

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Fiscal Year Ended December 31, 2012

OR

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 001-12755

Dean Foods Company

(Exact name of Registrant as specified in its charter)



Delaware
(State or other jurisdiction of
incorporation or organization)

75-2559681
(I.R.S. Employer
Identification No.)

2711 North Haskell Avenue Suite 3400
Dallas, Texas 75204
(214) 303-3400

(Address, including zip code, and telephone number, including
area code, of Registrant's principal executive offices)

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates of the registrant at June 30, 2012, based on the \$17.03 per share closing price for the registrant's common stock on the New York Stock Exchange on June 30, 2012, was approximately \$3.10 billion.

The number of shares of the registrant's common stock outstanding as of February 15, 2013 was 185,921,100.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement for its Annual Meeting of Stockholders to be held on or about May 15, 2013, which will be filed within 120 days of the registrant's fiscal year end, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Forward-Looking Statements

This Annual Report on Form 10-K (the “Form 10-K”) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are predictions based on expectations and projections about future events, and are not statements of historical fact. Forward-looking statements include statements concerning business strategy, among other things, including anticipated trends and developments in and management plans for our business and the markets in which we operate. In some cases, you can identify these statements by forward-looking words, such as “estimate,” “expect,” “anticipate,” “project,” “plan,” “intend,” “believe,” “forecast,” “foresee,” “likely,” “may,” “should,” “goal,” “target,” “might,” “will,” “could,” “predict,” and “continue,” the negative or plural of these words and other comparable terminology. All forward-looking statements included in this Form 10-K are based upon information available to us as of the filing date of this Form 10-K, and we undertake no obligation to update any of these forward-looking statements for any reason. You should not place undue reliance on forward-looking statements. The forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed in the section entitled “Part I – Item 1A – Risk Factors” in this Form 10-K, and elsewhere in this Form 10-K. You should carefully consider the risks and uncertainties described in this Form 10-K.

PART I

Item 1. *Business*

We are a leading food and beverage company and the largest processor and distributor of milk and other fluid dairy products in the United States as well as a North American and European leader in branded plant-based beverages, such as soy, almond and coconut milks, and other plant-based food products. As we continue to evaluate and seek to maximize the value of our leading brands and product offerings, we have aligned our leadership teams, operating strategies and supply chain initiatives around our two business segments: Fresh Dairy Direct and The WhiteWave Foods Company (“WhiteWave”), which is our publicly traded, majority-owned subsidiary.

Fresh Dairy Direct is the largest processor and distributor of fluid milk in the United States, and Fresh Dairy Direct also processes and distributes other dairy products in the United States, with products such as milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products sold under more than 50 familiar local and regional brands and a wide array of private labels. Fresh Dairy Direct also produces and distributes *Tru Moo*[®], which is our nationally branded, healthier, reformulated flavored milk.

WhiteWave is a leading consumer packaged food and beverage company focused on high-growth product categories that are aligned with emerging consumer trends. WhiteWave manufactures, markets and sells plant-based foods and beverages, coffee creamers and beverages, and premium dairy products throughout North America and Europe under widely-recognized brands including *Silk*[®] plant-based beverages, *International Delight*[®] and *LAND O LAKES*[®] coffee creamers and beverages and *Horizon Organic*[®] premium dairy products in North America, as well as *Alpro*[®] and *Provamel*[®] plant-based foods and beverages in Europe.

As of February 15, 2013, and as described below under “– Developments Since January 1, 2012”, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave. Unless and until a spin-off of WhiteWave occurs or we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Unless stated otherwise, any reference to income statement items in this Form 10-K refers to results from continuing operations.

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Our principal executive offices are located at 2711 North Haskell Avenue, Suite 3400, Dallas, Texas 75204. Our telephone number is (214) 303-3400. We maintain a web site at www.deanfoods.com. We were incorporated in Delaware in 1994.

Developments since January 1, 2012

Initial Public Offering of The WhiteWave Foods Company and Proposed Spin-Off or Other Disposition – On October 31, 2012, our then wholly-owned subsidiary, WhiteWave, completed an initial public offering (the “WhiteWave IPO”) of 23 million shares of its Class A common stock at a price to the public of \$17.00 per share. Prior to completion of the WhiteWave IPO, we contributed the capital stock of WWF Operating Company (“WWF Opco”), another previously wholly-owned subsidiary of ours that held substantially all of the assets and liabilities associated with our WhiteWave segment, to WhiteWave in exchange for 150 million shares of Class B common stock of WhiteWave.

WhiteWave contributed \$282 million of the net proceeds from the WhiteWave IPO to WWF Opco, which used those proceeds, together with substantially all of the net proceeds of the initial borrowings described below, to repay then-outstanding obligations under intercompany notes owed to Dean Foods. Dean Foods subsequently utilized these proceeds to repay a portion of the outstanding indebtedness under its senior secured credit facility. See Note 10 to our Consolidated Financial Statements. The remaining net proceeds of approximately \$86 million from the WhiteWave IPO and the initial borrowings described below were used to repay indebtedness under WhiteWave’s senior secured credit facilities.

Upon completion of the WhiteWave IPO, we owned no shares of WhiteWave Class A common stock and 150 million shares of WhiteWave Class B common stock, which represents 100% of the outstanding shares of WhiteWave’s Class B common stock. The rights of the holders of the shares of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share, and each share of class B common stock is entitled to ten votes per share, subject to reduction in accordance with the terms of WhiteWave’s amended and restated certificate of incorporation, on all matters presented to WhiteWave stockholders. Each share of Class B common stock is convertible into one share of Class A common stock at any time at our election and automatically in certain circumstances. Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave.

We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. We have received a private letter ruling from the Internal Revenue Service (“IRS”) providing that, subject to certain conditions, the anticipated spin-off will be tax-free to us and our stockholders for U.S. federal income tax purposes. We have also announced plans to retain up to 19.9% of the outstanding WhiteWave shares, or up to 34.4 million shares, with the intention to monetize or otherwise distribute the position in a tax-free manner at a later date. The spin-off or other disposition is subject to various conditions, including Board approval, the receipt of any necessary regulatory or other approvals, the maintenance of the private letter ruling from the IRS, the receipt of an opinion of counsel and the existence of satisfactory market conditions. There can be no assurance as to when the proposed spin-off or any other disposition will be completed, if at all. Unless and until we cease to own a controlling financial interest in WhiteWave, we will consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Additionally, on October 12, 2012, WhiteWave entered into a \$1.35 billion senior secured credit facility, and on October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under this facility. WhiteWave contributed substantially all of the initial net proceeds of this borrowing to WWF Opco and caused WWF Opco to use those net proceeds to repay then-outstanding obligations under intercompany notes owed to Dean Foods. We used those funds to repay a portion of the then-outstanding debt under our senior secured credit facilities. Dean Foods Company is not a guarantor under WhiteWave’s credit facilities.

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In connection with the WhiteWave IPO, we entered into various agreements relating to the separation of the WhiteWave business from the rest of Dean Foods' businesses, including a separation and distribution agreement, a transition services agreement, a tax matters agreement, a registration rights agreement, an employee matters agreement and several commercial agreements. Additionally, in connection with the WhiteWave IPO, WhiteWave and its wholly-owned domestic subsidiaries were released from their obligations as guarantors of Dean Foods Company's senior secured credit facility (and designated as "unrestricted subsidiaries" thereunder) and Dean Foods' senior notes due 2016 and 2018, and Dean Foods Company has been released from its guarantee of Alpro's revolving credit facility.

During the year ended December 31, 2012, we incurred approximately \$26 million in transaction costs associated with the WhiteWave IPO and the related business separation, which were expensed as incurred. See Note 2 and Note 10 to our Consolidated Financial Statements for additional information regarding the WhiteWave IPO.

Divestiture of Morningstar Foods – During 2012, our management began evaluating strategic alternatives related to our Morningstar division, which is a leading manufacturer of dairy and non-dairy extended shelf-life ("ESL") and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. On December 2, 2012, we entered into an agreement to sell the Morningstar division to a third party. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. All of the operations of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011. See Note 3 and Note 10 to our Consolidated Financial Statements for further information regarding the Morningstar divestiture and the use of related proceeds.

Management Changes – In connection with the WhiteWave IPO, on August 7, 2012, Gregg L. Engles was appointed Chief Executive Officer and Chairman of the Board of Directors of WhiteWave. Mr. Engles resigned as Chief Executive Officer of Dean Foods effective upon completion of the WhiteWave IPO on October 31, 2012.

Additionally, on August 7, 2012, in connection with the WhiteWave IPO, Gregg A. Tanner was appointed to serve as Chief Executive Officer of Dean Foods, effective as of the completion of the WhiteWave IPO, and he assumed that role on October 31, 2012. Mr. Tanner served as President, Fresh Dairy Direct and Chief Supply Chain Officer of Dean Foods since January 2012. Prior to that time, Mr. Tanner served as our Executive Vice President and Chief Supply Chain Officer since joining the Company in November 2007.

In connection with the WhiteWave IPO, the following additional management changes became effective:

Blaine E. McPeak and Bernard P. J. Deryckere ceased serving as executive officers of Dean Foods but continued in their roles and serve as executive officers of WhiteWave, and

Thomas N. Zanetich, who formerly served as Executive Vice President, Human Resources of Dean Foods transitioned to Executive Vice President, Human Resources of WhiteWave.

Further, on November 8, 2012, we announced the future resignations of Shaun Mara, our Executive Vice President and Chief Financial Officer, and Steve Kemps, our Executive Vice President, General Counsel and Corporate Secretary. Under the terms of letter agreements entered into in connection with their planned resignations, Messrs. Mara and Kemps will continue to serve in their current roles until March 1, 2013, at which time they will resign as officers of Dean Foods and will thereafter provide consulting services to us on a transitional basis until April 1, 2013.

Effective as of March 1, 2013, Chris Bellairs, who previously served as the Chief Financial Officer of our Fresh Dairy Direct business and currently serves as our Executive Vice President, Chief Financial Officer

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Designate, will assume the role of Executive Vice President and Chief Financial Officer, and Rachel Gonzalez, who previously served as our Senior Vice President and Deputy General Counsel and currently serves as our Executive Vice President, General Counsel Designate, will assume the role of Executive Vice President, General Counsel and Corporate Secretary.

Conventional Raw Milk Environment – Prices for conventional raw milk, our primary ingredient, declined in the first half of 2012 and rose materially every month of the third and fourth quarter of 2012, hitting a near-historic peak of \$21.39 in December. This is the third highest month in the last five years and 40% above the June low price of the year. Class I prices declined moderately at the beginning of 2013, and we expect Class I prices to trade in a relatively narrow range and to remain at or near this level through the first half of the year.

Retail and Customer Environment – As conventional raw milk prices have fallen, retailers have restored the margin over milk (the difference between retail milk prices and raw milk costs) to be more consistent with historical averages, which is in contrast to 2010 and 2011, when retailers were deeply discounting private label milk. As a result, the price relationship between branded and private label milk has improved, our regional brand share has stabilized, and our regional brands have competed more effectively during 2012. Additionally, our volumes continued to outperform our peers throughout the year.

Over the course of 2013, we will continue to emphasize price realization, volume performance and disciplined cost management in an effort to improve gross margin and drive operating income growth. Organizational changes have been made to reduce our total cost to serve and our selling and general and administrative costs, and we remain focused on sustaining strong positive cash flow and generating shareholder value. Our focus on volume, cost and pricing effectiveness has yielded significantly improved results and renewed momentum within our Fresh Dairy Direct business; however, the fluid milk industry remains highly competitive. In January 2013, a request for proposal (“RFP”) for private label milk with a significant customer resulted in a loss of a portion of that customer’s business, which will begin to be reflected in the second quarter of 2013. The lost volumes were primarily related to low-margin, private label fluid milk business and were the result of the renegotiation of certain regional supply arrangements that going forward will be subject to renewal over various time frames. As a result, we expect total fluid milk volumes to decline in the low-single digits in 2013. We expect to accelerate our ongoing cost reduction efforts in 2013 to minimize the impact of these lost volumes.

Facility Closing and Reorganization Activities – During the first quarter of 2012, our management team reassessed our company-wide strategy, resulting in a shift in focus to deploying our capital and strategically investing in the value-added segments of our business. With this new strategy, our goal is to invest our strategic capital primarily in those initiatives that yield higher returns over shorter time frames. In connection with this change, our management team approved a cost reduction plan focused on aligning key functions within the Fresh Dairy Direct organization under a single leadership team and permanently removing costs from the Fresh Dairy Direct organization as well as certain functions that support this segment of our business. We incurred charges of \$32.2 million under this initiative during the year ended December 31, 2012, primarily related to workforce reduction costs, the write-down of certain information technology assets and leasehold improvements, lease termination costs and costs associated with exiting other commitments deemed not necessary to execute our new strategy. Additionally, we approved the closure of four Fresh Dairy Direct facilities during 2012.

During the fourth quarter of 2012, our management team approved a plan to reorganize Fresh Dairy Direct’s field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. We are committed to identifying opportunities for cost reductions, and we expect to incur additional costs related to these efforts and other initiatives in the near term as we continue to optimize our network and transform our business. Specifically, we plan to build upon the success of the cost reduction actions

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undertaken in 2012 and significantly accelerate those efforts in 2013. Although these plans are still being developed and have not yet been approved by our executive management team, we expect the cost reductions to include the closure of 10-15% of our production facilities and the elimination of a significant number of distribution routes, as well as associated selling, general and administrative expenses. See Note 17 to our Consolidated Financial Statements for more information regarding our facility closing and reorganization activities.

Obligations Related to Consolidated Container Company – On July 3, 2012, our approximate 25% non-controlling interest, on a fully diluted basis, in Consolidated Container Company (“CCC”), one of the nation’s largest manufacturers of rigid plastic containers and our largest supplier of plastic bottles and bottle components, was sold in connection with Vestar Capital Partners’ sale of the business operations of CCC. Vestar Capital Partners, an unaffiliated entity, controlled CCC through a majority ownership interest. Prior to the sale, our investment in CCC was accounted for under the equity method of accounting and had been recorded at zero value since 2001 when we determined the investment to be permanently impaired. As a result of the sale, we received cash proceeds of \$58.0 million. As the tax basis of our investment in CCC is calculated differently than the carrying value of our investment, we incurred a cash tax obligation of approximately \$90 million, which was paid during the fourth quarter of 2012. During 2012, we recorded a pre-tax gain from the sale of \$58.0 million and additional income tax expense of \$68.4 million, resulting in a net after-tax loss on the sale of the investment of \$10.4 million. See Note 4 to our Consolidated Financial Statements for further information.

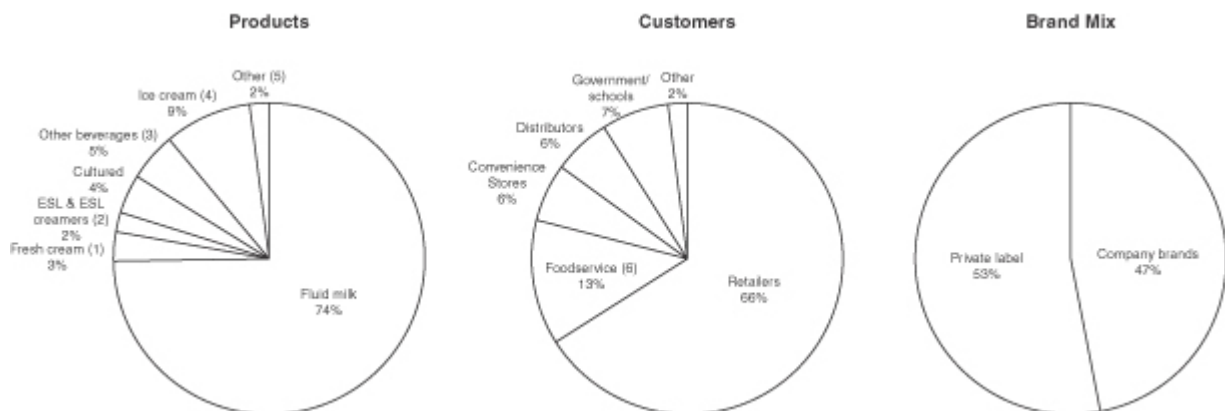
Our Reportable Segments

We have two reportable segments, Fresh Dairy Direct and WhiteWave, which are described below.

Fresh Dairy Direct

Fresh Dairy Direct manufactures, markets and distributes a wide variety of branded and private label dairy case products, including milk, ice cream, cultured dairy products, creamers, juices and teas to retailers, foodservice outlets, distributors, educational institutions and governmental entities across the United States.

Fresh Dairy Direct’s net sales totaled \$9.3 billion in 2012, or approximately 81% of our consolidated net sales. The following charts depict Fresh Dairy Direct’s 2012 net sales by product, customer and volume mix of company branded versus private label products.



- (1) Includes half-and-half and whipping cream.
- (2) Includes creamers and other ESL fluids.
- (3) Includes fruit juice, fruit-flavored drinks, iced tea and water.
- (4) Includes ice cream, ice cream mix and ice cream novelties.
- (5) Includes items for resale such as butter, cheese, eggs and milkshakes.
- (6) Includes restaurants, hotels and other foodservice outlets.

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Fresh Dairy Direct sells its products under local and regional proprietary or licensed brands. Products not sold under these brands are sold as private label. Fresh Dairy Direct sells its products primarily on a local or regional basis through its local and regional sales forces, although some national customer relationships are coordinated by a centralized corporate sales department. Fresh Dairy Direct's largest customer is Wal-Mart, including its subsidiaries such as Sam's Club, which accounted for approximately 23% of Fresh Dairy Direct's net sales in 2012

As of December 31, 2012, Fresh Dairy Direct's local and regional proprietary and licensed brands included the following:

Alta Dena®	Fruit Rush®	
Arctic Splash®	Gandy's™	
Atlanta Dairies®	Garelick Farms®	
Barbers®	Hershey's® (licensed brand)	
Barbe's®	Hygeia®	
Berkeley Farms®	Jilbert™	
Broughton™	Knudsen® (licensed brand)	
Brown Cow®	LAND O LAKES® (licensed brand)	
Brown's Dairy®	Land-O-Sun & design®	
Bud's Ice Cream™	Lehigh Valley Dairy Farms®	
Chug®	Liberty™	
Country Churn®	Louis Trauth Dairy Inc.®	
Country Delite™	Maplehurst®	
Country Fresh®	Mayfield®	
Country Love®	McArthur®	
Creamland™	Meadow Brook®	
Dairy Fresh®	Meadow Gold®	
Dairy Pure®	Mile High Ice Cream™	
Dean's®	Model Dairy®	
Dipzz®	Morning Glory®	
Fieldcrest®	Nature's Pride®	
Foremost® (licensed brand)	Nurture®	
		Nutty Buddy®
		Oak Farms®
		Over the Moon®
		Pet® (licensed brand)
		Pog® (licensed brand)
		Price's™
		Purity™
		Reiter™
		Robinson™
		Saunders™
		Schenkel's All*Star™
		Schepps®
		Shenandoah's Pride®
		Stroh's®
		Swiss Dairy™
		Swiss Premium™
		Trumoo®

Fresh Dairy Direct currently operates 79 manufacturing facilities in 32 states locatedT.G. Lee® largely based on customer needs and other market factors. For more information aboutTuscan® facilities in Fresh Dairy Direct, see “Item 2. Properties.” Due to the perishable nature of itsTurtle Tracks® products, Fresh Dairy Direct delivers the majority of its products directly to its customers’ Verifine® locations in refrigerated trucks or trailers that we own or lease. This form of delivery isViva® called a “direct store delivery” or “DSD” system. We believe that Fresh Dairy Direct has one of the most extensive refrigerated DSD systems in the United States.

The primary raw material used in Fresh Dairy Direct products is conventional milk (which contains both raw milk and butterfat) that we purchase primarily from farmers’ cooperatives, as well as from independent farmers. The federal government and certain state governments set minimum prices for raw milk and butterfat on a monthly basis. Another significant raw material used by Fresh Dairy Direct is resin, which is a fossil fuel-based product used to make plastic bottles. The price of resin fluctuates based on changes in crude oil and natural gas prices. Other raw materials and commodities used extensively by Fresh Dairy Direct include diesel fuel, used to operate our extensive DSD system, and juice concentrates and sweeteners used in our products. Fresh Dairy Direct generally increases or decreases the prices of its fluid dairy products on a monthly basis in correlation with fluctuations in the costs of raw materials, packaging supplies and delivery costs. However, in some cases, we are subject to the terms of sales agreements with respect to the means and/or timing of price increases, particularly for non-dairy input costs such as diesel and resin.

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Fresh Dairy Direct has several competitors in each of its major product and geographic markets. Competition between dairy processors for shelf-space with retailers is based primarily on price, service, quality and the expected or historical sales performance of the product compared to its competitors' products. In some cases Fresh Dairy Direct pays fees to customers for shelf-space. Competition for consumer sales is based on a variety of factors such as brand recognition, price, taste preference and quality. Dairy products also compete with many other beverages and nutritional products for consumer sales.

The fluid milk category enjoys a number of attractive attributes. Specifically, fluid milk is a nutritious and healthy product that is found in over 90% of U.S. homes. As a result, fluid milk is a very large category, with approximately \$20 billion of annual sales. This category's size and pervasiveness, plus the limited shelf life of the product, make it an important category for retailers and consumers, as well as a large long-term opportunity for the best positioned dairy processors. However, the dairy industry is not without some well-documented challenges. It is a mature and fragmented industry that has traditionally been characterized by slow to flat growth and low profit margins. According to the USDA, per capita consumption of fluid milk continues to decline. Due in part to the current economic climate, which continues to be challenging for broad segments of the population, and historically high retail prices, the fluid milk category has posted declining volumes over the last several years. In addition, the industry experienced retail and wholesale margin erosion in 2010 and 2011 due to steady increases in conventional milk prices over that time; however, during the fourth quarter of 2011, milk prices decreased slightly and continued to decline through the second quarter of 2012. Retailers did not fully reflect such declines in shelf pricing, which partially restored the historical price relationship between branded and private label milk and allowed our regional brands to compete more effectively. Milk prices rose significantly during the second half of 2012; however, we were able to effectively adjust our pricing to offset these costs.

Throughout 2013, we will also continue to emphasize price realization, volume performance and disciplined cost management in an effort to improve gross margin and drive operating income growth. Organizational changes have been made to reduce our total cost to serve and our selling and general and administrative costs, and we remain focused on sustaining strong positive cash flow and generating shareholder value. Our focus on volume, cost and pricing effectiveness has yielded significantly improved results and renewed momentum within our Fresh Dairy Direct business; however, the fluid milk industry remains highly competitive. We expect total fluid milk volumes to decline in the low-single digits in 2013 due principally to the impact of the RFP described above in "Developments Since January 1, 2012". We plan to accelerate our ongoing cost reduction efforts in 2013 to minimize the impact of these lost volumes.

For more information on factors that could impact Fresh Dairy Direct, see "– Government Regulation – Milk Industry Regulation", "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Known Trends and Uncertainties – Prices of Raw Milk and Other Inputs," as well as Note 20 to our Consolidated Financial Statements.

WhiteWave

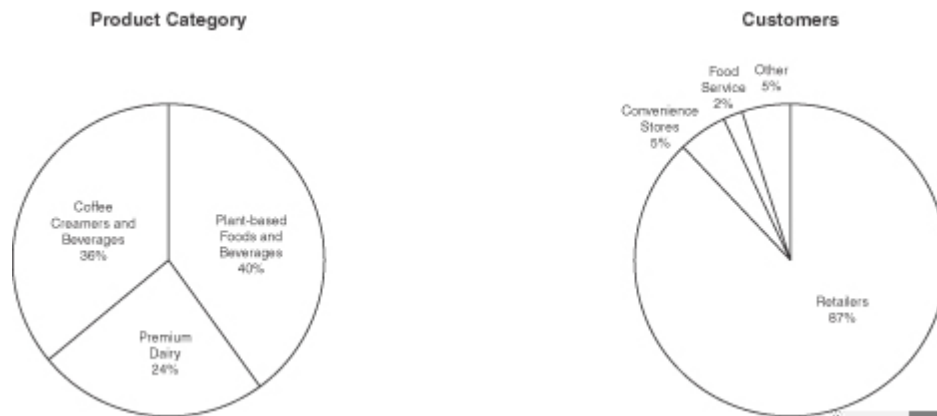
WhiteWave is a leading consumer packaged food and beverage company focused on high-growth product categories that are aligned with emerging consumer trends. WhiteWave manufactures, markets, distributes, and sells branded plant-based foods and beverages, coffee creamers and beverages, and premium dairy products throughout North America and Europe. Their widely-recognized, leading brands distributed in North America include *Silk* plant-based foods and beverages, *International Delight* and *LAND O LAKES* coffee creamers and beverages, and *Horizon Organic* premium dairy products, while their popular European brands of plant-based foods and beverages include *Alpro* and *Provamel*.

Going forward, WhiteWave expects to drive further sales and growth by strengthening its existing product categories, expanding its brands into logical adjacent product categories, focusing on new product development and capitalizing on emerging consumer trends.

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WhiteWave's net sales totaled \$2.2 billion in 2012, or approximately 19% of our consolidated net sales. WhiteWave sells its products across North America and Europe to a variety of customers, including grocery stores, mass merchandisers, club stores, convenience stores, and health food stores, as well as through various away-from-home channels, including restaurants and foodservice outlets. Core commercial capabilities, including speed-to-market and an extensive supply chain network, enable WhiteWave to achieve and sustain leading positions and drive growth in brand platforms. WhiteWave sells its products primarily through its direct sales force and independent brokers. WhiteWave's largest customer is Wal-Mart, including its subsidiaries such as Sam's Club, which accounted for approximately 19% of WhiteWave's net sales in 2012. Approximately 84% of WhiteWave's net sales are domestic.

The following charts graphically depict WhiteWave's 2012 net sales by product category and customers:



WhiteWave currently operates five domestic and four international manufacturing facilities. For more information about our WhiteWave facilities, see "Item 2. Properties." Some of WhiteWave's products are manufactured by third-party manufacturers under processing agreements. The majority of WhiteWave's products are delivered through warehouse delivery systems.

The primary raw material used in WhiteWave's organic milk-based products is organic raw milk. WhiteWave currently works with more than 600 dairy farmers across the United States and purchases 93% of its organic raw milk from this network. The balance of its organic raw milk is sourced from two farms that it owns. WhiteWave generally enters into supply agreements with organic dairy farmers with typical terms of two to five years, which obligates it to purchase certain minimum quantities of organic raw milk. The organic dairy industry continues to experience significant swings in supply and demand. Industry regulation and the costs of organic farming compared to the cost for conventional farming can impact the supply of organic raw milk in the market.

The primary raw materials used in WhiteWave's creamer products are conventional raw milk, palm oil, flavorings and sweeteners. Certain of these raw materials are purchased under long-term contracts to better manage the supply and costs of our inputs.

The primary raw materials used in WhiteWave's plant-based products include non-genetically modified ("non-GMO") soybeans, organic soybeans and almonds. Soybeans and almonds are generally available from several suppliers and WhiteWave is not dependent on any single supplier for these raw materials.

WhiteWave has several competitors in each of its product markets. Competition to obtain shelf-space with retailers for a particular product is based primarily on brand recognition and the expected or historical sales performance of the product compared to its competitors' products. In some cases, WhiteWave pays fees to retailers to obtain shelf-space for its products. Competition for consumer sales is based on many factors, including brand recognition, price, taste preferences and quality. Consumer demand for plant-based and organic beverages and foods has grown in recent years due to growing consumer confidence in the health benefits attributable to these products, and WhiteWave believes it has a leading position in these categories.

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For more information on factors that could impact the results of our WhiteWave segment, see “– Government Regulation – Organic Regulations,” “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Known Trends and Uncertainties – Prices of Raw Milk and Other Inputs,” as well as Note 19 to our Consolidated Financial Statements.

Current Business Strategy

The evolution of Dean Foods into a leading dairy processor began in the early nineties with an acquisition-focused strategy centered on creating scale to align with a consolidating customer base. Between 1993 and 2009, we completed more than 40 acquisitions of high quality dairies, dairy products and plant-based brands, increasing net sales from \$150 million to more than \$11 billion in 2012. We believe our portfolio of manufacturing and distribution assets enables us to offer regional and national branded and private label products across a variety of product categories, ranging from short shelf life (less than 20 days) to extended shelf life (“ESL”) (45 to 60 days) to shelf stable products (6 to 12 months), to customers in a cost effective manner. We believe that Fresh Dairy Direct operates one of the most extensive refrigerated DSD networks in the United States, and WhiteWave maintains significant share positions in plant-based foods and beverages, coffee creamers and beverages and premium dairy products in North America and Europe.

Each of our reporting segments, Fresh Dairy Direct and WhiteWave, operates a distinct business, with separate strategies to address their respective sets of business opportunities and challenges. As explained more fully below, our Fresh Dairy Direct strategy focuses on volume growth and cost reduction, as well as effective pricing to pass through commodity cost changes. In contrast, we believe WhiteWave is well positioned to build on the continuing growth of its business, and it has developed strategies to further expand that growth while continuing to focus on cost reduction and capability building.

Fresh Dairy Direct

Fresh Dairy Direct’s strategy is to build on its unique capabilities and cost reduction opportunities to create an advantaged low-cost position in the fluid milk category. We have a continued focus on the core fundamentals that drove our successes in 2011 and 2012. We are the largest fluid dairy processor in the nation, and we are uniquely positioned as the largest fluid milk processor with a national network of processing assets. To build the core fluid milk business while meeting current market challenges and customer expectations, Fresh Dairy Direct focuses on the following:

Volume Performance

Driving volume performance at attractive economic returns and continuing to grow our share in the fluid milk category through the acquisition of new customers and expanding relationships with existing customers.

Cost Reduction

Utilizing our unique size and national position to reduce costs to create a significantly advantaged low-cost position in private label milk;

Improving asset utilization across our coast-to-coast network to drive efficiency and lower our cost per unit through strategic network optimization activities;

Utilizing technological and financial capabilities to improve the routing and efficiency of our DSD network;

Distributing best practices and driving manufacturing efficiency through an employee-led continuous improvement initiative; and

Taking advantage of the size of our total procurement needs to drive greater savings across our major purchases.

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Effective Pricing

Utilizing improved pricing protocols and technology to effectively pass through increases in dairy and other significant commodity costs; and

Building on our current program to actively hedge commodity costs through the execution of derivative instruments and fixed-price forward purchase contracts to bring greater stability to our input costs.

In addition to the core objectives outlined above, we continue to explore opportunities to selectively expand our *Tru Moo* brand.

We have continued our efforts to align our field and support functions under a single, streamlined leadership team, which we believe will facilitate the decision-making process in the field and create enhanced opportunities to build the Fresh Dairy Direct business.

WhiteWave

WhiteWave competes in the branded plant-based foods and beverages (such as soy, almond, coconut and hazelnut drinks), coffee creamers and beverages and premium dairy products categories, which it believes have strong long-term growth potential due to their relative immaturity, low household penetration numbers and strong consumer interest. Within these categories, WhiteWave brands are often category leaders. To further build growth, the WhiteWave strategy encompasses the following:

Build on the Equity in Core Brands

WhiteWave's core brands are leaders in categories which are experiencing strong consumer momentum. WhiteWave intends to continue building on the equity of core brands by introducing innovative products and expanding offerings under those established brands to raise consumer awareness of its products' attributes which, in turn, should allow it to expand sales to a broader set of consumers and consumption occasions. WhiteWave expects to expand the role of its brands even further with retail customers, who recognize the accelerated growth that these brands bring to their businesses.

Drive Growth Through Innovation

WhiteWave has a history of driving growth through pioneering new subcategories, capitalizing on emerging trends and introducing product extensions under its brands. WhiteWave's recent product launches have allowed it to continue to grow in its existing categories and subcategories and deliver innovative products under trusted brands.

Continue to Identify Cost Reduction Opportunities to Reinvest in Brands and Operational Capabilities

WhiteWave is committed to pursuing operational cost reduction programs in order to maintain its competitive position and support its growth strategy. Company-wide cost reduction programs improve operational efficiency through the elimination of excess costs. By realizing savings through these cost reduction programs, WhiteWave can reinvest in its business to build its brands and improve its capabilities as it strives to drive growth and deliver superior service to retail and foodservice customers.

Selectively Pursue Expansion Opportunities in Attractive New Geographies

WhiteWave's leading brands, on-trend innovative products, and sales, marketing and supply chain capabilities provide opportunities to expand its business globally by:

- broadening the distribution of successful products across existing geographies;
- driving distribution of brands and products into geographies adjacent to existing geographies; and
- introducing brands and products in new, high-growth regions across the globe.

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Corporate Responsibility

Within our business strategies, a sense of corporate responsibility remains an integral part of our efforts, despite the economic challenges we have faced. As we work to strengthen our business, we are committed to do it in a way that is right for our employees, shareholders, consumers, customers and the environment. We intend to realize savings by reducing waste and duplication while we continue to support programs that improve our local communities. We believe that our customers, consumers and suppliers value our efforts to operate in an ethical, environmentally sustainable, and socially responsible manner.

Seasonality

Our business is affected by seasonal changes in the demand for dairy products. The demand for dairy is fairly stable through the first three quarters of the year with a marked increase in the fourth quarter. Fluid milk volumes tend to decrease in the second and third quarters of the year primarily due to the reduction in dairy consumption associated with our school business. However, this drop in volumes is partially offset by the increase in ice cream and ice cream mix consumption during the summer months. Sales volumes are typically higher in the fourth quarter associated with increased dairy consumption, especially fresh cream and creamers, during seasonal holidays. Because certain of our operating expenses are fixed, fluctuations in volumes and revenue from quarter to quarter may have a material effect on operating income for the respective quarters.

Intellectual Property

We are continually developing new technology and enhancing existing proprietary technology related to our dairy and plant-based operations. As of December 31, 2012, 16 U.S. and six international patents have been issued to us and 20 U.S. and 25 international patent applications are pending or published. Of this amount, WhiteWave has nine U.S. and four international patents issued and 14 U.S. and 17 international patents are pending or published. We primarily rely on a combination of trademarks, copyrights, trade secrets, confidentiality procedures and contractual provisions to protect our technology and other intellectual property rights. Despite these protections, it may be possible for unauthorized parties to copy, obtain or use certain portions of our proprietary technology or trademarks.

WhiteWave licenses the right to utilize certain brand names, including *LAND O LAKES*, *Almond Joy*, *Cold Stone*, *Cinnabon*, *Hershey's*, and *YORK*, on certain of its products. In addition, WhiteWave has entered into a license agreement with Martek Biosciences Corporation to use products covered by patents for supplementing certain of its premium dairy and soy products with DHA Omega-3.

Research and Development

Our research and development ("R&D") activities, including those related to our Fresh Dairy Direct business, are conducted at WhiteWave's facilities in Broomfield, Colorado and Wevelgem, Belgium. At these facilities, experienced consumer packaged goods professionals generate and test new product concepts, new flavors, and packaging. For example, the Broomfield, Colorado R&D facility includes capabilities in product development, dairy and plant-based chemistry, and processing technology, including ESL and shelf-stable technologies. We conduct focus group studies and consumer testing of new product concepts in WhiteWave's on-site innovation center, which provides opportunities to develop product prototypes and marketing strategies with direct consumer input. The Wevelgem, Belgium R&D professionals have extensive experience in developing a broad range of plant-based products, including drinks, yogurts, desserts and creams.

The R&D organization primarily develops products internally, but also leverages external technical experts for open innovation for new product ideas and concepts. Additionally, our R&D teams are actively involved in cost reduction initiatives across all brands.

Our total R&D expense was \$14.4 million, \$14.6 million and \$20.7 million for 2012, 2011 and 2010, respectively.

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Employees

As of December 31, 2012, we had the following employees:

	Number of Employees	% of Total Employees
Fresh Dairy Direct	18,898	86 %
WhiteWave	2,585	12
Corporate	432	2
Total	<u>21,915</u>	<u>100 %</u>

Approximately 39% of Fresh Dairy Direct's employees participate in collective bargaining agreements, and approximately 41% of WhiteWave's employees are unionized or have works council representation. We believe our relationship with our employees and these organizations is satisfactory.

Government Regulation

Food-Related Regulations

As a manufacturer and distributor of food products, we are subject to a number of food-related regulations, including the Federal Food, Drug and Cosmetic Act and regulations promulgated thereunder by the U.S. Food and Drug Administration ("FDA"). This comprehensive regulatory framework governs the manufacture (including composition and ingredients), labeling, packaging and safety of food in the United States. The FDA:

- regulates manufacturing practices for foods through its current good manufacturing practices regulations;
- specifies the standards of identity for certain foods, including many of the products we sell; and
- prescribes the format and content of certain information required to appear on food product labels.

In addition, the FDA enforces the Public Health Service Act and regulations issued thereunder, which authorizes regulatory activity necessary to prevent the introduction, transmission or spread of communicable diseases. These regulations require, for example, pasteurization of milk and milk products. We are subject to numerous other federal, state and local regulations involving such matters as the licensing and registration of manufacturing facilities, enforcement by government health agencies of standards for our products, inspection of our facilities and regulation of our trade practices in connection with the sale of food products.

We use quality control laboratories in our manufacturing facilities to test raw ingredients. Product quality and freshness are essential to the successful distribution of our products. To monitor product quality at our facilities, we maintain quality control programs to test products during various processing stages. We believe our facilities and manufacturing practices are in material compliance with all government regulations applicable to our business.

Employee Safety Regulations

We are subject to certain safety regulations, including regulations issued pursuant to the U.S. Occupational Safety and Health Act. These regulations require us to comply with certain manufacturing safety standards to protect our employees from accidents. We believe that we are in material compliance with all employee safety regulations applicable to our business.

Environmental Regulations

We are subject to various environmental regulations. Our plants use a number of chemicals that are considered to be "extremely" hazardous substances pursuant to applicable environmental laws due to their toxicity, including ammonia, which is used extensively in our operations as a refrigerant. Such chemicals must be

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handled in accordance with such environmental laws. Also, on occasion, certain of our facilities discharge biodegradable wastewater into municipal waste treatment facilities in excess of levels allowed under local regulations. As a result, certain of our facilities are required to pay wastewater surcharges or to construct wastewater pretreatment facilities. To date, such wastewater surcharges have not had a material effect on our financial condition or results of operations.

We maintain above-ground and under-ground petroleum storage tanks at many of our facilities. We periodically inspect these tanks to determine whether they are in compliance with applicable regulations and, as a result of such inspections, we are required to make expenditures from time to time to ensure that these tanks remain in compliance. In addition, upon removal of the tanks, we are sometimes required to make expenditures to restore the site in accordance with applicable environmental laws. To date, such expenditures have not had a material effect on our financial condition or results of operations.

We believe that we are in material compliance with the environmental regulations applicable to our business. We do not expect the cost of our continued compliance to have a material impact on our capital expenditures, earnings, cash flows or competitive position in the foreseeable future. In addition, any asset retirement obligations are not material.

Milk Industry Regulation

The federal government establishes minimum prices that we must pay to producers in federally regulated areas for raw milk. Raw milk primarily contains raw skim milk, in addition to a small percentage of butterfat. Raw milk delivered to our facilities is tested to determine the percentage of butterfat and other milk components, and we pay our suppliers for the raw milk based on the results of these tests.

The federal government's minimum prices vary depending on the processor's geographic location or sales area and the type of product manufactured. Federal minimum prices change monthly. Class I butterfat and raw skim milk prices (which are the minimum prices we are required to pay for raw milk that is processed into Class I products such as fluid milk) and Class II raw milk prices (which are the prices we are required to pay for raw milk that is processed into Class II products such as cottage cheese, creams, creamers, ice cream and sour cream) for each month are announced by the federal government the immediately preceding month. Additionally, while WhiteWave is subject to federal government regulations that establish minimum prices for milk, the prices it pays producers of organic raw milk are generally well above such minimum prices, as organic milk production is generally more costly, and organic milk therefore commands a price premium.

Some states have established their own rules for determining minimum prices for raw milk. In addition to the federal or state minimum prices, we also may pay producer premiums, procurement costs and other related charges that vary by location and supplier.

Labeling Regulations

We are subject to various labeling requirements with respect to our products at the federal, state and local levels. At the federal level, the FDA has authority to review product labeling, and the FTC may review labeling and advertising materials, including online and television advertisements to determine if advertising materials are misleading. Similarly, many states review dairy product labels to determine whether they comply with applicable state laws. In addition, the European Union has issued and enforces rules governing foodstuff labeling, nutrition, and health claims. We believe we are in material compliance with all labeling laws and regulations applicable to our business.

Organic Regulations

WhiteWave's organic products are required to meet the standards set forth in the Organic Foods Production Act and the regulations adopted thereunder by the National Organic Standards Board. These regulations require

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strict methods of production for organic food products and limit the ability of food processors to use non-organic or synthetic materials in the production of organic foods or in the raising of organic livestock. WhiteWave believes that it is in material compliance with the organic regulations applicable to its business.

Minority Holdings and Other Interests

Consolidated Container Company

On July 3, 2012, our approximate 25% non-controlling interest, on a fully diluted basis, in Consolidated Container Company (“CCC”), one of the nation’s largest manufacturers of rigid plastic containers and our largest supplier of plastic bottles and bottle components, was sold in connection with Vestar Capital Partners’ sale of the business operations of CCC. Vestar Capital Partners, an unaffiliated entity, controlled CCC through a majority ownership interest. Prior to the sale, our investment in CCC was accounted for under the equity method of accounting and had been recorded at zero value since 2001 when we determined the investment to be permanently impaired. As a result of the sale, we received cash proceeds of \$58.0 million. As the tax basis of our investment in CCC is calculated differently than the carrying value of our investment, we incurred a cash tax obligation of approximately \$90 million, which was paid during the fourth quarter of 2012. During 2012, we recorded a pre-tax gain from the sale of \$58.0 million and additional income tax expense of \$68.4 million, resulting in a net after-tax loss on the sale of the investment of \$10.4 million.

We have entered into various supply agreements with CCC through December 31, 2014, pursuant to which we have agreed to purchase certain of our requirements for plastic bottles and bottle components from CCC. We spent \$204.1 million on products purchased from CCC during 2012 through July 3rd (the date of sale) and \$314.9 million and \$268.2 million during the years ended December 31, 2011 and 2010, respectively. See Note 4 to our Consolidated Financial Statements for more information regarding our relationship with CCC.

Where You Can Get More Information

Our fiscal year ends on December 31. We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission.

You may read and copy any reports, statements or other information that we file with the Securities and Exchange Commission at the Securities and Exchange Commission’s Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. You can request copies of these documents, upon payment of a duplicating fee, by writing to the Securities and Exchange Commission. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the Public Reference Room.

We file our reports with the Securities and Exchange Commission electronically through the Securities and Exchange Commission’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system. The Securities and Exchange Commission maintains an Internet site that contains reports, proxy and information statements and other information regarding companies that file electronically with the Securities and Exchange Commission through EDGAR. The address of this Internet site is <http://www.sec.gov>.

We also make available free of charge through our website at www.deanfoods.com our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission.

Our Code of Ethics is applicable to all of our employees and directors, with the exception of our Alpro employees, who are subject to a comparable code of ethics. Our Code of Ethics is available on our corporate website at www.deanfoods.com, together with the Corporate Governance Principles of our Board of Directors and

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the charters of all of the Committees of our Board of Directors. Any waivers that we may grant to our executive officers or directors under the Code of Ethics, and any amendments to our Code of Ethics, will be posted on our corporate website. If you would like hard copies of any of these documents, or of any of our filings with the Securities and Exchange Commission, write or call us at:

Dean Foods Company
2711 North Haskell Avenue, Suite 3400
Dallas, Texas 75204
(214) 303-3400
Attention: Investor Relations

Item 1A. Risk Factors

Business, Competitive and Strategic Risks

We may not realize anticipated benefits from our accelerated cost reduction efforts as expected.

We have implemented a number of cost reduction initiatives that we believe are necessary to position our business for future success and growth. In order to mitigate continued volume softness in our Fresh Dairy Direct segment, we expect to accelerate cost reduction activities in 2013 through, among other things, closing 10 - 15% of our plants. Our future success and earnings growth depend upon our ability to efficiently accelerate our cost reduction initiatives and execute our rationalization plan, the scope of which is significant, on time and within budget. We must be efficient in executing our plans to achieve a lower cost structure and operate efficiently in the highly competitive food and beverage industry, particularly in an environment of increased competitive activity and reduced profitability. To capitalize on our cost reduction efforts, it will be necessary to carefully evaluate future investments in our business, and concentrate on those areas with the most potential return on investment. If we are unable to realize the anticipated benefits from our cost cutting efforts, we could become cost disadvantaged in the marketplace, and our competitiveness and our profitability could decrease.

The loss of, or reductions in sales volume from, any of our largest customers could negatively impact our sales and profits.

Our largest customer, Wal-Mart Stores, Inc. and its subsidiaries, including Sam's Club, accounted for approximately 22% of consolidated net sales during 2012. During 2012, our top five customers, collectively, accounted for approximately 33% of our consolidated net sales. Historically, we have not generally entered into written agreements with our customers, and where such agreements exist, they are generally terminable at will by the customer. In January 2013, as a result of an RFP, we were advised that a significant customer decided to transfer a meaningful portion of its business to other suppliers beginning in 2013, which we expect to result in low-single digit net fluid milk volume declines in the Fresh Dairy Direct business during 2013, and we are not able to predict the long-term effects of this volume loss on our financial position, results of operations or cash flows. In addition, the loss of volume from this RFP may be more significant than we expect, which could negatively impact our sales and profits. Furthermore, the loss of, or further declines in sales volumes from, any of our large customers for an extended period of time could negatively impact our sales and profits, particularly due to our significant fixed asset base, which may not be easily reduced in response to significant volume declines.

Past price concessions on fluid milk to large format retailers have negatively impacted, and continued price concessions could negatively impact, our operating margins and profitability.

Many of our customers, such as supermarkets, warehouse clubs and food distributors, have experienced industry consolidation in recent years and this consolidation is expected to continue. These consolidations have produced large, sophisticated customers with increased buying power, and have increased the significance of large-format retailers and discounters. As a result, we are increasingly dependent on key retailers, which have significant bargaining power. In addition, some of these customers are vertically integrated and have re-dedicated

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key shelf-space currently occupied by our regionally branded products for their private label products. Higher levels of price competition and higher resistance to price increases have had a significant impact on our business. In the past, retailers have at times pushed us for price concessions, which has negatively impacted our margins, and continued pressures to make such price concessions could negatively impact our profitability in the future. In addition, the fluid milk category continued to experience low pricing on private label milk during 2012. If we are not able to lower our cost structure adequately, our profitability could continue to be adversely affected by the decrease in margin.

Volume softness in the dairy category has had a negative impact on our sales and profits.

Industry-wide volume softness across dairy product categories continued in 2012. In particular, the fluid milk category has experienced declining volumes over the past several years. Decreasing dairy category volume has increased the impact of declining margins on our business. Periods of declining volumes limit the price increases that we can seek to recapture. We expect these trends to continue for the foreseeable future, which could further negatively affect our business. In addition, in recent years, we have experienced a decline in historical volumes from some of our largest customers, which has negatively impacted our sales and profitability and which will continue to have a negative impact in the future if we are not able to attract and retain a profitable customer mix.

We are subject to competitive bidding situations, the outcome of which could negatively impact our sales and profits.

Many of our retail customers have become increasingly price sensitive in the current economic climate, which has intensified the competitive environment in which we operate. As a result of the intensely competitive dairy environment, we have been subject to a number of competitive bidding situations, both formal and informal, particularly within our Fresh Dairy Direct segment which has meaningfully reduced our sales volumes and profitability on sales to several customers. We expect this trend of competitive bidding to continue. In some cases, we have replaced lost volume with lower margin business, which also negatively impacts our profitability. If we are unable to structure our business to appropriately respond to the pricing demands of our customers, we may lose these customers to other processors that are willing to sell product at a lower cost, which could negatively impact our sales and profits.

Increased competition with our branded products and the continued shift to private label products could impede our growth rate and profit margin.

In recent years, growth in our business has primarily resulted from the strength of our nationally and internationally branded products, the majority of which are produced by our WhiteWave segment, and our regionally branded dairy products, which are produced by our Fresh Dairy Direct segment. We believe that WhiteWave's brands have benefited in many cases from being the first products introduced in their categories, and their success has attracted competition from other food and beverage companies that produce branded products, as well as from private label competitors. Some of WhiteWave's competitors have substantial financial and marketing resources. They may be able to introduce innovative products more quickly or market their products more successfully than we can, which could cause our growth rate in certain categories to be slower than we have forecast and could cause us to lose sales.

In addition, we are experiencing a continued shift from branded to private label products. Private label competitors are generally able to sell their products at lower prices because private label products typically have lower marketing costs than their branded competitors. In periods of economic weakness, consumers tend to purchase lower-priced products, including conventional milk, coffee creamers and other private label products, which could reduce sales of our branded products. The willingness of consumers to purchase our products will depend upon our ability to offer products providing the right consumer benefits at the right price. Further trade down to lower priced products could adversely affect our sales and profit margin for our branded products.

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If our products fail to compete successfully with other branded or private label offerings in the industry, demand for our products and our sales volumes could be negatively impacted.

Product, Supply Chain and Systems Risks

If we fail to anticipate and respond to changes in consumer preferences, demand for our products could decline.

Consumer tastes and preferences are difficult to predict and evolve over time. Demand for our products depends on our ability to identify and offer products that appeal to these shifting preferences. Factors that may affect consumer tastes and preferences include:

dietary trends and increased attention to nutritional values, such as the sugar, fat, protein, or calorie content of different foods and beverages;

concerns regarding the health effects of specific ingredients and nutrients, such as sugar, other sweeteners, dairy, soybeans, nuts, oils, vitamins, and minerals;

concerns regarding the public health consequences associated with obesity, particularly among young people;

increasing awareness of the environmental and social effects of product production; and

product attributes such as extended shelf life characteristics.

If consumer demand for our products declines, our sales volumes and our business could be negatively affected.

We may incur liabilities or harm to our reputation, or be forced to recall products as a result of real or perceived product quality or other product-related issues.

We sell products for human consumption, which involves a number of risks. Product contamination, spoilage, other adulteration, misbranding, or product tampering could require us to recall products. We also may be subject to liability if our products or operations violate applicable laws or regulations, including environmental, health, and safety requirements, or in the event our products cause injury, illness, or death. In addition, our product advertising could make us the target of claims relating to false or deceptive advertising under U.S. federal and state laws, including the consumer protection statutes of some states, or laws of other jurisdictions in which we operate. For example, we and WhiteWave were named in a putative class action mislabeling complaint filed in the U.S. District Court for the Southern District of California in September 2011, which was followed by similar actions filed in six additional jurisdictions. All of these suits allege generally that we lack scientific substantiation for certain product claims related to our WhiteWave's *Horizon Organic* products supplemented with DHA Omega-3. A significant product liability, consumer fraud, or other legal judgment against us or a widespread product recall may negatively impact our profitability. Moreover, claims or liabilities of this sort might not be covered by insurance or by any rights of indemnity or contribution that we may have against others. Even if a product liability, consumer fraud, or other claim is found to be without merit or is otherwise unsuccessful, the negative publicity surrounding such assertions regarding our products or processes could materially and adversely affect our reputation and brand image, particularly in categories that are promoted as having strong health and wellness credentials. Any loss of consumer confidence in our product ingredients or in the safety and quality of our products would be difficult and costly to overcome.

Disruption of our supply or distribution chains or transportation systems could adversely affect our business.

Damage or disruption to our manufacturing or distribution capabilities due to weather, natural disaster, fire, environmental incident, terrorism, pandemic, strikes, the financial or operational instability of key suppliers, distributors, warehousing and transportation providers, or other reasons could impair our ability to manufacture

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or distribute our products. For example, the loss of any of Alpro's distribution partners for local representation in Europe could negatively affect our business there. If we are unable, or it is not financially feasible, to mitigate the likelihood or potential impact of such events, our business and results of operations could be negatively affected and additional resources could be required to restore our supply chain. In addition, we are subject to federal motor carrier regulations, such as the Federal Motor Carrier Safety Act, with which our extensive DSD system must comply. Failure to comply with such regulations could result in our inability to deliver product to our customers in a timely manner, which could adversely affect our reputation and our results.

Our business operations could be disrupted if our information technology systems fail to perform adequately or experience a security breach.

We maintain a large database of confidential information in our information technology systems, including confidential employee and customer information. The efficient operation of our business depends on our information technology systems. We rely on our information technology systems to effectively manage our business data, communications, supply chain, logistics, accounting and other business processes. If we do not allocate and effectively manage the resources necessary to build and sustain an appropriate technology environment, our business or financial results could be negatively impacted. In addition, our information technology systems may be vulnerable to damage or interruption from circumstances beyond our control, including systems failures, viruses, security breaches or cyber incidents such as intentional cyber attacks aimed at theft of sensitive data or inadvertent cyber-security compromises. A security breach of such information could result in damage to our reputation, and could negatively impact our relations with our customers or employees. Any such damage or interruption could have a material adverse effect on our business.

Reduced availability of raw materials and other inputs, as well as increased costs for our raw materials and other inputs, could adversely affect us.

Our business depends heavily on raw materials and other inputs, such as conventional and organic raw milk, sweeteners, petroleum-based products, almonds, organic and non-genetically modified ("non-GMO") soybeans, butterfat, diesel fuel, resin, and other commodities. In addition to our dependence on conventional and organic raw milk, our Fresh Dairy Direct segment is a large consumer of diesel fuel, and WhiteWave is affected by the costs of petroleum-based products through the use of common carriers and packaging. Our raw materials are generally sourced from third parties, and we are not assured of continued supply, pricing, or exclusive access to raw materials from any of these suppliers. In addition, a substantial portion of our raw materials are agricultural products, which are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frost, earthquakes, and pestilence. Adverse weather conditions and natural disasters also can lower dairy and crop yields and reduce supplies of these ingredients or increase their prices. Other events that adversely affect our suppliers and that are out of our control could also impair our ability to obtain the raw materials and other inputs that we need in the quantities and at the prices that we desire. Such events include problems with our suppliers' businesses, finances, labor relations, costs, production, insurance, and reputation. Over the past several years, we have experienced increased costs and this may continue given recent weather conditions, which may negatively affect our business.

The organic ingredients (including milk, other dairy-related products, and soybeans) and non-GMO ingredients (including soybeans that we source exclusively from the United States and Canada) for our products are less plentiful and available from fewer suppliers, than their conventional counterparts. Competition with other manufacturers in the procurement of organic and non-GMO product ingredients may increase in the future if consumer demand for organic and non-GMO products increases. In addition, the dairy industry continues to experience periodic imbalances between supply and demand for organic raw milk, which can negatively affect availability and increase our costs. Industry regulation and the costs of organic farming compared to costs of conventional farming can impact the supply of organic raw milk in the market. Oversupply levels of organic raw milk can increase competitive pressure on our products, while supply shortages can cause product shortages and higher costs to us.

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Cost increases in raw materials and other inputs could cause our profits to decrease significantly compared to prior periods, as we may be unable to increase our prices to offset the increased cost of these raw materials and other inputs.

If we are unable to obtain raw materials and other inputs for our products or offset any increased costs for such raw materials and inputs, our business could be negatively affected.

Capital Markets and General Economic Risks

Our stock price has been volatile and may continue to be volatile or may decline regardless of our operating performance, and you could lose a significant part of your investment.

The market price of our common stock has historically been volatile, and in the future may be influenced by many factors, some of which are beyond our control, including those described in this section and the following:

WhiteWave's stock price and financial performance;

changes in financial estimates by analysts or our inability to meet those financial estimates;

strategic actions by us or our competitors, such as acquisitions, restructurings, significant contracts, acquisitions, joint marketing relationships, joint ventures, or capital commitments;

the potential tax-free spin-off or other distribution of all or a portion of our remaining ownership interest in WhiteWave to our stockholders and any resulting changes in our stock price or our inclusion in the S&P 500 Index as a result of such spin-off;

our ability to complete a reverse stock-split following the anticipated spin-off of all or a portion of our remaining ownership interest in WhiteWave or the impact of such split upon our stock price;

variations in our quarterly results of operations and those of our competitors;

general economic and stock market conditions;

changes in conditions or trends in our industry, geographies or customers;

terrorist acts;

perceptions of the investment opportunity associated with our common stock relative to other investment alternatives;

actual or anticipated growth rates relative to our competitors; and

speculation by the investment community regarding our business.

In addition, the stock markets, including the NYSE, have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities issued by many companies, including companies in our industry. In the past, some companies that have had volatile market prices for their securities have been subject to class action or derivative lawsuits. The filing of a lawsuit against us, regardless of the outcome, could have a negative effect on our business, financial condition, and results of operations, as it could result in substantial legal costs and a diversion of management's attention and resources.

These market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance. This volatility may increase the risk that our stockholders will suffer a loss in their investments or be unable to sell their shares or otherwise liquidate their holdings of our common stock.

We may be required to write off or impair capitalized costs or intangible assets in the future or we may incur restructuring costs or other charges, each of which could negatively impact our consolidated results of operations or net worth.

In response to anticipated lower sales volumes, competition and other market factors affecting Fresh Dairy Direct, we expect to implement cost reduction and restructuring plans in an effort to reduce the size and cost of

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our Fresh Dairy Direct operations and to better match our resources with our market opportunities. As a result of such actions, we expect to incur restructuring expenses and other charges which may be material. Several factors could cause a restructuring to adversely affect our business, financial condition and results of operations. These include potential disruption of our operations and other aspects of our business. Employee morale and productivity could also suffer and result in unintended employee attrition. Any restructuring would require substantial management time and attention and may divert management from other important work. Moreover, we could encounter delays in executing any restructuring plans, which could cause further disruption and additional unanticipated expense.

As of December 31, 2012, on a consolidated basis, we had \$852 million of goodwill representing approximately 15% of our total assets, of which \$87 million was associated with our Fresh Dairy Direct reporting unit, \$600 million was associated with our WhiteWave reporting unit and \$165 million was associated with our Alpro reporting unit. We record goodwill initially at fair value and review its fair value for impairment at least annually, as of December 1, or on an interim basis if impairment indicators, such as disruptions to the business, unexpected significant declines in operating performance or sustained market capitalization declines, are present. A qualitative assessment of goodwill was performed for each of our reporting units during 2012. We assessed economic conditions and industry and market considerations, in addition to the overall financial performance of each of our reporting units. Based on the results of our assessment, we determined that it was not more likely than not that any of our reporting units had a carrying value in excess of its fair value. Accordingly, no further goodwill testing was completed, and we did not recognize any impairment charges related to goodwill during 2012. We can provide no assurance that we will not have an impairment charge in future periods as a result of changes in our operating results. See Note to 7 our Consolidated Financial Statements for further information regarding our goodwill and intangible assets.

The continued economic decline may adversely impact our business and results of operations.

The dairy industry is sensitive to changes in international, national and local general economic conditions. The continued economic decline has had an adverse effect on consumer spending patterns. High levels of unemployment, high consumer debt levels and other unfavorable economic factors could further adversely affect consumer demand for products we sell or distribute, which in turn adversely affects our results of operations. There can be no assurance that consumers will return to historical spending patterns.

The costs of providing employee benefits have escalated, and liabilities under certain plans may be triggered due to our actions or the actions of others, which may adversely affect our profitability and liquidity.

We sponsor various defined benefit and defined contribution retirement plans, as well as contribute to various multiemployer plans on behalf of our employees. Changes in interest rates or in the market value of plan assets could affect the funded status of our pension plans. This could cause volatility in our benefits costs and increase future funding requirements of our plans. Pension and post-retirement costs also may be significantly affected by changes in key actuarial assumptions including anticipated rates of return on plan assets and the discount rates used in determining the projected benefit obligation and annual periodic pension costs. Recent changes in federal laws require plan sponsors to eliminate, over defined time periods, the underfunded status of plans that are subject to ERISA rules and regulations. In addition, turmoil in the financial markets in recent years brought significant declines in the fair market value of the equity and debt instruments that we hold within our defined benefit master trust to settle future defined benefit plan obligations. Our funded status as of December 31, 2012 decreased by \$9.6 million from the prior year end and is still \$92.3 million lower than our funded status at December 31, 2007, which was prior to the 2008 global financial crisis. A significant increase in future funding requirements could have a negative impact on our results of operations, financial condition and cash flows.

Certain of our defined benefit retirement plans, as well as many of the multiemployer plans in which we participate, are less than fully funded. Facility closings may trigger cash payments or previously unrecognized obligations under our defined benefit retirement plans or multiemployer plans, and the costs of such liabilities

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may compromise our ability to accelerate our cost reduction initiatives on time and within budget. In addition, certain actions or the financial condition of other companies which participate in multiemployer plans may create financial obligations for us, which circumstances are entirely out of our control. Future funding requirements, and related charges, associated with multiemployer plans in which we participate could have a negative impact on our results of operations, financial condition and cash flows.

We Have Substantial Debt and Other Financial Obligations and We May Incur Even More Debt.

We have substantial debt and other financial obligations and significant unused borrowing capacity. At December 31, 2012, we had outstanding borrowings of approximately \$1.3 billion under our senior secured credit facility, of which \$1.0 billion were in term loan borrowings, with an additional \$265 million in outstanding borrowings under our \$1.0 billion senior secured revolving credit facility, all of which were repaid in full on January 3, 2013. In addition, we had \$1.0 billion aggregate principal amount of senior unsecured notes outstanding.

We have pledged substantially all of our assets (including the assets of our restricted subsidiaries) to secure our indebtedness. Our debt level and related debt service obligations:

- Require us to dedicate significant cash flow to the payment of principal and interest on our debt, which reduces the funds we have available for other purposes;
- May limit our flexibility in planning for or reacting to changes in our business and market conditions or funding our strategic growth plan;
- Impose on us additional financial and operational restrictions;
- Expose us to interest rate risk since a portion of our debt obligations is at variable rates; and
- Restrict our ability to fund acquisitions.

In addition, investors may be apprehensive about investing in companies such as ours that carry a substantial amount of leverage on their balance sheets, and this apprehension may adversely affect the price of our common stock.

Under our senior secured credit facility and our receivables-backed facility, we are required to maintain certain financial covenants, including, but not limited to, maximum senior secured leverage, maximum leverage and minimum interest coverage ratios, each as defined under and calculated in accordance with the terms of our senior credit facility and receivables-backed facility. As of December 31, 2012, our maximum permitted leverage ratio was 5.50 times consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters. As of December 31, 2012, our leverage ratio was 3.54 times. The maximum permitted leverage ratio under both the senior secured credit facility and the receivables-backed facility will decline to 5.25 times as of March 31, 2013, with an additional decrease to 4.50 times as of September 30, 2013 and thereafter. Failure to comply with the financial covenants, or any other non-financial or restrictive covenant, could create a default under our senior secured credit facility and under our receivables-backed facility. Upon a default, our lenders could accelerate the indebtedness under the facilities, foreclose against their collateral or seek other remedies, which would jeopardize our ability to continue our current operations. We may be required to amend our credit facility, refinance all or part of our existing debt, sell assets, incur additional indebtedness or raise equity. Further, based upon our actual performance levels, our senior secured leverage ratio, leverage ratio and minimum interest coverage ratio requirements or other financial covenants could limit our ability to incur additional debt, which could hinder our ability to execute our current business strategy.

In connection with its initial public offering, our subsidiary, WhiteWave, was designated as an unrestricted subsidiary under our senior secured credit facility. As such, WhiteWave and its subsidiaries were released as guarantors of our senior secured credit facility and our senior notes and were removed as participants in our receivables-backed facility. Accordingly, neither WhiteWave nor any of its subsidiaries are included in the

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determination of consolidated EBITDA for purposes of the financial covenant calculations under our senior secured credit facility. In addition, WhiteWave entered into a credit agreement relating to its senior secured credit facility in an aggregate principal amount of \$850 million for its revolving credit facility and its term loan facilities in an aggregate principal amount of \$500 million. Dean Foods is not a guarantor of WhiteWave's senior secured credit facility. The terms of WhiteWave's senior secured credit facility limit its ability to provide us with cash, whether in the form of dividends, loans or otherwise and any such dividends, loans or other distributions to us would be in WhiteWave's sole discretion and subject to then-existing contractual and other restrictions and other business considerations.

Our ability to make scheduled payments on our debt and other financial obligations and comply with financial covenants depends on our financial and operating performance. Our financial and operating performance will continue to be subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control.

Our ability to maintain an adequate level of liquidity in the future is also dependent on our ability to renew our receivables-backed facility annually. See "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Current Debt Obligations" below for more information.

Changes in our credit ratings may have a negative impact on our future financing costs or the availability of capital.

Some of our debt is rated by Standard & Poor's, Moody's Investors Service, and Fitch Ratings, and there are a number of factors beyond our control with respect to these ratings. Our credit ratings are currently considered to be below "investment grade." Although the interest rate on our existing credit facilities is not affected by changes in our credit ratings, such ratings or any further rating downgrades may impair our ability to raise additional capital in the future on terms that are acceptable to us, may cause the value of our securities to decline and may have other negative implications with respect to our business. Ratings reflect only the views of the ratings agency issuing the rating, are not recommendations to buy, sell or hold our securities and may be subject to revision or withdrawal at any time by the ratings agency issuing the rating. Each rating should be evaluated independently of any other rating.

Legal and Regulatory Risks

Pending antitrust lawsuits may have a material adverse impact on our business.

We are the subject of two antitrust lawsuits, the outcome of which we are unable to predict. Increased scrutiny of the dairy industry has resulted, and may continue to result, in litigation against us. Such lawsuits are expensive to defend, divert management's attention, and may result in significant judgments. In some cases, these awards would be trebled by statute and successful plaintiffs might be entitled to an award of attorney's fees. Depending on its size, such a judgment could materially and adversely affect our results of operations, cash flows and financial condition and impair our ability to continue operations. We may not be able to pay such judgment or to post a bond for an appeal, given our financial condition and our available cash resources. In addition, depending on its size, failure to pay such a judgment or failure to post an appeal bond could cause us to breach certain provisions of our credit facilities. In either of these circumstances, we may seek a waiver of or amendment to the terms of our credit facilities, but there can be no assurance that such a waiver or amendment could be obtained. Failure to obtain such a waiver or amendment would materially and adversely affect our results of operations, cash flows and financial condition and could impair our ability to continue operations.

Moreover, these actions could expose us to negative publicity, which might adversely affect our brands, reputation and/or customer preference for our products. In addition, merger and acquisition activities are subject to these antitrust and competition laws, which have impacted, and may continue to impact, our ability to pursue strategic transactions.

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The dairy industry has been subject to increased government scrutiny which could have an adverse impact on our business.

We are subject to antitrust and other competition laws in the United States and in the other countries in which we operate. We cannot predict how these laws or their interpretation, administration and enforcement will impact us. In recent years, the dairy industry was the subject of increased government scrutiny. In 2010, the Obama administration initiated a review of existing dairy policies in order to consider potential changes to those policies. The U.S. farm bill, the primary tool regulating federal dairy policy, has been reauthorized through September 30, 2013; however, future reauthorization is uncertain. The farm bill includes the Dairy Product Price Support Program, which currently is set to expire on December 31, 2013. This federal and congressional review process may result in changes to the dairy industry that we cannot anticipate or control and that may have a material adverse impact on our business.

Litigation or legal proceedings could expose us to significant liabilities and have a negative impact on our reputation.

We are party to various litigation claims and legal proceedings. We evaluate these litigation claims and legal proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves and/or disclose the relevant litigation claims or legal proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Actual outcomes or losses may differ materially from our current assessments and estimates.

Labor disputes could adversely affect us.

As of December 31, 2012, approximately 39% of Fresh Dairy Direct's and 41% of WhiteWave's employees participated in collective bargaining agreements or had works council representation. Our collective bargaining agreements are scheduled to expire at various times over the next 4 years. At any given time, we may face a number of union organizing drives. When we face union organizing drives, we and the union may disagree on important issues which, in turn, could possibly lead to a strike, work slowdown or other job actions at one or more of our locations. A strike, work slowdown or other labor unrest could in some cases impair our ability to supply our products to customers, which could result in reduced revenue and customer claims, and may distract our management from focusing on our business and strategic priorities.

Our business is subject to various environmental and health and safety laws and regulations, which may increase our compliance costs or subject us to liabilities.

Our business operations are subject to numerous requirements in the United States and the European Union relating to the protection of the environment and health and safety matters, including the Clean Air Act, the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and the National Organic Standards of the U.S. Department of Agriculture, as well as similar state and local statutes and regulations in the United States and in each of the countries in which we do business in Europe. These laws and regulations govern, among other things, air emissions and the discharge of wastewater and other pollutants, the use of refrigerants, the handling and disposal of hazardous materials, and the cleanup of contamination in the environment. We could incur significant costs, including fines, penalties and other sanctions, cleanup costs, and third-party claims for property damage or personal injury as a result of the failure to comply with, or liabilities under, environmental, health, and safety requirements. New legislation, as well as current federal and other state regulatory initiatives relating to these environmental matters, could require us to replace equipment, install additional pollution controls, purchase various emission allowances, or curtail operations. These costs could negatively affect our results of operations and financial condition.

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Changes in laws, regulations and accounting standards, including those of non-US jurisdictions, could have an adverse effect on our financial results.

We are subject to federal, state, local and foreign governmental laws and regulations, including those promulgated by the United States Food and Drug Administration, the United States Department of Agriculture, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and numerous related regulations promulgated by the Securities and Exchange Commission and the Financial Accounting Standards Board. Changes in federal, state or local laws, or the interpretations of such laws and regulations, may negatively impact our financial results or our ability to market our products. In addition, WhiteWave has operations outside of the United States, which may present unique challenges and increase our exposure to the risks associated with foreign operations, including foreign currency risks and compliance with foreign rules and regulations. Any or all of these risks could adversely impact our financial results.

Violations of laws or regulations related to the food industry, as well as new laws or regulations or changes to existing laws or regulations related to the food industry, could adversely affect our business.

The food production and marketing industry is subject to a variety of federal, state, local, and foreign laws and regulations, including food safety requirements related to the ingredients, manufacture, processing, storage, marketing, advertising, labeling, and distribution of our products, as well as those related to worker health and workplace safety. Our activities, both in and outside of the United States, are subject to extensive regulation. We are regulated by, among other federal and state authorities, the U.S. Food and Drug Administration (“FDA”), the U.S. Federal Trade Commission (“FTC”), and the U.S. Departments of Agriculture, Commerce, and Labor, as well as by similar authorities abroad within the regulatory framework of the European Union and its members. Governmental regulations also affect taxes and levies, healthcare costs, energy usage, immigration, and other labor issues, all of which may have a direct or indirect effect on our business or those of our customers or suppliers.

In particular, throughout 2010 and 2011, the dairy industry was the subject of increased government scrutiny. In 2010, the Obama administration initiated a review of existing federal dairy policies in order to consider potential changes to those policies. The U.S. farm bill, the primary tool regulating federal dairy policy, has been reauthorized through September 30, 2013; however, future reauthorization is uncertain. The farm bill includes the Dairy Product Price Support Program, which currently is set to expire on December 31, 2013. The federal agency and congressional review process, and legislative activity in connection with the farm bill, may result in changes to the dairy industry that we cannot anticipate or control and that may have a negative effect on our business.

In addition, the marketing and advertising of our products could make us the target of claims relating to alleged false or deceptive advertising under federal, state, and foreign laws and regulations, and we may be subject to initiatives that limit or prohibit the marketing and advertising of our products to children. We also comply with federal laws and regulations relating to our organic products and production. For example, as required by the National Organic Program (“NOP”), we rely on third parties to certify certain of our products and production locations as organic. Because the Organic Foods Production Act of 1990, which created the NOP, is so young, many regulations and informal positions taken by the NOP are subject to continued review and scrutiny. Changes in these laws or regulations or the introduction of new laws or regulations could increase our compliance costs, increase other costs of doing business for us, our customers, or our suppliers, or restrict our actions, which could adversely affect our results of operations. In some cases, increased regulatory scrutiny could interrupt distribution of our products, as could be the case in the United States as the FDA enacts the recently-passed Food Safety Modernization Act of 2011, or force changes in our production processes and our products. Further, if we are found to be in violation of applicable laws and regulations in these areas, we could be subject to civil remedies, including fines, injunctions, or recalls, as well as potential criminal sanctions, any of which could have a material adverse effect on our business.

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Third parties may seek to hold us responsible for WhiteWave's liabilities, including liabilities that WhiteWave has assumed from us.

Third parties may seek to hold us responsible for WhiteWave's liabilities, including any of the liabilities that WhiteWave agreed to retain or assume in connection with the WhiteWave IPO and the separation of its business from our businesses. Pursuant to our agreements with WhiteWave, WhiteWave has agreed to indemnify us for claims and losses relating to certain liabilities that it has assumed from us. However, if those liabilities are significant and we are ultimately held liable for them, we cannot assure you that WhiteWave will have the ability to satisfy its obligations to us. If WhiteWave is unable to satisfy its obligations under its indemnity to us, we may have to satisfy these obligations, which could have a material adverse impact on our financial condition, results of operations or cash flows.

Risks Related to the Potential Disposition of Our Remaining Ownership Interest in WhiteWave

A spin-off or other disposition of our remaining ownership interest in WhiteWave may adversely affect our business, results of operation or financial condition, or we may not be able to complete a spin-off.

On October 31, 2012, WhiteWave completed the WhiteWave IPO. See Note 2 to our Consolidated Financial Statements for more information regarding the WhiteWave IPO. We have also announced our intention to effect a tax-free spin-off or other tax-free disposition of a significant portion of our remaining ownership interest in WhiteWave to our stockholders in May 2013. In connection with the proposed spin-off or other disposition of our remaining ownership interest in WhiteWave:

our stock price could fluctuate significantly in response to developments relating to the proposed spin-off or other disposition or other action or market speculation regarding the proposed spin-off or other disposition

our financial results may be harmed, and our ability to execute effectively upon our business plans may be affected adversely, because of the competing demands on management's time and attention;

we may encounter difficulties in hiring, retaining and motivating key personnel during this process or as a result of uncertainties generated by this process or any developments or actions relating to it;

we may incur substantial increases in general and administrative expense associated with the need to retain and compensate third party consultants and advisors (including legal counsel);

we may encounter difficulties in maintaining relationships or arrangements with customers, key suppliers, and other parties; and

subsequent to any spin-off or other disposition that results in us owning less than a controlling financial interest in WhiteWave, our financial results will no longer be consolidated with WhiteWave's financial results and we will report WhiteWave's operating results as discontinued operations, which we expect will materially and adversely affect our consolidated results of operations.

Any such spin-off or other distribution would be subject to various conditions, including the receipt of any necessary regulatory or other approvals, the existence of satisfactory market conditions and in the case of a spin-off or other tax-free disposition, our maintenance of a private letter ruling from the Internal Revenue Service ("IRS") and/or an opinion of counsel that our contribution of WWF Operating Company to WhiteWave, and such tax-free spin-off or other disposition, taken together, would be tax free to us and our stockholders. There can be no assurance as to when the proposed spin-off or other disposition will be completed, if at all.

Any spin-off or other disposition of our remaining ownership interest in WhiteWave could result in significant tax liability to us.

We have received a private letter ruling from the IRS to the effect that, subject to certain conditions, our contribution of the capital stock of WWF Operating Company to WhiteWave, the spin-off of shares of

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WhiteWave common stock to our stockholders and certain other potential dispositions of WhiteWave common stock, taken together, would be tax free to us and our stockholders and that accordingly, for U.S. federal income tax purposes, no gain or loss will be recognized by, and no amount will be included in the income of, a holder of Dean Foods common stock upon the receipt of shares of WhiteWave common stock pursuant to any such spin-off, except to the extent such holder receives cash in lieu of fractional shares of WhiteWave common stock. Even though we have received a private letter ruling from the IRS, if the factual representations or assumptions made in the private letter ruling request are untrue or incomplete in any material respect, we will not be able to rely on the ruling. In addition, because there are certain legal issues in such transactions on which the IRS refuses to issue rulings, we intend to supplement any private letter ruling we receive from the IRS with an opinion from our outside tax advisors on those issues. Any such tax opinion, however, would not be binding on the IRS.

If the contribution, spin-off and other dispositions described above, taken together, do not qualify for tax-free treatment for U.S. federal income tax purposes, then, in general, upon completion of a spin-off of WhiteWave common stock by Dean Foods, Dean Foods would recognize gain equal to the excess of the fair market value of the distributed WhiteWave common stock over its tax basis in the distributed WhiteWave common stock. Our stockholders would be subject to tax as if they had received a distribution equal to the fair market value of the WhiteWave common stock that was distributed to them, which generally would be treated first as a taxable dividend to the extent of our earnings and profits, then as a non-taxable return of capital to the extent of each stockholder's tax basis in our common stock, and thereafter as capital gain with respect to the remaining value. It is expected that the amount of any such taxes to us and our stockholders would be substantial. In addition, even if these transactions otherwise qualify for tax-free treatment for U.S. federal income tax purposes, we could be subject to corporate income tax if any shares of WhiteWave common stock that we retain following any such spin-off are not disposed of in a qualifying manner.

The tax rules applicable to a tax-free spin-off may restrict us from engaging in certain corporate transactions or from raising equity capital beyond certain thresholds for a period of time after any tax-free spin-off or other tax-free disposition of our remaining ownership interest in WhiteWave.

Current U.S. federal income tax law creates a presumption that a spin-off of WhiteWave would be taxable to us, but not our stockholders, if such spin-off is part of a "plan or series of related transactions" pursuant to which one or more persons acquire directly or indirectly stock representing a 50% or greater interest (by vote or value) in us or WhiteWave. Acquisitions that occur during the four-year period that begins two years before the date of the spin-off are presumed to occur pursuant to a plan or series of related transactions, unless it is established that the acquisition is not pursuant to a plan or series of transactions that includes the spin-off. U.S. Treasury regulations currently in effect generally provide that whether an acquisition and a spin-off are part of a plan is determined based on all of the facts and circumstances, including, but not limited to, specific factors described in the U.S. Treasury regulations. In addition, the U.S. Treasury regulations provide several "safe harbors" for acquisitions that are not considered to be part of a plan.

These rules will limit our ability during the two-year period following any spin-off to enter into certain transactions that may be advantageous to us and our stockholders, particularly issuing equity securities to satisfy financing needs, repurchasing equity securities, disposing of certain assets, engaging in mergers and acquisitions, and, under certain circumstances, acquiring businesses or assets with equity securities or agreeing to be acquired.

To preserve the tax-free treatment of any spin-off to us and our stockholders, under the tax matters agreement that we entered into with WhiteWave in connection with the WhiteWave IPO, we are prohibited from taking or failing to take (or permitting any of our subsidiaries, other than WhiteWave and its subsidiaries, to take or fail to take) any action where such action or failure to act would be inconsistent with any material, information, covenant or representation that relates to facts or matters related to Dean Foods (or any of our subsidiaries, other than WhiteWave and its subsidiaries) or our business or within our control and is contained in any representation letter related to the private letter ruling or tax opinion (or any supplemental private letter ruling or tax opinion that may be necessary) mentioned above. This restriction may limit our ability to pursue

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strategic transactions of a certain magnitude that involve the issuance or acquisition of our stock or engage in new businesses or other transactions that might increase the value of our business. This restriction may also limit our ability to raise significant amounts of cash through the issuance of stock, especially if our stock price were to suffer substantial declines, or through the sale of certain of our assets.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located in leased premises at 2711 North Haskell Avenue, Suite 3400, Dallas, TX 75204. In addition, we operate more than 85 manufacturing facilities, including the nine facilities owned by WhiteWave shown below. We believe that Dean Foods' facilities are well maintained and are generally suitable and of sufficient capacity to support our current business operations and that the loss of any single facility would not have a material adverse effect on our operations or financial results. The following tables set forth, by business segment, our principal manufacturing facilities.

Fresh Dairy Direct

Fresh Dairy Direct currently conducts its manufacturing operations within the following 79 facilities, most of which are owned:

Homewood, Alabama(2)	New Orleans, Louisiana
Buena Park, California(2)	Shreveport, Louisiana
City of Industry, California(2)	Bangor, Maine
Hayward, California	Franklin, Massachusetts
Riverside, California	Lynn, Massachusetts
Delta, Colorado	Mendon, Massachusetts
Denver, Colorado(2)	Evart, Michigan
Englewood, Colorado	Grand Rapids, Michigan
Greeley, Colorado	Livonia, Michigan
Deland, Florida	Marquette, Michigan
Miami, Florida	Thief River Falls, Minnesota
Orlando, Florida	Woodbury, Minnesota
Braselton, Georgia	Billings, Montana
Hilo, Hawaii	Great Falls, Montana
Honolulu, Hawaii	North Las Vegas, Nevada
Boise, Idaho	Reno, Nevada
Belvidere, Illinois	Florence, New Jersey
Harvard, Illinois	Albuquerque, New Mexico
Huntley, Illinois	Rensselaer, New York
O' Fallon, Illinois	High Point, North Carolina
Decatur, Indiana	Winston-Salem, North Carolina
Huntington, Indiana	Bismarck, North Dakota
Rochester, Indiana	Tulsa, Oklahoma
LeMars, Iowa	Marietta, Ohio
Louisville, Kentucky	Springfield, Ohio
	Toledo, Ohio
	Erie, Pennsylvania
	Lansdale, Pennsylvania
	Lebanon, Pennsylvania

The majority of Fresh Dairy Direct's manufacturing facilities also serve as distribution facilities. In addition, Fresh Dairy Direct has numerous distribution branches located across the country, some of which are owned but most of which are leased. Fresh Dairy Direct's headquarters are located within our corporate headquarters.

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Schuylkill Haven, Pennsylvania
Sharpsville, Pennsylvania
Spartanburg, South Carolina
Sioux Falls, South Dakota
Athens, Tennessee
Nashville, Tennessee(2)
Dallas, Texas(2)
El Paso, Texas
Houston, Texas
Lubbock, Texas
McKinney, Texas
San Antonio, Texas
Waco, Texas
Orem, Utah
Salt Lake City, Utah
Richmond, Virginia
Springfield, Virginia
Ashwaubenon, Wisconsin
Sheboygan, Wisconsin

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WhiteWave

WhiteWave currently conducts its manufacturing operations from the following nine facilities, all of which are owned:

City of Industry, California	Dallas, Texas	
Jacksonville, Florida	Mt. Crawford, Virginia	
Bridgeton, New Jersey	Wevelgem, Belgium	
		Issenheim, France
		Landgraaf, Netherlands
		Kettering, United Kingdom

WhiteWave also owns two organic dairy farms located in Paul, Idaho and Kennedyville, Maryland. WhiteWave's operating headquarters are located in Broomfield, Colorado, where they lease approximately 137,000 square feet, and in Ghent, Belgium, where they lease approximately 2,500 square meters. WhiteWave's R&D facilities are located in leased premises in Broomfield, Colorado and in Wevelgem, Belgium.

Item 3. Legal Proceedings

Tennessee Retailer and Indirect Purchaser Actions

A putative class action antitrust complaint (the "retailer action") was filed on August 9, 2007 in the United States District Court for the Eastern District of Tennessee. Plaintiffs allege generally that we, either acting alone or in conjunction with others in the milk industry who are also defendants in the retailer action, lessened competition in the Southeastern United States for the sale of processed fluid Grade A milk to retail outlets and other customers, and that the defendants' conduct also artificially inflated wholesale prices for direct milk purchasers. Defendants' motion for summary judgment in the retailer action was granted in part and denied in part in August 2010. Defendants filed a motion for reconsideration on September 10, 2010, and filed a supplemental motion for summary judgment as to the remaining claims on September 27, 2010. On March 27, 2012, the Court granted summary judgment in favor of defendants as to all remaining counts and entered judgment in favor of all defendants, including the Company. Plaintiffs filed a notice of appeal on April 25, 2012. On May 30, 2012, the Company participated in a scheduling conference and mediation conducted by the appeals court. The mediation did not result in a settlement agreement. Pursuant to the briefing schedule issued by the appeals court, briefing on the appeal should be complete on or about April 5, 2013. The appeals court has not set a date for oral argument at this time.

On June 29, 2009, another putative class action lawsuit was filed in the Eastern District of Tennessee, Greeneville Division, on behalf of indirect purchasers of processed fluid Grade A milk (the "indirect purchaser action"). The allegations in this complaint are similar to those in the retailer action, but primarily involve state law claims. Because the allegations in the indirect purchaser action substantially overlap with the allegations in the retailer action, the Court granted the parties' joint motion to stay all proceedings in the indirect purchaser action pending the outcome of the summary judgment motions in the retailer action. On August 16, 2012, the indirect purchaser plaintiffs voluntarily dismissed their lawsuit. On January 17, 2013, these same plaintiffs filed a new lawsuit in the Eastern District of Tennessee, Greeneville Division, on behalf of a putative class of indirect purchasers of processed fluid Grade A milk (the "2013 indirect purchaser action"). The allegations are similar to those in the voluntarily dismissed indirect purchaser action, but involve only claims arising under Tennessee law. At this time, the Company has not been served with the complaint in the 2013 indirect purchaser action.

Other than the material pending legal proceedings set forth above, we are party from time to time to certain claims, litigations, audits and investigations. Potential liabilities associated with the other matters referred to in this paragraph are not expected to have a material adverse impact on our financial position, results of operations or cash flows.

At this time, it is not possible for us to predict the ultimate outcome of the matters set forth within this section.

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Other

We are in varying stages of discussion with numerous states to determine whether we have complied with state unclaimed property laws. Most, but not all, of these states have appointed an agent to conduct an examination of our books and records. In addition to seeking remittance of unclaimed property, some states may also seek interest and penalties. We do not expect the ultimate outcomes of these examinations to have a material adverse impact on our financial position, results of operations or cash flows.

WhiteWave experienced several discharges of pH and biochemical oxygen demand limitations at its Mt. Crawford, VA plant in excess of the plant's waste water discharge permit, and has identified a 24-hour power outage at the plant that occurred around June 30, 2012 as one of the more significant triggering causes of the discharges. The Harrisonburg-Rockingham Regional Sewer Authority ("HRRSA") sent WhiteWave several Notices of Violation in the fourth quarter of 2012 citing violations of the waste water discharge permit and assessing WhiteWave a \$100,000 civil penalty. WhiteWave has submitted a corrective action plan to the HRRSA and is in discussions with it regarding a conditional suspension of 90% of the civil penalty, under which 90% of the civil penalty would be suspended and ultimately withdrawn if the plant demonstrated ongoing compliance with the corrective action plan. Although the outcome of WhiteWave's discussions with the HRRSA is uncertain, it reasonably expects that the civil penalty will be less than \$100,000. WhiteWave intends to make capital and other expenditures to comply with its corrective action plan, but these expenditures are not expected to have a material adverse effect on WhiteWave's results of operations or cash flows.

Item 4. *Mine Safety Disclosure*

Not applicable.

PART II**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock trades on the New York Stock Exchange under the symbol “DF.” The following table sets forth the high and low closing sales prices of our common stock as quoted on the New York Stock Exchange for the last two fiscal years. At February 15, 2013, there were 3,788 record holders of our common stock.

	<u>High</u>	<u>Low</u>
2011:		
First Quarter	\$10.56	\$8.87
Second Quarter	13.88	9.68
Third Quarter	12.43	7.97
Fourth Quarter	11.21	8.30
2012:		
First Quarter	12.40	10.56
Second Quarter	17.03	11.47
Third Quarter	17.46	11.94
Fourth Quarter	18.79	14.65

We have not historically declared or paid a regular cash dividend on our common stock. We have no current plans to pay a cash dividend in the future.

See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Current Debt Obligations” and Note 10 to our Consolidated Financial Statements for further information regarding the terms of our senior secured credit facility, including terms restricting the payment of dividends.

Stock Repurchases – Since 1998, our Board of Directors has from time to time authorized the repurchase of our common stock up to an aggregate of \$2.3 billion, excluding fees and expenses. We made no share repurchases in 2012 or 2011. As of December 31, 2012, \$218.7 million was available for repurchases under this program (excluding fees and commissions). Shares, when repurchased, are retired.

For information relating to securities authorized for issuance under our equity compensation plans, see “Part III - Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters” of this Form 10-K.

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Item 6. *Selected Financial Data*

The following selected financial data as of and for each of the five years in the period ended December 31, 2012 has been derived from our audited Consolidated Financial Statements. The operating results and certain other directly attributable expenses, including interest expense, related to our Morningstar division, which was sold on January 3, 2013, are reflected as discontinued operations in the table below for all periods presented. The selected financial data do not purport to indicate results of operations as of any future date or for any future period. The selected financial data should be read in conjunction with our Consolidated Financial Statements and the related Notes thereto.

	Year Ended December 31				
	2012	2011	2010	2009	2008
(Dollars in thousands, except share data)					
Operating data:					
Net sales	\$11,462,277	\$11,641,191	\$10,820,237	\$10,028,375	\$11,180,993
Cost of sales	8,562,279	8,861,574	8,063,932	7,154,904	8,461,712
Gross profit(1)	2,899,998	2,779,617	2,756,305	2,873,471	2,719,281
Operating costs and expenses:					
Selling and distribution	1,912,588	1,878,372	1,816,958	1,738,991	1,716,587
General and administrative	555,012	585,288	601,177	594,645	460,240
Amortization of intangibles	6,283	7,616	8,342	6,578	6,874
Facility closing and reorganization costs	55,787	45,688	30,761	29,087	18,233
Litigation settlements(2)	-	131,300	30,000	-	-
Goodwill impairment(3)	-	2,075,836	-	-	-
Other operating (income) loss(4)	(57,459)	6,561	-	-	-
Total operating costs and expenses	2,472,211	4,730,661	2,487,238	2,369,301	2,201,934
Operating income (loss)	427,787	(1,951,044)	269,067	504,170	517,347
Other (income) expense:					
Interest expense(5)(6)	164,572	190,912	191,205	188,275	240,196
Other (income) expense, net(7)	(707)	(1,915)	217	(4,126)	1,131
Total other expense	163,865	188,997	191,422	184,149	241,327
Income (loss) from continuing operations before income taxes	263,922	(2,140,041)	77,645	320,021	276,020
Income tax expense (benefit)	146,509	(489,588)	46,153	129,692	107,356
Income (loss) from continuing operations	117,413	(1,650,453)	31,492	190,329	168,664
Income from discontinued operations, net of tax(11)	45,681	54,666	43,743	37,429	16,381
Gain (loss) on sale of discontinued operations, net of tax	(2,053)	3,616	7,521	89	(1,275)
Net income (loss)	161,041	(1,592,171)	82,756	227,847	183,770
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735	12,461	-
Net income (loss) attributable to Dean Foods Company	\$158,622	\$(1,575,621)	\$91,491	\$240,308	\$183,770
Basic earnings (loss) per common share:					
Net income (loss) attributable to Dean Foods Company	\$0.86	\$(8.59)	\$0.50	\$1.41	\$1.23
Diluted earnings (loss) per common share:					
Net income (loss) attributable to Dean Foods Company	\$0.85	\$(8.59)	\$0.50	\$1.38	\$1.20
Average common shares:					
Basic	184,750,755	183,388,220	181,799,306	170,986,886	149,266,519
Diluted	186,131,823	183,388,220	182,861,802	173,858,303	153,395,746
Other data:					
Ratio of earnings to fixed charges(8)	2.22x	-	1.31x	2.33x	1.94x

Deficiency in the coverage of earnings to fixed charges(8)	\$-	\$(1,902,257)	\$-	\$-	\$-
Balance sheet data (at end of period):					
Total assets(3)	\$5,687,091	\$5,755,167	\$7,941,418	\$7,844,565	\$7,040,192
Long-term debt(6)(9)	3,102,793	3,743,927	4,066,893	4,228,079	4,487,998
Other long-term liabilities	433,991	422,595	345,361	386,867	407,345
Non-controlling interest(10)	102,441	4,747	14,543	15,286	-
Dean Foods Company stockholders' equity (deficit)(6)	357,187	(103,398)	1,499,525	1,351,946	558,234

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- (1) As disclosed in Note 1 to our Consolidated Financial Statements, we include certain shipping and handling costs within selling and distribution expense. As a result, our gross profit may not be comparable to other entities that present all shipping and handling costs as a component of cost of sales.
- (2) Results for 2011 and 2010 include charges of \$131.3 million and \$30.0 million, respectively, related to antitrust class action settlements. See Note 19 to our Consolidated Financial Statements.
- (3) Results for 2011 include a pre-tax, non-cash goodwill impairment of \$2.1 billion related to our Fresh Dairy Direct reporting unit. See Note 7 to our Consolidated Financial Statements for further information.
- (4) Results for 2012 include a \$58 million pre-tax gain on the sale of our interest in Consolidated Container Company. See Note 4 to our Consolidated Financial Statements. Results for 2011 include a net pre-tax loss of \$6.6 million related to the divestitures discussed in Note 3 to our Consolidated Financial Statements.
- (5) Results for 2012 include a charge of \$3.5 million for the write-off of deferred financing costs as a result of the early retirement of our then-outstanding 2014 Tranche A and Tranche B term loan borrowings. Results for 2010 include charges totaling \$12.3 million in financing costs associated with the amendments of our senior secured credit facility on June 30, 2010 and December 9, 2010.
- (6) In May 2009, we issued and sold 25.4 million shares of our common stock in a public offering. We received net proceeds of \$444.7 million from the offering. The net proceeds from the offering were used to repay the \$122.8 million aggregate principal amount of our subsidiary's 6.625% senior notes due May 15, 2009, and indebtedness under our receivables-backed facility.

On March 5, 2008, we issued and sold 18.7 million shares of our common stock in a public offering. We received net proceeds of approximately \$400 million from the offering, which were used to reduce debt outstanding under the revolving portion of our senior secured credit facility.

- (7) Results for 2009 include a gain of \$4.2 million related to a Euro-based forward currency contract related to the Alpro acquisition.
- (8) The 2011 computation resulted in a deficiency in the coverage of earnings to fixed charges of \$1.9 billion, due in large part to the goodwill impairment charge related to our Fresh Dairy Direct reporting unit. For purposes of calculating the ratio of earnings to fixed charges, "earnings" represents income (loss) before income taxes plus fixed charges. "Fixed charges" consist of interest on all debt, amortization of deferred financing costs and the portion of rental expense that we believe is representative of the interest component of rent expense.
- (9) Includes the current portion of long-term debt.
- (10) Upon completion of the WhiteWave IPO on October 31, 2012, we owned an 86.7% economic interest in WhiteWave. The sale was accounted for as an equity transaction in accordance with ASC 810 and no gain or loss has been recognized as we retained the controlling financial interest. The WhiteWave IPO increased our equity attributable to non-controlling interest by \$98.1 million in 2012 which represented the carrying value of the non-controlling interest. See Note 2 to our Consolidated Financial Statements.
- (11) Income from discontinued operations for each of the five years shown in the table above includes the operating results and certain other directly attributable expenses, including interest expense, related to our Morningstar division, which was sold on January 3, 2013. Additionally, for the years ended December 31, 2010, 2009 and 2008, this line item also includes income attributable to our Rachel's operations, which were sold in August 2010. See Note 3 to our Consolidated Financial Statements.

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

Business Overview

We are a leading food and beverage company and the largest processor and distributor of milk and other fluid dairy products in the United States. Fresh Dairy Direct is the largest processor and distributor of fluid milk in the United States, and also processes and distributes other fluid dairy products throughout the country, with products sold under more than 50 familiar local and regional brands and a wide array of private labels. WhiteWave manufactures, markets and sells plant-based foods and beverages, coffee creamers and beverages, and premium dairy products throughout North America and Europe under widely-recognized brands distributed

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in North America including *Silk* plant-based beverages, *International Delight* and *LAND O LAKES* coffee creamers and beverages and *Horizon Organic* premium dairy products in the United States, as well as *Alpro* and *Provamel* plant-based foods and beverages in Europe.

Our Reportable Segments

We have two reportable segments, Fresh Dairy Direct and WhiteWave.

On December 2, 2012, we entered into an agreement to sell our Morningstar division, which is a leading manufacturer of dairy and non-dairy extended shelf-life and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. We completed the sale of these operations on January 3, 2013. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011.

During the second quarter of 2010, we committed to a plan to sell the business operations of Rachel's, which provided organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All Rachel's operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations.

See Note 3 to our Consolidated Financial Statements for further information regarding our discontinued operations. Unless stated otherwise, any reference to income statement items in these financial statements refers to results from continuing operations.

Fresh Dairy Direct – Fresh Dairy Direct is our largest segment, with approximately 81% of our consolidated net sales in 2012. Fresh Dairy Direct manufactures, markets and distributes a wide variety of branded and private label dairy case products, including fluid milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products, to retailers, distributors, foodservice outlets, educational institutions and governmental entities across the United States. Due to the perishable nature of its products, Fresh Dairy Direct delivers the majority of its products directly to its customers' locations in refrigerated trucks or trailers that we own or lease. We believe that Fresh Dairy Direct has one of the most extensive refrigerated DSD systems in the United States. Fresh Dairy Direct sells its products primarily on a local or regional basis through its local and regional sales forces, although some national customer relationships are coordinated by a centralized corporate sales department.

The fluid milk category enjoys a number of attractive attributes. Specifically, fluid milk is a nutritious and healthy product that is found in over 90% of U.S. homes. As a result, fluid milk is a very large category, with roughly \$20 billion of annual sales. This category's size and pervasiveness, plus the limited shelf life of the product, make it an important category for retailers and consumers, as well as a large long-term opportunity for the best positioned dairy processors. However, the dairy industry is not without some well documented challenges. It is a mature and fragmented industry that has traditionally been characterized by slow to flat growth and low profit margins. According to the USDA, per capita consumption of fluid milk continues to decline. Due in part to the current economic climate, which continues to be challenging for broad segments of the population, and historically high retail prices, the fluid milk category has posted declining volumes over the last several years. In addition, the industry experienced retail and wholesale margin erosion in 2010 and 2011, as conventional milk prices increased steadily in recent years; however, during the fourth quarter of 2011, milk prices decreased slightly and continued to decline through the first half of 2012. Retailers did not fully reflect such declines in shelf pricing, which partially restored the historical price relationship between branded and private label milk and allowed our regional brands to compete more effectively during that period. Milk prices rose significantly during the second half of 2012; however, we were able to effectively adjust our pricing to offset these costs. Additionally, our volumes continued to outperform our peers throughout the year.

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Throughout 2013, we will also continue to emphasize price realization, volume performance and disciplined cost management in an effort to improve gross margin and drive operating income growth. Organizational changes have been made to reduce our total cost to serve and our selling and general and administrative costs, and we remain focused on sustaining strong positive cash flow and generating shareholder value. Our focus on volume, cost and pricing effectiveness has yielded significantly improved results and renewed momentum within our Fresh Dairy Direct business; however, the fluid milk industry remains highly competitive. In January 2013, the RFP for private label milk with a significant customer resulted in a loss of a portion of that customer's business which will begin to be reflected in the second quarter of 2013. The lost volumes were primarily related to low-margin, private label business and resulted from the renegotiation of certain regional supply arrangements that going forward will be subject to renewal over various time frames. As a result, we expect our net fluid milk volumes to decline in the low-single digits in 2013. We expect to accelerate our ongoing cost reduction efforts in 2013 to minimize the impact of these lost volumes.

Fresh Dairy Direct has several competitors in each of its major product and geographic markets. Competition between dairy processors for shelf-space with retailers is based primarily on price, service, quality and the expected or historical sales performance of the product compared to its competitors' products. In some cases Fresh Dairy Direct pays fees to customers for shelf-space. Competition for consumer sales is based on a variety of factors such as brand recognition, price, taste preference and quality. Dairy products also compete with many other beverages and nutritional products for consumer sales.

WhiteWave – WhiteWave's net sales were approximately 19% of our consolidated net sales in 2012. WhiteWave is a leading consumer packaged food and beverage company focused on high-growth product categories that are aligned with emerging consumer trends. WhiteWave manufactures, markets, distributes, and sells branded plant-based foods and beverages, coffee creamers and beverages, and premium dairy products throughout North America and Europe. WhiteWave's widely-recognized, leading brands distributed in North America include *Silk* plant-based foods and beverages, *International Delight* and *LAND O LAKES* coffee creamers and beverages, and *Horizon Organic* premium dairy products, while its popular European brands of plant-based foods and beverages include *Alpro* and *Provamel*.

WhiteWave sells its products across North America and Europe to a variety of customers, including grocery stores, mass merchandisers, club stores, and convenience stores, as well as through various away-from-home channels, including restaurants and foodservice outlets. WhiteWave sells its products in North America and Europe primarily through its direct sales force and independent brokers.

WhiteWave has an extensive production and supply chain footprint in the United States. It utilizes five manufacturing plants, two distribution centers, and three strategic co-packers across the country. Additionally, WhiteWave has a strategic supply chain footprint across Europe, with four strategically positioned plants, each supported by an integrated supply chain that enables us to meet the needs of its customers. WhiteWave utilizes these manufacturing plants and a limited number of third-party co-packers for more specialized, low-volume products.

WhiteWave has several competitors in each of its product markets. Competition to obtain shelf-space with retailers for a particular product is based primarily on brand recognition and the expected or historical sales performance of the product compared to its competitors' products. In some cases, WhiteWave pays fees to retailers to obtain shelf-space for its products. Competition for consumer sales is based on many factors, including product quality and taste, brand awareness and loyalty, product variety and ingredients, interesting or unique product names, product packaging and package design, shelf-space, reputation, price, advertising, promotional efforts, and nutritional claims. Consumer demand for soy, other plant-based and organic beverages and foods has grown in recent years due to growing consumer confidence in the health benefits attributable to these products, and WhiteWave believes it has a leading position in these categories.

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Recent Developments

See “Part I – Item 1. Business – Developments Since January 1, 2012” for further information regarding recent developments that have impacted our financial condition and results of operations.

Matters Affecting Comparability

Our discussion of the results of operations for the years ended 2012, 2011 and 2010 will be affected by the matters summarized below.

A portion of our WhiteWave products have historically been produced, distributed and sold by Fresh Dairy Direct. In the past, those sales, together with their related costs, were included in the WhiteWave segment for management and segment reporting purposes. From a cost perspective, the results of these transactions may not have been equivalent to the terms that would prevail in arm’s length transactions, and, as a result of the commercial agreements described below, this presentation is no longer consistent with the way our CEO, who is our chief operating decision maker, expects to evaluate the performance of our segments going forward. Accordingly, beginning in the fourth quarter of 2012, the results of these transactions were no longer included in the WhiteWave segment and are instead reflected in the Fresh Dairy Direct segment for management and segment reporting purposes. All segment results herein have been recast to present results on a comparable basis. These changes had no impact on consolidated net sales and operating income.

Additionally, in connection with the WhiteWave IPO discussed in Note 2 to our Consolidated Financial Statements, our separate lines of businesses entered into agreements with each other that formalize, and in certain cases, modify ongoing commercial arrangements. These agreements became effective October 31, 2012. As described above, following their effectiveness and for so long as WhiteWave is consolidated for financial reporting purposes, these agreements will impact our intersegment sales and their related costs, but will be eliminated in consolidation. In the case of a spin-off or other tax-free disposition of WhiteWave, these intersegment sales would become third-party sales that, along with their related costs, would no longer be eliminated in consolidation. Additionally, the consolidated financial statements of WhiteWave will differ from our historically reported WhiteWave segment results, as our historical results include adjustments for management and segment reporting purposes. In addition, WhiteWave’s consolidated financial statements include certain other adjustments, including the allocation of corporate and shared service costs, which are not reflected in the results by segment below.

Additionally, the divestiture of our Mountain High and private label yogurt operations during 2011 impacts the results of operations discussion for our Fresh Dairy Direct segment below.

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Results of Operations

The following table presents certain information concerning our financial results, including information presented as a percentage of net sales.

	Year Ended December 31					
	2012		2011		2010	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
	(Dollars in millions)					
Net sales	\$11,462.3	100.0%	\$11,641.2	100.0%	\$10,820.2	100.0%
Cost of sales	8,562.3	74.7	8,861.6	76.1	8,063.9	74.5
Gross profit(1)	2,900.0	25.3	2,779.6	23.9	2,756.3	25.5
Operating costs and expenses:						
Selling and distribution	1,912.6	16.7	1,878.4	16.1	1,817.0	16.8
General and administrative	555.0	4.8	585.3	5.0	601.2	5.6
Amortization of intangibles	6.3	0.1	7.6	0.1	8.3	0.1
Facility closing and reorganization costs	55.8	0.5	45.7	0.4	30.8	0.3
Litigation settlement	–	–	131.3	1.1	30.0	0.3
Goodwill impairment	–	–	2,075.8	17.8	–	–
Other operating (income) loss	(57.5)	(0.5)	6.6	0.1	–	–
Total operating costs and expenses	2,472.2	21.6	4,730.7	40.6	2,487.3	23.1
Operating income (loss)	\$427.8	3.7 %	\$(1,951.1)	(16.8 %)	\$269.0	2.4 %

- (1) As disclosed in Note 1 to our Consolidated Financial Statements, we include certain shipping and handling costs within selling and distribution expense. As a result, our gross profit may not be comparable to other entities that present all shipping and handling costs as a component of cost of sales.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011 – Consolidated Results

Net Sales – Net sales by segment are shown in the table below.

