as is necessary to carry out the purposes of this Agreement.

8. Term; Termination.

8.1 Term. The term of this Agreement shall start as of September 1, 1999 and shall continue for an indefinite period, unless in any case sooner terminated pursuant to the terms of this Agreement or by mutual agreement; provided, however, that the provisions of Section 13 hereof shall be effective immediately.

8.2 Termination Withoug Cause. This Agreement may be terminated after September 1, 1999 by either Distributor or Manufacturer without cause on not less than six months prior written notice given to the other party; provided that no such notice may be given during the months of October, November, December, January, February or March in any year.

During the termination notice period under Section 8.2, the following additional obligations set forth in this Section shall apply.

Manufacturer shall not be obligated to appoint additional distributors in any market area during any termination notice period. The below obligations upon termination shall only apply to the market area or areas in which the termination is effective and shall be interpreted accordingly. A "market" or "market areas" shall be any of the areas listed on Schedule 2A.

In the event that Distributor fails to comply in a material respect in a market (as defined above) with its best effort obligation during the termination notice period, this failure shall constitute Cause justifying termination by the Manufacturer under Section 8.3 of this Agreement, effective immediately upon written notice to Distributor (notwithstanding any contrary provision in Section 8.3, including any cure period in which to cure such default that would otherwise be applicable under Section 8.3), or, alternatively, Manufacturer shall have the right, by written notice to Distributor, to shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of the Manufacturer's notice to shorten under this paragraph). In the event of a termination by Distributor without cause, Manufacturer may, by written notice to Distributor, shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of Manufacturer's notice to shorten under this paragraph).

8.3 Termination for Cause. Either party may at any time terminate this Agreement, either entirely or as to a particular affected portion of the Distributor Territory only (as elected in any case by the terminating party, by written notice to the other party), upon sixty (60) days' written notice to the other for failure of the other party to comply with any of the terms set forth herein (which terms shall include the Distributor's failure to satisfy the Performance Requirements or Performance Goals for Products to be purchased by Distributor for any year), in any material respect, which shall also have a material adverse effect on Distributor's distribution performance in either the Distributor Territory or in the affected area(s) within the Distributor Territory ("Cause"), unless such default shall have been reasonably cured to the satisfaction of the other party within sixty (60) days after receipt of such written notice specifying the failure in reasonable detail. The failure of Distributor to continue DSD as the method of distribution hereunder shall be deemed to be "Cause", entitling Manufacturer to give Distributor the 60 day written notice as specified in this Section. An "affected portion" of the Distributor Territory shall be any of the markets within the Distributor Territory that are specified in Schedule 2A.

8.3.1 Without limiting any of the foregoing provisions of this Agreement, if Manufacturer notifies Distributor with reasonable specificity that a particular account or group of accounts in a specific market in the Distributor Territory is not, in the reasonable judgment of Manufacturer, receiving appropriate distribution (i.e. in accordance with the Performance Requirements or the Performance Goals, as in effect for the applicable period); Distributor shall endeavor to correct the problem. If following sixty (60) days from such notice, Manufacturer is not, in its reasonable judgment, satisfied that the problem has been corrected, Manufacturer may propose a solution. If within a reasonable period (generally thirty (30) days), Distributor agrees to implement such solution and if Distributor in fact implements such solution, such notice shall be of no further effect. If Distributor does not so agree to implement such solution or does not in fact implement such solution, Manufacturer shall have the right to terminate Distributor's distribution rights to such account or group of accounts.

8.4 Termination Upon Change in Control. Upon a Change in Control (as defined below) of the Distributor, the Manufacturer may terminate this Agreement upon 180 days notice, and upon a Change in Control (as defined) of Manufacturer, Distributor may terminate this Agreement upon 180 days notice, in each case given at any time within the nine-month period following the Change in Control of the other party, provided, further, that if notice of termination for Change in Control is given more than six months (but not more than nine months) after the Change in Control, the period of the six month purchase or sales obligation set forth below shall be shortened by the number of days equal to the number of days by which the date of the giving of such notice of termination is later than six months after the date of the Change in Control and the purchase or sale obligation shall be correspondingly adjusted.

A "Change in Control" of a party means a change in control of that party of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934 (the "Act"), whether or not that party is then subject to such reporting requirements; provided, however, that, without limitation, such a Change in Control of that party shall be deemed to have occurred if (a) any "person" (as such term is used in Section 13(d) and 14(d) of the Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of that party representing 50% or more of the combined voting power of that party's then outstanding securities eligible to vote in the election of directors; provided, however, that in the event, with respect to a Change in Control of Distributor, that person (or any entity controlled by or controlling that person) is a manufacturer or distributor of frozen desserts which is a significant competitive factor in the United States or, with respect to a Change in Control of Manufacturer, that person (or any entity controlled by or controlling that person) is a manufacturer or distributor of frozen desserts which is a significant competitive factor in the United States, the "50%" figure shall be "35%" in each case (calculated on a "fully-diluted basis", i.e. assuming issuance of all shares issuable upon exercise or conversion of any outstanding options, warrants or other securities or rights irrespective of the exercise, conversion or exchange price thereof or any term limiting the current exercisability);

(b) that party is a party to a merger, consolidation, sale of assets or other reorganization, an issuance of securities or other transaction, or a proxy contest, as a consequence of which members of the Board of Directors of that party in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (c) during any period of twelve consecutive months, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by that party's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors of that party.

Notwithstanding the foregoing provisions of the definition, a "Change of Control" of Distributor will not be deemed to have occurred solely because of (i) the acquisition of securities of Distributor (or any reporting requirement under the Act relating thereto) by an employee benefit plan maintained by Distributor for the benefit of employees or by William F. Cronk or T. Gary Rogers or their "affiliates" or "associates" (as such terms are defined in Rule 12b-2 under the Act) or members of their family (or trusts for their benefit) or (ii) any merger, consolidation or reorganization involving Distributor in which the holders of voting stock having power to cast 80% of the votes in elections of directors of Distributor immediately prior to such merger, consolidation or reorganization hold immediately after such transaction voting stock having power to cast 80% of the votes in elections of directors of the surviving entity in such transaction, and notwithstanding the foregoing provisions of the definition, a "Change in Control" of Manufacturer will not be deemed to have occurred solely because of (i) the acquisition of securities of Manufacturer (or any reporting requirement under the Act relating thereto) by an employee benefit plan maintained by Manufacturer for the benefit of employees or by Ben Cohen, Jerry Greenfield or Perry Odak or other members of the executive management or Board of Directors or their "affiliates" or "associates" (as such terms are defined in Rule 12b-2 under the Act) or members of their family (or trusts for their benefit) or (ii) any merger, consolidation or reorganization involving Manufacturer in which the holders of voting stock having power to cast 80% of the votes in elections of directors of the Manufacturer immediately prior to such merger, consolidation or reorganization hold immediately after such transaction voting stock having power to cast 80% of the votes in elections of directors of the surviving entity in such transaction.

8.4.1 In the event of termination by Manufacturer for Change in Control of Distributor hereunder, Distributor shall be obligated, during the 180 day period following the date of the giving of notice of termination for Change in Control, to purchase from Manufacturer for resale and resell and, in the event of termination by Distributor for Change in Control of Manufacturer hereunder, Manufacturer shall be obligated, during the 180 day period following the date of giving of such notice, to sell to Distributor, in each case in each market area in the Distributor Territory, where Distributor was a distributor hereunder immediately prior to the termination notice on a quarterly basis, not less than the same amount of the Products as were purchased hereunder for resale and

resold in such market area during the comparable calendar quarter of the prior year, provided that the amount required to be purchased and resold by Distributor, during such period shall be reduced by the amount of any increased purchases and resales during the period by such other person (or the

Manufacturer) previously distributing in such market area and by the amount of any sales of such other person (or the Manufacturer) making distribution for the first time in such market area of such termination notice period. A "market" or "market area" shall be any of the areas listed on Schedule 2A. It is understood that the amount required to be purchased and resold by Distributor pursuant to this paragraph shall be reduced for adverse changes in market conditions beyond the reasonable control of Distributor, including, for example, failure of the Manufacturer to deliver Product or novelties of the Manufacturer or loss of a chain due to the Manufacturer's action or inaction (and not by Distributor action or inaction), or decline in consumer preference for super premium ice cream or novelties on a market-wide basis, so long as Distributor is fulfilling its applicable best efforts obligations during the applicable period under this paragraph of Section 8.4.1 of this Agreement and that the amount required to be sold by Manufacturer pursuant to this paragraph shall be reduced for adverse changes in market conditions beyond the reasonable control of Manufacturer.

In the event that Distributor fails to comply in a material respect in a market (as defined above) with the purchase obligations set forth above during the termination notice period, this failure shall constitute Cause justifying termination by the Manufacturer under Section 8.3 of this Agreement, effective immediately upon written notice to Distributor (notwithstanding any contrary provision in Section 8.3, including any cure period in which to cure such default that would otherwise be applicable under Section 8.3), or, alternatively, Manufacturer shall have the right, by written notice to the Distributor, to shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of the Manufacturer's notice to shorten under this paragraph).

The provisions of this Section 8.4 shall be in addition to the provisions of Sections 8.2 and 8.3.

8.5 In addition to the applicable provisions of Sections 8.2 and 8.4 above with respect to certain termination notice periods, Distributor agrees to continue to use its best efforts hereunder during all applicable termination notice periods under this Agreement to distribute the Products of the Manufacturer and to preserve Manufacturer's shelf position for the replacement distributor(s) selected by the Manufacturer upon any termination of this Agreement in each market in the Distributor Territory listed in Schedule 2A where Distributor was a distributor hereunder immediately prior to the applicable termination notice.

Upon any termination of this Agreement, all materials and other data submitted to Distributor by Manufacturer and still in Distributor possession shall be returned to Manufacturer and Distributor shall not use the contents thereof.

8.6 Post Termination Obligations. Upon the termination of this Agreement by Manufacturer or by Distributor, Distributor shall return, and Manufacturer agrees to repurchase all Products (other than unsalable Products) at

Distributor's original purchase price or in the event of Products close to out-of-code (i.e. less than 60 days before the out of code date) at the appropriate discount from such original purchase price, all in accordance with the industry standards, or, at Manufacturer's option (exercisable by written notice to Distributor), Distributor shall have the right to sell or liquidate in the Distributor Territory in a manner approved by Manufacturer its then-current inventory of Products, but not including unsalables in accordance with the provisions of this Agreement. In the event of any return of Products hereunder, the terminating party shall pay [*] of the applicable reasonable return shipping charges; provided; however, that if either party terminates for cause, then in such incident, the breaching party shall pay [*] of the applicable reasonable return shipping charges. For the purposes of this provision, "unsalables" means damaged or out-of-code Products which shall be destroyed. All amounts due for Products sold to Distributor and all other amounts due under Sections 3.2 and 9 and any other provisions of this Agreement shall be immediately due and payable. Nothing in this Section should affect either party's obligations to the other upon termination, including any claims for damages.

9. Prices For Products; Payment Terms; Resale Prices; Related Matters.

9.1 Prices Payable by distributor. Manufacturer agrees to sell the Products at the prices determined by Manufacturer from time to time (Manufacturer's regular Distributor Prices), which shall initially be as set forth on Schedule 9.1 attached, F.O.B. Manufacturer's plants in Vermont, with freight arranged by Manufacturer (or as requested by Distributor) using its reasonable efforts to obtain the best possible freight charge available and reimbursed by Distributor. Freight shall be split [*] between the parties, payable within 28 days after receipt of invoice for freight services by the party obligated by this Section to make such [*] reimbursement to the other party. Manufacturer may change prices to the Distributor when it changes price to its other distributors (absent unusual geographic market conditions), upon not less than reasonable notice to Distributor which shall normally be not less than 30 days.

9.1.1 Rebate. Distributor will pay a rebate to Manufacturer in an amount equal to [*] of the Distributor's monthly sales of all Products to all customers, including (without duplication) sales by subdistributors (but excluding sales to or by Non-affiliated subdistributors making purchases in smaller quantities [i.e., 10 pallets or less on an occasional basis] up to an aggregate of [*] of Distributor's total monthly sales), payable monthly in arrears 28 days after the end of the month via Electronic Funds Transfer (EFT) [EDI transaction type 820]. The term "Non-affiliated subdistributors" shall mean subdistributors in which Distributor does not own more than 20% of the equity interests.

As used in this Section 9.1.1, Distributor's monthly sales shall mean gross revenues less returns and allowances for damaged goods.

* This confidential portion has been omitted and filed separately with the Commission

The parties acknowledge that the pricing method they have, for convenience, selected to reflect the sharing of the efficiencies or savings may erroneously be viewed by others as a discriminatory net price charged by Manufacturer to Distributor, when such view is not consistent with the economics of the matter. Accordingly, to eliminate any uncertainty Distributor hereby agrees and confirms that its submission from time to time of any purchase order for Products from Manufacturer shall irrevocably (i) confirm the release of, and constitute a covenant not to sue in respect of, any claim of any kind whatsoever that its payment of such net higher price for the Products covered by such invoice may be in violation of the price discrimination provisions of the Robinson-Patman Act and any state price discrimination or unfair competition law and (ii) confirm the release of, and constitute a covenant not to sue in respect of, any claim of any kind whatsoever that its payment of such higher price in respect of any previously submitted purchase order for Products of the Manufacturer may be in violation of the Robinson-Patman Act or any state price discrimination or unfair competition law. Each release and covenant not to sue by Distributor shall remain in effect notwithstanding any inconsistent or contradictory provision in any purchase order or other instrument unless the provisions of this Section 9.1 are expressly terminated by a written amendment to this Agreement.

9.2 Payment Terms. Payment terms shall be 21 days with a 7-day grace period from the date of Manufacturer's invoice (which shall be the post-marked date of the invoice or any earlier date of facsimile transmission or other delivery to Distributor). Distributor agrees to maintain its internal bill receipt and payment procedures so that it will be able to meet the payment terms in the Agreement, and the parties agree that all payments shall be EFT. It is agreed that these are material terms of this Agreement and that failure of Distributor to make timely payments shall constitute "Cause" under Section 8.3 (unless cured or provided therein). Manufacturer also agrees to notify Distributor of any substantial increase in freight charges before shipment is authorized.

9.3 National Pricing. Notwithstanding the foregoing provisions of Section 2 or this Section 9, it is understood that Manufacturer may, as is common in the food industry, negotiate "national" or "regional" pricing agreements with certain accounts (such as airlines or Wal-Mart, to take two examples) where the Manufacturer's distributors, including the Distributor hereunder, continue to sell to such accounts, but this Agreement is modified to the extent necessary to accommodate such national pricing agreements, subject to reaching mutual agreement between the parties in each case. The parties agree to make such necessary amendments to implement agreements reached under this Section 9.3. In the event that the Distributor does not agree to any such national pricing arrangement within 14 days after a reasonably specific presentation of the arrangement to the Distributor, then the Manufacturer shall have the right to arrange for other distribution for such national pricing arrangement.

9.3.1 Consignment Sales. Notwithstanding the provisions of Section 2 and this Section 9, it is understood that Manufacturer may, as is common in the food industry, negotiate certain consignment arrangements for sales to club stores or Food Service accounts and Distributor will use its best efforts to distribute the Products to such outlets on a consignment basis, provided that consignment

sales shall require the mutual agreement of the parties. In the event that the Distributor does not agree to any such consignment arrangement within 14 days after a reasonably specific presentation of the arrangement to the Distributor, then the Manufacturer shall have the right to arrange for other distribution for such consignment arrangement.

9.4 Resake Prices. Distributor shall resell at such prices as it may determine, and Manufacturer retains no control over such resale prices.

9.5 Trade Shows. The parties confirm that the arrangements and practices with respect to trade shows attended by Manufacturer that are currently in effect under the Prior Agreement shall continue under this Agreement, namely that Distributor agrees to provide delivery of Products to Trade Shows in the areas in which Distributor is distributing hereunder at no charge, provided that Manufacturer provides the Products and necessary freezers for such shows.

9.6 Credit Line. Distributor shall have a line of credit under this Agreement which shall be reasonably established by Manufacturer consistent with the payment terms defined herein, and Manufacturer shall have the right, from time to time at its election, to require C.O.D. payment for any Products at any time when outstanding receivables under this Agreement and any that arose under the Old Agreement, for purchase of the Products of the Manufacturer thereunder (whether or not due) exceed the amount of such credit line or at any time when the circumstances of Distributor's financial condition are such that Manufacturer would be entitled under its regular credit policies to reduce this amount of the credit line. Said credit line shall be available unless Distributor is in breach of a material provision of this Agreement or unless Manufacturer determines, pursuant to the exercise of its regular credit policies, that Distributor's financial condition warrants a change in said credit line. Distributor agrees to pay interest on overdue accounts at an annual rate equal to the base rate charged to best commercial customers at BankBoston (or its successor) from time to time plus [*]. Interest shall be payable to Manufacturer on the last day of each month.

10. Compliance With Laws: Quality Control. Each party covenants and agrees during the term hereof, that it will fully comply with all applicable laws, ordinances, regulations, licenses and permits of or issued by any federal, state or local government entity, agency or instrumentality applicable to its responsibilities hereunder.

Manufacturer shall be responsible for the quality, including proof of quality and quality control, labeling requirements and truth of labeling, and fitness for human consumption of the Products delivered hereunder. Manufacturer warrants and represents that the Products delivered hereunder (1) are not adulterated or misbranded under the Federal Food Drug and Cosmetic Act, as amended (the "Act"); and (2) are not articles which may not be shipped pursuant to Sections 404 or 505 of the Act. Title shall pass upon delivery, F.O.B.

Manufacturer's plants in Vermont. Notwithstanding any other provision hereof, the parties understand that loss or damage to the Products during shipment, after delivery F.O.B. Manufacturer's Plant, shall be the responsibility of Distributor.

* This confidential portion has been omitted and filed separately with the Commission

10.1 Recall Possibility. In the event the Manufacturer determines to recall or withdraw any of its Products (the "Recalled Products"), Distributor will use its personnel (or a third party retrieval service if Distributor reasonably believes the recall or withdrawal will be achieved faster, at less expense or more efficient) to remove any Recalled Products from accounts to which it had delivered the Recalled Products (and, where it uses any other distributors or subdistributors, will use its best efforts to cause such other persons to do likewise) and shall return (or cause to be returned) to Manufacturer or dispose of Recalled Products as directed by Manufacturer. Distributor shall be reimbursed by Manufacturer for all Recalled Products in the amount of the net purchase price previously paid by Distributor for such Recalled Products including freight costs and for its reasonable out-of-pocket expenses for using its personnel or third party service to accomplish such recall or withdrawal, including disposal costs, with payments by Manufacturer for Recalled Products being in cash or replacement Products, at Manufacturer's option. In the event that any recall or withdrawal of either party's products significantly disrupts Distributor's ability to distribute the Manufacturer's Products or Manufacturer's ability to have such distribution occur, then Manufacturer and Distributor agree to discuss in good faith compensation for losses incurred by either party by such disruption.

11. Hold Harmless.

11.1 It is expressly understood and agreed that Distributor shall not be liable for and Manufacturer shall hold Distributor harmless from any obligations, claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature to a person not a party to this Agreement ("Third Party") arising directly or indirectly out of or in connection with this Agreement caused by Manufacturer's negligence, willful misconduct or contractual breach, including but not limited to any costs, expenses, court costs and reasonable attorneys' fees incurred by Distributor by reason of any defense to any claims or lawsuits to which Distributor has been named a party.