	Net Sales			
	2012	2011	\$	%
			Increase/ (Decrease)	Increase/ (Decrease)
	(Dollars in millions)			
Fresh Dairy Direct	\$9,274.7	\$9,715.7	\$(441.0)	(4.5 %)
WhiteWave	2,187.6	1,925.5	262.1	13.6
Total	\$11,462.3	\$11,641.2	\$(178.9)	(1.5 %)

The change in net sales was due to the following:

	Change in Net Sales 2012 vs. 2011		
	Volume	Pricing and Product Mix Changes	Total Increase/ (Decrease)
		(Dollars in millions)	
Fresh Dairy Direct	\$(160.8)	\$(280.2)	\$(441.0)
WhiteWave	278.8	(16.7)	262.1

Total	<u>\$118.0</u>	<u>\$ (296.9)</u>	<u>\$(178.9)</u>
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Net sales – Consolidated net sales decreased \$178.9 million, or 1.5% during 2012 compared to 2011 primarily due to lower pricing as a result of lower dairy commodity costs as well as volume declines in our Fresh Dairy Direct segment. These decreases were partially offset by volume growth in our WhiteWave segment.

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Cost of Sales – All expenses incurred to bring a product to completion are included in cost of sales, including raw material, ingredient and packaging costs; labor costs; and plant and equipment costs. Cost of sales decreased \$299.3 million, or 3.4%, primarily due to a more favorable dairy commodity environment.

Operating Costs and Expenses – Excluding the \$2.1 billion non-cash, pre-tax goodwill impairment charge recorded during 2011 (see Note 7 to our Consolidated Financial Statements), our operating expenses decreased \$182.7 million, or 6.9%, during the year compared to prior year. Significant changes to operating costs and expenses include the following:

Selling and distribution costs increased \$34.2 million, driven by increased fuel costs across all segments as well as increased freight and storage costs at WhiteWave due to higher sales volume. These increases were partially offset by decreased freight costs and lower personnel costs at Fresh Dairy Direct.

General and administrative costs decreased \$30.3 million, driven by cost savings initiatives and headcount reductions in the first quarter of 2012, partially offset by higher incentive based compensation and approximately \$26 million of transaction costs related to the WhiteWave IPO and the related business separation.

Net facility closing and reorganization costs increased \$10.1 million. See Note 17 to our Consolidated Financial Statements for further information regarding our facility closing and reorganization activities.

We recorded a charge of \$131.3 million in the second quarter of 2011 related to a settlement of the Tennessee dairy farmer actions. See Note 19 to our Consolidated Financial Statements for further information regarding the settlement.

We recorded other operating income as a result of a net pre-tax gain on the sale of our interest in CCC in July 2012. See Note 3 to our Consolidated Financial Statements for further information on our divestitures.

Other (Income) Expense – Interest expense decreased \$26.3 million from the prior year, primarily due to lower overall average debt as well as the expiration of \$1.25 billion notional amount of fixed interest rate swaps at the end of March 2012.

Income Taxes – Income tax expense was recorded at an effective rate of 55.5% for 2012 compared to a 22.9% effective tax benefit rate in 2011. Generally, our effective tax rate varies primarily based on our profitability level and the relative earnings of our business units. In 2012, our effective tax rate increased disproportionately due to tax expense on the sale of our interest in CCC. Excluding the impact of the CCC sale, our 2012 effective tax rate was 37.9%. In 2011, our tax benefit rate was decreased by nondeductible goodwill related to the impairment charge. Excluding the impact of the goodwill impairment, our 2011 effective tax benefit rate was 33.7% which was decreased by changes in certain state tax laws and the exclusion of the tax benefit attributable to our non-controlling interest in the Hero/WhiteWave joint venture and was increased by the relative profitability of our foreign operations.

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Year Ended December 31, 2012 Compared to Year Ended December 31, 2011 – Results by Segment

Fresh Dairy Direct

The key performance indicators of Fresh Dairy Direct are volume performance, brand mix and achieving low cost, which are realized within net sales, gross profit and operating income, respectively.

	Year Ended December 31			
	2012		2011	
	Dollars	Percent	Dollars	Percent
	(Dollars in millions)			
Net sales	\$9,274.7	100.0%	\$9,715.7	100.0%
Cost of sales	7,179.0	77.4	7,618.7	78.4
Gross profit	2,095.7	22.6	2,097.0	21.6
Operating costs and expenses	1,649.3	17.8	1,718.6	17.7
Total operating income	\$446.4	4.8 %	\$378.4	3.9 %

Net Sales – Fresh Dairy Direct’s net sales decreased \$441.0 million, or 4.5%, during 2012 compared to the prior year, primarily due to lower pricing as a result of lower dairy commodity costs as well as a decrease in our fresh milk volumes which account for approximately 78% of total volume at Fresh Dairy Direct. Additionally, we experienced volume declines in our cultured dairy and ice cream products as well as volume declines as a result of our 2011 divestiture of our Waukesha fluid milk operations. Further, as described more fully in “– Our Reportable Segments” above, due to the RFP for private label milk with a significant customer, we expect our net fluid milk volumes to decline in the low-single digits in 2013.

Fresh Dairy Direct generally increases or decreases the prices of its fluid dairy products on a monthly basis in correlation to fluctuations in the costs of raw materials, packaging supplies and delivery costs. However, in some cases, we are subject to the terms of sales agreements with respect to the means and/or timing of price increases. This can have a negative impact on Fresh Dairy Direct’s profitability. The following table sets forth the average monthly Class I “mover” and its components, as well as the average monthly Class II minimum prices for raw skim milk and butterfat for 2012 compared to 2011:

	Year Ended December 31*		
	2012	2011	% Change
Class I mover(1)	\$17.46	\$19.13	(8.7)%
Class I raw skim milk mover(1)(2)	11.82	12.02	(1.7)
Class I butterfat mover(2)(3)	1.73	2.15	(19.5)
Class II raw skim milk minimum(1)(4)	10.97	12.49	(12.2)
Class II butterfat minimum(3)(4)	1.73	2.16	(19.9)

* The prices noted in this table are not the prices that we actually pay. The federal order minimum prices applicable at any given location for Class I raw skim milk or Class I butterfat are based on the Class I mover prices plus a location differential. Class II prices noted in the table are federal minimum prices, applicable at all locations. Our actual cost also includes producer premiums, procurement costs and other related charges that vary by location and supplier. Please see “Part I – Item 1. Business – Government Regulation – Milk Industry Regulation” and “– Known Trends and Uncertainties – Prices of Raw Milk and Other Inputs” below for a more complete description of raw milk pricing.

- (1) Prices are per hundredweight.
- (2) We process Class I raw skim milk and butterfat into fluid milk products.
- (3) Prices are per pound.
- (4) We process Class II raw skim milk and butterfat into products such as cottage cheese, creams and creamers, ice cream and sour cream.

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Cost of Sales – All expenses incurred to bring a product to completion are included in cost of sales, including raw material, ingredient and packaging costs; labor costs; and plant and equipment costs. Fresh Dairy Direct's cost of sales decreased \$439.7 million, or 5.8%, in 2012 compared to 2011 primarily due to lower dairy commodity costs, as well as lower fresh milk sales volumes.

Gross Profit – Fresh Dairy Direct's gross profit percentage increased to 22.6% in 2012 from 21.6% in 2011. Gross profit trended upward due to effective price realization.

Operating Costs and Expenses – Fresh Dairy Direct's operating costs and expenses decreased \$69.3 million, or 4.0%, during the year compared to the prior year. Significant changes to operating costs and expenses include the following:

Selling and distribution costs decreased \$36.7 million, driven by decreased freight costs, lower personnel related costs and lower self-insurance reserves as a result of improved safety records. These decreases were partially offset by higher fuel costs. We expect fuel costs to remain elevated throughout 2013.

General and administrative costs decreased \$31.4 million due to headcount reductions during the first quarter of 2012 as well as other cost savings initiatives.

WhiteWave

The key performance indicators of WhiteWave are sales volume, net sales dollars, gross profit and operating income.

	Year Ended December 31			
	2012		2011	
	Dollars	Percent	Dollars	Percent
	(Dollars in millions)			
Net sales	\$2,187.6	100.0%	\$1,925.5	100.0%
Cost of sales	1,382.9	63.2	1,243.2	64.6
Gross profit	804.7	36.8	682.3	35.4
Operating costs and expenses	612.1	28.0	533.7	27.7
Total operating income	\$192.6	8.8 %	\$148.6	7.7 %

Net Sales – WhiteWave net sales have increased \$262.1 million, or 13.6%, driven by volume growth and higher pricing across all product portfolios, but primarily coffee creamers and beverages and plant-based foods and beverages. Both portfolios have grown as a result of category growth, product innovation, and increased marketing investment. Sales of premium dairy products also increased compared to the prior year despite lower volumes as a result of higher pricing related to higher commodity costs.

Cost of Sales – WhiteWave's cost of sales increased \$139.7 million, or 11.2%, in 2012 compared to the prior year. This increase was primarily driven by sales volume growth and higher commodity and other input costs as well as startup costs incurred in the new Dallas, Texas manufacturing facility. These increases were partially offset by cost reduction initiatives.

Gross Profit – WhiteWave's gross profit percentage increased to 36.8% in 2012 from 35.4% in 2011, driven by higher pricing and a favorable product mix, which more than offset the impact of higher commodity costs.

Operating Costs and Expenses – WhiteWave's operating costs and expenses increased \$78.4 million, or 14.7%, during 2012 compared to 2011, driven by increase in selling and distribution costs as a result of higher sales volume and increased fuel costs. In addition, WhiteWave experienced increased outside storage facility and related distribution costs driven by capacity constraints. Marketing expense also increased as WhiteWave continued to invest in new product development and in improvements to core offerings.

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Year Ended December 31, 2011 Compared to Year Ended December 31, 2010 – Consolidated Results

Net Sales – Net sales by segment are shown in the table below.

	Net Sales			
	2011	2010	\$ Change	% Change
	(Dollars in millions)			
Fresh Dairy Direct	\$9,715.7	\$9,093.9	\$621.8	6.8 %
WhiteWave	1,925.5	1,726.3	199.2	11.5
Total	<u>\$11,641.2</u>	<u>\$10,820.2</u>	<u>\$821.0</u>	7.6

The change in net sales was due to the following:

	Change in Net Sales 2011 vs. 2010		
	Volume	Pricing and Product Mix Changes	Total Change
	(Dollars in millions)		
Fresh Dairy Direct	\$(324.5)	\$946.3	\$621.8
WhiteWave	105.9	93.3	199.2
Total	<u>\$(218.6)</u>	<u>\$1,039.6</u>	<u>\$821.0</u>

Net sales – Consolidated net sales increased \$821.0 million, or 7.6% during 2011 compared to 2010 primarily due to the pass through of higher commodity costs. These increases were partially offset by overall volume declines across most of our dairy categories in the Fresh Dairy Direct segment, as well as the sale of our yogurt operations during the first half of 2011.

Cost of Sales – All expenses incurred to bring a product to completion are included in cost of sales, including raw material, ingredient and packaging costs; labor costs; and plant and equipment costs. Cost of sales increased \$797.7 million, or 9.9%, as a result of higher commodity costs, partially offset by overall volume declines at Fresh Dairy Direct and the divestiture of our yogurt operations. Conventional milk prices increased sharply in March of 2011 and continued to increase through the third quarter of 2011, before gradually declining in the fourth quarter. Class I and Class II butterfat prices were the highest the industry has experienced in recent history, and all Class I and Class II pricing remains significantly higher than 2010. This significant increase in conventional milk prices during 2011 was a result of limited inventories of butterfat and nonfat solids coupled with strong demand for butter, nonfat dry milk and cheese both domestically and internationally.

Operating Costs and Expenses – Excluding the \$2.1 billion non-cash, pre-tax goodwill impairment charge recorded during 2011 (see Note 7 to our Consolidated Financial Statements), our operating expenses increased \$167.6 million, or 6.8%, during 2011 in comparison to 2010. Significant changes to operating costs and expenses included the following:

Selling and distribution costs increased \$61.4 million, driven by higher freight and fuel costs due to continued increases in fuel prices and increased personnel-related costs, largely due to incentive-based compensation. These costs were partially offset by a decrease in marketing costs. We expect freight and fuel costs to remain elevated throughout 2012.

General and administrative costs decreased \$15.9 million, driven by a reduction in headcount and a decrease in professional and consulting fees, partially offset by higher incentive-based compensation, a \$16.0 million correction of errors in our other postretirement benefit obligations and net periodic benefit costs, and a write-down of certain corporate assets. See Note 16 to our Consolidated Financial Statements for further information regarding the postretirement benefit errors.

Net facility closing and reorganization costs increased \$14.9 million. See Note 17 to our Consolidated Financial Statements for further information regarding our facility closing and reorganization activities.

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We recorded a charge of \$131.3 million in the second quarter of 2011 related to a proposed settlement of the Tennessee dairy farmer actions. See Note 19 to our Consolidated Financial Statements for further information regarding the settlement.

We recorded other operating loss as a result of a pre-tax loss on the sale of our Waukesha fluid milk operations and the write-down of the assets of our Hero/WhiteWave joint venture. These losses were partially offset by a net pre-tax gain on the sale of our Mountain High yogurt operations during 2011. See Note 3 to our Consolidated Financial Statements for further information on our divestitures.

Other (Income) Expense – Excluding \$12.3 million of financing charges in 2010 associated with our June and December 2010 amendments of our senior secured credit facility, interest expense decreased \$0.3 million from the prior year primarily due to higher average interest rates resulting from the June 30, 2010 credit facility amendment and the December 16, 2010 senior notes issuance. This increase was partially offset by the expiration of \$450 million notional amount of our fixed interest rate hedges at the end of 2010, the expiration of another \$250 million notional amount of fixed interest rate hedges at the end of March 2011, and lower average debt balances versus the prior year resulting from free cash flow generation, proceeds from the divestiture of our yogurt operations and the receipt of a federal income tax refund in the second quarter of 2011.

Income Taxes – Income tax benefit was recorded at an effective rate of 22.9% for 2011 compared to a 59.4% effective tax expense rate in 2010. Generally, our effective tax rate varies primarily based on our profitability level and the relative earnings of our business units. In 2011, our tax benefit rate was decreased by nondeductible goodwill related to the impairment charge. Excluding the impact of the goodwill impairment, our 2011 effective tax benefit rate was 33.7% which was decreased by changes in certain state tax laws and the exclusion of the tax benefit attributable to our non-controlling interest in the Hero/WhiteWave joint venture and was increased by the relative profitability of our foreign operations. Excluding the impact of a deferred tax correction, our 2010 effective tax rate was 45.4%, which was increased by the exclusion of the tax benefit attributable to our non-controlling interest in the Hero/WhiteWave joint venture.

Year Ended December 31, 2011 Compared to Year Ended December 31, 2010 – Results by Segment

Fresh Dairy Direct

The key performance indicators of Fresh Dairy Direct are volume performance, brand mix and achieving low cost, which are realized within net sales, gross profit and operating income, respectively.

	Year Ended December 31			
	2011		2010	
	<u>Dollars</u>	<u>Percent</u>	<u>Dollars</u>	<u>Percent</u>
	(Dollars in millions)			
Net sales	\$9,715.7	100.0%	\$9,093.9	100.0%
Cost of sales	<u>7,618.7</u>	<u>78.4</u>	<u>6,947.4</u>	<u>76.4</u>
Gross profit	2,097.0	21.6	2,146.5	23.6
Operating costs and expenses	<u>1,718.6</u>	<u>17.7</u>	<u>1,697.0</u>	<u>18.7</u>
Total operating income	<u>\$378.4</u>	<u>3.9</u> %	<u>\$449.5</u>	<u>4.9</u> %

Net Sales – Fresh Dairy Direct's net sales increased \$621.8 million, or 6.8%, during 2011 compared to the prior year, primarily due to the pass-through of higher commodity costs, partially offset by a 1% volume decline in our fresh fluid milk category, which accounts for approximately 79% of our total volume at Fresh Dairy Direct. Additionally, volume declines in our ice cream, cultured and other non-dairy products, as well as the impact of our divestiture of our Mountain High yogurt operations, contributed to the offset. The industry and our Fresh Dairy Direct segment continue to experience declining volume trends. The continued economic decline throughout 2011 continued to have a negative impact on consumer spending, which has had a pronounced impact on the fluid milk category.

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Fresh Dairy Direct generally increases or decreases the prices of its fluid dairy products on a monthly basis in correlation to fluctuations in the costs of raw materials, packaging supplies and delivery costs. However, in some cases, we are subject to the terms of sales agreements with respect to the means and/or timing of price increases. This can have a negative impact on Fresh Dairy Direct's profitability. The following table sets forth the average monthly Class I "mover" and its components, as well as the average monthly Class II minimum prices for raw skim milk and butterfat for 2011 compared to 2010:

	Year Ended December 31*		
	2011	2010	% Change
Class I mover(1)	\$19.13	\$15.35	24.6 %
Class I raw skim milk mover(1)(2)	12.02	9.26	29.8
Class I butterfat mover(2)(3)	2.15	1.83	17.5
Class II raw skim milk minimum(1)(4)	12.49	9.85	26.8
Class II butterfat minimum(3)(4)	2.16	1.86	16.1

* The prices noted in this table are not the prices that we actually pay. The federal order minimum prices applicable at any given location for Class I raw skim milk or Class I butterfat are based on the Class I mover prices plus a location differential. Class II prices noted in the table are federal minimum prices, applicable at all locations. Our actual cost also includes producer premiums, procurement costs and other related charges that vary by location and supplier. Please see "Part I – Item 1. Business – Government Regulation – Milk Industry Regulation" and "– Known Trends and Uncertainties – Prices of Raw Milk and Other Inputs" below for a more complete description of raw milk pricing.

- (1) Prices are per hundredweight.
- (2) We process Class I raw skim milk and butterfat into fluid milk products.
- (3) Prices are per pound.
- (4) We process Class II raw skim milk and butterfat into products such as cottage cheese, creams and creamers, ice cream and sour cream.

Cost of Sales – All expenses incurred to bring a product to completion are included in cost of sales, including raw material, ingredient and packaging costs; labor costs; and plant and equipment costs. Fresh Dairy Direct's cost of sales increased \$671.3 million, or 9.7%, in 2011 compared to 2010 primarily due to higher commodity costs. Conventional milk prices increased sharply in March of 2011 and continued to increase through the third quarter of 2011, before gradually declining in the fourth quarter. Class I and Class II butterfat prices were the highest the industry has experienced in recent history, and all Class I and Class II pricing remains significantly higher than 2010. This significant increase in conventional milk prices during 2011 was a result of limited inventories of butterfat and nonfat solids coupled with strong demand for butter, nonfat dry milk and cheese both domestically and internationally.

Gross Profit – Fresh Dairy Direct's gross profit percentage decreased to 21.6% in 2011 from 23.6% in 2010. Gross profit trended downward due to weak volumes resulting from declining demand and the continued economic decline, as well as reduced margins on new business. The industry experienced retail and wholesale margin erosion in 2010 and 2011, which has impacted the performance of our regional brands. During the fourth quarter of 2011, milk prices decreased slightly, and retailers did not fully reflect such declines in shelf pricing, which partially restored the historical price relationship between branded and private label milk and allowed our regional brands to compete more effectively during the fourth quarter of 2011. In addition, rising non-dairy input costs, such as packaging materials, have impacted our gross profit, as our pass-through of the full impact of these commodities' volatility to our customers has been limited.

Operating Costs and Expenses – Fresh Dairy Direct's operating costs and expenses increased \$21.6 million, or 1.3%, during the year compared to the prior year. Significant changes to operating costs and expenses include the following:

Selling and distribution costs increased \$39.1 million, driven by increased fuel and freight costs, as the average diesel price has increased approximately 28% from 2010. We expect fuel and freight costs to remain elevated throughout 2012.

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General and administrative costs decreased \$16.8 million due to reductions in employee-related costs and professional and consulting fees, as a result of our cost-cutting initiatives.

WhiteWave

The key performance indicators of WhiteWave are sales volume, net sales dollars, gross profit and operating income.

	Year Ended December 31			
	2011		2010	
	Dollars	Percent	Dollars	Percent
	(Dollars in millions)			
Net sales	\$1,925.5	100.0%	\$1,726.3	100.0%
Cost of sales	1,243.2	64.6	1,115.6	64.6
Gross profit	682.3	35.4	610.7	35.4
Operating costs and expenses	533.7	27.7	510.5	29.6
Total operating income	\$148.6	7.7 %	\$100.2	5.8 %

Net Sales – WhiteWave net sales increased \$199.2 million, or 11.5%, driven by volume growth and higher pricing across all product portfolios. Sales of coffee creamers and beverages increased due to strong category growth in flavored creamers and new product introductions, particularly in the *International Delight* brand. Sales of premium dairy products also increased due to higher pricing resulting from higher commodity costs and, to a lesser extent, growth in volume. Full year sales growth in premium dairy was negatively impacted by the constraints in organic milk supply experienced in the fourth quarter of 2011. Sales of plant-based food and beverage products increased driven by new product introductions, primarily *Silk* almondmilk and *Silk* coconutmilk products.

Cost of Sales – WhiteWave's cost of sales increased \$127.6 million, or 11.4%, in 2011 compared to the prior year. The increase was primarily driven by sales volume growth and higher commodity costs, including soybeans, sweeteners, and packaging, partially offset by cost reduction initiatives.

Gross Profit – WhiteWave's gross profit remained flat in 2011 as compared to 2010, as higher commodity costs, coupled with an unfavorable mix of products sold, substantially offset the favorable impact of cost reduction initiatives.

Operating Costs and Expenses – WhiteWave's operating costs and expenses increased \$23.2 million, or 4.5%, during 2011 compared to 2010 primarily due to an increase in distribution expenses due to higher sales volumes and an increasing fuel costs. In addition, capacity constraints drove increases in outside storage facility costs and related distribution costs. Marketing expense increased modestly, but was substantially offset by lower general and administrative expenses.

Liquidity and Capital Resources

General

We believe that our cash on hand, coupled with future cash flows from operations and other available sources of liquidity, including our amended and restated \$1.0 billion senior secured revolving credit facility and our \$600 million receivables-backed facility, and with respect to our WhiteWave segment, its senior secured credit facilities, together will provide sufficient liquidity to allow us to meet our cash requirements in the next twelve months. Further, we expect any future monetization of the WhiteWave shares that we intend to retain upon completion of the anticipated spin-off to provide an additional source of liquidity. Our anticipated uses of cash include capital expenditures, working capital, pension contributions, financial obligations, and certain other

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costs that may be necessary to execute our cost reduction initiatives. On an ongoing basis, we will evaluate and consider strategic acquisitions, divestitures, joint ventures, repurchasing shares of our common stock, instituting a cash dividend or other transactions to create shareholder value and enhance financial performance. Additionally, from time to time, we may repurchase our outstanding debt obligations in the open market or in privately negotiated transactions. Such transactions may require cash expenditures or generate proceeds.

As of December 31, 2012, \$70.6 million of our total cash on hand of \$79.0 million was attributable to our foreign operations, of which \$61.6 million was specifically related to WhiteWave's foreign operations. Approximately \$71 million of foreign cash was repatriated during the second quarter of 2012, and although not required under the terms of our senior secured credit facility, we utilized these funds to prepay approximately \$70 million of our outstanding 2014 tranche A term loan borrowings. We currently anticipate that the cash attributable to our foreign operations will remain in those foreign jurisdictions.

At December 31, 2012, we had \$3.1 billion of outstanding debt obligations, of which approximately \$781 million was related to WhiteWave's senior secured credit facilities. We had total cash on hand of \$79.0 million and an additional \$1.1 billion of combined available future borrowing capacity under our senior secured revolving credit facility and receivables-backed facility, subject to compliance with the covenants in our credit agreements. Additionally, WhiteWave had available future borrowing capacity under its \$850 million senior secured revolving credit facility of approximately \$569 million as of December 31, 2012, which amount will vary over time depending on WhiteWave's financial covenants and operating performance. Based on our current expectations, we believe our liquidity and capital resources will be sufficient to operate our business. However, we may, from time to time, raise additional funds through borrowings or public or private sales of debt or equity securities, including any shares of WhiteWave that we retain. The amount, nature and timing of any borrowings or sales of debt or equity securities will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

Historical Cash Flow

The following table summarizes our cash flows from operating, investing and financing activities:

	Year Ended December 31		
	2012	2011	Change
	(In thousands)		
Net cash flows from continuing operations:			
Operating activities	\$384,321	\$411,657	\$(27,336)
Investing activities	(149,347)	(205,062)	55,715
Financing activities	(280,568)	(314,967)	34,399
Discontinued operations	9,495	151,858	(142,363)
Effect of exchange rate changes on cash and cash equivalents	(576)	(4,588)	4,012
Net increase (decrease) in cash and cash equivalents	<u>\$(36,675)</u>	<u>\$38,898</u>	<u>\$(75,573)</u>

Operating Activities

Operating cash flows in 2012 were lower than the prior year due to the impact of litigation settlement payments made during the first quarter of 2012 as well as an increase in cash paid for taxes. We made payments of \$61 million related to the dairy farmer actions discussed in Note 19 to our Consolidated Financial Statements. Tax payments increased primarily due to the \$90 million payment related to the sale of our investment in CCC as compared to a tax refund of \$62 million received during 2011. These decreases in operating cash flows were partially offset by higher net income levels and improved working capital, driven primarily by decreased commodity costs in 2012.

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Investing Activities

Net cash used in investing activities decreased in 2012 due to lower capital expenditures of \$77 million, primarily as a result of a planned decline in our capital spending in 2012, and increased proceeds on the sale of fixed assets. These increases were partially offset by a decrease in cash provided by investing activities. Specifically, during 2012, we received cash proceeds of approximately \$58 million from the sale of our interest in CCC in 2012, compared to combined cash proceeds of approximately \$92 million received in 2011 from the sale of our Mountain High yogurt operations and the sale of a trademark. See Notes 3 and 4 to our Consolidated Financial Statements for more information regarding these divestitures.

Financing Activities

Net cash used in financing activities decreased during 2012 primarily as a result of proceeds of \$368 million received in 2012 in connection with the WhiteWave IPO and proceeds of approximately \$1 billion from WhiteWave's senior secured credit facilities. This decrease was substantially offset by net repayments of Dean Foods Company debt of \$1.4 billion in 2012 versus net repayments of \$325 million in 2011, as well as net repayments of WhiteWave's stand-alone debt of \$239 million in 2012. Additionally, WhiteWave paid approximately \$12 million in deferred financing fees related to the execution of its senior secured credit facilities. See Notes 2 and 10 to our Consolidated Financial Statements for further information regarding the WhiteWave IPO and use of related proceeds.

Current Debt Obligations

Dean Foods Senior Secured Credit Facility – Our senior secured credit facility consists of an original combination of a \$1.5 billion five-year senior secured revolving credit facility, a \$1.5 billion five-year senior secured term loan A and a \$1.8 billion seven-year senior secured term loan B. As discussed below, during the fourth quarter of 2012, we repaid in full our outstanding term loan A borrowings with proceeds received from the WhiteWave IPO and the initial borrowings funded under WhiteWave's senior secured credit facility and voluntarily reduced the 2014 revolver commitment under our credit facility to \$1.0 billion, which represented a \$275 million reduction.

As discussed in Note 3 to our Consolidated Financial Statements, on January 3, 2013, we completed the sale of our Morningstar division to a third party and we received net proceeds of approximately \$1.45 billion, a portion of which was utilized to repay in full the then-outstanding \$480 million aggregate principal amount of our 2016 Tranche B term loan borrowings, the then-outstanding \$547 million aggregate principal amount of our outstanding 2017 Tranche B term loan borrowings, and the \$265 million revolver borrowings that were outstanding as of December 31, 2012. As a result of these principal repayments, we expect to write off \$1.5 million in previously deferred financing costs related to Dean Foods' senior secured credit facility in the first quarter of 2013.

The following table summarizes the key terms of the Dean Foods senior secured credit facility as of December 31, 2012:

	Principal⁽¹⁾	Maturity Date	Applicable Base Rate Margin⁽²⁾	Applicable LIBOR Rate Margin⁽²⁾	Quarterly Commitment Fee on Undrawn Amounts
Revolving Credit Facility	\$ 1.0 billion	April 2, 2014	1.00% - 2.25%	2.00% - 3.25%	0.375% - 0.500%
Term Loan B	\$ 480 million	April 2, 2016	2.00% - 2.25%	3.00% - 3.25%	–
	\$ 547 million	April 2, 2017	2.25% - 2.50%	3.25% - 3.50%	–

- (1) Amounts for term loan B represent outstanding principal balances as of December 31, 2012. We repaid in full our outstanding term loan B borrowings on January 3, 2013. The revolving credit facility principal amount represents the total commitment amount available to us pursuant to the terms of our credit agreement.

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- (2) The senior secured credit facility bears interest, at our election, at the Alternate Base Rate (as defined in our credit agreement) plus a margin depending on our leverage ratio or LIBOR plus a margin depending on our leverage ratio. Interest is payable quarterly or after the end of the applicable interest period.

Our credit agreement permits us to complete acquisitions that meet all of the following conditions without obtaining prior approval: (1) the acquired company is involved in the manufacture, processing and distribution of food or packaging products or any other line of business in which we were engaged as of April 2007, (2) the net cash purchase price for any single acquisition is not greater than \$500 million and not greater than \$100 million if our leverage ratio is greater than 4.50 times consolidated EBITDA (as defined in our credit agreement) on a pro-forma basis, (3) we acquire at least 51% of the acquired entity, (4) the transaction is approved by the board of directors or shareholders, as appropriate, of the target and (5) after giving effect to such acquisition on a pro-forma basis, we would have been in compliance with all financial covenants. All other acquisitions must be approved in advance by the required lenders.

The senior secured credit facility contains limitations on liens, investments and the incurrence of additional indebtedness, prohibits certain dispositions of property and restricts certain payments, including dividends. There are no restrictions on these certain payments, including dividends, when our leverage ratio is below 4.50 times on a pro-forma basis. The senior secured credit facility is secured by liens on substantially all of our domestic assets, including the assets of our domestic subsidiaries, but excluding all assets of WhiteWave and its subsidiaries, the capital stock of subsidiaries of the former Dean Foods Company (“Legacy Dean”) and the capital stock of WhiteWave and its subsidiaries, the real property owned by Legacy Dean and its subsidiaries, and accounts receivable associated with the receivables-backed facility. In connection with the WhiteWave IPO, WhiteWave and its subsidiaries have been released from their obligations as guarantors of Dean Foods’ senior secured credit facility and designated as unrestricted subsidiaries thereunder.

Under the senior secured credit facility and our receivables-backed facility, we are required to comply with certain financial covenants, including, but not limited to, maximum leverage, maximum senior secured leverage and minimum interest coverage ratios, each as defined under and calculated in accordance with the terms of the agreements governing our senior secured credit facility and our receivables-backed facility. Our leverage ratio at December 31, 2012 was 3.54 times consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters. The maximum permitted leverage ratio of consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters was 5.50 times as of December 31, 2012 and decreases to 5.25 times as of March 31, 2013, with an additional decrease to 4.50 times as of September 30, 2013 and thereafter. As described in more detail in our amended and restated credit agreement, the leverage ratio is calculated as the ratio of consolidated funded indebtedness, less cash up to \$100 million to the extent held by us and our restricted subsidiaries, to consolidated EBITDA for the period of four consecutive fiscal quarters ended on the measurement date. Consolidated funded indebtedness is comprised of our outstanding indebtedness and the outstanding indebtedness of certain of our subsidiaries, excluding our unrestricted subsidiaries. Consolidated EBITDA is comprised of net income for us and our restricted subsidiaries plus interest expense, taxes, depreciation, amortization expense and certain other non-cash expenses, and add-backs resulting from acquisition-related non-recurring charges incurred by us or certain of our subsidiaries and is calculated on a pro-forma basis to give effect to any acquisitions, divestitures or relevant changes in our composition or the composition of certain of our subsidiaries. In addition, the calculation of consolidated EBITDA may include adjustments related to other charges reasonably acceptable to the administrative agent.

Our senior secured leverage ratio at December 31, 2012 was 1.96 times consolidated funded senior secured indebtedness to consolidated EBITDA for the prior four consecutive quarters. The maximum permitted senior secured leverage ratio of consolidated funded senior secured indebtedness to consolidated EBITDA for the prior four consecutive quarters allowed was 3.75 times as of December 31, 2012 and decreases to 3.50 times as of March 31, 2013 and thereafter. This ratio is calculated as the ratio of consolidated funded senior secured indebtedness, less cash up to \$100 million to the extent held by us and our restricted subsidiaries, to consolidated EBITDA for the period of four consecutive fiscal quarters ended on the measurement date. Consolidated funded

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senior secured indebtedness is comprised of our outstanding senior secured indebtedness and the outstanding senior secured indebtedness of certain of our subsidiaries, excluding our unrestricted subsidiaries. Consolidated EBITDA is calculated as described above in the discussion of our leverage ratio.

Our interest coverage ratio at December 31, 2012 was 3.79 times consolidated EBITDA to consolidated interest expense for the prior four consecutive quarters. The minimum permitted interest coverage ratio of consolidated EBITDA to consolidated interest expense for the prior four consecutive quarters was 2.75 times as of December 31, 2012 and increases to 3.00 times as of March 31, 2013 and thereafter. This ratio is calculated as the ratio of consolidated EBITDA to consolidated interest expense for the period of four consecutive fiscal quarters ended on the measurement date. Consolidated EBITDA is calculated as described above in the discussion of our leverage ratio. Consolidated interest expense is comprised of consolidated interest expense paid or payable in cash by us and our restricted subsidiaries, as calculated in accordance with generally accepted accounting principles, but excluding non-cash losses from foreign exchange translations or swap agreements and third party fees and expenses related to acquisitions, investments, dispositions and the incurrence or early extinguishment of indebtedness.

We are currently in compliance with all covenants in our credit agreements, and we expect to maintain such compliance for the foreseeable future.

The credit agreement contains standard default triggers, including without limitation: failure to maintain compliance with the financial and other covenants contained in the credit agreement, default on certain of our other debt, a change in control and certain other material adverse changes in our business. The credit agreement does not contain any requirements to maintain specific credit rating levels.

At December 31, 2012, there were outstanding borrowings of \$1.3 billion under our senior secured credit facility (compared to \$2.5 billion at December 31, 2011), which consisted of \$1.0 billion in term loan borrowings and \$265 million under the revolver, all of which were repaid in full on January 3, 2013. The decrease of \$1.2 billion in our senior secured credit facility outstanding borrowings was primarily due to the full repayment of the then-outstanding \$480 million aggregate principal amount of our 2014 Tranche A term loan borrowings and the then-outstanding \$675 million aggregate principal amount of our outstanding 2014 Tranche B term loan borrowings with the proceeds from the WhiteWave IPO. See Note 2 to our Consolidated Financial Statements for further information regarding the WhiteWave IPO. At December 31, 2012, letters of credit in the aggregate amount of \$1.0 million were issued under the revolving credit facility but undrawn. Our average daily balance under this facility during 2012 was \$107.2 million.

As of February 15, 2013, there were no outstanding borrowings under our senior secured revolving credit facility, excluding letters of credit in the aggregate amount of \$1.0 million that were issued but undrawn.

WhiteWave Senior Secured Credit Facilities – On October 12, 2012, in connection with the WhiteWave IPO discussed in Note 2 to our Consolidated Financial Statements, WhiteWave entered into a senior secured credit facility, consisting of a five-year \$850 million revolving credit facility, a five-year \$250 million term loan A-1 and a seven-year \$250 million term loan A-2. The revolving credit facilities will be available for the issuance of up to \$75 million of letters of credit and up to \$75 million of swing line loans.

As of December 31, 2012, WhiteWave had outstanding borrowings of approximately \$781 million under its \$1.35 billion senior secured credit facilities, of which \$500 million consisted of term loan borrowings and \$281 million consisted of borrowings under the \$850 million revolving portion of its senior secured credit facilities. In addition, WhiteWave had additional borrowing capacity of approximately \$569 million under its senior secured credit facilities, which amount will vary over time depending on WhiteWave's financial covenants and operating performance.

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The terms of WhiteWave's senior secured credit facilities include the following:

maturity on October 31, 2017 for the term loan A-1 and revolving credit facility and October 31, 2019 for the \$250 million term loan A-2 facility;

required amortization repayment in quarterly installments of the following amounts on the \$250 million term loan A-1 facility: \$12.5 million in 2013 and 2014, \$18.75 million in 2015 and 2016, and \$25.0 million in 2017, with the balance at maturity, and in the case of the \$250 million term loan A-2 facility, \$2.5 million in 2013 through 2019, with the balance at maturity;

an accordion feature allowing, under certain circumstances, the maximum principal amount of the senior secured credit facilities to be increased by up to \$500 million, subject to lender commitments;

mandatory prepayments in the event of certain asset sales and receipt of insurance proceeds;

customary representations and warranties that are made at closing and upon each borrowing under the senior secured credit facilities;

customary affirmative and negative covenants for agreements of this type, including delivery of financial and other information, compliance with laws, further assurances, and limitations with respect to indebtedness, liens, fundamental changes, restrictive agreements, dispositions of assets, acquisitions and other investments, sale leaseback transactions, conduct of business, transactions with affiliates, and restricted payments; and

financial covenants establishing (a) a maximum consolidated net leverage ratio initially set at 4.25 to 1.00 and stepping down to 4.00 to 1.00 beginning March 31, 2014 and then to 3.75 to 1.00 beginning March 31, 2015 and thereafter (subject to WhiteWave's right to increase such ratio by 0.50 to 1.00, but not to exceed 4.50 to 1.00, for the next four fiscal quarters following any permitted acquisition for which the purchase consideration equals or exceeds \$50 million) and (b) a minimum consolidated interest coverage ratio set at 3.00 to 1.00.

WhiteWave's senior secured credit facilities are secured by security interests and liens on substantially all of its assets and the assets of its material domestic subsidiaries. Dean Foods does not guarantee WhiteWave's senior secured credit facilities. The senior secured credit facilities are guaranteed by its material domestic subsidiaries. Borrowings under the senior secured credit facilities currently bear interest at a rate of LIBOR plus 1.75% per annum or, in the case of the \$250 million term loan A-2 facility, LIBOR plus 2.00% per annum, and are subject to adjustment based on WhiteWave's consolidated net leverage ratio. As of December 31, 2012, WhiteWave was in compliance with all debt covenants.

WhiteWave incurred financing costs of approximately \$12 million in connection with the execution of its senior secured credit facilities. These costs will be deferred and recognized over the terms of the respective debt agreements using the effective interest method.

Use of Net Proceeds from WhiteWave IPO and Initial Borrowing under WhiteWave Senior Secured Credit Facilities – On October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under its senior secured credit facilities. Substantially all of the net proceeds of the borrowing and \$282 million of the net proceeds from the WhiteWave IPO, totaling approximately \$1.16 billion, were contributed to WWF Opco, which then paid such proceeds to Dean Foods to repay then-outstanding obligations under intercompany notes owed to Dean Foods Company. On October 31, 2012, we utilized those funds to repay in full the outstanding 2014 Tranche A term loan and the outstanding 2014 Tranche B term loan borrowings. As a result of these principal repayments, \$3.5 million in previously deferred financing costs related to the Dean Foods Company senior secured credit facility were written off in the fourth quarter of 2012. See Note 10 to our Consolidated Financial Statements. Additionally, effective October 31, 2012, we voluntarily reduced the total commitment amount available to us under the Dean Foods revolving credit facility from \$1.275 billion to \$1.0 billion.

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Dean Foods Receivables-Backed Facility – In addition to our senior secured credit facility, we also have a \$600 million receivables-backed facility under which current availability is subject to a monthly borrowing base formula. This facility is available for the issuance of letters of credit of up to \$300 million.

In connection with the WhiteWave IPO described in Note 2 to our Consolidated Financial Statements, effective September 1, 2012, WWF Opco and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by WWF Opco to these entities on or prior to August 31, 2012 will continue to be collected by us; however, any receivables generated by WhiteWave or WWF Opco subsequent to September 1, 2012 were not sold into the receivables securitization program, and no WWF Opco receivables previously sold into the facility will be included in the determination of our ability to re-borrow under the facility as described below. Additionally, effective November 1, 2012, Morningstar Foods and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by Morningstar into these entities prior to October 31, 2012 will continue to be collected by us; however, any receivables generated by Morningstar or its subsidiaries subsequent to November 1, 2012 will not be sold into the receivables securitization program, and no Morningstar receivables previously sold into the facility will be included in the determination of our ability to re-borrow under the facility as described below.

Based on the monthly borrowing base formula, we had the ability to borrow up to \$572.4 million of the \$600 million total commitment amount under the receivables-backed facility as of December 31, 2012. There were no drawn balances as of December 31, 2012, excluding letters of credit in the aggregate amount of \$230.6 million that were issued under the facility but undrawn, resulting in remaining available borrowing capacity of \$341.8 million at December 31, 2012. Our average daily balance under this facility during the year ended December 31, 2012 was \$148.5 million. The receivables-backed facility bears interest at a variable rate based upon commercial paper and one-month LIBOR rates plus an applicable margin.

Standby Letter of Credit – As discussed in Note 19, on February 14, 2012, the United States District Court for the Eastern District of Tennessee granted preliminary approval of our settlement agreement with the plaintiffs in the Tennessee dairy farmer actions, and on June 15, 2012, the Court issued a ruling granting final approval of the settlement agreement. As part of the settlement agreement, on February 21, 2012, we issued a standby letter of credit in the amount of \$80 million, representing the subsequent payments due under the terms of the settlement agreement. The total amount of the letter of credit will decrease proportionately as we make each of the four installment payments. We expect to make the first installment payment in June 2013.

We are currently in compliance with all covenants under our credit agreements, and we expect to maintain such compliance for the foreseeable future.

Senior Notes – Other indebtedness outstanding at December 31, 2012 included \$500 million aggregate principal amount outstanding under Dean Foods Company's senior notes due 2016, \$400 million aggregate principal amount outstanding under Dean Foods Company's senior notes due 2018 and \$142 million aggregate principal amount outstanding under Legacy Dean's senior notes due 2017. In connection with the WhiteWave IPO, WhiteWave and its subsidiaries were released from their obligations as guarantors of the Dean Foods Company senior notes.

Alpro Revolving Credit Facility – WhiteWave's Alpro operations have access to a multicurrency revolving credit facility with a borrowing capacity of 1 million (or its currency equivalent). The facility is unsecured, and prior to the WhiteWave IPO discussed in Note 2 to the Consolidated Financial Statements, was guaranteed by Dean Foods Company and various Alpro subsidiaries; however, in connection with the WhiteWave IPO, effective as of October 9, 2012, Dean Foods Company was released from this guarantee. Proceeds under the facility may be used for Alpro's working capital and other general corporate purposes. The subsidiary revolving credit facility is available for the issuance of up to 1 million (or its currency equivalent) of letters of credit. On July 10, 2012, we renewed this facility under substantially similar terms. No principal payments are due under the subsidiary revolving credit facility until maturity on July 10, 2013. At December 31, 2012, there were no outstanding borrowings under this facility.

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- (5) Includes fixed rate interest obligations, expected cash payments on interest rate swaps based on the notional amounts of the swaps and the LIBOR forward curve at December 31, 2012 and interest on variable rate debt based on the rates in effect at December 31, 2012. Interest that may be due in the future on variable rate borrowings under the senior secured credit facility and receivables-backed facility will vary based on the interest rate in effect at the time and the borrowings outstanding at the time.
- (6) Represents expected future benefit obligations of \$363.7 million and \$37.4 million related to our company-sponsored pension plans and postretirement healthcare plans, respectively. In addition to our company-sponsored plans, we participate in certain multiemployer defined benefit plans. The cost of these plans is equal to the annual required contributions determined in accordance with the provisions of negotiated collective bargaining arrangements. These costs were approximately \$29 million, \$26 million and \$26 million during the years ended December 31, 2012, 2011 and 2010, respectively; however, the future cost of the multiemployer plans is dependent upon a number of factors, including the funded status of the plans, the ability of other participating companies to meet ongoing funding obligations, and the level of our ongoing participation in these plans. Because the amount of future contributions we would be contractually obligated to make pursuant to these plans cannot be reasonably estimated, such amounts have been excluded from the table above. See Note 15 to our Consolidated Financial Statements.
- (7) Represents future payments pursuant to an approved agreement to settle all claims in the Tennessee dairy farmer actions. See Note 19 to our Consolidated Financial Statements.
- (8) Includes interest on variable rate debt based on the rates in effect at December 31, 2012 and expected cash payments on interest rate swaps based on the notional amounts of the swaps and the LIBOR forward curve at December 31, 2012. Interest that may be due in the future on the variable rate portion of WhiteWave's senior secured credit facilities will vary based on the interest rate in effect at the time and the borrowings outstanding at the time. Future interest payments on the interest rate swaps will vary based on the interest rates in effect at each respective settlement date. Excluded from the table above are expected cash receipts related to the interest rate swaps.
- (8) Includes interest on variable rate debt based on the rates in effect at December 31, 2012 and expected cash payments on interest rate swaps based on the notional amounts of the swaps and the LIBOR forward curve at December 31, 2012. Interest that may be due in the future on the variable rate portion of WhiteWave's senior secured credit facilities will vary based on the interest rate in effect at the time and the borrowings outstanding at the time. Future interest payments on the interest rate swaps will vary based on the interest rates in effect at each respective settlement date. Excluded from the table above are expected cash receipts related to the interest rate swaps.
- (9) The table above excludes our liability for uncertain tax positions of \$38.2 million because the timing of any related cash payments cannot be reasonably estimated.

Pension and Other Postretirement Benefit Obligations

We offer pension benefits through various defined benefit pension plans and also offer certain health care and life insurance benefits to eligible employees and their eligible dependents upon the retirement of such employees. Reported costs of providing non-contributory defined pension benefits and other postretirement benefits are dependent upon numerous factors, assumptions and estimates. For example, these costs are impacted by actual employee demographics (including age, compensation levels and employment periods), the level of contributions made to the plan and earnings on plan assets. Pension and postretirement costs also may be significantly affected by changes in key actuarial assumptions, including anticipated rates of return on plan assets and the discount rates used in determining the projected benefit obligation and annual periodic pension costs. In 2012 and 2011, we made contributions of \$18.3 million and \$18.1 million, respectively, to our defined benefit pension plans.

In 2011, we identified groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations, which resulted in an understatement of our benefit obligations and net periodic benefit cost. We recorded a non-cash charge, and the related benefit obligation, of \$16.0 million in 2011, of which \$0.8 million related to the year ended December 31, 2011 and \$15.2 million related to prior periods. This adjustment has increased our future expected benefit payments under the other postretirement benefit plans.

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Our pension plan assets are primarily comprised of equity and fixed income investments. Changes made to the provisions of the plan may impact current and future pension costs. Fluctuations in actual equity market returns, as well as changes in general interest rates may result in increased or decreased pension costs in future periods. In accordance with Accounting Standards related to “Employers’ Accounting for Pensions,” changes in obligations associated with these factors may not be immediately recognized as pension costs on the income statement, but generally are recognized in future years over the remaining average service period of plan participants. As such, significant portions of pension costs recorded in any period may not reflect the actual level of cash benefits provided to plan participants. In 2012, we recorded non-cash pension expense of \$14.7 million, all of which was attributable to periodic expense, compared to a total of \$13.8 million in 2011, of which \$12.9 million was attributable to periodic expense and \$0.9 million was attributable to settlements.

Almost 90% of our defined benefit plan obligations are frozen as to future participation or increases in projected benefit obligation. Many of these obligations were acquired in prior strategic transactions. As an alternative to defined benefit plans, we offer defined contribution plans for eligible employees.

The weighted average discount rate reflects the rate at which our defined benefit plan obligations could be effectively settled. The rate, which is updated annually with the assistance of an independent actuary, uses a model that reflects a bond yield curve. The weighted average discount rate for our pension plan obligations was decreased from 4.5% at December 31, 2011 to 3.7% at December 31, 2012. We do not expect this change to increase the net periodic benefit cost in 2013 as we expect the decrease in discount rate to meaningfully reduce the interest cost component of net periodic benefit cost.

Substantially all of our qualified pension plans are consolidated into one master trust. The investments held in the master trust are managed by an established Investment Committee with assistance from independent investment advisors. In July 2009, the Investment Committee adopted a new long-term investment policy for the master trust that targets investments in equity securities at 59% of the portfolio, fixed income at 37%, cash equivalents at 3% and other investments of 1%. At December 31, 2012, our master trust was invested as follows: investments in equity securities were at 59%; investments in fixed income were at 39%; cash equivalents were at 2% and other investments were less than 1%. We believe the allocation of our master trust investments as of December 31, 2012 is generally consistent with the targets set forth by the Investment Committee.

See Notes 15 and 16 to our Consolidated Financial Statements for additional information regarding retirement plans and other postretirement benefits.

Other Commitments and Contingencies

On December 21, 2001, in connection with our acquisition of Legacy Dean, we purchased Dairy Farmers of America’s (“DFA”) 33.8% interest in our operations. In connection with that transaction, we issued a contingent, subordinated promissory note to DFA in the original principal amount of \$40 million. DFA is a primary supplier of raw milk, and the promissory note is designed to ensure that DFA has the opportunity to continue to supply raw milk to certain of our facilities until 2021, or be paid for the loss of that business. The promissory note has a 20-year term and bears interest based on the consumer price index. Interest will not be paid in cash, but will be added to the principal amount of the note annually, up to a maximum principal amount of \$96 million. We may prepay the note in whole or in part at any time, without penalty. The note will only become payable if we materially breach or terminate one of our related milk supply agreements with DFA without renewal or replacement. Otherwise, the note will expire at the end of 20 years, without any obligation to pay any portion of the principal or interest. Payments we make under this note, if any, will be expensed as incurred. We have not terminated, and we have not materially breached, any of our related milk supply agreements with DFA related to the promissory note. We have previously terminated unrelated supply agreements with respect to several plants that were supplied by DFA. In connection with our goals of accelerated cost control and increased supply chain efficiency, we continue to evaluate our sources of raw milk supply.

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We also have the following commitments and contingent liabilities, in addition to contingent liabilities related to ordinary course litigation, investigations and audits:

certain indemnification obligations related to businesses that we have divested;

certain lease obligations, which require us to guarantee the minimum value of the leased asset at the end of the lease; and

selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses.

See Note 19 to our Consolidated Financial Statements for more information about our commitments and contingent obligations.

Future Capital Requirements

During 2013, we intend to invest a total of approximately \$150 million to \$175 million in capital expenditures related to our Fresh Dairy Direct business, primarily for our existing manufacturing facilities and distribution capabilities. Inclusive of the impact of interest savings related to the full repayment of our then-outstanding tranche B term loan borrowings on January 3, 2013, we expect cash interest to be approximately \$95 million to \$100 million based upon current debt levels and projected forward interest rates under our senior secured credit facility. Cash interest excludes amortization of deferred financing fees and bond discounts of approximately \$13 million and imputed interest of approximately \$2 million related to the Tennessee dairy farmer litigation settlement discussed in Note 19 to our Consolidated Financial Statements.

WhiteWave has indicated that it expects to invest approximately \$150 million to \$160 million in capital expenditures in 2013, primarily to increase manufacturing and warehousing capacity to support its growth. Additionally, WhiteWave expects cash interest to be approximately \$20 million to \$22 million, which excludes amortization of deferred financing fees of approximately \$2.4 million.

The portion of our long-term debt due within the next 12 months totals \$26 million, of which \$15 million is attributable to WhiteWave. From time to time, we may repurchase our outstanding debt obligations in the open market or in privately negotiated transactions, subject to meeting certain terms and conditions as outlined in our credit agreements. We expect that cash flow from operations and borrowings under our senior secured credit facility and receivables-backed facility will be sufficient to meet our future capital requirements for the foreseeable future.

We currently have a maximum permitted senior secured leverage ratio of 3.75 times and maximum leverage ratio of 5.50 times consolidated funded indebtedness to consolidated EBITDA for the prior four consecutive quarters, each as defined under and calculated in accordance with the terms of our senior secured credit facility and our receivables-backed facility. As of December 31, 2012, the senior secured leverage ratio was 1.96 times and the leverage ratio was 3.54 times. The maximum permitted senior secured leverage ratio and leverage ratio under both the senior secured credit facility and the receivables-backed facility will decline to 3.50 times and 5.25 times, respectively, as of March 31, 2013.

At December 31, 2012, \$341.8 million was available under the receivables-backed facility, with \$734.0 million also available under the senior secured revolving credit facility, subject to compliance with the covenants in our credit agreements. Availability under the receivables-backed facility is calculated using the current receivables balance for the seller entities, less adjustments for vendor concentration limits, reserve requirements and other adjustments as described in our amended and restated receivables purchase agreement, not to exceed the total commitment amount less current borrowings and outstanding letters of credit. Availability under the senior secured revolving credit facility is calculated using the total commitment amount less current borrowings and outstanding letters of credit. At February 15, 2013, approximately \$1.33 billion, subject to compliance with the covenants in our credit agreements, was available to finance working capital and other general corporate purposes under the receivables-backed and revolving credit facilities.

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Known Trends and Uncertainties

Prices of Raw Milk and Other Inputs

Conventional Raw Milk and Butterfat – The primary raw materials used in Fresh Dairy Direct’s products are conventional milk (which contains both raw milk and butterfat) and bulk cream. On a monthly basis, the federal government and certain state governments set minimum prices for raw milk. The regulated minimum prices differ based on how the raw milk is utilized. Raw milk processed into fluid milk is priced at the Class I price and raw milk processed into products such as cottage cheese, creams and creamers, ice cream and sour cream is priced at the Class II price. Generally, we pay the federal minimum prices for raw milk, plus certain producer premiums (or “over-order” premiums) and location differentials. We also incur other raw milk procurement costs in some locations (such as hauling, field personnel, etc.). A change in the federal minimum price does not necessarily mean an identical change in our total raw milk costs as over-order premiums may increase or decrease. This relationship is different in every region of the country and sometimes within a region based on supplier arrangements. However, in general, the overall change in our raw milk costs can be linked to the change in federal minimum prices. Because our Class II products typically have a higher fat content than that contained in raw milk, we also purchase bulk cream for use in some of our Class II products. Bulk cream is typically purchased based on a multiple of the Grade AA butter price on the Chicago Mercantile Exchange (“CME”).

In general, Fresh Dairy Direct changes the prices charged for Class I dairy products on a monthly basis, as the costs of raw materials, packaging, fuel and other materials fluctuate. Prices for certain Fresh Dairy Direct Class II products are also changed monthly, while others are changed from time to time as circumstances warrant. However, there can be a lag between the timing of a raw material cost change and a corresponding price change to our customers, especially in the case of Class II butterfat because Class II butterfat prices for each month are not announced by the government until after the end of that month. Additionally, in some cases, primarily with respect to diesel fuel and other non-dairy inputs, we are subject to the terms of sales agreements with respect to the implementation of price changes. This can have a negative impact on our profitability and can cause volatility in our earnings. Our sales and operating profit margin fluctuate with the price of our raw materials and other inputs.

Prices for conventional milk declined in the first half of 2012 and rose materially every month of the third and fourth quarter of 2012, hitting a near-historic peak of \$21.39 in December. This is the third highest month in the last five years and 40% above the June low price of the year. On average, this represented a 23% sequential increase from the prior quarter but a 9% decline for the full year as compared to 2011. We expect Class I and Class II prices to decline moderately at the beginning of 2013 and remain flat for at least the first half of the year.

Organic Raw Milk – The primary raw material used in WhiteWave’s organic milk-based products is organic raw milk. WhiteWave currently works with more than 600 dairy farmers across the United States and purchases approximately 93% of its organic raw milk from this network. The balance of its organic raw milk is sourced from two farms that WhiteWave owns. WhiteWave generally enters into supply agreements with organic dairy farmers with typical terms of two to five years, which obligate WhiteWave to purchase certain minimum quantities of organic raw milk. The dairy industry continues to experience periodic imbalances between supply and demand for organic raw milk. Industry regulation and the costs of organic farming compared to costs of conventional farming can impact the supply of organic raw milk in the market. Oversupply levels of organic raw milk can increase competitive pressure on WhiteWave’s products, while supply shortages can cause product shortages and higher costs to WhiteWave. WhiteWave continues to take proactive steps to manage its organic raw milk supply to ensure it is able to maintain its leading position in the premium dairy category.

Soybeans and Almonds – The primary raw materials used in WhiteWave’s plant-based products are non-Genetically Modified Organism (“non-GMO”) soybeans, organic soybeans and almonds. In 2011, WhiteWave committed to using only soybeans that have been certified as non-GMO by an independent party in its non-organic products. Both soybeans and almonds are generally available from several suppliers and WhiteWave is not dependent on any single supplier for these raw materials.

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Fuel and Resin Costs – Fresh Dairy Direct purchases diesel fuel to operate its extensive DSD system and incurs fuel surcharge expense related to the products it delivers through third-party carriers. WhiteWave primarily relies on third-party carriers for product distribution, and the transportation agreements typically adjust for movement in diesel prices. Although we may utilize forward purchase contracts and other instruments to mitigate the risks related to commodity price fluctuations, such strategies do not fully mitigate commodity price risk. Adverse movements in commodity prices over the terms of the contracts or instruments could decrease the economic benefits we derive from these strategies.

Another significant raw material we use is resin, which is a fossil fuel based product used to make plastic bottles. Fresh Dairy Direct purchases approximately 28 million pounds of resin and bottles per month. The prices of diesel and resin are subject to fluctuations based on changes in crude oil and natural gas prices. We expect that fuel and resin costs will remain elevated throughout 2013.

Retail and Customer Environment

Due in part to the current economic climate, which continues to be challenging for broad segments of the population, and historically high retail prices, the fluid milk category has posted declining volumes over the last several years. In addition, the industry experienced retail and wholesale margin erosion in 2010 and 2011, as conventional milk prices increased steadily in recent years; however, during the fourth quarter of 2011, milk prices decreased slightly and continued to decline through the first half of 2012. As conventional raw milk prices have fallen, retailers have restored the margin over milk (the difference between retail milk prices and raw milk costs) to be more consistent with historical averages, which is in contrast to 2010 and 2011, when retailers were deeply discounting private label milk. As a result, the price relationship between branded and private label milk has improved, our regional brand share has stabilized, and our regional brands have competed more effectively during 2012. Milk prices rose significantly during the second half of 2012; however, we were able to effectively adjust our pricing to offset these costs. Additionally, our volumes continued to outperform our peers throughout the year.

Over the course of 2013, we will continue to emphasize price realization, volume performance and disciplined cost management in an effort to improve gross margin and drive operating income growth. Organizational changes have been made to reduce our total cost to serve and our selling and general and administrative costs, and we remain focused on sustaining strong positive cash flow and generating shareholder value. Our focus on volume, cost and pricing effectiveness has yielded significantly improved results and renewed momentum within our Fresh Dairy Direct business; however, the fluid milk industry remains highly competitive. In January 2013, an RFP for private label milk with a significant customer resulted in a loss of a portion of that customer's business which will begin to be reflected in the second quarter of 2013. The lost volumes were primarily related to low-margin, private label business and resulted from the renegotiation of certain regional supply arrangements that going forward will be subject to renewal over various time frames. As a result, we expect total fluid milk volumes to decline in the low-single digits in 2013. We expect to accelerate our ongoing cost reduction efforts in 2013 to minimize the impact of these lost volumes.

Consumer Preferences for WhiteWave Products and New Product Introductions

WhiteWave's plant-based foods and beverages, coffee creamers and beverages, and premium dairy categories are aligned with emerging consumer preferences for products that are nutritious, flavorful, convenient, and responsibly produced. As a result, we believe these product categories will continue to offer attractive growth opportunities relative to traditional food and beverage categories. WhiteWave's plant-based foods and beverages and premium dairy products are well positioned within the dairy and dairy alternatives sector, as well as the natural and organic sector. The growth of the natural and organic sector is outpacing the growth of the overall food and beverage industry and, within dairy and dairy alternatives, WhiteWave's share continues to grow. In addition, its coffee creamers and beverages continue to benefit from the growth and overall size of the coffee and creamers sector.

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Additionally, WhiteWave will continue to benefit from evolving consumer preferences by delivering innovative products in profitable categories under its trusted brands. WhiteWave has a proven track record of innovation through either creating or largely developing the organic milk, soymilk, and flavored non-dairy creamer subcategories. Recent successful new product introductions under WhiteWave's *Silk*, *Alpro*, *Horizon Organic*, and *International Delight* brands further demonstrate its capabilities to develop and expand its categories. WhiteWave will continue to focus on innovation to drive increased consumption of its brands.

Commercial Arrangements

In connection with the WhiteWave IPO discussed in Note 2 to our Consolidated Financial Statements, our separate lines of businesses have entered into agreements that formalize and, in certain cases, modify ongoing commercial arrangements. These agreements initially became effective on October 31, 2012. Following their effectiveness and for so long as WhiteWave is consolidated for financial reporting purposes, these agreements will impact our intersegment sales and their related costs but will be eliminated in consolidation. In the case of a spin-off or other tax-free disposition, these intersegment sales would become third-party sales that, along with their related costs, would no longer be eliminated in consolidation.

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Critical Accounting Policies and Use of Estimates

In certain circumstances, the preparation of our Consolidated Financial Statements in conformity with generally accepted accounting principles requires us to use our judgment to make certain estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net sales and expenses during the reporting period. Our senior management has discussed the development and selection of these critical accounting policies, as well as our significant accounting policies (see Note 1 to our Consolidated Financial Statements), with the Audit Committee of our Board of Directors. The following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results, and the estimates they involve require our most difficult, subjective or complex judgments.

Estimate Description	Judgment and/or Uncertainty	Potential Impact if Results Differ
<p>Goodwill and Intangible Assets</p> <p>Our goodwill and intangible assets result primarily from acquisitions and primarily include trademarks with finite lives and indefinite lives and customer-related intangible assets.</p> <p>Perpetual trademarks and goodwill are evaluated for impairment annually and on an interim basis when circumstances arise that indicate a possible impairment to ensure that the carrying value is recoverable.</p> <p>A perpetual trademark is impaired if its book value exceeds its estimated fair value. Goodwill is evaluated for impairment if we determine that it is more likely than not that the book value of a reporting unit exceeds its estimated fair value.</p> <p>Amortizable intangible assets are evaluated for impairment upon a significant change in the operating environment or whenever circumstances indicate that the carrying value may not be recoverable. If an evaluation of the undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value, which is generally based on discounted future cash flows.</p> <p>Our goodwill and intangible assets totaled \$1.5 billion as of December 31, 2012, of which approximately \$344 million relates to Fresh Dairy Direct.</p>	<p>Considerable management judgment is necessary to initially value intangible assets upon acquisition and to evaluate those assets and goodwill for impairment going forward. We determine fair value using widely acceptable valuation techniques including discounted cash flows, market multiples analyses and relief from royalty analyses.</p> <p>Assumptions used in our valuations, such as forecasted growth rates and our cost of capital, are consistent with our internal projections and operating plans.</p> <p>We believe that a trademark has an indefinite life if it has a history of strong sales and cash flow performance that we expect to continue for the foreseeable future. If these perpetual trademark criteria are not met, the trademarks are amortized over their expected useful lives. Determining the expected life of a trademark requires considerable management judgment and is based on an evaluation of a number of factors including the competitive environment, trademark history and anticipated future trademark support.</p>	<p>We believe that the assumptions used in valuing our intangible assets and in our impairment analysis are reasonable, but variations in any of the assumptions may result in different calculations of fair values that could result in a material impairment charge.</p> <p>Based on the baseline valuation performed in 2011, the fair value of each of our reporting units exceeds its related carrying value by approximately \$512 million or 28.6%, \$1.2 billion or 106.7% and \$193 million or 46.4% for Fresh Dairy Direct, WhiteWave and Alpro, respectively. The results of our qualitative assessment conducted in 2012 did not indicate that it was more likely than not that the fair value of any of our reporting units was less than its carrying amount.</p> <p>Based on the results of the annual impairment testing of our indefinite-lived trademarks completed during the fourth quarter of 2012, we did not record any impairment charges.</p> <p>We can provide no assurance that we will not have additional impairment charges in future periods as a result of changes in our operating results or our assumptions.</p>

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Estimate Description	Judgment and/or Uncertainty	Potential Impact if Results Differ
<p>Property, Plant and Equipment</p> <p>We perform impairment tests when circumstances indicate that the carrying value may not be recoverable. Indicators of impairment could include significant changes in business environment or planned closure of a facility.</p> <p>Our property, plant and equipment totaled \$1.9 billion as of December 31, 2012.</p>	<p>Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate asset useful lives and future cash flows.</p>	<p>If actual results are not consistent with our estimates and assumptions used to calculate estimated future cash flows, we may be exposed to impairment losses that could be material.</p>
<p>Self Insurance Accruals</p> <p>We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third-party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverages.</p> <p>At December 31, 2012 we recorded accrued liabilities related to these retained risks of \$170.2 million, including both current and long-term liabilities. We have reduced our property and casualty insurance reserves over the past three years due to a continuous decline in claims resulting from ongoing safety improvements, as well as better claims management.</p>	<p>Accrued liabilities related to these retained risks are calculated based upon loss development factors, which contemplate a number of variables including claims history and expected trends. These loss development factors are developed by us in consultation with external insurance brokers and actuaries.</p>	<p>If actual results differ from our assumptions, we could be exposed to material gains or losses.</p> <p>A 10% change in our self-insured liabilities could affect net earnings by approximately \$7.6 million.</p>

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Estimate Description	Judgment and/or Uncertainty	Potential Impact if Results Differ
<p>Employee Benefit Plans</p> <p>We provide a range of benefits including pension and postretirement benefits to our eligible employees and retirees.</p>	<p>We record annual amounts relating to these plans, which include various actuarial assumptions, such as discount rates, assumed investment rates of return, compensation increases, employee turnover rates and health care cost trend rates. We review our actuarial assumptions on an annual basis and make modifications to the assumptions based on current rates and trends when it is deemed appropriate. The effect of the modifications is generally recorded and amortized over future periods.</p>	<p>Different assumptions could result in the recognition of different amounts of expense over different periods of time.</p> <p>A 0.25% reduction in the assumed rate of return on plan assets or a 0.25% reduction in the discount rate would each result in an increase in our annual pension expense of \$0.6 and \$0.8 million, respectively.</p> <p>A 1% increase in assumed healthcare costs trends would increase the aggregate post retirement medical obligation by approximately \$3.9 million.</p>
<p>Income Taxes</p> <p>A liability for uncertain tax positions is recorded to the extent a tax position taken or expected to be taken in a tax return does not meet certain recognition or measurement criteria. A valuation allowance is recorded against a deferred tax asset if it is not more likely than not that the asset will be realized.</p> <p>At December 31, 2012 our liability for uncertain tax positions, including accrued interest, was \$38.2 million, and our valuation allowance was \$7.8 million.</p>	<p>Considerable management judgment is necessary to assess the inherent uncertainties related to the interpretations of complex tax laws, regulations and taxing authority rulings, as well as to the expiration of statutes of limitations in the jurisdictions in which we operate.</p> <p>Additionally, several factors are considered in evaluating the realizability of our deferred tax assets, including the remaining years available for carry forward, the tax laws for the applicable jurisdictions, the future profitability of the specific business units, and tax planning strategies.</p>	<p>Our judgments and estimates concerning uncertain tax positions may change as a result of evaluation of new information, such as the outcome of tax audits or changes to or further interpretations of tax laws and regulations. Our judgments and estimates concerning realizability of deferred tax assets could change if any of the evaluation factors change.</p> <p>If such changes take place, there is a risk that our effective tax rate could increase or decrease in any period, impacting our net earnings.</p>

Recent Accounting Pronouncements

Recently Issued Accounting Pronouncements – In July 2012 the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update related to “Testing Indefinite-Lived Intangibles for Impairment.” The purpose of the update is to simplify the guidance for testing indefinite-lived intangible assets for impairment and the update permits entities to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Unless an entity determines, through its qualitative assessment, that it is more likely than not that an indefinite-lived intangible asset is impaired, it would not be required to calculate the fair value of the asset. This standard is effective for annual and interim impairment tests of indefinite-lived intangible assets performed in fiscal years beginning after September 15, 2012, and early adoption is permitted. This standard did not affect our annual indefinite-lived asset impairment testing process in 2012 as we did not elect to perform a qualitative assessment.

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Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to market risk due to commodity price, interest rate and foreign currency fluctuations. From time to time we enter into arrangements with other parties to hedge our exposure to these fluctuations.

Commodity Price Fluctuations

We are exposed to commodity price fluctuations, including milk, organic and non-GMO soybeans, butterfat, sweeteners and other commodity costs used in the manufacturing, packaging and distribution of our products, including utilities, natural gas, resin and diesel fuel. To secure adequate supplies of materials and bring greater stability to the cost of ingredients and their related manufacturing, packaging and distribution, we routinely enter into forward purchase contracts and other purchase arrangements with suppliers. Under the forward purchase contracts, we commit to purchasing agreed-upon quantities of ingredients and commodities at agreed-upon prices at specified future dates. The outstanding purchase commitment for these commodities at any point in time typically ranges from one month's to one year's anticipated requirements, depending on the ingredient or commodity. These contracts are considered normal purchases. In addition to entering into forward purchase contracts, from time to time we may purchase over-the-counter contracts with our qualified banking partners or exchange-traded commodity futures contracts for raw materials that are ingredients of our products or components of such ingredients.

Our open commodity derivative contracts that qualify for hedge accounting had a notional value of \$57.5 million as of December 31, 2012. These contracts resulted in net unrealized losses of \$0.5 million as of December 31, 2012. At the end of 2012, the potential change in fair value of commodity derivative instruments, assuming a 10% adverse movement in the underlying commodity price, would have resulted in an additional unrealized net loss of \$5.7 million.

Although we may utilize forward purchase contracts and other instruments to mitigate the risks related to commodity price fluctuation, such strategies do not fully mitigate commodity price risk. Adverse movements in commodity prices over the terms of the contracts or instruments could decrease the economic benefits we derive from these strategies. See Note 10 of our Consolidated Financial Statements for a description of our commodity related hedges.

Interest Rate Fluctuations

To reduce the volatility of earnings and cash flows that arise from changes in interest rates, we manage interest rate risk through the use of interest rate swap agreements. These swap agreements provide hedges for loans under our senior secured credit facility by limiting or fixing the LIBOR interest rates specified in the senior secured credit facility until the indicated expiration dates.

We are exposed to market risk under these arrangements due to the possibility of interest rates on our senior secured credit facility falling below the rates on our interest rate derivative agreements. We believe the credit risk under these arrangements is remote since the counterparties to our interest rate derivative agreements are major financial institutions. However, if any of the counterparties to our hedging arrangements become unable to fulfill their obligation to us, we may lose the financial benefits of these arrangements.

As of December 31, 2012, the majority of our variable rate debt obligations and WhiteWave's variable rate debt obligations under its senior secured credit facilities were hedged at fixed rates. We have performed a sensitivity analysis assuming a hypothetical 10% adverse movement in interest rates. As of December 31, 2012, the analysis indicated that such interest rate movement, in the aggregate, would not have a material effect on our financial position, results of operations or cash flows. However, actual gains and losses in the future may differ materially from that analysis based on changes in the timing and amount of interest rate movement and our actual exposure and hedges.

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On January 3, 2013, we used a portion of the proceeds from the sale of our Morningstar division to repay in full our outstanding 2016 and 2017 Tranche B term loan borrowings, as well as our outstanding revolver borrowings. As a result of these repayments, we determined that we no longer had sufficient levels of variable rate debt to support the \$1 billion aggregate notional amount of interest rate hedges maturing in 2013 and 2016 that were in place at Dean Foods Company. Accordingly, on January 4, 2013, we terminated these interest rate swap agreements and paid the counterparties \$28.0 million based on the fair values of the swaps on that date. See Note 11 to our Consolidated Financial Statements.

Substantially all variable rate borrowings under the Dean Foods senior secured credit facility have been repaid in full as of January 2013, and upon completion of the anticipated spin-off of WhiteWave in May 2013, our remaining debt obligations will primarily consist of our Dean Foods senior notes due 2016 and 2018 and the subsidiary notes due 2017, all of which bear interest at fixed rates. Although we may draw upon our senior secured revolving credit facility and receivables-backed facility in the future, we do not currently expect interest rate fluctuations related to these incremental variable rate borrowings to significantly impact our financial condition, results of operations or cash flows in 2013.

Foreign Currency Fluctuations

Our international operations represented approximately 13% and 3% of our long-lived assets and net sales, respectively, as of and for the year ended December 31, 2012. Sales in foreign countries, as well as certain expenses related to those sales, are transacted in currencies other than our reporting currency, the U.S. Dollar. Our foreign currency exchange rate risk is primarily limited to the Euro and the British Pound. We may, from time to time, employ derivative financial instruments to manage our exposure to fluctuations in foreign currency rates or enter into forward currency exchange contracts to hedge our net investment and intercompany payable or receivable balances in foreign operations.

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Item 8. Consolidated Financial Statements

Our Consolidated Financial Statements for 2012 are included in this report on the following pages.

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Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2012, 2011 and 2010	F-4
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DEAN FOODS COMPANY CONSOLIDATED BALANCE SHEETS

	December 31	
	2012	2011
	(Dollars in thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$78,975	\$115,650
Receivables, net of allowance of \$13,693 and \$10,391	881,410	872,958
Income tax receivable	–	24,960
Inventories	407,912	384,991
Deferred income taxes	103,207	109,475
Prepaid expenses and other current assets	58,285	62,001
Assets of discontinued operations	672,989	668,673
Total current assets	2,202,778	2,238,708
Property, plant and equipment, net	1,873,279	1,936,235
Goodwill	852,427	849,177
Identifiable intangible and other assets, net	726,477	731,047
Deferred income taxes	32,130	–
Total	<u>\$5,687,091</u>	<u>\$5,755,167</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	\$1,192,940	\$1,127,717
Income tax payable	1,186	–
Current portion of debt	25,535	202,292
Current portion of litigation settlements	20,000	60,838
Liabilities of discontinued operations	101,332	133,202
Total current liabilities	1,340,993	1,524,049
Long-term debt	3,077,258	3,541,635
Deferred income taxes	321,509	292,539
Other long-term liabilities	433,991	422,595
Long-term litigation settlements	53,712	73,000
Commitments and contingencies (Note 19)		
Stockholders' equity (deficit):		
Dean Foods Company stockholders' equity (deficit):		
Preferred stock, none issued	–	–
Common stock 185,563,534 and 183,745,789 shares issued and outstanding, with a par value of \$0.01 per share	1,856	1,837
Additional paid-in capital	1,375,812	1,086,804
Accumulated deficit	(833,897)	(992,519)
Accumulated other comprehensive loss	(186,584)	(199,520)
Total Dean Foods Company stockholders' equity (deficit)	357,187	(103,398)
Non-controlling interest	102,441	4,747
Total stockholders' equity (deficit)	459,628	(98,651)
Total	<u>\$5,687,091</u>	<u>\$5,755,167</u>

See Notes to Consolidated Financial Statements.

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DEAN FOODS COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31		
	2012	2011	2010
	(Dollars in thousands, except share data)		
Net sales	\$11,462,277	\$11,641,191	\$10,820,237
Cost of sales	8,562,279	8,861,574	8,063,932
Gross profit	2,899,998	2,779,617	2,756,305
Operating costs and expenses:			
Selling and distribution	1,912,588	1,878,372	1,816,958
General and administrative	555,012	585,288	601,177
Amortization of intangibles	6,283	7,616	8,342
Facility closing and reorganization costs	55,787	45,688	30,761
Litigation settlements	-	131,300	30,000
Goodwill impairment	-	2,075,836	-
Other operating (income) loss	(57,459)	6,561	-
Total operating costs and expenses	2,472,211	4,730,661	2,487,238
Operating income (loss)	427,787	(1,951,044)	269,067
Other (income) expense:			
Interest expense	164,572	190,912	191,205
Other (income) expense, net	(707)	(1,915)	217
Total other expense	163,865	188,997	191,422
Income (loss) from continuing operations before income taxes	263,922	(2,140,041)	77,645
Income tax expense (benefit)	146,509	(489,588)	46,153
Income (loss) from continuing operations	117,413	(1,650,453)	31,492
Income from discontinued operations, net of tax	45,681	54,666	43,743
Gain (loss) on sale of discontinued operations, net of tax	(2,053)	3,616	7,521
Net income (loss)	161,041	(1,592,171)	82,756
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Net income (loss) attributable to Dean Foods Company	\$158,622	\$(1,575,621)	\$91,491
Average common shares:			
Basic	184,750,755	183,388,220	181,799,306
Diluted	186,131,823	183,388,220	182,861,802
Basic earnings (loss) per common share:			
Income (loss) from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
Income from discontinued operations attributable to Dean Foods Company	0.24	0.32	0.28
Net income (loss) attributable to Dean Foods Company	\$0.86	\$(8.59)	\$0.50
Diluted earnings (loss) per common share:			
Income (loss) from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
Income from discontinued operations attributable to Dean Foods Company	0.23	0.32	0.28
Net income (loss) attributable to Dean Foods Company	\$0.85	\$(8.59)	\$0.50

See Notes to Consolidated Financial Statements.

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DEAN FOODS COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(in thousands)		
Net income (loss)	\$161,041	\$(1,592,171)	\$82,756
Other comprehensive income (loss):			
Cumulative translation adjustment	11,287	(12,738)	(20,707)
Unrealized gain (loss) on derivative instruments, net of tax:			
Change in fair value of derivative instruments	(19,793)	(58,797)	(17,360)
Less: reclassification adjustments for (gains) losses included in net income (loss)	24,964	35,235	59,393
Defined benefit pension and other postretirement benefit plans, net of tax:			
Prior service costs arising during the period	(193)	(579)	-
Net loss arising during the period	(16,343)	(32,796)	(7,156)
Less: amortization of prior service cost included in net periodic benefit cost	9,333	16,808	6,153
Other comprehensive income (loss)	<u>\$9,255</u>	<u>\$(52,867)</u>	<u>\$20,323</u>
Comprehensive income (loss)			
Comprehensive income (loss) attributable to non-controlling interest	3,207	(16,550)	(8,735)
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$167,089</u>	<u>\$(1,628,488)</u>	<u>\$111,814</u>

See Notes to Consolidated Financial Statements.

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DEAN FOODS COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

	Dean Foods Company Stockholders						Non- controlling Interest	Total Stockholders' Equity (Deficit)	
	Common Stock		Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)				
	Shares	Amount							
(Dollars in thousands, except share data)									
Balance, January 1, 2010	180,854,163	\$ 1,809	\$1,025,502	\$491,611	\$ (166,976)		\$ 15,286	\$ 1,367,232	
Issuance of common stock, net of tax impact									
of share-based compensation	1,401,171	14	(1,121)	-	-			(1,107)	
Share-based compensation expense	-	-	36,872	-	-			36,872	
Capital contribution from non-controlling interest	-	-	-	-	-	7,992		7,992	
Net loss attributable to non-controlling interest	-	-	-	-	-	(8,735)		(8,735)	
Other comprehensive income (loss) (Note 14):									
Net income attributable to Dean Foods Company	-	-	-	91,491	-	-		91,491	
Change in fair value of derivative instruments, net of tax benefit of \$12,491	-	-	-	-	(17,360)	-		(17,360)	
Amounts reclassified to statement of operations related to hedging activities, net of tax of \$37,180	-	-	-	-	59,393	-		59,393	
Cumulative translation adjustment	-	-	-	-	(20,707)	-		(20,707)	
Pension liability adjustment, net of tax benefit of \$525	-	-	-	-	(1,003)	-		(1,003)	
Balance, December 31, 2010	182,255,334	\$ 1,823	\$1,061,253	\$583,102	\$ (146,653)		\$ 14,543	\$ 1,514,068	
Issuance of common stock, net of tax impact									
of share-based compensation	1,490,455	14	(5,857)	-	-			(5,843)	
Share-based compensation expense	-	-	31,408	-	-			31,408	
Capital contribution from non-controlling interest	-	-	-	-	-	6,754		6,754	
Net loss attributable to non-controlling interest	-	-	-	-	-	(16,550)		(16,550)	
Other comprehensive income (loss) (Note 14):									
Net loss attributable to Dean Foods Company	-	-	-	(1,575,621)	-	-		(1,575,621)	
Change in fair value of derivative instruments, net of tax benefit of \$38,527	-	-	-	-	(58,797)	-		(58,797)	
Amounts reclassified to statement of operations related to hedging activities, net of tax of \$23,156	-	-	-	-	35,235	-		35,235	
Cumulative translation adjustment	-	-	-	-	(12,738)	-		(12,738)	

Pension liability adjustment, net of tax benefit of \$10,694	-	-	-	-	(16,567)	-	(16,567)
Balance, December 31, 2011	<u>183,745,789</u>	<u>\$ 1,837</u>	<u>\$1,086,804</u>	<u>\$(992,519)</u>	<u>\$ (199,520)</u>	<u>\$ 4,747</u>	<u>\$ (98,651)</u>
Issuance of common stock, net of tax impact of share-based compensation	1,817,745	19	(243)	-	-	-	(224)
Share-based compensation expense	-	-	24,247	-	-	-	24,247
Sale of subsidiary shares to non-controlling interest	-	-	265,004	-	4,469	98,067	367,540
Share-based compensation expense for subsidiary shares	-	-	-	-	-	1,167	1,167
Wind-down of joint venture	-	-	-	-	-	(4,747)	(4,747)
Net income attributable to non-controlling interest	-	-	-	-	-	2,419	2,419
Other comprehensive income (loss) (Note 14):							
Net income attributable to Dean Foods Company	-	-	-	158,622	-	-	158,622
Change in fair value of derivative instruments, net of tax benefit of \$12,682	-	-	-	-	(19,780)	(13)	(19,793)
Amounts reclassified to statement of operations related to hedging activities, net of tax of \$16,239	-	-	-	-	24,964	-	24,964
Cumulative translation adjustment	-	-	-	-	10,354	933	11,287
Pension liability adjustment, net of tax benefit of \$4,493	-	-	-	-	(7,071)	(132)	(7,203)
Balance, December 31, 2012	<u>185,563,534</u>	<u>\$ 1,856</u>	<u>\$1,375,812</u>	<u>\$(833,897)</u>	<u>\$ (186,584)</u>	<u>\$ 102,441</u>	<u>\$ 459,628</u>

See Notes to Consolidated Financial Statements.

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DEAN FOODS COMPANY CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Cash flows from operating activities:			
Net income (loss)	\$161,041	\$(1,592,171)	\$82,756
Income from discontinued operations	(45,681)	(54,666)	(43,743)
(Gain) loss on sale of discontinued operations	2,053	(3,616)	(7,521)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	261,108	259,329	247,239
Share-based compensation expense	38,755	36,632	36,872
(Gain) loss on divestitures and other, net	(21,832)	34,025	18,862
Write-off of financing costs	3,519	–	3,695
Goodwill impairment	–	2,075,836	–
Deferred income taxes	90	(471,176)	121,043
Other	8,324	1,672	(1,291)
Changes in operating assets and liabilities:			
Receivables, net	(10,012)	(56,376)	32,777
Inventories	(22,168)	(25,946)	590
Prepaid expenses and other assets	2,914	6,087	7,213
Accounts payable and accrued expenses	46,706	55,287	17,373
Income taxes receivable/payable	20,829	42,902	(55,220)
Litigation settlements	(61,325)	103,838	30,000
Net cash provided by operating activities – continuing operations	384,321	411,657	490,645
Net cash provided by operating activities – discontinued operations	56,221	53,687	28,573
Net cash provided by operating activities	440,542	465,344	519,218
Cash flows from investing activities:			
Payments for property, plant and equipment	(228,083)	(305,167)	(275,922)
Proceeds from insurance and other recoveries	7,481	786	–
Proceeds from divestitures	58,034	91,958	–
Proceeds from sale of fixed assets	14,465	7,361	8,239
Other, net	(1,244)	–	–
Net cash used in investing activities – continuing operations	(149,347)	(205,062)	(267,683)
Net cash provided by (used in) investing activities – discontinued operations	(24,831)	76,802	(1,771)
Net cash used in investing activities	(174,178)	(128,260)	(269,454)
Cash flows from financing activities:			
Proceeds from issuance of debt	–	–	400,000
Repayment of Dean Foods Company senior secured term loan debt	(1,350,275)	(209,885)	(514,189)
Proceeds from senior secured revolver	2,481,800	3,274,390	4,006,680
Payments for senior secured revolver	(2,316,500)	(3,627,690)	(4,068,880)
Proceeds from receivables-backed facility	2,834,551	4,246,006	2,220,267
Payments for receivables-backed facility	(3,072,961)	(4,007,598)	(2,220,267)
Proceeds from subsidiary senior secured credit facility	1,019,200	–	–
Payments for subsidiary senior secured credit facility	(238,650)	–	–
Payments of financing costs	(12,278)	(600)	(52,720)

Proceeds from sale of subsidiary shares in initial public offering, net of offering costs	367,540	–	–
Issuance of common stock, net of share repurchases for withholding taxes	6,434	3,623	3,415
Tax savings on share-based compensation	571	33	278
Capital contribution from non-controlling interest	–	6,754	7,992
Net cash used in financing activities – continuing operations	(280,568)	(314,967)	(217,424)
Net cash provided by (used in) financing activities – discontinued operations	(21,895)	21,369	(268)
Net cash used in financing activities	(302,463)	(293,598)	(217,692)
Effect of exchange rate changes on cash and cash equivalents	(576)	(4,588)	(502)
Increase (decrease) in cash and cash equivalents	(36,675)	38,898	31,570
Cash and cash equivalents, beginning of period	115,650	76,752	45,182
Cash and cash equivalents, end of period	<u>\$78,975</u>	<u>\$115,650</u>	<u>\$76,752</u>

See Notes to Consolidated Financial Statements.

DEAN FOODS COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2012, 2011 and 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Our Business – We are a leading food and beverage company in the United States, as well as a North American and European leader in branded plant-based foods and beverages. We align our leadership teams, operating strategies and supply chain initiatives around our two lines of business, Fresh Dairy Direct and WhiteWave.

Fresh Dairy Direct is the largest processor and distributor of milk and other dairy products in the United States, with products such as milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products sold under more than 50 familiar local and regional brands and a wide array of private labels. Fresh Dairy Direct also produces and distributes *Tru Moo*[®], which is our nationally branded, healthier, reformulated flavored milk.

Our WhiteWave business is comprised of our majority ownership interest in The WhiteWave Foods Company (“WhiteWave”) and its subsidiaries. WhiteWave manufactures, markets and sells a variety of nationally and internationally branded plant-based foods and beverages, such as *Silk*[®] soy, almond and coconut milks, and *Alpro*[®] and *Provame*[®] soy, almond and hazelnut drinks and food products; nationally branded coffee creamers and beverages, including *International Delight*[®] and *LAND O LAKES*[®]; and nationally branded premium dairy products, such as *Horizon Organic*[®] milk.

As discussed in Note 2, in October 2012, WhiteWave completed its initial public offering (the “WhiteWave IPO”). Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave, which is now a publicly traded company whose Class A common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “WWAV”. We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. Unless and until a spin-off occurs or we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Basis of Presentation and Consolidation – Our Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), and include the accounts of our wholly-owned subsidiaries, as well as those of our 86.7% economic interest in WhiteWave. The resulting non-controlling interest’s share in the equity of WhiteWave is presented as a separate component of stockholders’ equity in the Consolidated Balance Sheets and Consolidated Statements of Stockholders’ Equity (Deficit), and the net income attributable to the non-controlling interest is presented in the Consolidated Statements of Operations. See Note 2 for further information regarding the WhiteWave IPO. All intercompany balances and transactions are eliminated in consolidation.

Unless otherwise indicated, references in the report to “we,” “us” or “our” refer to Dean Foods Company and its subsidiaries, taken as a whole. On December 2, 2012, we entered into an agreement to sell our Morningstar division to a third party. Morningstar is a leading manufacturer of dairy and non-dairy extended shelf-life (“ESL”) and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. See Note 10. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations. See Note 3.

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During the first quarter of 2012, we completed the shutdown of the operations of our 50% owned joint venture with Hero Group, which was part of our WhiteWave segment.

During the second quarter of 2010, we committed to a plan to sell the business operations of our Rachel' s Dairy companies ("Rachel' s"), which provide organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All of our Rachel' s operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations. See Note 3.

Unless stated otherwise, any reference to income statement items in these financial statements refers to results from continuing operations.

Use of Estimates – The preparation of our Consolidated Financial Statements in conformity with GAAP requires us to use our judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates under different assumptions or conditions.

Cash Equivalents – We consider temporary investments with an original maturity of three months or less to be cash equivalents.

Inventories – Inventories are stated at the lower of cost or market. Our products are valued using the first-in, first-out method. The costs of finished goods inventories include raw materials, direct labor and indirect production and overhead costs. Reserves for obsolete or excess inventory are not material.

Property, Plant and Equipment – Property, plant and equipment are stated at acquisition cost, plus capitalized interest on borrowings during the actual construction period of major capital projects. Also included in property, plant and equipment are certain direct costs related to the implementation of computer software for internal use. Depreciation is calculated using the straight-line method typically over the following range of estimated useful lives of the assets:

<u>Asset</u>	<u>Useful Life</u>
Buildings	15 to 40 years
Machinery and equipment	3 to 20 years
Leasehold improvements	Over the shorter of their estimated useful lives or the terms of the applicable lease agreements

We test property, plant and equipment for impairment when circumstances indicate that the carrying value may not be recoverable. Indicators of impairment could include significant changes in business environment or the planned closure of a facility. Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash flows. Expenditures for repairs and maintenance which do not improve or extend the life of the assets are expensed as incurred.

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Goodwill and Intangible Assets – Identifiable intangible assets, other than indefinite-lived trademarks, are typically amortized over the following range of estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Customer relationships	5 to 15 years
Certain finite-lived trademarks	5 to 15 years
Customer supply contracts	Over the shorter of the estimated useful lives or the terms of the agreements
Noncompetition agreements	Over the shorter of the estimated useful lives or the terms of the agreements
Deferred financing costs	Over the terms of the related debt

In accordance with Accounting Standards related to “Goodwill and Other Intangible Assets”, we do not amortize goodwill and other intangible assets determined to have indefinite useful lives. Instead, we assess our goodwill and indefinite-lived trademarks for impairment annually and when circumstances indicate that the carrying value may not be recoverable. See Note 7.

Assets Held for Sale – We classify assets as held for sale when management approves and commits to a formal plan of sale and our expectation is that the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value or the fair market value, less costs to sell. As of December 31, 2012 and 2011, an immaterial amount related to Fresh Dairy Direct facilities that are closed or to be closed were held for sale and recorded in the prepaid expenses and other current assets line on our Consolidated Balance Sheets.

Foreign Currency Translation – The financial statements of our foreign subsidiaries are translated to U.S. dollars. The functional currency of our foreign subsidiaries is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated to U.S. dollars at year-end exchange rates. Income and expense items are translated at the average rates prevailing during the year. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses and are recognized in the statement of operations with their related operational activity. Currently, an immaterial amount of transaction gains and losses are reflected in general and administrative expense in our Consolidated Statements of Operations. The cumulative translation adjustment in our Consolidated Statements of Stockholders’ Equity (Deficit) reflects the unrealized adjustments resulting from translating the financial statements of our foreign subsidiaries.

Share-Based Compensation – Share-based compensation expense is recognized for equity awards over the vesting period based on their grant date fair value. The fair value of option awards is estimated at the date of grant using the Black-Scholes valuation model. The fair value of restricted stock unit awards is equal to the closing price of our stock on the date of grant. The fair value of our phantom shares is remeasured at each reporting period based on the closing price of our common stock on the last day of the respective reporting period. The fair value of our cash performance units is remeasured at each reporting period and is based on our cumulative Total Shareholder Return (“TSR”) over the performance period relative to the TSR of the peer companies included in our performance comparison group. Compensation expense is recognized only for equity awards expected to vest. We estimate forfeitures at the date of grant based on our historical experience and future expectations. Share-based compensation expense is included within the same financial statement caption where the recipient’s cash compensation is reported and is classified as a corporate item for segment reporting. See Note 12.

Revenue Recognition, Sales Incentives and Accounts Receivable – Sales are recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product has been delivered to the

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customer and there is a reasonable assurance of collection of the sales proceeds. Sales are recorded net of allowances for returns, trade promotions and prompt pay and other discounts. We routinely offer sales incentives and discounts through various regional and national programs to our customers and consumers. These programs include rebates, shelf-price reductions, in-store display incentives, coupons and other trade promotional activities. These programs, as well as amounts paid to customers for shelf-space in retail stores, are considered reductions in the price of our products and thus are recorded as reductions to gross sales. Some of these incentives are recorded by estimating incentive costs based on our historical experience and expected levels of performance of the trade promotion. We maintain liabilities at the end of each period for the estimated incentive costs incurred but unpaid for these programs. Differences between estimated and actual incentive costs are normally insignificant and are recognized in earnings in the period such differences are determined.

We provide credit terms to customers generally ranging up to 30 days, perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses based on our historical experience. Estimated product returns have not historically been material.

Income Taxes – All of our consolidated U.S. operating subsidiaries, as well as our proportional share of the operations of our unconsolidated affiliates, are included in our U.S. federal consolidated income tax return. Our foreign subsidiaries are required to file local jurisdiction income tax returns with respect to their operations, the earnings from which are expected to be reinvested indefinitely. At December 31, 2012, no provision had been made for U.S. federal or state income tax on approximately \$107.3 million of accumulated foreign earnings as they are considered to be indefinitely reinvested. Computation of the potential deferred tax liability associated with these undistributed earnings and other basis differences is not practicable.

Deferred income taxes arise from temporary differences between amounts recorded in the Consolidated Financial Statements and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Deferred tax assets, including the benefit of net operating loss and tax credit carryforwards, are evaluated based on the guidelines for realization and are reduced by a valuation allowance if deemed necessary.

We recognize the income tax benefit from an uncertain tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination, including resolutions of any related appeals or litigation processes. We recognize accrued interest related to uncertain tax positions as a component of income tax expense, and penalties, if incurred, are recognized as a component of operating income.

Advertising Expense – We market our products through advertising and other promotional activities, including media, agency, coupons, trade shows and other promotional activities. Advertising expense is charged to income during the period incurred, except for expenses related to the development of a major commercial or media campaign which are charged to income during the period in which the advertisement or campaign is first presented by the media. Advertising expense totaled \$201.2 million in 2012, \$174.3 million in 2011 and \$188.1 million in 2010. Prepaid advertising was not material as of December 31, 2012 and 2011.

Shipping and Handling Fees – Our shipping and handling costs are included in both cost of sales and selling and distribution expense, depending on the nature of such costs. Shipping and handling costs included in cost of sales reflect inventory warehouse costs and product loading and handling costs. Shipping and handling costs included in selling and distribution expense consist primarily of those costs associated with moving finished products from production facilities through our distribution network, including costs associated with its distribution centers, route delivery costs and the cost of shipping products to customers through third party carriers. Shipping and handling costs that were recorded as a component of selling and distribution expense were \$1.4 billion, \$1.4 billion and \$1.3 billion during 2012, 2011 and 2010, respectively.

Insurance Accruals – We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are

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covered under conventional insurance programs with third party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverage. Accrued liabilities for incurred but not reported losses related to these retained risks are calculated based upon loss development factors which contemplate a number of factors including claims history and expected trends.

Research and Development – Our research and development activities primarily consist of generating and testing new product concepts, new flavors and packaging. Our total research and development expense was \$14.4 million, \$14.6 million and \$20.7 million for 2012, 2011 and 2010, respectively. Research and development costs are primarily included in general and administrative expenses in our Consolidated Statements of Operations.

Recently Issued Accounting Pronouncements – In July 2012 the Financial Accounting Standards Board (“FASB”) issued an Accounting Standards Update related to “Testing Indefinite-Lived Intangibles for Impairment.” The purpose of the update is to simplify the guidance for testing indefinite-lived intangible assets for impairment and the update permits entities to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Unless an entity determines, through its qualitative assessment, that it is more likely than not that an indefinite-lived intangible asset is impaired, it would not be required to calculate the fair value of the asset. This standard is effective for annual and interim impairment tests of indefinite-lived intangible assets performed in fiscal years beginning after September 15, 2012, and early adoption is permitted. This standard did not have an impact on our annual indefinite-lived asset impairment testing process in 2012 as we did not elect to perform a qualitative assessment.

2. WhiteWave IPO and Proposed Spin-Off or Other Disposition

On October 31, 2012, WhiteWave completed the WhiteWave IPO, and sold 23 million shares of its Class A common stock at a price to the public of \$17 per share. Prior to completion of the WhiteWave IPO, we contributed the capital stock of WWF Operating Company (“WWF Opco”), another wholly-owned subsidiary of ours that held substantially all of the assets and liabilities associated with our WhiteWave segment, to WhiteWave in exchange for 150 million shares of Class B common stock of WhiteWave.

The WhiteWave IPO was accounted for as an equity transaction in accordance with ASC 810 and no gain or loss has been recognized as we retained the controlling financial interest. This transaction increased our equity attributable to non-controlling interest by \$98.1 million, which represented the carrying value of the non-controlling interest, increased our additional paid-in capital by \$265 million and reduced our accumulated other comprehensive loss by \$4.5 million.

WhiteWave contributed \$282 million of the net proceeds from the WhiteWave IPO to WWF Opco, which used those proceeds, together with substantially all of the net proceeds of the initial borrowings described below, to repay then-outstanding obligations under intercompany notes owed to Dean Foods. Dean Foods subsequently utilized these proceeds to prepay a portion of the outstanding indebtedness under our senior secured credit facility. See Note 10. The remaining net proceeds of approximately \$86 million were used to repay indebtedness under WhiteWave’s senior secured credit facilities, which is described below.

Upon completion of the WhiteWave IPO, we owned no shares of WhiteWave Class A common stock and 150 million shares of WhiteWave’s Class B common stock, which represents 100% of the outstanding shares of WhiteWave’s Class B common stock. The rights of the holders of the shares of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share, and each share of class B common stock is entitled to ten votes per share, subject to reduction in accordance with the terms of WhiteWave’s amended and restated certificate of incorporation, on all matters presented to WhiteWave stockholders. Each share of Class B common stock is convertible into one share of Class A common stock at any time at our election and automatically in certain circumstances.

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Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave. We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. We have received a private letter ruling from the Internal Revenue Service (“IRS”) providing that, subject to certain conditions, the anticipated spin-off will be tax-free to us and our stockholders for U.S. federal income tax purposes. We have also announced plans to retain up to 19.9% of the outstanding WhiteWave shares, or up to 34.4 million shares, with the intention to monetize or otherwise distribute the position in a tax-free manner at a later date. The spin-off or other disposition is subject to various conditions, including Board approval, the receipt of any necessary regulatory or other approvals, the maintenance of the private letter ruling from the IRS, the receipt of an opinion of counsel and the existence of satisfactory market conditions.

There can be no assurance as to when the proposed spin-off or any other disposition will be completed, if at all. Unless and until we cease to own a controlling financial interest in WhiteWave, we will consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Additionally, on October 12, 2012, WhiteWave entered into a \$1.35 billion senior secured credit facility, and on October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under this facility. WhiteWave contributed substantially all of the initial net proceeds of this borrowing to WWF Opco and caused WWF Opco to use those net proceeds to prepay WhiteWave’s obligations under then-outstanding intercompany notes owed to Dean Foods. Dean Foods used these funds to prepay a portion of the debt outstanding-under its senior secured credit facilities. See Note 10.

In connection with the WhiteWave IPO, we entered into various agreements relating to the separation of the WhiteWave business from the rest of Dean Foods’ businesses, including, a separation and distribution agreement, a transition services agreement, a tax matters agreement, a registration rights agreement, an employee matters agreement and several commercial agreements. Additionally, in connection with the WhiteWave IPO, WhiteWave and its wholly-owned domestic subsidiaries were released from their obligations as guarantors of Dean Foods Company’s senior secured credit facility (and designated as “unrestricted subsidiaries” thereunder) and Dean Foods’ senior notes due 2016 and 2018, and Dean Foods Company has been released from its guarantee of Alpro’s revolving credit facility. See Note 10.

During the year ended December 31, 2012, we incurred approximately \$26 million in transaction costs associated with the WhiteWave IPO and the related business separation, which were expensed as incurred.

3. DISCONTINUED OPERATIONS AND DIVESTITURES

Discontinued Operations—Morningstar

On December 2, 2012, we entered into an agreement to sell our Morningstar division to a third party. Morningstar is a leading manufacturer of dairy and non-dairy extended shelf-life and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. We expect to record a net pre-tax gain of approximately \$850 million on the sale of our Morningstar division, excluding \$22.9 million of transaction costs recognized in discontinued operations during 2012. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011.

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The following is a summary of Morningstar's assets and liabilities classified as discontinued operations as of December 31, 2012 and 2011:

	December 31	
	2012	2011
Assets		
Current assets	\$154,211	\$147,091
Property, plant and equipment, net	176,582	178,145
Goodwill	306,095	306,095
Identifiable intangibles and other assets, net	36,101	37,342
Assets of discontinued operations	<u>\$672,989</u>	<u>\$668,673</u>
Liabilities		
Accounts payable and accrued expenses	\$94,188	\$105,252
Debt	97	22,001
Other long-term liabilities	7,047	5,949
Liabilities of discontinued operations	<u>\$101,332</u>	<u>\$133,202</u>

The following is a summary of Morningstar's operating results and certain other directly attributable expenses, including interest expense, which are included in discontinued operations for the years ended December 31, 2012, 2011 and 2010:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Operations:			
Net sales	\$1,438,371	\$1,414,302	\$1,302,650
Income before income taxes	69,513	87,443	73,577
Income tax	(23,832)	(32,777)	(27,329)
Net income	<u>\$45,681</u>	<u>\$54,666</u>	<u>\$46,248</u>

Discontinued Operations – Other

In July 2012, we participated in a global settlement agreement with Spanish authorities and numerous milk industry participants to resolve pending industry-wide investigations relating to excess production of raw milk by producers and unpaid levies associated with such production, which obligation we retained in the 2006 sale of our Iberian operations. On July 2, 2012, pursuant to the settlement, we paid 4.1 million (\$5.2 million) for unpaid milk levies and accrued interest, plus an additional 1.6 million (\$2.0 million) in related fees and expenses. In the second quarter of 2012, we incurred charges of \$2.5 million, net of tax, which were in addition to amounts we had previously accrued in connection with these contingent obligations. The additional charges recorded during 2012 are included in gain (loss) on sale of discontinued operations, net of tax in our Consolidated Statements of Operations.

During the second quarter of 2010, we committed to a plan to sell the business operations of Rachel's, which provided organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. We completed the sale of our Rachel's business on August 4, 2010 and recognized a gain of \$5.7 million, net of tax. Our Rachel's operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the year ended December 31, 2010.

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In September 2011, we recorded an additional gain of \$3.6 million, net of tax, on the sale of Rachel' s as a result of the final working capital cash settlement, which has been recorded in gain (loss) on sale of discontinued operations, net of tax in our Consolidated Statements of Operations.

The following is a summary of Rachel' s operating results, which are included in discontinued operations:

	<u>Year Ended December 31</u>
	<u>2010</u>
	(In thousands)
Operations:	
Net sales	\$ 26,319
Loss before income taxes	(3,783)
Income tax	1,399
Net loss	<u>\$ (2,384)</u>

In 2010 we recognized expense of \$121,000 related to prior discontinued operations and a gain of \$1.8 million on the sale of prior discontinued operations.

Divestitures

In the fourth quarter of 2010, we entered into two separate agreements to sell our Mountain High and private label yogurt operations. The Mountain High yogurt operations were part of our Fresh Dairy Direct segment, and the private label yogurt operations were part of our Fresh Dairy Direct segment and our former Morningstar segment. The divestiture of these operations was completed in the first half of 2011, with all sales proceeds applied towards debt reduction, including the full repayment of the then outstanding 2012 tranche A term loan borrowings. See Note 10.

Additionally, in the first quarter of 2011, we committed to a plan to sell the fluid milk operations at our Fresh Dairy Direct manufacturing facility in Waukesha, Wisconsin ("Waukesha") as a result of the settlement of the United States Department of Justice ("DOJ") civil action related to our acquisition of the Consumer Products Division of Foremost Farms USA in April 2009. On September 8, 2011, we completed the sale of our Waukesha facility.

We recorded a net pre-tax loss of \$6.6 million during the year ended December 31, 2011 related to our divestitures, including the wind-down of the operations of our Hero joint venture. The loss was recorded in other operating (income) loss in our Consolidated Statements of Operations.

Transaction Costs

During the years ended December 31, 2012, 2011 and 2010, we recorded expenses of approximately \$23.6 million, \$1.5 million and \$9.8 million, respectively, in connection with the Morningstar, Mountain High, private label yogurt, Waukesha and Rachel' s sales, as well as other transactional activities, excluding the transaction costs associated with the WhiteWave IPO discussed in Note 2. Of this amount, \$22.9 million, \$0.0 million and \$3.6 million was recorded in discontinued operations during the years ended December 31, 2012, 2011 and 2010, respectively. The remaining amount is recorded in general and administrative expenses in our Consolidated Statements of Operations.

4. INVESTMENT IN AFFILIATES

Sale of Unconsolidated Affiliate and Related Party

Consolidated Container Company – On July 3, 2012, our approximate 25% non-controlling interest, on a fully diluted basis, in Consolidated Container Company ("CCC"), one of the nation' s largest manufacturers of

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rigid plastic containers and our largest supplier of plastic bottles and bottle components, was sold in connection with Vestar Capital Partners' sale of the business operations of CCC. Vestar Capital Partners, an unaffiliated entity, controlled CCC through a majority ownership interest. Prior to the sale, our investment in CCC was accounted for under the equity method of accounting and had been recorded at zero value since 2001 when we determined the investment to be permanently impaired. As a result of the sale, we received cash proceeds of \$58.0 million. As the tax basis of our investment in CCC is calculated differently than the carrying value of our investment, we incurred a cash tax obligation of approximately \$90 million, which was paid during fourth quarter of 2012. During 2012, we recorded a pre-tax gain from the sale of \$58.0 million which was recorded in other operating (income) loss in our Consolidated Statements of Operations and additional income tax expense of \$68.4 million, resulting in a net after-tax loss on the sale of the investment of \$10.4 million.

We have supply agreements with CCC to purchase certain of our requirements for plastic bottles and bottle components from CCC through December 31, 2014. We spent \$204.1 million on products purchased from CCC during 2012 prior to the sale of our interest on July 3, 2012 and \$314.9 million and \$268.2 million during the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, we had net payables to CCC of \$24.5 million and \$12.8 million, respectively.

5. INVENTORIES

Inventories, net of obsolescence reserves of \$3.6 million and \$3.4 million as of December 31, 2012 and 2011, consisted of the following:

	December 31	
	2012	2011
	(In thousands)	
Raw materials and supplies	\$173,151	\$169,040
Finished goods	234,761	215,951
Total	<u>\$407,912</u>	<u>\$384,991</u>

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of December 31, 2012 and 2011 consisted of the following:

	December 31	
	2012	2011
	(In thousands)	
Land	\$235,350	\$233,650
Buildings	879,273	858,217
Leasehold improvements	82,764	84,455
Machinery and equipment	2,346,817	2,224,615
Construction in progress	53,237	122,714
	<u>3,597,441</u>	<u>3,523,651</u>
Less accumulated depreciation	<u>(1,724,162)</u>	<u>(1,587,416)</u>
Total	<u>\$1,873,279</u>	<u>\$1,936,235</u>

Depreciation expense amounted to \$240.3 million, \$235.8 million and \$227.9 million during the years ended December 31, 2012, 2011 and 2010, respectively.

For 2012 and 2011, we capitalized \$4.2 million and \$1.5 million in interest related to borrowings during the construction period of major capital projects, which is included as part of the cost of the related asset. Other non-cash additions to property, plant and equipment were \$5.7 million and \$10.5 million in 2012 and 2011.

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7. GOODWILL AND INTANGIBLE ASSETS

Our goodwill and intangible assets have resulted from acquisitions. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including trademarks and customer-related intangible assets, with any remaining purchase price recorded as goodwill. Goodwill and trademarks with indefinite lives are not amortized.

A trademark is determined to have an indefinite life if it has a history of strong sales and cash flow performance that we expect to continue for the foreseeable future. If these perpetual trademark criteria are not met, the trademarks are amortized over their expected useful lives. Determining the expected life of a trademark is based on a number of factors including the competitive environment, trademark history and anticipated future trademark support.

Amortizable intangible assets are evaluated for impairment upon a significant change in the operating environment or whenever circumstances indicate that the carrying value may not be recoverable. If an evaluation of the undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value, which is generally based on discounted future cash flows.

We conduct impairment tests of goodwill and intangible assets with indefinite lives annually in the fourth quarter and on an interim basis when circumstances arise that indicate a possible impairment. We evaluate goodwill at the reporting unit level; as of our annual assessment date (December 1), our reporting units included Fresh Dairy Direct, WhiteWave, Morningstar and Alpro. As discussed in Note 3, we completed the sale of our Morningstar division on January 3, 2013.

In evaluating goodwill for impairment, we are permitted under the accounting guidance to first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If we conclude that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill assigned to the reporting unit is required. However, if we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then we perform a two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment to be recognized, if any.

A qualitative assessment of goodwill was performed for each of our reporting units during 2012. We assessed economic conditions and industry and market considerations, in addition to the overall financial performance of each of our reporting units. Based on the results of our assessment, we determined that it was not more likely than not that any of our reporting units had a carrying value in excess of its fair value. Accordingly, no further goodwill testing was completed, and we did not recognize any impairment charges related to goodwill during 2012.

Additionally, based on the results of the annual impairment testing of our indefinite-lived trademarks completed during the fourth quarter of 2012, we did not record any impairment charges.

2011 Goodwill Impairment at Fresh Dairy Direct – During 2011, we performed a step one interim goodwill analysis of our Fresh Dairy Direct reporting unit as a prolonged economic decline had resulted in significantly lower consumer spending, declining volumes in the fluid milk industry and increased competitive pricing pressures that were unlikely to improve materially. These conditions continued to affect both consumption and pricing in our Fresh Dairy Direct product categories, which culminated in a change to our outlook for that business. Based on the results of the step one analysis, we determined that the carrying value of our Fresh Dairy Direct reporting unit exceeded its fair value. Accordingly, we were required to perform step two of the impairment analysis to determine the amount of goodwill impairment to be recorded. The amount of the impairment was calculated by comparing the implied fair value of the goodwill to its carrying amount, which required us to allocate the fair value determined in the step one analysis to the individual assets and liabilities of the reporting unit. Any remaining fair value would represent the implied fair value of goodwill on the testing date.

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Based on the results of analysis, we recorded a \$2.1 billion, non-cash charge (\$1.6 billion, net of tax), during 2011. This impairment charge did not impact our operations, compliance with our debt covenants or our cash flows.

We can provide no assurance that we will not have impairment charges in future periods as a result of changes in our operating results or the assumptions utilized in our impairment tests.

The changes in the carrying amount of goodwill for the years ended December 31, 2012 and 2011 are as follows:

	<u>Fresh Dairy</u> <u>Direct</u>	<u>WhiteWave-</u> <u>Alpro</u>	<u>Total</u>
	(In thousands)		
Balance at December 31, 2010	\$2,163,785	\$706,425	\$2,870,210
Goodwill impairment	(2,075,836)	-	(2,075,836)
Foreign currency translation	-	(3,655)	(3,655)
Divestitures (Note 3)	(1,108)	-	(1,108)
Other(1)	-	59,566	59,566
Balance at December 31, 2011	\$86,841	\$762,336	\$849,177
Foreign currency translation	-	3,250	3,250
Balance at December 31, 2012	<u>\$86,841</u>	<u>\$765,586</u>	<u>\$852,427</u>

- (1) In 2011, we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in the goodwill attributable to our WhiteWave reporting unit of \$59.6 million, with a corresponding increase in deferred tax liabilities. See Note 9.

The gross carrying amount and accumulated amortization of our intangible assets other than goodwill as of December 31, 2012 and 2011 are as follows:

	December 31					
	2012			2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets with indefinite lives:						
Trademarks(1)	\$576,806	\$-	\$576,806	\$575,122	\$-	\$575,122
Intangible assets with finite lives:						
Customer-related and other(1)	90,957	(41,258)	49,699	89,656	(35,827)	53,829
Trademarks	10,564	(5,999)	4,565	10,564	(4,938)	5,626
Total	<u>\$678,327</u>	<u>\$(47,257)</u>	<u>\$631,070</u>	<u>\$675,342</u>	<u>\$(40,765)</u>	<u>\$634,577</u>

- (1) The increase in the carrying amount is primarily the result of foreign currency translation adjustments.

Amortization expense on intangible assets for the years ended December 31, 2012, 2011 and 2010 was \$6.3 million, \$7.6 million and \$8.3 million, respectively. Estimated aggregate intangible asset amortization expense for the next five years is as follows:

2013	\$6.4 million
2014	6.3 million
2015	5.7 million
2016	5.5 million
2017	5.5 million

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8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2012 and 2011 consisted of the following:

	December 31	
	2012	2011
	(In thousands)	
Accounts payable	\$667,845	\$695,663
Payroll and benefits	223,272	152,538
Health insurance, workers' compensation and other insurance costs	59,833	68,417
Current derivative liability	38,411	42,136
Other accrued liabilities	203,579	168,963
Total	<u>\$1,192,940</u>	<u>\$1,127,717</u>

9. INCOME TAXES

The following table presents the 2012, 2011 and 2010 income tax expense (benefit):

	Year Ended December 31		
	2012(1)	2011(2)	2010(3)
	(In thousands)		
Current income taxes:			
Federal	\$118,544	\$(21,851)	\$(65,165)
State	27,052	3,911	(3,295)
Foreign	3,571	598	2,050
Total current income tax expense (benefit)	149,167	(17,342)	(66,410)
Deferred income taxes:			
Federal	3,745	(399,057)	102,261
State	(4,346)	(72,195)	8,855
Foreign	(2,057)	(994)	1,447
Total deferred income tax expense (benefit)	(2,658)	(472,246)	112,563
Total income tax expense (benefit)	<u>\$146,509</u>	<u>\$(489,588)</u>	<u>\$46,153</u>

- (1) Excludes \$21.9 million in income tax expense related to discontinued operations.
- (2) Excludes \$33.3 million in income tax expense related to discontinued operations.
- (3) Excludes \$18.6 million in income tax expense related to discontinued operations.

The following table presents the 2012, 2011 and 2010 income (loss) from continuing operations before income taxes for our domestic and foreign operations:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
United States	\$242,671	\$(2,169,900)	\$54,357
Other Countries	21,251	29,859	23,288
Total income (loss) from continuing operations before income taxes	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>

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The following is a reconciliation of income tax expense (benefit) computed at the U.S. federal statutory tax rate to income tax expense (benefit) reported in our Consolidated Statements of Operations:

	Year Ended December 31					
	2012		2011		2010	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(In thousands, except percentages)					
Tax expense at statutory rate					\$	
	\$92,373	35.0 %	\$(749,014)	35.0 %	27,176	35.0 %
State income taxes	14,577	5.5	(43,309)	2.0	2,324	3.0
Foreign taxes versus U.S. statutory rate	(5,643)	(2.1)	(8,188)	0.4	(4,792)	(6.2)
Nondeductible goodwill	–	–	305,657	(14.2)	–	–
Deferred tax asset adjustment	–	–	–	–	10,848	14.0
Exclusion of non-controlling interest tax benefit	–	–	5,792	(0.3)	3,057	3.9
Sale of unconsolidated affiliate	40,411	15.3	–	–	–	–
Nondeductible compensation	317	0.1	1,322	(0.1)	2,713	3.5
Other	4,474	1.7	(1,848)	0.1	4,827	6.2
Total	<u>\$146,509</u>	<u>55.5 %</u>	<u>\$(489,588)</u>	<u>22.9 %</u>	<u>\$46,153</u>	<u>59.4 %</u>

In 2010, we identified deferred tax asset balances associated with errors primarily related to periods prior to 2007. Since the effects of the errors were not material to the financial results for the year ending December 31, 2010 and were not material to any individual year prior to 2010, we adjusted our deferred tax assets and recorded a non-cash income tax charge of \$10.8 million.

The tax effects of temporary differences giving rise to deferred income tax assets (liabilities) were:

	December 31	
	2012(1)	2011(2)
	(In thousands)	
Deferred income tax assets:		
Accrued liabilities	\$160,031	\$166,469
Retirement plans and postretirement benefits	54,703	53,307
Share-based compensation	49,951	47,482
Derivative instruments	35,930	40,359
Receivables and inventories	20,685	20,562
Net operating loss carryforwards	35,504	30,881
State and foreign tax credits	8,631	10,070
Other	–	4,876
Valuation allowances	(7,781)	(9,176)
	357,654	364,830
Deferred income tax liabilities:		
Intangible assets	(183,652)	(154,650)
Property, plant and equipment	(353,732)	(370,513)
Investment in unconsolidated affiliates	–	(22,731)
Other	(6,442)	–
	(543,826)	(547,894)
Net deferred income tax liability	<u>\$(186,172)</u>	<u>\$(183,064)</u>

(1) Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

(2) Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

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These net deferred income tax assets (liabilities) are classified in our Consolidated Balance Sheets as follows:

	December 31	
	2012	2011
	(In thousands)	
Current assets	\$103,207	\$109,475
Noncurrent assets	32,130	–
Noncurrent liabilities	(321,509)	(292,539)
Total	\$(186,172)	\$(183,064)

As discussed in Note 7, in 2011 we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in deferred tax liabilities of \$59.6 million with a corresponding increase to the goodwill attributable to our WhiteWave reporting unit.

At December 31, 2012, we had \$35.5 million of tax-effected state and foreign net operating loss carryforwards and \$8.6 million of state tax credits available for carryover to future years. These items are subject to certain limitations and begin to expire in 2013. A valuation allowance of \$7.8 million has been established because we do not believe it is more likely than not that all of the deferred tax assets related to these items will be realized prior to expiration. Our valuation allowance decreased \$1.4 million in 2012 due to the expiration of the related foreign tax credit carryover.

The following is a reconciliation of gross unrecognized tax benefits, including interest, recorded in our Consolidated Balance Sheets:

	December 31		
	2012	2011	2010
	(In thousands)		
Balance at beginning of year	\$41,701	\$58,165	\$72,611
Increases in tax positions for current year	249	15,531	1,245
Increases in tax positions for prior years	5,161	4,518	7,857
Decreases in tax positions for prior years	(3,932)	(31,162)	(18,295)
Settlement of tax matters	(2,961)	(4,066)	(3,884)
Lapse of applicable statutes of limitations	(2,051)	(1,285)	(1,369)
Balance at end of year	\$38,167	\$41,701	\$58,165

These unrecognized tax benefits are classified in our Consolidated Balance Sheets as follows:

	December 31		
	2012	2011	2010
	(In thousands)		
Accrued expenses	\$1,787	\$4,687	\$5,620
Other long-term liabilities	36,380	37,014	52,545
Total	\$38,167	\$41,701	\$58,165

Of the balance at December 31, 2012, \$21.6 million would impact our effective tax rate and \$4.9 million would be offset by tax benefits associated with potential transfer pricing adjustments, if recognized. The remaining \$11.7 million represents tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Due to the impact of deferred income tax accounting, the disallowance of the shorter deductibility period would not affect our effective tax rate but would accelerate payment of cash to the applicable taxing authority. We do not expect any material changes to our liability for uncertain tax positions during the next 12 months.

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We recognize accrued interest related to uncertain tax positions as a component of income tax expense. Penalties, if incurred, are recorded in general and administrative expenses in our Consolidated Statements of Operations. Income tax expense for 2012, 2011 and 2010 included interest expense, net of tax of (\$0.4) million, \$0, and (\$1.4) million, respectively. Our liability for uncertain tax positions included accrued interest of \$2.9 million and \$4.1 million at December 31, 2012 and 2011, respectively.

Our U.S. consolidated income tax returns for 2009 through 2011 are under examination by the Internal Revenue Service and our 2007 tax return is under a limited scope examination. State income tax returns are generally subject to examination for a period of three to five years after filing. We have various state and foreign income tax returns in the process of examination, appeals or settlement.

10. DEBT

	<u>December 31, 2012</u>		<u>December 31, 2011</u>	
	<u>Amount</u>	<u>Interest</u>	<u>Amount</u>	<u>Interest</u>
	<u>Outstanding</u>	<u>Rate</u>	<u>Outstanding</u>	<u>Rate</u>
(In thousands, except percentages)				
Dean Foods Company debt obligations:				
Senior secured credit facility	\$1,292,197	4.82 %*	\$2,477,160	3.00 %*
Senior notes due 2016	499,167	7.00	498,959	7.00
Senior notes due 2018	400,000	9.75	400,000	9.75
	<u>2,191,364</u>		<u>3,376,119</u>	
Subsidiary debt obligations:				
WhiteWave senior secured credit facilities	780,550	2.20 *	–	–
Senior notes due 2017	130,879	6.90	129,117	6.90
Receivables-backed facility	–	–	238,410	1.31 **
Capital lease obligations and other	–		281	
Alpro revolving credit facility	–		–	
	<u>911,429</u>		<u>367,808</u>	
	<u>3,102,793</u>		<u>3,743,927</u>	
Less current portion	<u>(25,535)</u>		<u>(202,292)</u>	
Total long-term portion	<u>\$3,077,258</u>		<u>\$3,541,635</u>	

* Represents a weighted average rate, including applicable interest rate margins, for the senior secured revolving credit facility, term loan A and term loan B.

** Represents a weighted-average rate, including applicable interest rate margins, for indebtedness outstanding under the receivables securitization facility.

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The scheduled maturities of long-term debt at December 31, 2012, were as follows (in thousands):

	<u>Total</u>	<u>Dean Foods Term Loan B</u>	<u>Other Dean Foods Company Debt*</u>	<u>WhiteWave Senior Secured Credit Facilities</u>
2013	\$25,535	\$10,535	\$ –	\$ 15,000
2014	290,535	10,535	265,000	15,000
2015	31,786	10,536	–	21,250
2016	992,173	470,923	500,000	21,250
2017	1,137,218	524,668	142,000	470,550
Thereafter	637,500	–	400,000	237,500
Subtotal	3,114,747	1,027,197	1,307,000	780,550
Less discounts	(11,954)	–	(11,954)	–
Total outstanding debt	<u>\$3,102,793</u>	<u>\$1,027,197</u>	<u>\$ 1,295,046</u>	<u>\$ 780,550</u>

* Includes the Dean Foods revolving credit facility, receivables-backed facility, Dean Foods Company senior notes and the subsidiary senior notes.

Dean Foods Senior Secured Credit Facility – Our senior secured credit facility consists of an original combination of a \$1.5 billion five-year revolving credit facility, a \$1.5 billion five-year term loan A and a \$1.8 billion seven-year term loan B. In June 2010, we amended and restated the agreement governing the senior secured credit facility, and entered into a further amendment in December 2010, which included extension of the maturity dates for certain principal amounts, amendment of the maximum permitted leverage ratio and minimum interest coverage ratio and the addition of a senior secured leverage ratio (each as defined in our credit agreement), and the amendment of certain other terms. At December 31, 2012, there were outstanding borrowings of \$1.03 billion under the term loan B and \$265 million under the revolving credit facility. Our average daily balance under the revolving credit facility during the year ended December 31, 2012 was \$107.2 million. Letters of credit in the aggregate amount of \$1.0 million were issued under the revolving credit facility but undrawn.

Effective April 2, 2012, pursuant to the terms of our amended and restated credit agreement dated June 30, 2010, the total commitment amount available to us under the senior secured revolving credit facility decreased from \$1.5 billion to \$1.275 billion, and any principal borrowings on a pro rata basis related to the \$225 million of non-extended revolving credit facility commitments were reallocated to the remaining portion of the facility. Additionally, in connection with the WhiteWave IPO discussed in Note 2, effective October 31, 2012, we voluntarily reduced the total commitment amount available to us under the revolving credit facility from \$1.275 billion to \$1.0 billion. No principal payments are due on these revolving credit facility commitments until April 2, 2014. The amended and restated senior secured revolving credit facility is available for the issuance of up to \$350 million of letters of credit and up to \$150 million of swing line loans. Our credit agreement requires mandatory principal prepayments upon the occurrence of certain asset sales (provided that such sales, in total, exceed \$250 million in any fiscal year), recovery events or as a result of exceeding certain leverage limits.

Our credit agreement permits us to complete acquisitions that meet all of the following conditions without obtaining prior approval: (1) the acquired company is involved in the manufacture, processing and distribution of food or packaging products or any other line of business in which we were engaged as of April 2007; (2) the net cash purchase price for any single acquisition is not greater than \$500 million and not greater than \$100 million if our leverage ratio is greater than 4.50 times on a pro-forma basis; (3) we acquire at least 51% of the acquired entity; (4) the transaction is approved by the board of directors or shareholders, as appropriate, of the target; and (5) after giving effect to such acquisition on a pro-forma basis, we would have been in compliance with all financial covenants. All other acquisitions must be approved in advance by the required lenders.

The senior secured credit facility contains limitations on liens, investments and the incurrence of additional indebtedness, prohibits certain dispositions of property and restricts certain payments, including dividends. There

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are no restrictions on these certain payments, including dividends, when our leverage ratio is below 4.50 times consolidated EBITDA (as defined in the credit agreement) on a pro-forma basis. The senior secured credit facility is secured by liens on substantially all of our domestic assets, including the assets of our domestic subsidiaries, but excluding all assets of WhiteWave and its subsidiaries, the capital stock of subsidiaries of the former Dean Foods Company (“Legacy Dean”) and the capital stock of WhiteWave and its subsidiaries, the real property owned by Legacy Dean and its subsidiaries, and accounts receivable associated with the receivables-backed facility. In connection with the WhiteWave IPO, WhiteWave and its subsidiaries have been released from their obligations as guarantors of Dean Foods’ senior secured credit facility and designated as unrestricted subsidiaries thereunder.

The credit agreement governing our senior secured credit facility contains standard default triggers, including without limitation: failure to maintain compliance with the financial and other covenants contained in the credit agreement, default on certain of our other debt, a change in control and certain other material adverse changes in our business. The credit agreement does not contain any requirements to maintain specific credit rating levels.

As discussed in Note 3, on January 3, 2013, we completed the sale of our Morningstar division to a third party and we received net proceeds of approximately \$1.45 billion, a portion of which was used for the full repayment of \$480 million in outstanding 2016 Tranche B term loan borrowings, \$547 million in outstanding 2017 Tranche B term loan borrowings and \$265 million in revolver borrowings outstanding as of December 31, 2012. As a result of these principal repayments, we expect to write off \$1.5 million in previously deferred financing costs related to Dean Foods’ senior secured credit facility in the first quarter of 2013.

Additionally, we repatriated approximately 55 million (\$71 million) from our foreign operations during the second quarter of 2012 and utilized approximately \$70 million of those funds to prepay a portion of our then-outstanding 2014 tranche A term loan borrowings.

WhiteWave Senior Secured Credit Facilities – On October 12, 2012, in connection with the WhiteWave IPO discussed in Note 2, WhiteWave entered into senior secured credit facilities, consisting of a five-year \$850 million revolving credit facility, a five-year \$250 million term loan A-1 and a seven-year \$250 million term loan A-2. The revolving credit facility will be available for the issuance of up to \$75 million of letters of credit and up to \$75 million of swing line loans.

As of December 31, 2012, WhiteWave had total outstanding borrowings of \$780.6 million under its senior secured credit facility, which consisted of \$500 million in term loan borrowings and \$280.6 million drawn under its revolving credit facility.

The terms of WhiteWave’ s senior secured credit facilities include the following:

- maturity on October 31, 2017 for the term loan A-1 and revolving credit facility and October 31, 2019 for the \$250 million term loan A-2 facility;

- required amortization repayment in quarterly installments of the following amounts on the \$250 million term loan A-1 facility: \$12.5 million in 2013 and 2014, \$18.75 million in 2015 and 2016, and \$25.0 million in 2017, with the balance at maturity, and in the case of the \$250 million term loan A-2 facility, \$2.5 million in 2013 through 2019, with the balance at maturity;

- an accordion feature allowing, under certain circumstances, the maximum principal amount of the senior secured credit facilities to be increased by up to \$500 million, subject to lender commitments;

- mandatory prepayments in the event of certain asset sales and receipt of insurance proceeds;

- customary representations and warranties that are made at closing and upon each borrowing under the senior secured credit facilities;

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customary affirmative and negative covenants for agreements of this type, including delivery of financial and other information, compliance with laws, further assurances, and limitations with respect to indebtedness, liens, fundamental changes, restrictive agreements, dispositions of assets, acquisitions and other investments, sale leaseback transactions, conduct of business, transactions with affiliates, and restricted payments; and

financial covenants establishing (a) a maximum consolidated net leverage ratio initially set at 4.25 to 1.00 and stepping down to 4.00 to 1.00 beginning March 31, 2014 and then to 3.75 to 1.00 beginning March 31, 2015 and thereafter (subject to WhiteWave's right to increase such ratio by 0.50 to 1.00, but not to exceed 4.50 to 1.00, for the next four fiscal quarters following any permitted acquisition for which the purchase consideration equals or exceeds \$50 million) and (b) a minimum consolidated interest coverage ratio set at 3.00 to 1.00.

WhiteWave's senior secured credit facilities are secured by security interests and liens on substantially all of its assets and the assets of its material domestic subsidiaries. The senior secured credit facilities are guaranteed by its material domestic subsidiaries. Dean Foods Company does not guarantee WhiteWave's senior secured credit facilities. Borrowings under the senior secured credit facilities currently bear interest at a rate of LIBOR plus 1.75% per annum or, in the case of the \$250 million term loan A-2 facility, LIBOR plus 2.00% per annum, and are subject to adjustment based on WhiteWave's consolidated net leverage ratio.

WhiteWave incurred financing costs of approximately \$12 million in connection with the execution of its senior secured credit facilities, which have been deferred and will be recognized over the terms of the respective debt agreements using the effective interest method.

Use of Net Proceeds from WhiteWave IPO and Initial Borrowing under WhiteWave Senior Secured Credit Facilities – On October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under its senior secured credit facilities. Substantially all of the net proceeds of the borrowing and \$282 million of the net proceeds from the WhiteWave IPO, totaling approximately \$1.16 billion, were contributed to WWF Opco, which then paid such proceeds to Dean Foods to repay then-outstanding obligations under intercompany notes owed to Dean Foods. On October 31, 2012, we utilized those funds to repay in full the then-outstanding \$480 million aggregate principal amount of our 2014 Tranche A term loan and the then-outstanding \$675 million aggregate principal amount of our outstanding 2014 Tranche B term loan borrowings. As a result of these principal repayments, \$3.5 million in previously deferred financing costs related to Deans Foods' senior secured credit facility were written off in the fourth quarter of 2012.

Dean Foods Receivables-Backed Facility – We have a \$600 million receivables securitization facility pursuant to which certain of our subsidiaries sell their accounts receivable to four wholly-owned entities intended to be bankruptcy-remote. The entities then transfer the receivables to third-party asset-backed commercial paper conduits sponsored by major financial institutions. The assets and liabilities of these four entities are fully reflected in our Consolidated Balance Sheets, and the securitization is treated as a borrowing for accounting purposes. The receivables-backed facility is available for the issuance of letters of credit of up to \$300 million.

In connection with the WhiteWave IPO, effective September 1, 2012, WWF Opco and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by WWF Opco to these entities on or prior to August 31, 2012 will continue to be collected by us; however, any receivables generated by WhiteWave or WWF Opco subsequent to September 1, 2012 will not be sold into the receivables securitization program, and no WWF Opco receivables previously sold into the facility will be included in the determination of our ability to re-borrow under the facility. Additionally, effective November 1, 2012, Morningstar Foods and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by Morningstar to these entities prior to October 31, 2012 will continue to be collected by us; however, any receivables generated by Morningstar or its subsidiaries subsequent to November 1, 2012 will not be sold into the receivables securitization program, and no Morningstar receivables

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previously sold into the facility will be included in the determination of our ability to re-borrow under the facility as described below. See Note 2 and Note 3, respectively, for more information regarding the WhiteWave IPO and the Morningstar divestiture.

The total amount of receivables sold to the receivables securitization entities as of December 31, 2012 was \$748.5 million. During the year ended December 31, 2012, we borrowed \$2.83 billion and subsequently repaid \$3.07 billion under the facility with no remaining drawn balance at December 31, 2012, excluding letters of credit in the aggregate amount of \$230.6 million that were issued but undrawn. Our average daily balance under this facility during the year ended December 31, 2012 was \$148.5 million. The receivables-backed facility bears interest at a variable rate based upon commercial paper and one-month LIBOR rates plus an applicable margin. Our ability to re-borrow under this facility is subject to a monthly borrowing base formula. Based on this formula, we had the ability to borrow up to \$572.4 million of the \$600 million total commitment amount as of December 31, 2012.

Standby Letter of Credit – As discussed in Note 19, on February 14, 2012, the United States District Court for the Eastern District of Tennessee granted preliminary approval of our settlement agreement with the plaintiffs in the Tennessee dairy farmer actions, and on June 15, 2012, the Court issued a ruling granting final approval of the settlement agreement. As part of the settlement agreement, on February 21, 2012, we issued a standby letter of credit in the amount of \$80 million, representing the subsequent payments due under the terms of the settlement agreement. The total amount of the letter of credit will decrease proportionately as we make each of the four installment payments. We expect to make the first installment payment in June 2013.

We are currently in compliance with all covenants under our credit agreements, and we expect to maintain such compliance for the foreseeable future.

Dean Foods Company Senior Notes due 2018 – On December 16, 2010, we issued \$400 million aggregate principal amount of 9.75% senior unsecured notes in a private placement to qualified institutional buyers and in offshore transactions, and on August 3, 2011, we exchanged \$400 million of the senior notes for new notes that are registered under the Securities Act and do not have restrictions on transfer, rights to special interest or registration rights. These notes are our senior unsecured obligations and mature on December 15, 2018 with interest payable on June 15 and December 15 of each year. The indenture under which we issued the senior notes due 2018 does not contain financial covenants but does contain covenants that, among other things, limit our ability to incur certain indebtedness, enter into sale-leaseback transactions and engage in mergers, consolidations and sales of all or substantially all of our assets. The carrying value of these notes at December 31, 2012 was \$400.0 million.

Dean Foods Company Senior Notes due 2016 – On May 17, 2006, we issued \$500 million aggregate principal amount of 7.0% senior unsecured notes. The senior unsecured notes mature on June 1, 2016, and interest is payable on June 1 and December 1 of each year. The indenture under which we issued the senior notes due 2016 does not contain financial covenants but does contain covenants that, among other things, limit our ability to incur certain indebtedness, enter into sale-leaseback transactions and engage in mergers, consolidations and sales of all or substantially all of our assets. The carrying value of these notes at December 31, 2012 was \$499.2 million.

Subsidiary Senior Notes due 2017 – Legacy Dean had certain senior notes outstanding at the time of its acquisition, of which one series (\$142 million aggregate principal amount) remains outstanding with a maturity date of October 15, 2017. The carrying value of these notes at December 31, 2012 was \$130.9 million at 6.90% interest. The indenture governing the Legacy Dean senior notes does not contain financial covenants but does contain certain restrictions, including a prohibition against Legacy Dean and its subsidiaries granting liens on certain of their real property interests and a prohibition against Legacy Dean granting liens on the stock of its subsidiaries. The Legacy Dean senior notes are not guaranteed by Dean Foods Company or Legacy Dean's wholly-owned subsidiaries.

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Capital Lease Obligations and Other – Capital lease obligations and other subsidiary debt includes various promissory notes related to the purchase of property, plant and equipment and capital lease obligations. The various promissory notes payable provide for interest at varying rates and are payable in periodic installments of principal and interest until maturity, when the remaining principal balances are due. Capital lease obligations represent machinery and equipment financing obligations, which are payable in monthly installments of principal and interest and are collateralized by the related assets financed. See Note 19.

Alpro Revolving Credit Facility – White Wave’s Alpro operations have access to a multicurrency revolving credit facility with a borrowing capacity of 1 million (or its currency equivalent). The facility is unsecured, and as of September 30, 2012, was guaranteed by Dean Foods Company and various Alpro subsidiaries. In connection with the WhiteWave IPO discussed in Note 2, effective as of October 9, 2012, Dean Foods Company has been released from this guarantee. Proceeds under the facility may be used for Alpro’s working capital and other general corporate purposes. The subsidiary revolving credit facility is available for the issuance of up to 1 million (or its currency equivalent) of letters of credit. On July 10, 2012, we renewed this facility under substantially similar terms. No principal payments are due under the subsidiary revolving credit facility until maturity on July 10, 2013. At December 31, 2012, there were no outstanding borrowings under this facility.

Interest Rate Agreements – See Note 11 for information related to interest rate swap arrangements associated with our debt.

Guarantor Information – The 2016 and 2018 senior notes described above are our unsecured obligations and, except as described below, are fully and unconditionally, jointly and severally guaranteed by substantially all of our 100%-owned U.S. subsidiaries other than our receivables securitization subsidiaries. The following condensed consolidating financial statements present the financial position, results of operations and cash flows of Dean Foods Company (“Parent”), the 100%-owned subsidiary guarantors of the senior notes and, separately, the combined results of the 100%-owned and majority-owned subsidiaries that are not a party to the guarantees. The 100%-owned and majority-owned non-guarantor subsidiaries reflect certain foreign and other operations, in addition to our receivables securitization subsidiaries.

Upon completion of the WhiteWave IPO discussed in Note 2, WhiteWave and its wholly-owned domestic subsidiaries were released from their obligations as guarantors for the 2016 and 2018 senior notes. Accordingly, we have recast the financial information included in the tables below for all periods presented to include WhiteWave’s wholly-owned domestic subsidiaries within the non-guarantor column, as WhiteWave and its wholly-owned domestic subsidiaries are no longer guarantors of the 2016 or 2018 senior notes.

Additionally, as of December 31, 2012, our Morningstar subsidiaries were still guarantors of the 2016 and 2018 senior notes. Therefore, the activity and balances allocated to discontinued operations related to the Morningstar divestiture for each of the three years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011 have been reflected in the guarantor column, with the exception of Morningstar’s allocated portion of interest expense under the receivables-backed facility, which is included in the non-guarantor column. Effective upon completion of the Morningstar sale on January 3, 2013, Morningstar and its subsidiaries were no longer parties to the guarantees.

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Condensed Consolidating Balance Sheet as of December 31, 2012

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
			(In thousands)		
ASSETS					
Current assets:					
Cash and cash equivalents	\$15,242	\$-	\$63,733	\$-	\$78,975
Receivables, net	972	40,080	840,358	-	881,410
Inventories	-	261,265	146,647	-	407,912
Intercompany receivables	-	4,190,180	79,938	(4,270,118)	-
Other current assets	6,464	112,021	43,007	-	161,492
Assets of discontinued operations	-	672,989	-	-	672,989
Total current assets	22,678	5,276,535	1,173,683	(4,270,118)	2,202,778
Property, plant and equipment, net	4	1,244,616	628,659	-	1,873,279
Goodwill	-	86,839	765,588	-	852,427
Identifiable intangible and other assets, net	101,950	280,043	376,614	-	758,607
Investment in subsidiaries	6,325,265	74,054	-	(6,399,319)	-
Total	<u>\$6,449,897</u>	<u>\$6,962,087</u>	<u>\$2,944,544</u>	<u>\$(10,669,437)</u>	<u>\$5,687,091</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable and accrued expenses	\$133,689	\$769,644	\$290,793	\$-	\$1,194,126
Intercompany payables	3,582,794	-	687,324	(4,270,118)	-
Current portion of debt	10,535	1	14,999	-	25,535
Current portion of litigation settlements	20,000	-	-	-	20,000
Liabilities of discontinued operations	-	101,332	-	-	101,332
Total current liabilities	3,747,018	870,977	993,116	(4,270,118)	1,340,993
Long-term debt	2,180,829	130,879	765,550	-	3,077,258
Other long-term liabilities	111,151	352,784	291,565	-	755,500
Long-term litigation settlements	53,712	-	-	-	53,712
Dean Foods Company stockholders' equity (deficit)	357,187	5,607,447	791,872	(6,399,319)	357,187
Non-controlling interest	-	-	102,441	-	102,441
Total stockholders' equity (deficit)	357,187	5,607,447	894,313	(6,399,319)	459,628
Total	<u>\$6,449,897</u>	<u>\$6,962,087</u>	<u>\$2,944,544</u>	<u>\$(10,669,437)</u>	<u>\$5,687,091</u>

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Condensed Consolidating Balance Sheet as of December 31, 2011

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries (In thousands)	Eliminations	Consolidated Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$3,061	\$6,709	\$105,880	\$-	\$115,650
Receivables, net	104	46,725	826,129	-	872,958
Income tax receivable	24,934	-	26	-	24,960
Inventories	-	257,228	127,763	-	384,991
Intercompany receivables	-	3,798,921	545,247	(4,344,168)	-
Intercompany note receivable	-	125,000	-	(125,000)	-
Other current assets	44,779	90,986	35,711	-	171,476
Assets of discontinued operations	-	600,017	68,656	-	668,673
Total current assets	<u>72,878</u>	<u>4,925,586</u>	<u>1,709,412</u>	<u>(4,469,168)</u>	<u>2,238,708</u>
Property, plant and equipment, net	413	1,336,921	598,901	-	1,936,235
Goodwill	-	86,840	762,337	-	849,177
Identifiable intangible and other assets, net	69,904	276,446	384,697	-	731,047
Investment in subsidiaries	<u>7,676,028</u>	<u>75,381</u>	<u>-</u>	<u>(7,751,409)</u>	<u>-</u>
Total	<u>\$7,819,223</u>	<u>\$6,701,174</u>	<u>\$3,455,347</u>	<u>\$(12,220,577)</u>	<u>\$5,755,167</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	\$129,369	\$763,395	\$234,953	\$-	\$1,127,717
Intercompany payables	4,204,433	26,604	113,131	(4,344,168)	-
Current portion of debt	202,012	12	268	-	202,292
Intercompany note payable	-	-	125,000	(125,000)	-
Current portion of litigation settlements	60,838	-	-	-	60,838
Liabilities of discontinued operations	-	85,008	48,194	-	133,202
Total current liabilities	<u>4,596,652</u>	<u>875,019</u>	<u>521,546</u>	<u>(4,469,168)</u>	<u>1,524,049</u>
Long-term debt	3,174,107	129,118	238,410	-	3,541,635
Other long-term liabilities	78,862	387,772	248,500	-	715,134
Long-term litigation settlements	73,000	-	-	-	73,000
Dean Foods Company stockholders' equity (deficit)	(103,398)	5,309,265	2,442,144	(7,751,409)	(103,398)
Non-controlling interest	-	-	4,747	-	4,747
Total stockholders' equity (deficit)	<u>(103,398)</u>	<u>5,309,265</u>	<u>2,446,891</u>	<u>(7,751,409)</u>	<u>(98,651)</u>
Total	<u>\$7,819,223</u>	<u>\$6,701,174</u>	<u>\$3,455,347</u>	<u>\$(12,220,577)</u>	<u>\$5,755,167</u>

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Condensed Consolidating Statement of Comprehensive Income for the Year Ended December 31, 2012

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
			(In thousands)		
Net sales	\$-	\$9,262,725	\$2,199,552	\$-	\$11,462,277
Cost of sales	-	7,170,646	1,391,633	-	8,562,279
Gross profit	-	2,092,079	807,919	-	2,899,998
Selling and distribution	-	1,418,695	493,893	-	1,912,588
General and administrative	7,741	428,945	118,326	-	555,012
Amortization of intangibles	-	3,759	2,524	-	6,283
Facility closing and reorganization costs	-	55,787	-	-	55,787
Other operating (income) loss	574	-	(58,033)	-	(57,459)
Interest expense	141,784	18,166	4,622	-	164,572
Other (income) expense, net	(8,163)	15,985	(8,529)	-	(707)
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(141,936)	150,742	255,116	-	263,922
Income tax expense (benefit)	(60,902)	67,337	140,074	-	146,509
Income (loss) before equity in earnings (loss) of subsidiaries	(81,034)	83,405	115,042	-	117,413
Equity in earnings (loss) of consolidated subsidiaries	239,656	(3,843)	-	(235,813)	-
Income (loss) from continuing operations	158,622	79,562	115,042	(235,813)	117,413
Income from discontinued operations, net of tax	-	45,681	-	-	45,681
Loss on sale of discontinued operations, net of tax	-	-	(2,053)	-	(2,053)
Net income (loss)	158,622	125,243	112,989	(235,813)	161,041
Net income attributable to non-controlling interest	-	-	(2,419)	-	(2,419)
Net income (loss) attributable to Dean Foods Company	158,622	125,243	110,570	(235,813)	158,622
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	2,002	(2,467)	8,932	-	8,467
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$160,624</u>	<u>\$122,776</u>	<u>\$119,502</u>	<u>\$(235,813)</u>	<u>\$167,089</u>

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Condensed Consolidating Statement of Comprehensive Income (Loss) for the Year Ended December 31, 2011

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
			(In thousands)		
Net sales	\$-	\$9,707,177	\$1,934,014	\$-	\$11,641,191
Cost of sales	-	7,612,325	1,249,249	-	8,861,574
Gross profit	-	2,094,852	684,765	-	2,779,617
Selling and distribution	-	1,455,170	423,202	-	1,878,372
General and administrative	9,613	464,974	110,701	-	585,288
Amortization of intangibles	-	4,997	2,619	-	7,616
Facility closing and reorganization costs	-	45,688	-	-	45,688
Litigation settlements	131,300	-	-	-	131,300
Goodwill impairment	-	2,075,836	-	-	2,075,836
Other operating (income) loss	(801)	(12,985)	20,347	-	6,561
Interest expense	172,926	17,851	135	-	190,912
Other (income) expense, net	(10,665)	25,589	(16,839)	-	(1,915)
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(302,373)	(1,982,268)	144,600	-	(2,140,041)
Income tax expense (benefit)	(114,956)	(456,304)	81,672	-	(489,588)
Income (loss) before equity in earnings (loss) of subsidiaries	(187,417)	(1,525,964)	62,928	-	(1,650,453)
Equity in earnings (loss) of consolidated subsidiaries	(1,388,204)	(994)	-	1,389,198	-
Income (loss) from continuing operations	(1,575,621)	(1,526,958)	62,928	1,389,198	(1,650,453)
Income from discontinued operations, net of tax	-	54,666	-	-	54,666
Gain on sale of discontinued operations, net of tax	-	-	3,616	-	3,616
Net income (loss)	(1,575,621)	(1,472,292)	66,544	1,389,198	(1,592,171)
Net loss attributable to non-controlling interest	-	-	16,550	-	16,550
Net income (loss) attributable to Dean Foods Company	(1,575,621)	(1,472,292)	83,094	1,389,198	(1,575,621)
Other comprehensive loss, net of tax, attributable to Dean Foods Company	(38,658)	(1,589)	(12,620)	-	(52,867)
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$ (1,614,279)</u>	<u>\$ (1,473,881)</u>	<u>\$ 70,474</u>	<u>\$ 1,389,198</u>	<u>\$ (1,628,488)</u>

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Condensed Consolidating Statement of Comprehensive Income for the Year Ended December 31, 2010

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
			(In thousands)		
Net sales	\$-	\$9,086,547	\$1,733,690	\$-	\$10,820,237
Cost of sales	-	6,943,389	1,120,543	-	8,063,932
Gross profit	-	2,143,158	613,147	-	2,756,305
Selling and distribution	-	1,417,073	399,885	-	1,816,958
General and administrative	7,920	482,376	110,881	-	601,177
Amortization of intangibles	-	5,784	2,558	-	8,342
Facility closing and reorganization costs	-	30,761	-	-	30,761
Litigation settlements	-	30,000	-	-	30,000
Interest expense	179,972	10,890	343	-	191,205
Other (income) expense, net	(7,909)	28,643	(20,517)	-	217
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(179,983)	137,631	119,997	-	77,645
Income tax expense (benefit)	(79,144)	81,332	43,965	-	46,153
Income (loss) before equity in earnings (loss) of subsidiaries	(100,839)	56,299	76,032	-	31,492
Equity in earnings (loss) of consolidated subsidiaries	192,330	3,465	-	(195,795)	-
Income (loss) from continuing operations	91,491	59,764	76,032	(195,795)	31,492
Income (loss) from discontinued operations, net of tax	-	46,248	(2,505)	-	43,743
Gain on sale of discontinued operations, net of tax	-	-	7,521	-	7,521
Net income (loss)	91,491	106,012	81,048	(195,795)	82,756
Net loss attributable to non-controlling interest	-	-	8,735	-	8,735
Net income (loss) attributable to Dean Foods Company	91,491	106,012	89,783	(195,795)	91,491
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	40,492	1,353	(21,522)	-	20,323
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$131,983</u>	<u>\$107,365</u>	<u>\$68,261</u>	<u>\$(195,795)</u>	<u>\$111,814</u>

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Condensed Consolidating Statement of Cash Flows for the Year Ended December 31, 2012

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u> (In thousands)	<u>Eliminations</u>	<u>Consolidated Totals</u>
Cash flows from operating activities:					
Net cash provided by (used in) operating activities – continuing operations	\$(83,915)	\$202,719	\$265,517	\$–	\$384,321
Net cash provided by operating activities – discontinued operations	–	56,221	–	–	56,221
Net cash provided by (used in) operating activities	(83,915)	258,940	265,517	–	440,542
Cash flows from investing activities:					
Payments for property, plant and equipment	(1,564)	(124,085)	(102,434)	–	(228,083)
Proceeds from intercompany note	1,155,000	–	–	(1,155,000)	–
Proceeds from intercompany dividend	–	–	70,000	(70,000)	–
Proceeds from insurance and other recoveries	3,075	3,356	1,050	–	7,481
Proceeds from divestitures	–	58,034	–	–	58,034
Proceeds from sale of fixed assets	–	9,606	4,859	–	14,465
Other, net	–	(725)	(519)	–	(1,244)
Net cash provided by (used in) investing activities – continuing operations	1,156,511	(53,814)	(27,044)	(1,225,000)	(149,347)
Net cash used in investing activities – discontinued operations	–	(24,831)	–	–	(24,831)
Net cash provided by (used in) investing activities	1,156,511	(78,645)	(27,044)	(1,225,000)	(174,178)
Cash flows from financing activities:					
Repayment of Dean Foods Company senior secured term loan debt	(1,350,263)	(12)	–	–	(1,350,275)
Proceeds from senior secured revolver	2,481,800	–	–	–	2,481,800
Payments for senior secured revolver	(2,316,500)	–	–	–	(2,316,500)
Proceeds from receivables-backed facility	–	–	2,834,551	–	2,834,551
Payments for receivables-backed facility	–	–	(3,072,961)	–	(3,072,961)
Proceeds from subsidiary senior secured credit facility	–	–	1,019,200	–	1,019,200
Payments for subsidiary senior secured credit facility	–	–	(238,650)	–	(238,650)
Payment of financing costs	–	–	(12,278)	–	(12,278)
Proceeds from sale of subsidiary shares in initial public offering, net of offering costs	–	–	367,540	–	367,540
Repayment of intercompany note	–	–	(1,155,000)	1,155,000	–
Payment of intercompany dividend	–	–	(70,000)	70,000	–

Issuance of common stock, net of share repurchases for withholding taxes	6,434	–	–	–	6,434
Tax savings on share-based compensation	571	–	–	–	571
Net change in intercompany balances	<u>117,543</u>	<u>(165,097)</u>	<u>47,554</u>	<u>–</u>	<u>–</u>
Net cash used in financing activities – continuing operations	(1,060,415)	(165,109)	(280,044)	1,225,000	(280,568)
Net cash used in financing activities – discontinued operations	<u>–</u>	<u>(21,895)</u>	<u>–</u>	<u>–</u>	<u>(21,895)</u>
Net cash used in financing activities	(1,060,415)	(187,004)	(280,044)	1,225,000	(302,463)
Effect of exchange rate changes on cash and cash equivalents	<u>–</u>	<u>–</u>	<u>(576)</u>	<u>–</u>	<u>(576)</u>
Increase (decrease) in cash and cash equivalents	12,181	(6,709)	(42,147)	–	(36,675)
Cash and cash equivalents, beginning of period	<u>3,061</u>	<u>6,709</u>	<u>105,880</u>	<u>–</u>	<u>115,650</u>
Cash and cash equivalents, end of period	<u>\$15,242</u>	<u>\$–</u>	<u>\$63,733</u>	<u>–</u>	<u>\$78,975</u>

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Condensed Consolidating Statement of Cash Flows for the Year Ended December 31, 2011

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidated Totals
	(In thousands)			
Cash flows from operating activities:				
Net cash provided by (used in) operating activities – continuing operations	\$(59,869)	\$417,030	\$54,496	\$411,657
Net cash provided by operating activities – discontinued operations	–	52,913	774	53,687
Net cash provided by (used in) operating activities	(59,869)	469,943	55,270	465,344
Cash flows from investing activities:				
Payments for property, plant and equipment	–	(177,958)	(127,209)	(305,167)
Proceeds from insurance and other recoveries	–	786	–	786
Proceeds from divestitures	–	91,958	–	91,958
Proceeds from sale of fixed assets	–	6,650	711	7,361
Net cash used in investing activities – continuing operations	–	(78,564)	(126,498)	(205,062)
Net cash provided by (used in) investing activities – discontinued operations	–	77,293	(491)	76,802
Net cash used in investing activities	–	(1,271)	(126,989)	(128,260)
Cash flows from financing activities:				
Repayment of Dean Foods Company senior secured term loan debt	(203,070)	(6,201)	(614)	(209,885)
Proceeds from senior secured revolver	3,274,390	–	–	3,274,390
Payments for senior secured revolver	(3,627,690)	–	–	(3,627,690)
Proceeds from receivables-backed facility	–	–	4,246,006	4,246,006
Payments for receivables-backed facility	–	–	(4,007,598)	(4,007,598)
Payment of financing costs	(600)	–	–	(600)
Issuance of common stock, net of share repurchases for withholding taxes	3,623	–	–	3,623
Tax savings on share-based compensation	33	–	–	33
Capital contribution from non-controlling interest	–	–	6,754	6,754
Net change in intercompany balances	615,937	(477,131)	(138,806)	–
Net cash provided by (used in) financing activities – continuing operations	62,623	(483,332)	105,742	(314,967)
Net cash provided by financing activities – discontinued operations	–	21,369	–	21,369
Net cash provided by (used in) financing activities	62,623	(461,963)	105,742	(293,598)
Effect of exchange rate changes on cash and cash equivalents	–	–	(4,588)	(4,588)
Increase in cash and cash equivalents	2,754	6,709	29,435	38,898
Cash and cash equivalents, beginning of period	307	–	76,445	76,752
Cash and cash equivalents, end of period	<u>\$3,061</u>	<u>\$6,709</u>	<u>\$105,880</u>	<u>\$115,650</u>

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Condensed Consolidating Statement of Cash Flows for the Year Ended December 31, 2010

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Consolidated Totals
	(In thousands)			
Cash flows from operating activities:				
Net cash provided by operating activities – continuing operations	\$45,054	\$243,744	\$201,847	\$490,645
Net cash provided by operating activities – discontinued operations	–	19,808	8,765	28,573
Net cash provided by operating activities	45,054	263,552	210,612	519,218
Cash flows from investing activities:				
Payments for property, plant and equipment	–	(223,560)	(52,362)	(275,922)
Proceeds from sale of fixed assets	–	7,235	1,004	8,239
Net cash used in investing activities – continuing operations	–	(216,325)	(51,358)	(267,683)
Net cash provided by (used in) investing activities – discontinued operations	–	(25,892)	24,121	(1,771)
Net cash used in investing activities	–	(242,217)	(27,237)	(269,454)
Cash flows from financing activities:				
Proceeds from the issuance of debt	400,000	–	–	400,000
Repayment of Dean Foods Company senior secured term loan debt	(501,220)	(12,824)	(145)	(514,189)
Proceeds from senior secured revolver	4,006,680	–	–	4,006,680
Payments for senior secured revolver	(4,068,880)	–	–	(4,068,880)
Proceeds from receivables-backed facility	–	–	2,220,267	2,220,267
Payments for receivables-backed facility	–	–	(2,220,267)	(2,220,267)
Payment of financing costs	(52,720)	–	–	(52,720)
Issuance of common stock, net of share repurchases for withholding taxes	3,415	–	–	3,415
Tax savings on share-based compensation	278	–	–	278
Capital contribution from non-controlling interest	–	–	7,992	7,992
Net change in intercompany balances	158,035	(8,243)	(149,792)	–
Net cash used in financing activities – continuing operations	(54,412)	(21,067)	(141,945)	(217,424)
Net cash used in financing activities – discontinued operations	–	(268)	–	(268)
Net cash used in financing activities	(54,412)	(21,335)	(141,945)	(217,692)
Effect of exchange rate changes on cash and cash equivalents	–	–	(502)	(502)
Increase (decrease) in cash and cash equivalents	(9,358)	–	40,928	31,570
Cash and cash equivalents, beginning of period	9,665	–	35,517	45,182
Cash and cash equivalents, end of period	<u>\$307</u>	<u>\$–</u>	<u>\$76,445</u>	<u>\$76,752</u>

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11. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Financial Instruments

Interest Rates – We have interest rate swap agreements in place at Dean Foods that have been designated as cash flow hedges against variable interest rate exposure on a portion of our debt, with the objective of minimizing the impact of interest rate fluctuations and stabilizing cash flows. These swap agreements provide hedges for interest rates on the Dean Foods senior secured credit facility by fixing the LIBOR component of interest rates specified in the senior secured credit facility at the interest rates noted below until the indicated expiration dates of these interest rate swap agreements.

The following table summarizes the various interest rate agreements in effect as of December 31, 2012:

<u>Fixed Interest Rates</u>	<u>Expiration Date</u>	<u>Notional Amounts</u> (In millions)
1.60% to 1.84%	December 31, 2013	800
2.75% to 2.84%	March 31, 2016	200

These swaps are recorded as an asset or liability in our Consolidated Balance Sheets at fair value, with an offset to accumulated other comprehensive income to the extent the hedge is effective. Derivative gains and losses included in other comprehensive income are reclassified into earnings as the underlying transaction occurs. Any ineffectiveness in our hedges is recorded as an adjustment to interest expense. There was no hedge ineffectiveness during 2012, 2011 or 2010.

We are exposed to market risk under these arrangements due to the possibility of interest rates on our senior secured credit facility falling below the rates on our interest rate derivative agreements. Credit risk under these arrangements is believed to be remote as the counterparties to our interest rate swap agreements are major financial institutions; however, if any of the counterparties to our hedging arrangements become unable to fulfill their obligations to us, we may lose the financial benefits of these arrangements.

As disclosed in Note 3, on January 3, 2013, we completed the sale of our Morningstar operations and used a portion of the proceeds to repay in full our outstanding 2016 and 2017 Tranche B term loan borrowings. As a result of these repayments, we determined that we no longer had sufficient levels of variable rate debt to support the \$1 billion aggregate notional amount of interest rate hedges maturing in 2013 and 2016 shown in the table above. Accordingly, on January 4, 2013, we terminated these interest rate swaps, and upon termination, we paid the counterparties \$28.0 million based on the fair value of the swaps on that date. As we have determined that the forecasted transactions hedged by these swaps are no longer probable, we expect to reclassify total losses of \$28.1 million (\$17.3 million, net of tax) previously recorded in accumulated other comprehensive income to interest expense during the first quarter of 2013.

Novation of 2017 Interest Rate Swaps to WhiteWave

In addition to the interest rate hedges described above, in connection with the WhiteWave IPO discussed in Note 2, on October 31, 2012, we novated certain of our interest rate swaps with a notional value of \$650 million and a maturity date of March 31, 2017 (the “2017 swaps”) to WhiteWave. WhiteWave is now the sole counterparty to the financial institutions under these swap agreements and will be directly responsible for any required future settlements, and the sole beneficiary of any future receipts of funds, pursuant to the terms of the 2017 swaps.

As of the novation date, the 2017 swaps were de-designated and subsequent changes in fair value are reflected in our Consolidated Statements of Operations, with a non-controlling interest adjustment for the 13.3% economic interest in WhiteWave that we do not own. As described in Note 2, unless and until a spin-off or other disposition transaction occurs after which we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes. Additionally, we have determined that the

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underlying hedged forecasted transaction related to the 2017 swaps remains probable; therefore, amounts recorded in accumulated other comprehensive income associated with the 2017 swaps will continue to be reclassified into the income statement as the underlying hedged forecasted transaction affects earnings. However, a future separation of WhiteWave through a spin-off or other transaction would result in a determination that the underlying forecasted transaction is no longer probable, which would subsequently trigger the recognition of a significant amount of accumulated other comprehensive income in earnings. As of December 31, 2012, total losses of approximately \$66.7 million (approximately \$ 40.9 million, net of tax) were recorded in accumulated other comprehensive income related to the 2017 swaps.

Commodities – We are exposed to commodity price fluctuations, including milk, organic and non-genetically modified (“non-GMO”) soybeans, butterfat, sweeteners and other commodity costs used in the manufacturing, packaging and distribution of our products, including utilities, natural gas, resin and diesel fuel. To secure adequate supplies of materials and bring greater stability to the cost of ingredients and their related manufacturing, packaging and distribution, we routinely enter into forward purchase contracts and other purchase arrangements with suppliers.

Under the forward purchase contracts, we commit to purchasing agreed-upon quantities of ingredients and commodities at agreed-upon prices at specified future dates. The outstanding purchase commitment for these commodities at any point in time typically ranges from one month’s to one year’s anticipated requirements, depending on the ingredient or commodity. These contracts are considered normal purchases.

In addition to entering into forward purchase contracts, from time to time we may purchase over-the-counter contracts with our qualified banking partners or exchange-traded commodity futures contracts for raw materials that are ingredients of our products or components of such ingredients. Certain of the contracts offset the risk of increases in our commodity costs, and are designated as hedging instruments when appropriate. Other contracts may be executed related to certain customer pricing arrangements. We have not designated such contracts as hedging instruments; therefore, the contracts are marked to market at each reporting period and a derivative asset or liability is recorded on our balance sheet. A summary of these open commodities contracts recorded at fair value in our Consolidated Balance Sheets at December 31, 2012 is included in the table below.

Although we may utilize forward purchase contracts and other instruments to mitigate the risks related to commodity price fluctuation, such strategies do not fully mitigate commodity price risk. Adverse movements in commodity prices over the terms of the contracts or instruments could decrease the economic benefits we derive from these strategies.

Foreign Currency – Our international operations represented approximately 13% and 3% of our long-lived assets and net sales, respectively, as of and for the year ended December 31, 2012. Sales in foreign countries, as well as certain expenses related to those sales, are transacted in currencies other than our reporting currency, the U.S. Dollar. Our foreign currency exchange rate risk is primarily limited to the Euro and the British Pound. We may, from time to time, employ derivative financial instruments to manage our exposure to fluctuations in foreign currency rates or enter into forward currency exchange contracts to hedge our net investment and intercompany payable or receivable balances in foreign operations.

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As of December 31, 2012 and 2011, our derivatives recorded at fair value in our Consolidated Balance Sheets were:

	Derivative Assets		Derivative Liabilities	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	(In thousands)			
<i>Derivatives designated as Hedging Instruments</i>				
Interest rate swap contracts – current(1)	\$ –	\$ –	\$ 17,716	\$ 38,260
Interest rate swap contracts – noncurrent(2)	–	–	10,432	64,037
Commodities contracts – current(1)	776	93	1,143	2,346
Foreign currency contracts – current (1)	–	411	489	–
<i>Derivatives not designated as Hedging Instruments</i>				
Interest rate swap contracts – current(1)	–	–	18,262	–
Interest rate swap contracts – noncurrent(2)	–	–	48,669	–
Commodities contracts – current(1)	964	2,006	742	1,530
Total derivatives	<u>\$ 1,740</u>	<u>\$ 2,510</u>	<u>\$ 97,453</u>	<u>\$ 106,173</u>

- (1) Derivative assets and liabilities that have settlement dates equal to or less than 12 months from the respective balance sheet date were included in other current assets and accounts payable and accrued expenses, respectively, in our Consolidated Balance Sheets.
- (2) Derivative assets and liabilities that have settlement dates greater than 12 months from the respective balance sheet date were included in identifiable intangible and other assets, net and other long-term liabilities, respectively, in our Consolidated Balance Sheets.

Gains and losses on derivatives designated as cash flow hedges reclassified from accumulated other comprehensive income into income were as follows (in thousands):

	Year Ended December 31		
	2012	2011	2010
Losses on interest rate swap contracts(1)	\$38,607	\$61,387	\$96,573
(Gains)/losses on commodities contracts(2)	2,916	(3,097)	6
(Gains)/losses on foreign currency contracts(3)	(320)	101	0

- (1) Recorded in interest expense in our Consolidated Statements of Operations.
- (2) Recorded in selling and distribution or cost of sales, depending on commodity type, in our Consolidated Statements of Operations.
- (3) Recorded in cost of sales in our Consolidated Statements of Operations.

Based on current interest rates, commodity prices and exchange rates, we estimate that \$0.4 million of hedging activity related to our commodities contracts and \$0.5 million of hedging activity related to our foreign currency contracts will be reclassified from accumulated other comprehensive income into income within the next 12 months. As a result of the January 4, 2013 termination of the 2013 and 2016 interest rate swaps, we expect to reclassify approximately \$28.1 million from accumulated other comprehensive income into income during the first quarter of 2013. The future separation of WhiteWave will likely trigger the reclassification of significant additional amounts of accumulated other comprehensive income in earnings during 2013, as described more fully above.

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Fair Value Measurements

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, we follow a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2012	Level 1	Level 2	Level 3
Liability – Interest rate swap contracts	\$ 95,079	\$ 0	\$95,079	\$ 0
Asset – Commodities contracts	1,740	0	1,740	0
Liability – Commodities contracts	1,885	0	1,885	0
Liability – Foreign currency contracts	489	0	489	0

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2011	Level 1	Level 2	Level 3
Liability – Interest rate swap contracts	\$ 102,297	\$ 0	\$102,297	\$ 0
Asset – Commodities contracts	2,099	0	2,099	0
Liability – Commodities contracts	3,876	0	3,876	0
Asset – Foreign currency contracts	411	0	411	0

The fair value of our interest rate swaps is determined based on the notional amounts of the swaps and the forward LIBOR curve relative to the fixed interest rates under the swap agreements. The fair value of our commodities contracts is based on the quantities and fixed prices under the agreements and quoted forward commodity prices. The fair value of our foreign currency contracts is based on the notional amounts and rates under the contracts and observable market forward exchange rates. We classify these instruments in Level 2 because quoted market prices can be corroborated utilizing observable benchmark market rates at commonly quoted intervals, observable current and forward commodity market prices on active exchanges, and observable market transactions of spot currency rates and forward currency prices. We did not significantly change our valuation techniques from prior periods.

Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value. In addition, because the interest rates on our senior secured credit facility and certain other debt are variable, their fair values approximate their carrying values.

The fair values of our Dean Foods Company senior notes and subsidiary senior notes were determined based on quoted market prices obtained through an external pricing source which derives its price valuations from daily marketplace transactions, with adjustments to reflect the spreads of benchmark bonds, credit risk and certain

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other variables. We have determined these fair values to be Level 2 measurements as all significant inputs into the quotes provided by our pricing source are observable in active markets. The following table presents the carrying values and fair values of our senior and subsidiary senior notes at December 31:

	2012		2011	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
	(In thousands)			
Subsidiary senior notes due 2017	\$ 130,879	\$155,135	\$ 129,117	\$136,853
Dean Foods Company senior notes due 2016	499,167	551,875	498,959	493,750
Dean Foods Company senior notes due 2018	400,000	459,000	400,000	426,000

Additionally, we maintain a Supplemental Executive Retirement Plan (“SERP”), which is a nonqualified deferred compensation arrangement for our executive officers and other employees earning compensation in excess of the maximum compensation that can be taken into account with respect to our 401(k) plan. The SERP is designed to provide these employees with retirement benefits from us that are equivalent, as a percentage of total compensation, to the benefits provided to other employees. The assets related to this plan are primarily invested in money market and mutual funds and are held at fair value. We classify these assets as Level 2 as fair value can be corroborated based on quoted market prices for identical or similar instruments in markets that are not active. The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2012 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$2,941	\$ 0	\$2,941	\$ 0
Mutual funds	3,337	0	3,337	0

The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2011 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$3,552	\$ 0	\$3,552	\$ 0
Mutual funds	3,031	0	3,031	0

12. COMMON STOCK AND SHARE-BASED COMPENSATION

Our authorized shares of capital stock include one million shares of preferred stock and 500 million shares of common stock with a par value of \$0.01 per share.

Stock Award Plans – As of December 31, 2012, we had three award plans with remaining shares available for issuance. These plans, which are our 1997 Stock Option and Restricted Stock Plan, the 1989 Dean Foods Company Stock Awards Plan (which we adopted upon completion of our acquisition of Legacy Dean) and the Dean Foods Company 2007 Stock Incentive Plan (the “2007 Plan”) provide for grants of stock options, stock units, restricted stock and other stock-based awards to employees, officers, directors and, in some cases, consultants, up to a maximum of 37.5 million, 5.7 million and 12.3 million shares, subject to adjustments as provided in these respective plans. Options and other stock-based awards vest in accordance with provisions set forth in the applicable award agreements. The remaining shares available for grant under the historical plans are granted pursuant to the terms and conditions of the 2007 Plan. As of December 31, 2012, we had approximately 9.2 million shares, in aggregate, available for issuance.

Under our stock award plans, we grant stock options and restricted stock units to certain employees and directors. Non-employee directors also can elect to receive their director’s fees in the form of restricted stock in lieu of cash.

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Stock Options – Under the terms of our stock option plans, employees and non-employee directors may be granted options to purchase our stock at a price equal to the market price on the date the option is granted. In general, employee options vest one-third on the first anniversary of the grant date, one-third on the second anniversary of the grant date and one-third on the third anniversary of the grant date. All unvested options vest immediately upon a change of control or in certain cases upon death or qualified disability. Options granted to non-employee directors generally vest immediately.

We recognize share-based compensation expense for stock options ratably over the vesting period. The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model, using the following assumptions:

	Year Ended December 31					
	2012		2011		2010	
Expected volatility	44	%	41	%	34	%
Expected dividend yield	0	%	0	%	0	%
Expected option term	5 years		5 years		5 years	
Risk-free rate of return	0.62 to 0.89%		1.32 to 2.30%		1.26 to 2.59%	

The expected term of the options represents the estimated period of time until exercise and is based on historical experience of similar awards, giving consideration to contractual terms (generally 10 years), vesting schedules and expectations of future employee and director behavior. Expected stock price volatility is based on a combination of historical volatility of our stock and expectations with regard to future volatility. The risk-free rates are based on the implied yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term. We have not historically declared or paid a regular cash dividend on our common stock, and we have no current plans to pay a cash dividend in the future.

The following table summarizes stock option activity during the year ended December 31, 2012:

	Options	Weighted Average Exercise Price	Weighted Average Contractual Life	Aggregate Intrinsic Value
Options outstanding at January 1, 2012	18,930,658	\$ 19.21		
Granted	2,172,616	12.14		
Forfeited and cancelled(1)	(3,801,113)	16.23		
Exercised	(2,165,224)	14.09		
Options outstanding at December 31, 2012	<u>15,136,937</u>	19.64	5.08	\$21,627,660
Options vested and expected to vest at December 31, 2012	15,057,893	19.68	5.12	\$21,167,382
Options exercisable at December 31, 2011	15,710,662	20.39		
Options exercisable at December 31, 2012	<u>11,891,660</u>	21.81	4.10	\$6,386,222

(1) Pursuant to the terms of our stock option plans, options that are forfeited or cancelled may be available for future grants.

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The following table summarizes information about options outstanding and exercisable at December 31, 2012:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted- Average Remaining Contractual Life	Weighted- Average Exercise Price	Number Exercisable	Weighted- Average Exercise Price
\$7.44 to \$10.35	1,641,701	8.06	\$ 10.33	661,895	\$ 10.31
10.38 to 11.02	11,428	6.48	10.42	7,210	10.44
12.07 to 12.07	2,059,504	9.13	12.07	130,221	12.07
12.09 to 17.91	2,489,214	3.32	16.34	2,157,244	16.59
18.10 to 19.98	1,468,303	2.29	18.45	1,468,303	18.45
20.07 to 20.07	1,794,552	6.10	20.07	1,794,552	20.07
20.19 to 25.37	1,923,196	4.50	24.72	1,923,196	24.72
25.39 to 25.39	117,560	3.18	25.39	117,560	25.39
25.69 to 25.69	1,733,452	3.02	25.68	1,733,452	25.68
25.81 to 31.90	1,898,027	4.20	29.73	1,898,027	29.73

The following table summarizes additional information regarding our stock option activity (in thousands, except per share amounts):

	Year Ended December 31		
	2012	2011	2010
Weighted-average per share grant date fair value of options granted	\$4.74	\$3.96	\$4.67
Intrinsic value of options exercised	6,165	1,183	2,474
Fair value of shares vested	8,409	15,663	21,132
Tax benefit related to stock option expense	3,117	4,309	5,901

During the year ended December 31, 2012, net cash received from stock option exercises was \$9.7 million and the total cash benefit for tax deductions to be realized for these option exercises was \$2.4 million.

At December 31, 2012, there was \$4.2 million of total unrecognized stock option expense, all of which is related to unvested awards. This compensation expense is expected to be recognized over the weighted-average remaining vesting period of 1.65 years.

Dean Foods does not plan to grant any stock options in 2013.

Restricted Stock Units – We issue restricted stock units (“RSUs”) to certain senior employees and non-employee directors as part of our long-term incentive program. An RSU represents the right to receive one share of common stock in the future. RSUs have no exercise price. RSUs granted to employees generally vest ratably over three years, subject to certain accelerated vesting provisions based primarily on a change of control, or in certain cases upon death or qualified disability. RSUs granted to non-employee directors vest ratably over three years.

The following table summarizes RSU activity during the year ended December 31, 2012:

	Employees	Directors	Total
RSUs outstanding January 1, 2012	2,055,548	102,138	2,157,686
RSUs issued	1,016,979	45,702	1,062,681
Shares issued upon vesting	(714,818)	(33,501)	(748,319)
RSUs cancelled or forfeited(1)	(635,140)	–	(635,140)
RSUs outstanding at December 31, 2012	1,722,569	114,339	1,836,908
Weighted-average per share grant date fair value	\$13.01	\$11.19	\$12.91

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- (1) Pursuant to the terms of our RSU plans, employees have the option of forfeiting RSUs to cover their minimum statutory tax withholding when shares are issued. RSUs that are cancelled or forfeited may be available for future grants.

The following table summarizes information about our RSU grants and RSU expense during the years ended December 31, 2012, 2011 and 2010 (in thousands, except per share amounts):

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Weighted-average grant date fair value of RSUs granted	\$11.90	\$10.31	\$18.45
Tax benefit related to RSU expense	5,041	5,495	5,852

At December 31, 2012, there was \$9.5 million of total unrecognized RSU expense, all of which is related to unvested awards. This compensation expense is expected to be recognized over the weighted-average remaining vesting period of 1.51 years.

Restricted Stock – We offer our non-employee directors the option to receive their compensation for services rendered in either cash or shares of restricted stock equal to 150% of the fee amount. Shares of restricted stock vest one-third on grant, one-third on the first anniversary of grant and one-third on the second anniversary of grant. The following table summarizes restricted stock activity during the year ended December 31, 2012:

	<u>Shares</u>	<u>Weighted- Average Grant Date Fair Value</u>
	Unvested at January 1, 2012	72,264
Restricted shares granted	48,194	15.35
Restricted shares vested	(65,137)	11.64
Restricted shares forfeited	–	0.00
Unvested at December 31, 2012	<u>55,321</u>	13.29

Cash Performance Units – In 2010, we began granting cash performance units (“CPUs”) as part of our long-term incentive compensation program under the terms of our 2007 Stock Incentive Plan (the “2007 Plan”). The CPU awards are cash-settled awards and are designed to link compensation of certain executive officers and other key employees to our performance over a three-year period. The performance metric, as defined in the award, is our TSR relative to that of a peer group of companies. The range of payout under the award is between 0% and 200% and is payable in cash at the end of each respective performance period. The fair value of the awards is measured at each reporting period. Compensation expense is recognized over the vesting period with a corresponding liability, is the current and long-term portions of which are recorded in accounts payable and accrued expenses and other long-term liabilities, respectively, in our Consolidated Balance Sheets. The following table summarizes CPU activity during the years ended December 31, 2012:

	<u>Units</u>
Outstanding at January 1, 2012	10,963,417
Granted	1,562,500
Converted/paid	–
Forfeited	(9,094,667)
Outstanding at December 31, 2012	<u>3,431,250</u>

The performance period for the CPU awards granted in 2010 ended on December 31, 2012. Based on the performance of our stock price relative to that of the peer group of companies, the minimum performance metric was not met, and therefore, no amounts will be payable with respect to these awards and they have been reflected as forfeited in the table above.

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Additionally, as a result of certain arrangements that were negotiated in connection with the WhiteWave IPO, in January 2013, we made a payment of approximately \$4 million representing the payout of the vested portion of Dean Foods CPU awards granted to WhiteWave employees in 2011 and 2012. Accordingly, going forward, these awards will no longer be reflected as outstanding and will no longer be subject to periodic re-measurement in our Consolidated Balance Sheets.

Phantom Shares – In 2011, we began granting phantom shares as part of our long-term incentive compensation program, which are similar to RSUs in that they are based on the price of our stock and vest ratably over a three-year period, but are cash-settled based upon the value of our stock at each vesting period. The fair value of the awards is remeasured at each reporting period. Compensation expense is recognized over the vesting period with a corresponding liability, which is recorded in accounts payable and accrued expenses in our Consolidated Balance Sheets. The following table summarizes the phantom share activity during the year ended December 31, 2012:

	Shares	Weighted- Average Grant Date Fair Value
Outstanding at January 1, 2012	982,315	\$ 10.36
Granted	809,974	12.12
Converted/paid	(296,620)	10.36
Forfeited	(202,756)	10.80
Outstanding at December 31, 2012	<u>1,292,913</u>	<u>11.39</u>

Share-Based Compensation Expense – The following table summarizes the share-based compensation expense related to Dean Foods equity-based awards recognized during the years ended December 31, 2012, 2011 and 2010 (in thousands):

	Year Ended December 31		
	2012(1)	2011	2010
Stock Options	\$8,279	\$11,392	\$15,621
Stock Units	14,726	18,508	19,487
Cash Performance Units	3,848	1,679	–
Phantom Shares	10,838	3,253	–
Total	<u>37,691</u>	<u>34,832</u>	<u>35,108</u>

- (1) During the second quarter of 2012, we recorded additional compensation expense of \$12.1 million related to employees whose equity-based long-term incentive awards are subject to certain accelerated vesting provisions, based on age and years of service, as a result of amendments to our incentive award agreements that were approved during 2010. The portion of the additional expense pertaining to prior periods was immaterial.

Stock Repurchases – Since 1998, our Board of Directors has from time to time authorized the repurchase of our common stock up to an aggregate of \$2.3 billion, excluding fees and expense. We made no share repurchases in 2012 or 2011. As of December 31, 2012, \$218.7 million was available for repurchases under this program (excluding fees and commissions). Shares, when repurchased, are retired.

WhiteWave IPO Grants – In connection with the WhiteWave IPO discussed in Note 2, on October 25, 2012, WhiteWave issued one-time equity awards (the “IPO Grants”) with an aggregate grant date fair value of approximately \$30 million in order to, among other things, provide executives and employees with an immediate equity interest in WhiteWave and align their interests with those of WhiteWave’s stockholders. The IPO Grants consisted of a combination of stock options, RSUs, phantom shares, cash awards and stock appreciation rights

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(“SARS”). The grant date fair value of WhiteWave’s stock options was based on WhiteWave’s stock price as of the grant date and a set of Black-Scholes assumptions specific to WhiteWave, which were as follows:

	Year Ended	
	December 31,	
	2012	
Expected volatility	28	%
Expected dividend yield	0	%
Expected option term	6 years	
Risk-free rate of return	1.05	%

Since WhiteWave’s common stock had not been publicly traded at the grant date, the expected volatility assumption was calculated based on a compensation peer group analysis of stock price volatility with a six-year look back period ending on the grant date. The risk-free rates were based on the averages implied yield available on five-year and seven-year U.S. Treasury issues. WhiteWave has not paid, and has advised Dean Food that it does not anticipate paying, cash dividends on its common stock.

The grant date fair value of the RSU grants was determined based on WhiteWave’s \$17.00 offering price. The IPO Grants will be expensed ratably over a three-year vesting term. During the year ended December 31, 2012, WhiteWave recognized \$1.4 million in share-based compensation expense related to the IPO Grants.

Additionally, we expect that certain of our outstanding stock options and unvested restricted stock units held by WhiteWave employees on the date of a spin-off or other corporate transaction requiring a similar conversion will be converted to equivalent options or restricted stock units, as applicable, with respect to WhiteWave’s Class A common stock. These modified awards will otherwise have substantially the same terms and conditions, including term and vesting provisions, as the existing Dean Foods Company equity awards will have at the time of conversion.

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13. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on the weighted average number of common shares outstanding during each period. Diluted earnings (loss) per share is based on the weighted average number of common shares outstanding and the effect of all dilutive common stock equivalents outstanding during each period. Stock option conversions and stock units were not included in the computation of diluted loss per share for the year ended December 31, 2011 as we incurred a loss for this period and any effect on loss per share would have been anti-dilutive. The following table reconciles the numerators and denominators used in the computations of both basic and diluted earnings (loss) per share:

	Year Ended December 31		
	2012	2011	2010
(In thousands, except share data)			
Basic earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares	184,750,755	183,388,220	181,799,306
Basic earnings (loss) per share from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
Diluted earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares – basic	184,750,755	183,388,220	181,799,306
Stock option conversion(1)	491,822	–	574,094
Stock units(2)	889,246	–	488,402
Average common shares – diluted	<u>186,131,823</u>	<u>183,388,220</u>	<u>182,861,802</u>
Diluted earnings (loss) per share from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
(1) Anti-dilutive options excluded	14,198,873	20,763,870	19,681,022
(2) Anti-dilutive stock units excluded	16,384	2,499,769	158,991

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14. OTHER COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) comprises net income plus all other changes in equity from non-owner sources. The components of accumulated other comprehensive loss, as reflected in the Consolidated Statements of Stockholders' Equity (Deficit) at December 31, 2012 and 2011, are as follows:

	December 31	
	2012	2011
	(In thousands)	
Cumulative translation adjustment	\$(22,287)	\$(36,977)
Fair value of derivative instruments, net of tax	(58,452)	(63,662)
Pension and other postretirement liability adjustment, net of tax	(105,845)	(98,881)
Total accumulated other comprehensive loss	<u>\$(186,584)</u>	<u>\$(199,520)</u>

15. EMPLOYEE RETIREMENT AND PROFIT SHARING PLANS

We sponsor various defined benefit and defined contribution retirement plans, including various employee savings and profit sharing plans, and contribute to various multiemployer pension plans on behalf of our employees. Substantially all full-time union and non-union employees who have completed one or more years of service and have met other requirements pursuant to the plans are eligible to participate in one or more of these plans. During 2012, 2011 and 2010, our retirement and profit sharing plan expenses were as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Defined benefit plans	\$14,720	\$13,849	\$12,975
Defined contribution plans	19,854	23,901	25,258
Multiemployer pension and certain union plans	<u>28,674</u>	<u>26,203</u>	<u>25,227</u>
Total	<u>\$63,248</u>	<u>\$63,953</u>	<u>\$63,460</u>

Defined Benefit Plans – The benefits under our defined benefit plans are based on years of service and employee compensation. Our funding policy is to contribute annually the minimum amount required under ERISA regulations plus additional amounts as we deem appropriate.

Included in accumulated other comprehensive income at December 31, 2012 and 2011 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of \$4.6 million (\$2.8 million net of tax) and \$5.2 million (\$3.2 million net of tax) and unrecognized actuarial losses of \$160.3 million (\$99.1 million net of tax) and \$152.0 million (\$93.5 million net of tax). Unrecognized transition obligation of \$112,000 (\$69,000 net of tax) at December 31, 2011 was fully recognized in 2012, and no transition obligation costs are expected to be recognized in net periodic pension cost during the year ended December 31, 2013. Prior service costs and actuarial losses included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the year ended December 31, 2013 are \$807,000 (\$496,000 net of tax) and \$12.5 million (\$7.7 million net of tax), respectively.

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The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended December 31, 2012 and 2011, and the funded status of the plans at December 31, 2012 and 2011 is as follows:

	December 31	
	2012	2011
(In thousands)		
Change in benefit obligation:		
Benefit obligation at beginning of year	\$330,288	\$305,588
Service cost	4,477	4,151
Interest cost	14,404	15,633
Plan participants' contributions	68	68
Plan amendments	318	-
Actuarial (gain) loss	34,968	32,633
Benefits paid	(21,162)	(25,654)
Plan settlements	-	(1,730)
Exchange rate changes	320	(401)
Benefit obligation at end of year	363,681	330,288
Change in plan assets:		
Fair value of plan assets at beginning of year	232,229	230,072
Actual return on plan assets	31,251	11,675
Employer contribution	18,331	18,073
Plan participants' contributions	68	68
Benefits paid	(21,162)	(25,654)
Plan settlements	-	(1,730)
Exchange rate changes	195	(275)
Fair value of plan assets at end of year	260,912	232,229
Funded status at end of year	<u>\$(102,769)</u>	<u>\$(98,059)</u>

The underfunded status of the plans of \$102.8 million at December 31, 2012 is recognized in our Consolidated Balance Sheet and includes \$0.7 million classified as a current accrued pension liability. We do not expect any plan assets to be returned to us during the year ended December 31, 2013. We expect to contribute \$12.9 million to the pension plans in 2013.

A summary of our key actuarial assumptions used to determine benefit obligations as of December 31, 2012 and 2011 follows:

	December 31	
	2012	2011
Weighted average discount rate(1)	3.70%	4.50%
Rate of compensation increase(1)	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 95% of our total benefit obligation as of December 31, 2012 and 2011.

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A summary of our key actuarial assumptions used to determine net periodic benefit cost for 2012, 2011 and 2010 follows:

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Weighted average discount rate(1)	4.50%	5.28%	6.00%
Expected return on plan assets(1)	7.67%	7.67%	7.70%
Rate of compensation increase(1)	4.00%	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 85% of our total net periodic benefit cost during the years ended December 31, 2012, 2011 and 2010.

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(In thousands)		
Components of net periodic benefit cost:			
Service cost	\$4,477	\$4,151	\$3,699
Interest cost	14,514	15,735	16,941
Expected return on plan assets	(17,604)	(17,105)	(16,584)
Amortizations:			
Unrecognized transition obligation	129	130	112
Prior service cost	763	770	716
Unrecognized net loss	11,667	9,060	5,594
Effect of curtailment	-	-	790
Effect of settlement	-	969	1,707
Other	774	139	-
Net periodic benefit cost	<u>\$14,720</u>	<u>\$13,849</u>	<u>\$12,975</u>

The overall expected long-term rate of return on plan assets is a weighted-average expectation based on the targeted and expected portfolio composition. We consider historical performance and current benchmarks to arrive at expected long-term rates of return in each asset category.

The amortization of unrecognized net loss represents the amortization of investment losses incurred. In 2010, we closed a plant in South Carolina and also carried out a broad-based workforce reduction plan within our Fresh Dairy Direct segment. The effect of curtailment cost in 2010 represents the recognition of net periodic pension service costs associated with these activities. The effect of settlement costs in 2012, 2011 and 2010 represents the recognition of net periodic benefit cost related to pension settlements reached as a result of plant closures.

Pension plans with an accumulated benefit obligation in excess of plan assets follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In millions)	
Projected benefit obligation	\$351.0	\$320.6
Accumulated benefit obligation	343.6	310.7
Fair value of plan assets	252.6	225.2

The accumulated benefit obligation for all defined benefit plans was \$351.9 million and \$316.7 million at December 31, 2012 and 2011, respectively.

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Almost 90% of our defined benefit plan obligations are frozen as to future participation or increases in projected benefit obligation. Many of these obligations were acquired in prior strategic transactions. As an alternative to defined benefit plans, we offer defined contribution plans for eligible employees.

The weighted average discount rate reflects the rate at which our defined benefit plan obligations could be effectively settled. The rate, which is updated annually with the assistance of an independent actuary, uses a model that reflects a bond yield curve. The weighted average discount rate was decreased from 4.50% at December 31, 2011 to 3.70% at December 31, 2012. We do not expect this change to increase the net periodic benefit cost in 2013 as we expect the decrease in discount rate to meaningfully reduce the interest cost component of net periodic benefit cost.

Substantially all of our qualified pension plans are consolidated into one master trust. The investments held in the master trust are managed by an established Investment Committee with assistance from independent investment advisors. On July 1, 2009, the Investment Committee adopted a new long-term investment policy for the master trust that targets investments in equity securities at 59% of the portfolio, fixed income at 37%, cash equivalents at 3% and other investments of 1%. Policy objectives include maximizing long-term return at acceptable risk levels, diversifying among asset classes, if appropriate, and among investment managers, as well as establishing relevant risk parameters within each asset class. The investment policies permit variances from the targets within certain parameters. The investment policy prohibits investments in non-marketable or exotic securities, such as short-sale contracts; letter stock; commodities and private placements, without the Investment Committee's prior approval. At December 31, 2012, our master trust was invested as follows: investments in equity securities were at 59%; investments in fixed income were at 39%; cash equivalents were at 2% and other investments were less than 1%. Equity securities of the plan did not include any investment in our common stock at December 31, 2012 or 2011.

Estimated pension plan benefit payments to participants for the next ten years are as follows:

2013	\$20.1 million
2014	19.4 million
2015	19.4 million
2016	19.6 million
2017	19.9 million
Next five years	107.5 million

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, we follow a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value of our defined benefit plans' consolidated assets as follows:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

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The fair values by category of inputs as of December 31, 2012 were as follows (in thousands):

	Fair Value as of			
	<u>December 31, 2012</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity Securities:				
Common Stock	\$ 112	\$ 112	\$-	\$-
Index Funds:				
U.S. Equities(a)	119,377	-	119,377	-
International Equities(b)	22,373	-	22,373	-
Equity Funds(c)	<u>7,320</u>	<u>-</u>	<u>7,320</u>	<u>-</u>
Total Equity Securities	149,182	112	149,070	-
Fixed Income:				
Bond Funds(d)	93,200	-	93,200	-
Diversified Funds(e)	<u>2,938</u>	<u>-</u>	<u>-</u>	<u>2,938</u>
Total Fixed Income	96,138	-	93,200	2,938
Cash Equivalents:				
Short-term Investment Funds(f)	<u>4,327</u>	<u>-</u>	<u>4,327</u>	<u>-</u>
Total Cash Equivalents	4,327	-	4,327	-
Other Investments:				
Insurance Contracts(g)	9,818	-	-	9,818
Partnerships/Joint Ventures(h)	1,447	-	-	1,447
Insurance Reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Investments	<u>11,265</u>	<u>-</u>	<u>-</u>	<u>11,265</u>
Total	<u>\$ 260,912</u>	<u>\$ 112</u>	<u>\$246,597</u>	<u>\$14,203</u>

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

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The fair values by category of inputs as of December 31, 2011 were as follows (in thousands):

	Fair Value as of			
	December 31, 2011	Level 1	Level 2	Level 3
Equity Securities:				
Common Stock	\$ 94	\$ 94	\$-	\$-
Index Funds:				
U.S. Equities(a)	107,247	-	107,247	-
International Equities(b)	18,986	-	18,986	-
Equity Funds(c)	6,546	-	6,546	-
Total Equity Securities	132,873	94	132,779	-
Fixed Income:				
Bond Funds(d)	82,192	-	82,192	-
Diversified Funds(e)	3,266	-	-	3,266
Total Fixed Income	85,458	-	82,192	3,266
Cash Equivalents:				
Short-term Investment Funds(f)	4,608	-	4,608	-
Total Cash Equivalents	4,608	-	4,608	-
Other Investments:				
Insurance Contracts(g)	7,710	-	-	7,710
Partnerships/Joint Ventures(h)	1,580	-	-	1,580
Insurance Reserves	-	-	-	-
Total Other Investments	9,290	-	-	9,290
Total	\$ 232,229	\$ 94	\$219,579	\$12,556

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

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A reconciliation of the change in the fair value measurement of the defined benefit plans' consolidated assets using significant unobservable inputs (Level 3) during the years ended December 31, 2012 and 2011 is as follows (in thousands):

	<u>Diversified Funds</u>	<u>Insurance Contracts</u>	<u>Partnerships/ Joint Ventures</u>	<u>Total</u>
Balance at January 1, 2011	\$3,104	\$6,169	\$ 1,913	\$11,186
Actual return on plan assets:				
Relating to instruments still held at reporting date	155	370	28	553
Purchases, sales and settlements (net)	(2,172)	1,171	(361)	(1,362)
Transfers in and/or out of Level 3	<u>2,179</u>	<u>-</u>	<u>-</u>	<u>2,179</u>
Balance at December 31, 2011	\$3,266	\$7,710	\$ 1,580	\$12,556
Actual return on plan assets:				
Relating to instruments still held at reporting date	(212)	484	131	403
Purchases, sales and settlements (net)	(695)	1,624	-	929
Transfers in and/or out of Level 3	<u>579</u>	<u>-</u>	<u>(264)</u>	<u>315</u>
Balance at December 31, 2012	<u>\$2,938</u>	<u>\$9,818</u>	<u>\$ 1,447</u>	<u>\$14,203</u>

Defined Contribution Plans – Certain of our non-union personnel may elect to participate in savings and profit sharing plans sponsored by us. These plans generally provide for salary reduction contributions to the plans on behalf of the participants of between 1% and 20% of a participant' s annual compensation and provide for employer matching and profit sharing contributions as determined by our Board of Directors. In addition, certain union hourly employees are participants in company-sponsored defined contribution plans, which provide for employer contributions in various amounts ranging from \$24 to \$91 per pay period per participant.

Multiemployer Pension Plans – Certain of our subsidiaries contribute to various multiemployer pension and other postretirement benefit plans which cover a majority of our full-time union employees and certain of our part-time union employees. Such plans are usually administered by a board of trustees composed of labor representatives and the management of the participating companies. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers;

If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and

If we choose to stop participating in one or more of our multiemployer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

At this time, we have not established any significant liabilities because withdrawal from these plans is not probable or reasonably possible.

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Our participation in these multiemployer plans for the year ended December 31, 2012 is outlined in the table below. Unless otherwise noted, the most recent Pension Protection Act (“PPA”) Zone Status available in 2012 and 2011 is for the plans’ year-end at December 31, 2011 and December 31, 2010, respectively. The zone status is based on information that we obtained from each plan’s Form 5500, which is available in the public domain and is certified by the plan’s actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The “FIP/RP Status Pending/Implemented” column indicates plans for which a funding improvement plan (“FIP”) or a rehabilitation plan (“RP”) is either pending or has been implemented. Federal law requires that plans classified in the yellow zone or red zone adopt a funding improvement plan or rehabilitation plan, respectively, in order to improve the financial health of the plan. The “Extended Amortization Provisions” column indicates plans which have elected to utilize the special 30-year amortization rules provided by the Pension Relief Act of 2010 to amortize its losses from 2008 as a result of turmoil in the financial markets. The last column in the table lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Pension Fund	Employer Identification Number	Pension Plan Number	PPA Zone Status		FIP / RP Status Pending/ Implemented	Extended Amortization Provisions	Expiration Date of Associated Collective- Bargaining Agreement(s)
			2012	2011			
			Western Conference of Teamsters Pension Plan(1)	91-6145047			
Central States, Southeast and Southwest Areas Pension Plan(2)	36-6044243	001	Red	Red	Implemented	No	May 31, 2013 - March 11, 2017
Retail, Wholesale & Department Store International Union and Industry Pension Fund(3)	63-0708442	001	Green	Green	N/A	Yes	January 29, 2014 - September 10, 2016
Dairy Industry - Union Pension Plan for Philadelphia Vicinity(4)	23-6283288	001	Red	Red	Implemented	Yes	June 30, 2014 - September 30, 2017

- (1) We are party to approximately 30 collective bargaining agreements that require contributions to this plan. These agreements cover a large number of employee participants and expire on various dates between 2013 and 2016. We do not believe that any one agreement is substantially more significant than another as none of these agreements individually represent greater than 15% of the total employee participants covered under this plan.
- (2) There are approximately 30 collective bargaining agreements that govern our participation in this plan. The agreements expire on various dates between 2013 and 2017. The agreements expiring in 2015 represent approximately 30% of our total employee participants in this plan, and the agreements expiring in 2016 represent approximately 35% of our total participants in the plan. The remaining agreements have a wide variety of expiration dates between 2013 and 2017 and do not individually represent a significant percentage of our overall participants to this plan.
- (3) We are subject to approximately 10 collective bargaining agreements with respect to this plan. Approximately 40% and 35% of our employee participants in this plan are covered by the agreements expiring in 2014 and 2015, respectively.
- (4) We are party to three collective bargaining agreements with respect to this plan. The agreement expiring in September 2017 is the most significant as more than 85% of our employee participants in this plan are covered by that agreement.

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Information regarding our contributions to our multiemployer pension plans is shown in the table below. There are no changes which materially affected the comparability of our contributions to each of these plans during the years ended December 31, 2012, 2011 and 2010.

Pension Fund	Employer Identification Number	Pension Plan Number	Dean Foods Company Contributions (in millions)				Surcharge Imposed(3)
			2012	2011	2010		
Western Conference of Teamsters Pension Plan	91-6145047	001	\$14.3	\$14.7	\$14.0	No	
Central States, Southeast and Southwest Areas Pension Plan	36-6044243	001	9.5	8.6	8.4	No	
Retail, Wholesale & Department Store International Union and Industry Pension Fund(1)	63-0708442	001	1.3	1.2	1.3	No	
Dairy Industry - Union Pension Plan for Philadelphia Vicinity(1)	23-6283288	001	1.8	1.5	1.5	Yes	
Other Funds(2)			1.8	0.2	-		
Total Contributions			<u>\$28.7</u>	<u>\$26.2</u>	<u>\$25.2</u>		

- (1) During the 2011 and 2010 plan years, our contributions to these plans exceeded 5% of total plan contributions. At the date of filing of this Annual Report on Form 10-K, Forms 5500 were not available for the plan years ending in 2012.
- (2) Amounts shown represent our contributions to all other multiemployer pension and other postretirement benefit plans, which are immaterial both individually and in the aggregate to our Consolidated Financial Statements.
- (3) Federal law requires that contributing employers to a plan in Critical status pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount we would otherwise be required to contribute to the plan and ceases once our related collective bargaining agreements are amended to comply with the provisions of the rehabilitation plan.

16. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Certain of our subsidiaries provide health care benefits to certain retirees who are covered under specific group contracts. As defined by the specific group contract, qualified covered associates may be eligible to receive major medical insurance with deductible and co-insurance provisions subject to certain lifetime maximums.

Included in accumulated other comprehensive income at December 31, 2012 and 2011 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service costs of \$768,000 (\$469,000 net of tax) and \$794,000 (\$483,000 net of tax) and unrecognized actuarial losses of \$6.0 million (\$3.7 million net of tax) and \$2.8 million (\$1.7 million net of tax), respectively. The prior service cost and actuarial loss included in accumulated other comprehensive income and expected to be recognized in net periodic benefit cost during the year ended December 31, 2013 is \$26,000 (\$16,000 net of tax) and \$299,000 (\$182,000 net of tax), respectively.

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The following table sets forth the funded status of these plans:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
(In thousands)		
Change in benefit obligation:		
Benefit obligation at beginning of year	\$32,508	\$17,551
Service cost	589	27
Interest cost	1,350	762
Employee contributions	466	431
Actuarial (gain) loss	3,317	(885)
Benefits paid	(2,670)	(2,343)
Plan amendments	-	953
Plan curtailments	-	-
Other	1,868	16,012 (1)
Benefit obligation at end of year	37,428	32,508
Fair value of plan assets at end of year	-	-
Funded status	<u>\$(37,428)</u>	<u>\$(32,508)</u>

- (1) During the third quarter of 2011, we identified groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations, which resulted in an understatement of our benefit obligations and net periodic benefit cost. These errors relate primarily to periods prior to 2011. As the effects of the errors are not material to our Consolidated Financial Statements for the year ended December 31, 2011 and were not material to any individual period prior to 2011, we recorded a non-cash charge, and the related benefit obligation, of \$16.0 million during the third quarter of 2011, of which \$0.8 million related to the year ended December 31, 2011 and \$15.2 million related to prior periods. The charge and the corresponding liability were recorded in general and administrative expenses in our Consolidated Statements of Operations and other long term liabilities in our Consolidated Balance Sheets, respectively, during the year ended December 31, 2011.

The unfunded portion of the liability of \$37.4 million at December 31, 2012 is recognized in our Consolidated Balance Sheet and includes \$2.5 million classified as a current accrued postretirement liability.

A summary of our key actuarial assumptions used to determine the benefit obligation as of December 31, 2012 and 2011 follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Healthcare inflation:		
Healthcare cost trend rate assumed for next year	8.20 %	8.50 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029
Weighted average discount rate	3.38 %	4.34 %

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A summary of our key actuarial assumptions used to determine net periodic benefit cost follows:

	Year Ended December 31		
	2012	2011	2010
Healthcare inflation:			
Healthcare cost trend rate assumed for next year	8.50 %	8.70 %	9.00 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029	2029
Weighted average discount rate	4.34 %	4.68 %	5.51 %

	Year Ended December 31		
	2012	2011	2010
(In thousands)			
Components of net periodic benefit cost:			
Service and interest cost	\$1,939	\$789	\$991
Amortizations:			
Prior service cost	26	(66)	(66)
Unrecognized net loss	129	494	524
Other	1,868	16,012(1)	—
Net periodic benefit cost	<u>\$3,962</u>	<u>\$17,229</u>	<u>\$1,449</u>

- (1) As described more fully in the funded status table above, this amount in 2011 represents an increase in our net periodic benefit cost for the year ended December 31, 2011 as a result of identifying groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percent change in assumed health care cost trend rates would have the following effects:

	1-Percentage-	1-Percentage-
	Point Increase	Point Decrease
(In thousands)		
Effect on total of service and interest cost components	\$ 223	\$ (193)
Effect on postretirement obligation	3,901	(3,360)

We expect to contribute \$2.5 million to the postretirement health care plans in 2013. Estimated postretirement health care plan benefit payments for the next ten years are as follows:

2013	\$2.5 million
2014	2.5 million
2015	2.5 million
2016	2.6 million
2017	2.5 million
Next five years	13.4 million

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17. FACILITY CLOSING AND REORGANIZATION COSTS

Approved plans within our multi-year initiatives and related charges are summarized as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Fresh Dairy Direct:			
Closure of facilities(1)	\$18,536	\$18,751	\$21,350
Broad-based reduction of facility and distribution personnel(2)	–	(282)	3,404
Organization Optimization Initiative(3)	(197)	4,269	–
Management Realignment(5)	–	(194)	3,100
Functional Realignment(6)	26,419	–	–
Field and Functional Reorganization(7)	6,000	–	–
Total Fresh Dairy Direct	50,758	22,544	27,854
Corporate:			
Department Realignment(4)	(96)	2,535	2,907
Organization Optimization Initiative(3)	(675)	20,609	–
Functional Realignment(6)	5,800	–	–
Total Corporate	5,029	23,144	2,907
Total	<u>\$55,787</u>	<u>\$45,688</u>	<u>\$30,761</u>

- (1) These charges in 2012, 2011 and 2010 primarily relate to facility closures in Evart, Michigan; Bangor, Maine; Newport, Kentucky; Baxley, Georgia; and Florence, South Carolina, as well as other approved closures. We have incurred \$73.1 million of charges related to these initiatives to date. We expect to incur additional charges related to these facility closures of \$1.2 million, related to shutdown and other costs. As we continue the evaluation of our supply chain described more fully below it is likely that we will close additional facilities in the future.
- (2) These charges relate to a plan to reduce the workforce within our Fresh Dairy Direct segment impacting approximately 230 positions. Implementation began during the second quarter of 2010 and was carried out over the balance of the year. The reduction in workforce affected employees across the country and was a result of operational changes from supply chain initiatives. The workforce reduction costs related to this plan were part of an existing benefit arrangement; therefore, the full amount of expected severance benefits was accrued during the second quarter of 2010. We incurred total charges of \$3.1 million related to this initiative and do not expect to incur any additional charges in the future.
- (3) In the first quarter of 2011 we initiated a significant cost reduction program that is incremental to our other ongoing cost-savings initiatives. This initiative is focused on permanently removing costs out of our business through organizational and corporate departmental redesigns, driven by process simplification and standardization, centralization of activities and reorganization to drive growth in our core customers and categories. As part of this program, we eliminated approximately 300 corporate and field positions during 2011. The charges recorded during 2011 relate to workforce reduction costs and include costs associated with eliminating the position filled by our then President and Chief Operating Officer. We incurred \$24.0 million of charges related to this initiative to date, and we do not expect to incur any material additional charges under this program going forward.
- (4) Charges relate to workforce reduction costs associated with a multi-year cost reduction plan aimed at centralization and process improvement, as well as business unit and functional organization redesigns. The plan was implemented during the fourth quarter of 2010 and resulted in the elimination of approximately 75 positions as each function reorganized its processes in line with peer comparisons and internally developed functional blueprints as approved by an executive operating team. We incurred total charges of \$5.4 million related to this initiative and do not expect to incur any additional charges in the future.

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- (5) In 2010, we realigned management positions within our Fresh Dairy Direct segment to facilitate supply-chain and commercial focused functions across the segment. This resulted in the elimination of the position filled by the then President of Fresh Dairy Direct and we incurred \$2.9 million of workforce reduction costs. We do not expect additional costs related to this initiative.
- (6) During the first quarter of 2012, our management team reassessed our company-wide strategy, resulting in a shift in focus to deploying our capital and strategically investing in the value-added segments of our business. With this new strategy, our goal is to invest our strategic capital primarily in those initiatives that yield higher returns over shorter time frames. In connection with this change, our management team approved a cost reduction plan that is incremental to any other prior cost savings initiative. This initiative is focused on aligning key functions within the Fresh Dairy Direct organization under a single leadership team and permanently removing costs from the Fresh Dairy Direct organization as well as certain functions that support this segment of our business. During the first half of 2012, we eliminated approximately 120 positions at our corporate headquarters that directly supported our Fresh Dairy Direct business. Charges recorded during the year ended December 31, 2012 are related to workforce reduction costs, the write-down of certain information technology assets and leasehold improvements, lease termination costs and costs associated with exiting other commitments deemed not necessary to execute our new strategy. We have incurred total charges of approximately \$32.2 million under this initiative to date and we may incur additional charges in the future under this plan, primarily related to lease termination costs at our corporate headquarters in Dallas, Texas.
- (7) During the fourth quarter of 2012, our executive management team approved a plan to reorganize Fresh Dairy Direct's field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. As future tranches have not been approved by our executive management team, future costs to be incurred are not yet estimable.

Activity for 2012 and 2011 with respect to facility closing and reorganization costs is summarized below and includes items expensed as incurred:

	Accrued Charges at December 31, 2010			Accrued Charges at December 31, 2011 (In thousands)			Accrued Charges at December 31, 2012
	Charges	Payments	Charges	Payments	Charges	Payments	Charges
Cash charges:							
Workforce reduction costs	\$ 3,860	\$25,171	\$(23,846)	\$ 5,185	\$26,260	\$(19,866)	\$ 11,579
Shutdown costs	16	2,648	(2,705)	(41)	1,579	(1,538)	-
Lease obligations after shutdown	-	240	(240)	-	2,798	(812)	1,986
Other	5	852	(854)	3	2,158	(1,934)	227
Subtotal	\$ 3,881	28,911	\$(27,645)	\$ 5,147	32,795	\$(24,150)	\$ 13,792
Non-cash charges:							
Write-down of assets(1)		16,535			23,411		
(Gain)/Loss on sale of related assets		(54)			(580)		
Other		296			161		
Total charges		\$45,688			\$55,787		

- (1) The write-down of assets relates primarily to owned buildings, land and equipment of those facilities identified for closure. The assets were tested for recoverability at the time the decision to close the facilities

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was more likely than not to occur. Estimates of future cash flows used to test the recoverability of the assets included the net cash flows directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the assets. The inputs for the fair value calculation were based on assessment of an individual asset's alternative use within other production facilities, evaluation of recent market data and historical liquidation sales values for similar assets. As the inputs into these calculations are largely based on management's judgments and are not generally observable in active markets, we consider such measurements to be Level 3 measurements in the fair value hierarchy. See Note 11.

18. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Cash paid for interest and financing charges, net of capitalized interest	\$148,337	\$175,862	\$176,495
Net cash paid (received) for taxes	150,398	(32,303)	9,184

19. COMMITMENTS AND CONTINGENCIES

Contingent Obligations Related to Divested Operations – We have divested certain businesses in prior years. In each case, we have retained certain known contingent obligations related to those businesses and/or assumed an obligation to indemnify the purchasers of the businesses for certain unknown contingent liabilities, including environmental liabilities. We believe that we have established adequate reserves, which are immaterial to the financial statements, for potential liabilities and indemnifications related to our divested businesses. Moreover, we do not expect any liability that we may have for these retained liabilities, or any indemnification liability, to materially exceed amounts accrued.