11.2 It is expressly understood and agreed that Manufacturer shall not be liable for and Distributor shall hold Manufacturer harmless from any obligations, claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature to a Third Party arising directly or indirectly out of or in connection with this Agreement caused by Distributor's negligence, willful misconduct or contractual breach, including but not limited to any costs, expenses, court costs and reasonable attorneys' fees incurred by the Manufacturer by reason of any defense to any claims or lawsuits to which Manufacturer has been named a party.

11.3 Third Person Claims. Promptly after a party has received notice of or has knowledge of any claim against it covered by Section 11 by a Third Party or the commencement of any action or proceeding by a Third Person with respect to any such claim, such party (sometimes referred to as the "Indemnitee") shall give the other party (sometimes referred to as the "Indemnitor") written notice of such claim or commencement of such action or proceeding; provided, however, that the failure to give such notice will not affect the right to indemnification hereunder with respect to such claim, action or proceeding, except to the extent that the other party has been actually prejudiced as a result of such failure. If the Indemnitor has notified the Indemnitee within thirty (30) days from the receipt of the foregoing notice that it wishes to defend against the claim by the Third Person, then the Indemnitor shall have the right to assume and control the defense of the claim by appropriate proceedings with counsel reasonably acceptable to Indemnitee, provided that the assumption of such defense by the Indemnitor shall constitute an acknowledgment of the obligation to indemnify the Indemnitee hereunder. The Indemnitee may participate in the defense, at its sole expense, of any such claim for which the Indemnitor shall have assumed the defense pursuant to the preceding sentence, provided, however, that counsel for the Indemnitor shall act as lead counsel in all matters pertaining to the defense or settlement of such claims, suit or proceeding other than claims that in Indemnitee's reasonable judgment could have a material and adverse effect on Indemnitee's business apart from the payment of money damages. The Indemnitee shall be entitled to indemnification for the reasonable fees and expenses of its counsel for any period during which the Indemnitor has not assumed the defense of any claim.

12. Trademarks. Distributor understands and agrees that it has received no right or license, express or implied, to use in any manner the name "Ben & Jerry's" or any other trade name or trademark used or owned by Manufacturer now or in the future with the express written consent of Manufacturer except as set forth herein. Subject to the terms and conditions of this Agreement and to the continuing performance by Distributor of its obligations hereunder, Manufacturer hereby grants Distributor a non-exclusive, non-transferable and personal license to use Manufacturer's trademarks and logos ("Marks") solely in connection with the distribution, display and sale of the Products pursuant to this Agreement. Distributor agrees that such Marks shall be used only in the forms and manners specified and approved in writing in advance by Manufacturer. All rights granted to Distributor under this Agreement with respect to the Marks shall immediately cease and terminate upon the termination of this Agreement. The provisions of this Section shall survive termination.

13. Standstill. Distributor acknowledges that this Agreement is extremely important to Manufacturer and will involve dependence of Manufacturer upon Distributor's distribution of a significant amount of the total revenues of Manufacturer, and accordingly, the Distributor agrees that until termination of

this Agreement, the Distributor and its affiliates (as such term is defined under the Securities Exchange Act of 1934, as amended) ("Affiliates" for purposes of this Agreement) shall not without the consent of Manufacturer (a) in any manner acquire, agree to acquire or make any proposal to acquire, directly or indirectly, any securities or property of the Manufacturer or any of its subsidiaries or divisions, or any rights or options to acquire any such securities or property (other than purchases of products or other properties in the ordinary course of business), (b) propose publicly or otherwise to enter into, directly or indirectly, any merger or business combination, recapitalization, restructuring or other extraordinary transactions involving the Manufacturer or any of its subsidiaries or divisions or stockholders, (c) otherwise act, alone or in concert with others, to seek to control or influence the executive management (except with respect to the distribution relationship created hereby) or Board of Directors of the Manufacturer, (d) enter into any contract, arrangement or understanding with any person with respect to any securities of the Manufacturer (or any subsidiary of the Manufacturer), including but not limited to any joint venture (other than relating to distribution), loan or option agreement, put or call, guarantee of loans, guarantee of profits or division of losses or profits, (e) make, or in any way

participate, directly or indirectly, in any "solicitation" of "proxies" (as such terms are used in the proxy rules of the Securities and Exchange Commission) or consents to vote, or seek to advise or influence any person with respect to the voting of, any voting securities of the Manufacturer, (f) form, join or in any way participate in a "group" (as defined under the Securities Exchange Act of 1934, as amended) with respect to any acquisition of or other action relating to securities or properties (other than purchase and sale of products or properties in the ordinary course) of the Manufacturer, (g) advise, assist or encourage any other person or group in connection with any of the foregoing, (h) disclose any intention, plan or arrangement inconsistent with the foregoing, (i) request the Manufacturer (or its directors, officers, affiliates, stockholders, employees or agents), directly or indirectly, to amend or waive any provision of this paragraph (including this provision), or (j) take any action which might require either party to make a public announcement regarding the possibility of a business combination, merger or joint venture (other than relating to distribution) involving the Manufacturer or any of its subsidiaries or divisions.

The foregoing provisions shall not be applicable to proposals initiated by or on behalf of Manufacturer.

13.1 The provisions of Section 13 shall not be applicable upon the earlier of:

(a) the date on which Manufacturer determines to initiate, solicit or pursue (1) a sale or transfer of all or substantially all of its assets or common shares representing 50% or more of the then outstanding common shares or (2) a merger, reorganization, consolidation or similar transaction between Manufacturer and any other person in which such person would obtain ownership of 50% or more of the then outstanding common shares;

(b) the date on which the Board of Directors of Manufacturer approves of (or approves in principle, by letter of intent, memorandum of understanding or similar instrument) any transaction referred to subparagraph (a) hereof; or

(c) the date on which any person not a member of Manufacturer's Board of Directors at the date hereof acquires common shares if the effect of such acquisition would be to cause such person to become the Beneficial Owner of 40% or more of the then outstanding common shares.

Notwithstanding the foregoing, counsel or other advisors for Distributor shall be entitled to contact Ropes & Gray, outside counsel for Manufacturer, to consider whether a proposal by Distributor that is prohibited by this Section 13 would, if it were actually made by Distributor to Manufacturer, require public disclosure by Manufacturer to Distributor. It is understood that if, in the judgment of Ropes & Gray as outside counsel for Manufacturer, such a proposal would require such public disclosure, then such proposal shall continue to be prohibited by this Section 13 and cannot be made. If the judgment is that such proposal would not require such public disclosure, then such proposal may be made, but no further proposal (without complying again with this provision) otherwise prohibited by this Section 13 may be made by Distributor.

The same procedure for advisors for Distributor to contact outside counsel for Manufacturer may be used in the circumstances in which Distributor believes that, as a result of prior action taken by the Manufacturer or by a third party unaffiliated with Distributor, Manufacturer may be considered to be "in play" in the securities market. The parties also recognize under such circumstances the Manufacturer may, without being requested to do so, invite a proposal from the Distributor.

Manufacturer will give Distributor immediate notice of the occurrence of any of these three events.

The Distributor acknowledges that money damages would not be an adequate remedy for breach of this Section 13, and accordingly, the Manufacturer shall be entitled to preliminary and permanent injunctive relief without the need to post a bond to enforce these provisions.

14. Stipulation of Dismissal With Prejudice. The parties shall deliver a stipulation of dismissal with prejudice to terminate the case entitled Dreyer's Grand Ice Cream, Inc. and Edy's Grand Ice Cream v. Ben & Jerry's Homemade, Inc. pending in the United States District Court, Northern District of California, Case No. C-98-3357 FMS, in the form of Exhibit I attached hereto. Each party shall be responsible for their own attorney's fees, costs and expenses relating to said litigation. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the other

provisions shall nevertheless be in full force and effect without being impaired or invalidated in any way.

15. Confidential Information. Confidential Information about a party learned under this Agreement shall not be used during or after the term of this Agreement except for the purpose of this Agreement and, without limiting the foregoing, such information as to the Manufacturer may not be used by the Distributor in connection with the production, marketing, distribution or sale of Distributor's products. Confidential Information shall, for purposes of this Agreement, include all information relating to a party, its business and prospect, disclosed by such party from time to time to the other party in any manner, whether orally, visually or in tangible form (including, without limitation, documents, devices and computer readable media) and all copies thereof, created by either party. The term "Confidential Information" shall be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by a party which contain, reflect or are based upon the information furnished to such party by the other party pursuant hereto. Confidential Information shall not include any information that:

(a) was in a party's possession prior to disclosure by the other party hereunder, provided such information is not known by such party to be subject to another confidentiality agreement with or secrecy obligation to the other party;

(b) was generally known in the ice cream industry at the time of disclosure to a party hereunder, or becomes so generally known after such disclosure, through no act of such party;

(c) has come into the possession of a party from a third party who is not known by such party to be under any obligation to the other party to maintain the confidentiality of such information; or

(d) was independently developed by a party without the use of any Confidential Information of the other party, to the extent that such independent development is reasonably established by such first party to the other party.

16. Entire Agreement; Survival. This Agreement and the Addendum of even date herewith (and any documents referred to herein) represents the entire agreement and understanding of the parties with respect to the distribution, commencing September 1, 1999, of Products of the Manufacturer by the Distributor, the standstill provisions of Section 13, and the stipulation of dismissal with prejudice provided for above, and there are no representations, warranties or conditions or agreements (other than implementing invoices, purchase orders and the like necessary to implement this Agreement) not contained herein (or in any documents not referred to herein) that constitute any part hereof or that are being relied upon by any party hereunder. Notwithstanding any termination of this Agreement, all claims arising prior to

such termination for any breach of or for any amount due under this Agreement (excluding any such claims that have been satisfied, waived or released prior to such termination) under this Agreement shall survive such termination, and in addition, the following sections of this Agreement shall survive any termination of the Agreement: 3.2 (as to Distributor's obligations to pay sums owing for the period through termination), 8.6, 9 (as to Distributor's obligations to pay sums owing for the period through termination), 11, 12, 14, 16 and 19.

17. Negotiation of Agreement. Each party and its counsel have cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the parties and may not be construed against any party by reason of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the party that drafted it is of no application and is hereby expressly waived.

18. Amendment and Non-Assignability of Agreement. This Agreement may not be amended or modified except by an instrument in writing signed by an authorized officer of each party. It is agreed that neither party shall transfer or assign this Agreement or any part hereof or any right arising hereunder, by operation of law or otherwise, without the prior written consent of the other. Any purported assignment without consent shall be void and of no force or effect or, at the other party's option, shall terminate this Agreement. Subject to the foregoing, this Agreement shall be binding on the respective parties and their successors and assigns.

No waiver by either party of any default or breach of any covenant hereunder shall be implied from any omission by either party to take action on account of such default if such default persists or is repeated. No express waiver shall affect any default other than the default specified in the waiver, and then said waiver shall be operative only for the time and to the extent therein stated. Waivers by either party of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant term or condition. The consent or approval by either party to or of any act by either party requiring further consent or approval shall not be deemed to waive or render unnecessary consent or approval to or of any subsequent similar acts. If any provision of this Amendment is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

No provision of any other instrument, including purchase orders, invoices, bills of sale or like instrument which is inconsistent or conflicts with this Agreement shall control or override any provision of this Agreement.

19. Waiver of Jury Rights; Governing Law; Jurisdiction. Each of the parties hereto irrevocably waives all rights to a trial by jury with respect to any dispute relating to this Agreement, the subject matter hereof or the entering

into or termination of this Agreement (a "Dispute"). This Agreement and all actions related hereto shall be governed by, and any dispute shall be resolved in accordance with, the laws of the State of New York, excluding its internal choice of law principles.

In the event of any Dispute, such Dispute, if not resolved in the ordinary course between representatives of the parties, shall be submitted for settlement negotiation between the Chief Executive Officer of Manufacturer and Chief Executive Officer of Distributor, and if such procedure does not resolve such Dispute within 30 days after a request for such settlement negotiation to the other party, then and only then shall all such Disputes be resolved exclusively by the process of litigation in accordance with this Section. If such litigation is brought by Manufacturer or by Distributor, it shall be brought in the State of New York, New York City (Manhattan), provided that, if such dispute relates to Section 13 of this Agreement, it may be brought without resort to the settlement mechanics described above and it may also be brought by Manufacturer in the State of Vermont and will be resolved under the laws of the State of Vermont.

With respect to any litigation relative to any Dispute (other than disputes arising out of Section 13) that has been commenced in accordance with the foregoing provisions as to where and when such litigation may be brought, the parties each hereby: (i) agree that each party has sufficient contacts with New York City (Manhattan) and Vermont (with respect to disputes relating to Section 13) to subject it to the personal jurisdiction of the state and federal courts located in New York City (Manhattan) and Vermont (with respect to disputes relating to Section 13) for purposes of any such Proper Action (a "Proper Action"); (ii) agree that venue of any Proper Action properly lies in New York City (Manhattan)and Vermont (with respect to disputes relating to Section 13); (iii) waives and agrees not to assert in any Proper Action any claim that it is not subject personally to the jurisdiction of the above-named courts, such action should be dismissed on grounds of lack of venue or forum non convenien; should be transferred to any court other than the above-named courts or should be stayed by reason of the pendency of some other proceeding in any court other than the above-named courts; (iv) consents and agrees that service of process in any Proper Action may be made in any manner permitted by law or by registered or certified mail, return receipt requested, at its principal place of business, and that service made in accordance with the foregoing is reasonably calculated to give actual notice of any such action; and (v) waives and agrees not to assert in any Proper Action any claim that service of process made in accordance with the foregoing does not constitute good and sufficient service of process,

including upon written notice. Notwithstanding the foregoing, any proceeding for temporary restraining order or preliminary injunction may be brought without resort to the settlement mechanics described but shall only be brought in accordance with the foregoing provisions as to where litigation with respect to any Dispute may be brought.

20. Publicity. Both parties shall agree on a joint initial press release on

the entering into of this Agreement, the entering into of the Letter Amendment Agreement and on the settlement in full, without any payment, of the litigation referred to in Section 14.

21. Notices. Any notices to be given by either party to the other shall be in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested, or by facsimile (only with receipt confirmed). Notices shall be addressed to the parties at the addresses set forth on page one or to said other address as shall have been so notified to the other party in accordance with this Section 21. Notices to Distributor shall be addressed to Chief Executive Officer, with a copy to Manwell & Milton, 20 California Street, Third Floor, San Francisco, CA 94111, Attention: Edmund R. Manwell, Esq. Notices to Manufacturer shall be addressed to Chief Executive Officer, Ben & Jerry's Homemade, Inc., with a copy to Ropes & Gray, One International Place, Boston, MA 02110, Attention: Howard K. Fuguet, Esq.

IN WITNESS WHEREOF, Dreyer's Grand Ice Cream, Inc. and Ben & Jerry's Homemade, Inc., have each executed and delivered this Agreement as of the day and year first above written.

WITNESSED:	DREYER'S GRAND ICE CREAM, INC. By: Title:
WITNESSED:	BEN & JERRY'S HOMEMADE, INC. By: Title:

EXHIBIT 10.10.1

ADDENDUM TO NEW DISTRIBUTION AGREEMENT

Addendum dated as of January 11, 1999 to New Distribution Agreement dated as of January 11, 1999 by and between Dreyer's Grand Ice Cream, Inc. ("Distributor") and Ben & Jerry's Homemade, Inc. ("Manufacturer").

WHEREAS, the parties wish to confirm that the Distributor shall make an additional payment or payments to Manufacturer if additional volume is added to the business carried on by the Distributor under the New Distribution Agreement by not later than September 30, 2000.

NOW, THEREFORE, in consideration of these premises, the mutual promises of the parties and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. To the extent that Manufacturer adds volume to the business conducted by the Distributor under said New Distribution Agreement by adding sales of Manufacturer's products in areas not presently included within the term "Distributor Territory" as set forth in Schedule 2A to said New Distribution Agreement, or by adding volume for the Distributor by the addition of Haagen-Dazs products for distribution within Texas and Los Angeles market by Distributor (pursuant to agreement with Haagen-Dazs or otherwise), Distributor will pay Manufacturer the amount required by the formula set forth below in Paragraph 2. For purposes of this Agreement the additional volume of Manufacturer's products and Haagen-Dazs products are collectively referred to as "Replacement Equivalent Units" as the term "Equivalent Unit" ("EU") is defined in Section 3.2 of the New Distribution Agreement.

2. Multiply by [*] the total sales (in dollars) for the time period September 1, 1998 through January 4, 1999 ("Said Time Period") of all Manufacturer's Products sold by Distributor to all customers including (without duplication) sales by subdistributors (but excluding sales to or by non-affiliated subdistributors making purchases in smaller quantities (i.e., 10 pallets or less on an occasional basis) up to an aggregate of [*] of Distributors total sales during Said Time Period). The term "non-affiliated subdistributors" shall mean subdistributors in which Distributor does not own more than 20% of the equity interests.

Minus [*]

The remainder dollar amount is divided by the total number of gallons (EU) of Manufacturer's Products sold to Sunbelt and to ICCI for the calendar year 1998.

The result of this division is the dollar value for each Replacement Equivalent Unit which Distributor shall pay to Manufacturer for each Replacement Equivalent Unit that Manufacturer adds as provided in Paragraph 1 above.

* This confidential portion has been omitted and filed separately with the Commission

By way of illustration only: [*]

3. Once aggregate payment of an amount equal to the "remainder dollar amount" (as determined in accordance with Paragraph 2 above) is made by Distributor, there shall be no further obligation by Distributor to make any payments under this Addendum. No payments shall be required with respect to any volume that is added on and after October 1, 2000.

4. Payments due under this Addendum shall be made within 30 days after the end of a calendar quarter in which an addition of Manufacturer's or Haagen-Dazs products has first been made.

5. Manufacturer also agrees to provide [*] free goods to Distributor prior to December 31, 1999.

6. This Addendum shall be in addition to the obligations and duties of the parties under the New Distribution Agreement. No provision of this Addendum may be modified or amended except by a written instrument signed by each of Manufacturer and Distributor.

7. This Addendum shall be binding on the parties and their respective successors and assigns. This Addendum and all actions related hereto shall be governed by the laws of the State of New York, excluding its internal choice of law principles. Any dispute or claim relating to this Addendum or the entering into of this Addendum shall be submitted to arbitration in Manhattan in the City of New York, New York conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party reasonable attorney's fees and other costs incurred in the arbitration proceeding.

IN WITNESS WHEREOF, Dreyer's Grand Ice Cream, Inc. and Ben & Jerry's Homemade, Inc. have each executed and delivered this Addendum as of the day and year first above written.

DREYER'S GRAND ICE CREAM, INC.
By:
Name:
Title:

BEN & JERRY'S HOMEMADE, INC.
By:
Name:

Title:

* This confidential portion has been omitted and filed separately with the Commission

EXHIBIT 10.11

THE PILLSBURY COMPANY DISTRIBUTION AGREEMENT

This Distribution Agreement (the "Distribution Agreement") is entered into as of this 26th day of August, 1998 by and between The Pillsbury Company, a Delaware corporation headquartered at 200 South Sixth Street, Minneapolis, Minnesota 55402-1465 ("Distributor"), and Ben & Jerry's Homemade, Inc., a Vermont corporation headquartered at 30 Community Drive, South Burlington, Vermont 05403-6828 ("Manufacturer").

WHEREAS, Manufacturer wishes to reduce its dependence on Dreyer's Grand Ice Cream, Inc. ("Dreyer's"), a leading ice cream company in the market and the leading ice cream distributor in the market, as a distributor of more than 50% of the sales of ice cream products of the Manufacturer, and whereas Dreyer's is the only "national" (more or less) distributor of ice cream in the domestic market;

WHEREAS Distributor wishes to obtain additional volume of ice cream to put through its distribution system, in order to realize efficiencies/economies of scale; and

WHEREAS, Manufacturer wishes to achieve efficiencies in the distribution of its products and wishes to use Distributor as a distributor in certain areas and whereas Distributor wishes to act as distributor for ice cream products of Manufacturer in certain areas.

NOW THEREFORE, in consideration of these premises, the mutual promises of the parties and other good and valuable consideration receipt of which is hereby acknowledged, the parties agree as follows

1. Purposes of Agreement. Manufacturer is engaged in the manufacture, sale and distribution of ice cream products manufactured and sold under the trade name "Ben & Jerry's" and in some cases other names. Distributor is engaged in the manufacture, sale and distribution of various food products including, through its Haagen-Dazs unit, ice cream products sold under the name "Haagen-Dazs" and including ice cream products manufactured by or for others. The use of the term "Distributor" in this Agreement means The Pillsbury Company, including its Haagen-Dazs ice cream operations and any subsidiaries engaged in ice cream operations in the United States (but not including Haagen-Dazs operations as a franchisor). The term "Manufacturer" shall mean Ben & Jerry's Homemade, Inc. and any subsidiaries thereof. At the present time more than half of Manufacturer's products are distributed by Dreyer's, a leading ice cream company in the market and the leading ice cream distribution company in the market, and Manufacturer wishes to diversify the distribution of its Products.

It is acknowledged by the parties that distribution by Distributor cannot commence in certain respects and areas until and unless a certain distribution agreement between Manufacturer and Dreyer's dated as of January 20, 1987 as amended (the "Dreyer's Agreement") has been either terminated by Manufacturer in accordance with the provisions thereof or appropriately modified so as to permit the distribution by Distributor contemplated hereunder. Distributor and Manufacturer desire to enter into this Agreement setting forth the mutual rights and responsibilities of the parties with respect to the distribution, resale and promotion of Products (as defined) of the Manufacturer through the distribution system of the Distributor, being the Distributor's owned and operated distribution system except where otherwise expressly provided. The parties agree that such distribution will thereby achieve efficiencies in the distribution of Products of the Manufacturer, without causing an increase in the resale prices of such Products to retailers, and will achieve efficiencies/economics of scale in the distribution of products of the Distributor, through economies of scale that result from putting the additional volume of Products of the Manufacturer through the Distributor's distribution system. The parties further agree that such efficiencies and economies are, through the pricing and rebate provisions of this Agreement, being economically shared by the parties, all to the mutual best interest of the parties. Reference is made to an Exhibit dated the date hereof outlining in summary form the annual profit improvement for the Manufacturer which, is expected to be achieved, such Exhibit being a non-binding Exhibit referenced solely to show the contemplation of the Manufacturer. It is expressly understood that such Exhibit does not constitute any warranty or representation or promises by the Distributor. The parties also intend that the implementation of the efficiencies contemplated by this Agreement should expand the ice cream products available in the marketplace and will thereby assist consumers in selecting ice cream products from time to time at retailers, all of which products, including Manufacturer's Products and Distributor's products, will be in competition with one another.

"Best efforts" as used in this Agreement means commercially reasonable use of available resources to accomplish the specified objectives or, in some cases, the overall objective, of this Agreement.

2. Distribution.

2.1. Appointment of Distributor. Subject to all of the terms hereof, Manufacturer hereby appoints Distributor as a non-exclusive distributor for the Products in the Distributor Territory within the United States as set out in Schedule 2A (the "Distributor Territory"), which Distributor Territory may be changed by mutual written consent of the parties.

The Products distributed by Distributor hereunder include (i) Ben & Jerry's brand items which are pints, quarts, half gallons, single serve and including bulk sizes of ice cream, frozen yogurt, sorbet, novelties and other sub-zero frozen desserts manufactured by the Manufacturer and (ii) such other brand ice cream, frozen yogurt, sorbet, novelties and other sub-zero frozen desserts of other persons as are involved in a significant relationship with Manufacturer (other than simply a distribution relationship) as may be designated by Manufacturer from time to time, all as set forth in Schedule 2B as supplemented or revised by Manufacturer from time to time with reasonable written notice to Distributor (collectively, the "Products").

Subject to all of the terms hereof, Distributor accepts such appointment and agrees to use its best efforts to distribute, resell, and deliver the Products (and with a minimum drop amount of no greater than 3? gallons) in all flavors and sizes to all types of retail stores and all other types of accounts in this Distributor Territory (except with respect to certain channel limitations set forth in Section 2.3) and to promote the Products in accordance with the terms of this Agreement throughout the Distributor Territory.

In accordance with the foregoing, Distributor will use its best efforts to meet the distribution performance standards set out in Schedule 2C, and with such updates and revisions as shall be agreed at least annually with respect to each ADI or other market area (the "Performance Requirements"). It is understood that the Distributor is responsible for meeting the Performance Requirements on an annual basis on a market by market basis within the Distributor Territory for the Distributor Territory served directly (and if expressly applicable under Section 2 of this Agreement, geographic areas within the Distributor Territory served indirectly, by using subdistributors which are commonly referred to by Distributor as "internal subdistributors").

The performance goals, i.e. annual business plan volume, etc. (the "Performance Goals") for any given calendar year, determined as provided below, shall include the performance matters referred to in the immediately preceding paragraph that the Distributor reasonably should be expected to achieve in the Distributor Territory for such year and shall be determined by taking into account (a) the Performance Goals for the immediately preceding year, (b) actual performance of the Distributor during the immediately preceding year, (c) any events or situations out of the ordinary that have occurred in the immediately preceding year or are reasonably expected to occur in the marketplace in the following year, which affected or would reasonably be expected to affect Distributor's performance, and (d) any reasonably reliable market performance data for the various markets in which the Distributor and such other distributors distribute substantially the same products of the Manufacturer.

The Performance Requirements and the Performance Goals for each calendar year commencing 2000 shall be proposed no later than October 1 of the preceding year by Manufacturer, after prior consultation with Distributor, and thereafter shall be the subject of good faith negotiations by the parties. In the event the parties fail to reach agreement by October 15 in any year on the Performance Requirements and Performance Goals for the next calendar year, then the Performance Requirements and Performance Goals for the next calendar year shall be determined by the averaging of the Performance Requirements and Performance Goals for the top four (other than those to be applicable under this Agreement) of the major national markets used by the Manufacturer for distribution, planning and operational purposes provided that, as to 1999, the parties commit to reach agreement on the 1999 Performance Requirements and Performance Goals (which may not cover a full 12 months) by no later than

October 15, 1998, and failure of the parties to reach agreement on the 1999 Performance Requirements and Performance Goals by said date shall constitute "Cause" under Section 8.3.

Failure by the Distributor to achieve the Performance Requirements shall not entitle the Manufacturer to a claim for damages against the Distributor, but may entitle the Manufacturer to terminate for Cause under Section 8.3. Failure to achieve the Performance Goals shall not constitute Cause except as provided in the preceding sentence with respect to reaching an agreement by October 15, 1998.

Within ten days prior to the commencement of resale of the Products, pursuant to the Transition Period provisions of Section 2.10, the parties agree that the Products will be available in appropriate quantities in Distributor's warehouses.

Distributor confirms that it will, except as otherwise specified in this Agreement, use its best efforts to follow Manufacturer's general distribution policies (the "Distribution Policies") as now in effect and as reasonably amended for application to Manufacturer's distributors generally upon reasonable written notice to Distributor (See Schedule 2D for the Distribution Policies as in effect for the Distributor on the date hereof.)

2.2. Accounts. Subject to Section 2.3, it is agreed that Distributor Territory will include, for all Products except bulk, any and all channels and all retail outlets, including, but not limited to, supermarkets, A and B stores/supermarkets, military bases, food service accounts and concession areas, Distributor owned push carts and bunker promotions in supermarkets, convenience stores, Mom and Pops and specialty food stores and club stores (on a consignment basis as provided below). Distributor will establish, maintain and operate company-owned and operated trucks, warehouse and related assets as necessary to obtain the distribution coverage needed to carry out Distributor's obligations to distribute the Products. Distributor will sell the Products to accounts whether or not the account wishes to purchase any other products distributed by Distributor.

Distributor agrees that it will not knowingly, directly or indirectly, through independent distributors or otherwise, sell, market or distribute the Products to any person outside the Distributor Territory or for sale outside the Distributor Territory.

2.3. Sales in Distributor Territory and Authorized Accounts; Smaller Class of Trade Channel; Food Service Accounts. In the geographic markets within the Distributor Territory set forth on Schedule 2.3, Distributor shall distribute to the "Supermarket Channel" (which shall mean A and B supermarkets and stores with three cash registers or more) and not to the "Smaller Class of Trade" (meaning convenience stores, Mom & Pops and the like, other than convenience store chains), which Smaller Class of Trade channel in such geographic markets are being handled by other distributors of the Manufacturer pursuant to Manufacturer's decision that such arrangement is in the best interest of its marketing program.

With respect to distribution of Food Service (which shall include novelties that are also distributed as provided in Section 2.2 above and bulk) which shall consist of sales to non-grocery channels, including, but not limited to, concessionaires, captive accounts, institutional accounts, restaurants and the like and shall also include such scooping venues (other than franchises) as may be established from time to time by the Manufacturer, the Distributor shall sell to such Food Service accounts as the Manufacturer may reasonably designate from time to time. It is understood that there may be changes in the Manufacturer's designation of Food Service accounts which are to be handled by the Distributor, and the parties agree to reach reasonable accommodations in order to realize the potential for sales of the Products to Food Service accounts.

Distributor agrees to distribute only to the authorized types of accounts in the Distributor Territory in accordance with this Agreement, including Sections 2.3 and 2.4. In order to carry out the provisions of this Agreement, Distributor will abide by and, where applicable, impose these "account" or "channel" contractual restrictions on all the persons distributing Products under this Agreement except when otherwise authorized in writing by the Manufacturer. Nonetheless, in the event that the Products are made available to a non-permitted account, Distributor agrees to use its best efforts to remedy the situation. Distributor, consistent with applicable law, will use its best efforts to terminate any distributor or other person who continues to sell unauthorized accounts. It is understood that the best efforts obligations of Distributor with respect to the channel/customer limitations under this Section 2.3 are to use best efforts, consistent with law, in enforcing such customer restrictions under this Section 2.3 and Section 2.2 and that Distributor shall not be liable to the Manufacturer for any unauthorized sales or resales by the other distributors as long as Distributor has not authorized any sales by other distributors in derogation of the rights retained by the Manufacturer.

2.4. Distribution to Franchisees, etc. Distributor agrees to supply the Products, including bulk, to Manufacturer's franchised, licensed and company-owned scoop shops in the Distributor Territory on a drayage basis. Distributor understands that Manufacturer's franchise agreements require it to serve franchise customers first in the event of product shortage. Distributor will receive a handling fee per item delivered as established by Manufacturer, that fee currently being [*] per 2-1/2 gallon bulk tub and [*] per sleeve of pints and miscellaneous boxed goods, with [*] of the freight to the Distributor to be the responsibility of Distributor. The parties agree to meet and review the appropriateness of these fees at least annually.

2.5. No Exclusive Rights. Before Manufacturer grants any other person a right to distribute the Products in the Distributor Territory, Manufacturer shall first give not less than 90 days prior written notice to Distributor and shall consult with Distributor. Before Distributor commences the distribution of any ice cream products of another person not being distributed by Distributor on the date hereof, Distributor will give Manufacturer not less than 90 days prior written notice and will consult with Manufacturer.

* This confidential portion has been omitted and filed separately with the Commission

2.6. Distributor's Directly Owned and Operated Distribution System. It is understood that in the Distributor Territory Manufacturer shall sell the Products to Distributor for distribution through Distributor's directly owned and operated distribution system, including trucks and personnel, and with a small percentage distributed by subdistributors of the Distributor (referred to by Distributor as "internal distributors"). Distributor agrees that its maximum resale prices on Products resold to the "internals" will not exceed [*] (weighted average) above the prices paid by Distributor for such Products to the Manufacturer under the first paragraph of Section 9.1. The parties agree that, if the size of Distributor's owned and operated distribution system increases, the parties will discuss whether Manufacturer shall sell its Products to Distributor's owned and operated distribution system in additional areas not now included in Distributor Territory.

2.6.1. Distributor acknowledges that it has been informed that in the geographic area listed on Schedule 2.6.1 Manufacturer shall sell or may sell the Products to independent distributors who may be the same persons who are purchasing products of Distributor from Distributor as distributors taking delivery from the Distributor at such distributor's warehouse (referred to by Distributor as "external distributors"). Distributor agrees that in any such market area Manufacturer may use other direct distributors or, subject to reaching mutual agreement between the parties, may sell Products to Distributor which shall then use its best efforts to resell to such persons who act as such "external distributors" for Distributor. In this connection it is understood that Distributor will use its best efforts to assist Manufacturer in concluding distribution agreements with such externals and during the Transition Period shall provide distributor management without a fee and, if requested by Manufacturer thereafter, for a fee of [*] of the purchase prices of such Products by such externals, or as otherwise mutually agreed between the parties. In the event that the Manufacturer is not able to conclude distribution agreements with one or more of the external distributors on Schedule 2.6.1 with respect to areas outside the Distributor Territory, as a result of Dreyer's not distributing Products of the Manufacturer in such areas, then Distributor agrees to use its best efforts to purchase Products for resale to such "external distributors" for distribution by such external distributors in the specified areas.

2.7. Supply of Products for Distribution. Manufacturer agrees to use its best efforts to make the Products available to Distributor hereunder F.O.B. Manufacturer's plants in Vermont, in such quantities and flavor assortments as Distributor may reasonably require, subject only to Manufacturer's right, if reasonably required by force majeure or other unforeseen circumstances affecting production delays (subject to any priority contractually required by the franchise agreements referred to above) to allocate Products between all distributors and franchisees, including Distributor and Manufacturer's other distributors (independent or company-owned) in this country or those buying for distribution in foreign countries. Distributor shall purchase on full pallet basis (or on a split pallet basis with a picking charge), one flavor per pallet and on half-trailer load minimum basis.

* This confidential portion has been omitted and filed separately with the Commission

2.8. No Discrimination. In order to ensure that competition for the Products and products of the Distributor is vigorous, Distributor agrees that all incentive, commission or other compensation programs or benefits for its route salesmen or other sales and sales-type employees and other employees involved in the distribution function up through the level of Regional Vice Presidents of Distributor shall have incentive/commission/compensation/benefit terms relating to distribution of the Products of the Manufacturer that are at least equal to those relating to distribution of products manufactured by Distributor or other products distributed by Distributor and that the instructions to and conduct of the Distributor's personnel in the Distributor Territory shall be implemented so as not to discriminate, directly or indirectly, against distribution of the Products of the Manufacturer. Notwithstanding the foregoing, in the event that Manufacturer, Distributor or another manufacturer of frozen dessert products carried by the Distributor has a time-limited special incentive program on certain items, there can be special incentive commission on similar arrangements for Distributor's personnel for the limited duration of such programs, with 30 days written notice to the Regional Vice Presidents of Distributor, that will not be considered to be a violation of this Section 2.8.

2.9. Co-distribution, etc. As to all ADI's within the Distributor Territory where Distributor distributes products directly (or through independent distributors and subdistributors, if and where so permitted by the express terms of this Agreement) and where Manufacturer may be selling to other distributors, Distributor will be co-distributors with Manufacturer's other distributors, and, as between the Manufacturer and Distributor, Distributor will not commit any material unfair trade practices as to such other distributors or attempt to unlawfully interfere with their customers, and Manufacturer, when acting as a distributor, will not commit any material unfair trade practices as to Distributor or attempt to unlawfully interfere with Distributor's customers, it being understood that neither Distributor nor Manufacturer shall be responsible for actions taken or not taken by any of the other distributors or subdistributors used by them.

2.10 Transition Period. Distributor acknowledges that Manufacturer's ability to sell certain products within the definition of Products to Distributor, and therefore the effective implementation of the transactions contemplated by this Agreement, is, to the extent Dreyer's has exclusive rights, conditioned upon and subject to either or a combination of (i) Manufacturer's termination of the Dreyer's Agreement without cause by notice given not later than September 1, 1998 (except as to the New York Territory as defined in the Dreyer's Agreement) or (ii) a modification thereto consistent with Section 2 of this Agreement as to the Distributor Territory (or portions thereof) so as to permit the distribution contemplated by this Agreement. In other areas or with respect to certain products within the defined Products, Dreyer's has only non-exclusive rights under the Dreyer's Agreement and Manufacturer may appoint Distributor as an additional distributor, pursuant to the provisions of the Dreyer's Agreement.

In this connection, the parties acknowledge that it is not certain under the Dreyer's Agreement whether notice of termination without cause as to the New York Territory (as defined therein) may be given prior to December 31, 1998 but that Manufacturer has the right to make Dreyer's rights in said New York Territory non-exclusive upon not less than 90 days notice. Accordingly, this Agreement does not provide for sales of Products to Distributor for resale in said New York Territory prior to the effective date of termination as to the New York Territory, except following 90 days written notice given by the Manufacturer to Dreyer's making Dreyer's rights in the said New York Territory non-exclusive.

Upon the giving of notice of termination by Manufacturer without cause under the Dreyer's Agreement (not including the New York Territory), Dreyer's rights under the Dreyer's Agreement are or become non-exclusive, unless Dreyer's elects to give notice to retain its exclusivity (in which event Manufacturer plans to give notice to Dreyer's to shorten such exclusivity to a period of not more than 90 days, as permitted under the Dreyer's Agreement). Accordingly, Distributor agrees to use its best efforts to commence distribution of the Products on such date not later than the date or dates in the various areas within the Distributor Territory that Dreyer's rights are or have become non-exclusive in such areas, it being understood that the parties will reasonably cooperate to select a date or dates which are appropriate to carry out the objectives of this Agreement. In any event, Distributor agrees that it shall fully implement distribution of the Products in the Distributor Territory by March 1, 1999, provided that it has received six months prior written notice or such lesser notice which is reasonable in the judgment of the Distributor in terms of the time needed for Distributor to gear up with respect to any market in question.

The parties each agree to use best efforts to take all planning and action in the Transition Period in order to carry out the purposes of this Agreement, and in particular to avoid any hiatus or dislocation in the marketplace for the availability of the Products as a result of Manufacturer's election to shift certain distribution of its Products from existing distributors to the Distributor as provided in this Agreement.

2.11. Regular Performance Meetings. The parties agree that executives of the parties who are not involved in the day-to-day distribution operations hereunder shall meet at least four times a year to discuss operations under this Agreement with the intent to resolve issues of performance before they become potentially major items and consider changes to meet changing market conditions. Such meetings will be at a place selected by one party for the first meeting and then at a place selected by the other party for the second meeting, etc., or at such other places as shall be mutually agreed. The parties agree that these meetings are an important part of this Agreement.

3. Marketing and Sales. Manufacturer shall be responsible for marketing of the Products in accordance with the provisions of this Agreement, subject to the following:

3.1. Manufacturer and Distributor shall regularly exchange by electronic means any information necessary to the performance of their respective responsibilities and roles hereunder.

Manufacturer will receive from Distributor data provided through the standard UCS 867 product transfer/resale set. The data, provided weekly, will include customer name and general location (but without an actual address), delivery date, quantity, item code/description, price and allowance. Each party will cooperate and Ben & Jerry's will use its best efforts to be able to receive and transmit data through the standard UCS 867 protocol as soon as practicable.