Contingent Obligations Related to Milk Supply Arrangements – On December 21, 2001, in connection with our acquisition of Legacy Dean, we purchased Dairy Farmers of America's ("DFA") 33.8% interest in our operations. In connection with that transaction, we issued a contingent, subordinated promissory note to DFA in the original principal amount of \$40 million. The promissory note has a 20-year term that bears interest based on the consumer price index. Interest will not be paid in cash but will be added to the principal amount of the note annually, up to a maximum principal amount of \$96 million. We may prepay the note in whole or in part at any time, without penalty. The note will only become payable if we materially breach or terminate one of our related milk supply agreements with DFA without renewal or replacement. Otherwise, the note will expire in 2021, without any obligation to pay any portion of the principal or interest. Payments made under the note, if any, would be expensed as incurred. We have not terminated, and we have not materially breached, any of our milk supply agreements with DFA related to the promissory note. We have previously terminated unrelated supply agreements with respect to several plants that were supplied by DFA. In connection with our goals of accelerated cost control and increased supply chain efficiency, we continue to evaluate our sources of raw milk supply.

Insurance – We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third party carriers with high deductible limits. In other areas, we are self-insured. These deductibles are \$2.0 million per claim for casualty claims but may vary higher or lower due to insurance market conditions and risk. We believe that we have established adequate reserves to cover these claims. At December 31, 2012 and 2011, we recorded accrued liabilities related to these retained risks of \$170.2 million and \$186.2 million, respectively, including both current and long-term liabilities.

Lease and Purchase Obligations – We lease certain property, plant and equipment used in our operations under both capital and operating lease agreements. Such leases, which are primarily for machinery, equipment and vehicles, have lease terms ranging from one to 20 years. We did not have any material capital lease

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obligations as of December 31, 2012 or 2011. Certain of the operating lease agreements require the payment of additional rentals for maintenance, along with additional rentals based on miles driven or units produced. Certain leases require us to guarantee a minimum value of the leased asset at the end of the lease. Our maximum exposure under those guarantees is not a material amount. Rent expense was \$134.2 million, \$140.6 million and \$153.0 million for 2012, 2011 and 2010, respectively.

Future minimum payments at December 31, 2012, under non-cancelable operating leases with terms in excess of one year are summarized below:

	Operating Leases
	(In thousands)
2013	\$ 113,249
2014	93,952
2015	74,011
2016	43,295
2017	31,511
Thereafter	99,516
Total minimum lease payments	\$ 455,534

We have entered into various contracts, in the normal course of business, obligating us to purchase minimum quantities of raw materials used in our production and distribution processes, including diesel fuel, soybeans and organic raw milk. We enter into these contracts from time to time to ensure a sufficient supply of raw ingredients. In addition, we have contractual obligations to purchase various services that are part of our production process.

Litigation, Investigations and Audits – We are not party to, nor are our properties the subject of, any material pending legal proceedings, other than as set forth below:

Tennessee Dairy Farmer Actions

On June 15, 2012, we received final approval of a settlement agreement with respect to a group of six antitrust class actions alleging that we and others in the milk industry worked together to limit the price Southeastern dairy farmers are paid for their raw milk and to deny these farmers access to fluid Grade A milk processing facilities. Under the settlement agreement, we agreed to pay a total of up to \$140 million over a period of four to five years into a fund for distribution to dairy farmer class members in a number of Southeastern states. In the second quarter of 2011, we recorded a \$131.3 million charge and a corresponding liability for the present value of our obligations under the original settlement agreement, based on imputed interest computed at a rate of 4.77%, which approximates our like-term incremental fixed rate borrowing cost.

Per the terms of the settlement agreement, on February 21, 2012, we made a payment of \$60 million into an escrow account to be distributed following the Court's final approval, and issued a standby letter of credit in the amount of \$80 million to support subsequent payments due under the agreement. The settlement agreement requires us to make a payment of up to \$20 million on each of the following four anniversaries of the settlement agreement's final approval date. We expect to make the first installment payment in June 2013.

Tennessee Retailer and Indirect Purchaser Actions

A putative class action antitrust complaint (the "retailer action") was filed on August 9, 2007 in the United States District Court for the Eastern District of Tennessee. Plaintiffs allege generally that we, either acting alone or in conjunction with others in the milk industry who are also defendants in the retailer action, lessened competition in the Southeastern United States for the sale of processed fluid Grade A milk to retail outlets and other customers, and that the defendants' conduct also artificially inflated wholesale prices for direct milk

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purchasers. Defendants' motion for summary judgment in the retailer action was granted in part and denied in part in August 2010. Defendants filed a motion for reconsideration on September 10, 2010, and filed a supplemental motion for summary judgment as to the remaining claims on September 27, 2010. On March 27, 2012, the Court granted summary judgment in favor of defendants as to all remaining counts and entered judgment in favor of all defendants, including the Company. Plaintiffs filed a notice of appeal on April 25, 2012. On May 30, 2012, the Company participated in a scheduling conference and mediation conducted by the appeals court. The mediation did not result in a settlement agreement. Pursuant to the briefing schedule issued by the appeals court, briefing on the appeal should be complete on or about April 5, 2013. The appeals court has not set a date for oral argument at this time.

On June 29, 2009, another putative class action lawsuit was filed in the Eastern District of Tennessee, Greeneville Division, on behalf of indirect purchasers of processed fluid Grade A milk (the "indirect purchaser action"). The allegations in this complaint are similar to those in the retailer action, but primarily involve state law claims. Because the allegations in the indirect purchaser action substantially overlap with the allegations in the retailer action, the Court granted the parties' joint motion to stay all proceedings in the indirect purchaser action pending the outcome of the summary judgment motions in the retailer action. On August 16, 2012, the indirect purchaser plaintiffs voluntarily dismissed their lawsuit. On January 17, 2013, these same plaintiffs filed a new lawsuit in the Eastern District of Tennessee, Greeneville Division, on behalf of a putative class of indirect purchasers of processed fluid Grade A milk (the "2013 indirect purchaser action"). The allegations are similar to those in the voluntarily dismissed indirect purchaser action, but involve only claims arising under Tennessee law. At this time, the Company has not been served with the complaint in the 2013 indirect purchaser action.

Other than the material pending legal proceedings set forth above, we are party from time to time to certain claims, litigations, audits and investigations. Potential liabilities associated with the other matters referred to in this paragraph are not expected to have a material adverse impact on our financial position, results of operations or cash flows.

At this time, it is not possible for us to predict the ultimate outcome of the matters set forth within this section.

Other

We are in varying stages of discussion with numerous states to determine whether we have complied with state unclaimed property laws. Most, but not all, of these states have appointed an agent to conduct an examination of our books and records. In addition to seeking remittance of unclaimed property, some states may also seek interest and penalties. We do not expect the ultimate outcomes of these examinations to have a material adverse impact on our financial position, results of operations or cash flows.

20. SEGMENT, GEOGRAPHIC AND CUSTOMER INFORMATION

We have two reportable segments: Fresh Dairy Direct and WhiteWave.

Fresh Dairy Direct is our largest segment with 79 manufacturing facilities geographically located largely based on local and regional customer needs and other market factors. Fresh Dairy Direct manufactures, markets and distributes a wide variety of branded and private label dairy case products, including milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products to retailers, distributors, foodservice outlets, educational institutions and governmental entities across the United States. Our products are primarily delivered through what we believe to be one of the most extensive refrigerated direct store delivery ("DSD") systems in the United States.

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WhiteWave manufactures, develops, markets and sells a variety of nationally and internationally branded plant-based food and beverages, such as Silk soy, almond and coconut milks, and *Alpro* and *Provamel* soy, almond and hazelnut drinks and food products; nationally branded coffee creamers and beverages, including International Delight and *LAND O LAKES*; and nationally branded premium dairy products, such as *Horizon Organic* milk. WhiteWave sells its products to a variety of customers, including grocery stores, mass merchandisers, club stores and convenience stores, as well as through various other away-from-home channels, including restaurants and foodservice outlets, across North America and Europe. The majority of the WhiteWave products are delivered through warehouse delivery systems. As discussed in Note 2, in October 2012, WhiteWave, whose subsidiaries comprise our WhiteWave segment, completed the WhiteWave IPO. Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave, which is now a publicly traded company whose Class A common stock is listed on the NYSE under the symbol “WWAV”. Unless and until a spin-off occurs or we otherwise cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

On December 2, 2012, we entered into an agreement to sell our Morningstar division, which is a leading manufacturer of dairy and non-dairy extended shelf-life and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. We completed the sale of these operations on January 3, 2013. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011. See Note 3.

During the second quarter of 2010, we committed to a plan to sell the business operations of Rachel’ s, which provided organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All Rachel’ s operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the year ended December 31, 2010. See Note 3.

The wind down of the operations of the joint venture with Hero Group was completed as of December 31, 2012.

Our Chief Executive Officer, who is our chief operating decision maker, evaluates the performance of our segments based on sales and operating income or loss before gains and losses on the sale of businesses, facility closing and reorganization costs, litigation settlements, goodwill impairment, foreign exchange gains and losses and write-downs related to the wind-down of our joint venture. We do not report revenue by product or product category as it is impracticable to do so due to certain system limitations. The reporting segments do not include an allocation of the costs related to shared services such as audit services, corporate development, human resources, strategy, tax or treasury. In addition, the expense related to share-based compensation has not been allocated to our segments and is reflected entirely within the caption “Corporate and Other”. Therefore, the measure of segment profit or loss presented below is before such items.

A portion of our WhiteWave products are produced, distributed and sold by Fresh Dairy Direct. In the past, those sales, together with their related costs, were included in the WhiteWave segment for management and segment reporting purposes. From a cost perspective, the results of these transactions may not have been equivalent to the terms that would prevail in arm’ s length transactions, and, as a result of the commercial agreements described below, this presentation is no longer consistent with the way our management team expects to evaluate the performance of our segments going forward. Accordingly, beginning in the fourth quarter of 2012, the results of these transactions were no longer included in the WhiteWave segment and are instead reflected in the Fresh Dairy Direct segment for management and segment reporting purposes. All segment results herein have been recast to present results on a comparable basis. These changes had no impact on consolidated net sales and operating income.

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In connection with the WhiteWave IPO discussed in Note 2, our separate lines of businesses entered into agreements with each other that formalize and, in certain cases, modify ongoing commercial arrangements. These agreements became effective October 31, 2012. As described above, following their effectiveness and for so long as WhiteWave is consolidated for financial reporting purposes, these agreements will impact our intersegment sales and their related costs, but will be eliminated in consolidation. In the case of a spin-off or other tax-free disposition of WhiteWave, these intersegment sales would become third-party sales that, along with their related costs, would no longer be eliminated in consolidation.

The amounts in the following tables are obtained from reports used by our executive management team and do not include any allocated income taxes or management fees. There are no significant non-cash items reported in segment profit or loss other than depreciation and amortization. The consolidated financial statements of WhiteWave will differ from our historically reported WhiteWave segment results, as our historical results include adjustments for management and segment reporting purposes. In addition, WhiteWave's consolidated financial statements include certain other adjustments, including the allocation of corporate and shared service costs, which are not reflected in the segment results below.

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(In thousands)		
Net sales to external customers:			
Fresh Dairy Direct	\$9,274,662	\$9,715,747	\$9,093,973
WhiteWave	2,187,615	1,925,444	1,726,264
Total	<u>\$11,462,277</u>	<u>\$11,641,191</u>	<u>\$10,820,237</u>
Intersegment sales:			
Fresh Dairy Direct	\$51,882	\$65,641	\$56,321
WhiteWave	109,513	108,921	107,923
Total	<u>\$161,395</u>	<u>\$174,562</u>	<u>\$164,244</u>
Operating income (loss):			
Fresh Dairy Direct	\$446,451	\$378,493	\$449,622
WhiteWave	192,557	148,595	100,205
Total reportable segment operating income	639,008	527,088	549,827
Corporate and Other	(212,893)	(218,747)	(219,999)
Facility closing and reorganization costs	(55,787)	(45,688)	(30,761)
Litigation settlements	–	(131,300)	(30,000)
Goodwill impairment	–	(2,075,836)	–
Other operating income (loss)	57,459	(6,561)	–
Total	427,787	(1,951,044)	269,067
Other (income) expense:			
Interest expense	164,572	190,912	191,205
Other (income) expense, net	(707)	(1,915)	217
Consolidated income (loss) from continuing operations before tax	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>
Depreciation and amortization:			
Fresh Dairy Direct	\$159,636	\$161,326	\$157,725
WhiteWave	74,761	70,075	68,353
Corporate and Other	26,540	27,928	21,161
Total	<u>\$260,937</u>	<u>\$259,329</u>	<u>\$247,239</u>

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	December 31		
	2012	2011	2010
(In thousands)			
Assets:			
Fresh Dairy Direct	\$2,609,459	\$2,672,002	\$4,759,220
WhiteWave	2,135,045	2,089,279	1,984,893
Corporate	269,598	325,213	412,431
Discontinued Operations and Assets Held for Sale	672,989	668,673	784,874
Total	<u>\$5,687,091</u>	<u>\$5,755,167</u>	<u>\$7,941,418</u>
Capital expenditures:			
Fresh Dairy Direct	\$109,345	\$164,833	\$173,608
WhiteWave	104,191	127,209	52,255
Corporate and Other	14,547	13,125	50,059
Total	<u>\$228,083</u>	<u>\$305,167</u>	<u>\$275,922</u>

Geographic Information – Net sales and long-lived assets for domestic and foreign operations are shown in the table below.

	December 31		
	2012	2011	2010
(In thousands)			
Net sales to external customers:			
Domestic	\$11,082,346	\$11,264,061	\$10,470,994
Foreign	379,931	377,130	349,243
Long-lived assets:			
Domestic	\$3,037,046	\$3,072,861	\$5,118,447
Foreign	447,267	443,598	487,775

Significant Customers – Our largest customer accounted for approximately 22% of our consolidated net sales in 2012 and 21% in 2011 and 2010. Sales to this customer were included in our Fresh Dairy Direct and WhiteWave segments.

21. QUARTERLY RESULTS OF OPERATIONS (unaudited)

The following is a summary of our unaudited quarterly results of operations for 2012 and 2011.

	Quarter			
	First	Second	Third	Fourth
(In thousands, except share data)				
2012				
Net sales	\$2,870,452	\$2,762,995	\$2,787,476	\$3,041,354
Gross profit	723,567	735,039	713,033	728,359
Income from continuing operations	26,459	42,556	22,183	26,215
Net income(1)(5)	37,883	56,165	36,441	30,552
Net income attributable to Dean Foods Company(1)	37,883	56,165	36,441	28,133
Earnings per common share(2):				
Basic	0.21	0.30	0.20	0.15
Diluted	0.20	0.30	0.20	0.15

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	Quarter			
	First	Second	Third	Fourth
	(In thousands, except share data)			
2011				
Net sales	\$2,724,671	\$2,940,054	\$3,047,499	\$2,928,967
Gross profit	690,387	698,247	686,228	704,755
Income (loss) from continuing operations(4)	12,780	(79,559)	(1,562,696)	(20,978)
Net income (loss)(3)(4)	23,382	(53,020)	(1,552,034)	(10,499)
Net income (loss) attributable to Dean Foods Company(3)(4)	25,263	(50,513)	(1,540,497)	(9,874)
Earnings (loss) per common share(2):				
Basic	0.14	(0.28)	(8.39)	(0.05)
Diluted	0.14	(0.28)	(8.39)	(0.05)

- (1) The results for the first, second, third and fourth quarters of 2012 include facility closing and reorganization costs, net of tax, of \$16.2 million, \$4.2 million, \$4.2 million and \$11.3 million, respectively. See Note 17.
- (2) Earnings (loss) per common share calculations for each of the quarters were based on the basic and diluted weighted average number of shares outstanding for each quarter. The sum of the quarters may not necessarily be equal to the full year earnings (loss) per common share amount.
- (3) The results for the first, second, third and fourth quarters of 2011 include facility closing and reorganization costs, net of tax, of \$6.6 million, \$12.9 million, \$6.3 million and \$2.2 million, respectively. See Note 17.
- (4) Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).
- (5) Results for 2012 include a net after-tax loss of \$10.4 million related to the July 3, 2012 sale of our investment in CCC. See Note 4.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Dean Foods Company
Dallas, Texas

We have audited the accompanying consolidated balance sheets of Dean Foods Company and subsidiaries (the “Company”) as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income (loss), stockholders’ equity (deficit) and cash flows for each of the three years in the period ended December 31, 2012. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company’s management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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, such consolidated financial statements present fairly, in all material respects, the financial position of Dean Foods Company and subsidiaries as of December 31, 2012 and 2011 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 3 to the consolidated financial statements, the Company discontinued its operations of the Morningstar division when it entered into an agreement to sell the division on December 2, 2012. The operating results of the Morningstar division have been reclassified as discontinued operations in the consolidated financial statements.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2013 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas
February 27, 2013

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Dean Foods Company
Dallas, Texas

We have audited the internal control over financial reporting of Dean Foods Company and subsidiaries (the “Company”) as of December 31, 2012, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company’s internal control over financial reporting is a process designed by, or under the supervision of, the company’s principal executive and principal financial officers, or persons performing similar functions, and effected by the company’s board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Consolidated Financial Statements and financial statement schedule as of and for the year ended December 31, 2012 of the Company and our report dated February 27, 2013 expressed an unqualified opinion on those financial statements and financial statement schedule and includes an explanatory paragraph relating to the Company’s reporting of its Morningstar division as discontinued operations.

/S/ DELOITTE & TOUCHE LLP

Dallas, Texas
February 27, 2013

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

During our three most recent fiscal years, no independent accountant who was engaged as the principal accountant to audit our financial statements, nor any independent accountant who was engaged to audit a significant subsidiary and on whom our principal accountant expressed reliance in its report, has resigned or been dismissed.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

We conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, referred to herein as “Disclosure Controls”) as of the end of the period covered by this annual report. The controls evaluation was done under the supervision and with the participation of management, including our Chief Executive Officer (CEO) and Chief Financial Officer (CFO). Based upon our most recent controls evaluation, our CEO and CFO have concluded that our Disclosure Controls were effective as of December 31, 2012.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in rules 13a-15(f) and 15d-15(f) under the Exchange Act) in the quarter ended December 31, 2012 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

MANAGEMENT REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

We have assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making this assessment, we used the criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment we believe that, as of December 31, 2012, our internal control over financial reporting is effective based on those criteria.

Our independent auditors, Deloitte & Touche LLP, a registered public accounting firm, are appointed by the Audit Committee of our Board of Directors, subject to ratification by our stockholders. Deloitte & Touche LLP has audited and reported on the consolidated financial statements of Dean Foods Company and subsidiaries and our internal control over financial reporting. The reports of our independent auditors are contained in this Annual Report on Form 10-K.

Our independent registered public accounting firm has issued an audit report on our internal control over financial reporting. This report appears on page 63.

February 27, 2013

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Item 9B. Other Information

On February 13, 2013, we submitted a Current Report on Form 8-K pursuant to Item 2.02 regarding our issuance of a press release announcing our unaudited financial condition and results of operations as of and for the year and fourth quarter ended December 31, 2012. Subsequently, as part of our finalization and review of the 2012 tax provision computations, we identified additional income tax expense in the amount of \$8.9 million.

As a result, the Consolidated Financial Statements for the year ended December 31, 2012 reflect a provision for income taxes of \$146.5 million (including \$3.0 million pertaining to the tax impact to Dean Foods related to the WhiteWave IPO and related business separation) compared to \$137.6 million as previously announced. The change had no effect on operating income, EBITDA or debt covenants. The following table sets forth the impact of this change on the amounts we previously announced (in millions, except per share amounts).

	<u>As Previously Announced</u>	<u>As Currently Reported</u>
Consolidated Statements of Operations		
Provision for income taxes	\$ 137.6	\$ 146.5
Income from continuing operations	126.3	117.4
Net income attributable to Dean Foods Company	167.5	158.6
Basic earnings per share attributable to Dean Foods Company	0.91	0.86
Diluted earnings per share attributable to Dean Foods Company	0.90	0.85
Consolidated Balance Sheets		
Total Assets	\$ 5,688.2	\$ 5,687.1
Other long-term liabilities	803.0	809.2
Additional paid-in-capital	1,374.2	1,375.8
Total stockholders' equity	466.9	459.6
Total Liabilities and Stockholders' Equity	\$ 5,688.2	\$ 5,687.1

On February 25, 2013, Mr. Gregg Tanner entered into a letter agreement with the Company relating to his role as Chief Executive Officer effective October 31, 2012. Pursuant to the agreement, we agreed to pay Mr. Tanner an annual salary of \$1,000,000, to be reviewed annually by the Compensation Committee. The letter notes that Mr. Tanner was granted restricted stock units with an approximately value of \$1.4 million as reported in our Current Report on Form 8-K filed with the SEC on November 21, 2012. Pursuant to his letter agreement, Mr. Tanner will continue to be eligible for benefits under the Company's Amended and Restated Severance Plan as well as the Company's Executive Deferred Compensation Plan. We agreed to provide certain other benefits to Mr. Tanner, including paid time off, and Mr. Tanner is eligible for those benefits offered to all employees generally, including 401(k) and health insurance. This description of the letter agreement with Mr. Tanner is qualified in its entirety to the full text of the letter agreement, which is attached as an exhibit hereto and incorporated by reference herein.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

Incorporated herein by reference to our proxy statement (to be filed) for our May 15, 2013 Annual Meeting of Stockholders.

Item 11. *Executive Compensation*

Incorporated herein by reference to our proxy statement (to be filed) for our May 15, 2013 Annual Meeting of Stockholders.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

Incorporated herein by reference to our proxy statement (to be filed) for our May 15, 2013 Annual Meeting of Stockholders.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

Incorporated herein by reference to our proxy statement (to be filed) for our May 15, 2013 Annual Meeting of Stockholders.

Item 14. *Principal Accountant Fees and Services*

Incorporated herein by reference to our proxy statement (to be filed) for our May 15, 2013 Annual Meeting of Stockholders.

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PART IV

Item 15. *Exhibits and Financial Statement Schedule*

Financial Statements

The following Consolidated Financial Statements are filed as part of this report or are incorporated herein as indicated:

	<u>Page</u>
Consolidated Balance Sheets as of December 31, 2012 and 2011	F-1
Consolidated Statements of Operations for the years ended December 31, 2012, 2011 and 2010	F-2
Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2012, 2011 and 2010	F-3
Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2012, 2011 and 2010	F-4
Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010	F-5
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SIGNATURES

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

By: /s/ SCOTT K. VOPNI

Scott K. Vopni
Senior Vice President and
Chief Accounting Officer

Dated February 27, 2013

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 registrant and in the capacity and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ GREGG L. ENGLER</u> Gregg L. Engler	Chairman of the Board	February 27, 2013
<u>/s/ GREGG A. TANNER</u> Gregg A. Tanner	Chief Executive Officer and Director (Principal Executive Officer)	February 27, 2013
<u>/s/ SHAUN P. MARA</u> Shaun P. Mara	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 27, 2013
<u>/s/ SCOTT K. VOPNI</u> Scott K. Vopni	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 27, 2013
<u>/s/ TOM C. DAVIS</u> Tom C. Davis	Director	February 27, 2013
<u>/s/ STEPHEN L. GREEN</u> Stephen L. Green	Director	February 27, 2013
<u>/s/ JOSEPH S. HARDIN, JR.</u> Joseph S. Hardin, Jr.	Director	February 27, 2013
<u>/s/ JANET HILL</u> Janet Hill	Director	February 27, 2013
<u>/s/ WAYNE MAILLOUX</u> Wayne Mailloux	Director	February 27, 2013
<u>/s/ JOHN R. MUSE</u> John R. Muse	Director	February 27, 2013
<u>/s/ HECTOR M. NEVARES</u> Hector M. Nevares	Director	February 27, 2013

/s/ JIM L. TURNER

Jim L. Turner

Director

February 27, 2013

/s/ ROBERT TENNANT WISEMAN

Robert Tennant Wiseman

Director

February 27, 2013

/s/ DOREEN WRIGHT

Doreen Wright

Director

February 27, 2013

S-1

DEAN FOODS COMPANY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2012, 2011 and 2010

<u>Description</u>	<u>Balance at</u> <u>Beginning of</u> <u>Period</u>	<u>Charged to</u> <u>(Reduction in)</u> <u>Costs and</u> <u>Expenses</u>	<u>Other</u>	<u>Deductions</u>	<u>Balance at</u> <u>End of Period</u>
<u>Year ended December 31, 2012</u>					
Allowance for doubtful accounts	\$ 10,391	\$ 5,213	\$230	\$(2,141)	\$ 13,693
Deferred tax asset valuation allowances	9,176	(1,395)	0	0	7,781
<u>Year ended December 31, 2011</u>					
Allowance for doubtful accounts	\$ 14,698	\$ 2,145	\$(160)	\$(6,292)	\$ 10,391
Deferred tax asset valuation allowances	7,660	1,516	0	0	9,176
<u>Year ended December 31, 2010</u>					
Allowance for doubtful accounts	\$ 16,417	\$ 7,680	\$(1,379)	\$(8,020)	\$ 14,698
Deferred tax asset valuation allowances	9,108	(1,448)	0	0	7,660

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INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
2.1	Membership Interest Purchase Agreement, dated as of December 2, 2012, by and among Saputo Cheese USA Inc., Suiza Dairy Group, LLC, Dean Foods Company and, solely with respect to certain provisions therein, Saputo Inc.	Current Report on Form 8-K	December 4, 2012
3.1	Restated Certificate of Incorporation	Quarterly Report on Form 10-Q for the quarter ended June 30, 2012	August 7, 2012
3.2	Certificate of Amendment of Restated Certificate of Incorporation	Quarterly Report on Form 10-Q for the quarter ended June 30, 2012	August 7, 2012
3.3	Amended and Restated Bylaws	Current Report on Form 8-K	May 17, 2012
4.1	Specimen of Common Stock Certificate	Annual Report on Form 10-K for the year ended December 31, 2001	April 1, 2002
4.2	Indenture, dated as of May 15, 2006, between us, the subsidiary guarantors listed therein and The Bank of New York Trust Company, N.A., as trustee	Current Report on Form 8-K	May 19, 2006
4.3	Supplemental Indenture No. 1, dated as of May 17, 2006, between us, the subsidiary guarantors listed therein and The Bank of New York Trust Company, N.A., as trustee	Current Report on Form 8-K	May 19, 2006
4.4	Supplemental Indenture No. 2, dated as of July 31, 2007, between us, the subsidiary guarantors listed therein	Quarterly Report on Form 10-Q for the quarter ended September 30, 2007	November 9, 2007

and The Bank of New
York Trust Company,
N.A., as trustee

- | | | | |
|-------|---|---|-------------------|
| 4.5 | Supplemental Indenture No. 6, dated as of December 16, 2010, between us, the subsidiary guarantors listed therein and The Bank of New York Mellon Trust Company, N.A., as trustee | Current Report on Form 8-K | December 16, 2010 |
| 4.6 | Registration Rights Agreement, dated as of December 16, 2010, between us, the subsidiary guarantors listed therein and several initial purchasers listed therein | Current Report on Form 8-K | December 16, 2010 |
| *10.1 | Third Amended and Restated 1989 Dean Foods Company Stock Awards Plan | Annual Report on Form 10-K for the year ended December 31, 2004 | March 16, 2005 |
| *10.2 | Amended and Restated Executive Deferred Compensation Plan | Annual Report on Form 10-K for the year ended December 31, 2006 | March 1, 2007 |

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
*10.3	Post-2004 Executive Deferred Compensation Plan	Annual Report on Form 10-K for the year ended December 31, 2006	March 1, 2007
*10.4	Revised and Restated Supplemental Executive Retirement Plan	Annual Report on Form 10-K for the year ended December 31, 2006	March 1, 2007
*10.5	Amendment No. 2 to the Dean Foods Company Supplemental Executive Retirement Plan	Annual Report on Form 10-K for the year ended December 31, 2006	March 1, 2007
*10.6	Dean Foods Company Amended and Restated Executive Severance Pay Plan	Current Report on Form 8-K	November 19, 2010
*10.7	Form of Amended and Restated Change in Control Agreement for our executive officers	Quarterly Report on Form 10-Q for the quarter ended September 30, 2008	November 5, 2008
*10.8	Forms of Amended and Restated Change in Control Agreement for certain other officers	Quarterly Report on Form 10-Q for the quarter ended September 30, 2008	November 5, 2008
*10.9	Form of Change in Control Agreement for our executive officers – effective August 2011	Annual Report on Form 10-K for the year ended December 31, 2011	February 27, 2012
*10.10	Form of Change in Control Agreement for certain other officers – effective August 2011	Annual Report on Form 10-K for the year ended December 31, 2011	February 27, 2012
*10.11	Dean Foods Company 2007 Stock Incentive Plan	Quarterly Report on Form 10-Q for the quarter ended June 30, 2007	August 9, 2007
*10.12	Form of Non-Qualified Stock Option Agreement under the Dean Foods Company 2007 Stock Incentive Plan	Annual Report on Form 10-K for the year ended December 31, 2010	March 1, 2011
*10.13	Form of Restricted Stock Unit Award Agreement under the	Annual Report on Form 10-K for the year ended December 31, 2010	March 1, 2011

Dean Foods Company
2007 Stock Incentive
Plan

- | | | | |
|--------|--|---|---------------|
| *10.14 | Form of Cash Performance Unit Agreement for Awards under the Dean Foods Company 2007 Stock Incentive Plan | Annual Report on Form 10-K for the year ended December 31, 2010 | March 1, 2011 |
| *10.15 | Form of Phantom Shares Award Agreement under the Dean Foods Company 2007 Stock Incentive Plan | Annual Report on Form 10-K for the year ended December 31, 2010 | March 1, 2011 |
| *10.16 | Form of Dean Cash Award Agreement | Annual Report on Form 10-K for the year ended December 31, 2010 | March 1, 2011 |
| *10.17 | Form of Director's Non-Qualified Stock Option Agreement under the Dean Foods Company 2007 Stock Incentive Plan | Annual Report on Form 10-K for the year ended December 31, 2010 | March 1, 2011 |

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
*10.18	Form of Director's Restricted Stock Unit Award Agreement under the Dean Foods Company 2007 Stock Incentive Plan	Annual Report on Form 10-K for the year ended December 31, 2010	March 1, 2011
*10.19	Form of 2013 Restricted Stock Unit Award Agreement under the Dean Foods Company 2007 Stock Incentive Plan	Filed herewith	
*10.20	Form of 2013 Cash Performance Unit Agreement for Awards under the Dean Foods Company 2007 Stock Incentive Plan	Filed herewith	
*10.21	Form of 2013 Phantom Shares Award Agreement under the Dean Foods Company 2007 Stock Incentive Plan	Filed herewith	
*10.22	Form of 2013 Dean Cash Award Agreement	Filed herewith	
*10.23	Form of Director's Master Restricted Stock Agreement under the Dean Foods Company 2007 Stock Incentive Plan	Quarterly Report on Form 10-Q for the quarter ended June 30, 2008	August 8, 2008
*10.24	2012 Short-Term Incentive Compensation Plan	Current Report on Form 8-K	March 9, 2012
*10.25	Employment Agreement between the Company and Gregg Tanner dated November 1, 2007	Quarterly Report on Form 10-Q for the quarter ended September 30, 2007	November 9, 2007
*10.26	Proprietary Information, Inventions and Non-Compete Agreement between the Company and Gregg Tanner dated November 1, 2007	Quarterly Report on Form 10-Q for the quarter ended September 30, 2007	November 9, 2007

- *10.27 Employment Agreement Filed herewith
between the Company and
Gregg Tanner dated
February 25, 2013

- *10.28 Employment Agreement Annual Report on Form 10-K for the year ended December 31, 2010 March 1, 2011
between the Company and
Shaun Mara dated April
21, 2010

- *10.29 Promotion Letter between Current Report on Form 8-K/A November 19, 2010
the Company and Shaun
Mara dated November 16,
2010

- *10.30 Letter Agreement between Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 November 8, 2012
the Company and Shaun
Mara dated November 7,
2012

- *10.31 Modification to Letter Filed herewith
Agreement between the
Company and Shaun Mara
dated February 18, 2013

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
*10.32	Employment Agreement between the Company and Steven J. Kemps dated July 8, 2008	Quarterly Report on Form 10-Q for the quarter ended June 30, 2008	August 8, 2008
*10.33	Letter Agreement between the Company and Steven J. Kemps dated November 7, 2012	Quarterly Report on Form 10-Q for the quarter ended September 30, 2012	November 8, 2012
*10.34	Modification to Letter Agreement between the Company and Steven J. Kemps dated February 18, 2013	Filed herewith	
*10.35	Employment Agreement between the Company and Kelly Duffin-Maxwell dated April 9, 2008	Quarterly Report on Form 10-Q for the quarter ended March 31, 2008	May 12, 2008
*10.36	Employment Agreement between the Company and Chris Sliva dated November 16, 2007	Quarterly Report on Form 10-Q for the quarter ended June 30, 2009	August 6, 2009
*10.37	Employment Agreement between the Company and Chris Sliva dated February 15, 2010	Quarterly Report on Form 10-Q for the quarter ended March 31, 2010	May 10, 2010
*10.38	Promotion Letter between the Company and Chris Sliva dated October 6, 2010	Quarterly Report on Form 10-Q for the quarter ended September 30, 2010	November 19, 2010
*10.39	Employment Agreement between the Company and Blaine McPeak dated October 14, 2009	Annual Report on Form 10-K for the year ended December 31, 2009	February 25, 2010
*10.40	Employment Agreement among the Company, The WhiteWave Foods Company and Blaine E. McPeak dated December 4, 2012	Current Report on Form 8-K	December 10, 2012
*10.41	Amendment to Amended and Restated Change in Control Agreement	Current Report on Form 8-K	December 10, 2012

between the Company and
Blaine E. McPeak dated
December 4, 2012

- | | | | |
|--------|--|--|-------------------|
| *10.42 | Employment Agreement among the Company, The WhiteWave Foods Company and Gregg L. Engles dated December 4, 2012 | Current Report on Form 8-K | December 10, 2012 |
| *10.43 | Amendment to and Restated Change in Control Agreement between the Company and Gregg L. Engles dated December 4, 2012 | Current Report on Form 8-K | December 10, 2012 |
| *10.44 | Letter Agreement between the Company and Kevin C. Yost dated February 5, 2010 | Quarterly Report on Form 10-Q for the quarter ended March 31, 2011 | May 10, 2011 |

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
*10.45	Letter Agreement between the Company and Kevin C. Yost dated May 19, 2011	Quarterly Report on Form 10-Q for the quarter ended June 30, 2011	August 9, 2011
*10.46	Letter Agreement between the Company and Kevin C. Yost dated November 20, 2012	Filed herewith	
10.47	Distribution Agreement between the Company and TreeHouse Foods dated June 27, 2005	Current Report on Form 8-K	June 27, 2005
10.48	Tax Sharing Agreement dated June 27, 2005 between the Company and TreeHouse Foods	Current Report on Form 8-K	June 27, 2005
10.49	Fifth Amended and Restated Receivables Purchase Agreement, dated as of April 2, 2007 among Dairy Group Receivables L.P., Dairy Group Receivables II, L.P., WhiteWave Receivables, L.P., as Sellers; the Servicers, Companies and Financial Institutions listed therein; and JPMorgan Chase Bank, N.A., as Agent	Current Report on Form 8-K	April 4, 2007
10.50	Amendment No. 3 to Fifth Amended and Restated Receivables Purchase Agreement and Limited Waiver dated March 31, 2008	Current Report on Form 8-K	April 4, 2008
10.51	Amendment No. 4 to Fifth Amended and Restated Receivables Purchase Agreement dated April 4, 2008	Current Report on Form 8-K	April 4, 2008
10.52	Amendment No. 5 to Fifth Amended and Restated Receivables Purchase Agreement and Limited Waiver dated April 30, 2008	Current Report on Form 8-K	May 1, 2008
10.53	Amendment No. 7 to Fifth Amended and Restated Receivables Purchase Agreement and Reaffirmation of Performance Undertaking dated March 30, 2009	Current Report on Form 8-K	April 3, 2009

10.54	Amendment No. 9 to Fifth Amended and Restated Receivables Purchase Agreement and Reaffirmation of Performance Undertaking dated March 29, 2010	Current Report on Form 8-K	March 31, 2010
10.55	Amendment No. 10 to Fifth Amended and Restated Receivables Purchase Agreement and Reaffirmation of Performance Undertaking dated June 30, 2010	Current Report on Form 8-K	July 1, 2010

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
10.56	Second Amended and Restated Credit Agreement, dated as of April 2, 2007, as amended and restated as of June 30, 2010, among Dean Foods Company; J.P. Morgan Securities, Inc., Banc of America Securities LLC, Wells Fargo Securities, LLC, as Lead Arrangers; JPMorgan Chase Bank, National Association, as Administrative Agent; Bank of America, N.A., as Syndication Agent; and certain other lenders that are parties thereto	Current Report on Form 8-K	July 1, 2010
10.57	Amendment No. 11 to Fifth Amended and Restated Receivables Purchase Agreement and Reaffirmation of Performance Undertaking dated December 9, 2010	Current Report on Form 8-K	December 9, 2010
10.58	Amendment No. 12 to Fifth Amended and Restated Receivables Purchase Agreement and Reaffirmation of Performance Undertaking, dated September 28, 2011	Current Report on Form 8-K	October 3, 2011
10.59	Amendment No. 1 to Second Amended and Restated Credit Agreement, dated as of December 9, 2010	Current Report on Form 8-K	December 9, 2010
*10.60	Ninth Amended and Restated 1997 Stock Option and Restricted Stock Plan	Quarterly Report on Form 10-Q for the quarter ended March 30, 2012	May 9, 2012
10.61	Credit Agreement, dated as of October 12, 2012, among The WhiteWave Foods Company, the subsidiary guarantors identified therein, Bank of America, N.A., as administrative agent, JPMorgan Chase Bank, N.A.,	Current Report on Form 8-K	October 17, 2012

as syndication agent, and the
other lenders party thereto

*10.62 The WhiteWave Foods Current Report on Form 8-K
Company 2012 Stock Incentive
Plan

October 17, 2012

10.63 Separation and Distribution Filed herewith
Agreement, dated October 25,
2012, by and among Dean
Foods Company, The
WhiteWave Foods Company
and WWF Operating Company

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
10.64	Transition Services Agreement, dated October 25, 2012, between Dean Foods Company and The WhiteWave Foods Company, as amended	Filed herewith	
10.65	Tax Matters Agreement, dated October 25, 2012, between Dean Foods Company and The WhiteWave Foods Company	Filed herewith	
10.66	Registration Rights Agreement, dated October 25, 2012, between Dean Foods Company and The WhiteWave Foods Company	Filed herewith	
10.67	Employee Matters Agreement, dated October 25, 2012, by and between Dean Foods Company, The WhiteWave Foods Company, and WWF Operating Company	Filed herewith	
10.68	Amendment 1 to Transitional Services Agreement, dated November 20, 2012, by and between Dean Foods Company and The WhiteWave Foods Company	Filed herewith	
10.69	Amendment 2 to Transitional Services Agreement, dated December 28, 2012, by and between Dean Foods Company and The WhiteWave Foods Company	Filed herewith	
*10.70	Employment Agreement between the Company and Chris Bellairs, dated February 25, 2013	Filed herewith	
*10.71	Employment Agreement between the Company and Rachel Gonzalez, dated February 25, 2013	Filed herewith	
*10.72	Employment Agreement between the Company and Kim Warmbier, dated February 25, 2013	Filed herewith	
*10.73	Employment Agreement between the Company and Marty Devine, dated February 25, 2013	Filed herewith	
*10.74	Employment Agreement between the Company and Shay Braun, dated February 25, 2013	Filed herewith	
*10.75	Form of Indemnification Agreement	Filed herewith	
12	Computation of Ratio of Earnings to Fixed Charges	Filed herewith	

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<u>Exhibit No.</u>	<u>Description</u>	<u>Previously Filed as an Exhibit to and Incorporated by Reference From</u>	<u>Date Filed</u>
21	List of Subsidiaries	Filed herewith	
23	Consent of Deloitte & Touche LLP	Filed herewith	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith	
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith	
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith	
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith	
99	Supplemental Unaudited Financial Information for Dean Holding Company	Filed herewith	
101.INS	XBRL Instance Document(1)		
101.SCH	XBRL Taxonomy Extension Schema Document(1)		
101.CAL	XBRL Taxonomy Calculation Linkbase Document(1)		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document(1)		
101.LAB	XBRL Taxonomy Label Linkbase Document(1)		
101.PRE	XBRL Taxonomy Presentation Linkbase Document(1)		

(1) Submitted electronically herewith

* This exhibit is a management or compensatory contract.

Attached as Exhibit 101 to this report are the following materials from Dean Foods Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Operations for the years ended December 31, 2012, 2011 and 2010, (ii) the Consolidated Balance Sheets as of December 31, 2012 and 2011, (iii) the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2012, 2011 and 2010, (iv) the Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2012, 2011 and 2010, (v) the Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010, and (vi) Notes to Consolidated Financial Statements.

In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

totalrewards



2013 RESTRICTED STOCK UNIT ("RSU") AWARD AGREEMENT

This AGREEMENT (this "Agreement"), effective as of the date indicated on the Notice of Grant delivered herewith (the "Notice of Grant"), is made and entered into by and between Dean Foods Company, a Delaware corporation (the "Company"), and the individual named on the Notice of Grant ("you").

WITNESSETH:

WHEREAS, the Board of Directors of the Company has adopted and approved the Dean Foods Company 2007 Stock Incentive Plan (the "Plan"), which Plan was approved as required by the Company's stockholders and provides for the grant of stock-based awards to certain selected Employees of the Company and its Subsidiaries (Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Plan); and

WHEREAS, during your employment, and based upon your position with the Company and/or its Subsidiaries, you have acquired and will continue to acquire, by reason of your position, substantial knowledge of the operations and practices of the business of the Company; and

WHEREAS, the Company desires to assure that, to the extent and for the period of your service and for a reasonable period thereafter, it may maintain the confidentiality of its trade secrets and proprietary information, and protect goodwill and other legitimate business interests, each of which could be compromised if any competitive business were to secure your services; and

WHEREAS, the Restricted Stock Units and other Awards provided for under the Plan are intended to comply with the requirements of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; and

WHEREAS, the Committee has selected you to participate in the Plan and has awarded to you the Restricted Stock Units,

1. Grant of Award. The Company hereby grants to you and you hereby accept, subject to the terms and conditions set forth in the Plan and in this Agreement, the number of RSUs shown on the Notice of Grant, effective as of the date indicated on the Notice of Grant (the "Date of Grant"). Each RSU represents the right to receive one share of the Company's Stock, subject to the terms and conditions set forth in the Plan and in this Agreement. The shares of Stock that are issuable upon vesting of the RSUs granted to you pursuant to this Agreement are referred to in this Agreement as "the Shares." You must accept this RSU Award in the manner designated by the Company in the Notice of Grant (e.g. electronic acceptance) not later than 90 days after the Date of Grant, or electronic notification of such Grant, whichever occurs later, or this Award will be rendered void and without effect. Subject to the provisions of Sections 2(c), 2(d), 3(b) and 7 hereof, this Award of RSUs is irrevocable and is intended to conform in all respects with the Plan.

2. Vesting.

(a) Regular Vesting. Except as otherwise provided in the Plan or in this Section 2, your RSUs will vest ratably in three (3) equal annual increments commencing on the first anniversary of the Date of Grant.

(b) Accelerated Vesting.

(1) Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates by reason of Death, Disability or Retirement during the Restriction Period, all unvested RSUs you held at the time of such termination will vest in full at the date of such termination. For purposes of this Agreement, "Retirement" shall be defined as your retirement from employment or other service to the Company or any Subsidiary after you age sixty-five (65). "Disability" shall be defined as your permanent and total disability (within the meaning of Section 22(e)(3) of the Code).

which are referred to in this Agreement as RSUs, described in this Agreement and in the Notice of Grant.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and as an inducement to you to continue as an employee of the Company (or its Subsidiaries), you and the Company hereby agree as follows:

(2) In addition to the vesting provisions contained in Sections 2(a) and 2(b)(1) above, your RSUs will automatically and immediately vest in full upon a Change in Control.

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(c) Forfeiture of Unvested RSUs. Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates for any reason other than Death, Disability or Retirement during the Restriction Period, any RSUs you held will be forfeited and canceled as of the date of such termination of Service. Notwithstanding anything to the contrary in this Section 2, your rights with respect to unvested RSUs shall in all events be immediately forfeited and canceled as of the date of your termination of Service for Cause as defined in Section 3(b) below.

(d) Repayment. Participant agrees and acknowledges that this Award Agreement is subject to any policies that the Committee may adopt from time to time with respect to the repayment to the Company of any benefit received hereunder, including “clawback” policies.

3. Distribution of Shares.

(a) Distribution Upon Vesting. The Company will distribute to you (or to your estate in the event of your Death) the Shares of Stock represented by the RSUs that vested on such vesting date as soon as administratively practicable after such vesting date but in no event later than the fifteenth day of the third calendar month beginning after the calendar year in which such RSUs shall have become vested. Notwithstanding the immediately preceding sentence, any RSUs subject to this grant or any similar grants outstanding on the date hereof that become vested on account of your Retirement shall be distributed to you as soon as administratively practicable (but in no event more than 60 days) following the date of your separation from service from the Company, except that, if you are a specified employee (within the meaning of Section 409A of the Code), such distribution shall be made on the day following the six month anniversary of your separation from service.

(b) Forfeiture of Shares. Notwithstanding any provision of this Agreement or the Plan to the contrary, if you are discharged from the employment of the Company or any of its Subsidiaries for Cause (as defined below), your rights in your unvested RSUs will be immediately forfeited and canceled as of such termination date. For purposes of this Agreement, “Cause” means your (i) willful failure to perform substantially your duties; (ii) willful or serious misconduct that has caused, or could

with an Employer in any internal investigation or administrative, regulatory or judicial proceeding. In addition, your Service shall be deemed to have terminated for Cause if, after your Service has terminated (for a reason other than Cause), facts and circumstances are discovered that would have justified a termination for Cause. Your RSUs will also be immediately forfeited and canceled in accordance with Section 7 upon your breach of the provisions set forth in Section 7.

(c) Compliance With Law. The Plan, the granting and exercising of this RSU, and any obligations of the Company under the Plan, shall be subject to all applicable federal, state and foreign country laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Stock is listed. The Company, in its discretion, may postpone the granting and exercising of this RSU, the issuance or delivery of Stock under this RSU or any other action permitted under the Plan to permit the Company, with reasonable diligence, to complete such stock exchange listing or registration or qualification of such Stock or other required action under any federal, state or foreign country law, rule or regulation and may require you to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Stock in compliance with applicable laws, rules and regulations. The Company shall not be obligated by virtue of any provision of the Plan to recognize the vesting of this RSU or to otherwise sell or issue Stock in violation of any such laws, rules or regulations, and any postponement of the vesting or settlement of this RSU under this provision shall not extend the term of the RSU. Neither the Company nor its directors or officers shall have any obligation or liability to you with respect to any RSU (or Stock issuable thereunder) that shall lapse because of such postponement.

4. Stockholder Rights. Except as set forth in the Plan, neither you nor any person claiming under or through you shall be, or have any of the rights or privileges of, a stockholder of the Company in respect of the Shares issuable pursuant to this Award unless and until your Shares shall have been issued.

5. Tax Withholding. The Employer shall have the right to deduct from all amounts paid to you in cash (whether under this Plan or otherwise) any amount required by law to be withheld in

reasonably be expected to result in, material injury to the business or reputation of an Employer; (iii) conviction of, or entering a plea of guilty or nolo contendere to, a crime constituting a felony; (iv) breach of any written covenant or agreement with an Employer, any material written policy of any Employer or any Employer's code of conduct or code of ethics, or (v) failure to cooperate

respect of Awards under this Plan as may be necessary in the opinion of the Employer to satisfy any applicable tax withholding requirements under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are

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required by law to be withheld. In the case of payments of Awards in the form of Stock, at the Committee's discretion, you will be required to either pay to the Employer the amount of any taxes required to be withheld with respect to such Stock or, in lieu thereof, the Employer shall have the right to retain (or you may be offered the opportunity to elect to tender) the number of shares of Stock whose Fair Market Value equals such amount required to be withheld.

6. Transfer of RSUs. The RSUs granted herein are not transferable except in accordance with the provisions of the Plan.

7. Covenants Not to Disclose, Compete or Solicit.

(a) You acknowledge that (i) the Company is engaged in a continuous program of research, development and production respecting its business throughout the United States (the foregoing, together with any other businesses in which the Company engages from the date hereof to the date of the termination of your employment with the Company and its Subsidiaries as the "Company Business"); (ii) your work for and position with the Company and/or one of its Subsidiaries has allowed you, and will continue to allow you, access to trade secrets of, and Confidential Information concerning the Company Business; (iii) the Company Business is national and international in scope; (iv) the Company would not have agreed to grant you this Award but for the agreements and covenants contained in this Agreement; and (v) the agreements and covenants contained in this Agreement are necessary and essential to protect the business, goodwill, and customer relationships that Company and its Subsidiaries have expended significant resources to develop. The Company agrees and acknowledges that, on or following the date hereof, it will provide you with one or more of the following: (a) authorization to access Confidential Information through a new computer password or by other means, (b) authorization to represent the Company in communications with customers and other third parties to promote the goodwill of the business in accordance with generally applicable Company policies and (c) access to participate in certain restricted access meetings, conferences or training relating to your position with the Company. You understand and agree that if Confidential Information were used in competition against the Company, the Company would

course of your employment with the Company or any Subsidiary; provided that the term "Confidential Information" will not include information which (i) is or becomes publicly available other than as a result of a disclosure by you which is prohibited by this agreement or by any other legal, contractual or fiduciary obligation that you may owe to the Company or any Subsidiary, or (ii) is widely known within one or more of the industries in which the Company or any Subsidiary operates, or you can demonstrate was otherwise known to you prior to becoming an employee of the Company or any Subsidiary, or (iii) is or becomes available to you on a non-confidential basis from a source (other than the Company or any Subsidiary, including any employee thereof) that is not prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation to the Company or any Subsidiary. You agree not to engage in unauthorized use or disclosure of Confidential Information, and agree that upon termination of your employment (or earlier if so requested) you will preserve and return to the Company any and all records in your possession or control, tangible and intangible, containing any Confidential Information. You further agree not to keep or retain any copies of such records without written authorization from a duly authorized officer of the Company covering the specific item retained.

(c) Ancillary to the foregoing and this Award, you hereby agree that, during the term of your employment with the Company or any Subsidiary and for a period of two years thereafter (the "Restricted Period"), you will not, directly or indirectly, individually or on behalf of any person or entity other than the Company or any of its Subsidiaries: (i) Provide Competing Services (as defined below) to any company or business (other than the Company or any Subsidiary) engaged primarily in the manufacture, distribution, sale or marketing of any of the Relevant Products (as defined below) in the Relevant Market Area (as defined below); (ii) Approach, consult, solicit business from, or contact or otherwise communicate, directly or indirectly, in any way with any Customer (as defined below) in an attempt to (1) divert business from, or interfere with any business relationship of the Company or any of its Subsidiaries, or (2) convince any Customer to change or alter any of such Customer's existing or prospective contractual terms and conditions with the Company or any Subsidiary; or (iii) Solicit, induce, recruit or encourage, either directly or indirectly, any

experience serious harm and the competitor would have a unique advantage against the Company.

(b) For purposes of this Agreement, “Confidential Information” shall mean all business records, trade secrets, know-how, customer lists or compilations, terms of customer agreements, sources of supply, pricing or cost information, financial information or personnel data and other confidential or proprietary information used and/or obtained by you in the

employee of the Company or any Subsidiary to leave his or her employment with the Company or any Subsidiary or employ or offer to employ any employee of the Company or any Subsidiary. For the purposes of this section, an employee of the Company or any Subsidiary shall be deemed to be an employee of the Company or any Subsidiary while employed by the Company and for a period of sixty (60) days thereafter.

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(d) For purposes of this Agreement, the following terms shall have the meanings indicated:

(i) to provide “Competing Services” means to provide, manage, supervise, or consult about (whether as an employee, owner, partner, stockholder, investor, joint venturer, lender, director, manager, officer, employee, consultant, independent contractor, representative or agent, or otherwise) any services that are similar in purpose or function to services you provided to the Company in the two year period preceding the termination of your employment, that might involve the use or disclosure of Confidential Information, or that would involve business opportunities related to Relevant Products.

(ii) “Customer” means any and all persons or entities who purchased any Relevant Product from the Company or any Subsidiary during the term of your employment with the Company or any Subsidiary and as to whom, within the course of the last two (2) years of your employment with the Company or any Subsidiary, (a) you or someone under your supervision had contact and/or (b) you received or had access to Confidential Information.

(iii) “Relevant Product(s)” means (i) milk or milk-based beverages, (ii) creams, (iii) dairy or other non-dairy coffee creamers or other coffee whiteners, (iv) ice cream or ice cream novelties, (v) ice cream mix, (vi) cultured dairy products, (vii) soy milk or any other soy-based beverage or cultured soy product, (viii) organic dairy products (including milk, cream and cultured dairy products) or organic juice, and/or (ix) any other product not listed above that was developed or sold by the Company or a Subsidiary within the course of the last two (2) years of your employment with the Company or any Subsidiary.

(iv) “Relevant Market Area” means the counties (or county equivalents) in the United States where the Company does business that you assist in providing services to and/or receive Confidential Information about in the two year period preceding the termination of your employment so long as the Company continues to do business in that geographic market area during the Restricted Period.

(e) Notwithstanding the foregoing, (1) the restrictions of subsection 7(a) above shall not prohibit your employment with a

providing any services, you and the diversified company that is going to employ you both provide the Company with written assurances that are satisfactory to the Company establishing that (a) the entity, subsidiary, division, or unit of the diversified business that you are going to be employed in is not involved in Relevant Products or preparing to become involved in Relevant Products, and (b) your position will not involve Competing Services of any kind, and (2) you are not prohibited from owning, either of record or beneficially, not more than five percent (5%) of the shares or other equity of any publicly traded company. Your obligation under this Section 7 shall survive the vesting or forfeiture of your RSUs and/or the distribution or forfeiture of the underlying Shares.

(f) Any breach of any provision of this Section 7 will result in immediate and complete forfeiture of your unvested RSUs and your undistributed Shares. In addition, you hereby agree that if you violate any provision of this Section 7, the Company will be entitled to injunctive relief, specific performance, or such other legal and equitable relief as is needed to prevent or enjoin any violation of the provisions of this Agreement in addition to and not to the exclusion of any other remedy that may be allowed by law for damages experienced prior to the issuance of injunctive relief. You also agree that, if you are found to have breached any of the time-limited covenants in this Section 7, the time period during which you are subject to such covenant shall be extended by one day for each day you are found to have violated such restriction, up to a maximum of two years.

(g) You acknowledge that you have given careful consideration to the restraints imposed by this Agreement, and you fully agree that they are necessary for the reasonable and proper protection of the business of the Company and its Subsidiaries. The restrictions set forth herein shall be construed as a series of separate and severable covenants. You agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period, and geographical area. Except as expressly set forth herein, the restraints imposed by this Agreement shall continue during their full time periods and throughout the geographical area set forth in this Agreement.

(h) You stipulate and agree that one of the purposes of this Agreement is to fully resolve and bring finality to any concerns over the enforceability of the Restrictive Covenants. You also

non-competing, independently operated subsidiary, division, or unit of a diversified company (even if other separately operated portions of the diversified company are involved in Relevant Products) if in advance of your

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stipulate and agree that (a) the enforceability of the Restrictive Covenants and (b) the Company's agreement herein to provide you with this RSU Award are mutually dependent clauses and obligations without which this Agreement would not be made by the parties. Accordingly, you agree not to sue otherwise pursue a legal claim to set aside or avoid enforcement of the Restrictive Covenants.

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And, in the event that you or any other party pursues a legal challenge to the enforceability of any material provision of the restrictions in Section 7 of this Agreement and a material provision is found unenforceable by a court of law or other legally binding authority such that you are no longer bound by a material provision of Section 7, then (1) your unvested RSUs and undistributed Shares shall be forfeited and (2) you hereby agree that you will return to the Company any Shares that were previously issued to you or, if you no longer own the Shares, an amount in cash equal to the fair market value of any such Shares on the date they were issued to you (less any taxes paid by you). The foregoing is not intended as a liquidated damage remedy but is instead a return-of-gains and contractual rescission remedy due to the mutual dependent nature of the subject provisions in the Agreement.

(i) If any of the Restrictive Covenants are deemed unenforceable as written, you and the Company expressly authorize the court to revise, delete, or add to the restrictions contained in this Section 7 to the extent necessary to enforce the intent of the parties and to provide the goodwill, Confidential Information, and other business interests of the Company and its Subsidiaries with effective protection. And, in the event that such reformation of the restriction is acceptable to the Company, then the forfeiture and rescission (return of gain) remedies provided for in subsection 7(h) above shall not apply.

(j) The provisions of this Section 7 are not intended to override, supercede, reduce, modify or affect in any manner any other non-competition or non-solicitation agreement between you and the Company or any Subsidiary, and instead are intended to supplement any such agreements.

8. Plan Incorporated. You accept the RSUs hereby granted subject to all the provisions of the Plan, which, except as expressly contradicted by the terms hereof, are incorporated into this Agreement, including the provisions that authorize the Committee to administer and interpret the Plan and which provide that the Committee's decisions, determinations and interpretations with respect to the Plan are final and conclusive on all persons affected thereby.

9. Assignment of Intellectual Property Rights. In consideration of the granting of this RSU Award, you hereby agree that all right, title and interest to any and all products,

and all interest you have in such Intellectual Property and agree to assign such Intellectual Property to the Company. In addition, all writings produced in the course of work or employment for the Company or any Subsidiary are works produced for hire and the property of the Company and its Subsidiaries, including any copyrights for those writings.

10. Miscellaneous.

(a) No Guaranteed Employment. Nothing contained in this Agreement shall affect the right of the Company to terminate your employment at any time, with or without Cause, or shall be deemed to create any rights to employment on your part. The rights and obligations arising under this Agreement are not intended to and do not affect the employment relationship that otherwise exists between the Company and you, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Company and you. To the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

(b) Notices. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company at its principal executive offices, and any notice to be given to you shall be addressed to you at the address set forth on the attached Notice of Grant, or at such other address for a party as such party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if mailed, postage prepaid, addressed as aforesaid.

(c) Binding Agreement. Subject to the limitations in this Agreement on the transferability by you of the Award granted herein, this Agreement shall be binding upon and inure to the benefit of the representatives, executors, successors or beneficiaries of the parties hereto.

(d) Governing Law. **The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware and the United States, as applicable, without reference to the conflict of laws provisions thereof.**

improvements or processes (“Intellectual Property”) whatsoever, discovered, invented or conceived during the course of employment with the Company or any of its Subsidiaries, relating to the subject matter of the business of the Company or any of its Subsidiaries or which may be directly or indirectly utilized in connection therewith, are vested in the Company, and you hereby forever waive any

(e) Severability. Except as otherwise expressly provided for herein in Section 7 above, if any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of

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the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

(f) Interpretation. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

(g) Entire Agreement. Except as otherwise provided for in Section 7 above, this Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(h) No Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(i) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

(j) Relief. In addition to all other rights or remedies available at law or in equity, the Company shall be entitled to injunctive and other equitable relief to prevent or enjoin any violation of the provisions of this Agreement.

END OF AGREEMENT

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totalrewards



2013 CASH PERFORMANCE UNIT ("CPU") AWARD AGREEMENT

This AGREEMENT (this "Agreement"), effective as of the date indicated on the Notice of Grant delivered herewith (the "Notice of Grant"), is made and entered into by and between Dean Foods Company, a Delaware corporation (the "Company"), and the individual named on the Notice of Grant ("you").

WITNESSETH:

WHEREAS, the Board of Directors of the Company has adopted and approved the Dean Foods Company 2007 Stock Incentive Plan (the "Plan"), which Plan was approved as required by the Company's stockholders and provides for the grant of Performance Units and other forms of incentive compensation to certain selected Employees and non-employee Directors of the Company and its Subsidiaries (Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Plan); and

WHEREAS, during your employment, and based upon your position with the Company and/or its Subsidiaries, you have acquired and will continue to acquire, by reason of your position, substantial knowledge of the operations and practices of the business of the Company; and

WHEREAS, the Company desires to assure that, to the extent and for the period of your service and for a reasonable period thereafter, it may maintain the confidentiality of its trade secrets and proprietary information, and protect goodwill and other legitimate business interests, each of which could be compromised if any competitive business were to secure your services; and

WHEREAS, the Committee has selected you to participate in the Plan and has awarded to you the Performance Units, which are referred to in this Agreement as CPUs, described in this Agreement, Appendix A hereto and in the Notice of Grant.

1. Grant of Award. The Company hereby grants to you and you hereby accept, subject to the terms and conditions set forth in the Plan and in this Agreement, the number of CPUs for the Performance Cycle (as defined below) shown on the Notice of Grant, effective as of the date indicated on the Notice of Grant (the "Date of Grant"). Each CPU represents the right to receive cash in the amount determined in accordance with this Agreement, subject to the terms and conditions set forth in the Plan and in this Agreement. You must accept this CPU Award in the manner designated by the Company in the Notice of Grant (e.g. electronic acceptance) not later than 90 days after the Date of Grant, or electronic notification of such Grant, whichever occurs later, or this Award will be rendered void and without effect. Once accepted as provided above, but subject to the provisions of Sections 2(c), 2(d), 2(e) and 6 hereof, this Award of CPUs is irrevocable and is intended to conform in all respects with the Plan.

2. Establishment of Performance Goals and Vesting.

(a) Establishment of Performance Goals. Not later than during the first 90 days of the applicable year, the Committee shall establish performance goals (the "Performance Goals") for each of the three calendar years in the performance cycle commencing January 1, 2013 and ending December 31, 2015 (the "Performance Cycle"). The Performance Goals for calendar year 2013 shall be based on the achievement of performance objectives related to EBITDA, as defined for purposes of the Company's principal bank credit agreement in effect on the date hereof, established by the Committee. The Performance Goals for each subsequent year in the Performance Cycle shall be established by the Committee using any of the performance criteria permitted to be used for the grant of Performance Units under the Plan.

(b) Regular Vesting. Except as otherwise provided in this Section 2, one-third of the CPUs subject to this award will vest, if at all, to the extent that the Performance Goals established

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and as an inducement to you to continue as an employee of the Company (or its Subsidiaries), you and the Company hereby agree as follows:

by the Committee (not later than during the first 90 days of the applicable year) for each of the three calendar years in the Performance Cycle shall be satisfied, provided that, subject to the provisions of Section 2(c), you have been continuously in the Company' s employment from the date hereof to the end of the Performance Cycle.

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(c) Accelerated Vesting.

(1) Unless otherwise determined by the Committee, or except as provided in another written agreement between you and your Employer, if your Service terminates by reason of Death, Disability or Retirement prior to the payment date in respect of such CPUs, you shall be entitled to receive a payment in respect of your CPUs determined in accordance with this Section 2(c)(1). Such payment shall be equal to the amount determined by applying the formula specified in Section 3(a) solely with respect to any already completed calendar year and for the then current year. In the event that your employment terminates due to death or Disability, payment of the amount determined pursuant to the preceding sentence shall be made in the first calendar quarter (but not later than March 15) of the calendar year following your date of termination. In the event that your employment terminates due to Retirement, payment of such amount shall be made on March 1 of the calendar year following your date of termination, except that, if you are a specified employee (within the meaning of Section 409A of the Code), such distribution shall be made on the later of such March 1 or the day following the six month anniversary of your separation from service. For purposes of this Agreement, "Retirement" shall be defined as your retirement from employment or other service to the Company or any Subsidiary after you reach age sixty-five (65). "Disability" shall be defined as your permanent and total disability (within the meaning of Section 22(e)(3) of the Code).

(2) In addition to the vesting provisions contained in Sections 2(b), and 2(c)(1) above, you will have a vested right to receive payment in respect of your CPUs in the event that a Change in Control occurs during the Performance Cycle. The amount payable in accordance with this Section 2(c)(2) shall be an amount equal to (i) the amount determined by applying the formula specified in Section 3(a) solely with respect to any already completed calendar year in Performance Cycle, plus (ii) the amount that would have been payable for the then current year, assuming that the Performance Goals for such year are achieved at a level that provides for payment at 100% of the portion of the award payable in respect of performance for such calendar year, multiplied by a fraction, the numerator of which is the number of days in such then current calendar year through and including the date on which the Change in Control occurs,

(c) Forfeiture of Unvested CPUs. Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates prior to the end of the Performance Cycle for any reason other than Death, Disability, Retirement prior to the end of the Performance Cycle, any CPUs you held will be forfeited and canceled as of the date of such termination of Service without any right for you to receive any payment in respect thereof. For the avoidance of doubt, this means that your rights with respect to unvested CPUs shall in all events be immediately forfeited and canceled as of the date of your voluntary termination of employment other than due to Retirement or the termination of your Service by each of your Employers with or without Cause. For purposes of this Agreement, "Cause" means (i) your willful failure to perform substantially your duties; (ii) your willful or serious misconduct that has caused, or could reasonably be expected to result in, material injury to the business or reputation of an Employer; (iii) your conviction of, or entering a plea of guilty or nolo contendere to, a crime constituting a felony; (iv) your breach of any written covenant or agreement with an Employer, any material written policy of any Employer or any Employer's code of conduct or code of ethics, or (v) your failure to cooperate with an Employer in any internal investigation or administrative, regulatory or judicial proceeding. In addition, your Service shall be deemed to have terminated for Cause if, after your Service has terminated (for a reason other than Cause), facts and circumstances are discovered that would have justified a termination for Cause. Your CPUs will also be immediately forfeited and canceled in accordance with Section 6 upon your breach of the provisions set forth in Section 6.

(d) Demotion. In the event that, during a Performance Cycle, you are demoted to a position which, under the Company's generally applicable policies and procedures, would not ordinarily be eligible to receive a grant of CPUs (or which would not be eligible for a grant of a comparable amount of CPUs), the Committee shall have the right, but not the obligation, to forfeit your CPU Award in connection with such demotion, to reduce the number of units subject to this CPU Award or to impose additional conditions on the vesting of such CPU Award, in each case in its sole discretion.

(e) Repayment. Participant agrees and acknowledges that this Award Agreement is subject to any policies that the

and the denominator of which is 365. In the event that a Change in Control occurs following the completion of the Performance Cycle, but prior to the date of payment, if any, in respect of your CPUs, you shall be entitled to receive a payment in the amount, if any, determined to be payable in accordance with Section 3(a). The provisions of this Section 2(c)(2) shall apply notwithstanding the terms and conditions of any other agreement between you and the Company.

Committee may adopt from time to time with respect to the repayment to the Company of any benefit received hereunder, including "clawback" policies.

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3. Payment in Respect of CPUs.

(a) Payment Following Performance Cycle. Following (but not later than 60 days after) the end of each year in the Performance Cycle, the Committee shall determine the extent to which the Performance Goals have been achieved, in accordance with the Performance Goals established for such year pursuant to Section 2(a). The amount, if any, payable in respect of each of your CPUs outstanding as of the end of the Performance Cycle shall be equal to the sum of the products determined separately for each year in the Performance Cycle of (i) the target value of each CPU, as established in the Notice of Grant, (ii) one-third of the number of CPUs subject to this Award and (iii) the percentage of achievement of the Performance Goals for such year, as certified by the Committee based on the criteria established pursuant to Section 2(a). The Company will pay you (or to your estate in the event of your Death) an amount in cash equal to the product established pursuant to the preceding sentence, as soon as practicable after the Committee certifies the achievement of the Performance Goals, but in no event later than 74 days after the date the Performance Cycle ends.

(b) Compliance With Law. The Plan, the granting and exercising of this CPU, and any obligations of the Company under the Plan, shall be subject to all applicable federal, state and foreign country laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Stock is listed.

4. Tax Withholding. The Employer shall have the right to deduct from all amounts payable to you in cash (whether under this Agreement or otherwise) any amount required by law to be withheld in respect of the CPUs as may be necessary in the opinion of the Employer to satisfy any applicable tax withholding requirements under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes and social security contributions that are required by law to be withheld.

5. Transfer of CPUs. Except to the extent that an amount shall be payable to your estate or beneficiary under Section 2(b)(1) upon your Death, the CPUs granted herein are not transferable.

of the termination of your employment with the Company and its Subsidiaries as the “Company Business”); (ii) your work for and position with the Company and/or one of its Subsidiaries has allowed you, and will continue to allow you, access to trade secrets of, and Confidential Information concerning the Company Business; (iii) the Company Business is national and international in scope; (iv) the Company would not have agreed to grant you this Award but for the agreements and covenants contained in this Agreement; and (v) the agreements and covenants contained in this Agreement are necessary and essential to protect the business, goodwill, and customer relationships that Company and its Subsidiaries have expended significant resources to develop. The Company agrees and acknowledges that, on or following the date hereof, it will provide you with one or more of the following: (a) authorization to access Confidential Information through a new computer password or by other means, (b) authorization to represent the Company in communications with customers and other third parties to promote the goodwill of the business in accordance with generally applicable Company policies and (c) access to participate in certain restricted access meetings, conferences or training relating to your position with the Company. You understand and agree that if Confidential Information were used in competition against the Company, the Company would experience serious harm and the competitor would have a unique advantage against the Company.

(b) For purposes of this Agreement, “Confidential Information” shall mean all business records, trade secrets, know-how, customer lists or compilations, terms of customer agreements, sources of supply, pricing or cost information, financial information or personnel data and other confidential or proprietary information used and/or obtained by you in the course of your employment with the Company or any Subsidiary; provided that the term “Confidential Information” will not include information which (i) is or becomes publicly available other than as a result of a disclosure by you which is prohibited by this agreement or by any other legal, contractual or fiduciary obligation that you may owe to the Company or any Subsidiary, or (ii) is widely known within one or more of the industries in which the Company or any Subsidiary operates, or you can demonstrate was otherwise known to you prior to becoming an employee of the Company or any Subsidiary, or (iii) is or

6. Covenants Not to Disclose, Compete or Solicit.

(a) You acknowledge that (i) the Company is engaged in a continuous program of research, development and production respecting its business throughout the United States (the foregoing, together with any other businesses in which the Company engages from the date hereof to the date

becomes available to you on a non-confidential basis from a source (other than the Company or any Subsidiary, including any employee thereof) that is not prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation to the Company or any Subsidiary. You agree to keep Confidential Information confidential and not to engage in unauthorized use or disclosure of Confidential Information. You 2013 CPU further agree that upon termination of your employment (or earlier if so requested) you will preserve and



return to the Company any and all records in your possession or control, tangible and intangible, containing any Confidential Information. You further agree not to keep or retain any copies of such records without written authorization from a duly authorized officer of the Company covering the specific item retained.

(c) Ancillary to the foregoing and this Award, you hereby agree that, during the term of your employment with the Company or any Subsidiary and for a period of two years thereafter (the “Restricted Period”), you will not, directly or indirectly, individually or on behalf of any person or entity other than the Company or any of its Subsidiaries:

(i) Provide Competing Services (as defined below) to any company or business (other than the Company or any Subsidiary) engaged primarily in the manufacture, distribution, sale or marketing of any of the Relevant Products (as defined below) in the Relevant Market Area (as defined below);

(ii) Approach, consult, solicit business from, or contact or otherwise communicate, directly or indirectly, in any way with any Customer (as defined below) in an attempt to (1) divert business from, or interfere with any business relationship of the Company or any of its Subsidiaries, or (2) convince any Customer to change or alter any of such Customer’s existing or prospective contractual terms and conditions with the Company or any Subsidiary; or

(iii) Solicit, induce, recruit or encourage, either directly or indirectly, any employee of the Company or any Subsidiary to leave his or her employment with the Company or any Subsidiary or employ or offer to employ any employee of the Company or any Subsidiary. For the purposes of this section, an employee of the Company or any Subsidiary shall be deemed to be an employee of the Company or any Subsidiary while employed by the Company and for a period of sixty (60) days thereafter.

(d) For purposes of this Agreement, the following terms shall have the meanings indicated:

(i) to provide “Competing Services” means to provide, manage, supervise, or consult about (whether as an employee, owner, partner, stockholder, investor, joint venturer, lender,

(ii) “Customer” means any and all persons or entities who purchased any Relevant Product from the Company or any Subsidiary during the term of your employment with the Company or any Subsidiary and as to whom, within the course of the last two (2) years of your employment with the Company or any Subsidiary, (a) you or someone under your supervision had contact and/or (b) you received or had access to Confidential Information.

(iii) “Relevant Product(s)” means (i) milk or milk-based beverages, (ii) creams, (iii) dairy or other non-dairy coffee creamers or other coffee whiteners, (iv) ice cream or ice cream novelties, (v) ice cream mix, (vi) cultured dairy products, (vii) soy milk or any other soy-based beverage or cultured soy product, (viii) organic dairy products (including milk, cream and cultured dairy products) or organic juice, and/or (ix) any other product not listed above that was developed or sold by the Company or a Subsidiary within the course of the last two (2) years of your employment with the Company or any Subsidiary.

(iv) “Relevant Market Area” means the counties (or county equivalents) in the United States where the Company does business that you assist in providing services to and/or receive Confidential Information about in the two year period preceding the termination of your employment so long as the Company continues to do business in that geographic market area during the Restricted Period.

(e) Notwithstanding the foregoing, (1) the restrictions of subsection 6(a) above shall not prohibit your employment with a non-competing, independently operated subsidiary, division, or unit of a diversified company (even if other separately operated portions of the diversified company are involved in Relevant Products) if in advance of your providing any services, you and the diversified company that is going to employ you both provide the Company with written assurances that are satisfactory to the Company establishing that (a) the entity, subsidiary, division, or unit of the diversified business that you are going to be employed in is not involved in Relevant Products or preparing to become involved in Relevant Products, and (b) your position will not involve Competing Services of any kind, and (2) you are not prohibited from owning, either of record or beneficially, not more than five percent (5%) of the shares or other equity of any

director, manager, officer, employee, consultant, independent contractor, representative or agent, or otherwise) any services that are similar in purpose or function to services you provided to the Company in the two year period preceding the termination of your employment, that might involve the use or disclosure of Confidential Information, or that would involve business opportunities related to Relevant Products.

publicly traded company. Your obligation under this Section 6 shall survive the vesting or forfeiture of your CPUs and/or payment in satisfaction of your rights under this Agreement.

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(f) Any breach of any provision of this Section 6 will result in immediate and complete forfeiture of your unpaid CPUs. In addition, you hereby agree that if you violate any provision of this Section 6, the Company will be entitled to injunctive relief, specific performance, or such other legal and equitable relief as is needed to prevent or enjoin any violation of the provisions of this Agreement in addition to and not to the exclusion of any other remedy that may be allowed by law for damages experienced prior to the issuance of injunctive relief. You also agree that, if you are found to have breached any of the time-limited covenants in this Section 6, the time period during which you are subject to such covenant shall be extended by one day for each day you are found to have violated such restriction, up to a maximum of two years.

(g) You acknowledge that you have given careful consideration to the restraints imposed by this Agreement, and you fully agree that they are necessary for the reasonable and proper protection of the business of the Company and its Subsidiaries. The restrictions set forth herein shall be construed as a series of separate and severable covenants. You agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period, and geographical area. Except as expressly set forth herein, the restraints imposed by this Agreement shall continue during their full time periods and throughout the geographical area set forth in this Agreement.

(h) You stipulate and agree that one of the purposes of this Agreement is to fully resolve and bring finality to any concerns over the enforceability of the Restrictive Covenants. You also stipulate and agree that (a) the enforceability of the Restrictive Covenants and (b) the Company's agreement herein to provide you with this CPU Award are mutually dependent clauses and obligations without which this Agreement would not be made by the parties. Accordingly, you agree not to sue or otherwise pursue a legal claim to set aside or avoid enforcement of the Restrictive Covenants. And, in the event that you or any other party pursues a legal challenge to the enforceability of any material provision of the restrictions in Section 6 of this Agreement and a material provision is found unenforceable by a court of law or other legally binding authority such that you are no longer bound by a material provision of Section 6, then (1) your unpaid CPUs shall be forfeited and (2) you hereby agree that you will return to the Company any amounts that were

Confidential Information, and other business interests of the Company and its Subsidiaries with effective protection. And, in the event that such reformation of the restriction is acceptable to the Company, then the forfeiture and rescission (return of gain) remedies provided for in subsection 6(h) above shall not apply.

(j) The provisions of this Section 6 are not intended to override, supercede, reduce, modify or affect in any manner any other non-competition or non-solicitation agreement between you and the Company or any Subsidiary, and instead are intended to supplement any such agreements.

7. Plan Incorporated. You accept the CPUs hereby granted subject to all the provisions of the Plan, which, except as expressly contradicted by the terms hereof, are incorporated into this Agreement, including the provisions that authorize the Committee to administer and interpret the Plan and which provide that the Committee's decisions, determinations and interpretations with respect to the Plan are final and conclusive on all persons affected thereby.

8. Assignment of Intellectual Property Rights. In consideration of the granting of this CPU Award, you hereby agree that all right, title and interest to any and all products, improvements or processes ("Intellectual Property") whatsoever, discovered, invented or conceived during the course of employment with the Company or any of its Subsidiaries, relating to the subject matter of the business of the Company or any of its Subsidiaries or which may be directly or indirectly utilized in connection therewith, are vested in the Company, and you hereby forever waive any and all interest you have in such Intellectual Property and agree to assign such Intellectual Property to the Company. In addition, all writings produced in the course of work or employment for the Company or any Subsidiary are works produced for hire and the property of the Company and its Subsidiaries, including any copyrights for those writings.

9. Miscellaneous.

(a) No Guaranteed Employment. Nothing contained in this Agreement shall affect the right of the Company to terminate your employment at any time, with or without Cause, or shall be deemed to create any rights to employment on your part. The rights and obligations arising under this Agreement are not

previously paid to you. The foregoing is not intended as a liquidated damage remedy but is instead a return-of-gains and contractual rescission remedy due to the mutual dependent nature of the subject provisions in the Agreement.

(i) If any of the Restrictive Covenants are deemed unenforceable as written, you and the Company expressly authorize the court to revise, delete, or add to the restrictions contained in this Section 6 to the extent necessary to enforce the intent of the parties and to provide the goodwill,

intended to and do not affect the employment relationship that otherwise exists between the Company and you, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Company and you. To the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

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(b) Notices. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company at its principal executive offices, and any notice to be given to you shall be addressed to you at the address set forth on the attached Notice of Grant, or at such other address for a party as such party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if mailed, postage prepaid, addressed as aforesaid.

(c) Binding Agreement. Subject to the limitations in this Agreement on the transferability by you of the Award granted herein, this Agreement shall be binding upon and inure to the benefit of the representatives, executors, successors or beneficiaries of the parties hereto. This Agreement may only be amended by a written document signed by you and the Company, provided, however, that if the amendment is not adverse to your interests, this Agreement may be amended by a written document executed solely by the Company.

(d) Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware and the United States, as applicable, without reference to the conflict of laws provisions thereof.

(e) Severability. Except as otherwise expressly provided for herein in Section 6 above, if any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by

modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

(f) Interpretation. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

(g) Entire Agreement. Except as otherwise provided for in Section 6 above, this Agreement and the Appendix A hereto constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(h) No Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(i) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

(j) Relief. In addition to all other rights or remedies available at law or in equity, the Company shall be entitled to injunctive and other equitable relief to prevent or enjoin any violation of the provisions of this Agreement.

END OF AGREEMENT

2013 CPU

totalrewards



2013 PHANTOM SHARES AWARD AGREEMENT

This AGREEMENT (this "Agreement"), effective as of the date indicated on the Notice of Grant delivered herewith (the "Notice of Grant"), is made and entered into by and between Dean Foods Company, a Delaware corporation (the "Company"), and the individual named on the Notice of Grant ("you").

WITNESSETH:

WHEREAS, the Board of Directors of the Company has adopted and approved the Dean Foods Company 2007 Stock Incentive Plan (the "Plan"), which Plan was approved as required by the Company's stockholders and provides for the grant of stock-based awards to certain selected Employees of the Company and its Subsidiaries (Capitalized terms used and not otherwise defined in this Agreement shall have the meanings set forth in the Plan); and

WHEREAS, during your employment, and based upon your position with the Company and/or its Subsidiaries, you have acquired and will continue to acquire, by reason of your position, substantial knowledge of the operations and practices of the business of the Company; and

WHEREAS, the Committee desires to award phantom shares (the "Phantom Shares") in accordance with the terms and conditions applicable to Other Stock-Based Awards pursuant to the Plan; and

WHEREAS, the Company desires to assure that, to the extent and for the period of your service and for a reasonable period thereafter, it may maintain the confidentiality of its trade secrets and proprietary information, and protect goodwill and other legitimate business interests, each of which could be compromised if any competitive business were to secure your services; and

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and as an inducement to you to continue as an employee of the Company (or its Subsidiaries), you and the Company hereby agree as follows:

1. Grant of Award. The Company hereby grants to you and you hereby accept, subject to the terms and conditions set forth in the Plan and in this Agreement, the number of Phantom Shares shown on the Notice of Grant, effective as of the date indicated on the Notice of Grant (the "Date of Grant"). Each Phantom Share represents the right to receive the cash value of one share of the Company's Stock, subject to the terms and conditions set forth in the Plan and in this Agreement. No shares of Stock shall be issuable upon vesting of the Phantom Shares granted to you pursuant to this Agreement. You must accept this Phantom Share Award in the manner designated by the Company in the Notice of Grant (e.g. electronic acceptance) not later than 90 days after the Date of Grant, or electronic notification of such Grant, whichever occurs later, or this Award will be rendered void and without effect. Subject to the provisions of Sections 2(c), 2(d), 3(b) and 7 hereof, this Award of Phantom Shares is irrevocable and is intended to conform in all respects with the Plan.

2. Vesting.

(a) Regular Vesting. Except as otherwise provided in the Plan or in this Section 2, your Phantom Shares will vest ratably in three (3) equal annual increments commencing on the first anniversary of the Date of Grant.

(b) Accelerated Vesting.

(1) Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates by reason of Death, Disability or Retirement during the Restriction Period, all unvested Phantom Shares you held at the time of such

WHEREAS, the Phantom Shares provided for under the Plan are intended to comply with the requirements of Rule 16b-3 under the Securities Exchange Act of 1934, as amended; and

WHEREAS, the Committee has selected you to participate in the Plan and has awarded to you Phantom Shares, described in this Agreement and in the Notice of Grant.

termination will vest in full at the date of such termination. For purposes of this Agreement, "Retirement" shall be defined as your retirement from employment or other service to the Company or any Subsidiary after you reach age sixty-five (65). "Disability" shall be defined as your permanent and total disability (within the meaning of Section 22(e)(3) of the Code).

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(2) In addition to the vesting provisions contained in Sections 2(a) and 2(b)(1) above, your Phantom Shares will automatically and immediately vest in full upon a Change in Control.

(c) Forfeiture of Unvested Phantom Shares. Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates for any reason other than Death, Disability or Retirement during the Restriction Period, any Phantom Shares you held will be forfeited and canceled as of the date of such termination of Service. Notwithstanding anything to the contrary in this Section 2, your rights with respect to unvested Phantom Shares shall in all events be immediately forfeited and canceled as of the date of your termination of Service for Cause as defined in Section 3(b) below.

(d) Repayment. Participant agrees and acknowledges that this Award Agreement is subject to any policies that the Committee may adopt from time to time with respect to the repayment to the Company of any benefit received hereunder, including “clawback” policies.

3. Value; Forfeiture.

(a) Payment Upon Vesting. The Company will pay to you (or to your estate in the event of your Death) the cash value of the Shares of Stock represented by the Phantom Shares that vested on such vesting date as soon as administratively practicable after such vesting date but in no event later than the fifteenth day of the third calendar month beginning after the calendar year in which such Phantom Shares shall have become vested. Notwithstanding the immediately preceding sentence, any Phantom Shares subject to this grant or any similar grants outstanding on the date hereof that become vested on account of your Retirement shall be distributed to you as soon as administratively practicable (but in no event more than 60 days) following the date of your separation from service from the Company, except that, if you are a specified employee (within the meaning of Section 409A of the Code), such distribution shall be made on the day following the six month anniversary of your separation from service. Any payment made hereunder shall be calculated by multiplying the closing sales price of the Stock on the vest date (or, in the case of a distribution due to Retirement, the date of your separation from service) times the

(b) Forfeiture of Phantom Shares. Notwithstanding any provision of this Agreement or the Plan to the contrary, if you are discharged from the employment of the Company or any of its Subsidiaries for Cause (as defined below), your rights in your unvested Phantom Shares will be immediately forfeited and canceled as of such termination date. For purposes of this Agreement, “Cause” means your (i) willful failure to perform substantially your duties; (ii) willful or serious misconduct that has caused, or could reasonably be expected to result in, material injury to the business or reputation of an Employer; (iii) conviction of, or entering a plea of guilty or *nolo contendere* to, a crime constituting a felony; (iv) breach of any written covenant or agreement with an Employer, any material written policy of any Employer or any Employer’s code of conduct or code of ethics, or (v) failure to cooperate with an Employer in any internal investigation or administrative, regulatory or judicial proceeding. In addition, your Service shall be deemed to have terminated for Cause if, after your Service has terminated (for a reason other than Cause), facts and circumstances are discovered that would have justified a termination for Cause. Your Phantom Shares will also be immediately forfeited and canceled in accordance with Section 7 upon your breach of the provisions set forth in Section 7.

(c) Compliance With Law. The Plan, the granting and payment with respect to any Phantom Shares, and any obligations of the Company under the Plan, shall be subject to all applicable federal, state and foreign country laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the granting and payment with respect to any Phantom Shares, and neither the Company nor its directors or officers shall have any obligation or liability to you with respect to any Phantom Shares that shall lapse because of such postponement.

4. Stockholder Rights. Except as set forth in the Plan, neither you nor any person claiming under or through you shall be, or have any of the rights or privileges of, a stockholder of the Company in respect of the Phantom Shares.

5. Tax Withholding. The Employer shall have the right to deduct from all amounts paid to you in cash (whether under this Plan or otherwise) any amount required by law to be withheld in

number of Phantom Shares distributable on such date in accordance with Section 2(a) of this Agreement.

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respect of Awards under this Plan as may be necessary in the opinion of the Employer to satisfy any applicable tax withholding requirements under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld.

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6. Transfer of Phantom Shares. The Phantom Shares granted herein are not transferable except in accordance with the provisions of the Plan.

7. Covenants Not to Disclose, Compete or Solicit.

(a) You acknowledge that (i) the Company is engaged in a continuous program of research, development and production respecting its business throughout the United States (the foregoing, together with any other businesses in which the Company engages from the date hereof to the date of the termination of your employment with the Company and its Subsidiaries as the "Company Business"); (ii) your work for and position with the Company and/or one of its Subsidiaries has allowed you, and will continue to allow you, access to trade secrets of, and Confidential Information concerning the Company Business; (iii) the Company Business is national and international in scope; (iv) the Company would not have agreed to grant you this Award but for the agreements and covenants contained in this Agreement; and (v) the agreements and covenants contained in this Agreement are necessary and essential to protect the business, goodwill, and customer relationships that Company and its Subsidiaries have expended significant resources to develop. The Company agrees and acknowledges that, on or following the date hereof, it will provide you with one or more of the following: (a) authorization to access Confidential Information through a new computer password or by other means, (b) authorization to represent the Company in communications with customers and other third parties to promote the goodwill of the business in accordance with generally applicable Company policies and (c) access to participate in certain restricted access meetings, conferences or training relating to your position with the Company. You understand and agree that if Confidential Information were used in competition against the Company, the Company would experience serious harm and the competitor would have a unique advantage against the Company.

(b) For purposes of this Agreement, "Confidential Information" shall mean all business records, trade secrets, know-how, customer lists or compilations, terms of customer agreements, sources of supply, pricing or cost information, financial information or personnel data and other confidential or proprietary information used and/or obtained by you in the

may owe to the Company or any Subsidiary, or (ii) is widely known within one or more of the industries in which the Company or any Subsidiary operates, or you can demonstrate was otherwise known to you prior to becoming an employee of the Company or any Subsidiary, or (iii) is or becomes available to you on a non-confidential basis from a source (other than the Company or any Subsidiary, including any employee thereof) that is not prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation to the Company or any Subsidiary. You agree not to engage in unauthorized use or disclosure of Confidential Information, and agree that upon termination of your employment (or earlier if so requested) you will preserve and return to the Company any and all records in your possession or control, tangible and intangible, containing any Confidential Information. You further agree not to keep or retain any copies of such records without written authorization from a duly authorized officer of the Company covering the specific item retained.

(c) Ancillary to the foregoing and this Award, you hereby agree that, during the term of your employment with the Company or any Subsidiary and for a period of two years thereafter (the "Restricted Period"), you will not, directly or indirectly, individually or on behalf of any person or entity other than the Company or any of its Subsidiaries: (i) Provide Competing Services (as defined below) to any company or business (other than the Company or any Subsidiary) engaged primarily in the manufacture, distribution, sale or marketing of any of the Relevant Products (as defined below) in the Relevant Market Area (as defined below); (ii) Approach, consult, solicit business from, or contact or otherwise communicate, directly or indirectly, in any way with any Customer (as defined below) in an attempt to (1) divert business from, or interfere with any business relationship of the Company or any of its Subsidiaries, or (2) convince any Customer to change or alter any of such Customer's existing or prospective contractual terms and conditions with the Company or any Subsidiary; or (iii) Solicit, induce, recruit or encourage, either directly or indirectly, any employee of the Company or any Subsidiary to leave his or her employment with the Company or any Subsidiary or employ or offer to employ any employee of the Company or any Subsidiary. For the purposes of this section, an employee of the Company or any Subsidiary shall be deemed to be an employee of the

course of your employment with the Company or any Subsidiary; provided that the term "Confidential Information" will not include information which (i) is or becomes publicly available other than as a result of a disclosure by you which is prohibited by this agreement or by any other legal, contractual or fiduciary obligation that you

Company or any Subsidiary while employed by the Company and for a period of sixty (60) days thereafter.

(d) For purposes of this Agreement, the following terms shall have the meanings indicated:

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(i) to provide “Competing Services” means to provide, manage, supervise, or consult about (whether as an employee, owner, partner, stockholder, investor, joint venturer, lender, director, manager, officer, employee, consultant, independent contractor, representative or agent, or otherwise) any services that are similar in purpose or function to services you provided to the Company in the two year period preceding the termination of your employment, that might involve the use or disclosure of Confidential Information, or that would involve business opportunities related to Relevant Products.

(ii) “Customer” means any and all persons or entities who purchased any Relevant Product from the Company or any Subsidiary during the term of your employment with the Company or any Subsidiary and as to whom, within the course of the last two (2) years of your employment with the Company or any Subsidiary, (a) you or someone under your supervision had contact and/or (b) you received or had access to Confidential Information.

(iii) “Relevant Product(s)” means (i) milk or milk-based beverages, (ii) creams, (iii) dairy or other non-dairy coffee creamers or other coffee whiteners, (iv) ice cream or ice cream novelties, (v) ice cream mix, (vi) cultured dairy products, (vii) soy milk or any other soy-based beverage or cultured soy product, (viii) organic dairy products (including milk, cream and cultured dairy products) or organic juice, and/or (ix) any other product not listed above that was developed or sold by the Company or a Subsidiary within the course of the last two (2) years of your employment with the Company or any Subsidiary.

(iv) “Relevant Market Area” means the counties (or county equivalents) in the United States where the Company does business that you assist in providing services to and/or receive Confidential Information about in the two year period preceding the termination of your employment so long as the Company continues to do business in that geographic market area during the Restricted Period.

(e) Notwithstanding the foregoing, (1) the restrictions of subsection 7(a) above shall not prohibit your employment with a non-competing, independently operated subsidiary, division, or unit of a diversified company (even if other separately operated portions of the diversified company are involved in Relevant

involved in Relevant Products, and (b) your position will not involve Competing Services of any kind, and (2) you are not prohibited from owning, either of record or beneficially, not more than five percent (5%) of the shares or other equity of any publicly traded company. Your obligation under this Section 7 shall survive the vesting or forfeiture of your RSUs and/or the distribution or forfeiture of the underlying Shares.

(f) Any breach of any provision of this Section 7 will result in immediate and complete forfeiture of your unvested Phantom Shares. In addition, you hereby agree that if you violate any provision of this Section 7, the Company will be entitled to injunctive relief, specific performance, or such other legal and equitable relief as is needed to prevent or enjoin any violation of the provisions of this Agreement in addition to and not to the exclusion of any other remedy that may be allowed by law for damages experienced prior to the issuance of injunctive relief. You also agree that, if you are found to have breached any of the time-limited covenants in this Section 7, the time period during which you are subject to such covenant shall be extended by one day for each day you are found to have violated such restriction, up to a maximum of two years.

(g) You acknowledge that you have given careful consideration to the restraints imposed by this Agreement, and you fully agree that they are necessary for the reasonable and proper protection of the business of the Company and its Subsidiaries. The restrictions set forth herein shall be construed as a series of separate and severable covenants. You agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period, and geographical area. Except as expressly set forth herein, the restraints imposed by this Agreement shall continue during their full time periods and throughout the geographical area set forth in this Agreement.

(h) You stipulate and agree that one of the purposes of this Agreement is to fully resolve and bring finality to any concerns over the enforceability of the Restrictive Covenants. You also stipulate and agree that (a) the enforceability of the Restrictive Covenants and (b) the Company’s agreement herein to provide you with this Phantom Share Award are mutually dependent clauses and obligations without which this Agreement would not be made by the parties. Accordingly, you agree not to sue otherwise pursue a legal claim to set aside or avoid enforcement

Products) if in advance of your providing any services, you and the diversified company that is going to employ you both provide the Company with written assurances that are satisfactory to the Company establishing that (a) the entity, subsidiary, division, or unit of the diversified business that you are going to be employed in is not involved in Relevant Products or preparing to become

of the Restrictive Covenants. And, in the event that you or any other party pursues a legal challenge to the enforceability of any material provision of the restrictions in Section 7 of this Agreement and a material provision is found unenforceable by a court of law or other legally binding authority such that you are no longer bound by a material provision of Section 7, then

2013 Phantom
Shares



(1) your unvested Phantom Shares shall be forfeited and (2) you hereby agree that you will return to the Company the cash value of any Award paid to you hereunder (less any taxes paid by you). The foregoing is not intended as a liquidated damage remedy but is instead a return-of-gains and contractual rescission remedy due to the mutual dependent nature of the subject provisions in the Agreement.

(i) If any of the Restrictive Covenants are deemed unenforceable as written, you and the Company expressly authorize the court to revise, delete, or add to the restrictions contained in this Section 7 to the extent necessary to enforce the intent of the parties and to provide the goodwill, Confidential Information, and other business interests of the Company and its Subsidiaries with effective protection. And, in the event that such reformation of the restriction is acceptable to the Company, then the forfeiture and rescission (return of gain) remedies provided for in subsection 7(h) above shall not apply.

(j) The provisions of this Section 7 are not intended to override, supercede, reduce, modify or affect in any manner any other non-competition or non-solicitation agreement between you and the Company or any Subsidiary, and instead are intended to supplement any such agreements.

8. Plan Incorporated. You accept the Phantom Shares hereby granted subject to all the provisions of the Plan, which, except as expressly contradicted by the terms hereof, are incorporated into this Agreement, including the provisions that authorize the Committee to administer and interpret the Plan and which provide that the Committee's decisions, determinations and interpretations with respect to the Plan are final and conclusive on all persons affected thereby.

9. Assignment of Intellectual Property Rights. In consideration of the granting of this Phantom Share Award, you hereby agree that all right, title and interest to any and all products, improvements or processes (“Intellectual Property”) whatsoever, discovered, invented or conceived during the course of employment with the Company or any of its Subsidiaries, relating to the subject matter of the business of the Company or any of its Subsidiaries or which may be directly or indirectly utilized in connection therewith, are vested in the Company, and you hereby forever waive any and all interest you have in such Intellectual Property and agree to assign such Intellectual

10. Miscellaneous.

(a) No Guaranteed Employment. Nothing contained in this Agreement shall affect the right of the Company to terminate your employment at any time, with or without Cause, or shall be deemed to create any rights to employment on your part. The rights and obligations arising under this Agreement are not intended to and do not affect the employment relationship that otherwise exists between the Company and you, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Company and you. To the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

(b) Notices. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company at its principal executive offices, and any notice to be given to you shall be addressed to you at the address set forth on the attached Notice of Grant, or at such other address for a party as such party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if mailed, postage prepaid, addressed as aforesaid.

(c) Binding Agreement. Subject to the limitations in this Agreement on the transferability by you of the Award granted herein, this Agreement shall be binding upon and inure to the benefit of the representatives, executors, successors or beneficiaries of the parties hereto.

(d) Governing Law. **The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware and the United States, as applicable, without reference to the conflict of laws provisions thereof.**

(e) Severability. Except as otherwise expressly provided for herein in Section 7 above, if any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to

Property to the Company. In addition, all writings produced in the course of work or employment for the Company or any Subsidiary are works produced for hire and the property of the Company and its Subsidiaries, including any copyrights for those writings.

make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

2013 Phantom
Shares



(f) Interpretation. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

(g) Entire Agreement. Except as otherwise provided for in Section 7 above, this Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(h) No Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(i) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

(j) Relief. In addition to all other rights or remedies available at law or in equity, the Company shall be entitled to injunctive and other equitable relief to prevent or enjoin any violation of the provisions of this Agreement.

END OF AGREEMENT

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Shares

totalrewards



2013 DEAN CASH AWARD AGREEMENT

This AGREEMENT (this "Agreement"), effective as of the date indicated on the Notice of Grant delivered herewith (the "Notice of Grant"), is made and entered into by and between Dean Foods Company, a Delaware corporation (the "Company"), and the individual named on the Notice of Grant ("you").

WITNESSETH:

WHEREAS, the Compensation Committee of the Board of Directors of the Company has determined to grant awards of cash ("Dean Cash"), subject to the terms and conditions as set forth herein to certain selected Employees of the Company and any business entity in which the Company possesses directly or indirectly fifty percent (50%) or more of the total combined voting power (a "Subsidiary"); and

WHEREAS, during your employment, and based upon your position with the Company and/or its Subsidiaries, you have acquired and will continue to acquire, by reason of your position, substantial knowledge of the operations and practices of the business of the Company; and

WHEREAS, the Company desires to assure that, to the extent and for the period of your service and for a reasonable period thereafter, it may maintain the confidentiality of its trade secrets and proprietary information, and protect goodwill and other legitimate business interests, each of which could be compromised if any competitive business were to secure your services; and

WHEREAS, the Committee has selected you to receive a Dean Cash Award described in this Agreement and in the Notice of Grant.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, and as an inducement to you to continue as an employee of the

electronic notification of such Grant, whichever occurs later, or this Award will be rendered void and without effect. Subject to the provisions of Sections 2(c), 2(d), 3(b) and 7 hereof, this Dean Cash Award is irrevocable.

2. Vesting.

(a) Regular Vesting. Except as otherwise provided in your Notice of Grant or this Section 2, your Dean Cash Award will vest in full on the date set forth in your Notice of Grant.

(b) Accelerated Vesting.

(1) Unless otherwise determined by the Committee, or except as provided in another written agreement between you and your Employer, if your Service terminates by reason of Death, Disability or Retirement prior to the vesting date of your Dean Cash Award set forth in the Notice of Grant, you shall be entitled to receive a payment in respect of your unvested Dean Cash Award determined in accordance with this Section 2(b)(1). Such payment shall be equal to the amount determined by multiplying the amount of the Dean Cash Award set forth in the Notice of Grant, multiplied by a fraction, the numerator of which is the number of your full months of Service completed beginning on the date of grant through and including the date of your termination of employment, and the denominator of which is the total number of full months that had been scheduled to occur during the vesting period without regard to this Section 2(b)(1); provided that, for purposes of this fraction, a partial month of Service consisting of 15 or more days of Service shall be treated as though a full month of Service. For purposes of this Agreement, "Retirement" shall be defined as your retirement from employment or other service to the Company or any Subsidiary after you reach age sixty-five (65). "Disability" shall be defined as your permanent and total disability (within the meaning of Section 22(e)(3) of the Code).

Company (or its Subsidiaries), you and the Company hereby agree as follows:

1. Grant of Award. The Company hereby grants to you and you hereby accept, subject to the terms and conditions set forth in this Agreement, the amount of Dean Cash shown on the Notice of Grant, effective as of the date indicated on the Notice of Grant (the "Date of Grant"). You must accept this Dean Cash Award in the manner designated by the Company in the Notice of Grant (e.g. electronic acceptance) not later than 90 days after the Date of Grant, or

(2) In addition to the vesting provisions contained in Sections 2(a) and 2(b)(1) above, your unvested Dean Cash Award will automatically and immediately vest in full upon a Change in Control.

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(c) Forfeiture of Unvested Dean Cash Awards. Unless otherwise determined by the Committee, or except as provided in an agreement between you and your Employer, if your Service terminates for any reason other than Death, Disability or Retirement during the Restriction Period, your unvested Dean Cash Award held will be forfeited and canceled as of the date of such termination of Service. Notwithstanding anything to the contrary in this Section 2, your rights with respect to any unvested portion of your Dean Cash Award shall in all events be immediately forfeited and canceled as of the date of your termination of Service for Cause as defined in Section 3(b) below.

(d) Repayment. Participant agrees and acknowledges that this Award Agreement is subject to any policies that the Committee may adopt from time to time with respect to the repayment to the Company of any benefit received hereunder, including “clawback” policies.

3. Value; Forfeiture.

(a) Payment Upon Vesting. The Company will pay to you (or to your estate in the event of your Death) the cash amount set forth on the Notice of Grant that vested on such vesting date as soon as administratively practicable after such vesting date but in no event later than the fifteenth day of the third calendar month beginning after the calendar year in which the Dean Cash Award shall have become vested. Notwithstanding the immediately preceding sentence, any Dean Cash Awards subject to this grant or any similar grants outstanding on the date hereof that become vested on account of your Retirement shall be paid to you as soon as administratively practicable (but in no event more than 60 days) following the date of your separation from service from the Company, except that, if you are a specified employee (within the meaning of Section 409A of the Code), such payment shall be made on the day following the six month anniversary of your separation from service.

(b) Forfeiture of Shares. Notwithstanding any provision of this Agreement to the contrary, if you are discharged from the employment of the Company or any of its Subsidiaries for Cause (as defined below), your rights in your unvested Dean Cash Award will be immediately forfeited and canceled as of

have terminated for Cause if, after your Service has terminated (for a reason other than Cause), facts and circumstances are discovered that would have justified a termination for Cause. Your unvested Dean Cash Award will also be immediately forfeited and canceled in accordance with Section 7 upon your breach of the provisions set forth in Section 7.

(c) Compliance With Law. The granting of this Dean Cash Award shall be subject to all applicable federal, state and foreign country laws, rules and regulations, and to such approvals by any regulatory or governmental agency as may be required. The Company, in its discretion, may postpone the granting and payment with respect to the Dean Cash Award, and neither the Company nor its directors or officers shall have any obligation or liability to you with respect to any Dean Cash Award that shall lapse because of such postponement.

4. Stockholder Rights. Neither you nor any person claiming under or through you shall be, or have any of the rights or privileges of, a stockholder of the Company in respect of this Dean Cash Award.

5. Tax Withholding. The Employer shall have the right to deduct from all amounts paid to you in cash any amount required by law to be withheld in respect of this Dean Cash Award as may be necessary in the opinion of the Employer to satisfy any applicable tax withholding requirements under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld.

6. Transfer of Dean Cash Award. The Dean Cash Award granted herein is not transferable.

7. Covenants Not to Disclose, Compete or Solicit.

(a) You acknowledge that (i) the Company is engaged in a continuous program of research, development and production respecting its business throughout the United States (the foregoing, together with any other businesses in which the Company engages from the date hereof to the date of the termination of your employment with the Company and its Subsidiaries as the “Company Business”); (ii) your work for and position with the Company and/or one of its Subsidiaries has

such termination date. For purposes of this Agreement, “Cause” means your (i) willful failure to perform substantially your duties; (ii) willful or serious misconduct that has caused, or could reasonably be expected to result in, material injury to the business or reputation of an Employer; (iii) conviction of, or entering a plea of guilty or *nolo contendere* to, a crime constituting a felony; (iv) breach of any written covenant or agreement with an Employer, any material written policy of any Employer or any Employer’s code of conduct or code of ethics, or (v) failure to cooperate with an Employer in any internal investigation or administrative, regulatory or judicial proceeding. In addition, your Service shall be deemed to

allowed you, and will continue to allow you, access to trade secrets of, and Confidential Information concerning the Company Business; (iii) the Company Business is national and international in scope; (iv) the Company would not have agreed to grant you this Award but for the agreements and covenants contained in this Agreement; and (v) the agreements and covenants contained

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in this Agreement are necessary and essential to protect the business, goodwill, and customer relationships that Company and its Subsidiaries have expended significant resources to develop. The Company agrees and acknowledges that, on or following the date hereof, it will provide you with one or more of the following: (a) authorization to access Confidential Information through a new computer password or by other means, (b) authorization to represent the Company in communications with customers and other third parties to promote the goodwill of the business in accordance with generally applicable Company policies and (c) access to participate in certain restricted access meetings, conferences or training relating to your position with the Company. You understand and agree that if Confidential Information were used in competition against the Company, the Company would experience serious harm and the competitor would have a unique advantage against the Company.

(b) For purposes of this Agreement, “Confidential Information” shall mean all business records, trade secrets, know-how, customer lists or compilations, terms of customer agreements, sources of supply, pricing or cost information, financial information or personnel data and other confidential or proprietary information used and/or obtained by you in the course of your employment with the Company or any Subsidiary; provided that the term “Confidential Information” will not include information which (i) is or becomes publicly available other than as a result of a disclosure by you which is prohibited by this agreement or by any other legal, contractual or fiduciary obligation that you may owe to the Company or any Subsidiary, or (ii) is widely known within one or more of the industries in which the Company or any Subsidiary operates, or you can demonstrate was otherwise known to you prior to becoming an employee of the Company or any Subsidiary, or (iii) is or becomes available to you on a non-confidential basis from a source (other than the Company or any Subsidiary, including any employee thereof) that is not prohibited from disclosing such information to you by a legal, contractual or fiduciary obligation to the Company or any Subsidiary. You agree not to engage in unauthorized use or disclosure of Confidential Information, and agree that upon termination of your employment (or earlier if so requested) you will preserve and return to the Company any and all records in your possession or control, tangible and intangible, containing any Confidential Information. You further agree not to

indirectly, individually or on behalf of any person or entity other than the Company or any of its Subsidiaries: (i) Provide Competing Services (as defined below) to any company or business (other than the Company or any Subsidiary) engaged primarily in the manufacture, distribution, sale or marketing of any of the Relevant Products (as defined below) in the Relevant Market Area (as defined below); (ii) Approach, consult, solicit business from, or contact or otherwise communicate, directly or indirectly, in any way with any Customer (as defined below) in an attempt to (1) divert business from, or interfere with any business relationship of the Company or any of its Subsidiaries, or (2) convince any Customer to change or alter any of such Customer’s existing or prospective contractual terms and conditions with the Company or any Subsidiary; or (iii) Solicit, induce, recruit or encourage, either directly or indirectly, any employee of the Company or any Subsidiary to leave his or her employment with the Company or any Subsidiary or employ or offer to employ any employee of the Company or any Subsidiary. For the purposes of this section, an employee of the Company or any Subsidiary shall be deemed to be an employee of the Company or any Subsidiary while employed by the Company and for a period of sixty (60) days thereafter.

(d) For purposes of this Agreement, the following terms shall have the meanings indicated:

(i) to provide “Competing Services” means to provide, manage, supervise, or consult about (whether as an employee, owner, partner, stockholder, investor, joint venturer, lender, director, manager, officer, employee, consultant, independent contractor, representative or agent, or otherwise) any services that are similar in purpose or function to services you provided to the Company in the two year period preceding the termination of your employment, that might involve the use or disclosure of Confidential Information, or that would involve business opportunities related to Relevant Products.

(ii) “Customer” means any and all persons or entities who purchased any Relevant Product from the Company or any Subsidiary during the term of your employment with the Company or any Subsidiary and as to whom, within the course of the last two (2) years of your employment with the Company or any Subsidiary, (a) you or someone under your supervision had

keep or retain any copies of such records without written authorization from a duly authorized officer of the Company covering the specific item retained.

(c) Ancillary to the foregoing and this Award, you hereby agree that, during the term of your employment with the Company or any Subsidiary and for a period of two years thereafter (the "Restricted Period"), you will not, directly or

contact and/or (b) you received or had access to Confidential Information.

(iii) "Relevant Product(s)" means (i) milk or milk-based beverages, (ii) creams, (iii) dairy or other non-dairy coffee creamers or other coffee whiteners, (iv) ice cream or ice cream novelties, (v) ice cream mix, (vi) cultured dairy products, (vii) soy milk or any other soy-based beverage or

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cultured soy product, (viii) organic dairy products (including milk, cream and cultured dairy products) or organic juice, and/or (ix) any other product not listed above that was developed or sold by the Company or a Subsidiary within the course of the last two (2) years of your employment with the Company or any Subsidiary.

(iv) "Relevant Market Area" means the counties (or county equivalents) in the United States where the Company does business that you assist in providing services to and/or receive Confidential Information about in the two year period preceding the termination of your employment so long as the Company continues to do business in that geographic market area during the Restricted Period.

(e) Notwithstanding the foregoing, (1) the restrictions of subsection 7(a) above shall not prohibit your employment with a non-competing, independently operated subsidiary, division, or unit of a diversified company (even if other separately operated portions of the diversified company are involved in Relevant Products) if in advance of your providing any services, you and the diversified company that is going to employ you both provide the Company with written assurances that are satisfactory to the Company establishing that (a) the entity, subsidiary, division, or unit of the diversified business that you are going to be employed in is not involved in Relevant Products or preparing to become involved in Relevant Products, and (b) your position will not involve Competing Services of any kind, and (2) you are not prohibited from owning, either of record or beneficially, not more than five percent (5%) of the shares or other equity of any publicly traded company. Your obligation under this Section 7 shall survive the vesting or forfeiture of your RSUs and/or the distribution or forfeiture of the underlying Shares.

(f) Any breach of any provision of this Section 7 will result in immediate and complete forfeiture of your unvested Dean Cash Award. In addition, you hereby agree that if you violate any provision of this Section 7, the Company will be entitled to injunctive relief, specific performance, or such other legal and equitable relief as is needed to prevent or enjoin any violation of the provisions of this Agreement in addition to and not to the exclusion of any other remedy that may be allowed by law for damages experienced prior to the issuance of injunctive relief. You also agree that, if you are found to have breached any of the

and proper protection of the business of the Company and its Subsidiaries. The restrictions set forth herein shall be construed as a series of separate and severable covenants. You agree that each and every restraint imposed by this Agreement is reasonable with respect to subject matter, time period, and geographical area. Except as expressly set forth herein, the restraints imposed by this Agreement shall continue during their full time periods and throughout the geographical area set forth in this Agreement.

(h) You stipulate and agree that one of the purposes of this Agreement is to fully resolve and bring finality to any concerns over the enforceability of the Restrictive Covenants. You also stipulate and agree that (a) the enforceability of the Restrictive Covenants and (b) the Company's agreement herein to provide you with this Dean Cash Award are mutually dependent clauses and obligations without which this Agreement would not be made by the parties. Accordingly, you agree not to sue otherwise pursue a legal claim to set aside or avoid enforcement of the Restrictive Covenants. And, in the event that you or any other party pursues a legal challenge to the enforceability of any material provision of the restrictions in Section 7 of this Agreement and a material provision is found unenforceable by a court of law or other legally binding authority such that you are no longer bound by a material provision of Section 7, then (1) your unvested Dean Cash Award shall be forfeited and (2) you hereby agree that you will return to the Company the cash value of any Award paid to you hereunder (less any taxes paid by you). The foregoing is not intended as a liquidated damage remedy but is instead a return-of-gains and contractual rescission remedy due to the mutual dependent nature of the subject provisions in the Agreement.

(i) If any of the Restrictive Covenants are deemed unenforceable as written, you and the Company expressly authorize the court to revise, delete, or add to the restrictions contained in this Section 7 to the extent necessary to enforce the intent of the parties and to provide the goodwill, Confidential Information, and other business interests of the Company and its Subsidiaries with effective protection. And, in the event that such reformation of the restriction is acceptable to the Company, then the forfeiture and rescission (return of gain) remedies provided for in subsection 7(h) above shall not apply.

time-limited covenants in this Section 7, the time period during which you are subject to such covenant shall be extended by one day for each day you are found to have violated such restriction, up to a maximum of two years.

(g) You acknowledge that you have given careful consideration to the restraints imposed by this Agreement, and you fully agree that they are necessary for the reasonable

(j) The provisions of this Section 7 are not intended to override, supercede, reduce, modify or affect in any manner any other non-competition or non-solicitation agreement between you and the Company or any Subsidiary, and instead are intended to supplement any such agreements.

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8. Assignment of Intellectual Property Rights. In consideration of the granting of this Dean Cash Award, you hereby agree that all right, title and interest to any and all products, improvements or processes (“Intellectual Property”) whatsoever, discovered, invented or conceived during the course of employment with the Company or any of its Subsidiaries, relating to the subject matter of the business of the Company or any of its Subsidiaries or which may be directly or indirectly utilized in connection therewith, are vested in the Company, and you hereby forever waive any and all interest you have in such Intellectual Property and agree to assign such Intellectual Property to the Company. In addition, all writings produced in the course of work or employment for the Company or any Subsidiary are works produced for hire and the property of the Company and its Subsidiaries, including any copyrights for those writings.

9. Miscellaneous.

(a) No Guaranteed Employment. Nothing contained in this Agreement shall affect the right of the Company to terminate your employment at any time, with or without Cause, or shall be deemed to create any rights to employment on your part. The rights and obligations arising under this Agreement are not intended to and do not affect the employment relationship that otherwise exists between the Company and you, whether such employment relationship is at will or defined by an employment contract. Moreover, this Agreement is not intended to and does not amend any existing employment contract between the Company and you. To the extent there is a conflict between this Agreement and such an employment contract, the employment contract shall govern and take priority.

(b) Notices. Any notice to be given to the Company under the terms of this Agreement shall be addressed to the Company at its principal executive offices, and any notice to be given to you shall be addressed to you at the address set forth on the attached Notice of Grant, or at such other address for a party as such party may hereafter designate in writing to the other. Any such notice shall be deemed to have been duly given if mailed, postage prepaid, addressed as aforesaid.

(c) Binding Agreement. Subject to the limitations in this Agreement on the transferability by you of the Award

(e) Severability. Except as otherwise expressly provided for herein in Section 7 above, if any provision of this Agreement is declared or found to be illegal, unenforceable or void, in whole or in part, then the parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

(f) Interpretation. All section titles and captions in this Agreement are for convenience only, shall not be deemed part of this Agreement, and in no way shall define, limit, extend or describe the scope or intent of any provisions of this Agreement.

(g) Entire Agreement. Except as otherwise provided for in Section 7 above, this Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

(h) No Waiver. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute waiver of any such breach or any other covenant, duty, agreement or condition.

(i) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

(j) Relief. In addition to all other rights or remedies available at law or in equity, the Company shall be entitled to injunctive and other equitable relief to prevent or enjoin any violation of the provisions of this Agreement.

END OF AGREEMENT

granted herein, this Agreement shall be binding upon and inure to the benefit of the representatives, executors, successors or beneficiaries of the parties hereto.

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(d) **Governing Law**. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of Delaware and the United States, as applicable, without reference to the conflict of laws provisions thereof.



February 25, 2013

Dear Mr. Tanner:

I am pleased to confirm your new position of Chief Executive Officer (Grade 99) for Dean Foods Company, which was effective October 31, 2012.

Here are the specifics of your new assignment:

Base Salary

You will be paid \$41,666.67 on a semi-monthly basis, which equates to an annual salary of \$1,000,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 130% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives. For 2012, you will be eligible to earn an incentive payment that will be prorated based on the amount of time you were in each position.

Promotional Long Term Incentive Grant

In addition, you were awarded a one-time promotional RSU equity grant on 11/15/12 with a value of \$1,400,000, as approved by the Compensation Committee of the Dean Foods Board of Directors.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors or the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will continue to be eligible for the same number of PTO days you currently receive each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods or affiliated with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Indemnity Agreement

You will continue to be covered under the Director and Officer Indemnity Agreement signed between you and the company.

Severance

As the Chief Executive Officer, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan ("Severance Plan"). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a "qualifying termination", meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year's bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to two years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment, the promotional long-term incentive grant specified above, the increase in your base salary effected in connection with your promotion, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for "good reason" under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the "Morningstar Sale"), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the "WhiteWave Stock Sales"), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the "WhiteWave Distribution"). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will continue to be covered by your signed Change in Control agreement, which you previously executed in your former position as an Executive Officer of Dean Foods. In general, that agreement provides benefits of three times your annual salary and target bonus, plus vesting

of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Gregg, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Kim Warmbier

Kim Warmbier

EVP & CHRO, Dean Foods

Agreed and accepted:

/s/ Gregg Tanner

Gregg Tanner

Date



February 18, 2013

Shaun Mara
2901 Purdue
Dallas, Texas 75225

Re: Modification to Letter Agreement dated November 7, 2012

Dear Shaun:

Pursuant to the Letter Agreement dated November 7, 2012 between you and Dean Foods Company, the parties hereby agree that the "Resignation Date" as defined in the November 7, 2012 Letter Agreement shall be changed to April 1, 2013. This is the only modification to the Letter Agreement dated November 7, 2012, and all other terms, conditions and covenants remain in full force and effect.

Agreed and Accepted:

SHAUN MARA

/s/ Shaun Mara

Dated:

DEAN FOODS COMPANY

/s/ Gregg A. Tanner

Dated:

By: Gregg A. Tanner
Chief Executive Officer



February 18, 2013

Steven J. Kemps
717 Edward Court
Southlake, TX 76092

Re: Modification to Letter Agreement dated November 7, 2012

Dear Steve:

Pursuant to the Letter Agreement dated November 7, 2012 between you and Dean Foods Company, the parties hereby agree that the "Resignation Date" as defined in the November 7, 2012 Letter Agreement shall be changed to April 1, 2013. This is the only modification to the Letter Agreement dated November 7, 2012, and all other terms, conditions and covenants remain in full force and effect.

Agreed and Accepted:

STEVEN J. KEMPS

/s/ Steven J. Kemps

DEAN FOODS COMPANY

/s/ Gregg A. Tanner

Dated: _____

Dated: _____

By: Gregg A. Tanner
Chief Executive Officer

RETENTION AND SEVERANCE AGREEMENT

This **RETENTION AND SEVERANCE AGREEMENT** (this “**Agreement**”) is entered into as of November 20, 2012 by and between **MORNINGSTAR FOODS, LLC**, a limited liability company under the laws of the State of Delaware (the “**Company**”), and Kevin C. Yost (the “**Employee**”).

WHEREAS, the Company has determined that it is advisable to provide certain key employees supporting the Transaction (as defined below) with certain retention benefits during the term of this Agreement; and

WHEREAS, the Company has determined that it is advisable to provide certain key employees supporting the Transaction with certain severance benefits during the term of this Agreement;

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants set forth herein, the parties hereto agree as follows:

1. Definitions. The following terms shall have the following meanings for purposes of this Agreement:

- (a) “**Base Salary**” means the annual base compensation earned or to be earned by the Employee during the calendar year 2012 or the then-current calendar year, whichever is higher.
- (b) “**Cause**” means (i) the Employee’ s conviction of any crime deemed by the Company to make the Employee’ s continued employment untenable; (ii) the Employee’ s willful and intentional misconduct or negligence that has caused or could reasonably be expected to result in material injury to the business or reputation of the Company; (iii) the Employee’ s conviction of, or entering a plea of guilty or nolo contendere to, a crime constituting a felony; (iv) the breach by the Employee of any written covenant or agreement with the Company or (v) the Employee’ s failure to comply with or breach of the “code of conduct” applicable to the employees of the Company or the Successor Employer (as defined below) as in effect from time to time.
- (c) “**Material Adverse Reason**” means the occurrence of one or more of the following without the Employee’ s consent:
 - (i) a material diminution of the Employee’ s authority, duties, responsibilities or compensation; or
 - (ii) a change in the geographic location at which the Employee must perform services (which for purposes of this Agreement means relocation of the offices at which the Employee is principally employed to a location more than 50 miles from the location of such offices immediately prior to the relocation).

The Employee must provide written notice of a potential resignation for Material Adverse Reason to the Company within 30 days after the act or failure constituting Material Adverse Reason. After receiving such notice, the Company shall have a period of 30 days in which it may correct the act or failure that constitutes the grounds for Material Adverse Reason as set forth in the Employee's notice of termination. If the act or failure is substantially corrected during such 30 day period, a Material Adverse Reason no longer exists and the Employee shall withdraw his written notice. If the act or failure is not substantially corrected within such 30 day period, the Employee must resign his employment for Material Adverse Reason within 30 days after the end of the cure period in order for such resignation to be considered for Material Adverse Reason.

- (d) **“Qualifying Termination”** means the involuntary termination of the Employee's employment by the Company or the Successor Employer without Cause or the Employee's resignation with Material Adverse Reason.
- (e) **“STI Target”** means the amount of the Employee's annual short term incentive target bonus under the Morningstar 2012 Short-Term Incentive Compensation Plan for 2012.
- (f) **“Transaction”** means the potential sale by Dean Foods Company (**“Dean Foods”**) of all or substantially all of its interests in or the assets of the Company to one or more purchasers that each are not an entity owned by or affiliated with Dean Foods or any of its subsidiaries.
- (g) All monetary terms in this Agreement, whether expressed as specific numbers or expressed as products of various formulas, are meant to be expressed in U.S. Dollars.

2. Program Payments and Benefits.

- (a) Incentive Payment.
 - (i) 2012 Closing. If the Transaction is consummated on or prior to December 31, 2012 (the **“2012 Closing”**) and the Employee (x) is employed by the Company or its affiliates at all times between the date hereof and the date of the 2012 Closing and (y) has complied in all material respects with the terms and conditions of this Agreement; then subject to Section 4, the Employee will be entitled to the following payments in accordance with the terms and conditions described below and without applying any proration. On the date which is 60 days following the date of the 2012 Closing, the Employee shall be paid a cash payment equal to the award determined in accordance with the Morningstar 2012 Short-Term Incentive Compensation Plan with respect to the 2012 performance year, calculated as of the end of the last business day of the full month ended prior to the 2012 Closing. For the avoidance of doubt, any payment made to the Employee pursuant to this Section 2(a)(i) shall be in lieu of the incentive award payable to the Employee pursuant to the Morningstar 2012 Short-Term Incentive Compensation Plan with respect to the 2012 performance year.

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- (ii) 2013 Closing. If the Transaction is consummated during the period beginning on January 1, 2013 and ending on or prior to June 30, 2013 (the “**2013 Closing**”) and the Employee (x) is employed by the Company or its affiliates at all times between the date hereof and the date of the 2013 Closing and (y) has complied in all material respects with the terms and conditions of this Agreement; then subject to Section 4, the Employee will be entitled to the following payments in accordance with the terms and conditions described below. On the date which is 60 days following the date of the 2013 Closing, the Employee shall be paid a cash payment equal to the product of (x) the 2013 Transaction Payment (as defined below), multiplied by (y) the Monthly Proration Factor (as defined below).
- (iii) 2013 Transaction Payment Calculation. The “**2013 Transaction Payment**” shall be as follows: (x) if the date of the 2013 Closing occurs during the period beginning on January 1, 2013 and ending on or prior to February 28, 2013, the 2013 Transaction Payment shall be equal to the actual award payable to the Employee in accordance with the Morningstar 2012 Short-Term Incentive Compensation Plan with respect to the full 2012 performance year, and (y) if the date of the 2013 Closing occurs during the period beginning on March 1, 2013 and ending on or prior to June 30, 2013, the 2013 Transaction Payment shall be equal to the award determined in accordance with the Morningstar Short-Term Incentive Compensation Plan in effect for 2013, calculated as of the end of the last business day of the full month ended prior to the date of the 2013 Closing.
- (iv) Proration Calculation. The “**Monthly Proration Factor**” shall be as follows: (x) if the date of the 2013 Closing occurs between the first day of a month and the 14th day of such month, the 2013 Transaction Payment proration will be calculated beginning with the full calendar month prior the date of the 2013 Closing and the Monthly Proration Factor shall be equal a fraction, the numerator of which is the number of full calendar months elapsed in 2013 prior to the month in which the 2013 Closing occurred, and the denominator of which is 12, and (y) if the date of the 2013 Closing occurs between the 15th day of a month and the end of such month, the 2013 Transaction Payment proration will be calculated based on full month participation for that month and the Monthly Proration Factor shall be equal a fraction, the numerator of which is the number of months elapsed in 2013 including the month in which the 2013 Closing occurred, and the denominator of which is 12. As an example of the calculation of the Monthly Proration Factor, (x) if the date of the 2013 Closing is April 14, 2013, the Monthly Proration Factor shall be 3/12, and (y) if the date of the 2013 Closing is April 15, 2013, the Monthly Proration Factor shall be 4/12.

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- (v) Closing Payment. If the Transaction is consummated on or prior to June 30, 2013 and the Employee (x) is employed by the Company or its affiliates at all times between the date hereof and the closing date of the Transaction (the “**Closing Date**”) and (y) has complied in all material respects with the terms and conditions of this Agreement; then subject to Section 4, the Employee will be entitled to a payment equal to \$300,000, which shall be paid on the date which is 60 days following the Closing Date.
- (vi) 2013 Transaction Payment and Closing Payment Nonexclusive. For the avoidance of doubt, any payment made to the Employee pursuant to Section 2(a)(ii) shall be in addition to any incentive award payable to the Employee pursuant to the Morningstar 2012 Short-Term Incentive Compensation Plan with respect to the 2012 performance year. Further, for the avoidance of doubt, any payment made to the Employee pursuant to Section 2(a)(v) shall be in addition to any incentive award payable to the Employee pursuant to Section 2(a)(i) or Section 2(a)(ii), as applicable, and the Morningstar 2012 Short-Term Incentive Compensation Plan with respect to the 2012 performance year.
- (vii) Incentive Payments Upon Certain Terminations. Any incentive payments made pursuant to this Section 2(a) shall be payable only if the Employee becomes an employee of the entity acquiring the Company (including any subsidiaries or affiliates, the “**Successor Employer**”) on the consummation of the Transaction, and the Employee remains employed through the applicable payment date. Notwithstanding the foregoing, in the event that (A) the Successor Employer in the Transaction does not offer substantially comparable employment to the Employee effective as of the Closing Date, or (B) the Employee incurs a Qualifying Termination during the 60-day period following the date of the Closing Date, the Employee shall become entitled to receive the applicable incentive payments, as applicable, set forth in this Section 2(a). Such incentive payments shall be made on the date of termination of the Employee’s employment.
- (b) Initial Retention Payment.
- (i) If the Transaction is consummated on or prior to June 30, 2013 and the Employee (x) is employed by the Company or its affiliates at all times between the date hereof and the Closing Date and (y) has complied in all material respects with the terms and conditions of this Agreement; then subject to Section 4, the Employee will be entitled to the following payments in accordance with the terms and conditions described below. The Employee shall become entitled to receive and shall be paid an initial retention payment in an amount equal to seventy percent (70%) of the Employee’s Base Salary (the “**Initial Retention Payment**”) on the date which is 90 days following the date of the Closing Date if the Employee becomes an employee of the Successor Employer on the date of the Closing Date and remains employed through such payment date.

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- (ii) In the event that (A) the Successor Employer in the Transaction does not offer substantially comparable employment to the Employee effective as of the Closing Date, or (B) the Employee incurs a Qualifying Termination during the 90 day period following the date of the Closing Date, the Employee shall become entitled to receive the Initial Retention Payment. Such Initial Retention Payment shall be made on the date of termination of the Employee' s employment.
- (c) Subsequent Retention Payment.
- (i) If the Transaction is consummated on or prior to June 30, 2013 and the Employee (x) is employed by the Company or its affiliates at all times between the date hereof and the Closing Date and (y) has complied in all material respects with the terms and conditions of this Agreement; then subject to Section 4, the Employee will be entitled to the following payments in accordance with the terms and conditions described below. The Employee shall become entitled to receive and shall be paid the Subsequent Retention Payment (as defined below) on the date which is 180 days following the Closing Date if the Employee becomes an employee of the Successor Employer on the Closing Date and remains employed through such payment date.
- (ii) In the event that (A) the Successor Employer does not offer substantially comparable employment to the Employee effective as of the Closing Date or (B) the Employee incurs a Qualifying Termination during the 180 day period following the Closing Date, the Employee shall become entitled to receive the Subsequent Retention Payment. Such Subsequent Retention Payment shall be made on the date of termination of the Employee' s employment.
- (iii) The "**Subsequent Retention Payment**" means a cash payment equal to \$2,000,000.
- (d) The Employee shall not be entitled to any of the payments described in this Section 2 if the Employee, prior to the applicable payment date as described above (x) voluntarily resigns without Material Adverse Reason from the Company or the Successor Employer unless such resignation is from the Successor Employer at any time during the period from the six-month anniversary of the Closing Date to the twelve-month anniversary of the Closing Date, or (y) is terminated by the Company or the Successor Employer for Cause.

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- (e) Severance Payments and Benefits. If (x) the Successor Employer does not offer substantially comparable employment to the Employee effective as of the Closing Date or (y) the Employee incurs a Qualifying Termination within one year following the Closing Date or (z) the Employee resigns from his employment for any reason at any time during the period from the six-month anniversary of the Closing Date to the twelve-month anniversary of the Closing Date, the Employee shall be entitled to receive the following, in addition to any amounts owed pursuant to Sections 2(a), 2(b) and 2(c):
- (i) Severance. The Employee shall be entitled to a lump sum cash payment in an amount equal to two (2) times the sum of the Base Salary and STI Target. This amount shall be payable within thirty (30) days after the Release Agreement described in Section 4 becomes effective and irrevocable in accordance with its terms, but in all events within sixty (60) days of the date of termination of Employee' s employment by reason of the Successor Employer' s failure to offer substantially comparable employment, the date of the Qualifying Termination, or the date of Employee' s resignation from his employment for any reason at any time during the period from the six-month anniversary of the Closing Date to the twelve-month anniversary of the Closing Date, provided that in the event the designated 60-day period begins in one taxable year and ends in the next taxable year, the amount shall be payable in the second taxable year.
 - (ii) Expenses for COBRA Continuation Coverage. Subject to the Employee' s timely and valid election of Consolidated Omnibus Reconciliation Act ("COBRA") continuation coverage, the Employee shall be entitled to payment of the premiums paid for such coverage up to an amount of \$50,000. Notwithstanding the foregoing, any obligation to reimburse such COBRA continuation coverage expenses shall terminate upon the date on which the Employee becomes eligible for group health coverage from a subsequent employer.
 - (iii) Outplacement Services. The Employee shall be entitled receive a lump sum payment of \$50,000. This amount is intended for out placement and associated services, This amount shall be payable within thirty (30) days after the Release Agreement described in Section 4 becomes effective and irrevocable in accordance with its terms, but in all events within sixty (60) days of the date of termination of Employee' s employment by reason of the Successor Employer' s failure to offer substantially comparable employment, the date of the Qualifying Termination, or the date of Employee' s resignation from his employment for any reason at any time during the period from the six-month anniversary of the Closing Date to the twelve-month anniversary of the Closing Date, provided that in the event the designated 60-day period begins in one taxable year and ends in the next taxable year, the amount shall be payable in the second taxable year.

For the avoidance of doubt, to the extent the Transaction is consummated and the Employee receives severance pursuant to the Successor Employer's severance plan in which the Employee participates (the "Successor's Severance"), the severance payable pursuant to this Section 2(e) shall be reduced on a dollar for dollar basis by the amount of the Successor's Severance.

3. Retention Payment - Transaction Is Not Consummated On or Prior to June 30, 2013; Qualifying Termination Prior to Consummation of Transaction.

- (a) If the Transaction is not consummated on or prior to June 30, 2013, the Employee shall be entitled to receive and shall be paid a cash payment equal to seventy percent (70%) of the Employee's Base Salary on June 30, 2013, subject to the following terms and conditions:
 - (i) The Company achieves its operating income target under the Morningstar 2012 Short-Term Incentive Compensation Plan for fiscal year 2012, as determined by Dean Foods in good faith; and
 - (ii) The Employee remains employed by the Company or an affiliate or subsidiary thereof through June 30, 2013 and has complied in all material respects with the terms and conditions of this Agreement.
- (b) If (i) the Employee incurs a Qualifying Termination prior to the consummation of the Transaction and (ii) the Company achieves its operating income target under the Morningstar 2012 Short-Term Incentive Compensation Plan for fiscal year 2012, as determined by Dean Foods in good faith, then, the Employee shall be entitled to receive a cash payment equal to seventy percent (70%) of the Employee's Base Salary, payable within thirty (30) days after the Release Agreement described in Section 4 becomes effective and irrevocable in accordance with its terms (but in all events within sixty (60) days of the date of termination of Employee's employment), provided that in the event the designated 60-day period begins in one taxable year and ends in the next taxable year, the amount shall be payable in the second taxable year; and provided further that if the Qualifying Termination occurs prior to the end of fiscal year 2012, achievement of the Company's operating income target under the Morningstar 2012 Short-Term Incentive Compensation Plan shall be determined as of the end of the last business day of the full month prior to the Qualifying Termination.

4. Other Conditions to Payment. The right to any benefits set forth in Section 2(e) and Section 3(b) is conditional upon the Employee's delivery of an executed general release of claims in the form attached to this Agreement as **Exhibit A**. The right to any benefits set forth in Section 2 or 3 is subject to the Employee's continued compliance with any confidentiality or other restrictive covenant to which the Employee is a party.

5. Exclusivity and No Duplication of Severance Benefits. The Employee understands and agrees that any benefits provided under this Agreement for a termination of employment with the Company or with the Successor Employer for the reasons set forth in Section 2(e) this Agreement shall be in lieu of, and the Employee shall not be entitled to any benefits under, the Dean Foods Executive Severance Pay Plan, the Dean Foods Exempt

Employees Severance Plan or any other similar plan. The Employee also understands and agrees that the benefits provided under this Agreement related to a termination for the reasons set forth in Section 2(e) of this Agreement are in lieu of any termination or severance benefits that he may be entitled to receive under the terms and conditions of his employment or by law and the terms and conditions of his employment are hereby amended to delete any provision granting any such right or requiring any notice of termination. The Employee hereby knowingly and expressly waives any right he may have at law or in equity to receive severance pay in addition to the benefits set forth in this Agreement for a termination for the reasons outlined in Section 2(e) of this Agreement, and if such waiver shall be determined to be invalid or unenforceable, he agrees that any such pay that he may receive shall reduce the benefits to which he is entitled hereunder on a dollar for dollar basis. Except as specifically described above, nothing in this Agreement shall be deemed to be an amendment to the terms and conditions of the Employee's employment. The Company and Employee agree that Employee is not disqualified from being eligible to receive severance benefits pursuant to any Company severance plan then in effect if employment with the Company is terminated prior to the Closing Date or subsequent to the termination of this Agreement as detailed in Section 6, for reasons other than those set forth in Section 2(e) of this Agreement.

6. Term. This agreement shall terminate on June 30, 2013; provided, however, that any obligation of the Company to pay any applicable benefits set forth in Section 2 or Section 3 to the Employee subsequent to June 30, 2013 (as well as any provisions relating to the conditions or other terms of such payments) shall survive the termination.

7. Section 409A. The parties intend that payments and benefits under this Agreement comply with Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder (collectively "Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. Notwithstanding anything contained herein to the contrary, the Employee shall not be considered to have terminated employment with Dean Foods or the Successor Employer for purposes of any payments under this Agreement which are subject to Section 409A until the Employee has incurred a "separation from service" from Dean Foods or the Successor Employer as the case may be within the meaning of Section 409A. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate identified payment for purposes of Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid an accelerated or additional tax under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Employee's separation from service shall instead be paid on the first business day after the date that is six months following the Employee's separation from service (or, if earlier, the Employee's date of death). To the extent required to avoid an accelerated or additional tax under Section 409A, amounts reimbursable to the Employee shall be paid to the Employee on or before the last day of the year following the year in which the expense was incurred and the amount of expenses eligible for reimbursement (and in kind benefits provided to the Employee) during one year may not affect amounts reimbursable or provided in any subsequent year. Dean Foods or the Successor Employer makes no representation that any or all of the payments described in this Agreement will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment.

8. Source of Payments/Tax Withholding. All payments and benefits provided to the Employee under this Agreement shall be made or provided by the Company or an affiliate thereof, subject to the withholding of all applicable employment and income taxes.

9. Confidentiality of Agreement. The Employee agrees that the terms and existence of this Agreement and the Transaction shall be and will remain confidential and shall not be disclosed by the Employee to any party other than the Employee's spouse, attorney, accountant, or tax preparer if such persons have agreed to keep such information confidential and except as may be compelled by valid legal process; provided, however, that the Company may, in writing, expressly waive any of the provisions of this Section 9.

10. Cooperation of Employee. The Employee hereby agrees to:

- (a) provide all support requested by Dean Foods in connection with the Transaction, including the provision of any information and assistance relating to the Transaction as may be required by Dean Foods to ensure that the Transaction is successfully completed or as may otherwise be requested by Dean Foods;
- (b) attend meetings with Dean Foods (or its respective advisers) and third parties designated by Dean Foods that relate to due diligence in respect of the Transaction;
- (c) assist in the preparation of responses to questions or other inquiries submitted by potential purchasers in connection with the Transaction; and
- (d) comply with the process and procedures established by Dean Foods in connection with the Transaction.

11. Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. This Agreement may not be modified in any manner except by a written instrument signed by each of the Company and the Employee.

13. Notices. Any notice required under this Agreement shall be in writing and shall be delivered by overnight delivery service, certified mail (return receipt requested), or facsimile (with delivery confirmation) to each of the parties as follows:

To the Employee: at the address as it appears in the Company's books and records.

To the Company:

Morningstar Foods, LLC c/o Dean Foods Company
2711 North Haskell, Suite 3400
Dallas, Texas 75204
Attn.: General Counsel
Tel.: 214-303-3400
Fax: 214-303-4713

14. Governing Law. The provisions of this Agreement shall be construed in accordance of the laws of the State of Texas, without reference to the conflicts of laws provisions thereof.

15. Assignment. This Agreement may not be assigned by Employee or the Company without the prior written consent of the other party (except for the assumption of this Agreement by any Successor Employer).

[Signature Page Follows]

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

MORNINGSTAR FOODS, LLC

By: /s/ Steven J. Kemps

Name: Steven J. Kemps

Title: EVP and General Counsel

EMPLOYEE

/s/ Kevin C. Yost

Kevin C. Yost

FORM OF GENERAL RELEASE TO BE EXECUTED ON TERMINATION

For good and valuable consideration, **Kevin C. Yost** (the "Employee") hereby agrees to the terms of this agreement (this "Agreement") on the date indicated below.

1. Release.

(a) Employee, on behalf of himself/herself and his/her heirs, executors, administrators, successors and assigns, hereby voluntarily, irrevocably and unconditionally releases and discharges Dean Foods Company and Morningstar Foods, LLC (collectively, the "Company") and their respective subsidiaries, divisions and affiliates, together with their present and former respective owners, partners, members, officers, directors, trustees, shareholders, managers, representatives, employees, attorneys and agents, associates and each of their affiliates, predecessors, heirs, executors, administrators, family members, successors and assigns (collectively, the "Released Parties") from any and all charges, complaints, claims, liabilities, obligations, costs, losses, debts, expenses, suits, sums of money, contracts, agreements, promises, controversies, causes of action and demands of any nature whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected, whether under any state or federal statutory or common law, which against the Released Parties, jointly or severally, Employee or Employee' s heirs, executors, administrators, successors or assigns ever had, now have or hereafter can, shall or may have by reason of any matter, cause or thing whatsoever arising from the beginning of time to the time Employee executes this Agreement. This release includes, but is not limited to, any rights or claims relating in any way to Employee' s employment relationship with the Company or any of the Released Parties, or the termination thereof, any rights or claims arising under any statute or regulation, including the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act, the Equal Pay Act, the Immigration and Reform Control Act, the Uniform Services Employment and Re-Employment Act, the Rehabilitation Act of 1973, Executive Order 11246, the Sarbanes-Oxley Act of 2002, the Texas Commission on Human Rights Act, the Texas Workers' Compensation Act, each as amended, and/or any other applicable foreign, federal, state or local law, regulation, ordinance or common law, or under any policy, agreement, understanding or promise, written or oral, formal or informal, between any Released Party and Employee; provided, however, that notwithstanding the foregoing, nothing contained in this Section 1(a) shall in any way diminish or impair any rights Employee may have under the Retention and Severance Agreement between Employee and Morningstar Foods, LLC, dated [] (the "Retention Agreement"), or any right or claim that cannot be waived by applicable law. In addition, Employee represents that no incident has occurred during Employee' s employment with the Company that could form the basis for any claim by Employee against the Company for any work-related injury.

(b) Employee acknowledges and agrees that (i) the Company and the other Released Parties have fully satisfied any and all obligations owed to Employee arising out of or relating to Employee' s employment with the Company through the date upon which Employee executes this Agreement and (ii) no further sums are owed to Employee by the Company or any of the other Released Parties arising out of or relating to Employee' s employment with Employer, except as expressly provided in the Retention Agreement.

2. Consideration and Revocation Period.

(a) Employee acknowledges that the Company has advised Employee of Employee' s right to consult with an attorney prior to executing this Agreement. Employee has carefully read and fully understands all of the provisions of this Agreement. Employee is entering into this Agreement knowingly, freely and voluntarily in exchange for good and valuable consideration.

(b) Employee has been given **[twenty-one] [forty-five (45)]** calendar days to consider the terms of this Agreement, although Employee may sign it sooner**]; and Employee has been given a disclosure indicating the job titles and ages of individuals being offered severance. (See Attachment A).**^{1]}

(c) Employee will have seven (7) calendar days from the date on which Employee signs this Agreement to revoke Employee' s consent to the terms of this Agreement. Such revocation must be in writing and must be addressed as follows: **[INSERT NAME AND APPROPRIATE ADDRESS]**. Notice of such revocation must be received within the seven (7) calendar days referenced above.

(d) In the event of such revocation by Employee, this Agreement shall not become effective and Employee shall not have any of the rights under Section 2(e) or Section 3(b) of the Retention Agreement, nor shall the Employee be entitled to any of the payments or benefits set forth in Section 2(e) or Section 3(b) of the Retention Agreement.

(e) Provided that Employee does not revoke this Agreement within the time period set forth in Section 2(c) above, this Agreement shall become effective on the eighth calendar day after the date upon which Employee signs it.

3. Assignment. This Agreement is personal to Employee and may not be assigned by Employee. This Agreement is binding on, and will insure to the benefit of, the Company and the other Released Parties, together with their successors and assigns.

4. No Admission of Wrongdoing. Nothing herein is to be deemed to constitute an admission of wrongdoing by the Company or any of the other Released Parties.

¹ Disclosure to be attached by Company.

5. Covenants of Nondisclosure and Confidentiality. Employee covenants not to use or impart to any other person, corporation, or entity any trade secrets or confidential information that Employee has acquired while an employee of the Company. Employee agrees and acknowledges that such matters include, but are not limited to certain personnel, business, financial, technical and other proprietary information and materials, any and all individual names, collections of names, addresses, and telephone numbers of the Company' s employees (whether previous or current), any customers, prospective customers for products, as well as any sales, marketing, financial data, or strategic planning information that relates to any business activities of the Company, its subsidiaries and affiliates. Employee further agrees that, in the event it appears that Employee will be compelled by law or judicial process to disclose any such confidential information to avoid potential liability, Employee will notify the Company in writing immediately upon Employee' s receipt of a subpoena or other legal process.

6. Property of the Company. Employee hereby agrees to return and certifies that Employee has returned any and all computer programs and/or data disks, files, records, or information of any sort with regard to such confidential information (as referred to in Section 5), trade secrets, or any other business of the Company. Employee further agrees to return and certifies that Employee has returned all other property of the Company to the Company, including vehicles or all keys, security passes or other means of access to the Company' s plants or other facilities.

7. Confidentiality of Agreement and Nondisparagement. Employee agrees that the terms of this Agreement shall be and remain confidential and shall not be disclosed by Employee to any party other than Employee' s spouse, attorney, accountant, or tax preparer if such persons have agreed to keep such information confidential and except as may be compelled by valid legal process. Employee agrees that Employee will not make or cause to be made any statements, observations or opinions, or communicate any information (whether oral or written) that disparages or is likely in any way to harm the reputation of the Company, or its shareholders, representatives, agents, associates, servants, employees, attorneys, officers, directors, trustees, successors, and assigns.

8. Restrictive Covenants. Employee acknowledges that any post-employment restrictive covenants contained in any Restricted Stock Unit Award Agreement or Non-Qualified or Incentive Stock Option Agreement previously presented to and accepted by Employee continue in full force in effect after the date of termination. Such restrictive covenants include, but are not limited to, covenants of non-disclosure, non-solicitation of customers and employees, and non-competition that are contained in the Restricted Stock Unit Award Agreements or Non-Qualified or Incentive Stock Option Agreements previously presented to and accepted by Employee.

9. Remedies. Employee acknowledges that the Company is engaged in a highly competitive business and that the trade secrets and confidential information referred to in Section 5 above are of great significance in the various markets in which it is active. Employee further agrees that the restrictions contained in Sections 5, 7 and 8 above are reasonable and necessary in order to protect the good will and legitimate business interests of the Company and that any violation thereof would result in irreparable injury to the Company. Employee further acknowledges and agrees that, in the event of any violation thereof, the Company shall be authorized and entitled to obtain from any court of competent jurisdiction temporary, preliminary, and/or permanent injunctive relief as well as an equitable accounting of all profits and benefits arising out of such violation, which rights and remedies shall be cumulative and in addition to

any other rights or remedies to which the Company may be entitled. Additionally, in the event that Employee breaches any of the covenants and restrictions contained in Sections 5, 7 and 8 of this Agreement, Morningstar Foods, LLC shall have the right to immediately cease making further severance and/or other payments provided for under Section 2(e) and Section 3(b) of the Retention Agreement and shall have the right to collect the amounts previously paid to Employee pursuant to Section 2(e) and Section 3(b) of the Retention Agreement. Employee agrees that the exercise of such rights by Morningstar Foods, LLC shall not make this Agreement or any release contained herein void or voidable.

10. No Complaints Filed. Employee represents that Employee has not filed any complaints, claims, or actions against the Company, or any subsidiary or related Companies, or against any of the officers, agents, directors, supervisors, employees, or representatives of the Company, or any subsidiary or related Companies with any state, federal, or local agency or court and that Employee will not do so at any time hereafter. However, nothing in this Agreement shall be construed to prohibit Employee from filing a charge or complaint, including a challenge to the validity of this Agreement, with the Equal Employment Opportunity Commission or participating in any investigation or proceeding conducted by the Equal Employment Opportunity Commission.

11. Regulatory Compliance. Employee acknowledges and agrees that it is the Company's policy, communicated to Employee and other employees, that employees are requested to bring to the Company's attention any incidents of misconduct or wrongdoing in the area of regulatory compliance, both governmental and industry. Employee hereby affirms that Employee has acted in accordance with such policy and that Employee has, at this time, no knowledge of any such incident, which Employee has not brought to the attention of the Company.

12. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflicts of laws applicable therein. Any action brought to enforce the terms of this Agreement shall be brought in the court of the State of Texas which has subject matter jurisdiction.

13. Entire Agreement. This Agreement, and all documents executed pursuant hereto, constitute the entire agreement of the parties with respect to the subject matter hereof, and supersede any prior written or oral agreements, representations, warranties, or statements. Employee represents that, in executing this Agreement, Employee has not relied upon any representation or statement made by the Company or any of the other Released Parties, other than those set forth herein, with regard to the subject matter, basis or effect of this Agreement or otherwise.

14. Enforceability. In the event that any one or more of the provisions of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remainder hereof will not in any way be affected or impaired thereby and any such provision or provisions will be enforced to the fullest extent permitted by law.

IN WITNESS WHEREOF, Employee has executed this Agreement on the date indicated below.

EMPLOYEE

KEVIN C. YOST

Date: _____

SEPARATION AND DISTRIBUTION AGREEMENT

THIS SEPARATION AND DISTRIBUTION AGREEMENT (this “Agreement”) is made and entered into as of October 25, 2012, by and among Dean Foods Company, a Delaware corporation (“Dean Foods”), The WhiteWave Foods Company, a Delaware corporation and a wholly-owned subsidiary of Dean Foods (“WhiteWave”), and WWF Operating Company, a Delaware corporation and a wholly-owned subsidiary of Dean Foods (“WWF Operating Company”). Capitalized terms used and not otherwise defined in this Agreement have the meanings ascribed to such terms in Article 1 of this Agreement.

RECITALS

WHEREAS, Dean Foods has determined that it would be appropriate, desirable and in the best interests of Dean Foods and Dean Foods’ stockholders to separate the WhiteWave Business from Dean Foods;

WHEREAS, in connection with such separation, WWF Operating Company has declared and distributed one or more dividends (collectively, the “Dividend”) to Dean Foods in the form of inter-group promissory notes of WWF Operating Company, dated October 5, 2012 totaling \$1.155 billion in aggregate principal amount (collectively, the “Inter-Group Notes”);

WHEREAS, WhiteWave has reclassified the WhiteWave common stock into WhiteWave Class A Common Stock and WhiteWave Class B Common Stock;

WHEREAS, (i) the applicable Dean Foods Group Members have transferred, or will transfer, the WhiteWave Transferred Assets to the applicable WhiteWave Group Members, and (ii) the applicable WhiteWave Group Members have transferred, or will transfer, the Dean Foods Transferred Assets to the applicable Dean Foods Group Members (such transfers described in the foregoing clauses (i) and (ii), the “Asset Transfers”);

WHEREAS, in connection with the Asset Transfers, (i) the Dean Foods Group Members will assume all of the Dean Foods Assumed Liabilities, and (ii) the WhiteWave Group Members will assume all of the WhiteWave Assumed Liabilities (such assumptions described in the foregoing clauses (i) and (ii), the “Liability Assumptions”);

WHEREAS, in connection with the separation of the WhiteWave Business from Dean Foods and the declaration and distribution of the Dividend, and immediately after the completion of the Asset Transfers and Liability Assumptions, Dean Foods desires to contribute to WhiteWave the WWF Operating Company Shares (the “Contribution”);

WHEREAS, following the Contribution, WhiteWave intends to sell for its own account a limited number of shares of WhiteWave Class A Common Stock pursuant to an initial public offering of such shares (the “IPO”), and in furtherance thereof, WhiteWave has previously filed the IPO Registration Statement with the SEC, which IPO Registration Statement has become effective;

Separation and Distribution Agreement

WHEREAS, (i) Dean Foods, prior to the Contribution, owns all of the shares of WhiteWave Class B Common Stock, and (ii) in consideration for the Contribution, WhiteWave intends to issue shares of WhiteWave Class B Common Stock to Dean Foods such that, pursuant to (i) and (ii) together, Dean Foods will own 150,000,000 shares of WhiteWave Class B Common Stock, constituting all of the outstanding shares of WhiteWave Common Stock immediately following the Contribution but prior to the IPO Settlement Date, and all of the outstanding shares of WhiteWave Class B Common Stock as of the IPO Settlement Date;

WHEREAS, in connection with the IPO, WhiteWave has entered into the WhiteWave Bank Facilities;

WHEREAS, WhiteWave intends to contribute to WWF Operating Company substantially all of the initial net proceeds from the IPO (including the net proceeds from the exercise of the Underwriters' overallotment option if the option is settled at the initial closing of the IPO) (after deducting the underwriting discount and expenses of the IPO) and substantially all of the initial net proceeds of the WhiteWave Borrowing, and to cause WWF Operating Company to use such proceeds to repay to Dean Foods WWF Operating Company's obligations under the Inter-Group Notes, which proceeds Dean Foods intends to use to repay a portion of amounts outstanding under its senior secured credit facility;

WHEREAS, after the IPO, Dean Foods (i) intends to distribute to holders of shares of Dean Foods Common Stock all or a portion of the outstanding shares of WhiteWave Common Stock then owned by Dean Foods in a transaction that is intended to qualify as a tax-free distribution under Sections 355 and 361(c) of the Code (the "Distribution") and (ii) may engage in one or more Equity for Debt Exchanges and/or other dispositions of Dean Foods' shares of WhiteWave Common Stock;

WHEREAS, Dean Foods and WhiteWave intend that the Contribution and the Distribution (and any Equity for Debt Exchanges and/or other dispositions by Dean Foods of WhiteWave Common Stock), taken together, will qualify as a reorganization for U.S. federal income tax purposes pursuant to which no gain or loss will be recognized by Dean Foods or its stockholders under Sections 355, 361, 368(a)(1)(D) and related provisions of the Code, and that this Agreement is intended to be, and is hereby adopted as, a plan of reorganization under Section 368 of the Code; and

WHEREAS, the parties intend in this Agreement and the Ancillary Documents to set forth the principal arrangements between them regarding the Contribution, the IPO, the Distribution and any Equity for Debt Exchanges and/or other dispositions by Dean Foods of WhiteWave Common Stock:

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

The following terms, as used in this Agreement, have the following meanings:

“Action” means any action, claim, demand, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” of any specified Person means any other Person directly or indirectly “controlling,” “controlled by,” or “under common control with” (within the meaning of the Securities Act), such specified Person; provided, however, that for purposes of this Agreement, unless this Agreement expressly provides otherwise, the determination of whether a Person is an Affiliate of another Person shall be made assuming that no Dean Foods Group Member is an Affiliate of any WhiteWave Group Member.

“Agreement” has the meaning set forth in the preamble to this Agreement.

“Ancillary Documents” means each of the Stock Power, the Transition Services Agreement, the Tax Matters Agreement, the Registration Rights Agreement, the Employee Matters Agreement and each agreement identified on Schedule 1, including any exhibits, schedules, attachments, tables or other appendices thereto, and each agreement and other instrument contemplated herein or therein.

“Annual Financial Statements” has the meaning set forth in Section 5.1(a)(v) of this Agreement.

“Asset Transfer Closing” has the meaning set forth in Section 2.3.

“Asset Transfers” has the meaning set forth in the Recitals to this Agreement.

“Assets” means assets, properties and rights (including goodwill and rights arising under Contracts), wherever located (including in the possession of vendors, other Persons or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

“Business Day” means a day other than a Saturday, a Sunday or a day on which banking institutions located in Dallas, Texas or New York, New York are authorized or obligated by Law to close.

“Claimed Amount” has the meaning set forth in Section 8.3(a) of this Agreement.

“Claim Notice” has the meaning set forth in Section 8.3(a) of this Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Consents” means any consents, waivers or approvals from, or notification requirements to, any third parties.

“Contracts” means any contract, agreement, lease, license, sales order, purchase order, instrument or other commitment that is binding on any Person or any part of its property under applicable Law.

“Contribution” has the meaning set forth in the Recitals to this Agreement.

“Contribution Closing” has the meaning set forth in Section 2.3.

“Controlling Party” has the meaning set forth in Section 8.3(d)(ii) of this Agreement.

“Covered Subsidiary” means a corporation or other legal entity now or hereafter controlled or owned, directly or indirectly, by Dean Foods or WhiteWave, as applicable, that satisfies the definition of “Subsidiary” under a Dean Foods insurance policy.

“Damages” means all losses, claims, demands, damages, Liabilities, judgments, dues, penalties, assessments, fines (civil, criminal or administrative), costs, liens, forfeitures, settlements, fees or expenses (including reasonable attorneys’ fees and expenses and any other expenses reasonably incurred in connection with investigating, prosecuting or defending a claim or Action), of any nature or kind, whether or not the same would properly be reflected on a balance sheet.

“Dean Foods” has the meaning set forth in the preamble to this Agreement.

“Dean Foods Assets” means, collectively, (i) any and all Dean Foods Transferred Assets and (ii) any and all Assets of any Dean Foods Group Member as of immediately prior to the Asset Transfer Closing, other than any WhiteWave Transferred Assets and the WWF Operating Company Shares.

“Dean Foods Annual Statements” has the meaning set forth in Section 5.1(b)(ii) of this Agreement.

“Dean Foods Assumed Liabilities” means, collectively, (i) any and all Liabilities that are expressly listed, scheduled or otherwise clearly described in an Ancillary Document as Liabilities assumed or to be assumed by any Dean Foods Group Member and (ii) any and all Liabilities of any WhiteWave Group Member not described in the foregoing clause (i) to the extent arising out of or relating to the Dean Foods Business (or any other business conducted by any Dean Foods Group Member at any time after the Asset Transfer Closing) or the Dean Foods Assets, (x) whether such Liabilities arise or accrue prior to, at or after the Asset Transfer Closing and (y) other than Tax-related Liabilities which are specifically retained by any WhiteWave Group Member under the Tax Matters Agreement and employee-related Liabilities which are specifically retained by any WhiteWave Group Member under the Employee Matters Agreement.

“Dean Foods Auditors” has the meaning set forth in Section 5.1(b)(ii) of this Agreement.

“Dean Foods Business” means the businesses or operations of the Dean Foods Group other than the WhiteWave Business.

“Dean Foods Common Stock” means the common stock, par value \$0.01 per share, of Dean Foods.

“Dean Foods Credit Agreement” means that certain Second Amended and Restated Credit Agreement, dated as of June 30, 2010, among Dean Foods, J.P. Morgan Securities, Inc., Banc of America Securities LLC, Wells Fargo Securities, LLC, as Lead Arrangers, JPMorgan Chase Bank, National Association, as Administrative Agent, Bank of America, N.A., as Syndication Agent, and certain other lenders that are parties thereto, as amended by Amendment No. 1 thereto, dated as of December 9, 2010, as the same may be amended or replaced from time to time, and including any consents or waivers obtained thereunder from time to time.

“Dean Foods Disclosure Portions” means all material set forth in, or incorporated by reference into, the IPO Registration Statement to the extent relating exclusively to (i) the Dean Foods Group, (ii) the Dean Foods Business, (iii) Dean Foods’ intentions with respect to the Distribution, or (iv) the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing of and conditions to the consummation of the Distribution.

“Dean Foods Group” means Dean Foods and each other Person that is now or hereafter becomes an Affiliate of Dean Foods (other than WhiteWave or any WhiteWave Group Member).

“Dean Foods Group Member” means any Person now or hereafter included in the Dean Foods Group.

“Dean Foods Indemnified Parties” has the meaning set forth in Section 8.1 of this Agreement.

“Dean Foods Liabilities” means, collectively, (i) the Dean Foods Assumed Liabilities and (ii) except for any WhiteWave Assumed Liability, any and all Liabilities of any Dean Foods Group Member.

“Dean Foods Names” means the trade names specified on Schedule 2 hereto (and any derivatives of any such trade name) and associated logos.

“Dean Foods Public Filings” has the meaning set forth in Section 5.1(a)(xii) of this Agreement.

“Dean Foods Shared Contract” means any Contract of any Dean Foods Group Member that relates in part to the WhiteWave Business and that is not included in the WhiteWave Transferred Assets, including those Contracts identified on Schedule 3 hereto.

“Dean Foods Transferred Assets” means, collectively, (i) any and all Assets that are expressly listed, scheduled or otherwise clearly described in any Ancillary Document as Assets transferred or to be transferred to any Dean Foods Group Member and (ii) any and all Assets of any WhiteWave Group Member not described in the foregoing clause (i) that are used primarily or held for use primarily in the Dean Foods Business.

“Disclosing Party” has the meaning set forth in Section 6.2 of this Agreement.

“Distribution” has the meaning set forth in the Recitals to this Agreement.

“Distribution Agent” has the meaning set forth in Section 4.4(a) of this Agreement.

“Distribution Date” means the date on which the Distribution occurs.

“Dividend” has the meaning set forth in the Recitals to this Agreement.

“Employee Matters Agreement” means that certain Employee Matters Agreement entered into by and between Dean Foods and WhiteWave effective as of the Contribution Closing, as such Employee Matters Agreement may be amended from time to time.

“Environmental Law” means any Contract with any Governmental Authority, Law or Permit, in each case now or hereafter in effect, relating to health, safety, pollution or the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or to emissions, discharges, releases or threatened releases of any substance currently or at any time hereafter listed, defined, designated or classified as hazardous, toxic, waste, radioactive or dangerous, or otherwise regulated, under any of the foregoing, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substances, including the Comprehensive Environmental Response, Compensation and Liability Act, the Superfund Amendments and Reauthorization Act and the Resource Conservation and Recovery Act and comparable provisions in state, local, foreign or international Law.

“Equity for Debt Exchange” means any transfer of WhiteWave Class A Common Stock by Dean Foods to one or more third-party lenders in repayment of indebtedness of Dean Foods owed to such lenders.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, together with the rules and regulations promulgated thereunder.

“Existing Dean Foods Litigation Matters” means those matters identified on Schedule 4 hereto.

“Existing WhiteWave Litigation Matters” means those matters identified on Schedule 5 hereto.

“Financial Statements” means, collectively, the Annual Financial Statements and Quarterly Financial Statements.

“GAAP” means U.S. generally accepted accounting principles, consistently applied.

“Governmental Authority” means any federal, state, local or foreign governmental or quasi-governmental entity or municipality or subdivision thereof or any authority, department, commission, board, bureau, agency, court, tribunal or instrumentality, or any applicable securities exchange or self-regulatory organization.

“Group” means either the Dean Foods Group or the WhiteWave Group, as the context requires.

“Group Member” means either a Dean Foods Group Member or a WhiteWave Group Member, as the context requires.

“Indemnified Party” has the meaning set forth in Section 8.3(a) of this Agreement.

“Indemnifying Party” has the meaning set forth in Section 8.3(a) of this Agreement.

“Information” means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible form, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

“Intended Transferee” has the meaning set forth in Section 2.5(b) of this Agreement.

“Intended Transferor” has the meaning set forth in Section 2.5(b) of this Agreement.

“Inter-Group Notes” has the meaning set forth in the Recitals to this Agreement.

“IPO” has the meaning set forth in the Recitals to this Agreement.

“IPO Registration Statement” means the registration statement on Form S-1 (SEC File No. 333-183112) as filed by WhiteWave with the SEC in connection with the IPO, together with all amendments and supplements thereto.

“IPO Settlement” means the occurrence of the payment for the Underwritten Shares (as defined in the Underwriting Agreement) pursuant to the Underwriting Agreement.

“IPO Settlement Date” means the date on which the IPO Settlement occurs.

“IRS” means the United States Internal Revenue Service.

“Law” means each applicable law, order, judgment, rule, code, statute, regulation, requirement, variance, decree, writ, injunction, award, ruling or ordinance of any Governmental Authority, including the common law.

“Liabilities” means debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including any of the foregoing arising out of (i) any Contract or tort based on negligence or strict liability or (ii) any act or failure to act by any past or present Representative, whether or not such act or failure to act was within such Representative’ s authority), and whether or not the same would be required by GAAP to be reflected in financial statements or disclosed in the notes thereto.

“Lien” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Non-controlling Party” has the meaning set forth in Section 8.3(d)(ii) of this Agreement.

“Non-Party Affiliates” has the meaning set forth in Section 8.6 of this Agreement.

“Ordinary Course of Business” means the ordinary course of the WhiteWave Business as conducted by Dean Foods and its Subsidiaries prior to the Contribution Closing consistent with historical custom and practice during normal day-to-day operations and not requiring any special authorization of any nature.

“Owning Party” has the meaning set forth in Section 6.2 of this Agreement.

“Permitted Transfer” means any of the following: (i) the transfer by Dean Foods of shares of WhiteWave Common Stock in a Distribution, (ii) the transfer by Dean Foods of WhiteWave Class A Common Stock in one or more Equity for Debt Exchanges to one or more third-party lenders pursuant to which the lenders party thereto are obligated to distribute such shares in a public offering registered under the Securities Act, (iii) the transfer by any Dean Foods Group Member of WhiteWave Class A Common Stock in an underwritten public offering registered pursuant to the Securities Act, (iv) the transfer by Dean Foods of WhiteWave Class A Common Stock in one or more distributions to Dean Foods stockholders, (v) the transfer by any Dean Foods Group Member of shares of WhiteWave Class A Common Stock in one or more open-market transactions in accordance with the provisions of Rule 144 promulgated under the Securities Act, and (vi) the transfer by any Dean Foods Group Member of WhiteWave Common Stock to another Dean Foods Group Member that is a direct or indirect Subsidiary of Dean Foods at the time of transfer, so long as the transferee agrees at the time of the transfer that, if such transferee ceases to be a direct or indirect Subsidiary of Dean Foods, such transferee shall transfer its WhiteWave Common Stock to Dean Foods or any Dean Foods Group Member that is a direct or indirect Subsidiary of Dean Foods.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any Governmental Authority.

“Possessor” has the meaning set forth in Section 6.3 of this Agreement.

“Quarterly Financial Statements” has the meaning set forth in Section 5.1(a)(iv) of this Agreement.

“Record Date” means the close of business on the date, if any, to be determined by Dean Foods’ Board of Directors as the record date for determining the stockholders of Dean Foods entitled to receive shares of WhiteWave Common Stock pursuant to the Distribution.

“Registration Rights Agreement” means that certain Registration Rights Agreement entered into by and between Dean Foods and WhiteWave as of the Contribution Closing and effective as of the IPO Settlement, as such Registration Rights Agreement may be amended from time to time.

“Regulation S-K” means Regulation S-K of the General Rules and Regulations promulgated by the SEC pursuant to the Securities Act.

“Regulation S-X” means Regulation S-X of the General Rules and Regulations promulgated by the SEC pursuant to the Securities Act.

“Representatives” means, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“Requestor” has the meaning set forth in Section 6.3 of this Agreement.

“Retained Shares” has the meaning set forth in Section 4.6(b).

“Retention Period” has the meaning set forth in Section 6.4 of this Agreement.

“Ruling” has the meaning set forth in the Tax Matters Agreement.

“Ruling Documents” has the meaning set forth in the Tax Matters Agreement.

“SEC” means the United States Securities and Exchange Commission or any successor agency.

“Securities Act” means the Securities Act of 1933, as amended from time to time, together with the rules and regulations promulgated thereunder.

“Security Obligations” has the meaning set forth in Section 5.4 of this Agreement.

“Shared Contracts” means, collectively, the Dean Foods Shared Contracts and the WhiteWave Shared Contracts.

“Stock Power” means a stock power assigning to WhiteWave the WWF Operating Company Shares duly executed by Dean Foods.

“Subsidiary” means with respect to any specified Person, any corporation or other legal entity of which such Person or any of its Subsidiaries controls or owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interest entitled to vote on the election of the members to the board of directors or similar governing body; provided, however, that unless the context otherwise requires, references to Subsidiaries of Dean Foods shall not include WhiteWave or any WhiteWave Group Members (including the entities listed on Exhibit 21.1 to the IPO Registration Statement).

“Supplemental Ruling” has the meaning set forth in the Tax Matters Agreement.

“Supplemental Ruling Documents” has the meaning set forth in the Tax Matters Agreement.

“Supplemental Tax Opinion” has the meaning set forth in the Tax Matters Agreement.

“Tax” and “Taxes” have the meanings set forth in the Tax Matters Agreement.

“Tax Control” means the definition of “control” set forth in Section 368(c) of the Code.

“Tax Counsel” has the meaning set forth in the Tax Matters Agreement.

“Tax-Free Status” means the qualification of (1) the Contribution, (2) any Distribution and (3) any Equity for Debt Exchange, taken together (a) as a reorganization described in Sections 355(a) and 368(a)(1)(D) of the Code, (b) as a transaction in which the stock distributed thereby is “qualified property” for purposes of Sections 355(c) and 361(c) of the Code and (c) as a transaction in which Dean Foods, WhiteWave and the shareholders of Dean Foods recognize no income or gain for U.S. federal income tax purposes pursuant to Sections 355, 361 and 1032 of the Code, other than, in the case of Dean Foods and WhiteWave, intercompany items or excess loss accounts taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

“Tax Matters Agreement” means that certain Tax Matters Agreement entered into by and between Dean Foods and WhiteWave effective as of the Contribution Closing, as such Tax Matters Agreement may be amended from time to time.

“Tax Opinion” has the meaning set forth in the Tax Matters Agreement.

“Third-Party Claim” has the meaning set forth in Section 8.3(d)(i) of this Agreement.

“Transferred Assets” means, collectively, the Dean Foods Transferred Assets and the WhiteWave Transferred Assets.

“Transition Services Agreement” means the Transition Services Agreement entered into by and between Dean Foods and WhiteWave effective as of the Contribution Closing, pursuant to which one or more Dean Foods Group Members shall provide certain transition services to one or more WhiteWave Group Members, and one or more WhiteWave Group Members shall provide certain transition services to one or more Dean Foods Group Members, as such Transition Services Agreement may be amended from time to time.

“Underwriters” means the managing underwriters for the IPO as described in the IPO Registration Statement.

“Underwriting Agreement” means the Underwriting Agreement substantially in the form filed as Exhibit 1.1 to the IPO Registration Statement among WhiteWave and the Underwriters relating to the IPO, as amended from time to time.

“WhiteWave” has the meaning set forth in the preamble to this Agreement.

“WhiteWave Assets” means, collectively, (i) any and all WhiteWave Transferred Assets and (ii) any and all Assets of any WhiteWave Group Member as of immediately prior to the Asset Transfer Closing, other than any Dean Foods Transferred Assets and other than the WWF Operating Company Shares. Notwithstanding the foregoing, solely for purposes of Article 8, “WhiteWave Assets” shall include the WWF Operating Company Shares.

“WhiteWave Assumed Liabilities” means, collectively, (i) any and all Liabilities that are expressly listed, scheduled or otherwise clearly described in an Ancillary Document as Liabilities assumed or to be assumed by any WhiteWave Group Member and (ii) any and all Liabilities of any Dean Foods Group Member not described in the foregoing clause (i) to the extent arising out of or relating to the WhiteWave Business (or any other business conducted by any WhiteWave Group Member at any time after the Asset Transfer Closing) or the WhiteWave Assets, (x) whether such Liabilities arise or accrue prior to, at or after the Asset Transfer Closing and (y) other than Tax-related Liabilities which are specifically retained by any Dean Foods Group Member under the Tax Matters Agreement and employee-related Liabilities which are specifically retained by any Dean Foods Group Member under the Employee Matters Agreement.

“WhiteWave Auditors” has the meaning set forth in Section 5.1(b)(i) of this Agreement.

“WhiteWave Bank Facilities” means the senior secured term loan facilities and revolving credit facility contemplated under the Credit Agreement, dated as of October 12, 2012, filed as Exhibit 10.33 to the IPO Registration Statement to be entered into prior to, and available to be drawn concurrently with, the IPO between WhiteWave and a syndicate of bank and institutional lenders, as amended from time to time.

“WhiteWave Borrowing” means new indebtedness of WhiteWave and its Subsidiaries to be incurred upon the IPO Settlement Date pursuant to the WhiteWave Bank Facilities.

“WhiteWave Business” means (i) the businesses and operations comprising the WhiteWave-Alpro segment of the Dean Foods Group Members and the WhiteWave Group Members prior to the Asset Transfer Closing, and (ii) except as otherwise expressly provided in this Agreement, any terminated, divested or discontinued businesses or operations, including but not limited to the joint venture with Hero Group and the Rachel’ s Dairy businesses, that at the time of such termination, divestiture or discontinuation primarily related to the WhiteWave Business (as described in the foregoing clause (i)) as then conducted.

“WhiteWave Capital Stock” means all classes or series of capital stock of WhiteWave, including the WhiteWave Class A Common Stock, the WhiteWave Class B Common Stock, and all options, warrants and other rights to acquire such capital stock.

“WhiteWave Class A Common Stock” means the Class A common stock, \$0.01 par value per share, of WhiteWave.

“WhiteWave Class B Common Stock” means the Class B common stock, \$0.01 par value per share, of WhiteWave.

“WhiteWave Common Stock” means the common stock of WhiteWave, including the WhiteWave Class A Common Stock and the WhiteWave Class B Common Stock.

“WhiteWave Group” means (i) prior to the Contribution Closing, WWF Operating Company and each Person that WWF Operating Company now or hereafter controls (within the meaning of the Securities Act) and (ii) from and after the Contribution Closing, WhiteWave and each Person that WhiteWave then or thereafter controls (within the meaning of the Securities Act).

“WhiteWave Group Member” means any Person now or hereafter included in the WhiteWave Group.

“WhiteWave Indebtedness” means the aggregate principal amount of total liabilities (whether long-term or short-term) for borrowed money (including capitalized leases) of the WhiteWave Group collectively, as determined for purposes of its Financial Statements prepared in accordance with GAAP.

“WhiteWave Indemnified Parties” has the meaning set forth in Section 8.2 of this Agreement.

“WhiteWave Liabilities” means, collectively, (i) the WhiteWave Assumed Liabilities; (ii) any and all Liabilities under the Security Obligations; and (iii) except for any Dean Foods Assumed Liability, any and all Liabilities of any WhiteWave Group Member.

“WhiteWave Public Documents” has the meaning set forth in Section 5.1(a)(viii) of this Agreement.

“WhiteWave Shared Contract” means any Contract of any WhiteWave Group Member that relates in part to the Dean Foods Business and that is not included in the Dean Foods Transferred Assets, including those Contracts identified on Schedule 6 hereto.

“WhiteWave Transfer Agent” means the transfer agent and registrar for the WhiteWave Class A Common Stock.

“WhiteWave Transferred Assets” means, collectively, other than the WWF Operating Company Shares, (i) any and all Assets that are expressly listed, scheduled or otherwise clearly described in any Ancillary Document as Assets transferred or to be transferred to any WhiteWave Group Member and (ii) any and all Assets of any Dean Foods Group Member not described in the foregoing clause (i) that are used primarily or held for use primarily in the WhiteWave Business.

“WhiteWave Voting Stock” has the meaning set forth in Section 5.2 of this Agreement.

“WWF Operating Company” has the meaning set forth in the preamble to this Agreement.

“WWF Operating Company Shares” means all shares of capital stock of WWF Operating Company issued and outstanding immediately prior to the Contribution Closing.

ARTICLE 2 ASSET TRANSFERS; CONTRIBUTION

Section 2.1 Transfer of Transferred Assets, Assumption of Liabilities.

(a) Except to the extent otherwise provided in this Agreement or any Ancillary Document, at or prior to the Asset Transfer Closing, (i) Dean Foods shall (and Dean Foods shall cause each other Dean Foods Group Member to) assign, transfer and convey to the WhiteWave Group Members, and WWF Operating Company shall (and WWF Operating Company shall cause each other WhiteWave Group Member to) receive and accept from the Dean Foods Group Members, all of the Dean Foods Group Members’ right, title and interest in and to the WhiteWave Transferred Assets and (ii) WWF Operating Company shall (and WWF Operating Company shall cause each other WhiteWave Group Member to) assign, transfer and convey to the Dean Foods Group Members, and Dean Foods shall (and Dean Foods shall cause each other Dean Foods Group Member to) receive and accept from the WhiteWave Group Members, all of the WhiteWave Group Members’ right, title and interest in and to the Dean Foods Transferred Assets. Such assignments, transfers and conveyances shall be effective as of the Asset Transfer Closing or at such other times as may be provided in each respective Ancillary Document and shall be subject to the terms and conditions of this Agreement and any applicable Ancillary Document.

(b) Except to the extent otherwise provided in this Agreement or any Ancillary Document, at or prior to the Asset Transfer Closing, (i) WWF Operating Company shall (and WWF Operating Company shall cause each other WhiteWave Group Member to) assume, and on a timely basis pay, perform, satisfy and discharge the WhiteWave Assumed Liabilities in accordance with their respective terms and (ii) Dean Foods shall (and Dean Foods shall cause each other Dean Foods Group Member to) assume, and on a timely basis pay, perform, satisfy and discharge the Dean Foods Assumed Liabilities in accordance with their respective terms. Such assumptions of WhiteWave Assumed Liabilities and Dean Foods Assumed Liabilities shall be effective as of the Asset Transfer Closing or at such other times as may be provided in each respective Ancillary Document and shall be subject to the terms and conditions of this Agreement and any applicable Ancillary Document.

Section 2.2 Contribution. At the Contribution Closing, Dean Foods shall contribute, assign, transfer and convey to WhiteWave, and WhiteWave shall accept, the WWF Operating Company Shares. Such contribution, assignment, transfer and conveyance shall be effective as of the Contribution Closing.

Section 2.3 Closings.

(a) The consummation of the transactions contemplated by Section 2.2 (the “Contribution Closing”) shall take place at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 1875 Pennsylvania Avenue, N.W., Washington, D.C. 20006 or such other place as the parties to this Agreement may agree, or by remote exchange of signatures and documents, as of immediately prior to the execution of the Underwriting Agreement. The consummation of the transactions contemplated by Section 2.1 (the “Asset Transfer Closing”) shall take place at the offices of Wilmer Cutler Pickering Hale and Dorr LLP, 1875 Pennsylvania Avenue, N.W., Washington, D.C. 20006 or such other place as the parties to this Agreement may agree, or by remote exchange of signatures and documents, as of immediately prior to the Contribution Closing on the date of the Underwriting Agreement.

(b) In furtherance of the Asset Transfers, except to the extent otherwise provided in this Agreement or in any Ancillary Document, at the Asset Transfer Closing, the parties shall execute and deliver, and they shall cause their respective Subsidiaries and Representatives, as applicable, to execute and deliver: (i) to the extent not executed and delivered prior thereto, the Ancillary Documents; (ii) such bills of sale, stock powers, certificates of title, assignments of Contracts, subleases and other instruments of transfer, conveyance and assignment as, and to the extent, necessary or appropriate to evidence (x) the transfer, conveyance and assignment to WWF Operating Company (or, as applicable, another WhiteWave Group Member) of all of the Dean Foods Group Members’ right, title and interest in and to the WhiteWave Transferred Assets and (y) the transfer, conveyance and assignment to Dean Foods (or, as applicable, another Dean Foods Group Member) of all of the WhiteWave Group Members’ right, title and interest in and to the Dean Foods Transferred Assets; and (iii) such assumptions of Contracts and other instruments of assumption as, and to the extent, necessary or convenient to evidence the valid and effective assumption of (x) the WhiteWave Assumed Liabilities by the WhiteWave Group Members and (y) the Dean Foods Assumed Liabilities by the Dean Foods Group Members.

(c) In furtherance of the Contribution, at the Contribution Closing, (i) Dean Foods shall deliver to WhiteWave the Stock Power accompanied by one or more stock certificates representing the WWF Operating Company Shares and (ii) the parties shall execute and deliver to each other such agreements and other documents as, and to the extent, necessary or convenient to evidence the Contribution and shall otherwise deliver to each other duly executed copies of the Ancillary Documents.

Section 2.4 No Representations or Warranties. Each party hereto (on its behalf and on behalf of its Affiliates and Representatives) acknowledges and agrees that, except as expressly set forth in this Agreement or any Ancillary Document, (a) no Person makes any representation or warranty, express or implied, as to any WhiteWave Asset, the WWF Operating Company Shares, any WhiteWave Liability, the WhiteWave Business, any Dean Foods Asset, any Dean

Foods Liability or the Dean Foods Business, including as to any Consent required in connection with, title to, value or freedom from any Liens of, or the absence of any defenses or right of setoff or freedom from counterclaim with respect to, the WWF Operating Company Shares or any WhiteWave Asset or any Dean Foods Asset (including, in each case, any accounts receivable included therein), or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any WhiteWave Asset, the WWF Operating Company Shares, any Dean Foods Asset or other thing of value upon the execution, delivery and filing hereof or thereof, (b) all WhiteWave Transferred Assets, all Dean Foods Transferred Assets and the WWF Operating Company Shares are being transferred on an “as is”, “where is” basis (and, in the case of any real property, by means of a quitclaim or similar form deed or conveyance) and (c) the intended transferee of any Transferred Asset shall bear the economic and legal risks that (i) any conveyance proves to be insufficient to vest in the transferee good and marketable title, free and clear of any Lien, (ii) any necessary Consents are not obtained or (iii) any requirements of Laws or judgments are not complied with. Each party hereto (on its behalf and on behalf of its Affiliates and Representatives) specifically acknowledges and agrees that (i) except for those representations and warranties expressly set forth in this Agreement or any Ancillary Document, it is not relying upon and has not relied upon any representations or warranties that may have been made by any Person in connection with the transactions contemplated by this Agreement or any Ancillary Document, and (ii) each other party hereto has specifically disclaimed, and hereby specifically disclaims, (x) any representation or warranty made by any Person in connection with the transactions contemplated by this Agreement or any Ancillary Document other than those expressly set forth in this Agreement or any Ancillary Document and (y) any obligation or duty to make any disclosures of fact not required to be disclosed pursuant to the specific representations and warranties set forth in this Agreement or any Ancillary Document.

Section 2.5 Transfers Not Effected at the Asset Transfer Closing.

(a) The parties acknowledge and agree that some of the transfers of the Transferred Assets contemplated by Section 2.1(a) may not be effected at the Asset Transfer Closing due to the inability of the parties to obtain necessary Consents or the inability of the parties to take certain other actions necessary to effect such transfers at the Asset Transfer Closing. To the extent any transfers of the Transferred Assets contemplated by Section 2.1(a) have not been fully effected at the Asset Transfer Closing, each of Dean Foods and WhiteWave shall cooperate and use commercially reasonable efforts (and shall cause its applicable Group Members to use commercially reasonable efforts) to obtain any necessary Consents or take any other actions necessary to effect such transfers of the Transferred Assets as promptly as practicable following the Asset Transfer Closing.

(b) Nothing in this Agreement or any Ancillary Document shall be deemed to constitute a transfer or assignment, or an attempted transfer or assignment, of any Transferred Asset by any party (or any of its Affiliates) (an “Intended Transferor”) to any other party (or any of its Affiliates) (an “Intended Transferee”) to the extent that such transfer or assignment, or attempted transfer or assignment, would constitute a breach of such Contract, result in the counterparty to such Contract acquiring the right to terminate such Contract or cause forfeiture or loss of such Asset.

(c) To the extent a transfer or assignment of any Transferred Asset is deferred pursuant to Section 2.5(b), then the parties shall use commercially reasonable efforts to provide to, or cause to be provided to, the Intended Transferee, to the extent not prohibited by Law, the rights of any such Transferred Asset and take such other actions as may reasonably be requested by the other party in order to place the Intended Transferee, insofar as reasonably possible, in the same position as if such Transferred Asset had been transferred as contemplated hereby. In connection therewith, (i) the Intended Transferor shall promptly pass along to the Intended Transferee when received all benefits derived by the Intended Transferor with respect to any such Transferred Asset, and (ii) the Intended Transferee shall pay, perform and discharge on behalf of the Intended Transferor all of the Intended Transferor's Liabilities with respect to any such Transferred Asset in a timely manner and in accordance with the terms thereof which it may do without breach. Upon the receipt of such Consents or the taking of such other actions as may be necessary to permit any transfer or assignment deferred pursuant to Section 2.5(b), this Agreement or the applicable Ancillary Document shall be deemed to effect such transfer or assignment. The party requesting cooperation under this Section 2.5(c) shall reimburse the party providing such cooperation for all reasonable and documented out-of-pocket expenses or fees paid by such providing party.

Section 2.6 Shared Contracts. The parties agree as follows:

(a) At the written request of WhiteWave, Dean Foods shall, and shall cause the other Dean Foods Group Members to, to the extent not prohibited by the applicable Dean Foods Shared Contract and applicable Law and except where the benefits or rights under such Dean Foods Shared Contracts are specifically provided pursuant to an Ancillary Document, make available to applicable WhiteWave Group Members benefits and rights that are substantially equivalent to the benefits and rights enjoyed by the Dean Foods Group under each Dean Foods Shared Contract for which such request is made by WhiteWave, to the extent such benefits relate to the WhiteWave Business; provided, however, that the applicable WhiteWave Group Members shall assume and discharge (or promptly reimburse Dean Foods for) the Liabilities under the relevant Dean Foods Shared Contracts associated with the benefits and rights so made available to them.

(b) At the written request of Dean Foods, WhiteWave shall, and shall cause the other WhiteWave Group Members to, to the extent not prohibited by the applicable WhiteWave Shared Contract and applicable Law and except where the benefits or rights under such WhiteWave Shared Contracts are specifically provided pursuant to an Ancillary Document, make available to Dean Foods Group Members the benefits and rights under the WhiteWave Shared Contracts that are substantially equivalent to the benefits and rights enjoyed by the WhiteWave Group under each WhiteWave Shared Contract for which such request is made by Dean Foods, to the extent such benefits relate to the Dean Foods Business; provided, however, that the applicable Dean Foods Group Members shall assume and discharge (or promptly reimburse WhiteWave for) the Liabilities under the relevant WhiteWave Shared Contracts associated with the benefits and rights so made available to them.

(c) The parties shall, and shall cause their respective Subsidiaries to, use their respective reasonable best efforts to work together (and, if necessary and desirable, to work with the third party to each Shared Contract) in an effort to divide, partially assign, modify and/or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (i) a WhiteWave Group Member is the beneficiary of the rights and is responsible for the obligations related to that portion of such Shared Contract relating to the WhiteWave Business, which rights shall be a WhiteWave Asset and which obligations shall be a WhiteWave Liability, and (ii) a Dean Foods Group Member is the beneficiary of the rights and is responsible for the obligations related to such Shared Contract relating to the Dean Foods Business, which rights shall be a Dean Foods Asset and which obligations shall be a Dean Foods Liability.

Section 2.7 Inter-Group Notes. On the IPO Settlement Date, WhiteWave shall contribute to WWF Operating Company substantially all of the initial net proceeds of the IPO (including the net proceeds from the exercise of the Underwriters' overallotment option if it is settled at the initial closing of the IPO) (after deducting the underwriting discount and expenses of the IPO) and substantially all of the initial net proceeds of the WhiteWave Borrowing and cause WWF Operating Company to use such proceeds to repay to Dean Foods WWF Operating Company's obligations under the Inter-Group Notes.

Section 2.8 Termination of Inter-Group Agreements.

(a) Except as set forth in Section 2.8(b), WhiteWave and each WhiteWave Group Member, on the one hand, and Dean Foods and each Dean Foods Group Member, on the other hand, hereby terminate any and all Contracts, agreements, arrangements, commitments or understandings, whether or not in writing, between or among WhiteWave or any WhiteWave Group Member, on the one hand, and any Dean Foods Group Member, on the other hand, effective as of the Asset Transfer Closing. No such terminated Contract, agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive termination) shall be of any further force or effect after the Asset Transfer Closing. Except as otherwise set forth or described on Schedule 2.8(a) and except for the Inter-Group Notes, immediately after the Asset Transfer Closing and immediately prior to the Contribution Closing, (i) all intercompany accounts receivable of WhiteWave or any WhiteWave Group Member that are due from Dean Foods or any Dean Foods Group Member shall be offset by all intercompany accounts payable owed by WhiteWave or any WhiteWave Group Member to Dean Foods or any Dean Foods Group Member and (ii) any net accounts receivable shall be paid as a dividend from WhiteWave or any WhiteWave Group Member, as the case may be, directly or indirectly, to Dean Foods or any Dean Foods Group Member and any net accounts payable shall be treated as a capital contribution, directly or indirectly, to WhiteWave or any WhiteWave Group Member, as the case may be. Each party shall, at the reasonable request of any other party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.8(a) shall not apply to any of the following Contracts, agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement or any Ancillary Document (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Document to be entered into by either party hereto or any of their respective Group Members); (ii) any Contracts, agreements, arrangements, commitments or understandings set forth or described in Schedule 2.8(b)(ii);

(iii) any Contracts, agreements, arrangements, commitments or understandings to which any Person other than the parties hereto and their respective Affiliates is a party; (iv) the Inter-Group Notes; and (v) any other Contracts, agreements, arrangements, commitments or understandings that this Agreement or any Ancillary Document expressly contemplates shall survive the Asset Transfer Closing, including the Shared Contracts.

ARTICLE 3 THE IPO

Section 3.1 Transactions Prior to the IPO. Subject to the terms and conditions hereof, each of Dean Foods and WhiteWave shall use commercially reasonable efforts to consummate the IPO, including by taking the actions specified in this Section 3.1.

(a) WhiteWave shall file such amendments or supplements to the IPO Registration Statement as may be necessary in order to cause the IPO Registration Statement to become and remain effective as required by applicable Law or by the Underwriters, including filing such amendments and supplements thereto as may be required by the Underwriting Agreement, the SEC or applicable securities Laws. Dean Foods and WhiteWave shall also cooperate in preparing, filing with the SEC and causing to become effective a registration statement registering the WhiteWave Class A Common Stock under the Exchange Act, and any registration statements or amendments thereto which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the IPO, the Distribution or the other transactions contemplated by this Agreement and the Ancillary Documents.

(b) WhiteWave shall enter into the Underwriting Agreement, in form and substance reasonably satisfactory to WhiteWave, and WhiteWave shall comply with its obligations thereunder.

(c) WhiteWave shall use commercially reasonable efforts to take all such action as may be necessary or appropriate under applicable state securities and blue sky Laws of the United States (and any comparable Laws under any foreign jurisdictions) in connection with the IPO.

(d) WhiteWave shall prepare, file and use commercially reasonable efforts to seek to make effective, an application for listing of the WhiteWave Class A Common Stock to be issued in the IPO on The New York Stock Exchange, subject to official notice of issuance.

(e) WhiteWave shall participate in the preparation of materials and presentations that Dean Foods and the Underwriters may deem necessary or desirable.

(f) WhiteWave shall cooperate in all respects with Dean Foods in connection with the pricing and timing of the issuance of the WhiteWave Class A Common Stock in the IPO and shall, at Dean Foods' direction, promptly take any and all actions necessary or desirable to consummate the IPO as contemplated by the IPO Registration Statement and the Underwriting Agreement.

(g) WhiteWave shall use commercially reasonable efforts to incur the WhiteWave Borrowing on terms and with lenders acceptable to Dean Foods.

Section 3.2 Proceeds of the IPO; Consideration for Asset Transfers and Contribution.

(a) Except as may otherwise be agreed by the parties, the IPO shall be a primary offering of WhiteWave Class A Common Stock, and substantially all of the initial net proceeds of the IPO (including the net proceeds from the exercise of the Underwriters' overallotment option if it is settled at the initial closing of the IPO) (after deducting the underwriting discount and expenses of the IPO), together with substantially all of the initial net proceeds of the WhiteWave Borrowing shall be contributed to WWF Operating Company and WWF Operating Company shall use such proceeds to repay the Inter-Group Notes as set forth in Section 2.7.

(b) In addition to any other consideration set forth in any Ancillary Document, the transfer of the WhiteWave Transferred Assets by the Dean Foods Group Members to the WhiteWave Group Members and the assumption by the Dean Foods Group Members of the Dean Foods Assumed Liabilities from the WhiteWave Group Members shall be in exchange for the transfer of the Dean Foods Transferred Assets by the WhiteWave Group Members to the Dean Foods Group Members and the assumption by the WhiteWave Group Members of the WhiteWave Assumed Liabilities from the Dean Foods Group Members.

(c) The Contribution shall be in exchange for (i) the issuance to Dean Foods of shares of WhiteWave Class B Common Stock and (ii) the reclassification of the WhiteWave Common Stock held by Dean Foods prior to the Contribution into shares of WhiteWave Class B Common Stock.

Section 3.3 Conditions Precedent to IPO Settlement. The obligations of the parties to consummate the IPO shall be subject to such conditions as Dean Foods shall determine in its sole and absolute discretion, which conditions shall be for the sole benefit of Dean Foods, which conditions may be waived by Dean Foods in its sole and absolute discretion, and any determination by Dean Foods regarding the satisfaction or waiver of any of such conditions shall be conclusive. Such conditions shall include the following:

(a) The IPO Registration Statement shall have been declared effective by the SEC, and there shall be no stop order in effect with respect thereto and no proceeding for that purpose instituted by the SEC shall then be pending;

(b) The actions and filings with regard to state securities and blue sky Laws of the United States (and any comparable Laws under any foreign jurisdictions) referred to in Section 3.1 shall have been taken and, where applicable, have become effective or been accepted;

(c) The WhiteWave Class A Common Stock to be issued in the IPO shall have been accepted for listing on The New York Stock Exchange, subject to official notice of issuance;

(d) WhiteWave shall have entered into the Underwriting Agreement and all conditions to the obligations of WhiteWave and the Underwriters thereunder shall have been satisfied or waived;

(e) Dean Foods shall be satisfied in its sole and absolute discretion that (i) it will possess Tax Control of WhiteWave immediately following the IPO Settlement, (ii) all other conditions relating to the Tax-Free Status will, to the extent applicable as of the time the IPO is consummated, be satisfied or can reasonably be anticipated to be satisfied, and (iii) there will be no event or condition that may cause any of such conditions not to be satisfied as of the time of the Distribution or thereafter;

(f) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the IPO Settlement or any of the other transactions contemplated by this Agreement or any Ancillary Document shall be in effect;

(g) After giving effect to the Contribution, the IPO, the WhiteWave Borrowing and the application of proceeds therefrom on a pro forma basis, Dean Foods shall be in compliance with all of the terms and conditions of the Dean Foods Credit Agreement;

(h) Dean Foods shall have determined that the terms of the IPO, including the timing and pricing thereof, and other material matters in connection therewith, are acceptable to Dean Foods;

(i) WhiteWave shall have incurred the WhiteWave Borrowing on terms and with lender(s) acceptable to Dean Foods substantially concurrently with the IPO Settlement;

(j) WhiteWave and each WhiteWave Group Member shall have been removed as an originator under the Dean Foods accounts receivable securitization program and all documentation necessary or appropriate to reflect the same shall have been duly executed and delivered;

(k) The Dividend shall not have been rescinded or revoked or otherwise modified and the Inter-Group Notes shall remain in full force and effect;

(l) The Board of Directors of each of Dean Foods, WhiteWave and WWF Operating Company shall have received such opinions from their respective financial advisors as any such Board of Directors may require with respect to the transactions contemplated to occur at or prior to the IPO Settlement; and

(m) This Agreement shall not have been terminated.

Section 3.4 Reclassification of Outstanding WhiteWave Common Stock into WhiteWave Class B Common Stock. Dean Foods and WhiteWave shall each have taken all actions (including such actions that are required to effect the amendment and restatement of WhiteWave's certificate of incorporation) that Dean Foods has determined, in its sole discretion, are required to provide for the reclassification of the issued and outstanding shares of WhiteWave common stock held by Dean Foods as of the date hereof into shares of WhiteWave Class B Common Stock.

ARTICLE 4
THE DISTRIBUTION; OTHER DISPOSITIONS

Section 4.1 The Distribution. Dean Foods intends to, at some time following the IPO Settlement, but no earlier than the expiration or waiver by the Underwriters of the 180-day lock-up period described in the IPO Registration Statement, effect the Distribution. Dean Foods shall, in its sole and absolute discretion, determine the date of the consummation of the Distribution, if any, and all terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution, the number of shares of WhiteWave Common Stock distributed pursuant thereto and the timing of and conditions to the consummation of the Distribution. In addition, Dean Foods may, at any time and from time to time until the completion of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. WhiteWave shall cooperate with Dean Foods in all respects to accomplish the Distribution and shall, at Dean Foods' direction, promptly take any and all actions necessary or desirable to effect the Distribution, including to the extent necessary, the registration under the Securities Act and the Exchange Act of the WhiteWave Common Stock on an appropriate registration form or forms to be designated by Dean Foods. Dean Foods shall select any investment banker(s) and manager(s) in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors for Dean Foods; provided, however, that nothing in this Agreement shall prohibit WhiteWave from engaging (at its own expense) its own financial, legal, accounting and other advisors in connection with the Distribution. For the avoidance of doubt, Dean Foods shall have the right not to complete a Distribution for any or no reason.

Section 4.2 Actions Prior to the Distribution. In connection with the Distribution, the parties shall take the actions set forth in this Section 4.2.

(a) Dean Foods and WhiteWave shall prepare and mail, prior to any Distribution Date, to the holders of Dean Foods Common Stock, such information concerning WhiteWave and the Distribution and such other matters as Dean Foods reasonably determines is necessary or desirable and such information as may be required by Law. Dean Foods and WhiteWave shall prepare, and WhiteWave shall, to the extent required by applicable Law, file with the SEC any such documentation that Dean Foods determines is necessary or desirable to effect the Distribution, and Dean Foods and WhiteWave shall each use commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(b) WhiteWave shall use commercially reasonable efforts to take all such action as may be necessary or desirable under applicable state securities and blue sky Laws of the United States (and any comparable Laws under any foreign jurisdictions) in connection with the Distribution.

(c) WhiteWave shall prepare, file and use commercially reasonable efforts to seek to make effective, an application for listing of the WhiteWave Common Stock to be distributed in the Distribution on The New York Stock Exchange, subject to official notice of issuance.

(d) WhiteWave shall take all reasonable steps necessary or desirable to cause the conditions set forth in Section 4.3 to be satisfied and to effect the Distribution.

Section 4.3 Conditions to Distribution. The consummation of the Distribution shall be subject to the satisfaction, or waiver by Dean Foods in its sole and absolute discretion, of the conditions set forth in this Section 4.3. Any determination by Dean Foods regarding the satisfaction or waiver of any of such conditions shall be conclusive. For the avoidance of doubt, in the event that Dean Foods determines not to consummate the Distribution because one or more of such conditions is not satisfied or for any other reason, such determination by Dean Foods shall not impact the effectiveness of the Contribution or the IPO.

(a) The receipt by Dean Foods, in form and substance satisfactory to it, at its option and in its sole and absolute discretion, of a ruling by the IRS and/or an opinion from its Tax Counsel regarding the Tax-Free Status and such other matters, as it determines to be necessary or advisable in its sole and absolute discretion.

(b) The receipt of any Consents necessary to consummate the Distribution, which Consents shall be in full force and effect.

(c) No order, injunction, decree or regulation issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Distribution shall be in effect and no other event shall have occurred or failed to occur that prevents the consummation of the Distribution.

(d) After giving effect to the Distribution on a pro forma basis, Dean Foods shall be in compliance with all of the terms and conditions of the Dean Foods Credit Agreement.

(e) The actions and filings necessary or appropriate under applicable securities Laws in connection with the Distribution shall have been taken or made, and, where applicable, have become effective or been accepted.

(f) The WhiteWave Common Stock to be distributed in the Distribution shall have been accepted for listing on The New York Stock Exchange, subject to official notice of issuance.

(g) The Board of Directors of Dean Foods shall have received such opinions from its financial advisor as such Board of Directors may require with respect to the Distribution.

Section 4.4 Certain Stockholder Matters.

(a) Subject to Section 4.3 hereof, on or prior to the Distribution Date, Dean Foods shall deliver to a distribution agent to be appointed by Dean Foods (the "Distribution Agent") for the benefit of holders of record of Dean Foods Common Stock on the Record Date, a single stock certificate, endorsed by Dean Foods in blank, representing all of the outstanding shares of WhiteWave Common Stock to be included in the Distribution, and Dean Foods shall instruct the Distribution Agent to deliver to the WhiteWave Transfer Agent true, correct and complete copies of the stock and transfer records reflecting the holders of Dean Foods Common Stock entitled to

receive shares of WhiteWave Common Stock in connection with the Distribution. Dean Foods shall cause its transfer agent to instruct the Distribution Agent to distribute on the Distribution Date or as soon as reasonably practicable thereafter the appropriate number of shares of WhiteWave Common Stock to each such holder or designated transferee(s) of such holder. Dean Foods shall cooperate, and instruct the Distribution Agent to cooperate, with WhiteWave and the WhiteWave Transfer Agent, and WhiteWave shall cooperate, and instruct the WhiteWave Transfer Agent to cooperate, with Dean Foods and the Distribution Agent, in connection with all aspects of the Distribution and all other matters relating to the issuance and delivery of certificates representing, or other evidence of ownership of, the shares of WhiteWave Common Stock to be distributed to the holders of Dean Foods Common Stock in connection with the Distribution.

(b) Subject to Section 4.4(d), each holder of Dean Foods Common Stock on the Record Date (or such holder's designated transferee(s)) shall be entitled to receive in the Distribution a number of shares of WhiteWave Common Stock equal to the number of shares of WhiteWave Common Stock included in the Distribution multiplied by a fraction, (i) the numerator of which is the number of shares of Dean Foods Common Stock held by such holder on the Record Date, and (ii) the denominator of which is the number of shares of Dean Foods Common Stock outstanding on the Record Date. In the event that the Distribution consists of more than one class of WhiteWave Common Stock, each holder of Dean Foods Common Stock shall receive shares of WhiteWave Common Stock, calculated as provided above, except that the calculation shall be performed separately for each such class of stock.

(c) From and after the Distribution, WhiteWave shall regard each Person described in Section 4.4(b) that is entitled to receive such WhiteWave Common Stock as the record holder of WhiteWave Common Stock received in accordance with the terms of the Distribution without requiring any action on the part of such Person, until such time as such Person shall have duly transferred the WhiteWave Common Stock received in the Distribution in accordance with applicable Law. WhiteWave agrees that, subject to any transfers of such stock, (i) each such holder shall be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the shares of WhiteWave Common Stock then held by such holder, and (ii) each such holder shall be entitled, without any action on the part of such holder, to receive one or more certificates representing, or other evidence of ownership of, the shares of WhiteWave Common Stock then held by such holder.

(d) Notwithstanding anything to the contrary in this Section 4.4, in the event that the Distribution is not made in the form of a pro rata distribution of WhiteWave Common Stock to holders of Dean Foods Common Stock, the above provisions of this Section 4.4 shall not apply to the Distribution.

(e) No certificates or scrip representing fractional shares of WhiteWave Common Stock shall be issued in the Distribution. In lieu of receiving fractional shares, each holder of Dean Foods Common Stock that would otherwise be entitled to receive a fractional share of WhiteWave Common Stock pursuant to the Distribution shall receive cash for such fractional share. Dean Foods and WhiteWave shall instruct the Distribution Agent to determine the number of whole shares of WhiteWave Common Stock and fractional shares of WhiteWave

Common Stock allocable to each holder of record of Dean Foods Common Stock as of the close of business on Record Date, to aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in the open market at the then prevailing prices on behalf of holders that would otherwise be entitled to receive fractional share interests, and to distribute to each such holder such holder's ratable share of the total proceeds of such sale after making appropriate deductions of any amounts required for U.S. federal tax withholding purposes and after deducting any taxes attributable to the sale of such fractional share interests.

Section 4.5 Equity for Debt Exchange.

(a) Subject to Section 4.6(c), Dean Foods shall be entitled to engage in one or more Equity for Debt Exchanges. If Dean Foods decides to engage in an Equity for Debt Exchange, Dean Foods shall (i) incur indebtedness from one or more third-party lenders, (ii) use the net proceeds thereof to repay amounts then outstanding to one or more third-party creditors of Dean Foods, and (iii) discharge the indebtedness described in the foregoing clause (i) in exchange for some or all of the shares of WhiteWave Class A Common Stock then held by Dean Foods.

(b) Subject to Section 4.6, to the extent reasonably requested by Dean Foods, WhiteWave shall, and shall cause each other WhiteWave Group Member to, use commercially reasonable efforts to assist Dean Foods in connection with any Equity for Debt Exchange, including using commercially reasonable efforts to assist Dean Foods in making all filings with, and obtaining all Consents of, any Governmental Authority reasonably requested by Dean Foods in order to consummate any Equity for Debt Exchange, including to the extent reasonably requested by Dean Foods (i) making officers and employees of WhiteWave reasonably available to participate in meetings, presentations and sessions with third-party lenders and to answer questions from, and provide information to, such lenders concerning the WhiteWave Business (provided that no WhiteWave Group Member shall have any obligation pursuant to this clause (i) to provide any material, non-public information to any such lender unless in the good faith judgment of Dean Foods the provision of such information is necessary or advisable to facilitate the Equity for Debt Exchange and such lender agrees, in a manner reasonably acceptable to WhiteWave, to keep such information confidential and to comply with all federal and state securities laws with respect to such information) and (ii) executing and delivering any agreement entered into between Dean Foods and one or more third-party lenders for the exchange by such lender(s) of indebtedness for shares of WhiteWave Common Stock, in a form reasonably acceptable to WhiteWave and Dean Foods.

(c) To the extent an Equity for Debt Exchange is structured as a private exchange for which a registration statement is not required to be filed under the Securities Act, WhiteWave agrees that it will enter into a registration rights agreement with such lenders at the time of such Equity for Debt Exchange on terms and conditions reasonably satisfactory to WhiteWave.

Section 4.6 Other Dispositions and Related Matters.

(a) Subject to Dean Foods' rights not to complete a Distribution and to terminate this Agreement as set forth in Section 9.15 below and subject to Section 4.6(c) below, Dean Foods shall (i) dispose of all of its shares of WhiteWave Common Stock through the Distribution

and/or one or more Equity for Debt Exchanges and/or other dispositions, in each case in accordance with the Ruling, any Supplemental Ruling, the Ruling Documents, any Supplemental Ruling Documents, the Tax Opinion, any Supplemental Tax Opinion and with applicable securities Laws, (ii) consult in advance with WhiteWave regarding the terms, structure and legal documents relating to the Distribution or any Equity for Debt Exchange or other disposition, in order for WhiteWave to be reasonably satisfied that such terms, structure and legal documentation are consistent with the Ruling, any Supplemental Ruling, the Ruling Documents, any Supplemental Ruling Documents, the Tax Opinion, any Supplemental Tax Opinion and with applicable securities Laws, and (iii) obtain WhiteWave's prior consent to any documentation relating to the Distribution or any Equity for Debt Exchange or other disposition to which WhiteWave is a party or pursuant to which WhiteWave has any potential Liability (other than any *de minimis* Liability), which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Within three (3) years after the Distribution Date, Dean Foods shall dispose of, or cause the disposition of, all of the shares of WhiteWave Common Stock owned by any member of the Dean Foods Group in a manner consistent with Section 4.6(c).

(c) Dean Foods may not sell, transfer or otherwise dispose of, or cause the disposition of, any shares of WhiteWave Common Stock except (i) in a Permitted Transfer, (ii) with WhiteWave's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), or (iii) at or after the date that the Dean Foods Group, in the aggregate, owns no more than 7.5% of the then-outstanding number of shares of WhiteWave Common Stock.

ARTICLE 5 FINANCIAL AND OTHER COVENANTS

Section 5.1 Financial and Other Information.

(a) Financial Information. WhiteWave agrees that, for so long as Dean Foods is required to consolidate the results of operations and financial position of WhiteWave or any other WhiteWave Group Member (determined in accordance with generally accepted accounting principles consistently applied and consistent with SEC reporting requirements):

(i) Disclosure of Financial Controls. WhiteWave shall, and shall cause each other WhiteWave Group Member to, maintain, as of and after the Contribution Closing, disclosure controls and procedures and internal control over financial reporting as defined in Exchange Act Rule 13a-15 promulgated under the Exchange Act; WhiteWave shall cause each of its principal executive officer and its principal financial officer to sign and deliver certifications to WhiteWave's periodic reports and shall include the certifications in WhiteWave's periodic reports, as and when required pursuant to Exchange Act Rule 13a-14 and Item 601 of Regulation S-K; WhiteWave shall cause its management to evaluate WhiteWave's disclosure controls and procedures and internal control over financial reporting (including any change in internal control over financial reporting) as and when required pursuant to Exchange Act Rule 13a-15; WhiteWave shall disclose in its periodic reports filed with the SEC information concerning WhiteWave management's responsibilities for and evaluation of WhiteWave's disclosure

controls and procedures and internal control over financial reporting (including the annual management report and attestation report of WhiteWave's independent auditors relating to internal control over financial reporting) as and when required under Items 307 and 308 of Regulation S-K and other applicable SEC rules; and, without limiting the general application of the foregoing, WhiteWave shall, and shall cause each other WhiteWave Group Member to, maintain as of and after the Contribution Closing internal systems and procedures that provide reasonable assurance that (A) the Financial Statements are reliable and timely prepared in accordance with GAAP and applicable Law, (B) all transactions of any WhiteWave Group Member are recorded as necessary to permit the preparation of the Financial Statements, (C) the receipts and expenditures of any WhiteWave Group Member are authorized at the appropriate level within the WhiteWave Group, and (D) unauthorized use or disposition of the assets of any WhiteWave Group Member that could have material effect on the Financial Statements is prevented or detected in a timely manner.

(ii) Fiscal Year. WhiteWave shall, and shall cause each WhiteWave Group Member organized in the United States and, to the extent permitted by applicable Law, each other WhiteWave Group Member to, maintain a fiscal year that commences and ends on the same calendar days as Dean Foods' fiscal year commences and ends, and to maintain monthly accounting periods that commence and end on the same calendar days as Dean Foods' monthly accounting periods commence and end.

(iii) Monthly Financial Reports. For each monthly accounting period after the Contribution Closing, WhiteWave shall use commercially reasonable efforts to comply with Dean Foods' standard financial reporting timeline for the provision of consolidated financial information and financial statements of operations, balance sheets and statements of cash flows of WhiteWave and each WhiteWave Affiliate that is consolidated with WhiteWave for such period, in such format and detail as Dean Foods may request.