3.2. Manufacturer will be responsible for the generation and [*] of the cost of the following: all print, radio, tv or other media advertising placed by the Manufacturer and all consumer promotions, i.e., scoop trucks, marketing events, community events and slotting. Each party shall promptly pay, subject to the following provisions, [*] of the cost of all trade promotions on the Manufacturer's Products, which shall not include the foregoing items in the previous sentence, but shall include off-invoice, retailer ads, retailer display specials, bunker programs, etc. and other trade promotional techniques which may be used in lieu of such conventional trade promotions. So long as each party's cost of trade promotions on the Manufacturer's Products does not in the aggregate exceed for all markets in the Distributor Territory [*] on pints, quarts and half gallons per gallon per year, the Distributor shall pay its [*] share of such trade promotions, without any requirement for consent by Distributor. With respect to the second category of trade promotions that would in the aggregate exceed for all markets [*] per gallon per year for each party's [*] share of trade promotions, the parties must mutually agree on the promotion, in the event of which agreement the cost of the trade promotion shall be shared on a [*] basis, provided that, in the event the parties do not mutually agree on a trade program in this second category, then the Manufacturer may require such trade promotion to be carried out as directed, but with [*] of the cost of such trade promotion being the responsibility of Manufacturer, it being understood that Manufacturer shall first be required to send a notice to Distributor committing to such [*] cost responsibility. It is understood that the provision of [*] per gallon on pints, quarts and half gallons per year will be subject to appropriate adjustment in the event of a meaningful change in market conditions for promotion of Manufacturer's Products. All credits or other payments necessary to carry out the provisions of this Section 3.2 shall be made by the parties on a monthly basis, and any adjustment necessary to "true up" the amounts shall be made on a quarterly basis, with the final adjustment promptly after the end of each calendar year.

3.3. It is understood that, unless otherwise agreed, Manufacturer's sales representatives shall make presentations and sales calls to Supermarket Channel (three cash registers or more), convenience store chains, national accounts, restaurants, and any other accounts designated by Manufacturer following reasonable notice to Distributor as to presentations and sales calls in the Distributor Territory, provided that Distributor personnel in the distribution system may accompany Manufacturer's personnel, unless inappropriate in Manufacturer's judgment, to assist in the effective promotion of the Products through the distribution system. With respect to other accounts which are to be sold by Distributor under this Agreement, including convenience stores (other than convenience store chains) and Mom & Pops, Manufacturer has determined that it would be most efficient for sales calls to be made by Distributor personnel at the direction of the Manufacturer. In addition, all promotions on the Products must be only those authorized by the Manufacturer, prior to offering these to accounts.

* This confidential portion has been omitted and filed separately with the Commission

4. Social Mission Activities. Distributor recognizes that in taking over the distribution of the Products of the Manufacturer in the Distributor Territory it is succeeding to the benefit of the image and reputation of the Products and the Manufacturer that has been created in the Distributor Territory, including that part of the image and reputation related to the Manufacturer's approach to marketing activities, including among other things, community oriented events, promotions or benefits and Manufacturer's Social Mission, as set forth in Schedule 4. Distributor acknowledges its responsibility to maintain and sustain that image and reputation in Distributor activities as a distributor of the Manufacturer in the Distributor Territory, including the obligations set forth in Section 4.1 hereof.

4.1. Distributor shall use its best efforts to integrate into its business of distributing the Products of Manufacturer hereunder a reasonable number (given the size of Distributor's operation) of socially responsible activities which are not inconsistent with those activities and programs which Manufacturer conducts to implement its social mission, as described in Manufacturer's Annual Report for 1997 and other Manufacturer's materials attached as Schedule 4.1 and as reasonably updated from year to year by Manufacturer upon reasonable notice to Distributor. The Manufacturer acknowledges that the activities of the Distributor set forth in Schedule 4.2 are examples of such socially responsible activities. It is understood that, in completing the Questionnaire furnished under Schedule 4.1 on an annual basis, Distributor shall be entitled not to respond to the extent that the response would include confidential business information of Distributor. Material failure by Distributor to identify and implement such socially responsible activity from time to time, after notice of such failure, in reasonable detail, from Manufacturer and 90 days cure period, shall, unless reasonably cured by Distributor in said cure period, constitute Cause under Section 8.3. It is understood that such socially responsible activity will be part of the annual Performance Goals under Section 2.1 which shall then become part of the Performance Requirements.

5. Delivery; Other Services.

5.1. Distributor shall be responsible for delivery of the Products and shall provide the same delivery service and care it provides for its own products, including service (such intervals in the week as is necessary, given the retail outlet, to exploit the market potential) for all types of accounts, products rotation, correct flavor assortment, proper display and pricing of product, removal of damaged product (provided that in the event that Product is required to be removed pursuant to a decision of the Manufacturer, such as discontinuance of a slow moving item, the Distributor shall be solely entitled to credit for the purchase price previously paid for such Product), assurance of adequate back stock where allowed and display of merchandizing materials in and around the freezer case. Distributor also agrees to comply with Manufacturer's general service standards for distributors as set forth in the Distribution Policies referred to above and including those in Section 5.2 below.

These services will be provided by Distributor where Distributor delivers its own products. To the extent that the Products are expressly permitted by this Agreement to be delivered by independent distributors (or subdistributors) used by Distributor, Distributor will exercise best efforts to cause such independent distributors (or subdistributors) to provide delivery service and care of the Products as aforesaid but shall in no event be liable to Manufacturer for any act or omission in respect thereof by any such distributor. However, in the event that such independent distributors (or subdistributors) do not provide such delivery and care of the Products, Distributor will take action to correct the deficiency or appoint other distributors (or subdistributors) to provide the required delivery and care of the Products.

5.2. Temperature/Handling. All Products of the Manufacturer must be stored at -15 degrees F. The Products may at no time in the channel of distribution go above -10 degrees F under this Section 5.2 and as provided in the Distribution Policies of Manufacturer. In the event Manufacturer determines that Products is being handled at improper temperatures, Manufacturer reserves the right to insist that Product be destroyed if quality of such Product is affected and at any time and Distributor will remain responsible for payment for the destroyed Products.

Manufacturer understands and requires that Distributor's form of market delivery is direct store delivery, and each of the Manufacturer and Distributor agrees to use its best efforts to convert the warehouse distribution to Giant stores to DSD.

6. Other Distribution by the Distributor. Subject to the foregoing, Distributor reserves the unrestricted right to sell products (other than the Products purchased from the Manufacturer) to anyone within or without the Distributor Territory; however, in accepting appointment as Manufacturer's distributor hereunder, Distributor agrees to use its best efforts in enthusiastically expanding the sales volume of the Products and their position in the case throughout the entire Distributor Territory.

7. Relationship of Distributor and Manufacturer. The relationship of Distributor and Manufacturer with respect to sale and purchase of Products is that of distributor (purchaser) and manufacturer (seller), and nothing in this Agreement shall be construed to create any agency or partnership or any other relationship, except as set forth herein.

Neither Distributor nor Manufacturer shall have, nor shall either represent itself as having, any right, power or authority to create any contract or obligations, either express or implied, on behalf of, in the name of, or binding upon the other party, or to pledge the other's credit or to extend credit in the other's name unless the other party shall consent thereto in advance in writing. Without limitation of the foregoing, Manufacturer shall not make any representation concerning Distributor or use of Distributor name in Manufacturer's marketing and sales effort without Distributor's advance written approval. Manufacturer does have the right without prior approval of Distributor to inform the trade that the Products are being distributed through the Distributor's system, and as is necessary to carry out the purposes of this Agreement. Without limitation of the foregoing, Distributor shall not make any representation concerning Manufacturer or use of Manufacturer's name in Distributor's marketing and sales effort without Manufacturer's advance written approval. Distributor does have the right without prior approval of Manufacturer to inform the trade that the Products are being distributed through the Distributor's system, and as is necessary to carry out the purposes of this Agreement.

8. Term; Termination.

8.1 Term. The term of this Agreement shall start as of the date hereof, subject to the provisions of Section 2.10 pertaining to the Transition Period, and shall continue until October 1, 2002, and thereafter for an indefinite period, unless in any case sooner terminated pursuant to the terms of this Agreement or by mutual agreement.

8.2. Termination Without Cause. This Agreement may be terminated by Distributor without cause on not less than 12 months prior written notice to Manufacturer given to Manufacturer after October 1, 2002, and may be terminated by Manufacturer without cause at any time on not less than five months prior written notice to Distributor provided that, in the event that such termination by Manufacturer occurs prior to October 1, 2002, Manufacturer shall pay the amount of undepreciated tax book value of the Distributor for assets invested in the distribution system under this Agreement, all as set forth on Schedule 8.2. In the event that there is a Change of Control of Manufacturer in a manner deemed to be "hostile" by the Board of Directors of Manufacturer prior to said Change in Control (it being understood that said Board of Directors shall have sole and conclusive authority to make such determination as to whether the change is "hostile" for purposes of this Agreement), then Manufacturer shall be required to give not less than 24 months written notice instead of five months written notice in order to terminate this Agreement without cause under the Section 8.2.

During the termination notice period under Section 8.2, the following additional obligations set forth in this Section shall apply.

In the event of termination hereunder by Distributor without cause, Distributor shall be obligated, during the twelve (12) months' notice period, to continue to purchase Products from Manufacturer for resale and use its best efforts to distribute in each market in the Distributor Territory listed in Schedule 2A where Distributor was a distributor hereunder immediately prior to the termination notice. In connection therewith, Distributor shall distribute suchProducts in compliance with the Performance Requirements in each such market area, which if not agreed specifically shall be the Performance Requirements in effect during the comparable period in the prior year.

Provided, however, that the Manufacturer may, upon 30 days' written notice to Distributor after Distributor has given notice of termination without cause, elect to shorten the 12-month notice period to a shorter period (but not less than five months), in which event Distributor's performance obligation for the 12-month notice period set forth above shall be prorated to such shortened notice period.

Manufacturer shall not be obligated to appoint additional distributors in any area during any termination notice period. The above obligations upon termination shall only apply to the market area or areas in which the termination is effective and shall be interpreted accordingly.

In the event that Distributor fails to comply in a material respect in a market (as defined above) with the Performance Requirements during the termination notice period, this failure shall constitute Cause justifying termination by the Manufacturer under Section 8.3 of this Agreement, effective immediately upon written notice to Distributor (notwithstanding any contrary provision in Section 8.3, including any cure period in which to cure such default that would otherwise be applicable under Section 8.3), or, alternatively, Manufacturer shall have the right to shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of the Manufacturer's notice to shorten under this paragraph).

8.3. Termination for Cause. Either party may at any time terminate this Agreement, either entirely or as to a particular affected portion of the

Distributor Territory only, upon sixty (60) days' written notice to the other for failure of the other party to comply with any of the terms set forth herein (which terms shall include the Distributor's failure to satisfy the Performance Requirements for Products to be purchased by Distributor for any year, after the first year ending September 30, 1999) in any material respect, which shall also have a material adverse effect on Distributor's distribution performance in the Distributor Territory or on the affected area(s) within the Distributor Territory as the case may be ("Cause"), unless such default shall have been reasonably cured to the satisfaction of the other party within sixty (60) days after receipt of such written notice specifying the failure in reasonable detail. The failure of Distributor to continue DSD as the method of distribution hereunder shall be deemed to be "Cause", entitling Manufacturer to give Distributor the 60 day written notice as specified in this Section. An "affected portion" of the Distributor Territory shall be any of the markets within the Distributor Territory that are specified in Schedule 2A.

8.3.1. If Manufacturer notifies Distributor with reasonable specificity that a particular account or group of accounts in a specific market in the Distributor Territory is not, in the reasonable judgment of Manufacturer, receiving appropriate distribution (i.e. in accordance with the Performance Requirements, as in effect for the applicable period); Distributor shall endeavor to correct the problem. If following sixty (60) days from such notice, Manufacturer is not, in its reasonable judgment, satisfied that the problem has been corrected, Manufacturer may propose a solution. If within a reasonable period (generally thirty (30) days), Distributor agrees to implement such solution and if Distributor in fact implements such solution, such notice shall be of no further effect. If Distributor does not so agree to implement such solution or does not in fact implement such solution, Manufacturer shall have the right to terminate Defendant's distribution rights to such account or group of accounts.

8.4. Termination Upon Change in Control. Upon a Change in Control (as defined below) of the Distributor, the Manufacturer may terminate this Agreement upon 90 days notice, and upon a Change in Control (as defined) of Manufacturer, Distributor may terminate this Agreement upon 180 days notice, in each case given at any time within the 90 day period following the Change in Control of the other party. The provisions of this Section 8.4 shall be in addition to the provisions of Sections 8.2 and 8.3.

A "Change of Control" of a party for purposes of this Agreement shall mean the earlier to occur of: (i) an announcement by any person of an acquisition of a party's securities or other transaction with respect to beneficial ownership of a party with respect to either, (x) the acquisition of 50% or more of a party's voting securities or (y) the merger or consolidation of a party with another entity in which the shareholders of such party would not, immediately after the merger or consolidation, own at least 50% of the voting securities of the entity issuing the cash or securities in the merger or consolidation, or (ii) the sale of all or substantially all of the assets of a party, including with respect to Distributor, a sale of all or substantially all of the Haagen-Dazs business (other than the Haagen-Dazs franchise business); provided, however, that an internal corporate restructuring of the Distributor or Diageo PLC in which the Haagen-Dazs business becomes a different division or entity within the Distributor or Diageo PLC, without a Change of Control of the Distributor (or Haagen-Dazs or Diageo PLC) otherwise taking place, shall not by itself constitute a Change of Control.

Notwithstanding the foregoing provisions of the definition of "Change in Control", a Change in Control of Manufacturer will not be deemed to have occurred solely because of the acquisition of securities of Manufacturer by members of executive management or the Board of Directors of Manufacturer or by an employee benefit plan maintained by Manufacturer for the benefit of employees or by officers or directors or their "affiliates" or "associates" (as such terms are defined in Rule 12b-2 under the Act) or members of their family (or trusts for their benefit).

8.4.1. In the event of termination hereunder by Distributor for Change in Control of the Manufacturer under Section 8.4, Distributor shall be obligated, during the 90 days' notice period, to continue to purchase Products from Manufacturer for resale and use its best efforts to distribute in each market in the Distributor Territory listed in Schedule 2A where Distributor was a distributor hereunder immediately prior to the termination notice. In connection therewith, Distributor shall distribute such Products in compliance with the Performance Requirements in each such market area, which if not agreed specifically shall be the Performance Requirements in effect during the comparable period in the prior year.

In the event that Distributor fails to comply in a material respect in a market (as defined above) with the Performance Requirements during the termination notice period, this failure shall constitute Cause justifying termination by the Manufacturer under Section 8.3 of this Agreement, effective immediately upon written notice to Distributor (notwithstanding any contrary provision in Section 8.3, including any cure period in which to cure such default that would otherwise be applicable under Section 8.3), or, alternatively, Manufacturer shall have the right to shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of the Manufacturer's notice to shorten under this paragraph).

8.5. In addition to the applicable provisions of Sections 8.2 and 8.4 above with respect to certain termination notice periods, Distributor agrees to continue to use its best efforts hereunder during all applicable termination notice periods under this Agreement to distribute the Products of the Manufacturer and to preserve Manufacturer's shelf position for the replacement distributor(s) selected by the Manufacturer upon any termination of this Agreement in each market in the Distributor Territory listed in Schedule 2A where Distributor was a distributor hereunder immediately prior to the termination notice. In connection therewith, Distributor shall continue to distribute such Products in compliance with the Performance Requirements in each such market area (as defined above) during the applicable termination notice periods, which, if not agreed specifically, shall be the Performance

Requirements in effect during the comparable period in the prior year. In the

event that Distributor fails to comply in a material respect in a market (as defined above) with the Performance Requirements during the termination notice period in effect under the applicable section of this Agreement, this failure shall constitute Cause justifying termination by the Manufacturer under Section 8.3 of this Agreement, effective immediately upon written notice to Distributor (notwithstanding any contrary provision in Section 8.3, including any cure period in which to cure such default that would otherwise be applicable under Section 8.3), or, alternatively, Manufacturer shall have the right to shorten the termination notice period to a shorter period (but not less than 30 additional days following the date of the Manufacturer's notice to shorten under this paragraph). Upon any termination of this Agreement, all materials and other data submitted to Distributor by Manufacturer and still in Distributor possession shall be returned to Manufacturer and Distributor shall not use the contents thereof.

8.6. Post Termination Obligations. Upon the termination of this Agreement by Manufacturer or by Distributor, Distributor shall return, and Manufacturer agrees to repurchase all Products (other than unsaleable Products) at Distributor's original purchase price or in the event of Products close to out-of-code at the appropriate discount from such original purchase price, all in accordance with the industry standards, plus [*] of the applicable reasonable return shipping charges or, at Manufacturer's option (exercisable by written notice to Distributor), Distributor shall have the right to sell or liquidate in the Distributor Territory in a manner reasonably acceptable to the Manufacturer its then-current inventory of Products, but not including unsalables in accordance with the provisions of this Agreement. For the purposes of this provision, "unsalables" means damaged or out-of-code Products which shall be destroyed. All amounts due for Products sold to Distributor and all other amounts due under Sections 3.2 and 9 and any other provisions of this Agreement shall be immediately due and payable. Nothing in this Section shall affect either party's obligations to the other upon termination, including any claims for damages.

9. Prices for Products; Payment Terms; Resale Prices; Related Matters.

9.1. Prices Payable By Distributor. Manufacturer agrees to sell the Products at the prices determined by Manufacturer from time to time (Manufacturer's regular Distributor Prices), which shall initially be as set forth on Schedule 9.1 attached, F.O.B. Manufacturer's plants in Vermont, with freight arranged by Manufacturer (or as requested by Distributor) using its reasonable efforts to obtain the best possible freight charge available and reimbursed by Distributor. Freight shall be split [*] between the parties, payable within 21 days after receipt of the freight bill by the party obligated by this Section to make such [*] reimbursement to the other party. Manufacturer may change prices to the Distributor when it changes price to its other distributors (absent unusual geographic market conditions), upon not less than reasonable notice to Distributor which shall normally be not less than 30 days.

* This confidential portion has been omitted and filed separately with the Commission

9.1.1. Rebate. Distributor will pay a rebate to Manufacturer based upon the volume of Products sold by Distributor in the Distributor Territory per the Rebate Schedule defined in Section 9.1.2. The basic rebate rate of [*] based on the Distributor's monthly sales of all Products to all customers will be paid monthly in arrears 18 days after the end of the month via Electronic Funds Transfer (EFT) [EDI transaction type 820]. Adjustments for a greater or lesser rebate based upon volume will be made at the end of the fourth calendar quarter. The adjustment will be made based upon the cumulative volume of Products sold and the rebate schedule in Section 9.1.2. Distributor and Manufacturer will mutually agree upon the applicable seasonality percentages. Distributor will make required adjustment payments within 18 days after the end of the month via Electronic Funds Transfer (EFT).

9.1.2. Rebate Schedule. The rebate relates to the volume of sales in Equivalent Units (gallons adjusted to a common base taking into account varying package sizes). The Manufacturer and Distributor have agreed upon the Equivalent Units ("EU's") calculation as set forth in Schedule 9.1.2. The cumulative volume will be calculated on a calendar year basis, starting at zero at the beginning of each year. The rebate will be as set forth below:

1. If the total volume of Products sold by Distributor is greater than or equal to [*] EU's and less than [*] EU's, Distributor will pay a rebate to Manufacturer equal to [*] of the total aggregate Net Revenues of Products sold by the Distributor in the Distributor Territory to all customers during that calendar year.