(iv) Quarterly Financial Statements. For each quarterly accounting period after the Contribution Closing, WhiteWave shall use commercially reasonable efforts to comply with Dean Foods' standard financial reporting timeline for the provision of consolidated financial information and financial statements to be included in Dean Foods' Form 10-Q or other document to be filed with the SEC. Such information and financial statements shall be provided for all periods required by the Exchange Act and regulations thereunder and shall be prepared in accordance with Article 10 of Regulation S-X and GAAP and shall include a discussion and analysis by management of the WhiteWave Group's financial condition and results of operations for such fiscal periods prepared in accordance with Item 303(b) of Regulation S-K. The information set forth in (A) and (B) above is referred to in this Agreement as the "Quarterly Financial Statements." In accordance with Dean Foods' standard financial reporting timeline, WhiteWave shall use commercially reasonable efforts to deliver to Dean Foods the final form of the WhiteWave Quarterly Financial Statements and certifications thereof by the principal executive officer and the principal financial officer of WhiteWave in substantially the forms required under SEC rules for periodic reports and in form and substance satisfactory to Dean Foods; provided, however, that WhiteWave may continue to revise such Quarterly Financial Statements prior to the filing thereof in order to make corrections, updates and changes which corrections, updates and changes shall (i) if substantive, be delivered by WhiteWave to Dean

Foods as soon as practicable, and in any event not less than twenty-four (24) hours prior to the filing of such Quarterly Financial Statements with the SEC and (ii) in all other cases, be delivered by WhiteWave to Dean Foods as soon as practicable, and in any event, within eight (8) hours, after making any such corrections, updates or changes; provided, further, that Dean Foods' and WhiteWave' s financial Representatives shall actively consult with each other regarding any changes (whether or not substantive) which WhiteWave may consider making to its Quarterly Financial Statements and related disclosures prior to any anticipated filing with the SEC, with particular focus on any changes that would have an effect upon Dean Foods' financial statements or related disclosures. In addition to the foregoing, no Quarterly Financial Statement or any other document that refers, or contains information not previously publicly disclosed with respect, to the ownership of WhiteWave by Dean Foods, the separation of WhiteWave from Dean Foods or the Distribution shall be filed with the SEC or otherwise made public by any WhiteWave Group Member without the prior written consent of Dean Foods, which shall not be unreasonably withheld, conditioned or delayed. Dean Foods and WhiteWave shall cooperate with each other and use commercially reasonable efforts to file their respective quarterly reports on the same day; provided, however, that the foregoing requirement shall not apply to the first quarterly reporting period of WhiteWave following the IPO if WhiteWave is not required by the Exchange Act to file its Form 10-Q for such period within forty-five (45) days of the end of such quarter.

(v) Annual Financial Statements. For each quarterly accounting period after the Contribution Closing, WhiteWave shall use commercially reasonable efforts to comply with Dean Foods' standard financial reporting timeline for the provision of consolidated financial information and financial statements to be included in Dean Foods' Form 10-Q or other document to be filed with the SEC. Such information and financial statements shall be provided for all periods required by the Exchange Act and regulations thereunder and shall be prepared in accordance with Article 10 of Regulation S-X and GAAP and shall include a discussion and analysis by management of the WhiteWave Group' s financial condition and results of operations for such fiscal periods prepared in accordance with Item 303(b) of Regulation S-K. The information set forth in (A) and (B) above is referred to in this Agreement as the "Annual Financial Statements." In accordance with Dean Foods' standard financial reporting timeline, WhiteWave shall use commercially reasonable efforts to deliver to Dean Foods the final form of the WhiteWave Annual Financial Statements and certifications thereof by the principal executive officer and the principal financial officer of WhiteWave in substantially the forms required under SEC rules for periodic reports and in form and substance satisfactory to Dean Foods; provided, however, that WhiteWave may continue to revise such Annual Financial Statements prior to the filing thereof in order to make corrections, updates and changes which corrections, updates and changes shall (i) if substantive, be delivered by WhiteWave to Dean Foods as soon as practicable, and in any event not less than twenty-four (24) hours prior to the filing of such Annual Financial Statements with the SEC and (ii) in all other cases, be delivered by WhiteWave to Dean Foods as soon as practicable, and in any event, within eight (8) hours, after making any such corrections, updates or changes; provided, further, that Dean Foods' and WhiteWave' s financial Representatives shall actively consult with each other regarding any changes (whether or not substantive) which WhiteWave may consider making to its Annual Financial Statements and related disclosures prior to any anticipated filing with the SEC, with particular focus on any

changes that would have an effect upon Dean Foods' financial statements or related disclosures. In addition to the foregoing, no Annual Financial Statement or any other document that refers, or contains information not previously publicly disclosed with respect, to the ownership of WhiteWave by Dean Foods, the separation of WhiteWave from Dean Foods or the Distribution shall be filed with the SEC or otherwise made public by any WhiteWave Group Member without the prior written consent of Dean Foods, which shall not be unreasonably withheld, conditioned or delayed. In any event, WhiteWave shall use commercially reasonable efforts to deliver to Dean Foods, no later than five (5) days prior to the date that on which Dean Foods has notified WhiteWave that Dean Foods intends to file the Dean Foods annual financial statements with the SEC, the final form of the Annual Financial Statements accompanied by an opinion thereon by WhiteWave's independent certified public accountants. Dean Foods and WhiteWave shall cooperate with each other and use commercially reasonable efforts to file their respective annual reports on the same day.

(vi) Affiliate Financial Statements. WhiteWave shall deliver to Dean Foods all Quarterly and Annual Financial Statements of each WhiteWave Affiliate that is itself required to file financial statements with the SEC or otherwise make such financial statements publicly available, with such financial statements to be provided in the same manner and detail and on the same time schedule as those financial statements of WhiteWave required to be delivered to Dean Foods pursuant to this Section 5.1(a).

(vii) Conformance with Dean Foods Financial Presentation. All information provided by any WhiteWave Group Member to Dean Foods or filed with the SEC pursuant to Section 5.1(a)(iii), Section 5.1(a)(iv), Section 5.1(a)(v) or Section 5.1(a)(vi) shall be consistent in terms of format and detail and otherwise with Dean Foods' policies with respect to the application of GAAP and practices with respect to the provision of such financial information by such WhiteWave Group Member to Dean Foods, with such changes therein as may be reasonably requested by Dean Foods from time to time consistent with changes in such accounting principles, policies and practices.

(viii) WhiteWave Reports Generally. Each WhiteWave Group Member that files information with the SEC shall deliver to Dean Foods: (A) substantially final drafts, as soon as the same are prepared, of (x) all reports, notices and proxy and information statements to be sent or made available by such WhiteWave Group Member to its respective security holders, (y) all regular, periodic and other reports to be filed or furnished under Sections 13, 14 and 15 of the Exchange Act (including Reports on Forms 10-K, 10-Q and 8-K and Annual Reports to Shareholders), and (z) all registration statements and prospectuses to be filed by such WhiteWave Group Member with the SEC or any securities exchange pursuant to the listed company manual (or similar requirements) of such exchange (collectively, the documents identified in clauses (x), (y) and (z) are referred to in this Agreement as "WhiteWave Public Documents"), and (B) as soon as practicable, but in no event later than five (5) Business Days (other than with respect to Forms 8-K) prior to the earliest of the dates the same are printed, sent or filed, current drafts of all such WhiteWave Public Documents and, with respect to Forms 8-K, as soon as practicable, but in no event later than two (2) Business Days prior to the earliest of the dates the same are printed, sent or filed in the case of planned Forms 8-K and as soon as practicable, but in no event less than two (2) hours in the case of unplanned Forms 8-K;

provided, however, that WhiteWave may continue to revise such WhiteWave Public Documents prior to the filing thereof in order to make corrections and/or non-substantive changes, which corrections and changes shall be delivered by WhiteWave to Dean Foods as soon as practicable; provided, further, that Dean Foods and WhiteWave financial Representatives shall actively consult with each other regarding any changes (whether or not substantive) that WhiteWave may consider making to any of its WhiteWave Public Documents and related disclosures prior to any anticipated filing with the SEC, to the extent that such changes would have an effect upon Dean Foods' financial statements or related disclosures. In addition to the foregoing, no WhiteWave Public Document or any other document that refers, or contains information not previously publicly disclosed with respect, to the ownership of WhiteWave by Dean Foods, the separation of WhiteWave from Dean Foods or the Distribution shall be filed with the SEC or otherwise made public by any WhiteWave Group Member without the prior written consent of Dean Foods, which shall not be unreasonably withheld, conditioned or delayed.

(ix) Budgets and Financial Projections. WhiteWave shall, as promptly as practicable and within Dean Foods' standard budgeting timeline, deliver to Dean Foods copies of all annual and other budgets and financial projections (consistent in terms of format and detail and otherwise required by Dean Foods) relating to WhiteWave on a consolidated basis and shall provide Dean Foods an opportunity to meet with management of WhiteWave to discuss such budgets and projections.

(x) Other Information. With reasonable promptness, WhiteWave shall deliver to Dean Foods such additional financial and other information and data with respect to the WhiteWave Group and its business, properties, financial position, results of operations and prospects as from time to time may be reasonably requested by Dean Foods.

(xi) Press Releases and Similar Information. WhiteWave and Dean Foods shall consult with each other as to the timing of their annual and quarterly earnings releases and any interim financial guidance for a current or future period and shall give each other the opportunity to review the information therein relating to the WhiteWave Group and to comment thereon. Dean Foods and WhiteWave shall use commercially reasonable efforts to issue their respective annual and quarterly earnings releases at approximately the same time on the same date. No later than twenty-four (24) hours prior to the time and date that a party intends to publish its regular annual or quarterly earnings release or any financial guidance for a current or future period, such party shall deliver to the other party copies of substantially final drafts of all press releases and other statements (or relevant portions thereof) to be made available by any member of that party's Group to employees of any member of that party's Group or to the public to the extent such releases and statements concern matters that could be reasonably likely to have a material financial impact on the earnings, results of operations, financial condition or prospects of any WhiteWave Group Member. In addition, prior to the issuance of any such press release or public statement that meets the criteria set forth in the preceding two sentences, the issuing party shall consult with the other party regarding any changes (other than typographical or other similar minor changes) to such substantially final drafts. Immediately following the issuance thereof, the issuing party shall deliver to the other party copies of final drafts of all press releases and other public statements.

(xii) Cooperation on Dean Foods Filings. WhiteWave shall cooperate fully, and shall use commercially reasonable efforts to cause the WhiteWave Auditors to cooperate fully, with Dean Foods to the extent requested by Dean Foods in the preparation of Dean Foods' public earnings or other press releases, Quarterly Reports on Form 10-Q, Annual Reports to Shareholders, Annual Reports on Form 10-K, any Current Reports on Form 8-K and any other proxy, information and registration statements, reports, notices, prospectuses and any other filings made by Dean Foods with the SEC, any national securities exchange or otherwise made publicly available (collectively, the "Dean Foods Public Filings"). WhiteWave agrees to provide to Dean Foods all information that Dean Foods reasonably requests in connection with any Dean Foods Public Filings or that, in the reasonable judgment of Dean Foods' legal department, is required to be disclosed or incorporated by reference therein under any Law. WhiteWave shall use commercially reasonable efforts to provide such information in a timely manner on the dates requested by Dean Foods (which may be earlier than the dates on which WhiteWave otherwise would be required hereunder to make such information available) to enable Dean Foods to prepare, print and release all Dean Foods Public Filings on such dates as Dean Foods shall determine but in no event later than as required by applicable Law. WhiteWave shall use commercially reasonable efforts to cause the WhiteWave Auditors to consent to any reference to them as experts in any Dean Foods Public Filings required under any Law. If and to the extent requested by Dean Foods, WhiteWave shall diligently and promptly review all drafts of such Dean Foods Public Filings and prepare in a diligent and timely fashion any portion of such Dean Foods Public Filing pertaining to WhiteWave. Prior to any printing or public release of any Dean Foods Public Filing, an appropriate executive officer of WhiteWave shall, if requested by Dean Foods, certify that (1) the information relating to any WhiteWave Group Member or the WhiteWave Business in such Dean Foods Public Filing does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading and (2) the financial information relating to any WhiteWave Group member or the WhiteWave Business in such Dean Foods Public Filing fairly presents, in all material respects, the financial condition, results of operations and cash flows of such WhiteWave Group Member or the WhiteWave Business, as the case may be, for the periods presented in the release or the Dean Foods Public Filing. Unless required by Law, WhiteWave shall not publicly release any financial or other information that conflicts with the information with respect to any WhiteWave Group Member or the WhiteWave Business that is included in any Dean Foods Public Filing without Dean Foods' prior written consent, which shall not be unreasonably withheld, conditioned or delayed. Prior to the release or filing thereof, Dean Foods shall provide WhiteWave with a draft of any portion of a Dean Foods Public Filing containing information relating to the WhiteWave Group and shall give WhiteWave an opportunity to review such information and comment thereon; provided that Dean Foods shall determine in its sole and absolute discretion the final form and content of all Dean Foods Public Filings.

(b) Auditors and Audits; Annual Statements and Accounting. WhiteWave agrees that, for so long as Dean Foods is required to consolidate WhiteWave's results of operations and financial position (determined in accordance with generally accepted accounting principles consistently applied and consistent with SEC reporting requirements):

(i) Selection of WhiteWave Auditors. Unless otherwise required by Law or if determined advisable by the Audit Committee of the Board of Directors of WhiteWave, WhiteWave shall not engage a different accounting firm than Deloitte & Touche LLP (or its affiliate accounting firms) (unless so requested by Dean Foods in accordance with a change by Dean Foods in its accounting firm) to serve as its (and the WhiteWave Affiliates') independent certified public accountants (the "WhiteWave Auditors") without Dean Foods' prior written consent (which shall not be unreasonably withheld); provided, however, that, to the extent any such WhiteWave Affiliates are currently using a different accounting firm to serve as their independent certified public accountants, such WhiteWave Affiliates may continue to use such accounting firm provided such accounting firm is and remains reasonably satisfactory to Dean Foods.

(ii) Audit Timing. WhiteWave shall use commercially reasonable efforts to enable the WhiteWave Auditors to complete their audit such that they shall date their opinion on the Annual Financial Statements on the same date that Dean Foods' independent certified public accountants (the "Dean Foods Auditors") date their opinion on Dean Foods' audited annual financial statements (the "Dean Foods Annual Statements"), and to enable Dean Foods to meet its timetable for the printing, filing and public dissemination of the Dean Foods Annual Statements, all in accordance with Section 5.1(a) hereof and as required by applicable Law.

(iii) Information Needed by Dean Foods. WhiteWave shall use commercially reasonable efforts to provide to Dean Foods on a timely basis all information that Dean Foods reasonably requires to meet its schedule for the preparation, printing, filing, and public dissemination of the Dean Foods Annual Statements and Dean Foods' quarterly financial statements in accordance with Section 5.1(a) hereof and as required by applicable Law. Without limiting the generality of the foregoing, WhiteWave shall use commercially reasonable efforts to provide all required financial information with respect to the WhiteWave Group to the WhiteWave Auditors in a sufficient and reasonable time and in sufficient detail to permit the WhiteWave Auditors to take all steps and perform all reviews necessary to provide sufficient assistance to the Dean Foods Auditors with respect to information to be included or contained in the Dean Foods Annual Statements and Dean Foods' quarterly financial statements.

(iv) Access to WhiteWave Auditors. WhiteWave shall authorize the WhiteWave Auditors to make available to the Dean Foods Auditors both the personnel who performed, or are performing, the annual audit of WhiteWave and work papers related to the annual audit of WhiteWave, in all cases within a reasonable time prior to the WhiteWave Auditors' opinion date, so that the Dean Foods Auditors are able to perform the procedures they consider necessary to take responsibility for the work of the WhiteWave Auditors as it relates to the Dean Foods Auditors' report on Dean Foods' statements, all within sufficient time to enable Dean Foods to meet its timetable for the printing, filing and public dissemination of the Dean Foods Annual Statements and Dean Foods' quarterly financial statements.

(v) Access to Records. At Dean Foods' request, WhiteWave shall provide Dean Foods' internal auditors with access to the WhiteWave Group' s books and records so that Dean Foods may conduct reasonable audits relating to the financial statements provided by WhiteWave under this Agreement as well as to the internal accounting controls and operations of the WhiteWave Group.

(vi) WhiteWave Accounting Changes. WhiteWave shall give Dean Foods as much prior notice as reasonably practicable of any proposed determination of, or any significant changes in, WhiteWave's accounting estimates or accounting principles. WhiteWave shall consult with Dean Foods and, if requested by Dean Foods, WhiteWave shall consult with the Dean Foods Auditors with respect thereto. WhiteWave shall not make any such determination or changes without Dean Foods' prior written consent, which shall not be unreasonably withheld, conditioned or delayed, if such a determination or a change would be sufficiently material to be required to be disclosed in WhiteWave's or Dean Foods' financial statements as filed with the SEC or otherwise publicly disclosed therein.

(vii) Dean Foods Accounting Changes. Dean Foods shall give WhiteWave as much prior notice as reasonably practicable of any proposed determination of, or any significant changes in, Dean Foods' accounting estimates or accounting principles that relate to the WhiteWave Business. Dean Foods may request that WhiteWave make, and WhiteWave shall, in good faith, consider making, corresponding changes in its accounting estimates, practices and principles in order that they would be consistent with those of Dean Foods. In considering such changes, WhiteWave shall consult with Dean Foods and, if requested by Dean Foods, WhiteWave shall consult with the Dean Foods Auditors with respect thereto.

(viii) Special Reports of Deficiencies or Violations. WhiteWave shall report in reasonable detail to Dean Foods the following events or circumstances promptly after any executive officer of WhiteWave or any member of the WhiteWave Board of Directors becomes aware of such matter: (A) all actual or potential significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect WhiteWave's ability to record, process, summarize or report financial information; (B) any fraud, whether or not material, that involves management or other employees who have a significant role in WhiteWave's internal control over financial reporting; (C) any illegal act within the meaning of Section 10A(b) and (f) of the Exchange Act; and (D) any report of a material violation of Law that an attorney representing any WhiteWave Group Member has formally made to any officers or directors of WhiteWave pursuant to the SEC's attorney conduct rules (17 C.F.R. Part 205).

(c) Additional Agreements Regarding Financial Information. WhiteWave agrees that, if the provisions of Section 5.1(a) and Section 5.1(b) cease to apply and for so long as Dean Foods is required to account for WhiteWave using the equity method of accounting (determined in accordance with generally accepted accounting principles consistently applied and consistent with SEC reporting requirements), WhiteWave shall (and shall cause each other WhiteWave Group Member to) (i) maintain in effect at WhiteWave's own cost and expense adequate systems and controls to the extent necessary to enable Dean Foods to satisfy its reporting, accounting, audit and other obligations, and (ii) provide to Dean Foods (in such form as WhiteWave retains such Information for its own use) all financial and other data and Information as Dean Foods reasonably determines necessary or advisable in order to prepare its financial statements and reports or filings with any Governmental Authority.

Section 5.2 Other Covenants. In addition to the other covenants contained in this Agreement and the Ancillary Documents, WhiteWave hereby covenants and agrees that, for so long as Dean Foods beneficially owns at least fifty percent (50%) of the total voting power of all classes of then outstanding capital stock of WhiteWave entitled to vote in the election of directors (“WhiteWave Voting Stock”):

(a) WhiteWave shall not, without the prior written consent of Dean Foods, take, or cause to be taken, directly or indirectly, any action, including making or failing to make any election under the Law of any state, which has the effect, directly or indirectly, of restricting or limiting the ability of Dean Foods to freely sell, transfer, assign, pledge or otherwise dispose of shares of WhiteWave Common Stock or would restrict or limit the rights of any transferee of Dean Foods as a holder of WhiteWave Common Stock. Without limiting the generality of the foregoing, WhiteWave shall not, without the prior written consent of Dean Foods, take any action, or take any action to recommend to its stockholders any action, which would among other things, limit the legal rights of, or deny any benefit to, Dean Foods as a WhiteWave stockholder either (i) solely as a result of the amount of WhiteWave Common Stock owned by Dean Foods or (ii) in a manner not applicable to WhiteWave stockholders generally.

(b) WhiteWave shall not, without the prior written consent of Dean Foods, issue any shares of WhiteWave Capital Stock or any rights, warrants or options to acquire WhiteWave Capital Stock (including securities convertible into or exchangeable for WhiteWave Capital Stock), if after giving effect to such issuances and considering all of the shares of WhiteWave Capital Stock acquirable pursuant to such rights, warrants and options to be outstanding on the date of such issuance (whether or not then exercisable), Dean Foods would own less than fifty percent (50%) of the WhiteWave Voting Stock.

(c) To the extent that Dean Foods is a party to any Contracts that provide that certain actions or inactions of Dean Foods Affiliates (which for purposes of such Contract includes any WhiteWave Group Member) may result in Dean Foods being in breach of or in default under such Contracts and Dean Foods has advised WhiteWave of the existence, and has furnished WhiteWave with copies, of such Contracts (or the relevant portions thereof), WhiteWave shall not take or fail to take, as applicable, and WhiteWave shall cause the other WhiteWave Group Members not to take or fail to take, as applicable, any actions that would reasonably be expected to result in Dean Foods being in breach of or in default under any such Contract. The parties acknowledge and agree that from time to time Dean Foods may in good faith (and without the effect of imposing restrictions on WhiteWave pursuant to this covenant that are not generally applicable to Dean Foods’ Subsidiaries) enter into additional Contracts or amendments to existing Contracts that provide that certain actions or inactions of Dean Foods Subsidiaries or Affiliates (including, for purposes of this Section 5.2(c), WhiteWave Group Members) may result in Dean Foods being in breach of or in default under such Contracts. In such event, provided Dean Foods has notified WhiteWave of such additional Contracts or amendments to existing Contracts and has furnished WhiteWave with copies of such additional Contracts or amendments to existing Contracts (or relevant portions thereof), WhiteWave shall not thereafter take or fail to take, as applicable, and WhiteWave shall cause the other WhiteWave Group Members not to take or fail to take, as applicable, any actions that would reasonably be expected to result in Dean Foods being in breach of or in default under any such additional Contracts or

amendments to existing Contracts. Dean Foods acknowledges and agrees that WhiteWave shall not be deemed in breach of this Section 5.2(c) to the extent that, prior to being notified by Dean Foods of, and furnished with copies of, an additional Contract or an amendment to an existing Contract pursuant to this Section 5.2(c), a WhiteWave Group Member already has taken or failed to take one or more actions that would otherwise constitute a breach of this Section 5.2(c) had such action(s) or inaction(s) occurred after such notification, provided that WhiteWave does not, after notification by Dean Foods, take any further action or fail to take any action that contributes further to such breach or default. WhiteWave agrees that any Information provided to it pursuant to this Section 5.2(c) will constitute Information that is subject to WhiteWave's obligations under Article 6.

Section 5.3 Covenants Regarding the Incurrence of Indebtedness.

(a) WhiteWave covenants and agrees that prior to the IPO Settlement, WhiteWave shall not, and WhiteWave shall not permit any other WhiteWave Group Member to, without Dean Foods' prior written consent, directly or indirectly, solicit, initiate or encourage any negotiations or discussions with respect to any offer or proposal for WhiteWave Indebtedness, other than the WhiteWave Bank Facilities.

(b) WhiteWave covenants and agrees, that notwithstanding any other provision in this Agreement to the contrary, prior to the IPO Settlement, WhiteWave shall not, and WhiteWave shall not permit any other WhiteWave Group Member to, without the prior written consent of the Executive Committee of the Dean Foods Board of Directors, directly or indirectly, (i) incur any WhiteWave Indebtedness (other than pursuant to the Inter-Group Notes and the WhiteWave Indebtedness set forth on Schedule 5.3); (ii) amend the WhiteWave Bank Facilities; or (iii) fail to comply in any material respect with all of the terms and conditions of the WhiteWave Bank Facilities after giving effect to any applicable cure period provided for therein.

(c) WhiteWave covenants and agrees that after the IPO Settlement and through the Distribution Date, WhiteWave shall not, and WhiteWave shall not permit any other WhiteWave Group Member to, without the prior written consent of the Executive Committee of the Dean Foods Board of Directors, directly or indirectly, (i) incur any WhiteWave Indebtedness other than pursuant to the WhiteWave Bank Facilities or as set forth on Schedule 5.3; (ii) amend the WhiteWave Bank Facilities; or (iii) fail to comply in all material respects with all of the terms and conditions of the WhiteWave Bank Facilities after giving effect to any applicable cure period provided for therein. In order to implement this Section 5.3(c), WhiteWave shall notify Dean Foods within a reasonable period of time, but in no event less than 24 hours prior to the time it or any other WhiteWave Group Member intends to incur any WhiteWave Indebtedness of its intention to do so and obtain Dean Foods' consent to the incurrence of such proposed additional WhiteWave Indebtedness.

(d) WhiteWave hereby covenants and agrees that, for so long as WhiteWave constitutes a "Restricted Subsidiary" as such term is defined in the Dean Foods Credit Agreement, WhiteWave shall not, and WhiteWave shall not permit any other WhiteWave Group Member to, without Dean Foods' prior written consent, create, incur, assume or suffer to exist any WhiteWave Indebtedness or take any other action if the incurrence of such WhiteWave

Indebtedness or such other action would cause Dean Foods to be in breach of or in default under any Contract the existence of which Dean Foods has advised WhiteWave and of which Dean Foods has furnished WhiteWave a copy (including the Dean Foods Credit Agreement or any indenture or supplemental indenture governing Dean Foods' senior notes), or if the incurrence of such WhiteWave Indebtedness could be reasonably likely to adversely impact the credit rating of any Dean Foods indebtedness.

Section 5.4 Release of Guarantees and Substitution of Deposits. WhiteWave shall use commercially reasonable efforts to cause Dean Foods to be released, on or prior to the Distribution Date, from the guarantees, security deposits, pledges, letters of credit and other security obligations (the "Security Obligations") relating to WhiteWave's obligations and operations as set forth in Schedule 5.4. For the avoidance of doubt, Dean Foods shall have no obligation to WhiteWave under this Agreement to maintain any Security Obligation beyond the Distribution Date.

Section 5.5 Release of Collateral and Subsidiary Guarantees. Dean Foods shall use commercially reasonable efforts to cause (x) the Administrative Agent under the Dean Foods Credit Agreement to, at WhiteWave's expense, execute and deliver to Dean Foods or WhiteWave such instruments and documents, and take any other actions, as are reasonably requested by WhiteWave, to evidence the termination and release of the guarantees, liens, pledges, mortgages and security interests from any WhiteWave Group Member securing the obligations under the Dean Foods Credit Agreement and (y) at WhiteWave's expense, each WhiteWave Group Member to be fully and unconditionally released from its obligations under the Indenture, dated as of May 15, 2006, among Dean Foods, the subsidiary guarantors listed therein, and The Bank of New York Trust Company, N.A., as Trustee, as amended, modified or supplemented from time to time, or any securities issued pursuant thereto.

ARTICLE 6

ACCESS TO INFORMATION

Section 6.1 Restrictions on Disclosure of Information.

(a) Generally. Without limiting any rights or obligations under any other existing or future agreement between the parties and/or any other members of their respective Group relating to confidentiality, for five (5) years after the Contribution Closing each party shall, and each party shall cause its respective Group Members and its Representatives to, hold in strict confidence, with at least the same degree of care that applies to Dean Foods' confidential and proprietary Information pursuant to policies in effect as of the Contribution Closing, all confidential and proprietary Information concerning the other Group that is either in its possession as of the Contribution Closing or furnished by the other Group or its respective Representatives at any time pursuant to this Agreement, any Ancillary Document or the transactions contemplated hereby or thereby. Notwithstanding the foregoing, each party, its respective Group Members and its Representatives, may disclose such Information to the extent that such party can demonstrate that such Information is or was (i) in the public domain other than by the breach of this Agreement or by breach of any other agreement between or among the parties and/or any of their respective Group Members relating to confidentiality, or (ii) lawfully

acquired from a third Person on a non-confidential basis or independently developed by, or on behalf of, such party by Persons who do not have access to, or descriptions of, any such Information. Each party shall maintain, and shall cause its respective Group Members and Representatives to maintain, policies and procedures, and develop such further policies and procedures as shall from time to time become necessary or appropriate, to ensure compliance with this Section 6.1.

(b) Disclosure of Third-Person Information. WhiteWave acknowledges that it and other WhiteWave Group Members may have in its or their possession confidential or proprietary Information of third Persons that was received under confidentiality or non-disclosure agreement with such third Person while part of Dean Foods. WhiteWave shall, and WhiteWave shall cause its respective Group Members and its and their respective Representatives to, hold in strict confidence the confidential and proprietary Information of third Persons to which any WhiteWave Group Member has access, in accordance with the terms of any agreements entered into prior to the Contribution Closing between Dean Foods Group Members (whether acting through, on behalf of, or in connection with, the WhiteWave Business) and such third Persons.

Section 6.2 Legally Required Disclosure of Information. If either party or any of its respective Group Members or Representatives becomes legally required to disclose any Information (the "Disclosing Party") that it is otherwise obligated to hold strict confidence pursuant to Section 6.1, such party shall promptly notify the Person that owns the Information (the "Owning Party") and shall use commercially reasonable efforts to cooperate with the Owning Party so that the Owning Party may seek a protective order or other appropriate remedy and/or waive compliance with this Section 6.2. All expenses reasonably incurred by the Disclosing Party in seeking a protective order or other remedy shall be borne by the Owning Party. If such protective order or other remedy is not obtained, or if the Owning Party waives compliance with this Section 6.2, the Disclosing Party shall (a) disclose only that portion of the Information which its legal counsel advises it is required to disclose, (b) use commercially reasonable efforts to obtain reliable assurance requested by the Owning Party that confidential treatment shall be accorded such Information, and (c) promptly provide the Owning Party with a copy of the Information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such Information was disclosed.

Section 6.3 Access to Information. Without limiting any of the parties' respective rights or obligations set forth in Section 5.1, during the Retention Period (as defined in Section 6.4 below), each party shall cooperate with and afford, and shall cause its respective Group Members and Representatives to cooperate with and afford, to the other party reasonable access upon reasonable advance written request to all Information (other than Information which is (a) protected from disclosure by the attorney-client privilege or work product doctrine, (b) proprietary in nature, (c) the subject of a confidentiality agreement between such party and a third Person which prohibits disclosure to the other party, or (d) prohibited from disclosure under applicable Law) owned by such party or one of its Group Members or within such party's or any of its respective Group Member's or Representative's possession which is created prior to the Distribution Date and which relates to the requesting party's (the "Requestor") business, assets or liabilities, and such access is reasonably required by the Requestor (i) to comply with requirements imposed on the Requestor by any Governmental Authority, (ii) for use in any

proceeding (except for a litigation matter between the parties or any of their respective Group Members), (iii) to satisfy audit, accounting, Tax or similar requirements, (iv) to obtain insurance, or (v) to comply with the Requestor's obligations under this Agreement or any Ancillary Document. As used in this Agreement, "access" shall mean the obligation of a party in possession of Information (the "Possessor") requested by the Requestor to exert commercially reasonable efforts to locate all requested Information that is owned and/or possessed by Possessor or any respective Group Members or Representatives. The Possessor, at its own expense, shall conduct a diligent search designed to identify all requested Information and shall collect all such Information for inspection by the Requestor during normal business hours at the Possessor's place of business. Subject to such confidentiality and/or security obligations as the Possessor may reasonably deem necessary, the Requestor may have all requested Information duplicated at Requestor's expense. Alternatively, the Possessor may choose to deliver, at the Requestor's expense, all requested Information to the Requestor in the form requested by the Requestor. The Possessor shall notify the Requestor in writing at the time of delivery if such Information is to be returned to the Possessor. In such case, the Requestor shall return such Information when no longer needed to the Possessor at the Possessor's expense. In connection with providing Information pursuant to this Section 6.3, each party hereto shall, upon the request of the other party and upon reasonable advance notice, make available during normal business hours its respective employees (and those employees of its respective Group Members and Representatives, as applicable) to the extent that they are reasonably necessary to discuss and explain all requested Information with and to the Requestor. Any Information provided pursuant to this Section 6.3 shall remain the property of the providing party. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

Section 6.4 Record Retention. WhiteWave shall, and WhiteWave shall cause each of the other WhiteWave Group Members to, adopt and comply with a record retention policy with respect to Information owned by or in the possession of the WhiteWave Group and which is created prior to the Distribution Date that is no less stringent than Dean Foods' record retention policy in effect as of the Contribution Closing or as Dean Foods may modify such policy during the three (3) year period subsequent to the Distribution Date, provided that Dean Foods notifies WhiteWave of any such modifications. Each party shall, at its sole cost and expense, preserve and retain all Information in its respective possession or control that the other party has the right to access pursuant to Section 6.3 or that it is required to preserve and retain in accordance with such record retention policy or for any longer period as may be required by (a) any Governmental Authority, (b) any litigation matter, (c) applicable Law, or (d) any Ancillary Document (as applicable, the "Retention Period"). If either party wishes to dispose of any Information that it is obligated to retain under this Section 6.4 prior to the expiration of the Retention Period, then that party shall first provide forty-five (45) days' written notice to the other party, and the other party shall have the right, at its option but at the expense of the party that desires to dispose of such Information, upon prior written notice within such 45-day period, to take possession of such Information within ninety (90) days after the date of the notice provided pursuant to this Section 6.4. Written notice of intent to dispose of such Information shall include a description of the Information in detail sufficient to allow the other party to reasonably assess its potential need to retain such materials.

Section 6.5 Production of Witnesses. After the Contribution Closing, each party shall use commercially reasonable efforts, and shall cause each of its respective Group Members to use commercially reasonable efforts, to make available to each other, upon written request, its past and present Representatives as witnesses to the extent that any such Representatives may reasonably be required (giving consideration to the business demands upon such Representatives) in connection with any legal, administrative or other proceedings in which the requesting party may from time to time be involved.

Section 6.6 Reimbursement. Unless otherwise provided in this Article 6, each party providing access to Information or witnesses to the other party pursuant to Sections 6.3, 6.4 or 6.5 shall be entitled to receive from the receiving party, upon the presentation of invoices therefor, payment for all reasonable, out-of-pocket costs and expenses (excluding allocated compensation, salary and overhead expenses) as may be reasonably incurred in providing such Information or witnesses.

Section 6.7 Other Agreements Regarding Access to Information. The rights and obligations of the parties under this Article 6 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in this Agreement or any Ancillary Document.

Section 6.8 Acquisition of WhiteWave or All or any Portion of the Retained Business by another Person. In the event Dean Foods or WhiteWave enters into an agreement with a third Person to sell, directly or indirectly, all or any portion of the Dean Foods Business or of the WhiteWave Business, respectively, whether by a stock or asset sale, merger or otherwise, Dean Foods and WhiteWave each covenants and agrees in connection with any such disposition not to disclose any Information of WhiteWave or relating to the WhiteWave Business or of Dean Foods or relating to the Dean Foods Business, as applicable, to such third Person without the other party's express written consent.

Section 6.9 Limitations of Liability. Except as otherwise provided in Article 8, no Person shall have any Liability in the event that any Information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of willful misconduct by the Person providing such Information.

ARTICLE 7

ADDITIONAL COVENANTS AND OTHER MATTERS

Section 7.1 Further Assurances. Subject to the terms and conditions set forth elsewhere in this Agreement and the Ancillary Documents:

(a) each party shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Law to consummate and make effective the Contribution, the Distribution and the other transactions contemplated hereby and by the Ancillary Documents, including, using commercially reasonable efforts to, and, except to the extent restricted by Law, cooperating with the other party to, (i) obtain all Consents from any Governmental Authority or other third party

necessary or advisable in connection with the consummation of the Contribution, the Distribution and the other transactions contemplated hereby or by any Ancillary Document, (ii) avoid any Action by any Governmental Authority in connection with the consummation of the Contribution, the Distribution and the other transactions contemplated hereby or by any Ancillary Document, and (iii) defend any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated hereby, including seeking to have any stay or temporary restraining order entered by any court or other Governmental Authority vacated or reversed;

(b) at the request and expense of WhiteWave, Dean Foods shall execute and deliver, and shall cause applicable Dean Foods Group Members to execute and deliver, to WhiteWave and/or applicable WhiteWave Group Members such other instruments of transfer, conveyance, assignment, substitution and confirmation and take such other actions as WhiteWave may reasonably deem necessary or desirable in order (a) to transfer, convey and assign to WhiteWave and the other WhiteWave Group Members, as applicable, the WhiteWave Transferred Assets, (b) to put WhiteWave and the other WhiteWave Group Members, as applicable, in actual possession and operating control thereof and (c) to permit WhiteWave and the other WhiteWave Group Members, as applicable, to exercise all rights with respect thereto;

(c) at the request and expense of Dean Foods, WhiteWave shall execute and deliver, and shall cause applicable WhiteWave Group Members to execute and deliver, to Dean Foods and/or applicable Dean Foods Group Members such other instruments of transfer, conveyance, assignment, substitution and confirmation and take such other actions as Dean Foods may reasonably deem necessary or desirable in order (a) to transfer, convey and assign to Dean Foods and the other Dean Foods Group Members, as applicable, the Dean Foods Transferred Assets, (b) to put Dean Foods and the other Dean Foods Group Members, as applicable, in actual possession and operating control thereof and (c) to permit Dean Foods and the other Dean Foods Group Members, as applicable, to exercise all rights with respect thereto;

(d) at the request and expense of Dean Foods, WhiteWave shall execute and deliver, and shall cause the applicable WhiteWave Group Members to execute and deliver, to Dean Foods and/or applicable Dean Foods Group Members all instruments, assumptions, novations, undertakings, substitutions or other documents and take such other action as Dean Foods may reasonably deem necessary or desirable in order to ensure that WhiteWave and the other WhiteWave Group Members fully and unconditionally assume and discharge the WhiteWave Assumed Liabilities as contemplated under this Agreement, the Ancillary Documents or any document in connection herewith or therewith; and

(e) at the request and expense of WhiteWave, Dean Foods shall execute and deliver, and shall cause the applicable Dean Foods Group Members to execute and deliver, to WhiteWave and/or applicable WhiteWave Group Members all instruments, assumptions, novations, undertakings, substitutions or other documents and take such other action as WhiteWave may reasonably deem necessary or desirable in order to ensure that Dean Foods and the other Dean Foods Group Members fully and unconditionally assume and discharge the Dean Foods Assumed Liabilities as contemplated under this Agreement, the Ancillary Documents or any document in connection herewith or therewith.

Section 7.2 Performance. Dean Foods shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Document to be performed by any Dean Foods Group Member. WhiteWave shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Document to be performed by any WhiteWave Group Member. Each party further agrees that it shall cause its other Group Members not to take any action or fail to take any action inconsistent with such party's obligations under this Agreement, any Ancillary Document or the transactions contemplated hereby or thereby.

Section 7.3 Property Transfers. Each of Dean Foods and WhiteWave, on behalf of itself and its Group Members, waives (and agrees not to assert) any claim or demand that it may have against any other Group Member for any Liabilities or other claims relating to or arising out of: (i) the failure of any WhiteWave Group Member, on the one hand, or Dean Foods Group Member, on the other hand, to provide any notification or disclosure required under any state property transfer requirements or other Environmental Law in connection with the Contribution or the other transactions contemplated by this Agreement or any Ancillary Document, including the transfer by any Person in any Group to any Person in the other Group of ownership or operational control of any Assets not previously owned or operated by such transferee or the Consents required under Environmental Law for such Assets or operations, or (ii) any inadequate, incorrect or incomplete notification or disclosure under any such state property transfer requirements or other Environmental Law by the applicable transferor. To the extent any Liability to any Governmental Authority or any third Person arises out of any action or inaction described in clause (i) or (ii) above, the transferee of the applicable or relevant Asset hereby assumes and agrees to pay any such Liability.

Section 7.4 Litigation Matters. WhiteWave agrees that the Existing WhiteWave Litigation Matters constitute pre-existing Third-Party Claims, as that term is defined below in Section 8.3(d)(i), which were initiated prior to the Contribution Closing and for which proper notice has been given, and WhiteWave hereby expressly assumes control of such Existing WhiteWave Litigation Matters pursuant to Section 8.3(d)(i) as the Indemnifying Party. Dean Foods agrees that the Existing Dean Foods Litigation Matters constitute pre-existing Third-Party Claims, which were initiated prior to the Contribution Closing and for which proper notice has been given, and Dean Foods hereby expressly assumes control of such Existing Dean Foods Litigation Matters pursuant to Section 8.3(d)(i) as the Indemnifying Party. The parties further agree that the Existing WhiteWave Litigation Matters are and shall remain and be treated as Third-Party Claims after the Contribution Closing and that the Existing Dean Foods Litigation Matters are and shall remain and be treated as Third-Party Claims after the Contribution Closing. Notwithstanding anything to the contrary, (i) WhiteWave agrees to indemnify each Dean Foods Indemnified Party for the Existing WhiteWave Litigation Matters pursuant to the terms of indemnification set forth below in Article 8 for any and all Damages incurred or suffered by any Dean Foods Indemnified Party whether such Damages arise or accrue prior to, on or following the Contribution Closing; and (ii) Dean Foods agrees to indemnify each WhiteWave Indemnified Party for the Existing Dean Foods Litigation Matters pursuant to the terms of indemnification set forth below in Article 8 for any and all Damages incurred or suffered by any WhiteWave Indemnified Party whether such Damages arise or accrue prior to, on or following the

Contribution Closing. Each of Dean Foods and WhiteWave agrees that the outside legal counsel currently retained by WhiteWave or Dean Foods, as applicable, in the Existing WhiteWave Litigation Matters and the Existing Dean Foods Litigation Matters may continue to represent the interests of both WhiteWave and Dean Foods, subject to Section 8.3(d)(ii) and Section 8.3(d)(iii) below. In the event that any Action is instituted (or threatened to be instituted) relating to this Agreement or any of the transactions contemplated hereby (other than any such Action solely between one or more Dean Foods Group Members and one or more WhiteWave Group Members), each party shall, and shall cause its respective Groups to, reasonably cooperate with each other in the defense of such Action.

Section 7.5 Insurance Matters.

(a) Directors' and Officers' Insurance. WhiteWave and its Covered Subsidiaries, and each of their directors and officers shall be covered under Dean Foods' directors' and officers' insurance program until the Distribution Date. WhiteWave shall promptly pay or reimburse Dean Foods, as the case may be, for all costs and expenses associated with this coverage that are allocated by Dean Foods to WhiteWave and its Covered Subsidiaries in accordance with Dean Foods' practice with respect to the WhiteWave Business as of the Contribution Closing. WhiteWave may review said policies upon request. WhiteWave acknowledges that such directors' and officers' insurance coverage shall terminate as of the Distribution Date, and WhiteWave covenants and agrees that it shall take appropriate steps to secure directors' and officers' insurance coverage for itself, its Subsidiaries and each of their directors and officers no later than the Distribution Date.

(b) Other Insurance. Except as set forth in Section 7.5(a) with respect to directors' and officers' insurance, during the period from the Contribution Closing through the Distribution Date, Dean Foods shall, subject to insurance market conditions and other factors beyond Dean Foods' reasonable control, maintain, for the protection of WhiteWave and its Covered Subsidiaries, policies of insurance that are comparable to those maintained generally for Dean Foods and its Covered Subsidiaries during the same period. WhiteWave shall promptly pay or reimburse Dean Foods, as the case may be, for all costs and expenses associated therewith that are allocated by Dean Foods to WhiteWave and its Covered Subsidiaries in accordance with (i) Dean Foods' practice with respect to the WhiteWave Business as of the Contribution Closing, or (ii) the terms of the Transition Services Agreement, as applicable. To the extent Dean Foods purchases a new type of insurance, or an amount or level of insurance not previously purchased by Dean Foods in order to protect, at least in part, WhiteWave or any of its Covered Subsidiaries, that portion of the costs and expenses of such insurance attributable to WhiteWave or any of its Covered Subsidiaries, as determined in Dean Foods' sole discretion, shall be reimbursed by WhiteWave. For claims made by WhiteWave under insurance programs made available to WhiteWave pursuant to this Section 7.5(b), Dean Foods shall allocate a portion of Dean Foods' deductible to WhiteWave in accordance with the schedule set forth on Schedule 7.5(b) and Dean Foods shall be responsible for the payment to WhiteWave of any portion of the applicable deductible not allocated to WhiteWave.

(c) Payments and Reimbursements. All payments and reimbursements by WhiteWave pursuant to this Section 7.5 shall be made within thirty (30) days after WhiteWave's receipt of an invoice therefor from Dean Foods.

(d) Changes in Costs or Expenses. The costs and expenses for which WhiteWave is obligated to pay or reimburse Dean Foods pursuant to this Section 7.5 shall be based on Dean Foods' current insurance costs and expenses as of the Contribution Closing and shall be appropriately adjusted as a result of any changes in those costs and expenses after the Contribution Closing, although the methodology upon which such costs and expenses is based shall remain the same.

(e) Notification of Changes. Dean Foods agrees to provide WhiteWave not less than sixty (60) days advance written notice (or such shorter notice as may be necessary under the circumstances) in the event it elects (or any of its insurers notifies Dean Foods in writing of such insurer's election) to cancel or effect any modification of the terms and conditions of any Dean Foods insurance policy that provides coverage to WhiteWave or any of its Covered Subsidiaries that is materially adverse to WhiteWave or any of its Covered Subsidiaries, which notice shall include the anticipated date of cancellation or a description of such modification, as applicable.

(f) Historical Loss Data. For no less than seven (7) years after the Contribution Closing, Dean Foods shall use commercially reasonable efforts to make available to WhiteWave, upon written request, historical insurance loss information relating to the WhiteWave Business and any other information relating to Dean Foods' historic insurance program with respect to the WhiteWave Business. Any such information provided to WhiteWave pursuant to this provision shall also be subject to the provisions of Section 6.3.

(g) Post Distribution Date. WhiteWave acknowledges and agrees that from and after the Distribution Date (i) no Dean Foods Group Member shall purchase or maintain, or cause to be purchased or maintained, any insurance policy for the protection of WhiteWave, its Covered Subsidiaries, any WhiteWave Group Member or any of their respective directors and officers, and (ii) the WhiteWave Group (including WhiteWave and its Covered Subsidiaries) shall purchase insurance coverage sufficient to protect its interests. From and after the Distribution Date, WhiteWave Group Members shall be entitled to pursue claims against insurance policies of the Dean Foods Group with respect to occurrences on or prior to the Distribution Date, to the extent permitted under the terms of such insurance policies.

Section 7.6 Conduct of WhiteWave Business between Contribution Closing and the IPO Settlement Date. From the Contribution Closing through the IPO Settlement Date, WhiteWave shall (and WhiteWave shall cause each other WhiteWave Group Member to) conduct its operations in the Ordinary Course of Business. Without limiting the generality of the foregoing, prior to the IPO Settlement Date, WhiteWave shall not (and WhiteWave shall cause each other WhiteWave Group Member not to), without the written consent of Dean Foods, take any action outside the Ordinary Course of Business, including: (a) except with the express prior written consent of Dean Foods, the incurrence of any capital expenditures; (b) the acquisition of any business, by means of merger, consolidation or otherwise; (c) any action intended to result in the acceleration of payment of any account payable or delay in the creation or collection of any account receivable; or (d) any loans, advances or capital contributions to, or investments in, any other Person (other than any WhiteWave Group Member).

Section 7.7 Conduct of WhiteWave Business between IPO Settlement Date and Distribution Date. Subject to any additional restrictions in the Tax Matters Agreement, during the period from the IPO Settlement Date through the earlier of the Distribution Date and the termination of this Agreement, WhiteWave covenants and agrees that the WhiteWave Group as a whole shall not, without the prior written consent of the Executive Committee of the Board of Directors of Dean Foods: (a) acquire any business, by means of merger, consolidation or otherwise, of any other Person, for aggregate consideration of more than \$10 million for such acquisition, (b) dispose of Assets, other than the sale of inventory in the Ordinary Course of Business, held by the WhiteWave Group, by sale or otherwise, with an aggregate value of more than \$10 million in any one such disposition, or (c) acquire any equity or debt securities of any other Person, for aggregate consideration of more than \$10 million per acquisition.

Section 7.8 Signs; Use of Names. Except as otherwise contemplated by this Agreement or any Ancillary Document, prior to the Distribution Date, the parties, at WhiteWave's expense, shall remove (or, if necessary, on an interim basis cover up) any and all exterior and interior signs and identifiers on any WhiteWave Asset that refer or pertain to any Dean Foods Group Member or the Dean Foods Business, or on any Dean Foods Asset that refer or pertain to WhiteWave or the WhiteWave Business. After such period, (i) no WhiteWave Group Member shall use or display any Dean Foods Name, or any variations thereof, or other trademarks, trade names, logos or identifiers using any of such names or otherwise owned by or licensed to any Dean Foods Group Member that have not been assigned or licensed to such WhiteWave Group Member, and (ii) no Dean Foods Group Member shall use or display any trademarks, trade names, logos or identifiers owned by or licensed to any WhiteWave Group Member that have not been assigned or licensed to such Dean Foods Group Member, without the prior written consent of the other party; provided, that notwithstanding the foregoing, nothing contained in this Agreement shall prevent either party from using the other's name in public filings with Governmental Authorities, materials intended for distribution to either party's stockholders or any other communication in any medium that describes the relationship between the parties, including materials distributed to employees relating to the transition of employee benefit plans; and provided further, that WhiteWave shall be permitted to use its inventories of packaging and promotional materials and other supplies existing as of the Contribution Closing that bear any Dean Foods Name.

Section 7.9 Voting of WhiteWave Common Stock by Dean Foods.

(a) From and after the completion of the Distribution, Dean Foods shall, and shall cause the other applicable Dean Foods Group Members to, grant an irrevocable proxy, which shall be deemed coupled with an interest sufficient in law to support an irrevocable proxy, to WhiteWave or its designees to vote, with respect to any matters as to which a holder of shares of WhiteWave Class A common stock is entitled to vote, any shares of WhiteWave Class A Common Stock held by any Dean Foods Group Member over which any Dean Foods Group Member has voting control (i) in the case of a proposal submitted for the approval of stockholders of WhiteWave by the affirmative vote of a majority of the votes cast by the holders

of the Class A Common Stock and the affirmative vote of a majority of the votes cast by the holders of the Class B Common Stock voting as separate classes, in proportion to the votes cast by the other holders of WhiteWave Class A Common Stock and (ii) in the case of a proposal submitted for the approval of the stockholders of WhiteWave by the affirmative vote of a majority of the votes cast by the holders of the Class A Common Stock and Class B Common Stock voting together as a single class in proportion to the votes cast by the other holders of WhiteWave Class A Common Stock and WhiteWave Class B Common Stock, taken as a whole; provided that (A) such proxy shall automatically be revoked as to a particular share upon any sale or transfer of such share to a Person other than a Dean Foods Group Member; and (B) nothing in this Section 7.9(a) shall limit or prohibit any such sale or transfer, free and clear of any Lien.

(b) Dean Foods agrees to, and shall cause its applicable Subsidiaries to, perform such further acts and execute such further instruments as may be reasonably necessary to vest in WhiteWave the power to carry out and give effect to the provisions of this Section 7.9.

ARTICLE 8 INDEMNIFICATION

Section 8.1 Indemnification by WhiteWave Group. Subject to the provisions hereof, WhiteWave shall, and shall cause each other entity in the WhiteWave Group as of the Contribution Closing to, jointly and severally, indemnify, defend and hold harmless Dean Foods, each Dean Foods Group Member, each of their respective past and present directors, officers and employees, and each of their respective successors and assigns (collectively, the "Dean Foods Indemnified Parties") from and against any and all Damages incurred or suffered by the Dean Foods Indemnified Parties arising or resulting from the following, whether such Damages arise or accrue prior to, at or following the Contribution Closing:

- (a) the failure of WhiteWave or any other WhiteWave Group Member or any other Person to pay, perform or otherwise properly discharge any of the WhiteWave Liabilities in accordance with their respective terms;
- (b) the WhiteWave Business or any WhiteWave Liability, including any Liabilities arising out of or relating to the Existing WhiteWave Litigation Matters;
- (c) any breach by WhiteWave or any WhiteWave Group Member of this Agreement or any Ancillary Document; and
- (d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in, or incorporated by reference into, the IPO Registration Statement and any other documents filed with the SEC in connection with the IPO or the transactions contemplated in this Agreement, except to the extent such statement or omission is part of any Dean Foods Disclosure Portion.

Section 8.2 Indemnification by Dean Foods Group. Subject to the provisions hereof, Dean Foods shall, and shall cause each other entity in the Dean Foods Group as of the Contribution Closing to, jointly and severally indemnify, defend and hold harmless each WhiteWave Group Member, each of their respective past and present directors, officers and employees, and each of their respective successors and assigns (collectively, the “WhiteWave Indemnified Parties”) from and against any and all Damages incurred or suffered by the WhiteWave Indemnified Parties arising or resulting from the following, whether such Damages arise or accrue prior to, at or following the Contribution Closing:

- (a) the failure of Dean Foods or any other Dean Foods Group Member or any other Person to pay, perform or otherwise properly discharge any of the Dean Foods Liabilities in accordance with their respective terms;
- (b) the Dean Foods Business or any Dean Foods Liability, including any Liabilities arising out of or relating to the Existing Dean Foods Litigation Matters;
- (c) any breach by Dean Foods or any Dean Foods Group Member of this Agreement or any Ancillary Document; and
- (d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to information contained in, or incorporated by reference into, the IPO Registration Statement and any other documents filed with the SEC in connection with the IPO or the transactions contemplated in this Agreement solely to the extent such statement or omission is part of any Dean Foods Disclosure Portion.

Section 8.3 Claim Procedure.

(a) Claim Notice. A Person that seeks indemnity under this Article 8 (an “Indemnified Party”) shall give written notice (a “Claim Notice”) to the party from whom indemnification is sought (an “Indemnifying Party”), whether the Damages sought arise from matters solely between the parties or from Third-Party Claims. With respect to matters solely between the parties, the Claim Notice must contain (i) a description and, if known, estimated amount (the “Claimed Amount”) of any Damages incurred or reasonably expected to be incurred by the Indemnified Party, (ii) a reasonable explanation of the basis for the Claim Notice to the extent of facts then known by the Indemnified Party, and (iii) a demand for payment of those Damages. No delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party shall relieve the Indemnifying Party of any Liability or obligation hereunder except to the extent that the Indemnifying Party is prejudiced by such delay or deficiency or the amount of any associated Damages is increased by such delay or deficiency.

(b) Response to Notice of Claim. Within thirty (30) days after delivery of a Claim Notice, the Indemnifying Party shall deliver to the Indemnified Party a written response in which the Indemnifying Party shall either: (i) agree that the Indemnified Party is entitled to receive all of the Claimed Amount and, in which case, the Indemnifying Party shall pay the Claimed Amount in accordance with a payment and distribution method reasonably acceptable to the Indemnified Party; or (ii) dispute that the Indemnified Party is entitled to receive all or any portion of the Claimed Amount.

(c) Contested Claims. In the event that the Indemnifying Party disputes the Claimed Amount, such dispute shall be resolved in accordance with Section 9.1 and Section 9.2. Upon ultimate resolution thereof, the parties shall take such actions as are reasonably necessary to comply therewith.

(d) Third-Party Claims.

(i) In the event that the Indemnified Party receives notice or otherwise learns of the assertion by a Person who is not a member of either Group of any claim or the commencement of any Action (any such claim or Action, a “Third-Party Claim”) with respect to which the Indemnifying Party may be obligated to provide indemnification under this Article 8, the Indemnified Party shall give written notification to the Indemnifying Party of the Third-Party Claim. Such notification shall be given within twenty (20) days after receipt by the Indemnified Party of notice of such Third-Party Claim, shall be accompanied by reasonable supporting documentation submitted by such third party (to the extent then in the possession of the Indemnified Party) and shall describe in reasonable detail (to the extent known by the Indemnified Party) the facts constituting the basis for such Third-Party Claim and the amount of the claimed Damages; provided, however, that no delay or deficiency on the part of the Indemnified Party in so notifying the Indemnifying Party shall relieve the Indemnifying Party of any Liability or obligation hereunder except to the extent that the Indemnifying Party is prejudiced by such delay or deficiency or the amount of any associated Damages is increased by such delay or deficiency. If, and for so long as, (A) the Indemnifying Party notifies the Indemnified Party as soon as practicable, but in no event later than 15 days, after delivery of such notification that the Indemnifying Party does not dispute the Indemnifying Party’s obligation to indemnify hereunder and desires to defend the Indemnified Party against such Third-Party Claim, and (B) the Third-Party Claim does not (1) involve criminal liability or any admission of wrongdoing or (2) seek equitable relief or any other non-monetary remedy against the Indemnified Party, then except as hereinafter provided, such Indemnifying Party shall have the right to defend against such Third-Party Claim by appropriate proceedings with legal counsel reasonably acceptable to the Indemnified Party, which proceedings shall be promptly settled or diligently prosecuted by the Indemnifying Party to a final conclusion. During any period in which the Indemnifying Party has not so assumed control of such defense, the Indemnified Party shall control such defense and is hereby authorized (but not obligated) prior to and during such period to file any motion, answer or other pleading and to take any other action which the Indemnified Party shall deem necessary or appropriate to protect the Indemnified Party’s interests.

(ii) The party not controlling such defense (the “Non-controlling Party”) may participate therein at its own expense; provided, however, that if the Indemnifying Party assumes control of such defense and the Indemnified Party concludes, upon the written opinion of counsel, that the Indemnifying Party and the Indemnified Party have conflicting interests or different defenses available with respect to such Third-Party Claim, the reasonable fees and

expenses of one additional counsel to the Indemnified Party shall be considered “Damages” for purposes of this Agreement. The party controlling such defense (the “Controlling Party”) shall keep the Non-controlling Party reasonably advised of the status of such Third-Party Claim and the defense thereof and shall consider in good faith recommendations made by the Non-controlling Party with respect thereto. The Non-controlling Party shall furnish the Controlling Party with such Information as it may have with respect to such Third-Party Claim (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise cooperate with and assist the Controlling Party in the defense of such Third-Party Claim.

(iii) The Indemnifying Party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third-Party Claim without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that the consent of the Indemnified Party shall not be required if (A) the Indemnifying Party agrees in writing to pay any amounts payable pursuant to such settlement or judgment, (B) such settlement or judgment includes a full, complete and unconditional release of the Indemnified Party and its Affiliates from further Liability and (C) such settlement involves no admission of wrongdoing by the Indemnified Party or its Affiliates. The Indemnified Party shall not agree to any settlement of, or the entry of any judgment arising from, any such Third-Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 8.4 Survival; Limitations.

(a) All covenants and agreements of the parties contained in this Agreement shall survive each of the Contribution, the IPO and the Distribution. The rights and obligations of Dean Foods, WhiteWave and each of their respective Indemnified Parties under this Agreement shall survive the sale, assignment or other transfer by any party of any Assets or Liabilities.

(b) The amount of any Damages for which indemnification is provided under this Agreement shall be net of any amounts actually recovered by the Indemnified Party from any third Person (including amounts actually recovered under insurance policies) with respect to such Damages. An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provision hereof, have any subrogation rights with respect thereto. If any Indemnified Party recovers an amount from a third Person in respect of Damages for which indemnification is provided in this Agreement after the full amount of such indemnifiable Damages has been paid by an Indemnifying Party or after an Indemnifying Party has made a partial payment of such indemnifiable Damages and the amount received from the third Person exceeds the remaining unpaid balance of such indemnifiable Damages, then the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (X) the sum of the amount theretofore paid by such Indemnifying Party in respect of such indemnifiable Damages plus the amount received from the third Person in respect thereof, less (Y) the full amount of such indemnifiable Damages.

(c) Unless otherwise required by any Final Determination (as such term is defined in the Tax Matters Agreement), the parties agree that any indemnification payments made by one party to another party pursuant to this Agreement after the Deconsolidation Date (as such term is defined in the Tax Matters Agreement) shall, to the extent permissible under applicable law, be treated for all Tax and financial accounting purposes as contributions or distributions, as appropriate, made immediately prior to the Deconsolidation Date. If it is determined that the receipt or accrual of any payment is subject to Tax, such payment shall be increased so that the amount of such increased payment reduced by the amount of all Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax deductions resulting from the payment of such Taxes) shall equal the amount of the payment which the party receiving such payment would otherwise be entitled to receive pursuant to this Agreement.

(d) Notwithstanding the joint and several indemnification obligations of each Group as set forth in Sections 8.1 and 8.2, the parties agree that the indemnification obligation of any Dean Foods Group Member or WhiteWave Group Member, as applicable, for Damages shall be satisfied by a direct payment from Dean Foods or WhiteWave, as applicable, to the other party irrespective of which Group Member is found liable for Damages.

(e) Notwithstanding anything to the contrary in this Agreement, (i) to the extent there is any inconsistency between the terms of this Article VIII and the provisions of the Tax Matters Agreement, the Tax Matters Agreement shall govern and (ii) to the extent the Employee Matters Agreement specifically provides indemnification with respect to certain employee-related WhiteWave Liabilities, the Employee Matters Agreement shall govern with respect to that indemnification. To the extent indemnification is not provided in such Ancillary Documents, the terms of this Agreement shall govern.

(f) NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT OR ANY ANCILLARY DOCUMENT TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS GROUP MEMBERS BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS SUFFERED BY AN INDEMNIFIED PARTY, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, IN CONNECTION WITH ANY DAMAGES ARISING HEREUNDER OR THEREUNDER; PROVIDED, HOWEVER, THAT TO THE EXTENT AN INDEMNIFIED PARTY IS REQUIRED TO PAY ANY SPECIAL, INCIDENTAL, INDIRECT, COLLATERAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR LOST PROFITS TO A PERSON WHO IS NOT A MEMBER OF EITHER GROUP IN CONNECTION WITH A THIRD-PARTY CLAIM, SUCH DAMAGES SHALL CONSTITUTE DIRECT DAMAGES AND NOT SUBJECT TO THE LIMITATION SET FORTH IN THIS SECTION 8.4(f).

(g) Notwithstanding a party's knowledge of any breach by the other party of any representation, warranty, covenant or agreement contained in this Agreement or any Ancillary Document or any facts or circumstances potentially giving rise to a claim under this Agreement or any Ancillary Document (and regardless of how such party shall have acquired such knowledge), such party shall have the right to consummate the transactions provided for herein, and all of such party's rights and remedies shall be preserved without regard to its knowledge of such information.

(i) Notwithstanding anything herein to the contrary, in no event shall any Indemnified Party be entitled to receive payment of damages under this Agreement to the extent that such Indemnified Party has received payments in respect of such Damages pursuant to any rights to indemnification or otherwise under any Ancillary Documents.

Section 8.5 Release of Pre-Closing Claims.

(a) Except as provided in Section 8.2 and Section 8.5(c), effective as of the Contribution Closing, WhiteWave does hereby, for itself and for each other WhiteWave Group Member as of the Contribution Closing, release and forever discharge each Dean Foods Group Member, and all Persons who at any time prior to the Contribution Closing have been stockholders, directors, officers, managers, members or agents of any Dean Foods Group Member (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any Contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed in each case at or before the Contribution Closing, including in connection with the transactions and all other activities to implement the Contribution and the IPO.

(b) Except as provided in Section 8.1 and Section 8.5(c), effective as of the Contribution Closing, Dean Foods does hereby, for itself and for each other Dean Foods Group Member as of the Contribution Closing, release and forever discharge each WhiteWave Group Member, and all Persons who at any time prior to the Contribution Closing have been stockholders, directors, officers, managers, members or agents of any WhiteWave Group Member (in each case, in their respective capacities as such), and their respective heirs, executors, administrators successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed in each case at or before the Contribution Closing, including in connection with the transactions and all other activities to implement the Contribution and the IPO.

(c) Nothing contained in Section 8.5(a) or Section 8.5(b) shall impair any right of any Person to enforce this Agreement, any Ancillary Document or any agreements, arrangements, commitments or understandings that are specified in Section 2.8(b) or the applicable Schedules thereto not to terminate as of the Contribution Closing, in each case in accordance with its terms. Nothing contained in Section 8.5(a) or Section 8.5(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement among any Dean Foods Group Members or WhiteWave Group Members that is specified in Section 2.8(b) or the applicable Schedules thereto as not to terminate as of the Separation Date, or any other Liability specified in such Section 2.8(b) as not to terminate as of the Separation Date;

(ii) any Liability assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any Person in any Group under, this Agreement or any Ancillary Document;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a Person in one Group from a Person in the other Group prior to the Separation Date;

(iv) any Liability for unpaid amounts for products or services or refunds owing on products or services due on a value-received basis for work done by a Person in one Group at the request or on behalf of a Person in the other Group;

(v) any Liability that the parties may have with respect to indemnification or contribution pursuant to this Agreement for claims brought against the parties by third Persons, which Liability shall be governed by the provisions of this Article 8 and, if applicable, the appropriate provisions of the Ancillary Documents; or

(vi) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 8.5.

(d) WhiteWave shall not, and shall not permit any other WhiteWave Group Member to, make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any Dean Foods Group Member, or any other Person released pursuant to Section 8.5(a), with respect to any Liabilities released pursuant to Section 8.5(a). Dean Foods shall not, and shall not permit any other Dean Foods Group Member to, make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against any WhiteWave Group Member, or any other Person released pursuant to Section 8.5(b), with respect to any Liabilities released pursuant to Section 8.5(b).

(e) It is the intent of each of Dean Foods and WhiteWave, by virtue of the provisions of this Section 8.5, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed in each case on or before the Separation Date, between or among any WhiteWave Group Member, on the one hand, and any Dean Foods Group Member, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such Persons on or before the Separation Date), except as expressly set forth in Section 8.5(c). At any time, at the request of any other party, each party shall cause each Person in its respective Group to execute and deliver releases reflecting the provisions hereof.

Section 8.6 Non-Recourse. All claims or causes of action (whether in contract or in tort, in law or in equity) that may be based upon, arise out of or related to this Agreement or any Ancillary Document, or the negotiation, execution or performance of this Agreement or such Ancillary Document (including any representation or warranty made in connection with this Agreement or such Ancillary Document or as an inducement to enter into this Agreement or such Ancillary Document), may be made only against the Persons that are expressly identified as parties thereto. No Person who is not named as a party to this Agreement or such Ancillary Document, including any director, officer, employee, stockholder, Affiliate, agent or representative of any named party to this Agreement or such Ancillary Document (“Non-Party Affiliates”), shall have any Liability (whether in contract or in tort, in law or in equity, or based upon any theory that seeks to impose Liability of an entity party against its owners or Affiliates) for any Liabilities arising under, in connection with or related to this Agreement or such Ancillary Document or for any claim based on, in respect of, or by reason of this Agreement or such Ancillary Document or its negotiation or execution; and each party hereto waives and releases all such Liabilities against any such Non-Party Affiliates. Non-Party Affiliates are expressly intended as third-party beneficiaries of this Section 8.6.

Section 8.7 Contribution. If the indemnification provided for in this Article 8 is judicially determined to be unavailable (other than in accordance with the terms of this Agreement, in which case this Section 8.7 shall not apply) to an Indemnified Party in respect of any Damages referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Damages in such proportion as is appropriate to reflect the relative fault of the Dean Foods Indemnified Parties, on the one hand, and the WhiteWave Indemnified Parties, on the other hand, in connection with the conduct, statements or omissions that resulted in such Damages. The relative fault of any Dean Foods Indemnified Party, on the one hand, and of any WhiteWave Indemnified Party, on the other hand, in the case of any Damages arising out of or related to information contained in the IPO Registration Statement (or any related prospectus) shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission of a material fact relates to information supplied by the WhiteWave Business or a WhiteWave Indemnified Party, on the one hand, or by the Dean Foods Business or a Dean Foods Indemnified Party, on the other hand. The Dean Foods Disclosure Portion shall be deemed supplied by the Dean Foods Business or the Dean Foods Indemnified Parties. All other information in the IPO Registration Statement (or any related prospectus) shall be deemed supplied by the WhiteWave Business or the WhiteWave Indemnified Parties.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Governing Law. The internal Laws of the State of Delaware (without giving effect to any choice or conflict of law provision or rule, whether of the State of Delaware or any other jurisdiction, that would cause the application of Laws of any jurisdiction other than those of the State of Delaware) shall govern the construction, interpretation and other matters arising out of or in connection with this Agreement and, unless expressly provided therein, each Ancillary Document, and each of the exhibits and schedules hereto and thereto (whether arising in contract, tort, equity or otherwise).

Section 9.2 Jurisdiction. If any dispute, controversy or claim arises out of or in connection with this Agreement or any Ancillary Document, except as expressly contemplated by any Ancillary Document, the parties irrevocably (and the parties shall cause each other member of their respective Group to irrevocably) (a) consent and submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware, (b) waive any objection to that choice of forum based on venue or to the effect that the forum is not convenient, and (c) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO TRIAL OR ADJUDICATION BY JURY. Any party hereto may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 9.3. Nothing in this Section 9.2, however, shall affect the right to serve legal process in any other manner permitted by Law.

Section 9.3 Notices. All notices and other communications under this Agreement or any Ancillary Document shall be in writing and shall be deemed duly delivered (i) four Business Days after being sent by registered or certified mail, return receipt requested, postage prepaid, (ii) one Business Day after being sent for next Business Day delivery, fees prepaid, via a reputable nationwide overnight courier service, or (iii) on the date of confirmation of receipt (or, the first Business Day following such receipt if the date of such receipt is not a Business Day) of transmission by facsimile, in each case to the intended recipient as set forth below.

If to Dean Foods:

Dean Foods Company
2711 N. Haskell Avenue
Suite 3400
Dallas, Texas 75201
Fax: (214) 303-3853
Attention: General Counsel

If to WhiteWave or WWF Operating Company:

c/o The WhiteWave Foods Company
12002 Airport Way
Broomfield, CO 80021
Fax: 303-635-5107
Attention: General Counsel

Any party to this Agreement may give any notice or other communication hereunder using any other means (including personal delivery, messenger service, ordinary mail or electronic mail), but no such notice or other communication shall be deemed to have been duly given unless and until it actually is received by the party for whom it is intended. Any party to this Agreement may change the address to which notices and other communications hereunder are to be delivered by giving the other parties to this Agreement notice in the manner herein set forth.

Section 9.4 Binding Effect and Assignment. This Agreement and each Ancillary Document binds and benefits the parties and their respective successors and assigns. Notwithstanding anything in Section 6.8 to the contrary, neither party may assign any of its rights or delegate any of its obligations under this Agreement or any Ancillary Document without the written consent of the other party and any assignment or attempted assignment in violation of the foregoing shall be null and void. Notwithstanding the preceding sentence, either party may assign this Agreement and any Ancillary Document in connection with a merger transaction in which such party is not the surviving entity or the sale of all or substantially all of its assets.

Section 9.5 Severability. Any term or provision of this Agreement or any Ancillary Document that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or thereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that shall achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

Section 9.6 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any provision of this Agreement or any Ancillary Document were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement or any Ancillary Document and to enforce specifically the terms and provisions of this Agreement or any Ancillary Document, in each case without posting a bond or undertaking, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the parties agrees that it shall not oppose the granting of an injunction, specific performance and other equitable relief on the basis that (i) the party seeking such remedy has an adequate remedy at law or (ii) an award of specific performance is not an appropriate remedy for any reason at law or equity.

Section 9.7 Entire Agreement. This Agreement, together with the Ancillary Documents and each of the exhibits and schedules appended hereto and thereto, constitutes the final agreement between the parties, and is the complete and exclusive statement of the parties' agreement on the matters contained herein and therein. All prior and contemporaneous negotiations and agreements between the parties with respect to the matters contained herein and therein are superseded by this Agreement and the Ancillary Documents, as applicable. In the event of any conflict between (a) any provision in this Agreement, on the one hand, and (b) any specific provision in any Ancillary Document, on the other hand, pertaining to the subject matter of such Ancillary Document, the specific provisions in such Ancillary Document shall control over the provisions in this Agreement, as applicable.

Section 9.8 No Third-Party Beneficiaries. Except as expressly set forth in Section 8.6 (which may be enforced directly by any Non-Party Affiliate), (a) neither this Agreement nor any Ancillary Document is intended, or shall be deemed, to confer any rights or remedies upon any Person other than the parties hereto and their respective successors and permitted assigns, to create any agreement of employment with any Person or to otherwise create any third-party beneficiary hereto or thereto and (b) Dean Foods and WhiteWave are the only members of their respective Groups entitled to commence any action, suit, proceeding or claim under this Agreement, whether pursuant to Section 8.3 or otherwise, and each party shall cause its respective Group Members not to commence any such action, suit, proceeding or claim other than through such party. For the avoidance of doubt, if a WhiteWave Indemnified Party or a Dean Foods Indemnified Party is entitled to indemnification under Article 8, WhiteWave or Dean Foods (as the case may be) may bring a claim under Article 8 on behalf of such WhiteWave Indemnified Party or Dean Foods Indemnified Party.

Section 9.9 Counterparts and Signature. This Agreement may be executed in two or more counterparts (including by facsimile or by an electronic scan delivered by electronic mail), each of which shall be deemed an original but all of which together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties hereto and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 9.10 Expenses. Except as otherwise expressly provided in this Agreement or any Ancillary Document, (a) prior to the IPO Settlement, Dean Foods will be responsible for all fees, costs and expenses incurred by the Dean Foods Group or the WhiteWave Group in connection with the transactions contemplated by this Agreement and the Ancillary Documents; and (b) following the IPO Settlement, each party will be responsible for its own fees, costs and expenses incurred in connection with the transactions contemplated by this Agreement and the Ancillary Documents; provided, however, WhiteWave shall pay the underwriting discount in connection with the IPO and all fees, costs and expenses incurred by any party in connection with the WhiteWave Bank Facilities.

Section 9.11 Amendment. The parties may amend this Agreement or any Ancillary Document only by a written agreement signed by each party to be bound by the amendment and that identifies itself as an amendment to this Agreement or such Ancillary Document, as applicable.

Section 9.12 Waiver. The parties may waive a provision of this Agreement or an Ancillary Document only by a writing signed by the party intended to be bound by the waiver. A party is not prevented from enforcing any right, remedy or condition in the party's favor because of any failure or delay in exercising any right or remedy or in requiring satisfaction of any condition, except to the extent that the party specifically waives the same in writing. A written waiver given for one matter or occasion is effective only in that instance and only for the purpose stated. A waiver once given is not to be construed as a waiver for any other matter or occasion.

Any enumeration of a party's rights and remedies in this Agreement or any Ancillary Document is not intended to be exclusive, and a party's rights and remedies are intended to be cumulative to the extent permitted by Law and include any rights and remedies authorized in law or in equity.

Section 9.13 Authority. Each of the parties represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement and each of the Ancillary Documents to which it is a party, (b) the execution, delivery and performance of this Agreement and each of the Ancillary Documents to which it is a party have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this Agreement and each of the Ancillary Documents to which it is a party, and (d) this Agreement and each of the Ancillary Documents to which it is a party is a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting creditors' rights generally and general equitable principles.

Section 9.14 Construction of Agreement.

(a) Where this Agreement or any Ancillary Document states that a party "will" or "shall" perform in some manner or otherwise act or omit to act, it means that the party is legally obligated to do so in accordance with this Agreement or such Ancillary Document, as applicable.

(b) The captions, titles and headings, and table of contents, included in this Agreement and the Ancillary Documents are for convenience only, and do not affect this Agreement's or such Ancillary Documents' construction or interpretation. When a reference is made in this Agreement or any Ancillary Document to an Article or a Section, exhibit or schedule, such reference shall be to an Article or Section of, or an exhibit or schedule to, this Agreement or such Ancillary Document, as applicable, unless otherwise indicated.

(c) This Agreement and the Ancillary Documents are for the sole benefit of the parties hereto and their respective Group Members and, except for the indemnification rights of the Dean Foods Indemnified Parties and the WhiteWave Indemnified Parties under this Agreement or as expressly provided in any Ancillary Document, do not, and are not intended to, confer any rights or remedies in favor of any Person (including any employee or stockholder of Dean Foods or WhiteWave) other than the parties signing this Agreement and their respective Group Members.

(d) When used in this Agreement or any Ancillary Document, the words "including," "includes," or "include" shall be deemed to be followed by the phrase "without limitation."

(e) Any reference in this Agreement or any Ancillary Document to the singular includes the plural where appropriate. Any reference in this Agreement or any Ancillary Document to the masculine, feminine or neuter gender includes the other genders where appropriate. Any reference in this Agreement or any Ancillary Document to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement. For purposes of this Agreement, after the Contribution Closing the WhiteWave Business shall be deemed to be the business of WhiteWave and the WhiteWave Group, and all references made in this Agreement to WhiteWave as a party which operates as of a time following the Contribution Closing, shall be deemed to refer to all WhiteWave Group Member as a single party where appropriate.

(f) Any reference in this Agreement or any Ancillary Document to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time.

(g) Unless otherwise expressly specified in an Ancillary Document, all references in this Agreement or any Ancillary Document to “dollars” or “\$” means United States Dollars. If any payment required to be made hereunder is denominated in a currency other than United States Dollars, such payment shall be made in United States Dollars and the amount thereof shall be computed using the exchange rate published by the Wall Street Journal on the date of payment (or if the Wall Street Journal is not published on such date, the last date prior thereto on which the Wall Street Journal was published).

(i) Unless otherwise expressly provided, wherever the consent of any Person is required or permitted herein, such consent may be withheld in such Person’s sole and absolute discretion.

Section 9.15 Termination. This Agreement may be terminated (a) at any time after the IPO Settlement, by the mutual written consent of Dean Foods and WhiteWave; or (b) at any time prior to a Distribution by (and in the sole discretion of) Dean Foods without the approval of WhiteWave. In the event of a termination of this Agreement pursuant to the foregoing sentence, neither party shall have any liability of any kind to the other party under this Agreement, except for any breach of this Agreement that occurs prior to such termination.

(This space intentionally left blank)

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be executed on its behalf by a duly authorized officer on the date first set forth above.

DEAN FOODS COMPANY, a Delaware corporation

By: /s/ Timothy A. Smith

Name: Timothy A. Smith

Title: Treasurer

THE WHITEWAVE FOODS COMPANY, a Delaware corporation

By: /s/ Kelly J. Haecker

Name: Kelly J. Haecker

Title: Senior Vice President, Finance, and Chief Financial Officer

WWF OPERATING COMPANY, a Delaware corporation

By: /s/ Kelly J. Haecker

Name: Kelly J. Haecker

Title: Senior Vice President, Finance, and Chief Financial Officer

Separation and Distribution Agreement

Schedule 1

Ancillary Agreements

None

Schedule 2

Dean Foods Names

Dairymen' s
Lani Moo
Meadow Gold Dairies
Naalehu Dairy
Dean Foods of DePere

Dean Foods of Waukesha
Morning Glory Dairy
Barber' s Dairy
Mile High Ice Cream
Robinson Dairy, LLC

Schedule 2.8(a)

Intercompany Accounts

None

Schedule 2.8(b)(ii)

Contracts Not Terminated

1. All Dean Foods Shared Contracts
2. All WhiteWave Shared Contracts
3. Any other Contracts, agreements, arrangements, commitments or understandings, as identified by the parties in writing

Schedule 3

Dean Foods Shared Contracts

1. Services Agreement, dated June 12, 2012, by and between Aramark Refreshment Services, LLC, Dean Dairy Holdings, LLC, Suiza Dairy Group, LLC and The WhiteWave Foods Company
2. License Agreement, dated July 24, 2002, by and between Land O' Lakes, Inc., Dean Foods Company, Morningstar Foods, Inc., and Dairy Marketing Alliance, LLC, as amended
3. License and Supply Agreement, dated October 1, 2006, by and between The WhiteWave Foods Company, Dean Foods Company, and Martek Biosciences Corporation, as amended
4. Purchase Agreement, dated February 1, 2008, by and between Tetra Pak Inc., Dean Dairy Holdings, LLC, Suiza Dairy Group, LLC, and The WhiteWave Foods Company, as amended
5. Any additional contracts agreed to in writing between Dean Foods and WhiteWave to be Dean Foods Shared Contracts.

Schedule 4

Existing Dean Foods Litigation Matters

All Actions set forth under the heading “Tennessee Dairy Farmer Actions” in *Part II, Item I. Legal Proceedings* in the Annual Report on Form 10-K of Dean Foods Company as filed with the Securities and Exchange Commission on February 27, 2012 (the “DF 2012 10-K”).

All Actions set forth under the heading “Tennessee Retailer and Indirect Purchaser Actions” in *Part II, Item I. Legal Proceedings* in the DF 2012 10-K.

Any Action and/or Third Party Claim relating to abandoned and unclaimed property of any Dean Foods Group Member.

Any other Action and/or Third Party Claim but only to the extent arising out of or relating to the Dean Foods Business or the Dean Foods Assets which were initiated prior to the Contribution Closing.

Schedule 5

Existing WhiteWave Litigation Matters

Any Action and/or Third Party Claim relating to abandoned and unclaimed property of any WhiteWave Group Member.

Any other Action and/or Third Party Claim but only to the extent arising out of or relating to the WhiteWave Business or the WhiteWave Assets which were initiated prior to the Contribution Closing.

Schedule 5.3

WhiteWave Indebtedness

None

Schedule 5.4

Security Obligations

Guaranty, dated July 22, 2010, executed by Dean Foods, as Guarantor, in favor of RBS Asset Finance, Inc., as assigned to GATZ Corporation, with respect to equipment leases dated July 22, 2010, and October 31, 2011, under which Horizon Organic Dairy, LLC is the lessee.

Payment Guaranty, dated November 11, 2011, between Dean Foods, as Guarantor and Onset Financial, Inc., with respect to an equipment lease dated November 2, 2011, under which WWF Operating Company is the lessee.

Schedule 6

WhiteWave Shared Contracts

1. Master Services Agreement, dated January 1, 2011, by and between SymphonyIRI Group Inc., Dean Dairy Holdings, LLC, Suiza Dairy Group, LLC, The WhiteWave Foods Company and Morningstar Foods, LLC
2. Any additional contracts agreed to in writing between Dean Foods and WhiteWave to be WhiteWave Shared Contracts.

Schedule 7.5(b)

Insurance Deductibles

WhiteWave will be solely responsible for any and all Dean Foods' casualty insurance program deductibles allocated to WhiteWave for claims made by WhiteWave under such casualty insurance program. Such deductibles range from \$0.00 to \$2,000,000.00 as included in documentation previously provided to WhiteWave in writing.

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this “Agreement”) is dated as of October 25, 2012, between Dean Foods Company, a Delaware corporation (“Dean Foods”), and The WhiteWave Foods Company, a Delaware corporation (“WhiteWave”).

WHEREAS, WWF Operating Company, a Delaware corporation and a wholly-owned subsidiary of Dean Foods (“WWF Operating Company”), and the subsidiaries of WWF Operating Company engage in certain business (the “WhiteWave Business”);

WHEREAS, Dean Foods has determined that it would be appropriate, desirable and in the best interests of Dean Foods and Dean Foods’ stockholders to separate the WhiteWave Business from Dean Foods pursuant to that certain Separation and Distribution Agreement among Dean Foods, WWF Operating Company and WhiteWave, dated as of the date hereof (the “Separation Agreement”); and

WHEREAS, the parties hereto deem it to be appropriate and in the best interests of WhiteWave and Dean Foods that each party provide certain services to the other party to facilitate the separation described above on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. Provision of Services.

(a) This Agreement shall become effective upon the occurrence of the Contribution Closing (as defined in the Separation Agreement). Subject to the terms and provisions of this Agreement, Dean Foods shall provide WhiteWave with the services set forth on Schedule A hereto (collectively, the “Dean Foods Initial Services”) and WhiteWave shall provide Dean Foods with the services set forth on Schedule B hereto (collectively with the Dean Foods Initial Services, the “Initial Services”). A party providing any Service is referred to herein in such capacity as the “Provider” and a party receiving any Service is referred to herein in such capacity as the “Recipient.”

(b) From time to time during the term of this Agreement, the parties may by written mutual written agreement identify additional services that the Provider will provide to the Recipient in accordance with the terms of this Agreement (the “Additional Services” and, together with the Initial Services, the “Services”). If the parties agree to add any Additional Services, the parties will amend Schedule A or Schedule B, as applicable, for each such Additional Service setting forth the identities of the Provider and the Recipient, a description of such Service, the term during which such Service will be provided, the Cost, if any, for such Service and any other provisions applicable thereto. In order to become a part of this Agreement, such amendment to the applicable Schedule must be executed by a duly authorized representative of each party, at which time such Additional Service will, together with the Initial Services, be deemed to constitute “Services” for the purposes hereof and will be subject to the terms and conditions of this Agreement. The parties may, but will not be required to, agree on Additional Services during the term of this Agreement. Notwithstanding anything to the contrary in the foregoing or anywhere else in this Agreement, neither party will have any obligation to agree to provide Additional Services.

Transition Services Agreement

(c) Except as expressly contemplated in the Schedules, the Provider will not be obligated to perform or to cause to be performed any Service in a volume or quantity that exceeds on an annualized basis 110% of the historical volumes or quantities of Services performed by it or its Affiliates for the business of the Recipient during calendar year 2012 to date, without reference to the transactions contemplated by the Separation Agreement. Nothing in this Agreement will require the Provider to prioritize or otherwise favor the Recipient over any third parties or any of the Provider's or the Provider's Affiliates' business operations.

(d) Each party will use commercially reasonable efforts to assist and cooperate with one another in the timely and orderly performance of the Services. The Recipient acknowledges that some Services to be provided under this Agreement require instructions and information from the Recipient, which the Recipient will provide to the Provider sufficiently in advance in order to enable the Provider to procure such Services in a timely manner. The Provider will not be liable for any delays resulting from or caused by the Recipient's failure to provide such instructions or information in a timely manner.

(e) The parties shall cooperate and use good faith, commercially reasonable efforts to obtain any consents, additional licenses or approvals from third-party hardware and software vendors, support and maintenance providers, outsourcing service providers, and other third parties that are required to enable the Provider to perform the Services, and the Recipient to receive the benefit of the Services. The Recipient shall bear the costs of obtaining any such required consents. In the event that the parties are unable to obtain any such third-party consent, the parties shall work together to agree upon a commercially reasonable alternative arrangement. The Recipient shall bear the costs of implementing any such alternative arrangement.

(f) Nothing in this Agreement will prevent the Provider from using its Affiliates, contractors or other Persons (any such Person providing any Service hereunder, a "Representative") to perform all or any part of a Service hereunder. The Provider will remain fully responsible for the performance of its obligations under this Agreement in accordance with its terms, including any obligations it performs through its Representatives, and the Provider will be solely responsible for payments due any such Representatives.

(g) The Provider will provide each Service until the initial termination date for such Service specified in the applicable Schedule (the "Initial Service Term"). During the Initial Service Term of any Service, the parties, by written mutual agreement, may agree to extend the Initial Service Term of such Service (an "Extension Service Term") or shorten the Initial Service Term of such service (a "Shortened Service Term"). If the parties agree to any Extension Service Term or Shortened Service Term, as applicable, the parties will amend Schedule A or Schedule B, as applicable, to reflect the Extension Service Term or Shortened Service Term, as applicable, setting forth the identities of the Provider and the Recipient, a description of such Service, the duration of the Extension Service Term or Shortened Service Term, as applicable, the cost, if any, for such Service during the Extension Service Term or Shortened Service Term, as applicable, and any other provisions applicable thereto. In order to become a part of this Agreement, such amendment to the applicable Schedule must be executed by a duly authorized representative of each party. Notwithstanding anything to the contrary in the foregoing or anywhere else in this Agreement, neither party will have any obligation to agree to any Extension Service Term or Shortened Service Term, as applicable.

2. Consideration for Services.

(a) During the Initial Service Term of any Service, the Provider will charge the Recipient the monthly cost to the Provider of providing such Service, as reflected on the applicable Schedule (the "Base Cost"), plus all reasonable out-of-pocket fees and expenses paid to third parties in connection with the performance of such Service, including any costs for which the Provider is entitled to reimbursement pursuant to Section 1(e) ("Third Party Costs"). The amount charged to the Recipient for any Service during any Extension Service Term of such Service will be determined in accordance with Section 1(g) above.

(b) The monthly Base Cost for any Service will be due and payable in arrears within 60 days after the end of the month for which such Service was provided.

(c) The Provider will provide the Recipient with monthly invoices reflecting any Third Party Costs paid by the Provider for any Service during any month. Invoices will be sent in a format and containing a level of detail reasonably sufficient for the Recipient to determine the accuracy of the computation of the amount charged and that such amount is being calculated in a manner consistent with this Agreement. Reasonable documentation will be provided for all Third Party Costs consistent with the Provider's practices. All amounts invoiced by Provider under this Section 2(c) will be due and payable within 60 days of the date of invoice. Upon the Recipient's reasonable request, the Provider will provide explanations, answer questions and provide additional documentation regarding invoiced amounts.

(d) Unless otherwise specifically agreed in writing by the parties hereto, all payments due under this Section 2 will be made by wire transfer of immediately available funds in accordance with wire transfer instructions delivered by the Provider to the Recipient in writing from time to time.

(e) All amounts to be paid to the Provider under this Agreement are exclusive of any and all sales, use, excise, services or similar taxes imposed on the provision of goods and services by the Provider or its Representatives to the Recipient pursuant to this Agreement ("Sales Taxes"). In addition to any amounts otherwise payable pursuant to this Agreement, the Recipient will be responsible for any and all Sales Taxes and will either (i) remit such Sales Taxes to the Provider (and the Provider will remit the amounts so received to the applicable taxing authority) or (ii) provide the Provider with a certificate or other proof, reasonably acceptable to the Provider, evidencing an exemption from liability for such Sales Taxes. For the avoidance of doubt, all amounts under this Agreement are expressed exclusive of Sales Taxes. The parties agree to cooperate with each other in determining the extent to which any Sales Tax is due and owing under the circumstances, and will provide and make available to each other any resale certificate, information regarding out of state use of materials, services or sale, and other exemption certificates or information reasonably requested by either party. The parties further agree to work together to structure the provision of the Services to eliminate or minimize applicable Sales Taxes, including but not limited to, itemizing on any invoices each Service provided to the Recipient.

(f) After the Contribution Closing (as defined in the Separation Agreement), except as otherwise specified in this Agreement, each party hereto will pay its own legal, accounting, out-of-pocket and other expenses incident to this Agreement and to any action taken by such party in carrying this Agreement into effect.

(g) All late payments due under this Agreement will bear interest at a rate equal to the annualized interest rate at prime (as published in the Wall Street Journal from time to time) plus one-and-a-half percentage points, from the invoice due date to the date of payment. If the Recipient disputes any portion of any Third Party Costs for which the Provider has invoiced Recipient, the Recipient must notify the Provider in writing of the nature and the basis of the dispute within 90 days after the date of the applicable invoice, after which time the Recipient will be deemed to have waived any rights to dispute such amount.

(h) The Provider will keep reasonably detailed records, consistent with past practice, for any Third Party Costs invoiced to the Recipient. The Provider will maintain the records in accordance with its then-current record retention policies. At reasonable intervals during the term of this Agreement and for two years thereafter, the Recipient personnel will, upon no less than five business days' prior notice, or, if critical, upon reasonable shorter notice under the circumstances, have access to the records for the purpose of verifying the invoices submitted to the Recipient hereunder. The costs of all such audits will be borne by the Recipient. The confidentiality provisions in Section 8 of this Agreement will govern all audits by the Recipient.

3. WARRANTIES. THIS IS A SERVICES AGREEMENT. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR GUARANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE OR FITNESS FOR A PARTICULAR PURPOSE.

4. Standard of Conduct; Limitation on Liability.

(a) The Provider shall have no liability with respect to its furnishing of Services except to the extent resulting from the Provider' s gross negligence or willful misconduct.

(b) In no event shall either party have any liability, whether based on contract, tort (including, without limitation, negligence), warranty or any other legal or equitable grounds, for any punitive, consequential, special, indirect or incidental loss or damage arising from or relating to this Agreement, including without limitation, loss of data, profits (excluding profits under this Agreement), interest or revenue, or use or interruption of business, even if such party is advised of the possibility of such losses or damages.

(c) In no event shall the Provider' s liability with respect to its furnishing of Services, whether based on contract, tort (including without limitation, negligence), warranty or any other legal or equitable grounds, exceed in the aggregate the amount of fees paid to the Provider under this Agreement.

5. Termination. This Agreement shall terminate upon the termination of the last remaining Service then provided, but may be terminated earlier:

(a) upon the mutual written agreement of the parties;

(b) by either party in case of a material breach of any of the terms hereof by the other party if the breach is not remedied within thirty (30) days after written notice of breach is delivered to the breaching party;

(c) by either WhiteWave or Dean Foods, upon written notice to Dean Foods or WhiteWave, as the case may be, if Dean Foods or WhiteWave, as the case may be, shall become insolvent or shall make an assignment for the benefit of creditors, or shall be placed in receivership, reorganization, liquidation or bankruptcy;

(d) by Dean Foods, upon written notice to WhiteWave, if, for any reason, the ownership or control of WhiteWave becomes vested in, or is made subject to the control or direction of, any direct competitor of Dean Foods; or

(e) by WhiteWave, upon written notice to Dean Foods, if for any reason, the ownership or control of Dean Foods becomes vested in, or is made subject to the control or direction of, any direct competitor of WhiteWave.

6. Performance. The Services shall be performed in the same manner and with the same skill and care as the Provider employs in the service of its own business.

7. Independent Contractor. The Provider is providing the Services as an independent contractor and the parties hereby acknowledge that they do not intend to create a joint venture, partnership or any other type of agency between them.

8. Confidentiality.

(a) Each party will, and will cause its Representatives and their officers, directors, employees and agents to, hold as confidential and not disclose to any other Person any information received by it under this Agreement that relates to the other party' s business or that relates to the other party' s activities or deliverables under this Agreement (“Confidential Information”). “Confidential Information” includes: (i) this Agreement and its terms and conditions; (ii) the IP and Improvements; and (iii) any information obtained or reviewed by a party in the course of reviewing the other party' s records in accordance with this Agreement. When a party discloses any of its Confidential Information to the other party it will make reasonable efforts to mark the information as “Confidential”, but any failure to mark the information as “Confidential” will not cause the information to lose its status as Confidential Information nor will it relieve the receiving party of its obligations under this Section 8 with respect to that information.

(b) Notwithstanding Section 8(a), each party may: (i) disclose the other party' s Confidential Information if legally compelled to do so, provided that it promptly informs the other party of the required disclosure; (ii) disclose this Agreement as reasonably necessary in connection with efforts to resolve a Dispute; and (iii) disclose this Agreement to third parties for strategic due diligence purposes if the third party has signed a confidentiality agreement covering the disclosure.

(c) “Confidential Information” does not include any information that: (i) is or becomes publicly known through no fault of the receiving party; (ii) is disclosed after the Distribution Date (as defined in the Separation Agreement), which such information was not known to the receiving party at the time of the Distribution Date (as defined in the Separation Agreement) but became known to the receiving party prior to the time of receipt thereof from the disclosing party; (iii) is disclosed after the date of this Agreement to the receiving party by a third party having no obligation of confidentiality to the disclosing party; or (iv) is independently developed by the receiving party after the date of this Agreement without use of the disclosing party’s Confidential Information as documented by reasonable evidence.

(d) The parties’ obligations under this Section 8 will continue for five years after the termination of this Agreement, except that to the extent that any Confidential Information constitutes a trade secret, the receiving party’s obligations with respect to that Confidential Information will continue for five years or for such period as the information remains trade secret, whichever is longer.

9. Proprietary Rights.

(a) Except with respect to those items of equipment, systems, tools, facilities and other resources allocated to the Recipient pursuant to the Separation Agreement, all equipment, systems, tools, facilities and other resources used by the Provider and any of its Affiliates in connection with the provision of Services hereunder will remain the property of the Provider and its Affiliates and, except as otherwise provided in this Agreement, will at all times be under the sole direction and control of the Provider and its Affiliates.

(b) To the extent the Provider or its Representatives use any know-how, processes, technology, trade secrets or other intellectual property owned by or licensed to the Provider or any of its Representatives (“IP”) in providing the Services, such IP (other than such IP licensed to the Provider by the Recipient or its Affiliates) and any derivative works of, or modifications or improvements to, such IP conceived or created as part of the provision of Services (“Improvements”) will, as between the parties, remain the sole property of the Provider unless such Improvements were specifically created for the Recipient or its Affiliates pursuant to a specific Service as specifically and expressly agreed in writing by the parties. The applicable party will and hereby does assign to the applicable owner designated above, and agrees to assign automatically in the future upon first recordation in a tangible medium or first reduction to practice, all of such party’s right, title and interest in and to all Improvements, if any. All rights not expressly granted herein are reserved. Notwithstanding the foregoing, if there is any conflict between the terms of this Section 9(b) and specific terms of the Separation Agreement, then the terms of the Separation Agreement will prevail.

10. Force Majeure. Any delays in or failure of performance by either party, other than the payment of money, shall not constitute a default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the reasonable control of such party, including, but not limited to: acts of God or the public enemy; expropriation or

confiscation of facilities; compliance with any order or request of any governmental authority; acts of war; riots or strikes or other concerted acts of personnel; power failure; or any causes, whether or not of the same class or kind as those specifically named above, which are not within the reasonable control of such party.

11. Survival. Sections 2, 3, 4, 7, 8, 9, 12 and 13 will survive any termination or expiration of this Agreement.

12. Definitions. Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to them in the Separation Agreement.

13. Counterparts and Signature. This Agreement and any may be executed in two or more counterparts (including by facsimile or by an electronic scan delivered by electronic mail), each of which shall be deemed an original but all of which together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each of the parties hereto and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

[signature page follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

DEAN FOODS COMPANY

By: /s/ Timothy A. Smith

Name: Timothy A. Smith

Title: Treasurer

THE WHITEWAVE FOODS COMPANY

By: /s/ Kelly J. Haecker

Name: Kelly J. Haecker

Title: Senior Vice President, Finance, and Chief
Financial Officer

Transition Services Agreement

Schedule A
Dean Foods as Provider

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes)*</u>
Finance			
Accounting, reporting, control	7/31/13	\$0	Yes
SEC / External Reporting Support			
Corporate Accounting (LTI, debt, hedging, etc.)			
Consolidation / Hyperion			
Technical Accounting Support (incl goodwill)			
Audit Coordination			
Audit services	6/30/13	\$33,979	
ICFR Prog. Design			
Entity Control Design			
Control Design			
Control Testing			
Control Remediation			
Risk management	6/30/13	\$11,140	
Selection of new insurance broker(s)			
New broker(s) market and place insurance program			
Assess, set up new risk management staffing model			
Implement agreed Work Comp insurance structure by state			
Set up allocated insurance expense billing process			
Identify, select new vendors–claims, risk control, actuary			
Historical, prospective claim information data processes			
Tax	7/31/13	\$0	Yes
Federal & state income tax compliance			
Tax Accounting/Provision			
Tax audits			
Franchise tax	6/30/13	\$0	Yes
Treasury and Accounts Payable	6/30/13	\$0	Yes
Amex cards for T&E			
Purchasing cards			
Facilities Services	6/30/13	\$40,000	
Cityplace–allocation of rent expense for WW employees			

**Schedule A
Dean Foods as Provider**

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes)*</u>
Human Resources			
Compensation	12/31/13	\$14,217	Yes
Market Intelligence–Salaries, Surveys, (ePrism)			
Salary Planning & STI Admin (OSM)			
Exec & Board Comp (Mercer/Dean Comp)			
Comp Communications (Dean Comp)			
Base Salary, STI, LTI–existing and new–(Dean Comp)			
Benefits	6/30/13	\$0	Yes
Benefits Enrollment/Changes/Terms			
Benefits Administration (Medical)			
Benefits Administration (Dental)			
Benefits Administration (Vision)			
Benefits Administration (EAP)			
Benefits Administration (FSA)			
Benefits Administration (HSA)			
Benefits Administration (Life/LTD)			
Benefits Administration (STD)			
401k Administration			
Frozen Pension Fund Management			
ERISA Counsel			
Plan Filings			
Plan audits			
Employee Benefit Communications			
Investment Committee 401k/pension oversight			
Tuition Reimbursement			
Adoption Assistance			
Business Travel Accident Coverage			
Executive Physicals			
COBRA Administration			
DFS–ESS	1/31/14	\$43,707	Yes
Payroll, processing, W2, taxes, relocation, equity comp			
Legal	6/30/13	\$97,396	Yes
IP			
Patent and Trademark Management			

Schedule A
Dean Foods as Provider

<u>Service</u>	<u>End</u> <u>Date</u>	<u>Base Cost</u> <u>(\$/Month)</u> <u>unless</u> <u>otherwise</u> <u>noted</u>	<u>Third-Party</u> <u>Cost Pass-</u> <u>through</u> <u>(if Yes)*</u>
Labor			
Labor			
Employment			
Executive Comp			
Employment Issues			
Stock Plan Administration			
Corporate Responsibility			
Hotline Management			
Investigations			
Ethics Training			
Government Relations			
Government Relations			
SEC/Corp			
SEC Compliance			
Board Support			
US Subsidiary Maintenance			
M&A			
Credit Facility & Treasury			
Real Estate/Environmental			
Real Estate/Environmental			
Commercial			
Contests, Marketing			
Confidentiality Agreements			
Procurement			
Aviation			
Aviation Filings			
Litigation			
Insurance Matters			
Information Technology	12/		
	31/		
	13	\$101,397	Yes
User Services–Service Desk			
User Services–Wintel			
User Services–Applications			
User Services–E-mail			

Schedule A
Dean Foods as Provider

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes)*</u>
User Services-Access Management			
Network			
Telepresence			
Dell / Microsoft / PC leases			
Hastings wireless & granite wireline			
Supply Chain			
Environmental, health & safety			
General EHS Support (Compliance, Auditing, Permitting, Training)	12/ 31/ 12	\$2,500	
Dept Homeland Security Programs			
Loss Prevention/Control			
EHS reporting and auditing software	6/30/ 13	\$1,000	
Procurement/Risk Management	6/30/ 13	\$10,000	
Commodity risk management monitoring & reporting			
Commodity procurement			
Sugar Procurement and Sugar tolling			
<u>Oversight</u> –Ongoing contract negotiations with enterprise wide suppliers that are new or have expiring contracts (including indirects)			
Energy procurement			
Liquid Paper Packaging			
Legal review of all contracts			
Corporate Rebates			
Negotiate new Dairy.com agreement for FDD and WWF entities			
QA Database	12/ 31/ 12	\$0	Yes
iCiX Database			
Marketing Resources			
	12/ 31/ 13	\$0	Yes
Shared Spectra Contract			
Shared Mintel, Kantar, Market Track & NPD contracts			
Other			
Data Synchronization			

Existing services/approach, including systems, tools, expertise	12/ 31/ 12	\$0	Yes
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Schedule A
Dean Foods as Provider

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes)*</u>
Distribution Services			
Freight services to include: hauling from Morningstar facilities to outside storage, Morningstar-arranged direct-ship & co-mingled shipments of WhiteWave products	12/ 31/ 13	\$0	Yes
Warehousing services to include: cross-docking, inventory management, storage and/or picking of WhiteWave SKUs resupplied into Morningstar facilities [<i>MS bears any risk of loss due to mis-handling or mis-rotation of WW product while in its possession</i>]	12/ 31/ 13	0.017/ \$lb	

* Indicates areas where Provider currently anticipates third-party costs. This indication is for informational purposes only and does not restrict the Provider from passing along third-party costs even if not currently anticipated.

Schedule B
WhiteWave as Provider

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes)*</u>
Research & Development	12/31/13	\$42,833	
Pilot Plants, Sensory, Pkg. Lab, Customer Service Center and General Facilities			
Information Technology	12/31/13	\$50,000	
WW Data Center Lease			
Supply Chain			
QA Lab Services	12/31/13	\$20,000	
Lab testing service performed and/or management at WW			
Procurement	6/30/13	\$10,000	
<u>Support Employees</u> —Ongoing contract negotiations with enterprise wide suppliers that are new or have expiring contracts (including indirects)			
Other			
Marketing Services	12/31/13	\$0	Yes
Shared Symphony/IRI Group Contract (syndicated costs split across WWF, FDD, Morningstar) co-signed by all bu' s, invoiced separately			
Consumer Affairs	12/31/12	\$21,037	Yes
Support Headcount			
Telrx (program manager, call center headcount, data)			
Wiki Knowledge database			
Customer Data			
RSI data (WMT)	12/31/12	\$14,583	
Dunhumby data (Kroger)	2/28/13	\$0	Yes
Facilities services	12/31/12	\$4,000	

Schedule B
Dean Foods as Provider

- * Indicates areas where Provider currently anticipates third-party costs. This indication is for informational purposes only and does not restrict the Provider from passing along third-party costs even if not currently anticipated.

TAX MATTERS AGREEMENT

THIS TAX MATTERS AGREEMENT (this "Agreement") dated as of October 25, 2012 is made and entered into by Dean Foods Company, a Delaware corporation ("Dean Foods"), on behalf of itself and the Dean Foods Affiliates (as defined below), and The WhiteWave Foods Company, a Delaware corporation ("WhiteWave"), on behalf of itself and the WhiteWave Affiliates (as defined below).

RECITALS

WHEREAS, the Board of Directors of Dean Foods has determined that it would be appropriate, desirable, and in the best interests of Dean Foods and Dean Foods' shareholders to completely separate the WhiteWave Business (as defined below) from Dean Foods;

WHEREAS, pursuant to the Separation and Distribution Agreement by and between Dean Foods and WhiteWave dated October 25, 2012 (the "Separation and Distribution Agreement"), effective as of October 25, 2012, Dean Foods has contributed, or caused the Dean Foods Affiliates to contribute, and WhiteWave has received and assumed, the assets and liabilities associated with the WhiteWave Business;

WHEREAS, Dean Foods is the common parent corporation of an "affiliated group" of corporations within the meaning of Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code") and of certain combined groups as defined under similar laws of other jurisdictions and WhiteWave and the WhiteWave Affiliates are, as of the date hereof, and have been, members of such groups;

WHEREAS, the groups of which Dean Foods is the common parent and WhiteWave and the WhiteWave Affiliates are members file and/or intend to file Consolidated Returns and Combined Returns (each as defined below);

WHEREAS, Dean Foods and WhiteWave contemplate that WhiteWave shall close the IPO (as defined in the Separation and Distribution Agreement);

WHEREAS, Dean Foods intends, after the IPO, to make a distribution of shares of WhiteWave Common Stock pro rata to the holders of Dean Foods capital stock in a transaction that is intended to qualify as a tax-free distribution under Sections 355 and 361(c) of the Code (the "Distribution");

WHEREAS, pursuant to the transactions contemplated by the Separation and Distribution Agreement (the "Transactions"), WhiteWave and the WhiteWave Affiliates will cease to be members of the Consolidated Group (as defined below) and Combined Groups (as defined below);

WHEREAS, Dean Foods and WhiteWave desire to set forth their agreement regarding the allocation of Taxes (as defined below), the filing of Tax Returns (as defined below), the administration of Audits (as defined below) and other related matters;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS OF TERMS

For purposes of this Agreement, the following terms have the following meanings, and capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Separation and Distribution Agreement:

“Aggregate WhiteWave Group Combined Tax Liability” means, with respect to any taxable period, the sum of the WhiteWave Group Combined Tax Liability for each Combined Return for such taxable period.

“Applicable Percentage” means (i) while the Dean Foods Group continues to own WhiteWave Common Stock, twenty percent (20%) minus the percentage of WhiteWave Common Stock issued in the IPO and (ii) after the Dean Foods Group has disposed of all of the WhiteWave Common Stock owned by it, forty percent (40%) minus the sum of (x) the percentage of WhiteWave Common Stock issued in the IPO and (y) the percentage of WhiteWave Common Stock disposed of by the Dean Foods Group in any transfers permitted under Section 4.6 of the Separation and Distribution Agreement (other than an Exempt Transfer). The Applicable Percentage shall be determined under the principles of Section 355(e) of the Code.

“Audit” includes any audit, assessment of Taxes, other examination by any Tax Authority, proceeding, or appeal of such proceeding relating to Taxes, whether administrative or judicial.

“Combined Group” means a group of corporations or other entities that files a Combined Return.

“Combined Return” means any Tax Return with respect to Non-Federal Taxes filed on a consolidated, combined (including nexus combination, worldwide combination, domestic combination, line of business combination or any other form of combination) or unitary basis wherein one or more members of the WhiteWave Group join in the filing of a Tax Return with Dean Foods or a Dean Foods Affiliate that is not also a member of the WhiteWave Group.

“Consolidated Group” means the affiliated group of corporations within the meaning of Section 1504(a) of the Code of which Dean Foods is the common parent and which includes the WhiteWave Group.

“Consolidated Return” means any Tax Return with respect to Federal Income Taxes filed by the Consolidated Group pursuant to Section 1501 of the Code.

“Dean Foods Affiliate” means any corporation or other entity, including any entity that is disregarded for federal income tax purposes, directly or indirectly “controlled” by Dean Foods where “control” means the ownership of fifty percent (50%) or more of the ownership interests of such corporation or other entity (by vote or value) or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such corporation or other entity, but at all times excluding WhiteWave and any WhiteWave Affiliate.

“Dean Foods Business” means all of the businesses and operations conducted by Dean Foods and Dean Foods Affiliates, excluding the WhiteWave Business, at any time, whether prior to, or after the date of the IPO.

“Dean Foods Group” means Dean Foods and each other Dean Foods Affiliate.

“Deconsolidation” means any event pursuant to which WhiteWave and the WhiteWave Group cease to be includible in either the Consolidated Group or any Combined Group, as the context requires.

“Deconsolidation Date” means the close of business on the day on which a Deconsolidation occurs.

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Taxes” means any (a) Taxes imposed on, or increase in Taxes incurred by, Dean Foods or any Dean Foods Affiliate and (b) any Taxes of a Dean Foods shareholder (or former Dean Foods shareholder) that are required to be paid or reimbursed by Dean Foods or any Dean Foods Affiliate pursuant to a legal determination, in either (a) or (b), resulting from, or arising in connection with, the failure of the Distribution to qualify as a tax-free transaction under Section 355 of the Code (including, without limitation, any Tax resulting from the application of Section 355(d) or Section 355(e) of the Code to the Distribution) or corresponding provisions of the laws of any other jurisdictions. Any Tax referred to in the immediately preceding sentence shall be determined using the highest applicable statutory Tax rate for the relevant taxable period (or portion thereof).

“Estimated Tax Installment Date” means the installment due dates prescribed in Section 6655(c) of the Code (presently April 15, June 15, September 15 and December 15).

“Exempt Transfer” means (i) any transfer in a Distribution or (ii) any transfer to another member of the Dean Foods Group.

“Federal Income Tax” or “Federal Income Taxes” means any Tax imposed under Subtitle A of the Code (including the Taxes imposed by Sections 11, 55, 59A, and 1201(a) of the Code), and any other income based United States Federal Tax which is hereinafter imposed upon corporations.

“Federal Tax” means any Tax imposed under the Code or otherwise under United States federal Tax law.

“Final Determination” means (a) the final resolution of any Tax (or other matter) for a taxable period, including any related interest or penalties, that, under applicable law, is not subject to further appeal, review or modification through proceedings or otherwise, including (1)

by the expiration of a statute of limitations (giving effect to any extension, waiver or mitigation thereof) or a period for the filing of claims for refunds, amended returns, appeals from adverse determinations, or recovering any refund (including by offset), (2) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable, (3) by a closing agreement or an accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreements under laws of other jurisdictions, (4) by execution of an IRS Form 870-AD, or by a comparable form under the laws of other jurisdictions (excluding, however, any such form that reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund and/or the right of the Tax Authority to assert a further deficiency), or (5) by any allowance of a refund or credit, but only after the expiration of all periods during which such refund or credit may be recovered (including by way of offset) or (b) the payment of Tax by any member of the Consolidated Group or Combined Group with respect to any item disallowed or adjusted by a Tax Authority provided that Dean Foods determines that no action should be taken to recoup such payment.

“IRS” means the Internal Revenue Service.

“Loss” means any loss, cost, fine, penalty, fee, damage, obligation, liability, payment in settlement, or other expense of any kind, including reasonable attorneys’ fees and costs, but excluding any consequential, special, punitive or exemplary damages.

“Non-Federal Combined Taxes” means any Non-Federal Taxes with respect to which a Combined Return is filed.

“Non-Federal Separate Taxes” means any Non-Federal Taxes that are not Non-Federal Combined Taxes.

“Non-Federal Taxes” means any Tax other than a Federal Tax.

“Option Issuances” has the meaning set forth in Section 4.2(c). of this Agreement.

“Post-Deconsolidation Period” means a taxable period beginning after the applicable Deconsolidation Date.

“Post-IPO WhiteWave Tax Asset” means any Tax Asset of the WhiteWave Group (i) existing at the end of the taxable period treated under Section 3.5(c) as ending on the date of this Agreement or (ii) generated in taxable periods beginning after the date of this Agreement (including the period treated as beginning on the day after the date of this Agreement pursuant to Section 3.5(c)), in each case, as determined under Sections 3.5 or 3.6, except to the extent that such Tax Asset is used to reduce the WhiteWave Group Federal Income Tax Liability or WhiteWave Group Combined Tax Liability.

“Pre-Deconsolidation Period” means any taxable period beginning on or prior to the applicable Deconsolidation Date.

“Pro Forma WhiteWave Group Combined Return” means a pro forma Combined Return or other schedule prepared pursuant to Section 3.6 of this Agreement.

“Pro Forma WhiteWave Group Consolidated Return” means a pro forma Consolidated Return prepared pursuant to Section 3.5(b) of this Agreement

“Redetermination Amount” means, with respect to any Consolidated Return or Combined Return for a taxable period, the amount determined under Section 3.9 of this Agreement.

“Representation Letter” means any letter executed by an officer of Dean Foods or WhiteWave and provided to Tax Counsel as a condition for the completion of a Tax Opinion or Supplemental Tax Opinion.

“Ruling” means (a) any private letter ruling issued by the IRS in connection with the Transactions described in the Separation and Distribution Agreement in response to a request for such a private letter ruling filed by Dean Foods (or any Dean Foods Affiliate) prior to the date of the Distribution, and/or (b) any similar ruling issued by any other Tax Authority addressing the application of a provision of the laws of another jurisdiction to the Transactions described in the Separation and Distribution Agreement.

“Ruling Documents” means (a) the request for a Ruling filed with the IRS, together with any supplemental filings or other materials subsequently submitted on behalf of Dean Foods, Dean Foods Affiliates and shareholders to the IRS, or on behalf of WhiteWave, WhiteWave Affiliates and shareholders to the IRS and the appendices and exhibits thereto, and any Ruling issued by the IRS to Dean Foods (or any Dean Foods Affiliate) or WhiteWave (or any WhiteWave Affiliate) in connection with the Transactions described in the Separation and Distribution Agreement and (b) any similar filings submitted to, or rulings issued by, any other Tax Authority in connection with the Transactions described in the Separation and Distribution Agreement.

“Supplemental Ruling” means (a) any ruling (other than the Ruling) issued by the IRS in connection with the Transactions described in the Separation and Distribution Agreement, and/or (b) any similar ruling issued by any other Tax Authority addressing the application of a provision of the laws of another jurisdiction to the Transactions described in the Separation and Distribution Agreement.

“Supplemental Ruling Documents” means (a) the request for a Supplemental Ruling, together with any supplemental filings or other materials subsequently submitted, the appendices and exhibits thereto, and any Supplemental Rulings issued by the IRS in connection with the Transactions described in the Separation and Distribution Agreement and (b) any similar filings submitted to, or rulings issued by, any other Tax Authority in connection with the Transactions described in the Separation and Distribution Agreement.

“Supplemental Tax Opinion” means a supplemental opinion issued by Tax Counsel addressing certain United States federal income tax consequences related to the Distribution.

“Tax Asset” means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction or any other deduction, credit or tax attribute which could reduce Taxes (including without limitation deductions and credits related to alternative minimum taxes).

“Tax Authority” includes the IRS and any state, local, or other governmental authority responsible for the administration of any Taxes.

“Tax Counsel” means a nationally recognized law firm or accounting firm with a reputable Tax practice selected to provide a Tax Opinion or a Supplemental Tax Opinion.

“Tax” or “Taxes” means any taxes, charges, fees, levies, imposts, duties, or other assessments of a similar nature, including without limitation, income, alternative or add-on minimum, gross receipts, excise, employment, sales, use, transfer, license, payroll, franchise, severance, stamp, occupation, windfall profits, withholding, Social Security, unemployment, disability, ad valorem, estimated, highway use, commercial rent, capital stock, paid up capital, recording, registration, property, real property gains, value added, business license, custom duties, or other tax, imposed or required to be withheld by any Tax Authority including any interest, additions to Tax, or penalties applicable thereto.

“Tax Opinion” means an opinion issued by Tax Counsel selected by Dean Foods as one of the conditions to completing the Distribution addressing certain United States federal income tax consequences of the Distribution under Section 355 of the Code.

“Tax Return” or “Tax Returns” means any return, declaration, statement, report, schedule, certificate, form, information return or any other document (and any related or supporting information) including an amended tax return required to be supplied to, or filed with, a Tax Authority with respect to Taxes.

“WhiteWave Affiliate” means any corporation or other entity, including any entity that is a disregarded entity for federal income tax purposes, directly or indirectly “controlled” by WhiteWave where “control” means the ownership of fifty percent (50%) or more of the ownership interests of such corporation or other entity (by vote or value) or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such corporation or other entity.

“WhiteWave Business” shall have the meaning set forth in the Separation and Distribution Agreement.

“WhiteWave Group” means the affiliated group of corporations, including any entity that is a disregarded entity for federal income tax purposes, as defined in Section 1504(a) of the Code, or similar group of entities as defined under similar laws of other jurisdictions, of which WhiteWave would be the common parent if it were not a subsidiary of Dean Foods, and any corporation or other entity, including any entity that is a disregarded entity for federal income tax purposes, which may be or become a member of such group from time to time.

“WhiteWave Group Combined Tax Liability” means, with respect to any taxable period, the WhiteWave Group’s liability for Non-Federal Combined Taxes as determined under Section 3.6 of this Agreement.

“WhiteWave Group Federal Income Tax Liability” means, with respect to any taxable period, the WhiteWave Group’s liability for Federal Income Taxes as determined under Section 3.5 of this Agreement.

ARTICLE 2
PREPARATION AND FILING OF TAX RETURNS

Section 2.1 In General.

(a) Dean Foods shall have the sole and exclusive responsibility for the preparation and filing of any Consolidated Return or Combined Return.

(b) WhiteWave shall, subject to Section 2.2 of this Agreement, be responsible for preparing and filing all Tax Returns of WhiteWave and the WhiteWave Affiliates other than those described in Section 2.1(a) of this Agreement.

(c) Unless otherwise required by a Final Determination, Dean Foods and WhiteWave, for itself and the WhiteWave Group, agree to file all Tax Returns, and to take all other actions, relating to Federal Income Taxes or Non-Federal Combined Taxes in a manner consistent with the position that WhiteWave and the WhiteWave Group are includible in the Consolidated Group and any applicable Combined Group for all days from the date hereof through and including the Deconsolidation Date.

Section 2.2 Preparation and Filing of Returns.

(a) All Tax Returns filed after the date of this Agreement by Dean Foods, any Dean Foods Affiliate, WhiteWave, or any WhiteWave Affiliate shall (1) be prepared in a manner that is consistent with Article 4 of this Agreement and the Code, and (2) filed on a timely basis (taking into account applicable extensions) by the party responsible for such filing under Section 2.1 of this Agreement.

(b) In its sole discretion, Dean Foods shall have the exclusive right with respect to any Consolidated Return or Combined Return (1) to determine (A) the manner in which such Tax Return shall be prepared and filed, including, without limitation, the manner in which any item of income, gain, loss, deduction or credit shall be reported, (B) whether any extensions may be requested, (C) the elections that will be made by any member of the Consolidated Group or applicable Combined Group, and (D) whether any amended Tax Returns should be filed, (2) to control, contest, and represent the interests of the Consolidated Group and any Combined Group in any Audit and to resolve, settle, or agree to any adjustment or deficiency proposed, asserted or assessed as a result of any Audit, (3) to file, prosecute, compromise or settle any claim for refund, and (4) to determine whether any refunds, to which the Consolidated Group or applicable Combined Group may be entitled, shall be paid by way of refund or credited against the Tax liability of the Consolidated Group or applicable Combined Group. WhiteWave, for itself and its subsidiaries, hereby irrevocably appoints Dean Foods as its agent and attorney-in-fact to take such action (including the execution of documents) as Dean Foods may deem appropriate to effect the foregoing.

Section 2.3 Furnishing Information. WhiteWave (or the applicable WhiteWave Affiliate) shall (a) furnish to Dean Foods in a timely manner such information and documents as Dean Foods may reasonably request for purposes of (1) preparing any original or amended Consolidated Return or Combined Return, (2) contesting or defending any Audit relating to a Consolidated Return or a Combined Return, and (3) making any determination or computation necessary or appropriate under this Agreement, (b) cooperate in any Audit of any Consolidated Return or Combined Return, (c) retain and provide on demand books, records, documentation or other information relating to any Tax Return until the later of (1) the expiration of the applicable statute of limitations (giving effect to any extension, waiver, or mitigation thereof) and (2) in the event any claim is made under this Agreement for which such information is relevant, until a Final Determination with respect to such claim, and (d) take such action as Dean Foods may deem appropriate in connection therewith. Dean Foods shall provide WhiteWave (or the applicable WhiteWave Affiliate) any assistance reasonably required in providing any information requested pursuant to this Section 2.3.

Section 2.4 Expenses. WhiteWave shall reimburse Dean Foods for any outside legal and accounting expenses incurred by Dean Foods in the course of the conduct of any Audit regarding the Tax liability of the Consolidated Group or any Combined Group, and for any other expense incurred by Dean Foods in the course of any litigation relating thereto, to the extent such costs are reasonably attributable to WhiteWave or any WhiteWave Affiliate and provided Dean Foods has conferred with WhiteWave as to the portion of the Audit relating to WhiteWave or the WhiteWave Affiliate. Notwithstanding the foregoing, Dean Foods shall have the sole discretion to control, contest, represent, file, prosecute, challenge or settle any Audit pursuant to Section 2.2 of this Agreement.

ARTICLE 3 PAYMENT OF TAXES AND TAX SHARING AMOUNTS

Section 3.1 Federal Income Taxes. Dean Foods shall pay (or cause to be paid) to the IRS all Federal Income Taxes, if any, of the Consolidated Group.

Section 3.2 Non-Federal Combined Taxes. Dean Foods shall pay (or cause to be paid) to the appropriate Tax Authorities all Non-Federal Combined Taxes, if any, of any Combined Group.

Section 3.3 Non-Federal Separate Taxes and Other Taxes. WhiteWave shall pay to the appropriate Tax Authorities all Non-Federal Separate Taxes and any other Taxes (other than those described in Section 3.1 and Section 3.2 of this Agreement), if any, of WhiteWave and the WhiteWave Affiliates.

Section 3.4 WhiteWave Liability for Federal Income Taxes and Non-Federal Combined Taxes. For each taxable period beginning after the date of this Agreement relating to a Pre-Deconsolidation Period, WhiteWave shall pay to Dean Foods an amount equal to the sum of the WhiteWave Group Federal Income Tax Liability and the Aggregate WhiteWave Group Combined Tax Liability for such period.

Section 3.5 WhiteWave Group Federal Income Tax Liability.

(a) In General. The WhiteWave Group Federal Income Tax Liability with respect to any Consolidated Return for a taxable period shall be the WhiteWave Group's liability for Federal Income Taxes as determined on a Pro Forma WhiteWave Group Consolidated Return prepared in accordance with Section 3.5(b) of this Agreement. For the avoidance of doubt, the WhiteWave Group Federal Income Tax Liability with respect to any Consolidated Return shall not be less than zero.

(b) Pro Forma Federal Return. For each Consolidated Return to the extent needed under this Agreement, Dean Foods shall prepare or cause to be prepared (and, as requested by Dean Foods, WhiteWave shall cooperate in preparing) a Pro Forma WhiteWave Group Consolidated Return as if the WhiteWave Group were not and never were part of the Consolidated Group, but rather were a separate affiliated group of corporations of which WhiteWave were the common parent filing a consolidated federal income tax return pursuant to Section 1501 of the Code. For purposes of this Section 3.5(b), the WhiteWave Group's Federal Income Tax Liability shall (1) be determined for the taxable year including the Deconsolidation Date assuming the taxable year ends on the Deconsolidation Date, (2) not be reduced by the WhiteWave Group's carrybacks and carryovers of federal Tax Assets from other taxable periods (such items being addressed by Section 3.5(d) herein), (3) exclude the Tax consequences of the Transactions, including any Tax consequences from the transfer or other movement of assets between the Dean Foods Group and the WhiteWave Group and the Tax consequences of any deferred intercompany transactions recognized as a result of the Deconsolidation; provided, that any deductions resulting from or relating to the novation of the \$650,000,000 notional amount of interest rate swap contracts that are scheduled to mature March 31, 2017, pursuant to which WhiteWave assumes the liability related to such swaps shall be included and allocated to WhiteWave, (4) be determined assuming that any deductions arising prior to the Distribution with respect to the long-term and short-term incentives described in Articles IX and X of the Employee Matters Agreement be allocated between the Dean Foods Group and the WhiteWave Group in the same manner and same proportion as the corresponding book expense for financial accounting purposes and (5) be determined assuming that the Dean Foods Group (not the WhiteWave Group) is entitled to any deductions arising from the payment or accrual of liabilities with respect to the Dean Foods EDCP and Dean Foods SERP (as defined in the Employee Matters Agreement) pursuant to Article XI of the Employee Matters Agreement.

(c) Year of IPO. For purposes of this Agreement, the taxable year that includes the date of this Agreement shall be treated as if it were comprised of two taxable periods, one of which ends on the date of this Agreement and one of which begins on the day after the date of this Agreement. For purposes of computing the Federal Taxes attributable to each period of the taxable year, the amount of any item that is taken into account only once for each taxable year (e.g., the benefit of graduated tax rates, exemption amounts, etc.) shall be allocated between the two portions of the year in proportion to the number of days in each portion. To the extent needed under this Agreement, the WhiteWave Group Federal Income Tax Liability shall be determined separately for each period.

(d) Federal Tax Assets. Dean Foods shall pay to WhiteWave, not later than 30 business days after Dean Foods makes a payment to, or receives a payment, credit or offset from any Tax Authority pursuant to this Article 3, the amount, if any, by which one or more federal

Post-IPO WhiteWave Tax Assets reduces the Federal Income Tax liability of the Consolidated Group for any taxable period. For purposes of computing the amount of the payment described in this Section 3.5(c), one or more federal Post-IPO WhiteWave Tax Assets shall be considered to reduce the Consolidated Group's Federal Income Tax liability in a given period by an amount equal to the difference, if any, between (1) the amount of the Consolidated Group's Federal Income Tax liability for the period computed without regard to such Tax Asset or Tax Assets and (2) the amount of the Consolidated Group's Federal Income Tax liability for the period computed with regard to such Tax Asset or Tax Assets.

Section 3.6 WhiteWave Group Combined Tax Liability.

(a) In General. The WhiteWave Group Combined Tax Liability with respect to any Combined Return for a taxable period shall be the WhiteWave Group's liability for Non-Federal Combined Tax as determined on a Pro Forma WhiteWave Group Combined Return prepared in a manner consistent with the principles and procedures set forth in Sections 3.5(b) and 3.5(c) hereof. For the avoidance of doubt, the WhiteWave Group Combined Tax Liability with respect to any Combined Return shall not be less than zero.

(b) Non-Federal Tax Assets. Dean Foods shall pay to WhiteWave, not later than 30 business days after Dean Foods makes a payment to, or receives a payment, credit or offset from any Tax Authority pursuant to this Article 3, the amount, if any, by which one or more non-federal Post-IPO WhiteWave Tax Assets reduces the Non-Federal Combined Tax liability of the applicable Combined Group for any taxable period. For purposes of computing the amount of the payment described in this Section 3.6(b), one or more non-federal Post-IPO WhiteWave Tax Assets shall be considered to reduce the Combined Group's Tax liability in a given period by an amount equal to the difference, if any, between (1) the amount of the Combined Group's Tax liability for the period computed without regard to such Tax Asset or Tax Assets and (2) the amount of the Combined Group's Tax liability for the period computed with regard to such Tax Asset or Tax Assets.

Section 3.7 Tax Sharing Installment Payments.

(a) Federal Income Taxes. Not later than five business days prior to each Estimated Tax Installment Date following the date hereof with respect to a Pre-Deconsolidation Period, Dean Foods shall determine under Section 6655 of the Code the estimated amount of the related installment of the WhiteWave Group Federal Income Tax Liability for the taxable period. WhiteWave shall then pay to Dean Foods, not later than such Estimated Tax Installment Date, the amount thus determined.

(b) Non-Federal Combined Taxes. Not later than five business days prior to any estimated tax installment date following the date hereof with respect to a Combined Return for a Pre-Deconsolidation Period, Dean Foods shall determine the estimated amount of the related installment of the WhiteWave Group Combined Tax Liability for the taxable period. WhiteWave shall pay to Dean Foods, not later than the due date for such installment, the amount thus determined.

Section 3.8 Tax Sharing True-Up Payments.

(a) Federal Income Taxes. Not later than 30 business days after a Consolidated Return is filed following the date hereof with respect to any Pre-Deconsolidation Period, Dean Foods shall deliver to WhiteWave a Pro Forma WhiteWave Group Consolidated Return or other comparable schedule reflecting the WhiteWave Group Federal Income Tax Liability for such period (or period beginning after the date of this Agreement, in the case of the Consolidated Return including the date of this Agreement). Not later than 30 business days after the date such Pro Forma WhiteWave Group Consolidated Return or other schedule is delivered, WhiteWave shall pay to Dean Foods, or Dean Foods shall pay to WhiteWave, as appropriate, an amount equal to the difference, if any, between the WhiteWave Group Federal Income Tax Liability for such taxable period and the aggregate amount paid by WhiteWave with respect to such taxable period under Section 3.7(a) of this Agreement.

(b) Non-Federal Combined Taxes. Not later than 30 business days after a Combined Return is filed following the date hereof with respect to any Pre-Deconsolidation Period, Dean Foods shall deliver to WhiteWave a Pro Forma WhiteWave Group Combined Return or other comparable schedule reflecting the WhiteWave Group Combined Tax Liability for such taxable period (or period beginning after the date of this Agreement, in the case of the Consolidated Return including the date of this Agreement). Not later than 30 business days following delivery of such Pro Forma WhiteWave Group Combined Return or other schedule, WhiteWave shall pay to Dean Foods, or Dean Foods shall pay to WhiteWave, as appropriate, an amount equal to the difference, if any, between the WhiteWave Group Combined Tax Liability for such taxable period and the amount paid by WhiteWave with respect to such taxable period under Section 3.7(b) of this Agreement.

Section 3.9 Redetermination Amount.

(a) In General. In the event of any redetermination of any item of income, gain, loss, deduction or credit of any member of the Consolidated Group or any Combined Group as a result of a Final Determination or any settlement or compromise with any Tax Authority (including any amended Tax Return or claim for refund filed by Dean Foods), WhiteWave shall pay Dean Foods or Dean Foods shall pay WhiteWave, as the case may be, the absolute value of the Redetermination Amount with respect to each Consolidated Return or Combined Return affected by such redetermination, in the manner provided in Section 3.9(d).

(b) Computation. For each Consolidated Return or Combined Return for which there is a redetermination, the Redetermination Amount shall be (i) the WhiteWave Group Federal Income Tax Liability or White Wave Group Combined Tax liability, as applicable, with respect to such Tax Return as determined under Article 3 of this Agreement taking the redetermination into account minus (ii) the WhiteWave Group Federal Income Tax Liability or WhiteWave Group Combined Tax Liability, as applicable, with respect to such Tax Return as determined under Article 3 of this Agreement without taking the redetermination into account. If the Redetermination Amount is positive, WhiteWave shall pay Dean Foods, the Redetermination Amount in the manner provided in Section 3.9(d). If the Redetermination Amount is negative, Dean Foods shall pay WhiteWave the absolute value of the Redetermination Amount in the manner provided in Section 3.9(d). The applicable party shall also pay interest on the Redetermination Amount for each day that payment of the Tax or refund, as applicable, would be overdue for such Tax Return calculated (i) with respect to redeterminations affecting Federal

Income Taxes, at the rate determined, in the case of payment by WhiteWave to Dean Foods, under Section 6621(a)(2) of the Code and, in the case of payment by Dean Foods to WhiteWave, under Section 6621(a)(1) of the Code, and (ii) with respect to redeterminations affecting Non-Federal Combined Taxes, under similar laws, if any, of the applicable jurisdictions.

(c) Tax Assets. If a redetermination results in an additional Tax Asset of the WhiteWave Group that does not reduce any WhiteWave Group Federal Income Tax Liability or WhiteWave Group Combined Tax Liability, then Dean Foods shall pay WhiteWave, at the time such Tax Asset is used, the amount by which such additional Tax Asset reduces the Federal Income Tax liability or Non-Federal Income Tax liability of the Consolidated Group or Combined Group, as applicable, in accordance with the principles set forth in Sections 3.5(d) and 3.6(b) (to the extent no payment is required for such Tax Asset under such sections).

(d) Payment. Dean Foods shall deliver to WhiteWave a schedule reflecting the computation of any Redetermination Amount. Not later than 30 business days after the date such schedule is delivered, WhiteWave shall pay Dean Foods, or Dean Foods shall pay WhiteWave, as applicable, the absolute value of the Redetermination Amount.

(e) Year of the IPO. Consistent with Section 3.5(c), if there is a redetermination that affects a Consolidated Return or Combined Return for the taxable year that includes the date of this Agreement, the Redetermination Amount shall be determined separately for the taxable period ending on the date of this Agreement and the taxable period beginning on the date after this Agreement.

Section 3.10. Interest. Payments under this Article 3 that are not made within the prescribed period shall thereafter bear interest at the Federal short-term rate established pursuant to Section 6621 of the Code.

Section 3.11. Carrybacks. In the event any Tax Asset of the WhiteWave Group for any Post-Deconsolidation Period is eligible to be carried back to a Pre-Deconsolidation Period, WhiteWave shall, to the extent permitted by applicable law, elect to carry such amounts forward to any Post-Deconsolidation Period. If WhiteWave is required by law to carry back any such Tax Asset to a Pre-Deconsolidation Period, Dean Foods agrees to make a payment to WhiteWave to the extent that such a payment would otherwise be required under the terms of Section 3.5(d) or Section 3.6(b) of this Agreement, net of any expenses incurred by Dean Foods or Dean Foods Affiliates. If subsequent to the payment by Dean Foods to WhiteWave of any such amount, there shall be (1) a Final Determination which results in a disallowance or a reduction of the Tax Asset so carried back or (2) a reduction in the amount of the benefit realized by the Dean Foods Group for any reason, WhiteWave shall repay to Dean Foods, within 30 business days of such event any amount which would not have been payable to WhiteWave pursuant to this Section 3.11 had the amount of the benefit been determined in light of these events. WhiteWave shall hold Dean Foods harmless for any penalty, addition to Tax or interest payable by any member of the Dean Foods Group as a result of any such event. Any such amount shall be paid by WhiteWave to Dean Foods within 30 business days of the payment by Dean Foods or any member of the Consolidated Group or Combined Group of any such penalty, addition to Tax, or interest.

Section 3.12 Deferred Compensation Plans and Other Incentive Plans. Pursuant to Article XI of the Employee Matters Agreement, all liabilities accrued under the Dean Foods EDCP and Dean Foods SERP related to WhiteWave Employees and Former WhiteWave Employees shall be retained by, and remain the sole responsibility of, the appropriate member of the Dean Foods Group (all capitalized terms shall have the meaning ascribed to them in the Employee Matters Agreement). Dean Foods and WhiteWave shall cooperate in determining how the accrual or payment of such liabilities by the Dean Foods Group shall be reported for Tax purposes. If any member of the WhiteWave Group is entitled to a deduction or other Tax Asset as a result of the accrual or payment by any member of the Dean Foods Group of such liabilities after the Deconsolidation Date, as determined by the parties pursuant to the preceding sentence or as a result of an adjustment to the Tax Returns of the Dean Foods Group or WhiteWave Group by a Tax Authority, WhiteWave shall pay to Dean Foods, at the time such deduction or Tax Asset is used, the amount by which such deduction or other Tax Asset reduces the Tax liability of the WhiteWave Group. In the event that the Distribution occurs after the Deconsolidation Date and the WhiteWave Group is entitled to any deductions arising after the Deconsolidation Date but prior to the Distribution with respect to the long-term or short-term incentives described in Articles IX and X of the Employee Matters Agreement that would have been allocated to the Dean Foods Group pursuant to Section 3.5(b), WhiteWave shall pay to Dean Foods, at the time such deduction is used, the amount by which such deduction reduces the Tax liability of the WhiteWave Group.

ARTICLE 4

DECONSOLIDATION AND DISTRIBUTION TAXES

Section 4.1 Continuing Covenants. WhiteWave, for itself and the WhiteWave Affiliates, covenants that on or after a Deconsolidation it will not (nor will it cause or permit any member of the WhiteWave Group), in respect of any Pre-Deconsolidation Period, (a) make or change any tax election, (b) change any accounting method, (c) amend any Tax Return or take any Tax position on any Tax Return that is inconsistent with any Tax position on any Tax Return of the Dean Foods Group, or (d) take any action, omit to take any action or enter into any transaction that results in any increased Tax liability or reduction of any Tax Asset of the Dean Foods Group.

Section 4.2 Additional Continuing Covenants.

(a) WhiteWave Restrictions. WhiteWave agrees that it will not (1) issue any stock of WhiteWave (or any instrument that is convertible, exercisable or exchangeable into any such stock) if such issuance, would, or would reasonably be expected to, cause Dean Foods to own stock of WhiteWave that on a fully diluted basis, does not constitute “control” (within the meaning of Section 368(c) of the Code) of WhiteWave, and (2) as long as Dean Foods owns stock of WhiteWave constituting control (within the meaning of Section 368(c) of the Code), knowingly take or fail to take, or permit any WhiteWave Affiliate to knowingly take or fail to take, any action that could reasonably be expected to preclude Dean Foods’ s ability to effectuate the Distribution or the Equity for Debt Exchange (to the extent such exchange is intended to meet the requirements of Section 361(c)(3)) as a tax-free transaction under Sections 355 and 361(c) of the Code. In the event of the Distribution, WhiteWave agrees that (1) it will take, and cause each WhiteWave Affiliate to take, any action reasonably requested by Dean Foods in order

to enable Dean Foods to effectuate the Distribution or the Equity for Debt Exchange (to the extent such exchange is intended to meet the requirements of Section 361(c)(3)) as a tax-free transaction under Sections 355 and 361(c) of the Code and (2) it will not take or fail to take, or permit any WhiteWave Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with any written representations of an officer of WhiteWave pursuant to Section 4.2(e) of this Agreement with respect to any material, information, covenant or representation that relates to facts or matters related to WhiteWave, any WhiteWave Affiliate, or the WhiteWave Business or within the control of WhiteWave or any WhiteWave Affiliate in a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling other than as permitted by Section 4.2(c) of this Agreement. For this purpose an action is considered inconsistent with a representation if the representation states that there is no plan or intention to take such action. In the event of the Distribution, WhiteWave agrees that it will not take (and it will cause the WhiteWave Affiliates to refrain from taking) any position on a Tax Return that is inconsistent with the treatment of the Distribution or the Equity for Debt Exchange (to the extent such exchange is intended to meet the requirements of Section 361(c)(3)) as a tax-free transaction under Sections 355 and 361(c) of the Code.

(b) Dean Foods Restrictions. In the event of the Distribution, Dean Foods agrees that it will not take or fail to take, or permit any Dean Foods Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with any material, information, covenant or representation that relates to facts or matters related to Dean Foods (or any Dean Foods Affiliate) or the Dean Foods Business or within the control of Dean Foods and is contained in a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling. For this purpose an action is considered inconsistent with a representation if the representation states that there is no plan or intention to take such action. In the event of the Distribution, Dean Foods agrees that it will not take (and it will cause the Dean Foods Affiliates to refrain from taking) any position on a Tax Return that is inconsistent with the treatment of the Distribution or the Equity for Debt Exchange (to the extent such exchange is intended to meet the requirements of Section 361(c)(3)) as a tax-free transaction under Sections 355 and 361(c) of the Code.

(c) Certain WhiteWave Actions. WhiteWave agrees that, during the period beginning on the date hereof and ending two years following the Distribution, without first obtaining, at WhiteWave's own expense, (i) a Supplemental Ruling that such action will not result in Distribution Taxes, (ii) a Supplemental Tax Opinion from Tax Counsel selected by WhiteWave that such action will not result in Distribution Taxes that is acceptable to Dean Foods in its reasonable discretion, or (iii) the consent of Dean Foods to the action proposed to be taken, WhiteWave shall not and shall not permit any WhiteWave Affiliate to:

(1) sell all or substantially all of the assets of WhiteWave or any WhiteWave Affiliate or sell, transfer, or issue any stock of a WhiteWave Affiliate (other than a sale, transfer, or issuance to another member of the WhiteWave Group that would not cause the Distribution to fail to qualify as a tax-free Distribution under Section 355);

(2) liquidate or merge WhiteWave or any WhiteWave Affiliate with another entity (other than a liquidation or merger with or into another member of the WhiteWave Group that would not cause the Distribution to fail to qualify as a tax-free distribution under Section 355), without regard to which party is the surviving entity;

(3) transfer any assets of WhiteWave in a transaction described in Section 351 or subparagraph (C) or (D) of Section 368(a)(1) of the Code (other than a transfer to a corporation, including any entity that is a disregarded entity for federal income tax purposes, which files a consolidated return with WhiteWave and which is wholly-owned, directly or indirectly, by WhiteWave);

(4) subject to Section 4.2(f), issue stock of WhiteWave (or any instrument that is convertible or exchangeable into any such stock) (excluding any issuance pursuant to the exercise of employee stock options or other employment-related arrangements having customary terms and conditions and that satisfy the requirements of Safe Harbor VIII as set forth in Treasury Regulations § 1.355-7(d)(8) (“Option Issuances”)), which would result in the acquisition by one or more persons of more than the Applicable Percentage (by vote or value) of the stock of WhiteWave, determined under the principles of Section 355(e) of the Code, when aggregated with all issuances, redemptions, sales or other acquisitions of WhiteWave stock during such period, excluding (i) the issuance of shares in the IPO, (ii) any transfer by the Dean Foods Group permitted pursuant to Section 4.6 of the Separation and Distribution Agreement, (iii) Option Issuances, (iv) acquisitions in the public market that satisfy the requirements of Safe Harbor VII as set forth in Treasury Regulations § 1.355-7(d)(7), and (v) an issuance or other acquisition for which a Supplemental Ruling or a Supplemental Tax Opinion has been obtained that such issuance or acquisition will not be treated as part of a plan with the Distribution under one of the safe harbors set forth in Treasury Regulation §1.355-7(d);

(5) facilitate or otherwise participate in any acquisition of stock in WhiteWave that would result in any shareholder owning five percent (5%) or more of the outstanding stock of WhiteWave;

(6) redeem or repurchase WhiteWave stock in a manner contrary to the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to its modification by Revenue Procedure 2003-48 and as may be modified or amended from time to time) or in any other manner contrary to the representations made in any Representation Letter, Ruling Documents, or Supplemental Ruling Documents; or

(7) discontinue, cease, transfer or dispose of its active trades or businesses as defined for purposes of Section 355.

WhiteWave or any WhiteWave Affiliate shall only undertake any of such actions after Dean Foods’ s receipt of such Supplemental Tax Opinion or Supplemental Ruling and pursuant to the terms and conditions of any such Supplemental Tax Opinion or Supplemental Ruling or as otherwise consented to in writing in advance by Dean Foods. Dean Foods agrees to cooperate with WhiteWave to seek to obtain, as expeditiously as possible, a Supplemental Ruling or Supplemental Tax Opinion for the purpose of permitting WhiteWave to undertake any of such

actions. The parties hereby agree that they will act in good faith to take all reasonable steps necessary to amend this Section 4.2(c), from time to time, by mutual agreement, to (A) add certain actions to the list contained herein, or (B) remove certain actions from the list contained herein, in either case, in order to reflect any relevant change in law, regulation or administrative interpretation occurring after the date of this Agreement. Nothing in this Section 4.2(c) shall limit the liability of WhiteWave for any Distribution Taxes that are WhiteWave's responsibility under the terms of this Agreement.

(d) Notice of Specified Transactions. Not later than 30 days prior to entering into any oral or written contract or agreement, and not later than 5 days after it first becomes aware of any negotiations, plan or intention (regardless of whether it is a party to such negotiations, plan or intention), regarding any of the transactions described in Section 4.2(c) of this Agreement (whether or not a transaction is permitted under the terms hereof without first obtaining a Supplemental Tax Opinion, a Supplemental Ruling or agreement from Dean Foods), WhiteWave shall provide written notice of its intent to consummate such transaction or the negotiations, plan or intention of which it becomes aware, as the case may be, to Dean Foods. Notwithstanding anything in this Section 4.2(d) to the contrary, no such written notice shall be required for Option Issuances.

(e) WhiteWave Cooperation. WhiteWave agrees that, at the request of Dean Foods, WhiteWave shall cooperate fully with Dean Foods to take any action necessary or reasonably helpful to effectuate the Distribution or the Equity for Debt Exchanges, including seeking to obtain, as expeditiously as possible, a Tax Opinion, Supplemental Tax Opinion, Ruling, and/or Supplemental Ruling. Such cooperation shall include the execution of any documents that may be necessary or reasonably helpful in connection with obtaining any Tax Opinion, Supplemental Tax Opinion, Ruling, and/or Supplemental Ruling (including, without limitation, any (1) power of attorney, (2) Representation Letter, (3) Ruling Documents, (4) Supplemental Rulings Documents, and/or (5) reasonably requested written representations confirming that (A) WhiteWave has read the Representation Letter, Ruling Documents, and/or Supplemental Ruling Documents and (B) all information and representations, if any, relating to WhiteWave, any WhiteWave Affiliate, or the WhiteWave Business contained in the Representation Letter, Ruling Documents, and/or Supplemental Ruling Documents are true, correct and complete in all respects).

(f) Deconsolidation. Notwithstanding Section 4.2(c)(4), WhiteWave shall not issue any stock prior to the Distribution without the consent of Dean Foods if such issuance would cause a Deconsolidation.

Section 4.3 Indemnity.

(a) Dean Foods Indemnification. Dean Foods shall be liable for and shall indemnify, defend and hold harmless WhiteWave and each WhiteWave Affiliate and each of their respective representatives and each of the heirs, executors, successors and assigns of any of the foregoing from and against:

(1) any Distribution Taxes, to the extent that such Distribution Taxes are attributable to, caused by, or result from, one or more of the following: (A) any action or omission by Dean Foods (or any Dean Foods Affiliate) inconsistent with any material, information, covenant or representation related to Dean Foods, any Dean Foods Affiliate, or the Dean Foods Business in a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling (for the avoidance of doubt, disclosure of any action or fact that is inconsistent with any material, information, covenant or representation submitted to Tax Counsel, the IRS, or other Tax Authority, as applicable, in connection with a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling shall not relieve Dean Foods (or any Dean Foods Affiliate) of liability under this Agreement); (B) any action or omission by Dean Foods (or any Dean Foods Affiliate), including a cessation, transfer, or disposition of its active trades or businesses as defined for purposes of Section 355, stock buyback or payment of an extraordinary dividend by Dean Foods (or any Dean Foods Affiliate); (C) any acquisition of any stock or assets of Dean Foods (or any Dean Foods Affiliate) by one or more other persons (other than WhiteWave or a WhiteWave Affiliate) prior to or following the Distribution; or (D) any issuance of stock by Dean Foods (or any Dean Foods Affiliate), including any issuance pursuant to the exercise of employee stock options or other employment related arrangements or the exercise of warrants;

(2) all liability as a result of Treasury Regulation §1.1502-6 or of any comparable provision for Non-Federal Taxes of any person which is or has ever been affiliated with Dean Foods or any Dean Foods Affiliate or with which Dean Foods or any Dean Foods Affiliate joins or has ever joined (or is or has ever been required to join) in filing any consolidated, combined or unitary income Tax Return for any taxable period ending on or before the Deconsolidation Date except to the extent the WhiteWave Group is liable for such Taxes pursuant to Section 4.3(b);

(3) all Taxes for any tax period (whether beginning before, on or after the Deconsolidation Date), and any other Losses, attributable to the breach by Dean Foods or any Dean Foods Affiliate of any representation, warranty, covenant or obligation under this Agreement;

(4) all Taxes imposed on either Dean Foods or any Dean Foods Affiliate or WhiteWave or any WhiteWave Affiliate as a result of the Transactions, including all Taxes (whether federal or state) arising out of or attributable to deferred intercompany transactions recognized as a result of the Transactions, including any tax consequences from the transfer or other movement of assets between the Dean Foods Group and WhiteWave Group, but excluding Distribution Taxes; and

(5) any Redetermination Amount payable by Dean Foods pursuant to the terms of Section 3.9 hereof.

(b) WhiteWave' s Indemnification. WhiteWave shall be liable for and shall indemnify, defend and hold harmless Dean Foods and each Dean Foods Affiliate and each of their respective representatives and each of the heirs, executors, successors and assigns of any of the foregoing from and against:

(1) any Distribution Taxes, to the extent that such Distribution Taxes are attributable to, caused by, or result from, one or more of the following: (A) any action or omission by WhiteWave (or any WhiteWave Affiliate) that is inconsistent with any written representations of an officer of WhiteWave pursuant to Section 4.2(e) of this Agreement with respect to any material, information, covenant or representation related to WhiteWave, any WhiteWave Affiliate, or the WhiteWave Business in a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling (for the avoidance of doubt, disclosure of any action or fact that is inconsistent with any material, information, covenant or representation submitted to Tax Counsel, the IRS, or other Tax Authority, as applicable, in connection with a Representation Letter, Tax Opinion, Supplemental Tax Opinion, Ruling Documents, Supplemental Ruling Documents, Ruling, or Supplemental Ruling shall not relieve WhiteWave (or any WhiteWave Affiliate) of liability under this Agreement); (B) any action or omission by WhiteWave (or any WhiteWave Affiliate), including a cessation, transfer, or disposition of its active trades or businesses as defined for purposes of Section 355, stock buyback or payment of an extraordinary dividend by WhiteWave (or any WhiteWave Affiliate); (C) any acquisition of any stock or assets of WhiteWave (or any WhiteWave Affiliate) by one or more other persons (other than Dean Foods or any Dean Foods Affiliate) prior to or following the Distribution; (D) any issuance of stock by WhiteWave (or any WhiteWave Affiliate), including any issuance pursuant to the exercise of employee stock options or other employment related arrangements or the exercise of warrants or (E) any transfer of WhiteWave Common Stock by the Dean Foods Group permitted pursuant to Section 4.6 of the Separation and Distribution Agreement (whether before or after the Distribution) in the event that WhiteWave has breached Section 4.2(c) hereof (for the avoidance of doubt, WhiteWave shall be liable for and shall indemnify, defend and hold harmless Dean Foods and each Dean Foods Affiliate and each of their respective representatives and each of the heirs, executors, successors and assigns of any of the foregoing from and against any Distribution Taxes resulting from or arising out of any action or omission described above regardless of whether it is otherwise permitted under the terms of this Agreement);

(2) all Taxes for any tax period (whether beginning before, on or after the Deconsolidation Date), and any other Losses, attributable to the breach by WhiteWave or any WhiteWave Affiliate of any representation, warranty, covenant or obligation under this Agreement; and

(3) any Redetermination Amount payable by WhiteWave pursuant to the terms of Section 3.9 hereof.

(c) Treatment of Payments. Unless otherwise required by any Final Determination, the parties agree that any payments made by one party to another party pursuant to this Agreement after the Deconsolidation Date shall, to the extent permissible under applicable law, be treated for all Tax and financial accounting purposes as contributions or distributions, as appropriate, made immediately prior to the Deconsolidation Date. If it is determined that the receipt or accrual of any payment is subject to Tax, such payment shall be increased so that the amount of such increased payment reduced by the amount of all Taxes payable with respect to the receipt thereof (but taking into account all correlative Tax deductions resulting from the payment of such Taxes) shall equal the amount of the payment which the party receiving such payment would otherwise be entitled to receive pursuant to this Agreement.

Section 4.4 Equity Compensation. WhiteWave shall be entitled to claim on its Tax Returns any tax deduction attributable to the exercise or vesting, following the Distribution, of an option or restricted stock unit that was converted from an option or restricted stock unit of Dean Foods to an option or restricted stock unit of WhiteWave, and neither Dean Foods nor any Dean Foods Affiliate shall attempt to claim any such Tax deduction. WhiteWave shall withhold applicable Taxes and satisfy applicable Tax reporting requirements with respect to the exercise or vesting of options or restricted stock units to purchase WhiteWave stock.

ARTICLE 5 MISCELLANEOUS

Section 5.1 Term. All rights and obligations arising hereunder shall survive until they are fully effectuated or performed provided that, notwithstanding anything in this Agreement to the contrary, this Agreement shall remain in effect and its provisions shall survive for the full period of all applicable statutes of limitation (giving effect to any extension, waiver or mitigation thereof).

Section 5.2 Allocations.

(a) In General. All computations with respect to any Pre-Deconsolidation Period shall be made pursuant to the principles of Treasury Regulations Section 1.1502-76(b), taking into account such elections thereunder as Dean Foods, in its sole discretion, shall make.

(b) Tax Assets/Earnings and Profits. Dean Foods shall advise WhiteWave in writing within 90 days after the filing of the Consolidated Return for the taxable period that includes the Deconsolidation Date of the allocation of any Tax Assets and earnings and profits among Dean Foods, each Dean Foods Affiliate, WhiteWave, and each WhiteWave Affiliate. The parties hereby agree that, for purposes of determining such allocation, Dean Foods shall be free to use any legally permissible method of allocation in its sole discretion.

Section 5.3 Changes in Law. Any reference to a provision of the Code or a similar law of another jurisdiction shall include a reference to any successor provision to such provision.

Section 5.4 Confidentiality. Each party shall hold and cause its advisors and consultants to hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information (other than any such information relating solely to the business or affairs of such party) concerning the other parties hereto furnished it by such other party or its representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (a) previously known by the party to which it was furnished, (b) in the public domain through no fault of such party, or (c) later lawfully acquired from other sources not under a duty of confidentiality by the party to which it was furnished), and each party shall not release or disclose such information to any other person,

except its auditors, attorneys, financial advisors, bankers and other consultants who shall be advised of and agree to be bound by the provisions of this Section 5.4. Each party shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

Section 5.5 Successors. This Agreement shall be binding on and inure to the benefit of any successor, by merger, acquisition of assets or otherwise, to any of the parties hereto (including any successor of Dean Foods and WhiteWave succeeding to the tax attributes of such party under Section 381 of the Code), to the same extent as if such successor had been an original party.

Section 5.6 Authorization, Etc. Each of the parties hereto hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, that this Agreement has been duly authorized by all necessary corporate action on the part of such party, that this Agreement constitutes a legal, valid and binding obligation of each such party and that the execution, delivery and performance of this Agreement by such party does not contravene or conflict with any provision of law or of its charter or bylaws or any agreement, instrument or order binding on such party.

Section 5.7 Entire Agreement. This Agreement contains the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements.

Section 5.8 Section Captions. Section captions used in this Agreement are for convenience and reference only and shall not affect the construction of this Agreement.

Section 5.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to laws and principles relating to conflicts of law.

Section 5.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

Section 5.11 Waivers and Amendments. This Agreement shall not be waived, amended or otherwise modified except in writing, duly executed by all of the parties hereto.

Section 5.12 Severability. In case any one or more of the provisions in this Agreement should be invalid, illegal or unenforceable, the enforceability of the remaining provisions hereof will not in any way be effected or impaired thereby.

Section 5.13 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties to this Agreement and each Dean Foods Affiliate and WhiteWave Affiliate and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other rights in excess of those existing without this Agreement.

Section 5.14 Other Remedies. WhiteWave recognizes that any failure by it or any WhiteWave Affiliate to comply with its obligations under Article 4 of this Agreement would, in the event of the Distribution, result in Distribution Taxes that would cause irreparable harm to Dean Foods, Dean Foods Affiliates, and their stockholders. Accordingly, Dean Foods shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which Dean Foods is entitled at law or in equity.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized officer as of the date first above written.

DEAN FOODS COMPANY

By: /s/ Timothy A. Smith

Name: Timothy A. Smith

Title: Treasurer

THE WHITEWAVE FOODS COMPANY

By: /s/ Kelly J. Haecker

Name: Kelly J. Haecker

Title: Senior Vice President, Finance, and
Chief Financial Officer

Tax Matters Agreement

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this “Agreement”), is made and entered into as of October 25, 2012, between Dean Foods Company, a Delaware corporation (“Dean Foods”), and The WhiteWave Foods Company, a Delaware corporation (the “Company”).

WHEREAS, the Company is offering and selling to the public (the “IPO”) by means of a Registration Statement (File No. 333-183112) initially filed with the Securities and Exchange Commission (the “SEC”) on Form S-1 on August 7, 2012 (the “Registration Statement”) shares of Class A common stock, par value \$0.01 per share, of the Company (the “Class A Common Stock,” and together with the Class B Common Stock, the “Common Stock”);

WHEREAS, in connection with the IPO, Dean Foods and the Company have entered into a Separation and Distribution Agreement of even date herewith (the “Separation and Distribution Agreement”) and certain other ancillary agreements;

WHEREAS, Dean Foods currently owns all of the issued and outstanding shares of the Class B common stock, par value \$0.01 per share, of the Company (the “Class B Common Stock”);

WHEREAS, each share of Class B Common Stock is convertible into one share of Class A Common Stock, on the terms and subject to the conditions set forth in the Company’s Amended and Restated Certificate of Incorporation;

WHEREAS, Dean Foods intends to preserve its ability to evaluate strategic options with respect to its remaining ownership interest in the Company after the IPO consistent with its rights and obligations under the Separation and Distribution Agreement, including pursuant to Section 4.6 thereunder after the Distribution Date (as defined in the Separation and Distribution Agreement); and

WHEREAS, Dean Foods and the Company desire to make certain arrangements to provide Dean Foods with registration rights with respect to the shares of Class A Common Stock issuable upon conversion of Class B Common Stock that it holds;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and intending to be legally bound hereby, the parties hereby agree as follows:

Section 1. Effectiveness of Agreement

1.1 Effective Time. This Agreement shall become effective upon the IPO Settlement (as defined in the Separation and Distribution Agreement) (the “Effective Time”).

Registration Rights Agreement

1.2 Shares Covered. This Agreement covers all shares of Class A Common Stock issuable upon conversion of all shares of Class B Common Stock that are beneficially owned by Dean Foods as of the Effective Time (the “Shares”). The Shares shall include any securities issued or issuable with respect to the Shares by way of a stock dividend or a stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

Dean Foods and any Permitted Transferees (as defined in Section 2.5) are each referred to herein as a “Holder” and collectively as the “Holders” and the Holders of Shares proposed to be included in any registration under this Agreement are each referred to herein as a “Selling Holder” and collectively as the “Selling Holders.”

Section 2. Demand Registration.

2.1 Notice. Upon the terms and subject to the conditions set forth herein, upon written notice of any Holder requesting that the Company effect the registration under the Securities Act of 1933, as amended (the “Securities Act”), of any or all of the Shares held by it, which notice shall specify the intended method or methods of disposition of such Shares (which methods may include, without limitation, a Shelf Registration (as such term is defined in Section 2.6)), the Company will, within five days of receipt of such notice from any Holder, give written notice of the proposed registration to all other Holders, if any, and will use its commercially reasonable efforts to effect (at the earliest reasonable date) the registration under the Securities Act of such Shares (and the Shares of any other Holders joining in such request as are specified in a written notice received by the Company within 15 days after receipt of the Company’s written notice of the proposed registration) for disposition in accordance with the intended method or methods of disposition stated in such request (each registration request pursuant to this Section 2.1 is sometimes referred to herein as a “Demand Registration”); provided, however, that:

(a) the Company shall not be obligated to effect registration with respect to Shares pursuant to this Section 2 (i) in violation of Section 4(h) of the underwriting agreement entered into in connection with the IPO or (ii) within 90 days after the effective date of a previous registration, other than a Shelf Registration, effected with respect to Shares pursuant to this Section 2;

(b) if at the time a Demand Registration is requested pursuant to this Section 2, the Company determines in the good faith judgment of the general counsel of the Company, to be confirmed within 15 days by the Company’s board of directors (the “Board”), that such registration would (because of the existence of, or in anticipation of, any acquisition, divestiture, or financing activity, or the unavailability for reasons beyond the Company’s reasonable control of any required financial statements, or any other event or condition of similar significance to the Company) be significantly disadvantageous (a “Disadvantageous Condition”) to the Company for such registration to be filed and become effective, and setting forth the general reasons for such determination, the Company may postpone the filing or effectiveness (but not the preparation) of such registration until the earlier of (i) 15 business days after the date on which the Disadvantageous Condition no longer exists, or (ii) 75 days after the Company makes such determination; provided, however, that the Company may delay a Demand Registration pursuant to this Section 2.1(b) no more than once during the 12 months following the Distribution Date and no more than once during any six-month period thereafter;

(c) the number of the Shares originally requested to be registered pursuant to any registration requested pursuant to this Section 2 shall cover Shares with an aggregate Fair Market Value as of the date of the notice delivered to the Company pursuant to Section 2.1 of at least \$75 million (for purposes of this Agreement, “Fair Market Value” shall mean, as of any date, the closing price per share of the Class A Common Stock on The New York Stock Exchange on the trading day immediately preceding such date); and

(d) if the intended method of disposition is a Demand Registration and is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares requested to be included in such offering exceeds the number of Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock, the Company shall include in such registration the number of Shares requested by Holders of a majority of the Shares to be included therein which, in the opinion of such Holders based upon advice of the managing underwriters, can be sold in an orderly manner within the price range of such offering and without materially adversely affecting the market for the Class A Common Stock, pro rata among the respective Holders thereof on the basis of the amount of Shares owned by each Holder requesting inclusion of Shares in such registration.

2.2 Registration Expenses. All Registration Expenses (as defined in Section 8) for any registration requested pursuant to this Section 2 (including any registration that is delayed or withdrawn) shall be paid by the Company; provided, however that, notwithstanding the foregoing, the Selling Holders shall pay the filing fees incident to securing any required review by The New York Stock Exchange and any other securities exchange on which the Common Stock is then traded or listed of the terms of the sale of the Shares to be disposed of and the trading or listing of all such Shares on each such exchange in connection with any registration requested pursuant to this Section 2 (including any registration that is delayed or withdrawn); provided further, however, that all expenses of a Demand Registration made in connection with a Distribution (as defined in the Separation and Distribution Agreement) shall be borne by the Holder or Holders.

2.3 Selection of Professionals. The Holders of a majority of the Shares included in any Demand Registration shall have the right to select the investment banker(s) and manager(s) to underwrite or otherwise administer the offering, provided that, such investment banker(s) and managers(s) are of national standing and reputation (the “Investment Bankers”). The Holders of a majority of the Shares included in any Demand Registration shall have the right to select the financial printer and counsel for the Selling Holders. The Company shall select its own outside counsel and independent auditors.

2.4 Third Person Shares. The Company shall have the right to cause the registration of securities for sale for the account of any Person (as defined in Section 6(e)) (including the Company) other than the Selling Holders (the “Third Person Shares”) in any registration of the Shares requested pursuant to this Section 2 so long as the Third Person Shares are disposed of in accordance with the intended method or methods of disposition requested pursuant to this Section 2.

If a Demand Registration in which the Company proposes to include Third Person Shares is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Shares and Third Person Shares requested to be included in such offering exceeds the number of Shares and Third Person Shares which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Shares initially requesting such registration or without materially adversely affecting the market for the Common Stock (the “Maximum Number”), the Company shall not include in such registration any Third Person Shares unless all of the Shares initially requested to be included therein are so included, and then only to the extent of the Maximum Number.

2.5 Permitted Transferees. As used in this Agreement, “Permitted Transferees” shall mean any transferee, whether direct or indirect, of Shares that (i) (x) as of the time of transfer of the Shares to such transferee is, and as of immediately prior to the sale of Shares pursuant to the Demand Registration or Piggyback Registration, as the case may be, will be, a Dean Foods Group Member (as defined in the Separation and Distribution Agreement) or (y) is a third-party lender participating in an Equity for Debt Exchange (as defined in the Separation and Distribution Agreement) (or an Affiliate of such third-party lender) and (ii) is designated by Dean Foods (or a subsequent Holder) in a written notice to the Company as provided for in Section 9.3. Any Permitted Transferees of the Shares shall be subject to and bound by all of the terms and conditions herein applicable to Holders. The notice required by this Section 2.5 shall be signed by both the transferring Holder and the Permitted Transferees so designated and shall include an undertaking by the Permitted Transferees to comply with the terms and conditions of this Agreement applicable to Holders.

2.6 Shelf Registration; Distribution. With respect to any Demand Registration, the requesting Holders may, but shall not be required to, request the Company to effect a registration of the Shares (a) under a registration statement pursuant to Rule 415 under the Securities Act (or any successor rule) (a “Shelf Registration”); or (b) in the form of a Distribution as defined in the Separation and Distribution Agreement. The Company shall use its commercially reasonable efforts to comply with any such request.

2.7 SEC Form; Information. The Company shall use its commercially reasonable efforts to cause Demand Registrations to be registered on Form S-3 (or any successor form), and if the Company is not then eligible under the Securities Act to use Form S-3, such Demand Registrations shall be registered on Form S-1 (or any successor form). The Company shall use its commercially reasonable efforts to become eligible to use Form S-3 and, after becoming eligible to use Form S-3, shall use its commercially reasonable efforts to remain so eligible. All such Demand Registrations shall comply with the applicable requirements of the Securities Act and the SEC’ s rules and regulations thereunder, and, together with each prospectus included, filed or otherwise furnished by the Company in connection therewith, shall not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Company shall timely file all

reports on Forms 10-K, 10-Q and 8-K (or any successor forms), and all material required to be filed, pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), to the extent that such filing shall be a condition to the initial filing or continued use or effectiveness of any Demand Registration or to the extent required to enable any Holder to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act (or any similar rule or regulation hereafter promulgated by the SEC). From and after the date hereof through the earlier of the expiration or termination of this Agreement or the date upon which the Dean Foods Group (as defined in the Separation and Distribution Agreement) ceases to own any Shares, the Company shall forthwith upon written request furnish any Holder (i) a written statement by the Company as to whether it has complied with such requirements and, if not, the specifics thereof, (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents filed by the Company with the SEC as such Holder may reasonably request in availing itself of an exemption for the sale of Shares without registration under the Securities Act.

2.8 Other Registration Rights. The Company shall not grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities convertible or exchangeable into or exercisable for such securities, whether pursuant to “demand,” “piggyback” or other rights, unless such rights are subject and subordinate to the rights of the Holders under this Agreement until at least the date that is 18 months after the Distribution Date.

2.9 Withdrawal. The Holders may withdraw a Demand Registration at any time and under any circumstances.

Section 3. Piggyback Registrations.

3.1 Notice and Registration. If the Company proposes to register any of its securities for public sale under the Securities Act (whether proposed to be offered for sale by the Company or any other Person), on a form and in a manner that would permit registration of the Shares for sale to the public under the Securities Act (a “Piggyback Registration”), it will give at least 20 days’ advance written notice to the Holders of its intention to do so, and upon the written request of any or all of the Holders delivered to the Company within 15 days after the giving of any such notice (which request shall specify the Shares intended to be disposed of by such Holders), the Company will use its commercially reasonable efforts to effect, in connection with the registration of such other securities, the registration under the Securities Act of all of the Shares which the Company has been so requested to register by such Holders (which shall then become Selling Holders), to the extent required to permit the disposition (in accordance with the same method of disposition as the Company proposes to use to dispose of the other securities) of the Shares to be so registered; provided, however, that:

(a) if, at any time after giving such written notice of its intention to register any of its other securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register such other securities, the Company may, at its election, give written notice of such determination to the Selling Holders (or, if prior to delivery of the Holders’ written request described above in this

Section 3.1, the Holders) and thereupon the Company shall be relieved of its obligation to register such Shares in connection with the registration of such other securities (but not from its obligation to pay Registration Expenses to the extent incurred in connection therewith as provided in Section 3.3), without prejudice, however, to the rights (if any) of any Selling Holders immediately to request (subject to the terms and conditions of Section 2) that such registration be effected as a registration under Section 2 or to include such Shares in any subsequent Piggyback Registration pursuant to this Section 3;

(b) the Company shall not be required to effect any registration of the Shares under this Section 3 incidental to the registration of any of its securities (i) on Form S-4 or S-8 or any successor or similar forms, (ii) relating to equity securities issuable upon exercise of employee stock or similar options or in connection with any employee benefit or similar plan of the Company, or (iii) in connection with an acquisition of, or an investment in, another entity by the Company;

(c) if a Piggyback Registration is an underwritten registration on behalf of the Company (whether or not selling security holders are included therein) and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number that can be sold in such offering without materially adversely affecting the marketability of the offering or the market for the Common Stock (the "Piggyback Maximum Number"), the Company shall include the following securities in such registration up to the Piggyback Maximum Number and in accordance with the following priorities: (i) until the date that is 18 months after the Distribution Date, (x) first, the securities the Company proposes to sell, (y) second, up to the number of Shares requested to be included in such registration, pro rata among the Selling Holders of such Shares on the basis of the number of Shares owned by each such Selling Holder, and (z) third, up to the number of any other securities requested to be included in such registration and (ii) after the date that is 18 months after the Distribution Date, (x) first, the securities the Company proposes to sell, and (y) second, up to the aggregate number of shares of Common Stock requested to be included in such registration by the Selling Holders and other Persons holding shares of Common Stock entitled to request that such shares be included in such registration (each a "Requesting Party"), pro rata among the Selling Holders and the Requesting Parties on the basis of the number of shares of Common Stock owned by each such Selling Holder or Requesting Party;

(d) no registration of the Shares effected under this Section 3 shall relieve the Company of its obligation to effect a registration of Shares pursuant to Section 2; and

(e) any Selling Holder may withdraw any or all of its Shares from a Piggyback Registration at any time under any circumstances.

3.2 Selection of Professionals. If any Piggyback Registration is an underwritten offering, the Company shall select the Investment Bankers to administer any such underwritten offering. The Holders of a majority of the Shares included in any such Piggyback Registration shall have the right to select counsel for the Selling Holders. The Company shall select its own outside counsel and independent auditors.

3.3 Registration Expenses. The Company will pay all of the Registration Expenses in connection with any registration pursuant to this Section 3.

Section 4. Registration Procedures.

4.1 Registration and Qualification. If and whenever the Company is required to use its commercially reasonable efforts to effect the registration of any of the Shares under the Securities Act as provided in Sections 2 and 3, including an underwritten offering pursuant to a Shelf Registration, the Company shall use its commercially reasonable efforts to:

(a) as promptly as practicable (and, in any event within 30 days (in the case of a registration statement on Form S-3) or 90 days (in the case of all other registration statements)) after the date of any demand under Section 2, prepare and file with the SEC a registration statement with respect to such Shares and cause such registration statement to become effective as soon as practicable after the initial filing thereof (provided that, before filing a registration statement or prospectus or any amendment or supplement thereto, the Company shall furnish to the Selling Holders and the underwriters or dealer managers, if any, copies of all such documents proposed to be filed (which documents shall be subject to the review and comment of such counsel) and the Company shall not file with the SEC any registration statement or prospectus or amendments or supplements thereto to which the Selling Holders or the underwriters or dealer managers, if any, shall reasonably object);

(b) except in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all of the Shares until the earlier of (i) such time as all of such Shares have been disposed of in accordance with the intended methods of disposition set forth in such registration statement or (ii) the expiration of 60 days after such registration statement becomes effective, plus the number of days that any filing or effectiveness has been delayed under Section 2.1(b);

(c) in the case of a Shelf Registration effected on Form S-3, prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the Securities Act with respect to the disposition of all Shares subject thereto for a period ending on the earlier of (i) 36 months after the effective date of such registration statement plus the number of days that any filing or effectiveness has been delayed under Section 2.1(b) and/or suspended under Section 4.3(a), and (ii) the date on which all the Shares subject thereto have been sold pursuant to such registration statement (the "Shelf Effective Period");

(d) furnish to the Selling Holders and to any underwriter(s) such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, such documents incorporated by reference in such registration statement or prospectus and such other documents as the Selling Holders or such underwriter(s) may reasonably request;

(e) register or qualify all of the Shares covered by such registration statement under such other securities or blue sky laws of such jurisdictions as the Selling Holders or any underwriter of such Shares shall reasonably request, and do any and all other acts and things which may be necessary or advisable to enable the Selling Holders or any underwriter to consummate the disposition in such jurisdictions of the Shares covered by such registration statement, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where it is not so qualified, or to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(f) (i) furnish to the Selling Holders, addressed to them, an opinion of counsel for the Company and (ii) furnish to the Selling Holders, addressed to them, a “cold comfort” letter signed by the independent public accountants who have certified the Company’s financial statements included in such registration statement, covering substantially the same matters with respect to such registration statement (and the prospectus included therein) and, in the case of such accountants’ letter, with respect to events subsequent to the date of such financial statements, as are customarily covered in opinions of issuer’s counsel and in accountants’ letters delivered to underwriters in underwritten public offerings of securities and such other matters as the Selling Holders may reasonably request, in each case, in form and substance and as of the dates reasonably satisfactory to the Selling Holders;

(g) notify the Selling Holders and the managing underwriter(s), if any, and (if requested) confirm such advice in writing and provide copies of the relevant documents, as soon as reasonably practicable after notice thereof is received by the Company (A) when the applicable registration statement or any amendment thereto has been filed or becomes effective, when the applicable prospectus or any amendment or supplement to such prospectus has been filed, (B) of any comments (written or oral) by the SEC or any request by the SEC or any other federal or state governmental authority (written or oral) for amendments or supplements to such registration statement or such prospectus or for additional information, (C) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or any order preventing or suspending the use of any preliminary or final prospectus or the initiation or threatening of any proceedings for such purposes, (D) if, at any time, the representations and warranties of the Company in any applicable underwriting agreement or dealer manager agreement cease to be true and correct and in all material respects, and (E) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Shares for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(h) immediately notify the Selling Holders and the managing underwriter(s), if any, at any time when a prospectus relating to a registration pursuant to Section 2 or 3 is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to

make the statements therein, in light of the circumstances under which they were made, not misleading, and at the request of the Selling Holders or the underwriter(s) prepare and file with the SEC (and furnish to the Selling Holders and the underwriter(s) or dealer manager(s) a reasonable number of copies of) a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(i) permit any Selling Holder(s) comprising holders of a majority of the Shares to be included in such registration, in their sole and exclusive judgment, to participate in the preparation of such registration or comparable statement (including but not limited to having prompt access to any SEC comment letters or other communications in connection with such registration and the Company's responses thereto) and to require the insertion therein of material, furnished to the Company in writing, which in the reasonable judgment of such Selling Holder(s) and their counsel should be included;

(j) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts promptly to obtain the withdrawal of such order;

(k) in the case of a Demand Registration relating to an underwritten offering, cause the senior executive officers of the Company, as selected by mutual agreement of the Company and the Selling Holders to facilitate, cooperate with, and participate in each proposed offering contemplated herein and customary selling efforts related thereto, including participation of such officers in road show presentations, except to the extent that such participation materially interferes with the management of the Company's business; provided that the effectiveness period for any Demand Registration shall be increased on a day-for-day basis by the period of time that management cannot participate; and

(l) cause the Shares covered by such registration statement to be registered with or approved by such other government agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Shares.

The Company may require the Selling Holders to furnish the Company with such information regarding the Selling Holders and the distribution of such Shares as the Company may from time to time reasonably request in writing and as shall be required by law, the SEC or any securities exchange on which any shares of Common Stock are then listed for trading in connection with any registration.

Each Selling Holder will as promptly as reasonably practicable notify the Company at any time when a prospectus relating thereto is required to be delivered (or deemed delivered) under the Securities Act, of the occurrence of an event, of which such Selling Holder has knowledge, relating to such Selling Holder or its disposition of Shares thereunder requiring the

preparation of a supplement or amendment to such prospectus so that, as thereafter delivered (or deemed delivered) to the purchasers of such Shares, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

Dean Foods agrees, and any other Selling Holder agrees by acquisition of such Shares, that, upon receipt of any written notice from the Company of the occurrence of any event of the kind described in Section 4.1(h), such Selling Holder will forthwith discontinue disposition of Shares pursuant to such registration statement until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4.1(h), or until such Selling Holder is advised in writing by the Company that the use of the prospectus may be resumed, and if so directed by the Company, such Selling Holder will deliver to the Company (at the Company's expense) all copies, of the prospectus covering such Shares current at the time of receipt of such notice. In the event the Company shall give any such notice, the period during which the applicable registration statement is required to be maintained effective shall be extended by the number of days during the period from and including the date of the giving of such notice to and including the date when each seller of Shares covered by such registration statement either receives the copies of the supplemented or amended prospectus contemplated by Section 4.1(h) or is advised in writing by the Company that the use of the prospectus may be resumed.

No Selling Holder may participate in any underwritten offering or registered exchange offer hereunder unless such Selling Holder (i) agrees to sell such Selling Holder's securities on the basis provided in any underwriting arrangements or dealer manager agreements approved by the Company or other Persons entitled to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, dealer manager agreements, and other documents reasonably required under the terms of such underwriting arrangements or this Agreement.

4.2 Underwriting. If requested by the underwriters for any underwritten offering in connection with a registration requested hereunder (including any registration under Section 3 which involves, in whole or in part, an underwritten offering), the Company will enter into an underwriting agreement with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to that offering, including, without limitation, indemnities, contribution and the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 4.1(f). The Company may require that the Shares requested to be registered pursuant to Section 3 be included in such underwriting on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration; provided, however, that no Selling Holder shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such Holder and such Holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in Section 6 hereof. The Selling Holders shall be parties to any such underwriting agreement, and the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters shall also be made to and for the benefit of such Selling Holders.

4.3 Blackout Periods for Shelf Registrations.

(a) At any time when a Shelf Registration effected pursuant to Section 2 relating to the Shares is effective, upon written notice from the Company to the Selling Holders that the Company has determined in the good faith judgment of the general counsel of the Company, to be confirmed within 15 days by the Board, that (i) the Selling Holders' sale of the Shares pursuant to the Shelf Registration would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential and the disclosure of which would have a material adverse effect on the Company or (ii) the Company is unable to comply with SEC requirements for continued use or effectiveness of the Shelf Registration (in the case of either clause (i) or (ii), for convenience, referred to as an "Information Blackout"), the Selling Holders shall suspend sales of the Shares pursuant to such Shelf Registration until the earlier of (A) the date upon which such material information is disclosed to the public or ceases to be material (or the Company otherwise complies with applicable SEC requirements), (B) 90 days after the general counsel of the Company made such good faith determination (as subsequently confirmed by the Board) unless resuming use of the Shelf Registration is then prohibited by applicable SEC rules or published interpretations, or (C) such time as the Company notifies the Selling Holders that sales pursuant to such Shelf Registration may be resumed (the number of days from such suspension of sales of the Selling Holders until the day when such sales may be resumed hereunder is hereinafter called a "Sales Blackout Period").

(b) If there is an Information Blackout and the Selling Holders do not notify the Company in writing of their desire to cancel such Shelf Registration, the period set forth in Section 4.1(c)(i) shall be extended for a number of days equal to the number of days in the Sales Blackout Period. The fact that a Sales Blackout Period is required under this Section 4.3 or SEC rules shall not relieve the contractual duty of the Company as set forth in Section 2.7 to file timely reports and otherwise file material required to be filed under the Exchange Act.

4.4 Listing and Other Requirements. In connection with the registration of any offering of the Shares pursuant to this Agreement, the Company agrees to use its commercially reasonable efforts to effect the listing of such Shares on any securities exchange on which any shares of the Common Stock are then listed and otherwise facilitate the public trading of such Shares. The Company will take all other lawful actions reasonably necessary and customary under the circumstances to expedite and facilitate the disposition by the Selling Holders of Shares registered pursuant to this Agreement as described in the prospectus relating thereto, including without limitation timely preparation and delivery of stock certificates in appropriate denominations and furnishing any required instructions or legal opinions to the Company's transfer agent in connection with Shares sold or otherwise distributed pursuant to an effective registration statement.

4.5 Holdback Agreements.

(a) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to, and during the 90-day period beginning on, the effective date of any registration statement in connection with a Demand Registration (other than a Shelf Registration) or a Piggyback Registration, except pursuant to registrations on Form S-8 or S-4 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(b) If the Holders of Shares notify the Company in writing that they intend to effect an underwritten sale of Shares registered pursuant to a Shelf Registration pursuant to Section 2 hereof, the Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for its equity securities, during the seven days prior to, and during the 90-day period beginning on, the date specified in such notice for such proposed sale, except pursuant to registrations on Form S-8 or any successor form or unless the underwriters managing any such public offering otherwise agree.

(c) If the Company completes an underwritten registration with respect to any of its securities (whether offered for sale by the Company or any other Person) on a form and in a manner that would have permitted registration of the Shares, if no Holder requested the inclusion of any Shares in such registration, and if the Company gives each Holder at least 20 days prior written notice of the approximate date on which such offering is expected to be commenced, the Holders shall not effect any public sales or distributions of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, until the termination of the holdback period required from the Company by any underwriters in connection with such previous registration, provided that the holdback period applicable to the Holders shall (i) in no event be longer than a period of seven days prior to, and during the 90-day period beginning on the effective date of such registration statement, (ii) not apply to any Distribution under the Separation and Distribution Agreement, (iii) not apply to any Holder owning less than 10% of the Company's outstanding voting securities, and (iv) not apply unless all directors and officers of the Company and holders of 10% or more of the Company's outstanding voting securities are bound by the same holdback restrictions as are intended to apply to the Holders; provided, that for the purposes of clause (iii), all Dean Foods Group Members shall be treated as a single Selling Holder.

Section 5. Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement registering the Shares under the Securities Act and each sale of the Shares thereunder, the Company will give each Selling Holder and the underwriters, if any, and their respective counsel and accountants representing such Selling Holders and underwriters, access to its financial and other records, pertinent corporate documents and properties of the Company and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of the Selling Holders and such underwriters or such counsel, to conduct a reasonable investigation within the meaning of the Securities Act; provided, that for purposes of this Section 5, all Dean Foods Group Members shall be treated as a single Selling Holder.

Section 6. Indemnification and Contribution.

(a) In the event of any registration of any of the Shares hereunder, the Company will enter into customary indemnification arrangements to indemnify and hold harmless each of the Selling Holders, each of their respective directors and officers, each Person who participates as an underwriter in the offering or sale of such securities, each officer and director of each underwriter, and each Person, if any, who controls each such Selling Holder or any such underwriter within the meaning of the Securities Act (collectively, the “Covered Persons”) against any losses, claims, damages, liabilities and expenses, joint or several, to which such Person may be subject under the Securities Act or otherwise insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in any related registration statement filed under the Securities Act, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, or any document incorporated by reference therein, or (ii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse each such Covered Person, as incurred, for any legal or any other expenses reasonably incurred by such Covered Person in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus or final prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such Selling Holder or such underwriter specifically for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of any such Covered Person and shall survive the transfer of such securities by the Selling Holders. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (a) any Holder exercising rights under this Agreement, or any controlling person of any such Holder, makes a claim for indemnification pursuant to this Section 6, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 6 provides for indemnification in such case, or (b) contribution under the Securities Act may be required on the part of any such Selling Holder or any such controlling person in circumstances for which indemnification is provided under this Section 6; then, and in each such case, the Company and such Holder will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that such Holder is responsible for the portion represented by the percentage that the public offering price of its Shares offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other Selling Holders are responsible for the remaining portion; provided, however, that, in any such case: (i) no such Holder will be required to contribute any amount in excess of the net amount of proceeds of all such Shares offered and sold by such Holder pursuant to such registration statement; and (ii) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(b) Each of the Selling Holders, by virtue of exercising its respective registration rights hereunder, agrees and undertakes to enter into customary indemnification arrangements to indemnify and hold harmless (in the same manner and to the same extent as set forth in clause (a) of this Section 6) the Company, its directors and officers, each Person who participates as an underwriter in the offering or sale of such securities, each officer and director of each underwriter, and each Person, if any, who controls the Company or any such underwriter within the meaning of the Securities Act, with respect to any statement in or omission from such registration statement, any preliminary prospectus or final prospectus included therein, or any amendment or supplement thereto, if such statement or omission is contained in written information furnished by such Selling Holder to the Company specifically for inclusion in such registration statement or prospectus; provided, however, that the obligation for each Selling Holder to indemnify shall be several and not joint, and shall be limited to the net amount of proceeds received by such Selling Holder from the sale of Shares pursuant to such registration statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any such director, officer or Person and shall survive the transfer of the registered securities by the Selling Holders.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided, however, that the failure to give prompt notice shall not impair any Person's rights to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without the indemnifying party's consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to (as a result of a conflict of interest, as determined in the indemnified party's reasonable judgment), or who elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

(d) "Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity, or any department, agency or political subdivision thereof.

(e) The rights and obligations of the Company and the Selling Holders under this Section 6 shall survive the termination of this Agreement.

Section 7. Benefits and Termination of Registration Rights. The Holders may exercise the registration rights granted hereunder in such manner and proportions as they shall agree among themselves. The registration rights hereunder shall cease to apply to any particular Shares and such securities shall cease to be Shares when: (a) a registration statement with respect to the sale of such Shares shall have become effective under the Securities Act and such Shares shall have been disposed of in accordance with such registration statement; (b) such Shares shall have been sold to the public pursuant to Rule 144 under the Securities Act (or any successor provision); (c) such Shares shall have been otherwise transferred, new certificates for them not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent public distribution of them shall not require registration or qualification of them under the Securities Act or any similar state law then in force; (d) such Shares shall have ceased to be outstanding; (e) in the case of Shares held by a Permitted Transferee, when such Shares become eligible for sale pursuant to Rule 144(k) under the Securities Act (or any successor provision); or (f) the third anniversary of the Distribution Date occurs.

Section 8. Registration Expenses. As used in this Agreement, the term “Registration Expenses” means all expenses incident to the Company’s performance of or compliance with the registration requirements set forth in this Agreement including, without limitation, the following: (a) the fees, disbursements and expenses of the Company’s counsel and accountants in connection with the registration of the Shares to be disposed of under the Securities Act; (b) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus, any other offering document and amendments and supplements thereto and the mailing and delivering of copies thereof to the underwriters; (c) the cost of printing and producing any agreements among underwriters, underwriting agreements, and blue sky or legal investment memoranda, any selling agreements and any amendments thereto or other documents in connection with the offering, sale or delivery of the Shares to be disposed of; (d) all expenses in connection with the qualification of the Shares to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and in connection with any blue sky and legal investment surveys; (e) the filing fees incident to securing any required review by The New York Stock Exchange and any other securities exchange on which the Common Stock is then traded or listed of the terms of the sale of the Shares to be disposed of and the trading or listing of all such Shares on each such exchange; (f) the costs of preparing stock certificates; (g) the costs and charges of the Company’s transfer agent and registrar; and (h) the fees and disbursements of any custodians or agents. Registration Expenses shall not include (i) underwriting discounts and underwriters’ commissions attributable to the Shares being registered for sale on behalf of the Selling Holders, which shall be paid by the Selling Holders and (ii) the fees, disbursements and expenses of the Selling Holders’ counsel and accountants in connection with the registration of the Shares to be disposed of under the Securities Act.

Section 9. Miscellaneous.

9.1 Entire Agreement. This Agreement, the Separation and Distribution Agreement, all the other Ancillary Documents (as defined in the Separation and Distribution Agreement) and all other Exhibits and Schedules attached hereto and thereto constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof and thereof.

9.2 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware regardless of the laws that might otherwise govern under principles of conflicts of laws applicable thereto.

9.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by telecopy with answer back, by express or overnight mail delivered by a nationally recognized air courier (delivery charges prepaid), or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties as follows:

if to Dean Foods:

Dean Foods Company
2711 N. Haskell Avenue
Suite 3400
Dallas, Texas 75201
Fax: (214) 303-3853
Attention: General Counsel

if to the Company:

The WhiteWave Foods Company
12002 Airport Way
Broomfield, CO 80021
Fax: 303-635-5107
Attention: General Counsel

or to such other address as the party to whom notice is given may have previously furnished to the others in writing in the manner set forth above. Any notice or communication delivered in person shall be deemed effective on delivery. Any notice or communication sent by telecopy shall be deemed effective on the day at the place such notice or communication is received if confirmed by return facsimile. Any notice or communication sent by air courier shall be deemed effective on the day at the place at which such notice or communication is received if delivery is confirmed by the air courier. Any notice or communication sent by registered or certified mail shall be deemed effective on the fifth Business Day (as defined below) at the place from which such notice or communication was mailed following the day on which such notice or communication was mailed. "Business Day" means any day other than a Saturday, a Sunday, or a day on which banking institutions located in Dallas, Texas or New York, New York, are authorized or obligated by law or executive order to close.

9.4 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its legal representatives and successors, and each affiliate of such party hereto, and nothing in this Agreement, express or implied, is intended to confer upon any other Person, other than any Permitted Transferee, any rights or remedies of any nature whatsoever under or by reason of this Agreement.

9.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

9.6 Assignment. This Agreement may not be assigned by any party hereto other than by Dean Foods to a Permitted Transferee as provided for in Section 2.5; provided, further, that Dean Foods may assign this Agreement in connection with a merger transaction in which Dean Foods is not the surviving entity, or the sale of all or substantially all of its assets.

9.7 Jurisdiction. If any dispute, controversy or claim arises out of or in connection with this Agreement, the parties irrevocably (a) consent and submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware, (b) waive any objection to that choice of forum based on venue or to the effect that the forum is not convenient, and (c) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO TRIAL OR ADJUDICATION BY JURY. Any party hereto may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for the giving of notices in Section 9.3. Nothing in this Section 9.7, however, shall affect the right to serve legal process in any other manner permitted by law.

9.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

9.9 Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty or agreement herein, nor shall any single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

9.10 Amendment. No change, amendment or waiver will be made to this Agreement, except by an instrument in writing signed on behalf of each of the parties hereto.

9.11 Authority. Each of the parties hereto represents to the other that (a) it has the corporate or other requisite power and authority to execute, deliver and perform this Agreement, (b) the execution, delivery and performance of this Agreement by it have been duly authorized by all necessary corporate or other action, (c) it has duly and validly executed and delivered this

Agreement, and (d) this Agreement is a legal, valid and binding obligation, enforce-able against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

9.12 Interpretation. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. All references made herein to the Company as a party which operate as of a time following the Effective Time shall be deemed to refer to the Company and its subsidiaries as a single party.

* * *

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date and year first written above.

DEAN FOODS COMPANY

/s/ Timothy A. Smith

By: Timothy A. Smith

Its: Treasurer

THE WHITEWAVE FOODS COMPANY

/s/ Kelly J. Haecker

By: Kelly J. Haecker

Its: Senior Vice President, Finance, and Chief
Financial Officer

Registration Rights Agreement

EMPLOYEE MATTERS AGREEMENT

by and between

Dean Foods Company

The WhiteWave Foods Company

and

WWF Operating Company

dated as of October 25, 2012

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Employee Matters Agreement

This Employee Matters Agreement (this "Agreement") dated as of October 25, 2012, is made and entered by and among Dean Foods Company, a Delaware Corporation ("Dean Foods"), The WhiteWave Foods Company, a Delaware corporation and a wholly-owned subsidiary of Dean Foods ("WhiteWave") and WWF Operating Company, a Delaware corporation and a wholly-owned subsidiary of Dean Foods ("WWF Operating Company" and together with WhiteWave, the "WhiteWave Companies").

Recitals

WHEREAS, Dean Foods owns all of the issued and outstanding common stock of each of WhiteWave and WWF Operating Company;

WHEREAS, Dean Foods has determined that it would be appropriate, desirable and in the best interests of Dean Foods and its stockholders to separate the businesses and operations comprising the WhiteWave-Alpro segment of Dean Foods, substantially all of which reside within WWF Operating Company and its direct and indirect subsidiaries;

WHEREAS, WWF Operating Company proposes to declare a dividend resulting in the issuance to Dean Foods of one or more inter-group promissory notes; the Parties propose to effect certain asset transfers; and Dean Foods proposes to contribute to White Wave all of the issued and outstanding common stock of WWF Operating Company, all as further described in the Separation and Distribution Agreement dated of even date herewith among the Parties hereto;

WHEREAS, following the foregoing dividend and contribution, WhiteWave intends to offer and sell Class A Common Stock pursuant to an initial public offering of such shares (the "IPO");

WHEREAS, following completion of the IPO, Dean Foods intends to evaluate whether to effect a distribution of all or a portion of its remaining interest in WhiteWave (the "Distribution") the terms and conditions of which will be governed by the Separation and Distribution Agreement;

WHEREAS, in furtherance of the foregoing, the Parties have agreed to enter into this Agreement for purposes of (i) addressing the treatment of WhiteWave Employees and their participation in employee benefit programs following the IPO and prior to the consummation of any Distribution; (ii) addressing the treatment of WhiteWave Employees and their participation in employee benefit plans and programs that will be implemented at WhiteWave in connection with the Distribution for the benefit of such employees and (iii) allocating assets, liabilities, rights and responsibilities with respect to employee compensation and benefits and other employment matters as a result of separation of WhiteWave from Dean Foods pursuant to the terms of the Separation and Distribution Agreement.

Employee Matters Agreement

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Separation and Distribution Agreement, the Parties agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.1. Definitions

“Agreement” means this Employee Matters Agreement, and all exhibits, schedules, appendices and annexes hereto.

“Close of the Distribution Date” means 11:59:59 P.M., Eastern Standard Time or Eastern Daylight Time (whichever shall then be in effect), on the Distribution Date.

“COBRA” has the meaning ascribed to it in Section 6.3.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Combined Group Employee” has the meaning ascribed to it in Section 2.1(i).

“Dean Foods” means Dean Foods Company, a Delaware corporation, and any successor in interest thereto.

“Dean Foods Common Stock” means the common stock, par value \$0.01 per share, of Dean Foods.

“Dean Foods EDCP” means the Dean Foods Executive Deferred Compensation Plan, as in effect or as it may be amended from time to time.

“Dean Foods Employee” means any individual other than the Transferred Employees who, immediately prior to the IPO, is employed by a member of the Dean Foods Group.

“Dean Foods Equity Plans” has the meaning ascribed thereto in Section 9.1(a).

“Dean Foods Executive Severance Plan” means the Dean Foods Executive Severance Plan, as in effect or as it may be amended from time to time.

“Dean Foods Group” means Dean Foods and each of its majority-owned subsidiaries other than any subsidiary that is a member of the WhiteWave Group.

“Dean Foods Liabilities” means all Liabilities of Dean Foods or any other member of the Dean Foods Group. In no event shall the term Dean Foods Liabilities include any Liabilities that are transferred from or otherwise cease to be Liabilities of Dean Foods or any Dean Foods Plan pursuant to this Agreement or that are or have become WhiteWave Liabilities.

“Dean Foods Plan” means any Plan maintained or sponsored by Dean Foods or any other member of the Dean Foods Group at any time on or prior to the Distribution Date.

“Dean Foods 401(k) Plans” means collectively the Dean Foods Union 401(k) Plan and the Dean Foods 401(k) Plan, each as in effect or as it may be amended from time to time.

“Dean Foods SERP” means the Dean Foods Supplemental Executive Retirement Plan, as in effect or as it may be amended from time to time.

“Dean Foods Welfare Plans” has the meaning ascribed to it in Section 6.1.

“Delayed Transfer Employee” has the meaning ascribed to it in Section 3.1(b).

“Distribution” means the distribution by Dean Foods (or another member of the Dean Foods Group) of a sufficient portion of the shares of the common stock of WhiteWave such that, immediately following such Distribution, Dean Foods is no longer directly or indirectly in control of WhiteWave.

“Distribution Date” means the effective date of the Distribution.

“Former WhiteWave Employee” means an individual who, prior to the IPO, was, but has ceased to be, an employee of any member of the Dean Foods Group or the WhiteWave Group and whose last employer among such entities was a member of the WhiteWave Group.

“Individual Agreement” means an individual employment contract or other similar agreement that specifically pertains to any WhiteWave Employee.

“IPO” has the meaning ascribed to it in the recitals to this Agreement.

“Liabilities” means any and all losses, claims, charges, debts, demands, actions, costs and expenses (including administrative and related costs and expenses of any plan, program, or arrangement), of any nature whatsoever, whether absolute or contingent, vested or unvested, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising.

“Outstanding Awards” has the meaning ascribed to it in Section 9.1.

“Party” means each of Dean Foods, WhiteWave and WWF Operating Company.

“Parties” has the meaning ascribed to it in the preamble to this Agreement.

“Person” means an individual, a corporation, a business trust or association, a real estate investment trust, a common-law trust, a limited liability company or an unincorporated business, including a general or limited partnership or registered limited liability partnership, a trust, an estate, a custodian, a nominee or any other entity in its own or any representative capacity.

“Plan” means any plan, policy, program, payroll practice, on-going arrangement, contract, trust, insurance policy or other agreement or funding vehicle, whether written or unwritten, providing compensation or benefits to employees, or former employees of WhiteWave or Dean Foods, as the case may be, in respect to their services for any member of the Dean Foods Group or the WhiteWave Group.

“Replacement Equity Awards” has the meaning ascribed to it in Section 9.1.

“Represented Employee” means any WhiteWave Employee whose terms and conditions of employment are governed by a WhiteWave CBA as of the IPO or the Distribution Date.

“Short Term Incentive Plan” means the Dean Foods 2012 Short-Term Incentive Compensation Plan, as the plan is amended from time to time.

“Specified Officers” means Gregg Engles, Thomas Zanetich and Edward Fugger.

“Transfer Date” has the meaning ascribed to it in Section 3.1(b).

“Transferred Employee” has the meaning ascribed thereto in Section 3.1(a).

“WhiteWave” means The WhiteWave Foods Company, a Delaware corporation, and any successor in interest thereto.

“WhiteWave CBA” has the meaning ascribed to it in Section 4.1.

“WhiteWave Common Stock” means the Class A common stock, par value \$0.01 per share, of WhiteWave.

“WhiteWave EDCP” has the meaning ascribed to it in Section 11.1.

“WhiteWave Employee” means (i) any individual who, immediately prior to the IPO, is employed by any member of the WhiteWave Group, (ii) each Transferred Employee and (iii) each Delayed Transferred Employee. “WhiteWave Employee” shall also include the beneficiaries and dependents of an individual described in the first sentence of this definition.

“WhiteWave Executive Severance Plan” means the WhiteWave Executive Severance Plan, as in effect or as it may be amended from time to time.

“WhiteWave Group” means the WhiteWave and each of its majority-owned subsidiaries.

“WhiteWave Liabilities” means all Liabilities of WhiteWave or any other member of the WhiteWave Group.

“WhiteWave Mirror Plans” means the WhiteWave Welfare Plans, the WhiteWave 401(k) Plan, the WhiteWave EDCP, the WhiteWave SERP, and the WhiteWave Executive Severance Pay Plan which plans will be established and adopted by WhiteWave in connection with the Distribution pursuant to the terms provided for in this Agreement.

“WhiteWave Plan” means any Plan maintained or sponsored by WhiteWave or any other member of the WhiteWave Group for the benefit of any WhiteWave Employee or Former WhiteWave Employee.

“WhiteWave 401(k) Plans” has the meaning ascribed to it in Section 8.1.

“WhiteWave SERP” has the meaning ascribed to it in Section 11.2.

“WhiteWave Welfare Plans” has the meaning ascribed to it in Section 6.2(b).

ARTICLE II.

RELATIONSHIP AT AND FOLLOWING IPO

Section 2.1. Employees, Employee Liabilities Generally.

Except as provided in this Section 2.1, each member of the Dean Foods Group and each member of the WhiteWave Group shall be responsible for the Liabilities arising with respect to the employment by any member of the Dean Foods Group or the WhiteWave Group of (i) each person in its employment immediately following the IPO, and (ii) each person whose last employment with any member of the Dean Foods Group and the WhiteWave Group (whether ending before or after the IPO) was with such entity. Notwithstanding the foregoing, to the extent that

(i) any benefit is provided to any Dean Foods Employee or WhiteWave Employee (a “Combined Group Employee”) under or through an employee benefit plan, including any such plan intended to be qualified under Section 401(a) of the Code, that has segregated assets set aside for the payment of such benefits, the Liabilities for such benefits shall first be payable from such plan and, to the extent the assets of such plan or any underlying trust or other funding vehicle are not sufficient to satisfy such Liabilities, as determined in accordance with applicable law;

(ii) compensation is payable to any such Combined Group Employee in the form of an equity interest in the common stock of Dean Foods (and not under an employee benefit plan described in subclause (i)), such compensation shall be provided by Dean Foods; and

(iii) any benefit or compensation (including any benefit or compensation otherwise described in either subclause (i) or (ii)) payable to, or any other Liability in respect of, any such Combined Group Employee that is expressly allocated to any member of the Dean Foods Group or the WhiteWave Group pursuant to the terms of this Agreement, such specific allocation shall control.

Except to the extent otherwise expressly provided under the Agreement, neither the IPO nor the Distribution will affect the allocation of any Liabilities with respect to any Combined Group Employee by and between any member of the Dean Foods Group or the WhiteWave Group.

Section 2.2. Employees and Benefits Generally.

As of the date hereof, except with respect to the Specified Officers and those employees listed on Schedule A hereto, all employees actively engaged on a regular basis in the business conducted by the WhiteWave Group are employees of a member of the WhiteWave Group. Except for employees of a member of the WhiteWave Group primarily performing services outside the United States, all employees of the WhiteWave Group participate in employee benefit plans maintained and sponsored by Dean Foods or any member of the Dean Foods Group (the “Dean Foods Plans”). Following the IPO and

prior to and through the Distribution Date, except as otherwise expressly provided below, each such WhiteWave Employee participating in any Dean Foods Plan at the IPO (and each person who becomes a WhiteWave Employee after the date hereof and becomes eligible to participate in any such Dean Foods Plan in accordance with the terms of such Dean Foods Plan) shall participate in such Dean Foods Plan on the terms and conditions applicable under such Dean Foods Plan, as currently in effect or as it may be amended from time to time. Notwithstanding the immediately preceding sentence, the continued participation of any employee of the WhiteWave Group in any such Dean Foods Plan shall be subject to the WhiteWave Group member by which any such person is employed bearing the cost and expense of such participation in accordance with the policies, practices and arrangements (including, without limitation, the method of allocating expenses and costs) in effect between the Parties on the date hereof, even if such policies, practices and arrangements would require payments or reimbursements to be made to Dean Foods by a WhiteWave Group member following the Distribution Date. Except as otherwise expressly provided herein, if the Distribution shall occur, on the Distribution Date, each WhiteWave Employee shall cease to participate in each such Dean Foods Plan.

ARTICLE III.

TRANSFERRED EMPLOYEES; ASSUMPTION OF LIABILITIES

Section 3.1. Transferred Employees.

(a) General. The employment of the Specified Officers, any employee of Dean Foods identified on Schedule A hereto and any other employee of Dean Foods that the Parties agree to add to Schedule A after the date hereof (the “Transferred Employees”) will be transferred immediately prior to the IPO to WhiteWave, WWF Operating Company or such other member of the WhiteWave Group as WhiteWave shall designate.

(b) Delayed Transfer Employees. In the event that Dean Foods and WhiteWave agree to transfer the employment of any other employee of the Dean Foods Group to WhiteWave, WWF Operating Company or any other member of the WhiteWave Group in connection with the Distribution, but following the IPO (each, a “Delayed Transfer Employee”), then effective as of the date the employment of such individual is transferred or such other date as may otherwise be agreed in writing by and between Dean Foods and WhiteWave (the “Transfer Date”), WhiteWave shall assume all Liabilities of the type and nature that would have been assumed by WhiteWave pursuant to Section 3.2 had such Delayed Transfer Employee been a Transferred Employee as of the IPO.

Section 3.2. Assumption of Liabilities.

(a) By WhiteWave. Except as otherwise expressly provided for in this Agreement, as of the IPO (or, if later, the Transfer Date) WhiteWave (or such other member of the WhiteWave Group as it shall designate), shall assume and agree to pay, perform, fulfill and discharge, in accordance with their respective terms all Liabilities to or relating to Transferred Employees and Delayed Transfer Employees, to the extent relating to, arising out of or resulting from employment with any member of the Dean Foods Group on or prior to the IPO (or, as applicable, the Transfer Date).

(b) By Dean Foods. Notwithstanding Section 2.2(a), Dean Foods shall or shall cause the applicable Dean Foods Plan to agree to retain, pay, perform, fulfill and discharge all Liabilities relating to any benefits accrued by a White Wave Employee or former employee of any WhiteWave Group member under any tax-qualified defined benefit pension plan sponsored by Dean Foods; provided that Dean Foods shall not retain any Liabilities associated with a multiemployer pension plan (as defined in Section 4001(a)(3) of ERISA) to which contributions are made under a WhiteWave CBA.

Section 3.3. General Principles.

(a) Non-Termination of Employment or Benefits. Except as otherwise expressly provided herein or as otherwise required at applicable law, no provision of this Agreement or the Separation and Distribution Agreement shall be construed to create any right, or accelerate any entitlement, to any compensation or benefit whatsoever on the part of any Combined Group Employee. Without limiting the generality of the foregoing, except as may be provided in an Individual Agreement, neither the IPO nor the Distribution shall cause any Combined Group Employee to be deemed to have incurred a termination of employment or shall have created any entitlement to any severance benefits or the commencement of any other benefits under any Dean Foods Plan or any Individual Agreement.

(b) No Right to Continued Employment. Nothing contained in this Agreement shall confer any right to continued employment on any Combined Group Employee. Except as specifically provided otherwise herein, this Agreement shall not limit the ability of any member of the Dean Foods Group or the WhiteWave Group to change the position, compensation or benefits of any of its employees for performance-related, business or any other reason or require any such entity continue the employment of any such employee for any particular period of time; provided that each member of the WhiteWave Group shall bear all Liability associated with any such termination of employment or modification of terms and conditions of employment with respect to any of its employees.

(c) Compensation and Benefits of Represented Employees. Notwithstanding anything else contained in this Agreement to the contrary, the compensation, benefits, hours and terms and conditions of employment of WhiteWave Employees who are Represented Employees shall continue to be determined in accordance with the applicable WhiteWave CBAs.

Section 3.4. Reimbursement.

(a) By the WhiteWave Companies. From time to time after the Distribution, the WhiteWave Companies shall promptly reimburse Dean Foods, but in no event more than fifteen business days after delivery by Dean Foods of an invoice therefore containing reasonable substantiating documentation of such costs and expenses, for the cost of any obligations or Liabilities that Dean Foods elects to, or is compelled to, pay or otherwise satisfy, that are or that pursuant to this Agreement have become, the responsibility of the WhiteWave Companies.

(b) By Dean Foods. From time to time after the Distribution, Dean Foods shall promptly reimburse WhiteWave or WWF Operating Company, but in no event more than fifteen business days after delivery by WhiteWave or WWF Operating Company of an invoice therefore containing reasonable substantiating documentation of such costs and expenses, for the cost of any obligations or Liabilities that WhiteWave or WWF Operating Company elects to, or is compelled to, pay or otherwise satisfy, that are or that pursuant to this Agreement have become, the responsibility of Dean Foods.

ARTICLE IV.

COLLECTIVE BARGAINING AGREEMENTS

Section 4.1. Continuity and Performance of Agreements. The unions representing any WhiteWave Employee will continue to represent those employees for purposes of collective bargaining with WhiteWave, WWF Operating Company or any other member of the WhiteWave Group, and each collective bargaining agreement between WhiteWave, WWF Operating Company or any other member of the WhiteWave Group and any union representing its employees, shall remain in effect (the “WhiteWave CBAs”). The Parties agree to take any and all actions reasonably necessary or appropriate, including the entry into an agreement of the type contemplated pursuant to Section 4204 of the Employee Retirement Income Security Act of 1974, as amended, to avoid the imposition of any withdrawal liability with respect to any multiemployer plan by reason of the Distribution.

ARTICLE V.

WHITEWAVE PLANS GENERALLY

Section 5.1. Establishment of WhiteWave Plans.

(a) Mirror Plans. WhiteWave or WWF Operating Company shall have adopted, or shall have caused to be adopted, the following WhiteWave Mirror Plans, effective as of the Distribution Date: the WhiteWave Welfare Plans, WhiteWave 401(k) Plans and the WhiteWave Executive Severance Pay Plan. WhiteWave or WWF Operating Company shall become the plan sponsor of, and from and after the date of adoption of each Plan, shall have sole responsibility for each WhiteWave Mirror Plan. Except as otherwise expressly provided herein, each WhiteWave Mirror Plan shall be substantially similar in all material respects to the corresponding Dean Foods Plan as in effect immediately prior to the adoption of such WhiteWave Mirror Plan (including, without limitation, the right of the sponsor and/or the participating employers to modify, amend, alter or terminate any such Plan).

(b) Stand Alone WhiteWave Plans. To the extent that, at the IPO or the Distribution Date, any member of the WhiteWave Group maintains any Plans and programs for its employees that are separate and distinct from the Dean Foods Plans, such WhiteWave Group member shall continue to maintain, operate and contribute to the separate Plans and programs in accordance with their terms.

Section 5.2. Terms of Participation by WhiteWave Employees

(a) Right and Entitlements. Subject to the express terms and conditions of this Agreement, each of the WhiteWave Mirror Plans shall be, with respect to WhiteWave Employees who are participants in such Plan, the successors in interest to and shall recognize rights and entitlements under the corresponding Dean Foods Plans in effect as of the Close of the Distribution Date in which such WhiteWave Employees participated prior to the Distribution Date (or Transfer Date, as the case may be). The Parties agree that WhiteWave Employees are not entitled to receive duplicative benefits for the same periods of service from the Dean Foods Plans and the WhiteWave Plans. Notwithstanding anything in this Section 5.2(a) to the contrary (but subject to the provisions of Section 5.2(b)), if in the reasonable determination of Dean Foods requiring any WhiteWave Mirror Plan to replicate each right or entitlement under the corresponding Dean Foods Plan (i) would result in an unreasonable administrative burden on, or in an unreasonable expense for, the WhiteWave Group, or (ii) conflict with any provision of applicable law, the applicable WhiteWave Mirror Plan may provide the eligible WhiteWave Employees with rights and entitlements that are substantially comparable in the aggregate to those previously in effect under the corresponding Dean Foods Plan.