2. If the total volume of Products sold by Distributor is greater than or equal to [*] EU's and less than [*] EU's, Distributor will pay a rebate to Manufacturer equal to [*] of the total aggregate Net Revenues of Products sold by the Distributor in the Distributor Territory to all customers during that calendar year.

3. If the total volume of Products sold by Distributor is greater than or equal to [*] EU's and less than [*] EU's, Distributor will pay a rebate to Manufacturer equal to [*] of the total aggregate Net Revenues of Products sold by the Distributor in the Distributor Territory to all customers during that calendar year.

4. If the total volume of Products sold by Distributor is greater than or equal to [*] EU's and less than [*] EU's, Distributor will pay a rebate to Manufacturer equal to [*] of the total aggregate Net Revenues of Products sold by the Distributor in the Distributor Territory to all customers during that calendar year.

5. If the total volume of Products sold by Distributor is greater than or equal to [*] EU's, Distributor will pay a rebate to Manufacturer equal to [*] of the total aggregate Net Revenues of Products sold by the Distributor in the Distributor Territory to all customers during that calendar year.

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6. Notwithstanding the foregoing items in the Rebate Schedule, the minimum rebate on all sales by Distributor in the Distributor Territory prior to January 1, 2000 will be [*].

7. If the total volume of Products sold by Distributor in the Distributor Territory in any calendar year after 1999 and prior to January 1, 2003 is less than [*] EU's, other than a short fall below [*] EU's attributable to Distributor's failure to satisfy the Performance Requirements and comply with its other obligations under this Agreement or force majeure or other cause not reasonably within the control of either party to this Agreement, the Manufacturer shall be required to transfer new distribution business, in an amount clearly above the shortfall amount, with respect to the Products to be distributed outside the Distributor Territory or with respect to additional Products for distribution within the Distributor Territory. In connection therewith Manufacturer must notify Distributor within 20 days after the end of the calendar year, setting forth in reasonable detail the volumes to be so transferred and the areas to which such volumes relate and must substantially complete the transfer of such additional distribution business of an aggregate amount clearly greater in EU's as the amount of shortfall below [*] EU's within not more than 90 days after the end of such calendar year (or such greater period of days as may be necessary solely to comply with any applicable termination notice requirements of contracts between Manufacturer and other distributors that must be terminated or modified to permit such transfers). Failure to so notify and to so transfer the required amount of new distribution business shall constitute Cause for termination under Section 8.3.

As used in this Section 9.1.2 Net Revenues shall mean Gross Revenues minus returns and allowances for damaged Products.

9.2. Pricing Economies. Distributor confirms that it is agreeing to pay Manufacturer a portion of the efficiencies or savings to its directly owned and operated distribution system that result from adding the volume of Manufacturer's products through that system. For convenience, the parties have agreed to reflect this payment by Distributor to Manufacturer in this Agreement by an increase in the net prices for the Products payable by Distributor under Section 9.1 (and its subsections) above Manufacturer's regular net prices to its other distributors and by inclusion in Section 9.5 of a provision for maximum resale prices established by Manufacturer.

The parties acknowledge that the method they have, for convenience, selected to reflect the sharing of the efficiencies or savings may erroneously be viewed by others as a discriminatory net price charged by Manufacturer to Distributor, when such view is not consistent with the economics of the matter or the intentions of the parties. Accordingly, to eliminate any uncertainty Distributor hereby agrees and confirms that its submission from time to time of any purchase order for Products from Manufacturer shall irrevocably (i) confirm the release of, and constitute a covenant not to sue in respect of, any claim of any kind whatsoever that its payment of such net higher price for the Products covered by such invoice may be in violation of the price discrimination provisions of the Robinson Patman Act and any state price

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discrimination or unfair competition law and (ii) confirm the release of, and constitute a covenant not to sue in respect of, any claim of any kind whatsoever that its payment of such higher price in respect of any previously submitted purchase order for Products of the Manufacturer may be in violation of the Robinson-Patman Act or any state price discrimination or unfair competition law. Each release and covenant not to sue by Distributor shall remain in effect notwithstanding any inconsistent or contradictory provision in any purchase order or other instrument unless the provisions of this Section 9.2 are expressly terminated by a written amendment to this Agreement.

9.3. Payment Terms. Payment terms shall be 18 days from the date of Manufacturer's invoice (which shall be the post-marked date of the invoice or any earlier date of facsimile transmission or other delivery to Distributor). Distributor agrees to maintain its internal bill receipt and payment procedures so that it will be able to meet the payment terms in the Agreement, and the parties agree that all payments shall be EFT. It is agreed that these are material terms of the Distribution Agreement. Manufacturer also agrees to notify Distributor of any substantial increase in freight charges before shipment is authorized.

9.4. National Pricing. Notwithstanding the foregoing provisions of Section 2 or this Section 9, it is understood that Manufacturer may, as is common in the food industry, negotiate "national" or "regional" pricing agreements with certain accounts (such as airlines or Wal-Mart, to take two examples) where the Manufacturer's distributors, including the Distributor hereunder, continue to sell to such accounts, but this Agreement is modified to the extent necessary to accommodate such national pricing agreements, subject to reaching mutual agreement between the parties in each case. The parties agree to make such necessary amendments to implement agreements reached under this Section 9.4. In the event that the Distributor does not agree to any such national pricing arrangement within 14 days after a reasonably specific presentation of the arrangement to the Distributor, then the Manufacturer shall have the right to arrange for other distribution for such national pricing arrangement.

9.4.1. Consignment Sales. Notwithstanding the provisions of Section 2 and this Section 9, it is understood that Manufacturer may, as is common in the food industry, negotiate certain consignment arrangements for sales to club stores or Food Service accounts and Distributor will use its best efforts to distribute the Products to such outlets on a consignment basis, provided that consignment sales shall require the mutual agreement of the parties. In the event that the Distributor does not agree to any such consignment arrangement within 14 days after a reasonably specific presentation of the arrangement to the Distributor, then the Manufacturer shall have the right to arrange for other distribution for such consignment arrangement.

9.5. Resale Prices. Distributor shall resell at such prices as it may determine, and Manufacturer retains no control over such resale prices provided, however, that such resale prices by Distributor shall not exceed the maximum resale price specified in the formula attached as Schedules 9.5.1 and 9.5.2. It is understood that on the date hereof the maximum resale price specified by Manufacturer does not exceed the resale price at which Manufacturer believes its Products are generally being resold by its largest distributor, it being acknowledged that Manufacturer does not control the resale prices and that, therefore, this belief on the Manufacturer's part is only an estimate.

9.6. Trade Shows. In addition, Distributor agrees to provide delivery of Products to Trade Shows in the areas in which Distributor is distributing hereunder at no charge, provided that Manufacturer provides the Products and necessary freezers for such shows. Attached is Schedule 9.6, indicating trade shows in which the Distributor participated in 1997 and 1998 (including projected trade shows for the rest of 1998).

9.7. Credit Line. Distributor shall have a line of credit under this Agreement which shall be established by Manufacturer, and Manufacturer shall have the right, from time to time at its election, to require C.O.D. payment for any Product at any time when outstanding receivables under this Agreement for purchase of the Products (whether or not due) exceed the amount of such credit line. Said credit line shall be available unless Distributor is in breach of a material provision of this Agreement or unless there is a termination of this Agreement or unless Manufacturer determines, pursuant to the exercise of its regular credit policies, that Distributor's financial condition warrants a change in said credit line. Distributor agrees to pay interest on overdue amounts at an annual rate equal to the base rate charged to best commercial customers at Bank Boston (or its successor) from time to time plus [*]. Interest shall be payable to Manufacturer on the last day of each month.

9.8. Most Favored Nation Treatment. In the event that the net margin percentage generated by the Distributor with respect to the distribution of ice cream or other frozen desserts of persons other than the Manufacturer is less than the margin percentage generated by the Distributor with respect to distribution of the Products hereunder, calculated with respect to comparable volumes and term of purchase/distribution agreement and other relevant factors of the distribution purchases, then Manufacturer shall be entitled to an additional rebate in the appropriate amount so that the Manufacturer shall have the benefit of such most favored nation treatment during the period of this Agreement. Manufacturer shall be entitled to an audit, not more than once a year, performed by an independent public accounting firm of nationally recognized reputation of such books and records, including contract terms, of the Distributor, but only to the extent necessary in such firm's professional judgment to perform such audit to determine whether an additional rebate is payable to Manufacturer under this Section with respect to Products purchased by Distributor during not more than the two preceding years before the year in which the audit is commenced (it being understood that pricing/rebate with respect to any given year may not be audited more than once). The expenses of such audit shall be paid by Manufacturer if no additional rebate is due after the audit and shall be paid by the Distributor if an additional rebate is due. The parties agree that the judgment of such firm as to whether an additional rebate is due shall be conclusive.

10. Compliance with Laws; Quality Control. Each party covenants and agrees, during the term hereof, that it will fully comply with all applicable laws, ordinances, regulations, licenses and permits of or issued by any federal, state or local government entity, agency or instrumentality applicable to its responsibilities hereunder.

* This confidential portion has been omitted and filed separately with the Commission

Manufacturer shall be responsible for the quality, including proof of quality and quality control, labeling requirements and truth of labeling, and fitness for human consumption of the Products delivered hereunder. Manufacturer warrants and represents that the Products delivered hereunder (1) are not adulterated or misbranded under the Federal Food Drug and Cosmetic Act, as amended (the "Act"); (2) are not articles which may not be shipped pursuant to Sections 404 or 505 of the Act; and (3) have the shelflives set forth from time to time on Schedule 10, which may be supplemented by Manufacturer with respect to additional items that are added to the Products. Title shall pass upon delivery, F.O.B. Manufacturer's plants in Vermont. Notwithstanding any other provision hereof, the parties understand that loss or damage to the Products during shipment, after delivery F.O.B. Manufacturer's Plant, shall be the responsibility of Distributor.

10.1. Recall Possibility. In the event the Manufacturer determines to recall or withdraw any of its Products (the "Recalled Products"), Distributor will use its personnel (or a third party retrieval service if Distributor reasonably believes the recall or withdrawal will be achieved faster, at less expense or more efficient) to remove any Recalled Products from accounts to which it had delivered the Recalled Products (and, where it uses any other distributors or subdistributors, will use its best efforts to cause such other persons to do likewise) and shall return (or cause to be returned) to Manufacturer or dispose of Recalled Products as directed by Manufacturer. Distributor shall be reimbursed by Manufacturer for all Recalled Products in the amount of the net purchase price previously paid by Distributor for such Recalled Products and for its reasonable out-of-pocket expenses for using its personnel or third party service to accomplish such recall or withdrawal, including disposal costs, with payments by Manufacturer for Recalled Products being in cash or replacement Products, at Manufacturer's option. In the event of any recall or withdrawal of either party's products, then Manufacturer and Distributor agree to discuss in good faith compensation for losses incurred by the non-recalling party by such disruption.

11. Hold Harmless.

11.1. It is expressly understood and agreed that Distributor shall not be liable for and Manufacturer shall hold Distributor harmless from any obligations, claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature to a person not a party to this Agreement ("Third Party") arising directly or indirectly out of or in connection with this Agreement caused by Manufacturer's alleged or actual negligence, willful misconduct or contractual breach, including but not limited to any costs, expenses, court costs and reasonable attorneys' fees incurred by Distributor by reason of any defense to any claims or lawsuits to which Distributor has been named a party.

11.2. It is expressly understood and agreed that Manufacturer shall not be liable for and Distributor shall hold Manufacturer harmless from any obligations, claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature to a Third Party arising directly or indirectly out of or in connection with this Agreement caused by Distributor's alleged or actual negligence, willful misconduct or contractual breach, including but not limited to any costs, expenses, court costs and reasonable attorneys' fees incurred by the Manufacturer by reason of any defense to any claims or lawsuits to which Manufacturer has been named a party.

11.3. Indemnification Regarding Distributors.

11.3.1. It is expressly understood and agreed that Distributor shall not be liable for and Manufacturer shall hold Distributor harmless from any obligations, claims, demands, losses, costs, damages, suits, judgments, penalties, expenses and liabilities of any kind or nature (collectively, "Losses") to a person not a party to this Agreement ("Third Party") arising directly or indirectly out of or in connection with Manufacturer's termination, in whole or in part, of its relationship with Dreyer's (to select Distributor as a replacement for some or all of the distribution presently handled by Dreyer's), excluding (a) attorneys fees incurred by Distributor (it being understood that Manufacturer shall select counsel to defend the Distributor with respect to such matters covered by this Section 11.3.1, as provided in 11.3.3 below and that Manufacturer has, in any matter covered by this Section 11.3.1, no option not to defend Distributor in such matter) by reason of any defense to any claims or lawsuits to which Distributor has been named a party and (b) any such Losses caused by the actions or non-actions of the Distributor or of some other person which is not the Manufacturer. It is understood that negotiation and/or signing by Distributor of this Agreement shall not be construed to be an action by Distributor within the meaning of clause (b) of the preceding sentence with respect to any claim by Dreyer's that such signing and/or negotiation constitutes a breach by the Manufacturer of, or tortious interference by Distributor with, the Dreyer's Agreement.

11.3.2. The provisions of Section 11.3.1 shall apply to any claim within the ambit of said section, and the provisions of 11.1 or 11.2 shall not apply to such claim.

11.3.3. Third Person Claims. Promptly after a party has received notice of or has knowledge of any claim against it covered by Section 11 by a Third Party or the commencement of any action or proceeding by a Third Person with respect to any such claim, such party (sometimes referred to as the "Indemnitee") shall give the other party (sometimes referred to as the "Indemnitor") written notice of such claim or commencement of such action or proceeding; provided, however, that the failure to give such notice will not affect the right to indemnification hereunder with respect to such claim, action or proceeding, except to the extent that the other party has been actually prejudiced as a result of such failure. If the Indemnitor has notified the Indemnitee within (30) days from the receipt of the foregoing notice that it wishes to defend against the claim by the Third Person, then the Indemnitor shall have the right to assume and control the defense of the claim by appropriate proceedings with counsel reasonably acceptable to Indemnitee, provided that the assumption of such defense by the Indemnitor shall constitute an acknowledgment of the obligation to indemnify the Indemnitee hereunder. The Indemnitee may participate in the defense, at its sole expense, of any such claim for which the Indemnitor shall have assumed the defense pursuant to the preceding sentence, provided, however, that counsel for the Indemnitor shall act as lead counsel in all matters pertaining to the defense or settlement of such claims, suit or proceeding other than claims that in Indemnitee's reasonable judgment could have a material and adverse effect on Indemnitee's business apart from the payment of money damages. The Indemnitee shall be entitled to indemnification for the reasonable fees and expenses of its counsel for any period during which the Indemnitor has not assumed the defense of any claim.

12. Trademarks. Distributor understands and agrees that it has received no right or license, express or implied, to use in any manner the name "Ben & Jerry's" or any other trade name or trademark used or owned by Manufacturer now or in the future without the express written consent of Manufacturer except as set forth herein. Subject to the terms and conditions of this Agreement and to the continuing performance by Distributor of its obligations hereunder, Manufacturer hereby grants Distributor a non-exclusive, non-transferable and personal license to use Manufacturer's trademarks and logos ("Marks") solely in connection with the distribution, display and sale of the Products pursuant to this Agreement. Distributor agrees that such Marks shall be used only in the

forms and manners specified and approved in writing in advance by Manufacturer. All rights granted to Distributor under this Agreement with respect to the Marks shall immediately cease and terminate upon the termination of this Agreement. The provisions of this Section shall survive termination.

13. [This Section intentionally left blank.]

14. Scope of Agreement. This Agreement relates only to the distribution of the Products by Distributor. The parties confirm their understanding that no subject, other than sales by Distributor of the Products and the effect of a change in control of each party and the standstill provisions relating to the acquisition of securities or property of a party by the other party and its Affiliates is the subject of this Agreement. No other matters, including without limitation matters relating to pricing of products of the Distributor, production, flavors, timing of products or sales/marketing (except as pertaining to this Agreement) of either party, are covered by this Agreement.

Confidential Information about a party learned under this Agreement shall not be used during or after the term of this Agreement except for the purpose of this Agreement and, without limiting the foregoing, such information as to the Manufacturer may not be used by the Distributor in connection with the production, marketing, distribution or sale of Distributor's products. Nothing in this paragraph shall be construed to prevent or inhibit Distributor's ability to respond competitively to information as to the Manufacturer provided that the information was not at the time it was disclosed to Distributor "Confidential Information" as defined below or was subsequently disclosed to or learned by Distributor from the marketplace or from a third party not known to be under any obligation to Manufacturer to maintain the confidentiality of such information and provided further that, while Distributor agrees to take such measures (as are reasonable without materially interfering with Distributor's management) to minimize the number of its employees (who are involved in the sale of Distributor's own ice cream products) who obtain knowledge of Confidential Information, Manufacturer acknowledges that such measures may be imperfect, and in this regard, Distributor agrees to use its best efforts so that such of its employees learning such Confidential Information prior to the time Distributor otherwise learns such information from the marketplace will not materially change Distributor's decisions with respect to production and marketing of Distributor's own products as a result of such Confidential Information gained solely under this Agreement. In addition, in the event that there is a particular item of Confidential Information which is regarded by Manufacturer as having a very high degree of confidentiality, the parties will discuss the design and implementation of such special procedures as can be designed to enable the Distributor to carry out its obligations under this Agreement without such item actually being used by Distributor in connection with its own products at a time when such item remains Confidential Information. Confidential Information shall, for purposes of this Agreement, include all information relating to a party, its business and prospect, disclosed by such party from time to time to the other party in any manner, whether orally, visually or in tangible form (including, without limitation, documents, devices and computer readable media) and all copies thereof, created by either party. The term "Confidential Information" shall be deemed to include all notes, analyses, compilations, studies, interpretations or other documents prepared by a party which contain, reflect or are based upon the information furnished to such party by the other party pursuant hereto. Confidential Information shall not include any information that:

(a) was in a party's possession prior to disclosure by the other party hereunder, provided such information is not known by such party to be subject to another confidentiality agreement with or secrecy obligation to the other party;

(b) was generally known in the ice cream industry at the time of disclosure to a party hereunder, or becomes so generally known after such disclosure, through no act of such party;

(c) has come into the possession of a party from a third party who is not known by such party to be under any obligation to the other party to maintain the confidentiality of such information; or

(d) was independently developed by a party without the use of any Confidential Information of the other party, to the extent that such independent development is reasonably established by such first party to the other party.

This Agreement (and any documents referred to herein) represents the entire agreement and understanding of the parties with respect to the distribution of products of the Manufacturer by the Distributor and the ancillary standstill provisions of Section 13, and there are no representations, warranties or conditions or agreements (other than implementing invoices, purchase orders and the like necessary to implement the Agreement) not contained herein (or in any documents not referred to herein). The following sections of this Agreement shall survive any termination of the Agreement: 8.6, 9.2, 11, 12, 13, 14, 16.1 and 17.

14.1. Employees. Except as otherwise agreed between the parties, in view of the Confidential Information being transmitted by and to employees of a party under this Agreement, each party agrees not to solicit the employment of employees, working in the frozen dessert business, of Pillsbury (or Haagen-Dazs) or the Manufacturer, as the case may be, during the duration of this Agreement, it being understood that a party is not in breach of this Section if, without solicitation by such party, any such employee determines to leave the employment of the other party and seek employment with such first party.

15. Negotiation of Agreement. Each party and its counsel have cooperated in the drafting and preparation of this Agreement and the documents referred to herein, and any and all drafts relating thereto shall be deemed the work product of the parties and may not be construed against any party by reason

of its preparation. Accordingly, any rule of law or any legal decision that would require interpretation of any ambiguities in this Agreement against the party that drafted it is of no application and is hereby expressly waived.

16. Amendment and Non-assignability of Agreement. This Agreement may not be amended or modified except by an instrument in writing signed by an authorized officer of each party. It is agreed that neither party shall transfer or assign this Agreement or any part hereof or any right arising hereunder, by operation of law or otherwise, without the prior written consent of the other. Any purported assignment without consent shall be void and of no force or effect or, at the other party's option, shall terminate this Agreement. Subject to the foregoing, this Agreement shall be binding on the respective parties and their successors and assigns, and, with respect to Section 13, their Affiliates (and their successors and assigns).

No waiver by either party of any default or breach of any covenant hereunder shall be implied from any omission by either party to take action on account of such default if such default persists or is repeated. No express waiver shall affect any default other than the default specified in the waiver, and then said waiver shall be operative only for the time and to the extent therein stated. Waivers by either party of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant term or condition. The consent or approval by either party to or of any act by either party requiring further consent or approval shall not be deemed to waive or render unnecessary consent or approval to or of any subsequent similar acts. If any provision of this Amendment is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

No provision of any other instrument, including purchase orders, invoices, bills of sale or like instrument which is inconsistent or conflicts with this Agreement shall control or override any provision of this Agreement.

17. Waiver of Jury Rights; Governing Law; Jurisdiction. Each of the parties hereto irrevocably waives all rights to a trial by jury with respect to any dispute relating to this Agreement, the subject matter hereof or the entering into or termination of this Agreement (a "Dispute"). This Agreement and all actions related hereto shall be governed by the laws of the State of Delaware, excluding its choice of law principles.

In the event of any Dispute, such Dispute, if not resolved in the ordinary course between representatives of the parties, shall be submitted for settlement negotiation between the Chief Executive Officer of Manufacturer and the Vice President, Haagen-Dazs North America, of Distributor, and if such procedure does not resolve such Dispute within 30 days after a request for such settlement negotiation to the other party, then and only then shall all such Disputes be resolved exclusively by the process of litigation in accordance with this Section. If such litigation is brought by Manufacturer, it shall be brought in the State of Minnesota, or if brought by Distributor it shall be brought in the State of Vermont, provided that if such dispute relates to Section 13 of this Agreement, it may be brought without resort to the settlement mechanics described above and it may also be brought by Manufacturer in Vermont or by Distributor in Minnesota.

With respect to any litigation relative to any Dispute that has been commenced in accordance with the foregoing provisions as to where and when such litigation may be brought, the parties each hereby: (i) agree that each party has sufficient contacts with New York City (Manhattan) to subject it to the personal jurisdiction of the state and federal courts located in New York City (Manhattan) for purposes of any such Proper Action (a "Proper Action"); (ii) agree that venue of any Proper Action properly lies in New York City (Manhattan); (iii) waives and agrees not to assert in any Proper Action any claim that it is not subject personally to the jurisdiction of the above-named courts, such action should be dismissed on grounds of lack of venue or forum non convenien; should be transferred to any court other than the above-named courts or should be stayed by reason of the pendency of some other proceeding in any court other than the above-named courts; (iv) consents and agrees that service of process in any Proper Action may be made in any manner permitted by law or by registered or certified mail, return receipt requested, at its principal place of business, and that service made in accordance with the foregoing is reasonably calculated to give actual notice of any such action; and (v) waives and agrees not to assert in any Proper Action any claim that service of process made in accordance with the foregoing does not constitute good and sufficient service of process, including upon written notice. Notwithstanding the foregoing, any proceeding for temporary restraining order or preliminary injunction may be brought without resort to the settlement mechanics described but shall only be brought in accordance with the foregoing provisions as to where litigation with respect to any Dispute may be brought.

18. Publicity. Until announced by a press release by Manufacturer, neither party shall made any disclosure except a disclosure to another distributor of Manufacturer necessary to implement certain provisions of this Agreement (except a disclosure consented to by the other party) and except as may be advisable to comply with the securities laws in the opinion of securities law counsel to such party. It is agreed that the Distributor shall have an opportunity to review and comment on the initial press release of Manufacturer on this Agreement and that the parties shall use their best efforts to agree on the wording of such initial press release of the Manufacturer.

19. Notices. Any notices to be given by either party to the other shall be in writing by personal delivery or by mail, registered or certified, postage prepaid with return receipt requested, or by facsimile (only with receipt confirmed). Notices shall be addressed to the parties at the addresses set forth on page one or to said other address as shall have been so notified to the other party in accordance with this Section 19. Notices to Distributor shall be addressed to Vice President, Haagen-Dazs North America, with a copy to the Vice President and General Counsel, Pillsbury North America. Notices to Manufacturer

shall be addressed to Chief Executive Officer, Ben & Jerry's Homemade, Inc., with a copy to Ropes & Gray, One International Place, Boston, MA 02110, Attention Howard K. Fuguet, Esq.

IN WITNESS WHEREOF, Diageo PLC only as to the obligations in Section 13, Distributor for itself (and its Haagen-Dazs business unit) and, with respect to Section 13 for its Affiliates, including Diageo PLC, and Manufacturer for itself and, with respect to Section 13 its Affiliates, have each executed and delivered this Agreement as of the day and year first above written.

WITNESSED:	THE PILLSBURY COMPANY By: Title:
WITNESSED:	BEN & JERRY'S HOMEMADE, INC. By: Title:
WITNESSED:	DIAGEO PLC (only as to Section 13) By: Title:

The Pillsbury Company Amendment Agreement

Amendment Agreement dated as of January 15, 1999 between Ben & Jerry's Homemade, Inc. (the "Manufacturer") and The Pillsbury Company (the "Distributor") to the Distribution Agreement dated as of August 26, 1998 (the "Agreement").

WHEREAS, the parties wish to supplement certain provisions of the Agreement.

NOW THEREFORE, in consideration of these premises, the mutual promises set forth below and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows.

1. Reference is made to the last sentence of the third paragraph of Section 2.10 of the Agreement which reads as follows:

"In any event, Distributor agrees that it shall fully implement distribution of the Products in the Distributor Territory by March 1, 1999, provided that it has received six months prior written notice or such lesser notice which is reasonable in the judgment of the Distributor in terms of the time needed for Distributor to gear up with respect to any market in question."

Reference is also made to notice from Manufacturer to Distributor dated October 15, 1998 specifying a starting date of April 15, 1999. The parties agree to void the notice dated October 15, 1998 and to delete the last sentence of the third paragraph of Section 2.10 and to add the following:

"In any event, Distributor agrees that it shall fully implement distribution of the Products in the Distributor Territory by September 1, 1999 (or such earlier date with respect to any portion of the Distributor Territory as shall be mutually agreed); provided that Distributor agrees that it shall fully implement, by April 15, 1999(1), distribution in the supermarket channel (three or more cash registers) of the Products in that portion of the Distribution Territory that is defined as the New York Territory under the Dreyer's Agreement (as defined in the Agreement) and distribution in the supermarket channel of the Products in the area surrounding Albany, New York presently handled by Vermont's Finest and also distribution of the Products, as soon as practicable after May 1, 1999 (pursuant to detailed arrangements to be mutually agreed between the Manufacturer and the Distributor), in those portions of New Jersey and Pennsylvania presently handled by Jack & Jill provided further that nothing herein shall grant any distribution rights to Distributor except for the Distributor's owned and operated distribution system (including internals) for the areas as set out in Schedule 2A to the Agreement on the date the Agreement was signed.

1 It is understood that the business week starts Monday, April 19, 1999.

The Manufacturer also confirms the inclusion of Texas in Schedule 2A of the Agreement, effective September 1, 1999, and confirms that, effective April 15, 1999, it has no exclusive distributor for the non-supermarket channels in the New York Territory as defined above. The Manufacturer further confirms that its distribution agreement with Dreyer's, as in effect on the date hereof, and its new distribution agreement with Dreyer's, effective for distribution commencing on or after September 1, 1999, as in effect on the date hereof, do not grant distribution rights to Dreyer's which conflict with the distribution rights, effective September 1, 1999 of the Distributor for its owned and operated distribution system (including internals) for the areas as set out in Schedule 2A to the Agreement on the date the Agreement was signed, and the rights granted to the Distributor under Section 1 of this Amendment Agreement.

2. The parties further agree that Section 8.1 is hereby amended by adding the following sentence at the end thereof:

"The October 1, 2002 date in this Section 8.1 and in Section 8.2 of this Agreement shall in each case be changed to October 1, 2003."

3. The Manufacturer agrees to pay the Distributor $150,000, payable within five days of the date hereof.

4. The Manufacturer hereby confirms that Dreyer's has agreed to a dismissal with prejudice of the litigation filed by Dreyer's in 1998 against the Manufacturer.

5. Except as expressly amended hereby, the Agreement shall remain in full force and effect. Without limiting to the foregoing the Manufacturer confirms its indemnification obligations to the Distributor contained in Sections 11 and 11.3 of the Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment Agreement to be duly executed and delivered by its duly authorized representative.

BEN & JERRY'S HOMEMADE, INC.
By:

THE PILLSBURY COMPANY
By:

EXHIBIT 10.22.4

Amendment To The
Ben & Jerry's Homemade, Inc. Employees' Retirement Plan

The Ben & Jerry's Homemade, Inc. Employees' Retirement Plan ("Plan") is hereby amended in the following particulars pursuant to the authority vested in Ben & Jerry's Homemade, Inc. ("Company") effective as of January 1, 1998.

1. Article I shall be amended by the insertion of the following new Section 1.63:

"Ben & Jerry's Homemade, Inc. Stock" shall mean shares of common stock (Class A or B) in Ben & Jerry's Homemade, Inc.

2. Section 4.1(d) is amended by the deletion of the phrase "Notwithstanding the foregoing, however" and the insertion of the phrase "Notwithstanding any provision of this Section 4.1 to the contrary and except as provided by Section 4.1(e)," in place of the deleted phrase.

3. Article 4.1 shall be amended by the insertion of the following at the end of such section:

(f) A discretionary amount of Ben & Jerry's Homemade, Inc. Stock, which amount shall be deemed an Employer's Non-Elective Contribution.

4. Article 4.4(b) shall be amended by the insertion of the following at the end of such subsection:

(4) With respect to the Employer's Non-Elective Contribution made pursuant to Section 4.1(f), such contribution shall be allocated as follows: (i) one-half of such contribution shall be allocated such that each Participant receives the same allocation; and (ii) the other half of such contribution shall be allocated such that each Participants's allocation is equal to the ratio that his Years of Service bears to the Years of Service of all Participants. Notwithstanding any provision of this section 4.4(b)(4) to the contrary, a Participant shall only share in the allocation of contributions pursuant to this section 4.4(b)(4) if the Participant is actively employed on the last day of the Plan Year and completed 1,000 Hours of Service during such Plan Year.

5. Section 4.4(c) shall be amended by the insertion of the following after the third sentence of such section:

(3) Forfeitures attributable to Employer Non-Elective Contributions made pursuant to Section 4.1(f) shall be used to reduce the Employer's Non-Elective Contributions pursuant to Section 4.1(f) for the Plan Year in which such Forfeiture occurs.

6. Section 4.12 shall be amended by the insertion of the following at the end of such section:

(h)(1) Notwithstanding any provision of this section 4.12 to the contrary, Participants may not direct the investment of the portion of their Aggregate Accounts which is invested in Ben & Jerry's Homemade, Inc. Stock.

(2) To the extent that a Participant's Aggregate Account includes Ben & Jerry's Homemade, Inc. Stock, all voting, tender, and similar rights shall be passed through to the Participant and the Participant shall direct the Trustee as to how said rights shall be exercised. With respect to the portion of the Participant's account balance which has been invested in the other investment options offered under the Plan, the Trustee shall vote all interests held by the Trust as directed by the Employer.

(3) Procedures shall be established and maintained to ensure the confidentiality of all information regarding Participants' holding of Ben & Jerry's Homemade, Inc. Stock as well as Participants' exercise of appurtenant rights under this Section 4.12(h), except to the extent necessary to comply with federal law or state law not preempted by ERISA. The Administrator is hereby designated as the fiduciary responsible for ensuring that these confidentiality procedures are adequate and are followed. In the event that the Administrator determines that a particular transaction relating to Ben & Jerry's Homemade, Inc. Stock may involve the potential for undue Employer influence, the Administrator shall designate an independent fiduciary, who shall not be an affiliate of the Employer, to assume responsibility for all activities relating to said transaction.

7. Article VI, Section 6.5 shall be amended by the insertion of the following at the end of such section:

(j) Notwithstanding any provision of the Plan to the contrary, if a Participant elects a lump-sum distribution of his Aggregate Account, the distribution of any portion of the Participant's Aggregate Account which is invested in Ben & Jerry's Homemade, Inc. Stock shall be distributed to the Participant in-kind. However, if a Participant is to receive a distribution in the form of an installment or annuity payment, the portion of the Participant's Aggregate Account which is invested in Ben & Jerry's Homemade, Inc. Stock shall be converted to cash before such installment or annuity payment commences.

8. Section 6.4(b) is amended by the insertion of the following at the end of such section:

Notwithstanding anything in the previous sentence to the contrary, the Vested portion of any Participant's Account which is attributable to Employer Non-Elective Contributions made pursuant to Section 4.1(f) shall be a percentage of the total amount credited to the Participant's Account which is attributable to Employer Non-Elective Contributions made pursuant to Section 4.1(f) determined on the basis of the Participant's number of Years of Service according to the following schedule:

Vesting Schedule

Years of Service	Percentage
0	0 %
1	0 %
2	0 %
3	0 %
4	0 %
5	100 %

Notwithstanding anything in this Section 6.4(b) to the contrary, for each Plan Year for which the Plan is a Top-Heavy Plan, the following vesting schedule shall apply with respect to amounts credited to the Participant's Account which is attributable to Employer Non-Elective Contributions made pursuant to Section 4.1(f):

Vesting Schedule

Years of Service	Percentage
0	0 %
1	0 %
2	0 %
3	100 %

9. Sections 6.4(c) and 6.4(d) are amended by the deletion of the word "schedule" each place that such word appears in such sections and the insertion of the word "schedules" in place of the deleted words.

8. Section 7.4(b) is amended by the insertion of the following at the end of such section:

Furthermore, for purposes of this limit, amounts accrued in a Participant's Aggregate Account which are invested in Ben & Jerry's Homemade, Inc. Stock shall not be taken into consideration.

IN WITNESS WHEREOF, the Company caused this amendment to be executed this ______ day of __________________, 1998.

By: __________________________________

EXHIBIT 10.25

BEN & JERRY'S HOMEMADE, INC.
1999 EQUITY INCENTIVE PLAN (Excluding Officers and Directors)

1. PURPOSE

The purpose of this 1999 Equity Incentive Plan (the "Plan") is to advance the interests of Ben & Jerry's Homemade, Inc. (the "Company") by enhancing its ability to attract and retain key employees (other than officers or directors of the Company) who are in a position to make significant contributions to the success of the Company and its subsidiaries through ownership of shares of the Company's Class A Common Stock ("Stock").

The Plan is intended to accomplish these goals by enabling the Company to grant Awards in the form of Options, Stock Appreciation Rights, Restricted Stock or Unrestricted Stock Awards, Deferred Stock Awards, Cash or Stock Performance Awards, Loans or Supplemental Grants, or combinations thereof, all as more fully described below.

2. ADMINISTRATION

The Board may, in its discretion, delegate some or all of its powers with respect to the Plan to a committee, shall consist of at least two directors. A majority of the members of the committee shall constitute a quorum, and all determinations of the committee shall be made by a majority of its members. Any determination of the committee under the Plan may be made without notice or meeting of the committee by a writing signed by a majority of the committee members.

The Board of Directors has determined that the Plan will be administered by the Compensation Committee of the Board of Directors of the Company (the "Committee"). The Committee will have authority, not inconsistent with the express provisions of the Plan and in addition to other authority granted under the Plan, to (a) grant Awards at such time or times as it may choose; (b) determine the size of each Award, including the number of shares of Stock subject to the Award; (c) determine the type or types of each Award; (d) determine the terms and conditions of each Award, including without limitation, any required holding period (without regard to requirements under the Securities Act of 1933) on stock acquired upon exercise of options granted under the plan; (e) waive compliance by a Participant (as defined below) with any obligations to be performed by the Participant under an Award and waive any term or condition of an Award; (f) amend or cancel an existing Award in whole or in part (and if an Award is cancelled, grant another Award in its place on such terms as the Committee shall specify), or settle any award by paying the cash value of the Stock otherwise issuable, except that the Committee may not, without the consent of the holder of an Award, take any action under this clause with respect to such Award if such action would adversely affect the rights of such holder; (g) prescribe the form or forms of instruments that are required or deemed appropriate under the Plan, including any written notices and elections required of Participants, and change such forms from time to time; (h) adopt, amend and rescind rules and regulations for the administration of the Plan; and (i) interpret the Plan and decide any questions and settle all controversies and

disputes that may arise in connection with the Plan. Such determinations and actions of the Committee, and all other determinations and actions of the Committee made or taken under authority granted by any provision of the Plan, will be conclusive and will bind all parties. Nothing in this paragraph shall be construed as limiting the power of the Board or the Committee to make adjustments under Section 7.3 or Section 8.6.

3. EFFECTIVE DATE AND TERM OF PLAN

The Plan, having been adopted by the Board of Directors on January 21, 1999 is effective on said date.

No Award may be granted under the Plan after January 20, 2009, but Awards previously granted may extend beyond that date.

4. SHARES SUBJECT TO THE PLAN

Subject to the adjustment as provided in Section 8.6 below, the aggregate number of shares of Stock that may be delivered under the Plan will be 200,000. If any Award requiring exercise by the Participant for delivery of Stock terminates without having been exercised in full, or if any Award payable in Stock or cash is satisfied in cash rather than Stock, the number of shares of Stock as to which such Award was not exercised or for which cash was substituted will be available for future grants.

Shares of Restricted Stock that have been forfeited in accordance with the terms of the applicable Award and shares held back, in satisfaction of the exercise price or tax withholding requirements, from shares that would otherwise have been delivered pursuant to an Award shall also be available for future grants. The number of shares of Stock delivered under an Award shall be determined net of any previously acquired Shares tendered by the Participant in payment of the exercise price or of withholding taxes.

Stock delivered under the Plan may be either authorized but unissued Stock or previously issued Stock acquired by the Company and held in treasury. No fractional shares of Stock will be delivered under the Plan.

5. ELIGIBILITY AND PARTICIPATION

Those eligible to be selected to receive Awards under the Plan ("Participants") will be key persons in the employ of the Company or any of its subsidiaries ("Employees") excluding all employees who are officers or directors of the Company. A "subsidiary" for purposes of the Plan will be a corporation in which the Company owns, directly or indirectly, stock possessing 50% or more of the total combined voting power of all classes of stock. Eligibility for ISO's is further limited to those individuals whose employment status would qualify them for the tax treatment described in Section 421 and 422 of the Internal Revenue Code.

Options for no more than 10,000 shares can be granted to any individual in any one year under the Plan.

6. TYPES OF AWARDS

6.1. Options

(a) Nature of Options. An Option is an Award entitling the recipient on exercise thereof to purchase Stock at a specified exercise price. Options that are not incentive stock options, may be granted under the Plan. Incentive stock options may not be granted under the Plan.

(b) Exercise Price. The exercise price of an Option will be determined by the Committee, subject to the following:

(1) In no case may the exercise price paid for Stock be less than the par value per share of the Stock.

(2) The Committee may reduce the exercise price of an Option at any time after the time of grant.

(c) Duration of Options. The latest date on which an Option may be exercised will be the tenth anniversary of the day immediately preceding the date the Option was granted, or such earlier date as may have been specified by the Board at the time the Option was granted.

(d) Exercise of Options. An Option will become exercisable at such time or times, and on such conditions, as the Committee may specify. The Committee may at any time and from time to time accelerate the time at which all or any part of the Option may be exercised. If desired, the Committee may provide for vesting prior to the date the option becomes exercisable.

Any exercise of an Option must be in writing, signed by the proper person and delivered or mailed to the Company, accompanied by (1) any documents required by the Committee and (2) payment in full in accordance with paragraph (e) below for the number of shares for which the Option is exercised.

(e) Payment for Stock. Stock purchased on exercise of an Option must be paid for as follows: (1) in cash or by check (acceptable to the Company in accordance with guidelines established for this purpose), bank draft or money order payable to the order of the Company, or (2) through the delivery of shares of Stock (which in the case of Shares acquired from the Company, have been outstanding for at least six months) having a fair market value on the last business day preceding the date of exercise equal to the purchase price, or (3) by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the exercise price, or (4) if so permitted by the instrument evidencing the Option (or by the Committee on or after grant of the Option), by delivery of a promissory note of the Option holder to the Company, payable on such terms as are specified by the Committee, provided that if the stock delivered in exercise of the Option is an original issue of authorized stock, then so much of the purchase price as represents par

value of the stock shall be paid in cash, or (5) by any combination of the permissible forms of payment; provided, that if the Stock delivered upon exercise of the Option is an original issue of authorized Stock, at least so much of the exercise price as represents the par value of such Stock must be paid in cash. In the event that payment of the Option price is made under (2) above, the Committee may provide that the Option holder be granted an additional Option covering the numbers of shares surrendered, at an exercise price equal to the fair market value of a share of Stock on the date of surrender.

(f) Discretionary Payments. If the market price of shares of Stock subject to an Option (other than an Option which is in tandem with a Stock Appreciation Right as described in Section 6.2 below) exceeds the exercise price of the Option at the time of its exercise, the Committee may cancel the Option and cause the Company to pay in cash or in shares of Common Stock (at a price per share equal to the fair market value per share) to the person exercising the Option an amount equal to the difference between the fair market value of the Stock which would have been purchased pursuant to the exercise (determined on the date the Option is cancelled) and the aggregate exercise price which would have been paid. The Committee may exercise its discretion to take such action only if it has received a written request from the person exercising the Option, but such a request will not be binding on the Committee.

6.2. Stock Appreciation Rights.

(a) Nature of Stock Appreciation Rights. A Stock Appreciation Right is an Award entitling the recipient on exercise of the Right to receive an amount, in cash or Stock or a combination thereof (such form to be determined by the Committee), determined in whole or in part by reference to appreciation in Stock value.

Except as provided below, a Stock Appreciation Right entitles the Participant to receive, with respect to each share of Stock as to which the Right is exercised, the excess of the share's fair market value on the date of exercise over its fair market value on the date the Right was granted. The Committee may provide at the time of grant that the amount the recipient is entitled to receive will be adjusted upward or downward under rules established by the Committee to take into account the performance of the Stock in comparison with the performance of other stocks or an index or indices of other stocks. The Committee may also grant Stock Appreciation Rights providing that following a Change in Control of the Company, as defined in Exhibit A, the holder of such Right will be entitled to receive, with respect to each share of Stock subject to the Right, an amount equal to the excess of a specified value (which may include an average of values) for a share of Stock during a period preceding such Change in Control over the fair market value of a share of Stock on the date the Right was granted.

(b) Grant of Stock Appreciation Rights. Stock Appreciation Rights may be granted in tandem with, or independently of, Options granted under the Plan. A Stock Appreciation Right granted in tandem with an Option which is not an ISO may be granted either at or after the time the Option is granted. A Stock Appreciation Right granted in tandem with an ISO may be granted only at the time the Option is granted.

(c) Rules Applicable to Tandem Awards. When Stock Appreciation Rights are granted in tandem with Options, the following will apply:

(1) The Stock Appreciation Right will be exercisable only at such time or times, and to the extent, that the related Option is exercisable and will be exercisable in accordance with the procedure required for exercise of the related Option.

(2) The Stock Appreciation Right will terminate and no longer be exercisable upon the termination or exercise of the related Option, except that a Stock Appreciation Right granted with respect to less than the full number of shares covered by an Option will not be reduced until the number of shares as to which the related Option has been exercised or has terminated exceeds the number of shares not covered by the Stock Appreciation Right.

(3) The Option will terminate and no longer be exercisable upon the exercise of the related Stock Appreciation Right.

(4) The Stock Appreciation Right will be transferable only with the related Option.

(5) A Stock Appreciation Right granted in tandem with an ISO may be exercised only when the market price of the Stock subject to the Option exceeds the exercise price of such option.

(d) Exercise of Independent Stock Appreciation Rights. A Stock Appreciation Right not granted in tandem with an Option will become exercisable at such time or times, and on such conditions, as the Committee may specify. The Committee may at any time accelerate the time at which all or any part of the Right may be exercised.

Any exercise of an independent Stock Appreciation Right must be in writing, signed by the proper person and delivered or mailed to the Company, accompanied by any other documents required by the Committee.

6.3. Restricted and Unrestricted Stock.

(a) Nature of Restricted Stock Award. A Restricted Stock Award entitles the recipient to acquire, for a purchase price to be specified by the Committee, but in no event less than par value, shares of Stock subject to the restrictions described in paragraph (d) below ("Restricted Stock").

(b) Acceptance of Award. A Participant who is granted a Restricted Stock Award will have no rights with respect to such Award unless the Participant accepts within 60 days or such other period specified by the Committee, the Award by written instrument delivered or mailed to the Company accompanied by payment in full of the specified purchase price, if any, of the shares covered by the Award. Payment may be by certified or bank check or other instrument acceptable to the Committee.

(c) Rights as a Stockholder. A Participant who receives Restricted Stock will have all the rights of a stockholder with respect to the Stock, including voting and dividend rights, subject to the restrictions described in paragraph (d) below and any other conditions imposed by the Committee at the time of grant. Unless the Committee otherwise determines, certificates evidencing shares of Restricted Stock will remain in the possession of the Company until such shares are free of all restrictions under the Plan.

(d) Restrictions. Except as otherwise specifically provided by the Plan, Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of, and if the Participant ceases to be an Employee or otherwise suffers a Status Change (as defined at Section 7.2 below) for any reason, must be offered to the Company for purchase for the amount of cash paid for the Stock, or forfeited to the Company if no cash was paid. These restrictions will lapse at such time or times, and on such conditions, as the Committee may specify. Upon lapse of all restrictions, Stock will cease to be Restricted Stock for purposes of the Plan. The Committee may at any time accelerate the time at which the restrictions on all or any part of the shares will lapse.

(e) Notice of Election. Any Participant making an election under Section 83(b) of the Code with respect to Restricted Stock must provide a copy thereof to the Company within 10 days of the filing of such election with the Internal Revenue Service.

(f) Other Awards Settled with Restricted Stock. The Committee may, at the time any Award described in this Section 6 is granted, provide that any or all the Stock delivered pursuant to the Award will be Restricted Stock.

(g) Unrestricted Stock. The Committee may, in its sole discretion, approve the sale to any Participant of shares of Stock free of restrictions under the Plan for a price which is not less than the par value of the Stock.

6.4. Deferred Stock Awards.

A Deferred Stock Award entitles the recipient to receive shares of Stock to be delivered in the future. Delivery of the Stock will take place at such time or times, and on such conditions, as the Committee may specify. The Committee may specify that a Deferred Stock Award may be forfeited if certain conditions are or are not satisfied. The Committee may at any time accelerate the time at which delivery of all or any part of the Stock will take place. At the time any Award described in this Section 6 is granted, the Committee may provide that, at the time Stock would otherwise be delivered pursuant to the Award, the Participant will instead receive an instrument evidencing the Participant's right to future delivery of Stock.

6.5. Performance Awards; Performance Goals.

(a) Nature of Performance Awards. A Performance Award entitles the recipient to receive, without payment, an amount in cash or Stock or a combination thereof (such form to be determined by the Committee) following the attainment of Performance Goals. "Performance Goals" are goals which may be related to personal performance, corporate performance, departmental performance or any other category of performance deemed by the Committee to be important to the success of the Company. The Committee will determine the Performance Goals, the period or periods during which performance is to be measured and all other terms and conditions applicable to the Award.

(b) Other Awards Subject to Performance Condition. The Committee may, at the time any Award described in this Section 6 is granted, impose the condition (in addition to any conditions specified or authorized in this Section 6 or any other provision of the Plan) that Performance Goals be met prior to the Participant's realization of any payment or benefit under the Award.

6.6. Loans and Supplemental Grants.

(a) Loans. The Company may make a loan to a Participant ("Loan"), either on the date of or after the grant of any Award to the Participant. A Loan may be made either in connection with the purchase of Stock under the Award or with the payment of any Federal, state and local income tax with respect to income recognized as a result of the Award. The Committee will have full authority to decide whether to make a Loan and to determine the amount, terms and conditions of the Loan, including the interest rate (which may be zero), whether the Loan is to be secured or unsecured or with or without recourse against the borrower, the terms on which the Loan is to be repaid and the conditions, if any, under which it may be forgiven. However, no Loan may have a term (including extensions) exceeding ten years in duration.

(b) Supplemental Grants. In connection with any Award, the Committee may at the time such Award is made or at a later date, provide for and grant a cash award to the Participant ("Supplemental Grant") not to exceed an amount equal to (1) the amount of any federal, state and local income tax on ordinary income for which the Participant may be liable with respect to the Award, determined by assuming taxation at the highest marginal rate, plus (2) an additional amount on a grossed-up basis intended to make the Participant whole on an after-tax basis after discharging all the Participant's income tax liabilities arising from all payments under this Section 6. Any payments under this subsection (b) will be made at the time the Participant incurs Federal income tax liability with respect to the Award.

7. EVENTS AFFECTING OUTSTANDING AWARDS

7.1. Death and Total or Permanent Disability.

Except as otherwise provided by the Committee, if a Participant dies or is totally or permanently disabled as determined by the Committee, the following will apply:

(a) All Options and Stock Appreciation Rights held by the Participant immediately prior to death or total or permanent disability, as the case may be, shall, if not then exercisable, be accelerated and become exercisable at such time and then all options so held by the Participant. may be exercised by the Participant's executor or administrator or the person or persons to whom the Option or Right is transferred by will or the applicable laws of descent and distribution or the Participant's guardian, at any time within the one year period ending with the first anniversary of the Participant's death, or total or permanent disability, as the case may be (or such longer period as the Committee may determine), and shall thereupon

terminate. In no event, however, shall an Option or Stock Appreciation Right remain exercisable beyond the latest date on which it could have been exercised without regard to this Section 7.

(b) Except as otherwise determined by the Committee, all Restricted Stock, as to which the forfeiture restrictions have not lapsed, held by the Participant must be transferred to the Company (and, in the event the certificates representing such Restricted Stock are held by the Company, such Restricted Stock will be so transferred without any further action by the Participant) in accordance with Section 6.3 above.

(c) Any payment or benefit under a Deferred Stock Award, Performance Award, or Supplemental Grant to which the Participant was not irrevocably entitled prior to death or total or permanent disability, as the case may be, will be forfeited and the Award canceled as of the time of death, or total or permanent disability, as the case may be, unless otherwise determined by the Committee.

7.2. Termination of Service (Other Than By Death or Disability).

If a Participant who is an Employee ceases to be an Employee for any reason other than death or total or permanent disability, as the case may be, or if there is a termination (other than by reason of death or total or permanent disability, as the case maybe) of the consulting, service or similar relationship in respect of which a non-Employee Participant was granted an Award hereunder (such termination of the employment or other relationship being herein referred to as a "Status Change"), the following will apply:

(a) Except as otherwise determined by the Committee, all Options and Stock Appreciation Rights held by the Participant that were not exercisable immediately prior to the Status Change shall terminate at the time of the Status Change provided that options that are not then exercisable on such date which are held by a Participant who retires and who is at least 60 years of age and has completed at least ten or more years of service (as determined by the Committee) shall continue to vest. Any Options or Rights that were exercisable immediately prior to the Status Change will continue to be exercisable for a period of one year (or such longer period as the Committee may determine), and shall thereupon terminate, unless the Award provides by its terms for immediate termination in the event of a Status Change. Any Options or Rights that were not exercisable immediately prior to the Status Change but which continued to vest thereafter pursuant to the proviso above in this Section 7.2(a) will be exercisable for a period of one year (or such longer period as the Committee may determine) after the date such Option or Right vests, and shall thereafter terminate unless the Award provides by its terms for immediate termination in the event of a Status Change. If the Status Change results from a discharge for cause (gross negligence or acts done with a malicious intent, as determined by the Committee), all Awards will terminate if the Committee so determines in its discretion either before or after such termination of employment. In no event, however, shall an Option or Stock Appreciation Right remain exercisable beyond the latest date on which it could have been exercised without regard to this Section 7. For purposes of this paragraph, in the case of a Participant who is an Employee, a Status Change shall not be deemed to have resulted by reason of (i) a sick leave or other bona fide leave of absence approved for purposes of the Plan by the Committee, so long as the Employee's right to reemployment is guaranteed either by statute or by contract, or (ii) a transfer of employment between the Company and a subsidiary or between subsidiaries, or to the employment of a corporation (or a parent or subsidiary corporation of such corporation) issuing or assuming an option in a transaction to which section 424(a) of the Code applies.

(b) Except as otherwise determined by the Committee, all Restricted Stock, as to which the forfeiture restrictions have not lapsed, held by the Participant at the time of the Status Change must be transferred to the Company (and, in the event the certificates representing such Restricted Stock are held by the Company, such Restricted Stock will be so transferred without any further action by the Participant) in accordance with Section 6.3 above.

(c) Any payment or benefit under a Deferred Stock Award, Performance Award, or Supplemental Grant to which the Participant was not irrevocably entitled prior to the Status Change will be forfeited and the Award cancelled as of the date of such Status Change unless otherwise determined by the Committee.

Unless the Committee expressly provides otherwise, a Participant's "employment or other service relationship with the Company and its Subsidiaries" will be deemed to have ceased, in the case of an employee Participant, upon termination of the Participant's employment with the Company and its Subsidiaries (whether or not the Participant continues in the service of the Company or its Subsidiaries in some capacity other than that of an employee of the Company or its Subsidiaries), and in the case of any other Participant, when the service relationship in respect of which the Award was granted terminates (whether or not the Participant continues in the service of the Company or its Subsidiaries in some other capacity).

7.3 A Change in Control Provision

As used herein, a Change in Control and related definitions shall have the meanings as set forth in Section 7.3 C below.

Immediately prior to the occurrence of a Change in Control:

(a) Each Option and Stock Appreciation Right shall automatically become fully exercisable unless the Committee shall otherwise expressly provide at the time of grant.

(b) Restrictions and conditions on Restricted Stock, Deferred Stock, Performance Units and Other Stock-based Awards shall automatically be deemed waived to the extent, if any, specified (whether at or after time of grant) by the Committee.

In addition to the foregoing and Sections 6.1(d), 6.2(d), 6.3(d) and 6.4, the Committee may at any time prior to or after a Change in Control accelerate the exercisability of any Options and Stock Appreciation Rights and may waive restrictions, limitations and conditions on Restricted Stock, Deferred Stock, Performance Units and Other Stock-based Awards to the extent it shall in its sole discretion determine.

7.3 B Certain Corporate Transactions

(a) In the event of a consolidation or merger in which the Company is not the surviving corporation or which results in the acquisition of substantially all the Company's outstanding Stock by a single person or entity or by a group of persons and/or entities acting in concert, or in the event of the complete liquidation of the Company or the sale or transfer of substantially all of the company's assets (a "Covered Transaction"), all outstanding options will terminate as of the effective date of the Covered Transaction, provided that at least twenty (20) days prior to the effective date of any such merger, consolidation, liquidation or sale of assets, but subject to Paragraphs (c) and (d) below, the Committee shall make all outstanding Options exercisable immediately prior to consummation of such Covered Transaction (to the extent that such Options are not exercisable immediately prior to the consummation of the Covered Transaction pursuant to Section 7.3A).

(b) Subject to Paragraphs (c) and (d) below, the Committee may, in its sole discretion, prior to the effective date of the Covered Transaction, (1) remove the restrictions from each outstanding share of Restricted Stock, (2) cause the Company to make any payment and provide any benefit under each outstanding Deferred Stock Award, Performance Award, and Supplemental Grant which would have been made or provided with the passage of time had the transaction not occurred and the Participant remained an employee, and (3) forgive all or any portion of the principal of or interest on a loan.

(c) If an outstanding option or Other Award is subject to performance or other conditions (other than conditions relating the mere passage of time and continued employment) which will not have been satisfied at the time of the Covered Transaction the Committee may, in its sole discretion, remove such conditions. If it does not do so however, such Option or Other Award will terminate, because the conditions have not been satisfied, as of the date of the Covered Transaction notwithstanding Paragraph (a) and (b) above.

(d) With respect to an outstanding Option or Other Award held by the participant who, following the Covered Transaction, will be employed by a corporation which is a surviving or acquiring corporation in such transaction or an affiliate of such a corporation, the committee may, in lieu of the action of the Committee described in Paragraphs (a) or (b) above or in addition to any Option being exercisable immediately prior to consummation of the Covered Transaction pursuant to Section 7.3A above, arrange to have such surviving or acquiring corporation or affiliate assume the Option or Other Award or grant to the Participant a replacement or substitute Option or other Award on such terms as the Committee approves. In the case of an assumed or substitute Option intended to be an Incentive Stock Option, the requirements of Section 424 (a) of the code shall be satisfied except as otherwise provided by the Committee.

7.3 C Change in Control and Related Definitions

A "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities; or

(b) during any period of not more than two consecutive years (not including any period prior to December 31, 1996), individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in Clause (a), (b), or (c) of Section 7.3 C) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than:

(1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) 60% or more of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires 35% or more of the combined voting power of the Company's then outstanding securities;

(d) the shareholders 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 the Company's assets.

Notwithstanding the foregoing provisions of this Section 7.3C, a "Change in Control" will not be deemed to have occurred solely because of (i) the ownership or acquisition of securities of the Company (or any reporting requirement under the Securities Exchange Act of 1934) relating thereto) by an employee benefit plan maintained by the Company for the benefit of employees or by ownership or acquisition (whether accomplished by merger, consolidation, purchase or otherwise) by any of Ben Cohen, Jerry Greenfield, Jeffrey Furman and Perry Odak or their "affiliates" or "associates" (as such terms are defined in Rule 12b-2 under the Act) or members of their families (or trusts for their benefit) or charitable trusts established by any of them and/or other related Company management group.

In the foregoing provisions of this Section 7.3, the following terms shall have the meanings set forth below:

"Person" shall have the meaning given in Section 3 (a) (9) of the Securities Exchange Act of 1934, as modified and used in Sections 13 9D and 14 (d) thereof; however, a Person shall not include:

(1) the Company or any controlled subsidiary of the Company;

(2) a trustee or other fiduciary holding securities under an employee benefit plan of the Company; or,

(3) a corporation or other entity owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

"Beneficial Owner" shall have the meaning defined in Rule 13d-3 under the Securities Exchange Act of 1934 as amended from time to time.

8. GENERAL PROVISIONS

8.1. Documentation of Awards.

Awards will be evidenced by such written instruments, if any, as may be prescribed by the Board from time to time. Such instruments may be in the form of agreements to be executed by both the Participant and the Company, or certificates, letters or similar instruments, which need not be executed by the Participant but acceptance of which will evidence agreement to the terms thereof.

8.2. Rights as a Stockholder, Dividend Equivalents.

Except as specifically provided by the Plan, the receipt of an Award will not give a Participant rights as a stockholder; the participant will obtain such rights, subject to any limitations imposed by the Plan or the instrument evidencing the Award, upon actual receipt of Stock. However, the Committee may, on such conditions as it deems appropriate, provide that a Participant will receive a benefit in lieu of cash dividends that would have been payable on any or all Stock subject to the Participant's Award had such Stock been outstanding. Without limitation, the Committee may provide for payment to the Participant of amounts representing such dividends, either currently or in the future, or for the investment of such amounts on behalf of the Participant.

8.3. Conditions on Delivery of Stock.

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove restriction from shares previously delivered under the Plan (a) until all conditions of the Award have been satisfied or removed, (b) until, in the opinion of the Company's counsel, all applicable federal and state laws and regulation have been complied with, (c) if the outstanding Stock is at the time listed on any stock exchange, until the shares to be delivered have been listed or authorized to be listed on such exchange upon official notice of notice of issuance, and (d) until all other legal

matters in connection with the issuance and delivery of such shares have been approved by the Company's counsel. If the sale of Stock has not been registered under the Securities Act of 1933, as amended, the Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of such Act and may require that the certificates evidencing such Stock bear an appropriate legend restricting transfer.

If an Award is exercised by the Participant's legal representative, the Company will be under no obligation to deliver Stock pursuant to such exercise until the Company is satisfied as to the authority of such representative.

8.4. Tax Withholding.

The Company will withhold from any cash payment made pursuant to an Award an amount sufficient to satisfy all federal, state and local withholding tax requirements (the "withholding requirements").

In the case of an Award pursuant to which Stock may be delivered, the Committee will have the right to require that the Participant or other appropriate person remit to the Company an amount sufficient to satisfy the withholding requirements, or make other arrangements satisfactory to the Committee with regard to such requirements, prior to the delivery of any Stock. If and to the extent that such withholding is required, the Committee may permit the Participant or such other person to elect at such time and in such manner as the Committee provides to have the Company hold back from the shares to be delivered, or to deliver to the Company, Stock having a value calculated to satisfy the withholding requirement.

8.5. Nontransferability of Awards.

No Award (other than an Award in the form of an outright transfer of cash or Unrestricted Stock) may be transferred other than by will or by the laws of descent and distribution, and during a Participant's lifetime an Award requiring exercise may be exercised only by him or her (or in the event of the Participant's incapacity, the person or persons legally appointed to act on the Participant's behalf).

8.6. Adjustments in the Event of Certain Transactions.

(a) In the event of a stock dividend, stock split or combination of shares, recapitalization or other change in the Company's capitalization, or other distribution to common stockholders other than normal cash dividends, after the effective date of the Plan, the Committee will make any appropriate adjustments to the maximum number of shares that may be delivered under the Plan under Section 4 above.

(b) In any event referred to in paragraph (a), the Committee will also make any appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise prices relating to Awards and any other provision of Awards affected by such change. The Committee may also make such adjustments to take into account material changes in law or in accounting practices or principles, mergers, consolidations, acquisitions, dispositions or similar corporate transactions, or any other event, if it is determined by the Committee that adjustments are appropriate to avoid distortion in the operation of the Plan.

8.7. Employment Rights, Etc.

Neither the adoption of the Plan nor the grant of Awards will confer upon any person any right to continued retention by the Company or any subsidiary as an Employee or otherwise, or affect in any way the right of the Company or subsidiary to terminate an employment, service or similar relationship at any time. Except as specifically provided by the Committee in any particular case, the loss of existing or potential profit in Awards granted under the Plan will not constitute an element of damages in the event of termination of an employment, service or similar relationship even if the termination is in violation of an obligation of the Company to the Participant.

8.8. Deferral of Payments.

The Committee may agree at any time, upon request of the Participant, to defer the date on which any payment under an Award will be made.

8.9. Past Services as Consideration.

Where a Participant purchases Stock under an Award for a price equal to the par value of the Stock the Committee may determine that such price has been satisfied by past services rendered by the Participant.

8.10. Fair Market Value.

For purposes of the Plan, fair market value of a share of Stock on any date will be the closing price in the over-the-counter market with respect to such Stock, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or such other similar system then in use; or, if on any such date such Stock is not quoted by any such organization, the average of the closing bid and asked prices with respect to such Stock, as furnished by a professional market maker making a market in such Stock selected by the Committee; or if such prices are not available, the fair market value of such Stock as of such date as determined in good faith by the Committee; or, where necessary, in order to achieve the intended Federal income tax result, the value of a share of Stock as determined by the Committee in accordance with the applicable provisions of the Code.

9. EFFECT, DISCONTINUANCE, CANCELLATION, AMENDMENT AND TERMINATION

Neither adoption of the Plan nor the grant of Awards to a Participant will affect the Company's right to grant to such Participant cash or Stock awards that are not subject to the Plan, to issue to such Participant Stock as a bonus or otherwise, or to adopt other plans or arrangements under which Stock be issued to Employees. The Committee may at any time discontinue granting Awards under the Plan.

The Board may at any time or times amend the Plan (and the Committee may amend any outstanding Award) for any purpose which may at the time be permitted by law, or may at any time terminate the Plan as to any further grants of Awards, provided that no amendment or termination of the Plan may adversely affect the rights of any Participant (without the Participant's consent) under any Award previously granted.

EXHIBIT 10.29.2

Amendment to Equity Incentive Plan (1995)

7.3 A Change in Control Provision

As used herein, a Change in Control and related definitions shall have the meanings as set forth in Section 7.3 C below.

Immediately prior to the occurrence of a Change in Control:

(a) Each Option and Stock Appreciation Right shall automatically become fully exercisable unless the Committee shall otherwise expressly provide at the time of grant.

(b) Restrictions and conditions on Restricted Stock, Deferred Stock, Performance Units and Other Stock-based Awards shall automatically be deemed waived to the extent, if any, specified (whether at or after time of grant) by the Committee.

In addition to the foregoing and Sections 6.1(d), 6.2(d), 6.3(d) and 6.4, the Committee may at any time prior to or after a Change in Control accelerate the exercisability of any Options and Stock Appreciation Rights and may waive restrictions, limitations and conditions on Restricted Stock, Deferred Stock, Performance Units and Other Stock-based Awards to the extent it shall in its sole discretion determine.

7.3 B Certain Corporate Transactions.

(a) In the event of a consolidation or merger in which the Company is not the surviving corporation or which results in the acquisition of substantially all the Company's outstanding Stock by a single person or entity or by a group of persons and/or entities acting in concert, or in the event of the complete liquidation of the Company or the sale or transfer of substantially all of the Company's assets (a "Covered Transaction"), all outstanding Options will terminate as of the effective date of the Covered Transaction, provided that at least twenty (20) days prior to the effective date of any such merger, consolidation, liquidation or sale of assets, but subject to Paragraphs (c) and (d) below, the Committee shall make all outstanding Options exercisable immediately prior to consummation of such Covered Transaction (to the extent that such Options are not exercisable immediately prior to the consummation of the Covered Transaction pursuant to Section 7.3 A).

(b) Subject to Paragraphs (c) and (d) below, the Committee may, in its sole discretion, prior to the effective date of the Covered

Transaction, (1) remove the restrictions from each outstanding share of Restricted Stock, (2) cause the Company to make any payment and provide any benefit under each outstanding Deferred Stock Award, Performance Award, and Supplemental Grant which would have been made or provided with the passage of time had the transaction not occurred and the Participant remained an employee, and (3) forgive all or any portion of the principal of or interest on a loan.

(c) If an outstanding Option or Other Award is subject to performance or other conditions (other than conditions relating the mere passage of time and continued employment) which will not have been satisfied at the time of the Covered Transaction, the Committee may, in its sole discretion, remove such conditions. If it does not do so however, such Option or Other Award will terminate, because the conditions have not been satisfied, as of the date of the Covered Transaction notwithstanding Paragraph (a) and (b) above.

(d) With respect to an outstanding Option or Other Award held by the participant who, following the Covered Transaction, will be employed by a corporation which is a surviving or acquiring corporation in such transaction or an affiliate of such a corporation, the Committee may, in lieu of the action of the Committee described in Paragraphs (a) or (b) above or in addition to any Option being exercisable immediately prior to consummation of the Covered Transaction pursuant to Section 7.3A above, arrange to have such surviving or acquiring corporation or affiliate assume the Option or Other Award or grant to the Participant a replacement Option or other Award which, in the judgment of the Committee, is substantially equivalent to the Option or Other Award. In the case of an assumed or substitute Option intended to be an Incentive Stock Option, the requirements of Section 424 (a) of the Code shall be satisfied except as otherwise provided by the Committee.

7.3 C Change in Control and Related Definitions.

A "Change in Control" shall be deemed to have occurred if the conditions set forth in any one of the following paragraphs shall have been satisfied:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding securities; or

(b) during any period of not more than two consecutive years (not including any period prior to October 26, 1994), individuals who at the beginning of such period constitute the Board and any new director (other than a director designated by a Person who has entered into an agreement with the Company to effect a transaction described in Clause (a), (c) or (d) of Section 7.3 C) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than

(1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) 60% or more of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or

(2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no person acquires 35% or more of the combined voting power of the Company's then outstanding securities; or

(d) the shareholders 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 the Company's assets.

Notwithstanding the foregoing provisions of this Section 7.3C, a "Change in Control" will not be deemed to have occurred solely because of (i) the ownership or acquisition of securities of the Company (or any reporting requirement under the Securities Exchange Act of 1934) relating thereto) by an employee benefit plan maintained by the Company for the benefit of employees or by ownership or acquisition (whether accomplished by merger, consolidation, purchase or otherwise) by any of Ben Cohen, Jerry Greenfield, Jeffrey Furman and Perry Odak or their "affiliates" or "associates" (as such terms are defined in Rule 12b-2 under the Act) or members of their families (or trusts for their benefit) or charitable trusts established by any of them and/or other related management group.

In the foregoing provisions of this Section 7.2, the following terms shall have the meanings set forth below:

"Person" shall have the meaning given in Section 3 (a) (9) of the Securities Exchange Act of 1934, as modified and used in Sections 13 9d and 14 (d) thereof; however, a Person shall not include

(1) the Company or any controlled subsidiary of the Company,

(2) a trustee or other fiduciary holding securities under an

employee benefit plan of the Company or

(3) a corporation or other entity owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

"Beneficial Owner" shall have the meaning defined in Rule 13d-3 under the Securities Exchange Act of 1934 as amended from time to time.

EXHIBIT 10.33.1

Amendment to Employment Agreement

Amendment dated as of February 28, 1999 to Employment Agreement (the Employment Agreement) dated December 31, 1996 between Ben & Jerry's Homemade, Inc. (the "Company") (and Perry D. Odak (the "Executive").

Whereas the parties wish to make certain amendments to the Employment Agreement.

Now therefore, in consideration of these premises and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree to amend the Employment Agreement as follows:

1. Section 4(b)(iii) if the Employment Agreement is hereby amended to read as follows

4(b)(iii), notwithstanding any other provision of the Employment Agreement and notwithstanding any determination or lack of determination by the Compensation Committee on substantial performance of the Non-Financial Objectives in the year 1998:

(1) provided, however, that the initial exercisability date of all the 270,000 options that would otherwise vest during the third - sixth years under clause (b)(ii) above shall automatically be accelerated in accordance with the following:

When the fair market value of the Company's Class A Common Stock (the "Stock"), as measured by the average of the daily closing stock prices on NASDAQ for a period of 90 consecutive days, shall have satisfied the Per Share Fair Market Value Threshold specified below and the Committee shall have determined that the Executive has substantially met the Non-Financial Objectives (as defined below) for 1997 or the preceding calendar year, as the case may be, or for the first seven months of 1999 as set forth below, then such options for 270,000 shares (after the 90,000 options that vested six months after the date of the original Agreement but including the accelerated vesting of options for the first two tranches of 50,000 shares under this Section 4(b)(iii) as set forth in the table and in the second paragraph following the table below) shall become exercisable as follows:

Defined Per Share Fair Market Value Threshold ("Threshold")	Number of Options Becoming Vested
$16	Options for 50,000 shares--became vested in 1998 (see below)

$20	Options for 50,000 shares--become vested in February 1999 (see below)
$23	Options for 35,000 shares and Options for 15,000 shares
$27	Options for 42,000 shares and Options for 18,000 shares
$30.50	Options for 42,000 shares and Options for 18,000 shares

In each case the aggregate number of then unvested options entitled to accelerated vesting pursuant to this Section 4(b)(iii) (50,000; 50,000; 35,000; 15,000; 42,000, 18,000; and 42,000, 18,000 as the case may be) shall be the options that would regularly vest the latest under (b)(ii) above following the date when such acceleration under this Section 4(b)(iii) has become effective.

$16 and $20 Thresholds. The $16 Threshold was satisfied in 1998 and the first 50,000 shares in the table above accelerated and became vested. The $20 Threshold was satisfied in early 1999, prior to the date of this Amendment, and the second tranche of 50,000 options in the table accelerated and vested, thereby making a total on that date of vested options for 190,000 shares plus such number as may have become vested on a monthly basis, since January 1, 1999, pursuant to the provisions of Section 4(b)(ii).

$23, $27 and $30.50 Thresholds Satisfied in 1999 or early 2000. If and when the $23 Threshold or the $27 Threshold or the $30.50 Threshold is satisfied in 1999 or in 2000 (prior to the Committee's determination by the end of February, 2000 with respect to the Executive's performance of the 1999 Non-Financial Objectives), then options for 35,000 shares pertaining to the $23 Threshold, options for 42,000 shares pertaining to the $27 Threshold and options for 42,000 shares pertaining to the $30.50 Threshold shall accelerate and vest on the date such Threshold is satisfied, as the case may be.

15,000 Options Pertaining to $23 Threshold. In the event of a favorable additional determination by the Compensation Committee (such determination to be made during August-September, 1999) that the Executive has substantially met the Additional Non-Financial Objectives for the first seven months in 1999, these options for 15,000 shares pertaining to the $23 Threshold set forth in the above table will accelerate and vest if and when the $23 Threshold has been satisfied.

If the Committee's August-September, 1999 additional determination is that the Executive has not substantially met the Additional Non-Financial Objectives, then the vesting of the said 15,000 options will not accelerate if and when $23 Threshold has been satisfied and, accordingly, in that event, said options for 15,000 shares shall accelerate and vest only when and if the $30.50 Threshold has been met at some subsequent date and if options for 60,000 shares pertaining to the $30.50 Threshold shall have vested directly as a result thereof (which requires that there be in effect at or after said subsequent date a favorable determination by the Committee with respect to substantial performance of the Non-Financial Objectives for the applicable prior year made by the Committee in

2000 or in a later year).

$27 and $30.50 Thresholds and Options for 18,000 Shares and Options for 18,000 Shares. In the event the $27 Threshold has been met or the $30.50 Threshold has been met in 1999 or in 2000 (prior to the date of the Committee's determination on 1999 performance), the remaining 18,000 options pertaining to the $27 Threshold (if said Threshold has been satisfied) and the remaining 18,000 options pertaining to the $30.50 Threshold (if said $30.50 Threshold has been satisfied) shall not accelerate and vest at that time but shall accelerate and vest only when there is in effect a determination by the Committee made in the year 2000 (or in a later year) that the Executive has substantially met the Non-Financial Objectives for the Year 1999 or for the applicable prior year, as the case may be. When the remaining 18,000 options pertaining to the $30.50 Threshold have accelerated and vested, then the second tranche of 15,000 options pertaining to the $23.00 Threshold shall accelerate and vest, pursuant to the provisions of the immediately preceding paragraph.

$23, $27 and $30.50 Thresholds Met Later Than 1999 or early 2000. If any of the $23, $27 or $30.50 Price Thresholds are not met in 1999 or in 2000 (prior to the date of the Committee's determination on performance for the Year 1999), but instead are first met after the date in 2000 of the Committee's said determination, then the specified accelerated vesting of 35,000 options pertaining to the $23 Threshold, the 42,000 options and the 18,000 options pertaining to the $27 Threshold and the 42,000 options and the 18,000 options pertaining to the $30.50 Threshold shall occur if (a) the Executive is, on the date such applicable Threshold is met, an employee of the Company and (b) the Committee's determination in effect at or subsequent to the date such applicable Threshold is met is favorable that the Executive has substantially met the Non-Financial Objectives for the Year 1999 or for the applicable prior year, as the case may be. Accelerated vesting of the 15,000 options pertaining to the $23 Threshold shall occur only as provided above under the heading "15,000 Options Pertaining to $23 Threshold".

(2) The Committee shall be required to make a determination during the first year of the Term, favorable or unfavorable, within 30 days after the date such Per Share Fair Market Value Threshold has been met for 90 days and thereafter shall make one determination each year, by the end of February in each year except that the Committee shall make an additional determination in August-September 1999 with respect to performance of the Additional Non-Financial Objectives for the first six months of 1999 set forth on Schedule I. The Non-Financial Objectives for each year, commencing with the second year of the Term, shall be agreed between the Committee and the Executive prior to the beginning of each such year and for the first year of the Term shall be agreed between the Committee and the Executive by June 30, 1997. Furthermore, the Additional Non-Financial Objectives for the first half of 1999 are agreed between the Committee and the Executive to be as set forth in Schedule I.

(3) The Company acknowledges the obligations of its Compensation Committee to make its "additional determination", favorable or unfavorable, on substantial

performance of the Additional Non-Financial Objectives by September 30, 1999 and its yearly determination, favorable or unfavorable, with respect to substantial performance of the Non-Financial Objectives for the Year 1999 or a subsequent year by not later than February in each year, and accordingly (in order to give full effect to the provisions of this Amendment which make certain acceleration of vesting of options contingent on a subsequent favorable Committee determination in early 2000), the Term of the Agreement is extended from December 31, 1999 to the date which is fifteen days after the date of the Committee's determination in 2000 as to whether or not the Executive has substantially met the 1999 Non-Financial Objectives.

2. Except as expressly amended hereby, the Employment Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties have executed and delivered this Amendment as of the day set forth above.

/s/Perry D. Odak
Ben & Jerry's Homemade, Inc.

By /s/Frances Rathke
Chief Financial Officer

EXHIBIT 21.1

BEN & JERRY'S HOMEMADE, INC.
Subsidiaries

Name of Subsidiary	Jurisdiction of Incorporation
Ben & Jerry's Homemade Holdings, Inc.	Vermont
Ben & Jerry's of New York	New York
Ben & Jerry's Homemade, Ltd.	England
Ben & Jerry's Canada, Inc.	Quebec, Canada
Ben & Jerry's (FSC), Inc.	Barbados
Ben & Jerry's France SARL	France
Ben & Jerry's International, Inc.	Delaware
Ben & Jerry's Franchising, Inc.	Vermont

EXHIBIT 23.0

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in the Registration Statements (Form S-8 Nos. 33-9420, 33-17594 and 33-64421) of Ben & Jerry's Homemade, Inc. of our report dated January 22, 1999, except for Note 17, as to which the date is February 26, 1999, with respect to the consolidated financial statements and schedule of Ben & Jerry's Homemade, Inc. included in this Annual Report (Form 10-K) for the year ended December 26, 1998.

ERNST & YOUNG LLP

Boston, Massachusetts
March 19, 1999

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