(b) Service and Other Factors Determining Benefits. With respect to WhiteWave Employees, each WhiteWave Mirror Plan shall provide that all service, all compensation, and all other factors affecting benefit determinations that, as of the Close of the Distribution Date, were recognized under the corresponding Dean Foods Plan (for

periods immediately before the Close of the Distribution Date) shall receive full recognition, credit, and validity and be taken into account under such WhiteWave Mirror Plan to the same extent as though arising under such WhiteWave Mirror Plan, except to the extent that duplication of benefits would result. Notwithstanding the immediately preceding sentence, in no event shall the crediting of service or any other action taken pursuant to the immediately preceding sentence result in the duplication of benefits for any Combined Group Employee under any Dean Plan and any WhiteWave Plan. All beneficiary designations made by WhiteWave Employees under the corresponding Dean Foods Plan shall be transferred to and be in full force and effect under the corresponding WhiteWave Mirror Plans until such beneficiary designations are replaced or revoked by the WhiteWave Employees who made the beneficiary designation.

(c) Power to Amend. Notwithstanding the foregoing provisions of this Section 5.2, nothing in this Agreement other than those provisions specifically set forth herein to the contrary shall preclude WhiteWave from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any WhiteWave Plan, any benefit under any Plan or any trust, insurance policy or funding vehicle related to any WhiteWave Plan.

ARTICLE VI.

HEALTH AND WELFARE

Section 6.1. Assumption of Health and Welfare Plans.

(a) Cessation of Coverage in Dean Foods Plans. Dean Foods maintains health and welfare plans for the benefit of eligible Combined Group Employees (the “Dean Foods Welfare Plans”). On the Distribution Date, each person who is a WhiteWave Employee on such date shall cease to be covered under the Dean Foods Welfare Plans. Notwithstanding the immediately preceding sentence, with respect to any WhiteWave Employee who would not be eligible for coverage under any WhiteWave Welfare Plan established under Section 6.2 below because such person is not actively at work on the Distribution Date due to any medical, sickness, accident leave or any other approved leave of absence, Dean Foods shall administer claims for such persons on behalf of WhiteWave as though the relevant Dean Foods Welfare Plan had continued to be applicable (at the cost and expense of the WhiteWave Group member by which such person is or will be employed) until the earliest to occur of (i) the date such person first resumes active employment with any member of the WhiteWave Group, (ii) the date such person ceases to be an employee of any member of the WhiteWave Group (including, without limitation, by reason of not returning to work at the expiration of any approved leave); (iii) the date on which such approved leave of absence expires without such person returning to active employment or terminating employment and (iv) the date, if any, more than six months following the Distribution Date that Dean Foods shall choose, in its discretion, to cease to provide such continued coverage upon not less than 90 days advance written notice to the WhiteWave Companies and the affected WhiteWave Employees.

(b) Claims Arising Prior to Distribution Date. On or after the Distribution Date, but subject to the obligations of members of the WhiteWave Group pursuant to Section 2.2, Dean Foods or the Dean Foods Welfare Plans shall remain responsible for all Liabilities in respect of or relating to WhiteWave Employees or Former WhiteWave Employees relating to claims or expenses incurred on or prior to the Distribution Date. For purposes of the foregoing sentence, to the extent that an eligible beneficiary under any such Dean Foods Welfare Plan commences a hospital confinement on or prior to the Distribution Date that continues after the Distribution Date, all expenses related to such hospitalization (including any related services that are incurred during the period of the same continuous hospital confinement) shall be considered part of the claim incurred on or prior to the Distribution Date. All other claims shall be deemed incurred on the date the actual expense is incurred.

(c) No Transfer of Assets Pertaining to Welfare Plans. Nothing in this Agreement shall require Dean Foods or any Dean Foods Welfare Plan to transfer assets or reserves with respect to the Dean Foods Welfare Plans to WhiteWave or the WhiteWave Welfare Plans.

Section 6.2. Adoption of Health and Welfare Plans.

(a) Comparable Terms. Effective as of the Close of the Distribution Date, WhiteWave shall adopt or shall cause to be adopted for the benefit of eligible WhiteWave Employees, health and welfare plans, including, but not limited to, plans providing (i) executive long-term disability insurance and (ii) health, dental and life insurance benefits (the “WhiteWave Welfare Plans”) that are substantially the same as the benefits provided under the corresponding Dean Foods Welfare Plan in which such individuals were participating immediately prior to the Distribution Date. Notwithstanding the immediately preceding sentence, WhiteWave may alter the terms and conditions of the WhiteWave Welfare Benefit Plans relative to the terms and conditions of the Dean Foods Welfare Benefit Plans to the extent that WhiteWave reasonably determines in good faith that it can not provide substantially the same benefits at a commercially reasonable cost because (i) the number of persons who will be participants in the WhiteWave Welfare Plans is significantly smaller than the number of participants in the Dean Foods Welfare Plans immediately prior to the Distribution Date, (ii) the WhiteWave Welfare Plan will be funded through an insured arrangement, while the corresponding Dean Foods Welfare Plan was funded under a self-insured arrangement or (iii) of the inability of the WhiteWave Benefit Plans to procure on commercially reasonable terms contracts with the same third party vendors who assisted in administering the Dean Foods Welfare Plans. For purposes of the immediately preceding sentence, an amount up to or equal to

105% of the costs incurred by Dean Foods in respect of the Dean Foods Welfare Plans, as determined on a per capita basis, immediately prior to the Distribution Date shall be deemed to be commercially reasonable. In addition, WhiteWave shall retain the right to modify, amend, alter or terminate the terms of any WhiteWave Welfare Plan to the same extent that Dean Foods or another member of the Dean Foods Group had such rights under the corresponding Dean Foods Welfare Plan.

(b) Terms of Participation in WhiteWave Welfare Plans. WhiteWave shall cause the WhiteWave Welfare Plans to (i) waive all limitations as to preexisting conditions, exclusions, service conditions and waiting period limitations, and any evidence of insurability requirements applicable to any such WhiteWave Employees other than such limitations, exclusions, and conditions that were in effect with respect to WhiteWave Employees as of the Distribution Date, in each case under the corresponding Dean Foods Welfare Plan and (ii) honor any deductibles, out-of-pocket maximums and co-payments incurred by WhiteWave Employees under the corresponding Dean Foods Welfare Plan in satisfying the applicable deductibles, out-of-pocket expenses or co-payments under such Dean Foods Welfare Plan for the calendar year in which the Distribution Date occurs.

Section 6.3. COBRA. As of the Close of the Distribution Date, WhiteWave shall be responsible for administering compliance with the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), with respect to WhiteWave Employees, Former WhiteWave Employees and any of their dependents having rights derived from such WhiteWave Employees for the period after the Close of the Distribution Date. WhiteWave shall assume any Liabilities of Dean Foods and the Dean Foods Plans to provide COBRA coverage to any WhiteWave Employee and any of their dependents who incurred a qualifying event under COBRA on or prior to the Distribution Date and who is still eligible to receive such continuing coverage after the Distribution Date.

Section 6.4. Workers’ Compensation Claims. Effective on the Distribution Date, WhiteWave shall assume responsibility for all Liabilities for WhiteWave Employees and Former WhiteWave Employees related to any and all workers’ compensation claims and coverage, whether arising under any law of any state, territory, or possession of the U.S. or the District of Columbia and whether arising before or after the Distribution Date. Dean Foods shall be fully responsible for the administration of all such claims made prior to Distribution Date, but the WhiteWave Companies shall reimburse and otherwise fully indemnify Dean Foods for all Liabilities related to such claims in respect of such WhiteWave Employees and Former WhiteWave Employees, including (i) the costs of administering the plans, programs or arrangements under which any such Liabilities have accrued or otherwise arisen, (ii) paying benefits and settlements and (iii) establishing reserves, in each case as determined by Dean Foods or its designate.

Any reimbursement amounts payable under this Section 6.4 shall be paid in accordance with the procedure set forth in Section 2.3. Dean Foods shall transfer to, or credit for the benefit of, the WhiteWave Companies an amount equal to the value of any reserves (as determined by Dean Foods in its sole discretion) set aside by Dean Foods prior to the Distribution Date (including any reserves established under any contract providing coverage against any such claims) for the payment of, or to meet the obligations in respect of, any such workers' compensation benefits or obligations in respect of such WhiteWave Employees. With respect to any claim for Worker's Compensation or similar benefits by a WhiteWave Employee or Former WhiteWave Employee made after the Distribution Date, WhiteWave shall be solely responsible for such claim and for complying with all applicable laws with respect thereto.

ARTICLE VII.

PENSION PLANS

Section 7.1. No Establishment of Defined Benefit Pension Plan.

(a) No Establishment of Mirror Plans. Except as to any multiemployer pension plans (within the meaning of Section 3(37) of ERISA) that are maintained or contributed to pursuant to a WhiteWave CBA, WhiteWave shall not be required to establish, maintain, administer or contribute to any defined benefit pension plan or related trust qualified under section 401(a) and section 501(a) of the Code in connection with the Distribution. To the extent that any WhiteWave Employee or Former WhiteWave Employee has an accrued benefit under any existing defined benefit pension plan that is a Dean Foods Plan at the Distribution Date, the obligations in respect of such Plan shall remain at Dean Foods under the provisions of the applicable Plan. No assets of any such defined benefit plan shall be transferred to WhiteWave, WWF Operating Company or any WhiteWave Plan in connection with the Distribution. In no event shall any WhiteWave Employee accrue any additional benefits under such Plan following the Distribution Date (except for any subsidy related to the benefit accrued at the Distribution Date for which such person may qualify under the terms of the applicable plan after the Distribution Date). For WhiteWave Employees covered by WhiteWave CBAs who may have been participating in any such defined benefit plan that is not a multiemployer plan at the Distribution Date, WhiteWave shall take all such actions, if any, as are required to comply with the terms and conditions of the applicable collective bargaining agreement.

(b) No New Standalone WhiteWave Defined Benefit Pension Plan. No member of the WhiteWave Group shall establish, adopt, contribute to (other than as required under applicable law for and in accordance with Section 7.1(a) above with respect to any multiemployer pension plan) or otherwise become the sponsor of any defined benefit pension plan or related trust qualified under section 401(a) and section 501(a) of the Code that could create any direct or indirect Liability for Dean Foods under Title IV of ERISA.

ARTICLE VIII.

401(K) PLANS

Section 8.1. Establishment of the WhiteWave 401(k) Plan. Prior to the Distribution Date, the WhiteWave Companies shall take any and all steps necessary or appropriate to establish one or more defined contribution plans and trusts to be effective as of the Distribution Date for the benefit of hourly and salaried WhiteWave Employees (the “WhiteWave 401(k) Plans”). The WhiteWave 401(k) Plans shall have terms substantially similar in all material respects to the Dean Foods 401(k) Plan to which it most closely corresponds. The WhiteWave Companies shall be responsible for taking or causing to be taken all necessary, reasonable, and appropriate action to establish, maintain, and administer the WhiteWave 401(k) Plans so that they qualify under Section 401(a) of the Code and the related trusts thereunder are exempted from Federal income taxation under Section 501(a)(1) of the Code. For the avoidance of doubt, nothing in this Section 8.1 shall be construed to require WhiteWave to maintain any investment option which the fiduciaries (as such term is defined in Section 3(21) of ERISA) of the WhiteWave 401(k) Plan deem to be imprudent or inappropriate for the WhiteWave 401(k) Plan or which cannot be maintained without commercially unreasonable cost or administrative burden for the WhiteWave 401(k) Plan and its administrator.

Section 8.2. Assumption of Liabilities and Transfer of Assets.

(a) Transfer of Liabilities. Effective as of the Distribution Date, but subject to the asset transfer specified in Section 8.2(b) below, the WhiteWave 401(k) Plan shall assume and be solely responsible for all Liabilities for or relating to WhiteWave Employees and Former WhiteWave Employees under the Dean Foods 401(k) Plan. The WhiteWave Companies shall be responsible for all ongoing rights of or relating to WhiteWave Employees and Former WhiteWave Employees for future participation (including the right to make contributions through payroll deductions) in the WhiteWave 401(k) Plans.

(b) Trust to Trust Transfer. Effective as of the Distribution Date (or such other date as may be agreed between the Parties), Dean Foods shall cause the account balances (including any outstanding loan balances) in the Dean Foods 401(k) Plan attributable to WhiteWave Employees and Former WhiteWave Employees to be transferred in cash and in-kind (including, but not limited to, participant loans and company stock), to the WhiteWave 401(k) Plan, and WhiteWave or WWF Operating Company shall cause the WhiteWave 401(k) Plan to accept such transfer or accounts and underlying assets and, effective as of the date of such transfer, to assume and to fully perform pay or discharge,

all obligations of the Dean Foods 401(k) Plans relating to the accounts of WhiteWave Employees and Former WhiteWave Employees (to the extent those assets related to those accounts are actually transferred from the Dean Foods 401(k) Plan). The transfer shall be conducted in accordance with Section 414(l) of the Code, Treasury Regulation Section 1.414(l)-1, and Section 208 of ERISA. Subject to the generally applicable requirements of this Section 8.2(b), the named fiduciaries (as such term is defined in ERISA) of the WhiteWave 401(k) Plans and the Dean Foods 401(k) Plans shall cooperate in good faith to effect the transfers contemplated by this Section 8.2(b) in an efficient and effective manner and in the best interests of participants and beneficiaries, including, but not limited to, determining whether and to what extent any investments held under the Dean Foods 401(k) Plan (other than company stock or participant loans) shall be liquidated prior to the transfer date to enable the value of such investments to be transferred to the WhiteWave 401(k) Plan in cash or cash equivalents.

ARTICLE IX.

EQUITY BASED AND OTHER LONG-TERM INCENTIVE AWARDS

Section 9.1. General Treatment of Outstanding Awards; Adoption of New Stock Incentive Plan.

(a) Equity-Based Awards. No adjustments will be made in connection with the IPO to any stock based incentive compensation awards granted under the Dean Foods' 2007 Stock Incentive Plan, the Dean Foods 1997 Stock Option and Restricted Stock Plan or any other equity plan sponsored or maintained by Dean Foods (the "Dean Foods Equity Plans"). Effective on the Distribution Date, notwithstanding the provisions of Section 2.1(a), all such stock based incentive compensation awards granted to WhiteWave Employees and Former WhiteWave Employees under the Dean Foods Equity Plans (the "Outstanding Awards") shall be converted into incentive compensation awards relating to WhiteWave Class A Common Stock ("Replacement Awards") and shall be granted under the WhiteWave Foods Company 2012 Stock Incentive Plan (the "2012 SIP"). The Replacement Awards shall have substantially equivalent terms as the Outstanding Awards. The required adjustments necessary to convert the Outstanding Awards into Replacement Awards shall be made at the direction of the Compensation Committee of the Board of Directors of Dean Foods in a manner intended to preserve the value of the Outstanding Awards by taking into account the relative values of the shares of Dean Foods Common Stock underlying the Outstanding Awards and the WhiteWave Common Stock underlying the Replacement Equity Awards.

(b) Cash Performance Units. Effective on consummation of the IPO, the cash performance units granted (the “CPUs”) to WhiteWave Employees and Former WhiteWave Employees under the Dean Foods Performance Cash Plan that are related, in whole or in part, to the performance of Dean Foods after 2012 shall be cancelled, subject to the requirement that payment be made in respect thereto, on a pro-rated basis, based on service completed and the level of achievement of the applicable performance objectives, in each case, through December 31, 2012, as determined by Dean Foods. Notwithstanding anything else in this Agreement to the contrary, the appropriate member of the Dean Foods Group shall be responsible for the payment of the portion of any such CPU payable to any Transferred Employee (or Delayed Transfer Employee) related to service through the date the IPO is consummated (or, if applicable, the Transfer Date), with the remainder of such award being the responsibility of the member of the WhiteWave Group that employs such person.

(c) Executive Retention Awards. Effective on consummation of the IPO, any awards under the Dean Foods Executive Retention Plan held by WhiteWave Employees related to performance criteria to be achieved after 2012 shall be cancelled. No payment shall be made in respect of any such cancelled Executive Retention Plan award. Awards under the Dean Foods Executive Retention Plan that are payable based upon the achievement of performance criteria through the end of 2012 (a “2012 Retention Award”) shall be made in accordance with its terms, treating employment with WhiteWave as though it were employment with the Dean Foods Group. Notwithstanding anything else in this Agreement to the contrary, the appropriate member of the Dean Foods Group shall be responsible for the payment of any portion of any such 2012 Retention Award payable to any Transferred Employee (or Delayed Transfer Employee) related to service performed in 2012 through the date the IPO is consummated (or, if applicable, the Transfer Date), with the remainder of such award being the responsibility of the member of the WhiteWave Group that employs such person.

(d) Dean Cash Awards. Effective on consummation of the IPO, any Dean Cash Awards held by WhiteWave Employees that are related to the service to be performed, in whole or in part, after 2012 (a “Pro-Rated Dean Cash Award”) shall be cancelled, subject to payment, on a pro-rated basis, of the portion of such Dean Cash Award related to service performed through the end of 2012. Any Dean Cash Awards that are payable based solely upon service through the end of 2012 (a “2012 Dean Cash Award”) shall be made in accordance with its terms, treating employment with WhiteWave as though it were employment with the Dean Foods Group. Notwithstanding anything else in this Agreement to the contrary, the appropriate member of the Dean Foods Group shall be responsible for the payment of any portion of any such Pro-Rated Dean Cash Award or 2012 Dean Cash Award payable to any Transferred Employee (or Delayed Transfer Employee) related to service performed in 2012 through the date the IPO is consummated (or, if applicable, the Transfer Date), with the remainder of such award being the responsibility of the member of the WhiteWave Group that employs such person.

(e) Adoption of WhiteWave Stock Incentive Plan. In connection with the IPO, WhiteWave shall adopt the 2012 SIP for purposes of awarding certain WhiteWave employees, officers and non-employee directors equity-based compensation on the terms and conditions set forth in the 2012 SIP. The award agreement related to any award granted by WhiteWave to any WhiteWave Employee under the 2012 SIP at or about the time of the IPO shall require any recipient thereof who held CPUs, Retention Awards and/or Dean Cash Awards immediately prior to the IPO to consent to the cancellation of the applicable awards in accordance with the preceding provisions of this Article IX.

ARTICLE X.

SHORT TERM INCENTIVES

Section 10.1. Incentive Plans. WhiteWave, WWF Operating Company or another member of the WhiteWave Group shall be responsible for all Liabilities relating to WhiteWave Employees and Former WhiteWave Employees in respect of any short term incentive plan related to their services for any member of the WhiteWave Group (or, with respect to Transferred Employees and Deferred Transferred Employees, for services after the IPO or, if applicable, the Transfer Date). Notwithstanding the foregoing, with respect to any Transferred Employee (or Delayed Transfer Employee), the appropriate member of the Dean Foods Group shall be responsible for, or shall reimburse the appropriate member of the WhiteWave Group for, the payment any portion of any short-term incentive plan payment payable to any Transferred Employee (or Delayed Transfer Employee) related to service performed in the applicable performance period through the date the IPO is consummated (or, if applicable, the Transfer Date).

ARTICLE XI.

DEFERRED COMPENSATION PLANS

Section 11.1. Establishment of the WhiteWave EDCP. Prior to the Distribution Date, WhiteWave shall take steps to establish a nonqualified executive deferred compensation plan to be effective as of the Distribution Date for the benefit of WhiteWave Employees (the "WhiteWave EDCP") that is substantially similar to the Dean Foods EDCP. WhiteWave shall be responsible for taking or causing to be taken all necessary, reasonable, and appropriate action to establish, maintain, and administer the WhiteWave EDCP in a manner consistent with the provisions of Section 409A of the Code and the regulations promulgated thereunder.

Section 11.2. Establishment of the WhiteWave SERP. Prior to the Distribution Date, WhiteWave shall take steps to establish a supplemental executive retirement plan to be effective as of the Distribution Date for the benefit of WhiteWave Employees (the "WhiteWave SERP") that is substantially similar to the Dean Foods SERP. WhiteWave

shall be responsible for taking or causing to be taken all necessary, reasonable, and appropriate action to establish, maintain, and administer the WhiteWave SERP in a manner consistent with the provisions of Section 409A of the Code and the regulations promulgated thereunder.

Section 11.3. Liabilities Under the Dean Foods EDCP and Dean Foods SERP. All Liabilities accrued under the Dean Foods EDCP and Dean Foods SERP related to WhiteWave Employees and Former WhiteWave Employees, including Transferred Employees and Delayed Transfer Employees, shall be the sole responsibility of the member of the WhiteWave Group which employed any such WhiteWave Employee at the Distribution Date or that last employed any Former WhiteWave Employee. All distributions from the WhiteWave EDCP and the WhiteWave SERP shall, to the extent applicable, be administered in a manner consistent with the provisions of Section 409A of the Code and the regulations promulgated thereunder.

Section 11.4. Asset Transfer. As soon as reasonably practicable after the Distribution Date, Dean Foods shall transfer to WWF Operating Company assets in such form as Dean Foods shall reasonably determine equal to the product of (i) the value as of the Distribution Date of any reserves established by Dean Foods to assist it in satisfying the liabilities under the Dean Foods EDCP and the Dean Foods SERP multiplied by (ii) a fraction, the numerator of which is the estimated liabilities under of the applicable Plan (i.e., the Dean Foods EDCP or the Dean Foods SERP) in respect of WhiteWave Employees or Former WhiteWave Employees and the denominator of which is the estimated aggregate liabilities to all participants under the applicable Plan. All valuations or estimations necessary or appropriate to determine the asset transfer described in this Section 11.4 shall be made by Dean Foods in good faith.

ARTICLE XII.

EXECUTIVE SEVERANCE PLAN AND CHANGE IN CONTROL AGREEMENTS

Section 12.1. Establishment of the WhiteWave Executive Severance Pay Plan. Prior to the Distribution Date, the WhiteWave Companies shall take all steps necessary or appropriate to establish for the benefit of WhiteWave Employees who had been eligible to participate in the Dean Foods Executive Severance Plan immediately prior to the Distribution Date an executive severance pay plan that is substantially similar to the Dean Foods Executive Severance Pay Plan (the "WhiteWave Executive Severance Pay Plan"), to be effective as of the Distribution Date.

Section 12.2. Change in Control Agreements. In the event that a change in control of Dean Foods or White Wave shall occur after the IPO and prior to the Distribution Date which would activate the protection afforded under the Change in

Control agreements that have been implemented by Dean Foods, the appropriate member of the WhiteWave Group shall be responsible for the payment of and shall pay any benefits that become payable under the terms of any such agreement (other than with respect to any awards related to the common stock of Dean Foods outstanding under the Dean Foods Equity Plan, which shall remain the responsibility of Dean Foods) to any WhiteWave Employee who is a party to any such agreement, including, without limitation, the Specified Officers.

ARTICLE XIII.

GENERAL AND ADMINISTRATIVE

Section 13.1. Sharing of Information. Subject to any consents required or any other restrictions imposed at law, each Party shall each provide to any other Party and its agents and vendors all information that such other Party may reasonably request to enable the requesting party to administer efficiently and accurately each of its Plans and to determine the scope of, and to fulfill, its obligations under this Agreement. WhiteWave shall cause each member of the WhiteWave Group to provide Dean Foods or its designees, on a timely basis, such information including, without limitation, dates of termination, length of service and last known addresses, and other assistance as it or they shall reasonably request from time to time to administer its on-going obligations under this Agreement with respect to WhiteWave Employees and Former WhiteWave Employees. Any information shared or exchanged pursuant to this Agreement shall be kept confidential by the Parties and used only for and to the extent necessary to establish, maintain and administer the plans, programs and agreements as contemplated by this Agreement.

Section 13.2. Cooperation.

(a) On-Going Plan Administration. Dean Foods may from time to time establish reasonable administrative guidelines or procedures to be followed by the appropriate members of the WhiteWave Group to facilitate the operation of any Dean Food Plan under which there are continuing obligations to WhiteWave Employees or Former WhiteWave Employees following the Distribution Date.

(b) General Corporation. Each of the Parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, any and all actions and to do, or cause to be done, any and all things necessary, proper and advisable (including, without limitation, any actions required under applicable laws and regulations) to fulfill their respective duties obligations contemplated by this Agreement. The actions described in the immediately preceding sentence shall include, without limitation, adopting plans or plan amendments and the payment of compensation due to any Dean Foods Employee, any WhiteWave Employee or any Former WhiteWave Employee. Each of the Parties hereto shall cooperate fully on any issue relating to the duties and obligations contemplated by this Agreement for which the other Party seeks a determination letter or any other filing, consent, or approval with respect to governmental authorities.

Section 13.3. Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor) and such consent is withheld, the Parties shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the Parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase “reasonable best efforts” as used in this Agreement shall not be construed to require the incurrence of any non-routine or unreasonable expense or liability or the waiver of any right.

Section 13.4. Survival. This Agreement shall survive the Distribution Date.

Section 13.5. Interpretation. Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole (including all Exhibits hereto) and not to any particular provision of this Agreement. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive.

Section 13.6. No Third Party Beneficiaries.

(a) Nothing in this Agreement shall confer upon any person (nor any beneficiary thereof) any rights under or with respect to any plan, program or arrangement described in or contemplated by this Agreement and each person (and any beneficiary thereof) shall be entitled to look only to the express terms of any such plan, program or arrangement for his or her rights thereunder.

(b) Nothing in this Agreement shall create any right of any Person to object or to refuse to assent to WhiteWave’s assumption of, succession to or creation of any Individual Agreement, or other agreement or plan, program or arrangement relating to employment, employment separation, severance or employee benefits, nor shall this Agreement be construed as recognizing that any such rights exist.

(c) Nothing in this Agreement shall amend or shall be construed to amend any plan, program or arrangement described in or contemplated by this Agreement.

Section 13.7. Notices.

(a) Any notice, demand, claim, or other communication under this Agreement shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier services (costs prepaid); (b) sent by facsimile with conformation or transmission; (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person designated below (or to such other address, facsimile number or person as a party may designate by notice to the other Parties:

(b) If to Dean Foods, to:

Dean Foods Company
2711 North Haskell Ave., Suite 3400
Dallas, TX 75204
Attn: Executive Vice President, Human Resources and
Executive Vice President, General Counsel

(c) If to WhiteWave, to:

The WhiteWave Foods Company
2711 North Haskell Ave., Suite 3400
Dallas, TX 75204
Attn: Executive Vice President, Human Resources and
Executive Vice President, General Counsel

Section 13.8. Governing Law; Jurisdiction. This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflict of laws rules thereof to the extent such rules would require the application of the law of another jurisdiction. The state or federal courts located within Dallas, Texas shall have exclusive jurisdiction over any and all disputes between the parties hereto, whether in law or equity, arising out of or relating to this agreement and the agreements, instruments and documents contemplated hereby and the parties consent to and agree to submit to the exclusive jurisdiction of such courts. Each of the Parties hereby waives and agrees not to assert in any such dispute, to the fullest extent permitted by applicable law, any claim that (i) such Party is not personally subject to the jurisdiction of such courts, (ii) such party and such Party' s property is immune from any legal process issued by such courts or (iii) any litigation or other proceeding commenced in such courts is brought in an inconvenient forum.

Section 13.9. Waiver of Jury Trial. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 13.10. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that, after the Distribution, the parties shall be entitled to specific performance of the terms hereof to the extent such terms impose obligations that are to be performed after the Distribution, in addition to any other remedy at law or in equity.

Section 13.11. No Assignment; No Amendment; Counterparts. This Agreement may not be assigned by either Party (except by operation of law) without the written consent of the other, and shall bind and inure to the benefit of the Parties hereto and their respective successors and permitted assignees. This Agreement may not be amended or supplemented except by an agreement in writing signed by Dean Foods and WhiteWave. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[Signature Pages Follow]

IN WITNESS WHEREOF, each Party has caused its duly authorized officer to execute this Agreement, as of the date first written above.

DEAN FOODS COMPANY

/s/ Timothy A. Smith

By: Timothy A. Smith

Its: Treasurer

THE WHITEWAVE FOODS COMPANY

/s/ Kelly J. Haecker

By: Kelly J. Haecker

Its: Senior Vice President, Finance, and Chief
Financial Officer

WWF OPERATING COMPANY

/s/ Kelly J. Haecker

By: Kelly J. Haecker

Its: Senior Vice President, Finance, and Chief
Financial Officer

Employee Matters Agreement

Schedule A

Transferred Employees

1. Gregg Engles
2. Thomas Zanetich
3. Edward Fugger
4. Frank Caliri
5. Dave Oldani
6. Shan Luton
7. April Burke
8. Such other employees as may be agreed to by the parties in writing.

AMENDMENT 1 TO TRANSITION SERVICES AGREEMENT

THIS AMENDMENT 1 TO TRANSITION SERVICES AGREEMENT (this "Amendment"), is dated November 20, 2012 is by and between Dean Foods Company, a Delaware corporation, ("Dean Foods") and The WhiteWave Foods Company, a Delaware corporation ("WhiteWave").

WHEREAS, Dean Foods and WhiteWave previously entered into a Transition Services Agreement dated October 25, 2012 (the "Agreement"), which became effective as of October 31, 2012; and

WHEREAS, pursuant to the Agreement, certain Services are being provided by Morningstar Foods, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Dean Foods ("Morningstar") and certain other direct and indirect subsidiaries of Morningstar (collectively, the "Morningstar Business") to WhiteWave and the Morningstar Business is receiving certain Services from WhiteWave (such Services being provided to and/or received by the Morningstar Business, collectively, the "Morningstar-WhiteWave Services"); and

WHEREAS, in order to facilitate a potential sale of all or part of the Morningstar Business by Dean Foods, Dean Foods and WhiteWave deem it to be appropriate and desirable for Morningstar and WhiteWave to enter into one or more separate transition services agreements governing the terms of the Morningstar-WhiteWave Services (any such agreements, collectively, the "Morningstar-WhiteWave Transition Services Agreements"); and

WHEREAS, in connection with the entry into the Morningstar-WhiteWave Transition Services Agreements, Dean Foods and WhiteWave desire to amend the Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. Capitalized Terms. Capitalized terms contained in this Amendment and not otherwise defined shall have the meaning ascribed to them in the Agreement.
2. Morningstar-WhiteWave Services. From and after the date of this Amendment, the terms and conditions under which all Morningstar-WhiteWave Services are provided shall cease to be governed by the Agreement and the Agreement shall be of no further effect with respect to the Morningstar-WhiteWave Services.
3. Amendments to Schedules. Without limiting the generality of the foregoing:
 - (a) The End Date for (i) the Services described as "**Other-Distribution Services**" on Schedule A to the Agreement and (ii) the Services described as "**Supply-Chain-QA Lab Services**" on Schedule B shall be November 20, 2012.
 - (b) The Base Cost for the Services described as "**Research & Development**" on Schedule B to the Agreement shall be changed to \$8,666.
4. Binding Effect and Assignment. This Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns, except as is otherwise expressly provided herein or in the Agreement.

5. The Agreement. All other terms and provisions of the Agreement not expressly modified by this Amendment shall remain in full force and effect and are hereby expressly ratified and confirmed.

6. Titles. The titles of the articles, sections and subsections of this Amendment are for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of any provisions of this Amendment. The words “herein,” “hereof,” “hereto” and “hereunder” and other words of similar import refer to this Amendment as a whole and not to any particular Article, Section or other subdivision.

7. Execution. This Amendment may be executed in any number of original, facsimile, or portable document format (pdf) counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their proper and duly authorized representatives as of the date first set forth above.

DEAN FOODS COMPANY

By: /s/ Timothy A. Smith
Treasurer

THE WHITEWAVE FOODS COMPANY

By: /s/ Roger E. Theodoredis
Executive Vice President, Secretary and General
Counsel

AMENDMENT 2 TO TRANSITION SERVICES AGREEMENT

THIS AMENDMENT 2 TO TRANSITION SERVICES AGREEMENT (this "Amendment"), dated as of December 28, 2012 but effective as of October 31, 2012, is by and between Dean Foods Company, a Delaware corporation, ("Dean Foods") and The WhiteWave Foods Company, a Delaware corporation ("WhiteWave").

WHEREAS, Dean Foods and WhiteWave previously entered into a Transition Services Agreement dated October 25, 2012, which became effective as of October 31, 2012 (as amended by Amendment 1 to Transition Services Agreement, the "Agreement"); and

WHEREAS, Dean Foods and WhiteWave desire to amend the Schedules to the Agreement to add additional Services to be provided by Dean Foods and WhiteWave, respectively, as of the effective date of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereto agree as follows:

1. Capitalized Terms. Capitalized terms contained in this Amendment and not otherwise defined shall have the meaning ascribed to them in the Agreement.
2. Amendments to Schedules.
 - (a) Schedule A of the Agreement is hereby amended to include the Services set forth on Exhibit I hereto.
 - (b) Schedule B of the Agreement is hereby amended to include the Services set forth on Exhibit II hereto.
3. Binding Effect and Assignment. This Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns, except as is otherwise expressly provided herein or in the Agreement.
4. The Agreement. All other terms and provisions of the Agreement not expressly modified by this Amendment shall remain in full force and effect and are hereby expressly ratified and confirmed.
5. Titles. The titles of the articles, sections and subsections of this Amendment are for convenience of reference only and shall not be considered a part of or affect the construction or interpretation of any provisions of this Amendment. The words "herein," "hereof," "hereto" and "hereunder" and other words of similar import refer to this Amendment as a whole and not to any particular Article, Section or other subdivision.
6. Execution. This Amendment may be executed in any number of original, facsimile, or portable document format (pdf) counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their proper and duly authorized representatives as of the date first set forth above.

DEAN FOODS COMPANY

By: /s/ Timothy A. Smith
Senior Vice President and Treasurer

THE WHITEWAVE FOODS COMPANY

By: /s/ Roger E. Theodoredis
Executive Vice President, Secretary and
General Counsel

Exhibit I - Amendment to Schedule A (Dean Foods as Provider)

<u>Service</u>	<u>End Date</u>	<u>Base Cost (\$/Month) unless otherwise noted</u>	<u>Third-Party Cost Pass-through (if Yes) *</u>
Supply Chain			
Utilities payment and management	6/30/13	\$ 0	Yes
Management and communication of supplier cost changes	3/31/13	\$ 0	
EHS headcount	6/30/13	\$ 13,700	
Leased equipment (equipment usage, lease management, maintenance [if applicable], lease payments through handover/lease expiration)	3/31/13	\$ 0	Yes
Hedging settlement (pass through of gains/losses)	3/31/13	\$ 0	Yes

* Indicates areas where Provider currently anticipates third-party costs. This indication is for informational purposes only and does not restrict the Provider from passing along third-party costs even if not currently anticipated.

Exhibit II - Amendment to Schedule B (WhiteWave as Provider)

Service	End Date	Base Cost	Third-Party Cost
		(\$/Month) unless otherwise noted	Pass-through (if Yes) *
Research and Development			
Continuation of R&D support from platform dedicated headcount until moved to platform	12/ 31/ 12	Historical 2012 allocation	

* Indicates areas where Provider currently anticipates third-party costs. This indication is for informational purposes only and does not restrict the Provider from passing along third-party costs even if not currently anticipated.



February 25, 2013

Dear Mr. Bellairs:

I am pleased to confirm your new position of EVP, Chief Financial Officer Designate (Grade 99) for Dean Foods Company, which was effective November 7, 2012. This position will report to Gregg Tanner, Chief Executive Officer. You will assume the position of EVP, Chief Financial Officer on March 1, 2013.

Here are the specifics of your new assignment:

Base Salary

You will be paid \$19,375.00 on a semi-monthly basis, which equates to an annual salary of \$465,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 70% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives. For 2012, you will be eligible to earn an incentive payment that will be prorated based on the amount of time you were in each position.

Promotional Long Term Incentive Grant

In addition, you were awarded a one-time promotional RSUs equity grant with a value of \$150,000 on 11/15/12, as approved by the Compensation Committee of the Dean Foods Board of Directors.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors, or the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will continue to be eligible for the same number of PTO days you currently receive each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods or affiliated with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Severance

As an Executive Officer, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan ("Severance Plan"). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a "qualifying termination", meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year's bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to two years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment, the promotional long-term incentive grant specified above, the increase in your base salary effected in connection with your promotion, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for "good reason" under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the "Morningstar Sale"), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the "WhiteWave Stock Sales"), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the "WhiteWave Distribution"). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will provided with a new Change in Control agreement, which is comparable to the one currently provided to other Dean Foods executive officers. In general, that agreement provides benefits of three times your annual salary and target bonus, plus vesting of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Chris, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Gregg A. Tanner

Gregg A. Tanner
CEO, Dean Foods

Agreed and accepted:

/s/ Chris Bellairs

Chris Bellairs

Date



February 25, 2013

Dear Ms. Gonzalez:

I am pleased to confirm your new position of EVP, General Counsel Designate (Grade 99) for Dean Foods Company, which was effective November 7, 2012. This position will report to Gregg Tanner, Chief Executive Officer. You will assume the position of EVP, General Counsel and Corporate Secretary on March 1, 2013.

Here are the specifics of your new assignment:

Base Salary

You will be paid \$17,708.33 on a semi-monthly basis, which equates to an annual salary of \$425,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 70% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives. For 2012, you will be eligible to earn an incentive payment that will be prorated based on the amount of time you were in each position.

Promotional Long Term Incentive Grant

In addition, you were awarded a one-time promotional RSUs equity grant with a value of \$100,000 on 11/15/12, as approved by the Compensation Committee of the Dean Foods Board of Directors.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors or the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will be eligible for 25 days of PTO each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods or affiliated with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Severance

As an Executive Officer, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan ("Severance Plan"). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a "qualifying termination", meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year's bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to two years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment, the promotional long-term incentive grant specified above, the increase in your base salary effected in connection with your promotion, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for "good reason" under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the "Morningstar Sale"), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the "WhiteWave Stock Sales"), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the "WhiteWave Distribution"). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will provided with a new Change in Control agreement, which is comparable to the one currently provided to other Dean Foods executive officers. In general, that agreement provides benefits of three times your annual salary and target bonus, plus vesting of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Rachel, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Gregg A. Tanner

Gregg A. Tanner
CEO, Dean Foods

Agreed and accepted:

/s/ Rachel Gonzalez

Rachel Gonzalez



February 25, 2013

Dear Ms. Warmbier:

I am pleased to confirm your new position of EVP & Chief Human Resources Officer (Grade 99) for Dean Foods Company, which was effective October 31, 2012. This position will report to Gregg Tanner, Chief Executive Officer.

Here are the specifics of your new assignment:

Base Salary

You will be paid \$15,625.00 on a semi-monthly basis, which equates to an annual salary of \$375,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 60% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives. For 2012, you will be eligible to earn an incentive payment that will be prorated based on the amount of time you were in each position.

Promotional Long Term Incentive Grant

In addition, you were awarded a one-time promotional RSUs equity grant with a value of \$50,000 on 11/15/12, as approved by the Compensation Committee of the Dean Foods Board of Directors.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors, or the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will continue to be eligible for the same number of PTO days you currently receive each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods or affiliated with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Severance

As an Executive Officer, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan ("Severance Plan"). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a "qualifying termination", meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year's bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to two years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment, the promotional long-term incentive grant specified above, the increase in your base salary effected in connection with your promotion, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for "good reason" under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the "Morningstar Sale"), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the "WhiteWave Stock Sales"), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the "WhiteWave Distribution"). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will provided with a new Change in Control agreement, which is comparable to the one currently provided to other Dean Foods executive officers. In general, that agreement provides benefits of three times your annual salary and target bonus, plus vesting of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Kim, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Gregg A. Tanner

Gregg A. Tanner
CEO, Dean Foods

Agreed and accepted:

/s/ Kim Warmbier

Kim Warmbier

Date



February 25, 2013

Dear Mr. Devine:

I am pleased to confirm that as Chief Operating Officer, you will continue to report to me. The Board of Directors has approved an increase to your base and annual incentive opportunity as described below, which was effective November 7, 2012:

Base Salary

You will be paid \$18,750.00 on a semi-monthly basis, which equates to an annual salary of \$450,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 70% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives. For 2012, you will be eligible to earn an incentive payment that will be prorated based on the amount of time you were in each position.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors, of the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will continue to be eligible for the same number of PTO days you currently receive each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods or affiliated with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Severance

As an Executive Officer, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan (“Severance Plan”). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a “qualifying termination”, meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year’s bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to two years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment and the increase in your base salary effected above, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for “good reason” under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the “Morningstar Sale”), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the “WhiteWave Stock Sales”), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the “WhiteWave Distribution”). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will provided with a new Change in Control agreement, which is comparable to the one currently provided to other Dean Foods executive officers. In general, that agreement provides benefits of three times your annual salary and target bonus, plus vesting of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Marty, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Gregg A. Tanner

Gregg A. Tanner
CEO, Dean Foods

Agreed and accepted:

/s/ Marty Devine

Marty Devine

Date



February 25, 2013

Dear Mr. Braun:

I am pleased to confirm your new position of SVP, Procurement & Operational Support (Grade 99) for Dean Foods Company, which was effective November 7, 2012. This position will report to Gregg Tanner, Chief Executive Officer.

Here are the specifics of your new assignment:

Base Salary

You will be paid \$14,583.33 on a semi-monthly basis, which equates to an annual salary of \$350,000. Your new salary is inclusive of your 2013 merit increase and will be reviewed annually (next in March 2014).

Annual Incentive Opportunity

You will continue to be eligible to earn an annual incentive as a participant in the Dean Foods Corporate Short-Term Incentive Plan with a target amount equal to 50% of your annualized base salary (as of 12/31 of the incentive plan year), subject to the achievement of certain financial targets for the Corporate Staff and certain individual objectives.

Annual Long Term Incentive Compensation

You will continue to be eligible for future equity grants under the Dean Foods Long Term Incentive Program. The amount and nature of any future long-term incentive awards will be determined by the Dean Foods Board of Directors, of the Compensation Committee thereof.

Executive Deferred Compensation Plan

You will continue to be eligible to participate in the Executive Deferred Compensation Plan. The plan provides eligible executives with the opportunity to save on a tax-deferred basis.

Paid Time Off (PTO)

You will continue to be eligible for the same number of PTO days you currently receive each calendar year. Unused PTO is not carried forward from year to year unless state law requires.

Insider Trading

As an Executive Officer, you will have access to sensitive business and financial information. Accordingly, you will be prohibited from trading Dean Foods securities (or, in some circumstances, the securities of companies doing business with Dean Foods) from time to time in accordance with the company's Insider Trading Policy.

Severance

As a Senior Vice President, you will also be eligible for benefits under the Dean Foods Company Executive Severance Plan (“Severance Plan”). In summary, according to the Severance Plan, if your employment is terminated at any time as a result of a “qualifying termination”, meaning any termination as a result of your voluntary termination for good reason, or your involuntary termination without cause, all as defined in the Severance Plan, you will receive payment of all base salary accrued through the date of termination, prior year’s bonus to the extent earned but not paid, target bonus through the date of termination and all unused vacation/PTO. In addition, you will be eligible to receive a severance payment equivalent to 1.5 years of your base salary and target bonuses, less lawful deductions. You will be required to execute a release of all claims and such other agreements as the company may deem necessary or appropriate in order to receive such severance pay. The actual terms of the Severance Plan will govern your rights to severance and not this letter.

Good Reason Waiver

In consideration of your continued employment and the increase in your base salary effected above, which shall continue to be payable after the date hereof, and your continued eligibility for long-term incentive compensation as specified above, you hereby waive any right you may currently have, or which you may hereafter have, to terminate your employment for “good reason” under the Severance Plan due to any material reduction in the scope of your duties or responsibilities by reason of the occurrence of, or any actions taken or effected in relation to or in connection with any or all of (i) the sale by Dean Foods Company of its Morningstar Foods division (the “Morningstar Sale”), (ii) the sale or other disposition, including any public offering, by Dean Foods Company of any portion of the stock of The WhiteWave Foods Company, whether or not occurring before or after the date hereof (the “WhiteWave Stock Sales”), and (iii) any future distribution by Dean Foods Company of all or any portion of the stock of The WhiteWave Foods Company to the shareholders of Dean Foods Company (the “WhiteWave Distribution”). This means that, by signing this letter, you are agreeing that you are not entitled to any Severance Benefits (as defined in the Severance Plan) in connection with the Morningstar Sale, the WhiteWave Stock Sales or the WhiteWave Distribution or any other action taken in connection therewith, related thereto or arising by reason thereof.

Change in Control

You will provided with a new Change in Control agreement, which is comparable to the one currently provided to other Dean Foods senior vice presidents. In general, that agreement provides benefits of two times your annual salary and target bonus, plus vesting of all equity awards and continued health coverage for a period of time following a Change in Control as detailed in the Change in Control Agreement. The details of these provisions are set forth more fully in your signed Change in Control Agreement.

Benefits Plan

You will continue to be eligible for benefits programs that are available for similarly-situated employees such as FlexSelect benefits (medical, dental, vision) and 401(k) in addition to the executive level benefits.

Conclusion

Shay, I am very excited about your achievements thus far and look forward to your future contributions to Dean Foods. I am confident that with your experience, skills, vision and standards, you will continue to make significant contributions to our company in the years to come.

Best regards,

/s/ Gregg A. Tanner

Gregg A. Tanner
CEO, Dean Foods

Agreed and accepted:

/s/ Shay Braun

Shay Braun

Date

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ by and between DEAN FOODS COMPANY, a Delaware corporation (the "Company"), and _____ ("Indemnitee"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Restated Certificate of Incorporation of the Company (the "Certificate of Incorporation") and the Amended and Restated By-laws of the Company (the "By-laws") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Certificate of Incorporation, the By-laws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the By-laws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the Certificate of Incorporation, the By-laws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that Indemnitee be so indemnified; and

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as an officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the By-laws, and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve officer of the Company, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), 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 Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds 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 at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided,

however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) “Corporate Status” describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust or other enterprise which such person is or was serving at the request of the Company.

(d) “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

(f) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’ s rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee’ s counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) “Independent Counsel” shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in

representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term "Proceeding" shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him (or a failure to take action by him) or of any action (or failure to act) on his part while acting pursuant to his Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that Indemnitee's conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the By-laws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee' s behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court (as hereinafter defined) or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee' s behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee' s Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee' s behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority

vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof.

Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee' s conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee' s action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at Indemnitee' s option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not

apply in respect of a proceeding brought by Indemnitee to enforce Indemnitee's rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the By-laws, the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall

be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve [as a [director] [officer] [employee] [agent] of the Company] [,at the request of the Company, as a [director] [officer] [employee] [agent] [fiduciary] of [another corporation, partnership, joint venture, trust or other enterprise] or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the By-laws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

Dean Foods Company
2711 North Haskell Avenue, Suite 3400
Dallas, Texas 75204
Attention: Corporate Secretary

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance

with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnatee pursuant to Section 14(a) of this Agreement, the Company and Indemnatee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably RL&F Service Corp., 920 North King Street, 2nd Floor, Wilmington, New Castle County, Delaware 19801 as its agent in the State of Delaware as such party' s agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

DEAN FOODS COMPANY

INDEMNITEE

By: _____
Name: _____
Office: _____

Name: _____
Address _____

DEAN FOODS COMPANY
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES

Computation of Ratios of Earnings to Fixed Charges for the Years Ended December 31, 2012, 2011, 2010, 2009 and 2008

	Year Ended December 31				
	2012	2011	2010	2009	2008
	(In Thousands)				
Income (loss) from continuing operations before income taxes	\$263,922	\$(2,140,041)	\$77,645	\$320,021	\$276,020
Fixed charges:					
Interest expense	164,572	190,912	191,205	188,275	240,196
Portion of rentals (33%)	44,719	46,872	50,973	50,174	47,251
Capitalized interest	4,225	1,541	1,418	1,676	2,803
Total fixed charges	<u>213,516</u>	<u>239,325</u>	<u>243,596</u>	<u>240,125</u>	<u>290,250</u>
Income (loss) from continuing operations before income taxes and fixed charges less capitalized interest and equity in earnings of unconsolidated affiliates	<u>\$473,231</u>	<u>\$(1,902,257)</u>	<u>\$319,823</u>	<u>\$558,470</u>	<u>\$563,467</u>
Ratio of earnings to fixed charges	2.22x	-	1.31x	2.33x	1.94x
Deficiency in the coverage of earnings to fixed charges	\$-	\$(1,902,257)	\$-	\$-	\$-

Subsidiaries of Dean Foods Company

As of December 31, 2012

Legal Name	Jurisdiction of Organization	Owner	% Ownership	
Alta-Dena Certified Dairy, LLC	DE	Dean West, II, LLC	100.00	%
Azuis Holding B.V.	Netherlands	Dean International Holding Company	100.00	%
Alpro GmbH	Germany	Alpro European Holdings, Sarl	100.00	%
Alpro Comm.VA	Belgium	Dean Foods European Holdings, Sarl.	>99.00	%
		Alpro Holdings, BVBA	<1.00	%
Alpro European Holdings, Sarl	Luxembourg	Alpro Comm.VA	100.00	%
Alpro Holdings, BVBA	Belgium	Dean Foods European Holdings, Sarl.	>99.00	%
		WhiteWave European Management Holdings, SCS	<1.00	%
Alpro Soja Nederland BV	Netherlands	Alpro European Holdings, Sarl	100.00	%
Alpro (UK) Limited	United Kingdom	Alpro European Holdings, Sarl	100.00	%
Berkeley Farms, LLC	CA	Dean West II, LLC	100.00	%
Cascade Equity Realty, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Creamer Nation, LLC	DE	WWF Operating Company	100.00	%
Country Fresh, LLC	MI	Dean East, LLC	100.00	%
Dairy Group Receivables GP II, LLC	DE	Dean Dairy Holdings, LLC	100.00	%
Dairy Group Receivables GP, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Dairy Group Receivables II, L.P.	DE	Dean Dairy Holdings, LLC	99.90	%
		Dairy Group Receivables GP, LLC	00.10	%
Dairy Group Receivables, L.P.	DE	Suiza Dairy Group, LLC	99.90	%
		Dairy Group Receivables GP, II, LLC	00.10	%
Dairy Information Systems Holdings, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Dairy Information Systems, LLC	DE	Dairy Information Systems Holdings, LLC	100.00	%
Dean Dairy Holdings, LLC	DE	Dean Holding Company	100.00	%
Dean East II, LLC	DE	Dean Dairy Holdings, LLC	100.00	%
Dean East, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Dean Foods European Holdings, Sarl.	Luxembourg	WhiteWave European Management Holdings, SCS	100.00	%
Dean Foods North Central, LLC	DE	Dean East II, LLC	100.00	%
Dean Foods of Southern California, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Dean Foods of Wisconsin, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Dean Holding Company	WI	Dean Foods Company	100.00	%
Dean Intellectual Property Services II, Inc.	DE	DIPS Limited Partner II	100.00	%
Dean International Holding Company	DE	Dean Foods Company	100.00	%
Dean Management, LLC	DE	Dean Foods Company	100.00	%
Dean Puerto Rico Holdings, LLC	DE	Dean Foods Company	100.00	%
Dean Services, LLC	DE	Dean Management, LLC	100.00	%
Dean Transportation, Inc.	OH	Dean Dairy Holdings, LLC	100.00	%
Dean West II, LLC	DE	Dean Dairy Holdings, LLC	100.00	%
Dean West, LLC	DE	Suiza Dairy Group, LLC	100.00	%
DFC Aviation Services, LLC	DE	Dean Management, LLC	100.00	%
DFC Energy Partners, LLC	DE	Dean Foods Company	100.00	%
DGI Ventures, Inc.	DE	Dean Foods Company	100.00	%

DIPS Limited Partner II	DE	Dean Holding Company	100.00	%
Franklin Holdings, Inc.	DE	Dean Foods Company	100.00	%
Franklin Plastics, Inc	DE	Franklin Holdings, Inc.	99.50	%
Fresh Dairy Delivery, LLC	DE	Dean Transportation, Inc.	100.00	%
Friendship Dairies, LLC	DE	Morningstar Foods, LLC	100.00	%
Gandy' s Dairies, LLC	DE	Dean West II, LLC	100.00	%
Garellick Farms, LLC	DE	Dean East, LLC	100.00	%
Horizon Organic Dairy Limited	United Kingdom	Horizon Organic International, Inc.	100.00	%
Horizon Organic Dairy, LLC	DE	WWF Operating Company	100.00	%
Horizon Organic International Holding Company	DE	Horizon Organic International, Inc.	95.50	%
		Horizon Organic Dairy Limited	4.50	%
Horizon Organic International, Inc.	DE	WWF Operating Company	100.00	%
Importadora y Distribuidora Dean Foods, S.A. de C.V.	Mexico	Tenedora Dean Foods Internacional, S.A. de C.V.	99.00	%
		Dean Dairy Holdings, LLC	1.00	%
Kohler Mix Specialties of Minnesota, LLC	DE	Marathon Dairy Investment Corp.	15.0	%
		Morningstar Foods, LLC	85.0	%
Kohler Mix Specialties, LLC	DE	Marathon Dairy Investment Corp.	05.0	%
		Morningstar Foods, LLC	95.0	%
Land-O-Sun Dairies, LLC	DE	Dean East, LLC	80.0	%
		Dean Foods Company	20.0	%
Marathon Dairy Investment Corp.	MN	Morningstar Foods, LLC	100.00	%
Mayfield Dairy Farms, LLC	DE	Dean East II, LLC	100.00	%
Meadow Farms Limited	United Kingdom	Horizon Organic Dairy Limited	100.00	%
Midwest Ice Cream Company, LLC	DE	Dean East II, LLC	100.00	%
Model Dairy, LLC	DE	Dean West, LLC	100.00	%
Morningstar Foods, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Morningstar Receivables GP, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Morningstar Receivables, L.P.	DE	Suiza Dairy Group, LLC	99.90	%
		Morningstar Receivables GP, LLC	0.10	%
RDairy Holding Limited	United Kingdom	RDH, LLC	100.00	%
RDH, LLC	DE	Alpro (UK) Limited	100.00	%
Reeves Street, LLC	DE	WWF Operating Company	100.00	%

Legal Name	Jurisdiction of		% Ownership	
	Organization	Owner		
Reiter Dairy, LLC	DE	Dean East II, LLC	100.00	%
Sampson Ventures, LLC	DE	Suiza Dairy Group, LLC	100.00	%
Shenandoah's Pride, LLC	DE	Garellick Farms, LLC	100.00	%
Silk Operating Company, LLC	DE	WWF Operating Company	100.00	%
Sofine Foods BV	Netherlands	Alpro European Holdings, Sarl	100.00	%
Sojinal SAS	France	Alpro European Holdings, Sarl	100.00	%
Southern Foods Group, LLC	DE	Dean West, LLC	100.00	%
Suiza Dairy Group, LLC	DE	Dean Foods Company	100.00	%
Tenedora Dean Foods Internacional, S.A. de C.V.	Mexico	Dean West II, LLC	99.98	%
		Dean Holding Company	0.02	%
The WhiteWave Foods Company	DE	Dean Foods Company	86.7% Economic Interest and 98.5% Voting Interest	
Tuscan/Lehigh Dairies, Inc.	DE	Garellick Farms, LLC	100.00	%
Verifine Dairy Products of Sheboygan, LLC	WI	Dean East II, LLC	100.00	%
WhiteWave European Management Holdings, SCS	Luxembourg	WhiteWave International Management Holdings, SCS	>99.00	%
		WhiteWave European Management, LLC	<1.00	%
WhiteWave European Management, LLC	DE	WhiteWave International Management Holdings, SCS	100.00	%
WhiteWave International Management Holdings, SCS	Luxembourg	Horizon Organic International Holding Company	>99.00	%
		WhiteWave International Management, LLC	<1.00	%
WhiteWave International Management, LLC	DE	Horizon Organic International Holding Company	100.00	%
WhiteWave Receivables GP, LLC	DE	WWF Operating Company	100.00	%
WhiteWave Receivables, L.P.	DE	WWF Operating Company	99.90	%
		WhiteWave Receivables GP, LLC	0.10	%
WhiteWave Services, Inc.	DE	WWF Operating Company	100.00	%
WWF Operating Company	DE	The WhiteWave Foods Company	100.00	%

Merged out of existence 01-01-2013

Morningstar Entites sold to Saputo 01-03-2013

WhiteWave Entities

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-149439 on Form S-3, and Registration Statements No. 333-145747, 333-135577, 333-68319, 333-80641, 333-28019, 333-28021, 333-41353, 333-50013, 333-55969, 333-30160, 333-42828, 333-75820, 333-103252, 333-10424, 333-161638, 333-11185 and 333-178426 on Form S-8 of our reports dated February 27, 2013, relating to the consolidated financial statements and financial statement schedule of Dean Foods Company and subsidiaries (the “Company”), which report expresses an unqualified opinion and includes an explanatory paragraph relating to the company’ s reporting of its Morningstar division as discontinued operations, and the effectiveness of the Company’ s internal control over financial reporting, appearing in this Annual Report on Form 10-K of Dean Foods Company for the year ended December 31, 2012.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas

February 27, 2013

CERTIFICATION

I, Gregg A. Tanner, certify that:

1. I have reviewed this annual report on Form 10-K of Dean Foods Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ GREGG A. TANNER

Chief Executive Officer and Director

February 27, 2013

CERTIFICATION

I, Shaun P. Mara, certify that:

1. I have reviewed this annual report on Form 10-K of Dean Foods Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ SHAUN P. MARA

*Executive Vice President and
Chief Financial Officer*

February 27, 2013

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Dean Foods Company (the "Company") for the fiscal year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregg A. Tanner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GREGG A. TANNER

Gregg A. Tanner

Chief Executive Officer and Director

February 27, 2013

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report on Form 10-K of Dean Foods Company (the "Company") for the fiscal year ended December 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Shaun P. Mara, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/S/ SHAUN P. MARA

Shaun P. Mara
*Executive Vice President and
Chief Financial Officer*

February 27, 2013

DEAN HOLDING COMPANY
CONSOLIDATED BALANCE SHEET INFORMATION

(Unaudited)
(In thousands)

December 31, 2012

Assets	
Current assets:	
Cash and cash equivalents	\$ 11,924
Receivables, net	338,948
Inventories	124,051
Deferred income taxes	28,517
Prepaid expenses and other current assets	5,342
Assets of discontinued operations	3,875
Total current assets	512,657
Property, plant and equipment, net	487,530
Goodwill	44,057
Identifiable intangible and other assets, net	185,432
Total	\$ 1,229,676
Liabilities and Parent's Net Investment	
Current liabilities:	
Accounts payable and accrued expenses	\$ 242,964
Current portion of long-term debt	1
Liabilities of discontinued operations	2,632
Total current liabilities	245,597
Long-term debt	130,879
Deferred income taxes	90,373
Other long-term liabilities	47,330
Parent's net investment:	
Parent's net investment	719,938
Accumulated other comprehensive loss	(4,441)
Total parent's net investment	715,497
Total	\$ 1,229,676

DEAN HOLDING COMPANY
CONSOLIDATED OPERATING INFORMATION
(Unaudited)
(In thousands)

	Year Ended December 31, 2012
Net sales	\$4,092,828
Cost of sales	3,198,154
Gross profit	894,674
Operating costs and expenses:	
Selling and distribution	626,358
General and administrative	58,793
Amortization of intangibles	1,199
Facility closing and reorganization costs	2,062
Total operating costs and expenses	688,412
Operating income	206,262
Other expense:	
Interest expense	11,497
Other expense, net	98,441
Total other expense	109,938
Income from continuing operations before income taxes	96,324
Income taxes	34,249
Income from continuing operations	62,075
Loss from discontinued operations, net of tax	(11,226)
Net income	50,849
Other comprehensive loss, net of tax	(382)
Comprehensive income	<u>\$50,467</u>

DEAN HOLDING COMPANY
INFORMATION RELATED TO CONSOLIDATED STATEMENT OF PARENT' S NET INVESTMENT
(Unaudited)
(In thousands)

	Parent' s	Accumulated	Total
	Net	Other	Parent' s
	Investment	Comprehensive	Net
		Income (Loss)	Investment
Balance, January 1, 2012	\$649,398	\$ (4,059)	\$645,339
Share-based compensation expense	773	-	773
Activity with parent	18,918	-	18,918
Net income	50,849	-	50,849
Other comprehensive income (loss):			
Pension liability adjustment	-	(1,454)	(1,454)
Cumulative translation adjustment	-	1,072	1,072
Balance, December 31, 2012	<u>\$719,938</u>	<u>\$ (4,441)</u>	<u>\$715,497</u>

DEAN HOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS INFORMATION
(Unaudited)
(In thousands)

	<u>Year Ended</u> <u>December 31, 2012</u>
Cash flows from operating activities:	
Net income	\$ 50,849
Loss from discontinued operations	11,226
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	82,498
Share-based compensation expense	773
Gain on disposition of assets and operations	(680)
Write-down of impaired assets	5,767
Deferred income taxes	(16,555)
Other	289
Changes in operating assets and liabilities:	
Receivables, net	(14,250)
Inventories	(6,636)
Prepaid expenses and other assets	(542)
Accounts payable and accrued expenses	27,738
Income tax receivable/payable	(2,335)
Net cash provided by operating activities - continuing operations	138,142
Net cash used in operating activities - discontinued operations	(10,734)
Net cash provided by operating activities	127,408
Cash flows from investing activities:	
Payments for property, plant and equipment	(42,907)
Proceeds from sale of fixed assets	1,985
Net cash used in investing activities	(40,922)
Cash flows from financing activities:	
Net proceeds from receivables-backed facility	1,147,143
Repayment for receivables-backed facility	(1,243,637)
Distribution from parent	11,075
Net cash used in financing activities	(85,419)
Effect of exchange rate changes on cash and cash equivalents	734
Increase in cash and cash equivalents	1,801
Cash and cash equivalents, beginning of period	10,123
Cash and cash equivalents, end of period	<u>\$ 11,924</u>

DEBT (Tables)

12 Months Ended Dec. 31, 2012

[Schedule of Debt Instruments](#)

	December 31, 2012		December 31, 2011	
	Amount Outstanding	Interest Rate	Amount Outstanding	Interest Rate
(In thousands, except percentages)				
Dean Foods Company debt obligations:				
Senior secured credit facility	\$1,292,197	4.82 %*	\$2,477,160	3.00 %*
Senior notes due 2016	499,167	7.00	498,959	7.00
Senior notes due 2018	400,000	9.75	400,000	9.75
	<u>2,191,364</u>		<u>3,376,119</u>	
Subsidiary debt obligations:				
WhiteWave senior secured credit facilities	780,550	2.20 *	—	—
Senior notes due 2017	130,879	6.90	129,117	6.90
Receivables-backed facility	—	—	238,410	1.31 **
Capital lease obligations and other	—		281	
Alpro revolving credit facility	—		—	
	<u>911,429</u>		<u>367,808</u>	
	<u>3,102,793</u>		<u>3,743,927</u>	
Less current portion	(25,535)		(202,292)	
Total long-term portion	<u>\$3,077,258</u>		<u>\$3,541,635</u>	

* Represents a weighted average rate, including applicable interest rate margins, for the senior secured revolving credit facility, term loan A and term loan B.

** Represents a weighted-average rate, including applicable interest rate margins, for indebtedness outstanding under the receivables securitization facility.

[Schedule of Maturities of Long-Term Debt](#)

The scheduled maturities of long-term debt at December 31, 2012, were as follows (in thousands):

	Total	Dean Foods	Other Dean Foods	WhiteWave Senior
		Term Loan B	Company Debt*	Secured Credit Facilities
2013	\$25,535	\$10,535	\$ —	\$ 15,000
2014	290,535	10,535	265,000	15,000
2015	31,786	10,536	—	21,250
2016	992,173	470,923	500,000	21,250
2017	1,137,218	524,668	142,000	470,550
Thereafter	<u>637,500</u>	—	<u>400,000</u>	<u>237,500</u>
Subtotal	3,114,747	1,027,197	1,307,000	780,550
Less discounts	(11,954)	—	(11,954)	—

Total outstanding debt	<u>\$3,102,793</u>	<u>\$1,027,197</u>	<u>\$ 1,295,046</u>	<u>\$ 780,550</u>
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* Includes the Dean Foods revolving credit facility, receivables-backed facility, Dean Foods Company senior notes and the subsidiary senior notes.

[Condensed Consolidating
Balance Sheet](#)

Condensed Consolidating Balance Sheet as of December 31, 2012

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
	(In thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	\$15,242	\$—	\$63,733	\$—	\$78,975
Receivables, net	972	40,080	840,358	—	881,410
Inventories	—	261,265	146,647	—	407,912
Intercompany receivables	—	4,190,180	79,938	(4,270,118)	—
Other current assets	6,464	112,021	43,007	—	161,492
Assets of discontinued operations	—	672,989	—	—	672,989
Total current assets	<u>22,678</u>	<u>5,276,535</u>	<u>1,173,683</u>	<u>(4,270,118)</u>	<u>2,202,778</u>
Property, plant and equipment, net	4	1,244,616	628,659	—	1,873,279
Goodwill	—	86,839	765,588	—	852,427
Identifiable intangible and other assets, net	101,950	280,043	376,614	—	758,607
Investment in subsidiaries	<u>6,325,265</u>	<u>74,054</u>	<u>—</u>	<u>(6,399,319)</u>	<u>—</u>
Total	<u>\$6,449,897</u>	<u>\$6,962,087</u>	<u>\$2,944,544</u>	<u>\$(10,669,437)</u>	<u>\$5,687,091</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)					
Current liabilities:					
Accounts payable and accrued expenses	\$133,689	\$769,644	\$290,793	\$—	\$1,194,126
Intercompany payables	3,582,794	—	687,324	(4,270,118)	—
Current portion of debt	10,535	1	14,999	—	25,535
Current portion of litigation settlements	20,000	—	—	—	20,000
Liabilities of discontinued operations	—	101,332	—	—	101,332
Total current liabilities	<u>3,747,018</u>	<u>870,977</u>	<u>993,116</u>	<u>(4,270,118)</u>	<u>1,340,993</u>
Long-term debt	2,180,829	130,879	765,550	—	3,077,258
Other long-term liabilities	111,151	352,784	291,565	—	755,500

Long-term litigation settlements	53,712	—	—	—	53,712
Dean Foods Company stockholders' equity (deficit)	357,187	5,607,447	791,872	(6,399,319)	357,187
Non-controlling interest	—	—	102,441	—	102,441
Total stockholders' equity (deficit)	357,187	5,607,447	894,313	(6,399,319)	459,628
Total	<u>\$6,449,897</u>	<u>\$6,962,087</u>	<u>\$2,944,544</u>	<u>\$(10,669,437)</u>	<u>\$5,687,091</u>

Condensed Consolidating Balance Sheet as of December 31, 2011

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
(In thousands)					
ASSETS					
Current assets:					
Cash and cash equivalents	\$3,061	\$6,709	\$105,880	\$—	\$115,650
Receivables, net	104	46,725	826,129	—	872,958
Income tax receivable	24,934	—	26	—	24,960
Inventories	—	257,228	127,763	—	384,991
Intercompany receivables	—	3,798,921	545,247	(4,344,168)	—
Intercompany note receivable	—	125,000	—	(125,000)	—
Other current assets	44,779	90,986	35,711	—	171,476
Assets of discontinued operations	—	600,017	68,656	—	668,673
Total current assets	72,878	4,925,586	1,709,412	(4,469,168)	2,238,708
Property, plant and equipment, net	413	1,336,921	598,901	—	1,936,235
Goodwill	—	86,840	762,337	—	849,177
Identifiable intangible and other assets, net	69,904	276,446	384,697	—	731,047
Investment in subsidiaries	<u>7,676,028</u>	<u>75,381</u>	<u>—</u>	<u>(7,751,409)</u>	<u>—</u>
Total	<u>\$7,819,223</u>	<u>\$6,701,174</u>	<u>\$3,455,347</u>	<u>\$(12,220,577)</u>	<u>\$5,755,167</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$129,369	\$763,395	\$234,953	\$—	\$1,127,717
Intercompany payables	4,204,433	26,604	113,131	(4,344,168)	—

Current portion of debt	202,012	12	268	—	202,292
Intercompany note payable	—	—	125,000	(125,000)	—
Current portion of litigation settlements	60,838	—	—	—	60,838
Liabilities of discontinued operations	—	85,008	48,194	—	133,202
Total current liabilities	4,596,652	875,019	521,546	(4,469,168)	1,524,049
Long-term debt	3,174,107	129,118	238,410	—	3,541,635
Other long-term liabilities	78,862	387,772	248,500	—	715,134
Long-term litigation settlements	73,000	—	—	—	73,000
Dean Foods Company stockholders' equity (deficit)	(103,398)	5,309,265	2,442,144	(7,751,409)	(103,398)
Non-controlling interest	—	—	4,747	—	4,747
Total stockholders' equity (deficit)	(103,398)	5,309,265	2,446,891	(7,751,409)	(98,651)
Total	\$7,819,223	\$6,701,174	\$3,455,347	\$(12,220,577)	\$5,755,167

[Condensed Consolidating Statement of Operations](#)

Condensed Consolidating Statement of Comprehensive

Income for

the Year Ended December 31, 2012

	Non-				Consolidated
	Parent	Guarantor Subsidiaries	Guarantor Subsidiaries	Eliminations	
	(In thousands)				
Net sales	\$—	\$9,262,725	\$2,199,552	\$—	\$11,462,277
Cost of sales	—	7,170,646	1,391,633	—	8,562,279
Gross profit	—	2,092,079	807,919	—	2,899,998
Selling and distribution	—	1,418,695	493,893	—	1,912,588
General and administrative	7,741	428,945	118,326	—	555,012
Amortization of intangibles	—	3,759	2,524	—	6,283
Facility closing and reorganization costs	—	55,787	—	—	55,787
Other operating (income) loss	574	—	(58,033)	—	(57,459)
Interest expense	141,784	18,166	4,622	—	164,572
Other (income) expense, net	(8,163)	15,985	(8,529)	—	(707)

Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(141,936)	150,742	255,116	—	263,922
Income tax expense (benefit)	(60,902)	67,337	140,074	—	146,509
Income (loss) before equity in earnings (loss) of subsidiaries	(81,034)	83,405	115,042	—	117,413
Equity in earnings (loss) of consolidated subsidiaries	239,656	(3,843)	—	(235,813)	—
Income (loss) from continuing operations	158,622	79,562	115,042	(235,813)	117,413
Income from discontinued operations, net of tax	—	45,681	—	—	45,681
Loss on sale of discontinued operations, net of tax	—	—	(2,053)	—	(2,053)
Net income (loss)	158,622	125,243	112,989	(235,813)	161,041
Net income attributable to non-controlling interest	—	—	(2,419)	—	(2,419)
Net income (loss) attributable to Dean Foods Company	158,622	125,243	110,570	(235,813)	158,622
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	2,002	(2,467)	8,932	—	8,467
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$160,624</u>	<u>\$122,776</u>	<u>\$119,502</u>	<u>\$(235,813)</u>	<u>\$167,089</u>

**Condensed Consolidating Statement of Comprehensive Income (Loss) for
the Year Ended December 31, 2011**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
	(In thousands)				
Net sales	\$—	\$9,707,177	\$1,934,014	\$—	\$11,641,191
Cost of sales	—	7,612,325	1,249,249	—	8,861,574
Gross profit	—	2,094,852	684,765	—	2,779,617
Selling and distribution	—	1,455,170	423,202	—	1,878,372
General and administrative	9,613	464,974	110,701	—	585,288
Amortization of intangibles	—	4,997	2,619	—	7,616
Facility closing and reorganization costs	—	45,688	—	—	45,688

Litigation settlements	131,300	—	—	—	131,300
Goodwill impairment	—	2,075,836	—	—	2,075,836
Other operating (income) loss	(801)	(12,985)	20,347	—	6,561
Interest expense	172,926	17,851	135	—	190,912
Other (income) expense, net	(10,665)	25,589	(16,839)	—	(1,915)
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(302,373)	(1,982,268)	144,600	—	(2,140,041)
Income tax expense (benefit)	(114,956)	(456,304)	81,672	—	(489,588)
Income (loss) before equity in earnings (loss) of subsidiaries	(187,417)	(1,525,964)	62,928	—	(1,650,453)
Equity in earnings (loss) of consolidated subsidiaries	(1,388,204)	(994)	—	1,389,198	—
Income (loss) from continuing operations	(1,575,621)	(1,526,958)	62,928	1,389,198	(1,650,453)
Income from discontinued operations, net of tax	—	54,666	—	—	54,666
Gain on sale of discontinued operations, net of tax	—	—	3,616	—	3,616
Net income (loss)	(1,575,621)	(1,472,292)	66,544	1,389,198	(1,592,171)
Net loss attributable to non-controlling interest	—	—	16,550	—	16,550
Net income (loss) attributable to Dean Foods Company	(1,575,621)	(1,472,292)	83,094	1,389,198	(1,575,621)
Other comprehensive loss, net of tax, attributable to Dean Foods Company	(38,658)	(1,589)	(12,620)	—	(52,867)
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$(1,614,279)</u>	<u>\$(1,473,881)</u>	<u>\$70,474</u>	<u>\$1,389,198</u>	<u>\$(1,628,488)</u>

**Condensed Consolidating Statement of Comprehensive Income for
the Year Ended December 31, 2010**

	Non-			
	Guarantor	Guarantor		Consolidated
Parent	Subsidiaries	Subsidiaries	Eliminations	Totals

	(In thousands)				
Net sales	\$—	\$9,086,547	\$1,733,690	\$—	\$10,820,237
Cost of sales	—	6,943,389	1,120,543	—	8,063,932
Gross profit	—	2,143,158	613,147	—	2,756,305
Selling and distribution	—	1,417,073	399,885	—	1,816,958
General and administrative	7,920	482,376	110,881	—	601,177
Amortization of intangibles	—	5,784	2,558	—	8,342
Facility closing and reorganization costs	—	30,761	—	—	30,761
Litigation settlements	—	30,000	—	—	30,000
Interest expense	179,972	10,890	343	—	191,205
Other (income) expense, net	(7,909)	28,643	(20,517)	—	217
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(179,983)	137,631	119,997	—	77,645
Income tax expense (benefit)	(79,144)	81,332	43,965	—	46,153
Income (loss) before equity in earnings (loss) of subsidiaries	(100,839)	56,299	76,032	—	31,492
Equity in earnings (loss) of consolidated subsidiaries	192,330	3,465	—	(195,795)	—
Income (loss) from continuing operations	91,491	59,764	76,032	(195,795)	31,492
Income (loss) from discontinued operations, net of tax	—	46,248	(2,505)	—	43,743
Gain on sale of discontinued operations, net of tax	—	—	7,521	—	7,521
Net income (loss)	91,491	106,012	81,048	(195,795)	82,756
Net loss attributable to non-controlling interest	—	—	8,735	—	8,735
Net income (loss) attributable to Dean Foods Company	91,491	106,012	89,783	(195,795)	91,491
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	40,492	1,353	(21,522)	—	20,323
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$131,983</u>	<u>\$107,365</u>	<u>\$68,261</u>	<u>\$(195,795)</u>	<u>\$111,814</u>

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2012**

[Condensed Consolidating Statement of Cash Flows](#)

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated Totals
	(In thousands)				
Cash flows from operating activities:					
Net cash provided by (used in) operating activities — continuing operations	\$(83,915)	\$202,719	\$265,517	\$—	\$384,321
Net cash provided by operating activities — discontinued operations	—	56,221	—	—	56,221
Net cash provided by (used in) operating activities	(83,915)	258,940	265,517	—	440,542
Cash flows from investing activities:					
Payments for property, plant and equipment	(1,564)	(124,085)	(102,434)	—	(228,083)
Proceeds from intercompany note	1,155,000	—	—	(1,155,000)	—
Proceeds from intercompany dividend	—	—	70,000	(70,000)	—
Proceeds from insurance and other recoveries	3,075	3,356	1,050	—	7,481
Proceeds from divestitures	—	58,034	—	—	58,034
Proceeds from sale of fixed assets	—	9,606	4,859	—	14,465
Other, net	—	(725)	(519)	—	(1,244)
Net cash provided by (used in) investing activities — continuing operations	1,156,511	(53,814)	(27,044)	(1,225,000)	(149,347)
Net cash used in investing activities — discontinued operations	—	(24,831)	—	—	(24,831)
Net cash provided by (used in) investing activities	1,156,511	(78,645)	(27,044)	(1,225,000)	(174,178)
Cash flows from financing activities:					
Repayment of Dean Foods Company senior secured term loan debt	(1,350,263)	(12)	—	—	(1,350,275)
Proceeds from senior secured revolver	2,481,800	—	—	—	2,481,800

Payments for senior secured revolver	(2,316,500)	—	—	—	(2,316,500)
Proceeds from receivables-backed facility	—	—	2,834,551	—	2,834,551
Payments for receivables-backed facility	—	—	(3,072,961)	—	(3,072,961)
Proceeds from subsidiary senior secured credit facility	—	—	1,019,200	—	1,019,200
Payments for subsidiary senior secured credit facility	—	—	(238,650)	—	(238,650)
Payment of financing costs	—	—	(12,278)	—	(12,278)
Proceeds from sale of subsidiary shares in initial public offering, net of offering costs	—	—	367,540	—	367,540
Repayment of intercompany note	—	—	(1,155,000)	1,155,000	—
Payment of intercompany dividend	—	—	(70,000)	70,000	—
Issuance of common stock, net of share repurchases for withholding taxes	6,434	—	—	—	6,434
Tax savings on share-based compensation	571	—	—	—	571
Net change in intercompany balances	117,543	(165,097)	47,554	—	—
Net cash used in financing activities — continuing operations	(1,060,415)	(165,109)	(280,044)	1,225,000	(280,568)
Net cash used in financing activities — discontinued operations	—	(21,895)	—	—	(21,895)
Net cash used in financing activities	(1,060,415)	(187,004)	(280,044)	1,225,000	(302,463)
Effect of exchange rate changes on cash and cash equivalents	—	—	(576)	—	(576)

Increase (decrease) in cash and cash equivalents	12,181	(6,709)	(42,147)	—	(36,675)
Cash and cash equivalents, beginning of period	3,061	6,709	105,880	—	115,650
Cash and cash equivalents, end of period	\$15,242	\$—	\$63,733	—	\$78,975

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2011**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Consolidated Totals</u>
(In thousands)				
Cash flows from operating activities:				
Net cash provided by (used in) operating activities — continuing operations	\$(59,869)	\$417,030	\$54,496	\$411,657
Net cash provided by operating activities — discontinued operations	—	52,913	774	53,687
Net cash provided by (used in) operating activities	(59,869)	469,943	52,270	465,344
Cash flows from investing activities:				
Payments for property, plant and equipment	—	(177,958)	(127,209)	(305,167)
Proceeds from insurance and other recoveries	—	786	—	786
Proceeds from divestitures	—	91,958	—	91,958
Proceeds from sale of fixed assets	—	6,650	711	7,361
Net cash used in investing activities — continuing operations	—	(78,564)	(126,498)	(205,062)
Net cash provided by (used in) investing activities — discontinued operations	—	77,293	(491)	76,802
Net cash used in investing activities	—	(1,271)	(126,989)	(128,260)

Cash flows from financing activities:				
Repayment of Dean Foods Company senior secured term loan debt	(203,070)	(6,201)	(614)	(209,885)
Proceeds from senior secured revolver	3,274,390	—	—	3,274,390
Payments for senior secured revolver	(3,627,690)	—	—	(3,627,690)
Proceeds from receivables-backed facility	—	—	4,246,006	4,246,006
Payments for receivables-backed facility	—	—	(4,007,598)	(4,007,598)
Payment of financing costs	(600)	—	—	(600)
Issuance of common stock, net of share repurchases for withholding taxes	3,623	—	—	3,623
Tax savings on share-based compensation	33	—	—	33
Capital contribution from non-controlling interest	—	—	6,754	6,754
Net change in intercompany balances	615,937	(477,131)	(138,806)	—
Net cash provided by (used in) financing activities — continuing operations	62,623	(483,332)	105,742	(314,967)
Net cash provided by financing activities — discontinued operations	—	21,369	—	21,369
Net cash provided by (used in) financing activities	62,623	(461,963)	105,742	(293,598)
Effect of exchange rate changes on cash and cash equivalents	—	—	(4,588)	(4,588)

Increase in cash and cash equivalents	2,754	6,709	29,435	38,898
Cash and cash equivalents, beginning of period	307	—	76,445	76,752
Cash and cash equivalents, end of period	<u>\$3,061</u>	<u>\$6,709</u>	<u>\$105,880</u>	<u>\$115,650</u>

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2010**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Consolidated Totals</u>
(In thousands)				
Cash flows from operating activities:				
Net cash provided by operating activities — continuing operations	\$45,054	\$243,744	\$201,847	\$490,645
Net cash provided by operating activities — discontinued operations	—	19,808	8,765	28,573
Net cash provided by operating activities	45,054	263,552	210,612	519,218
Cash flows from investing activities:				
Payments for property, plant and equipment	—	(223,560)	(52,362)	(275,922)
Proceeds from sale of fixed assets	—	7,235	1,004	8,239
Net cash used in investing activities — continuing operations	—	(216,325)	(51,358)	(267,683)
Net cash provided by (used in) investing activities — discontinued operations	—	(25,892)	24,121	(1,771)
Net cash used in investing activities	—	(242,217)	(27,237)	(269,454)
Cash flows from financing activities:				
Proceeds from the issuance of debt	400,000	—	—	400,000

Repayment of Dean Foods Company senior secured term loan debt	(501,220)	(12,824)	(145)	(514,189)
Proceeds from senior secured revolver	4,006,680	—	—	4,006,680
Payments for senior secured revolver	(4,068,880)	—	—	(4,068,880)
Proceeds from receivables-backed facility	—	—	2,220,267	2,220,267
Payments for receivables-backed facility	—	—	(2,220,267)	(2,220,267)
Payment of financing costs	(52,720)	—	—	(52,720)
Issuance of common stock, net of share repurchases for withholding taxes	3,415	—	—	3,415
Tax savings on share-based compensation	278	—	—	278
Capital contribution from non-controlling interest	—	—	7,992	7,992
Net change in intercompany balances	158,035	(8,243)	(149,792)	—
Net cash used in financing activities — continuing operations	(54,412)	(21,067)	(141,945)	(217,424)
Net cash used in financing activities — discontinued operations	—	(268)	—	(268)
Net cash used in financing activities	(54,412)	(21,335)	(141,945)	(217,692)
Effect of exchange rate changes on cash and cash equivalents	—	—	(502)	(502)

Increase (decrease) in cash and cash equivalents	(9,358)	—	40,928	31,570
Cash and cash equivalents, beginning of period	9,665	—	35,517	45,182
Cash and cash equivalents, end of period	<u>\$307</u>	<u>\$—</u>	<u>\$76,445</u>	<u>\$76,752</u>

Commitments And Contingencies - Additional Information (Detail) (USD \$) In Millions, unless otherwise specified	12 Months Ended				3 Months Ended		12 Months Ended		12 Months Ended		1 Months Ended	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 21, 2001	Feb. 21, 2012 Standby Letters of Credit [Member]	Dec. 30, 2011 Tennessee Dairy Farmer Actions [Member]	Dec. 31, 2012 Tennessee Dairy Farmer Actions Cases [Member]	Feb. 21, 2012 Tennessee Dairy Farmer Actions [Member]	Dec. 31, 2012 Minimum Tennessee Dairy Farmer Actions [Member] Y	Dec. 31, 2012 Maximum Tennessee Dairy Farmer Actions [Member] Y	Feb. 21, 2012 Maximum Tennessee Dairy Farmer Actions [Member]	Dec. 31, 2012 Maximum Tennessee Dairy Farmer Actions [Member] Y	Dec. 31, 2012 Contingent Promissory Note [Member]
Acquired interest percentage				33.80%									
Principal amount of contingent promissory note													\$ 40
Promissory note, term (years)													20 years
Contingent promissory note, maximum amount including interest													96
Promissory note, maturity date													Dec. 21, 2021
Insurance deductible for casualty claims	2.0												
Accrued liabilities related to retained risks	170.2	186.2											
Lease term, (years)								1		20			
Rent expenses	134.2	140.6	153.0										
Number of class actions settled						6							
Amount of settlement agreement						140							
Time period for distribution of funds for settlement, in years									4			5	
Present value of litigation settlement						131.3							
Discount rate used to determine present value of litigation settlement							4.77%						
Initial payment into an escrow account								60					
Issuance of standby letter of credit					80								
Payments for legal settlements											\$ 20		

Earnings (Loss) Per Share - Reconciliation of Numerators and Denominators Used in Computations of Both Basic and Diluted Earnings Per Share (Parenthetical) (Detail)	12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Common Stock [Member]			
Earnings Per Share [Line Items]			
Anti-dilutive options excluded	14,198,873	20,763,870	19,681,022
Stock Units [Member]			
Earnings Per Share [Line Items]			
Anti-dilutive options excluded	16,384	2,499,769	158,991

WhiteWave Initial Public Offering and Proposed Spin-Off or Other Disposition (Detail) (WhiteWave Foods [Member], USD \$)	1 Months Ended Oct. 31, 2012	12 Months Ended Dec. 31, 2012	Oct. 12, 2012
<u>Initial Public Offering [Line Items]</u>			
<u>Increase in equity portion attributable to noncontrolling interest</u>	\$ 98,100,000		
<u>Increase in additional paid in capital</u>	265,000,000		
<u>Reduction in accumulated other comprehensive loss</u>	4,500,000		
<u>Initial net proceeds from the IPO</u>	282,000,000		
<u>Repayment of indebtedness</u>		86,000,000	
<u>Common stock voting rights</u>	<p>The rights of the holders of the shares of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share, and each share of class B common stock is entitled to ten votes per share, subject to reduction in accordance with the terms of WhiteWave's amended and restated certificate of incorporation, on all matters presented to WhiteWave stockholders. Each share of Class B common stock is convertible into one share of Class A common stock at any time at our election and automatically in certain circumstances.</p>		
<u>Voting Power of outstanding shares</u>	98.50%		
<u>Economic Interest of outstanding shares</u>	86.70%		
<u>Percentage of common stock shares to be retained</u>		19.90%	
<u>Common stock shares outstanding to be retained</u>		34,400,000	
<u>Senior Secured Credit Facility</u>			1,350,000,000
<u>New Indebtedness</u>	885,000,000		885,000,000
<u>Transaction costs</u>		\$	
		26,000,000	
Common Class A [Member]			
<u>Initial Public Offering [Line Items]</u>			
<u>Common stock sold</u>	23,000,000		

<u>Common stock at a price</u>	\$ 17
<u>Number of shares owned</u>	0
Common Class B [Member]	
<u>Initial Public Offering [Line Items]</u>	
<u>Common Stock Shares</u>	150,000,000
<u>Number of shares owned</u>	150,000,000
<u>Percentage of share owned</u>	100.00%

**COMMITMENTS AND
CONTINGENCIES (Tables)**

**12 Months Ended
Dec. 31, 2012**

[Future Minimum Payments under Non-Cancelable Operating Leases](#)

Future minimum payments at December 31, 2012, under non-cancelable operating leases with terms in excess of one year are summarized below:

	<u>Operating Leases</u>
	<u>(In thousands)</u>
2013	\$ 113,249
2014	93,952
2015	74,011
2016	43,295
2017	31,511
Thereafter	99,516
Total minimum lease payments	<u>\$ 455,534</u>

**Employee Retirement and
Profit Sharing Plans - Net
Periodic Benefit Cost
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Defined Benefit Plan Disclosure [Line Items]

Net periodic benefit cost \$ 14,720 \$ 13,849 \$ 12,975

Employee Retirement and Profit Sharing Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Service cost</u>	4,477	4,151	3,699
<u>Interest cost</u>	14,514	15,735	16,941
<u>Expected return on plan assets</u>	(17,604)	(17,105)	(16,584)
<u>Unrecognized transition obligation</u>	129	130	112
<u>Prior service cost</u>	763	770	716
<u>Unrecognized net loss</u>	11,667	9,060	5,594
<u>Effect of curtailment</u>			790
<u>Effect of settlement</u>		969	1,707
<u>Other</u>	774	139	
<u>Net periodic benefit cost</u>	\$ 14,720	\$ 13,849	\$ 12,975

**Income Tax - Schedule of
Income Tax Expense
(Benefit) (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Income taxes Abstract:

<u>Federal, current</u>	\$ 118,544	[1] \$ (21,851)	[2] \$ (65,165)	[3]
<u>State, current</u>	27,052	[1] 3,911	[2] (3,295)	[3]
<u>Foreign, current</u>	3,571	[1] 598	[2] 2,050	[3]
<u>Total current income tax expense (benefit)</u>	149,167	[1] (17,342)	[2] (66,410)	[3]
<u>Federal, deferred</u>	3,745	[1] (399,057)	[2] 102,261	[3]
<u>State, deferred</u>	(4,346)	[1] (72,195)	[2] 8,855	[3]
<u>Foreign, deferred</u>	(2,057)	[1] (994)	[2] 1,447	[3]
<u>Total deferred income tax expense (benefit)</u>	(2,658)	[1] (472,246)	[2] 112,563	[3]
<u>Total income tax expense (benefit)</u>	\$ 146,509	[1] \$ (489,588)	[2] \$ 46,153	[3]

[1] Excludes \$21.9 million in income tax expense related to discontinued operations.

[2] Excludes \$33.3 million in income tax expense related to discontinued operations.

[3] Excludes \$18.6 million in income tax expense related to discontinued operations.

**Employee Retirement and
Profit Sharing Plans - Fair
Values by Category of Inputs
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	\$ 260,912	\$ 232,229	
Equity Securities, Common Stock [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	112	94	
Equity Securities, Index Funds, U.S. Equities [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	119,377	[1] 107,247	[1]
Equity Securities, Index Funds, International Equities [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	22,373	[2] 18,986	[2]
Equity Securities, Index Funds, Equity Funds [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	7,320	[3] 6,546	[3]
Equity Securities [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	149,182	132,873	
Fixed Income, Bond Funds [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	93,200	[4] 82,192	[4]
Fixed Income, Diversified Funds [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	2,938	[5] 3,266	[5]
Total Fixed Income [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	96,138	85,458	
Money Market [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	4,327	[6] 4,608	[6]
Total Cash Equivalents [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	4,327	4,608	
Other Investments, Insurance Contracts [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total, Fair Value</u>	9,818	[7] 7,710	[7]

Other Investments, Partnerships/Joint Ventures [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	1,447	[8] 1,580	[8]
Total Other Investments [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	11,265	9,290	
Level 1 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	112	94	
Level 1 [Member] Equity Securities, Common Stock [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	112	94	
Level 1 [Member] Equity Securities, Index Funds, U.S. Equities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	[1]
Level 1 [Member] Equity Securities, Index Funds, International Equities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	[2]
Level 1 [Member] Equity Securities, Index Funds, Equity Funds [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	[3]
Level 1 [Member] Equity Securities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	112	94	
Level 2 [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	246,597	219,579	
Level 2 [Member] Equity Securities, Common Stock [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	
Level 2 [Member] Equity Securities, Index Funds, U.S. Equities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	119,377	[1] 107,247	[1]
Level 2 [Member] Equity Securities, Index Funds, International Equities [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	22,373	[2] 18,986	[2]
Level 2 [Member] Equity Securities, Index Funds, Equity Funds [Member]			

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 7,320 [3] 6,546 [3]

Level 2 [Member] | Equity Securities [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 149,070 132,779

Level 2 [Member] | Fixed Income, Bond Funds [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 93,200 [4] 82,192 [4]

Level 2 [Member] | Fixed Income, Diversified Funds [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 0 [5]

Level 2 [Member] | Total Fixed Income [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 93,200 82,192

Level 2 [Member] | Money Market [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 4,327 [6] 4,608 [6]

Level 2 [Member] | Total Cash Equivalents [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 4,327 4,608

Level 3 [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 14,203 12,556 11,186

Level 3 [Member] | Equity Securities, Common Stock [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 0

Level 3 [Member] | Equity Securities, Index Funds, U.S. Equities [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 0 [1]

Level 3 [Member] | Equity Securities, Index Funds, International Equities [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 0 [2]

Level 3 [Member] | Equity Securities, Index Funds, Equity Funds [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 0 [3]

Level 3 [Member] | Fixed Income, Diversified Funds [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value 2,938 [5] 3,266 [5] 3,104

Level 3 [Member] | Total Fixed Income [Member]

Defined Benefit Plan Disclosure [Line Items]

Total, Fair Value	2,938	3,266	
Level 3 [Member] Money Market [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	[6]
Level 3 [Member] Total Cash Equivalents [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value		0	
Level 3 [Member] Other Investments, Insurance Contracts [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	9,818	[7] 7,710	[7] 6,169
Level 3 [Member] Other Investments, Partnerships/Joint Ventures [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	1,447	[8] 1,580	[8] 1,913
Level 3 [Member] Total Other Investments [Member]			
Defined Benefit Plan Disclosure [Line Items]			
Total, Fair Value	\$ 11,265	\$ 9,290	

[1] Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.

[2] Represents a pooled/separate account that tracks the MSCI EAFE Index.

[3] Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.

[4] Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.

[5] Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.

[6] Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.

[7] Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.

[8] The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

Discontinued Operations and Divestitures - Additional Information (Detail)	1 Months Ended		6 Months Ended	12 Months Ended			1 Months Ended	3 Months Ended	12 Months Ended	1 Months Ended
	Jul. 02, 2012	Jul. 02, 2012	Jun. 30, 2012	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Sep. 30, 2011	Sep. 30, 2010	Dec. 31, 2010	Jan. 03, 2013
	USD (\$)	EUR (€)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	Rachel's USD (\$)	Rachel's USD (\$)	Prior Discontinued Operation [Member] USD (\$)	Morningstar [Member] Subsequent Event USD (\$)
Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups, Including Discontinued Operations [Line Items]										
Net cash proceed for full repayment of debt										\$ 1,450,000,000
Net pre-tax gain related to divestiture										850,000,000
Damages payable under settlement agreement	5,200,000	4,100,000								
Fees and expenses under settlement agreement	2,000,000	1,600,000								
Contingent obligations, additional damages			2,500,000							
Gain on sale of discontinued operations, net of tax				(2,053,000)	3,616,000	7,521,000	3,600,000	5,700,000	1,800,000	
Expense related to prior discontinued operations				21,900,000	33,300,000	18,600,000			121,000	
Loss on sale of discontinued operations					(6,600,000)					
Expense related to prior discontinued operations				23,600,000	1,500,000	9,800,000				
Discontinued operations transaction costs				\$ 22,900,000	\$ 0	\$ 3,600,000				

**Income Taxes -
Reconciliation of Gross
Unrecognized Tax Benefits
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Reconciliation Of Unrecognized Tax Benefits [Line Items]

<u>Balance at beginning of year</u>	\$ 41,701	\$ 58,165	\$ 72,611
<u>Increases in tax positions for current year</u>	249	15,531	1,245
<u>Increases in tax positions for prior years</u>	5,161	4,518	7,857
<u>Decreases in tax positions for prior years</u>	(3,932)	(31,162)	(18,295)
<u>Settlement of tax matters</u>	(2,961)	(4,066)	(3,884)
<u>Lapse of applicable statutes of limitations</u>	(2,051)	(1,285)	(1,369)
<u>Balance at end of year</u>	\$ 38,167	\$ 41,701	\$ 58,165

**Common Stock and Share-
Based Compensation - Stock
Unit Grants and Stock Unit
Expense (Detail) (Restricted
Stock Units [Member], USD
\$)**

**In Thousands, except Per
Share data, unless otherwise
specified**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

Restricted Stock Units [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Weighted-average grant date fair value of RSUs granted

\$ 11.90 \$ 10.31 \$ 8.45

Tax benefit related to RSU expense

\$ 5,041 \$ 5,495 \$ 5,852

**FACILITY CLOSING AND
REORGANIZATION
COSTS (Tables)**

12 Months Ended

Dec. 31, 2012

[Approved Plans and Related
Charges](#)

Approved plans within our multi-year initiatives and related charges are summarized as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Fresh Dairy Direct:			
Closure of facilities(1)	\$18,536	\$18,751	\$21,350
Broad-based reduction of facility and distribution personnel(2)	—	(282)	3,404
Organization Optimization Initiative(3)	(197)	4,269	0
Management Realignment(5)	—	(194)	3,100
Functional Realignment(6)	26,419	—	—
Field and Functional Reorganization (7)	6,000	—	—
Total Fresh Dairy Direct	50,758	22,544	27,854
Corporate:			
Department Realignment(4)	(96)	2,535	2,907
Organization Optimization Initiative(3)	(675)	20,609	—
Functional Realignment(6)	5,800	—	—
Total Corporate	5,029	23,144	2,907
Total	<u>\$55,787</u>	<u>\$45,688</u>	<u>\$30,761</u>

- (1) These charges in 2012, 2011 and 2010 primarily relate to facility closures in Ewart, Michigan; Bangor, Maine; Newport, Kentucky; Baxley, Georgia; and Florence, South Carolina, as well as other approved closures. We have incurred \$73.1 million of charges related to these initiatives to date. We expect to incur additional charges related to these facility closures of \$1.2 million, related to shutdown and other costs. As we continue the evaluation of our supply chain described more fully below it is likely that we will close additional facilities in the future.
- (2) These charges relate to a plan to reduce the workforce within our Fresh Dairy Direct segment impacting approximately 230 positions. Implementation began during the second quarter of 2010 and was carried out over the balance of the year. The reduction in workforce affected employees across the country and was a result of operational changes from supply chain initiatives. The workforce reduction costs related to this plan were part of an existing benefit arrangement; therefore, the full amount of expected severance benefits was accrued during the second quarter of 2010. We incurred total charges of \$3.1 million related to this initiative and do not expect to incur any additional charges in the future.
- (3) In the first quarter of 2011 we initiated a significant cost reduction program that is incremental to our other ongoing cost-savings initiatives. This initiative is focused on permanently removing costs out of our business through organizational and corporate departmental redesigns, driven by process simplification and standardization, centralization of activities and reorganization to drive growth in our core customers and categories. As part of this program, we eliminated approximately 300 corporate and field positions during 2011. The charges recorded during 2011 relate to workforce reduction costs and include costs associated with eliminating the position filled by our then President and Chief Operating Officer. We incurred \$24.0 million of charges related to this initiative to date, and we do not expect to incur any material additional charges under this program going forward.

- (4) Charges relate to workforce reduction costs associated with a multi-year cost reduction plan aimed at centralization and process improvement, as well as business unit and functional organization redesigns. The plan was implemented during the fourth quarter of 2010 and resulted in the elimination of approximately 75 positions as each function reorganized its processes in line with peer comparisons and internally developed functional blueprints as approved by an executive operating team. We incurred total charges of \$5.4 million related to this initiative and do not expect to incur any additional charges in the future.
- (5) In 2010, we realigned management positions within our Fresh Dairy Direct segment to facilitate supply-chain and commercial focused functions across the segment. This resulted in the elimination of the position filled by the then President of Fresh Dairy Direct and we incurred \$2.9 million of workforce reduction costs. We do not expect additional costs related to this initiative.
- (6) During the first quarter of 2012, our management team reassessed our company-wide strategy, resulting in a shift in focus to deploying our capital and strategically investing in the value-added segments of our business. With this new strategy, our goal is to invest our strategic capital primarily in those initiatives that yield higher returns over shorter time frames. In connection with this change, our management team approved a cost reduction plan that is incremental to any other prior cost savings initiative. This initiative is focused on aligning key functions within the Fresh Dairy Direct organization under a single leadership team and permanently removing costs from the Fresh Dairy Direct organization as well as certain functions that support this segment of our business. During the first half of 2012, we eliminated approximately 120 positions at our corporate headquarters that directly supported our Fresh Dairy Direct business. Charges recorded during the year ended December 31, 2012 are related to workforce reduction costs, the write-down of certain information technology assets and leasehold improvements, lease termination costs and costs associated with exiting other commitments deemed not necessary to execute our new strategy. We have incurred total charges of approximately \$32.2 million under this initiative to date and we may incur additional charges in the future under this plan, primarily related to lease termination costs at our corporate headquarters in Dallas, Texas.
- (7) During the fourth quarter of 2012, our executive management team approved a plan to reorganize Fresh Dairy Direct's field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. As future tranches have not been approved by our executive management team, future costs to be incurred are not yet estimable.

Activity for 2012 and 2011 with respect to facility closing and reorganization costs is summarized below and includes items expensed as incurred:

	Accrued Charges at December 31, 2010			Accrued Charges at December 31, 2011			Accrued Charges at December 31, 2012	
	Charges	Payments	Charges	Payments	Charges	Payments		
	(In thousands)							
Cash charges:								
Workforce reduction costs	\$ 3,860	\$25,171	\$(23,846)	\$ 5,185	\$26,260	\$(19,866)	\$ 11,579	
Shutdown costs	16	2,648	(2,705)	(41)	1,579	(1,538)	—	

[Facility Closing and Reorganization Costs](#)

Lease obligations after shutdown	—	240	(240)	—	2,798	(812)	1,986
Other	5	852	(854)	3	2,158	(1,934)	227
Subtotal	<u>\$ 3,881</u>	28,911	<u>\$(27,645)</u>	<u>\$ 5,147</u>	32,795	<u>\$(24,150)</u>	<u>\$ 13,792</u>
Non-cash charges:							
Write-down of assets(1)		16,535			23,411		
(Gain)/Loss on sale of related assets		(54)			(580)		
Other		296			161		
Total charges		<u>\$45,688</u>			<u>\$55,787</u>		

- (1) The write-down of assets relates primarily to owned buildings, land and equipment of those facilities identified for closure. The assets were tested for recoverability at the time the decision to close the facilities was more likely than not to occur. Estimates of future cash flows used to test the recoverability of the assets included the net cash flows directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the assets. The inputs for the fair value calculation were based on assessment of an individual asset's alternative use within other production facilities, evaluation of recent market data and historical liquidation sales values for similar assets. As the inputs into these calculations are largely based on management's judgments and are not generally observable in active markets, we consider such measurements to be Level 3 measurements in the fair value hierarchy. See Note 11.

**DISCONTINUED
OPERATIONS AND
DIVESTITURES (Tables)**

**12 Months Ended
Dec. 31, 2012**

Rachel's

[Discontinued Operations](#)

The following is a summary of Rachel's operating results, which are included in discontinued operations:

	<u>Year Ended December 31</u>	
	<u>2010</u>	
	(In thousands)	
Operations:		
Net sales	\$	26,319
Loss before income taxes	(3,783)
Income tax	1,399	
Net loss	<u>\$</u>	<u>(2,384</u>

Morningstar [Member]

[Discontinued Operations And
Divestitures - Summary of
Morningstar's Assets And
Liabilities](#)

The following is a summary of Morningstar's assets and liabilities classified as discontinued operations as of December 31, 2012 and 2011:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$154,211	\$147,091
Property, plant and equipment, net	176,582	178,145
Goodwill	306,095	306,095
Identifiable intangibles and other assets, net	<u>36,101</u>	<u>37,342</u>
Assets of discontinued operations	<u>\$672,989</u>	<u>\$668,673</u>
Liabilities		
Accounts payable and accrued expenses	\$94,188	\$105,252
Debt	97	22,001
Other long-term liabilities	<u>7,047</u>	<u>5,949</u>
Liabilities of discontinued operations	<u>\$101,332</u>	<u>\$133,202</u>

[Discontinued Operations](#)

The following is a summary of Morningstar's operating results and certain other directly attributable expenses, including interest expense, which are included in discontinued operations for the years ended December 31, 2012, 2011 and 2010:

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(In thousands)		
Operations:			
Net sales	\$1,438,371	\$1,414,302	\$1,302,650

Income before income			
taxes	69,513	87,443	73,577
Income tax	<u>(23,832)</u>	<u>(32,777)</u>	<u>(27,329)</u>
Net income	<u>\$45,681</u>	<u>\$54,666</u>	<u>\$46,248</u>

**Income Taxes - Balance
Sheet Classification of
Unrecognized Tax Benefits
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010 2009

**Reconciliation Of Unrecognized Tax Benefits [Line
Items]**

<u>Accrued expenses</u>	\$ 1,787	\$ 4,687	\$ 5,620	
<u>Other long-term liabilities</u>	36,380	37,014	52,545	
<u>Total</u>	\$ 38,167	\$ 41,701	\$ 58,165	\$ 72,611

**Employee Retirement and
Profit Sharing Plans -
Summary of Assumptions
Used to Determine Benefit
Obligations (Parenthetical
(Detail) (Assumptions
Utilized for Domestic
Pension Plans [Member])**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011

Assumptions Utilized for Domestic Pension Plans [Member]

[**Defined Benefit Plan Disclosure \[Line Items\]**](#)

[Domestic pension plans as a percentage of total benefit obligation](#) 95.00% 95.00%

**Employee Retirement and
Profit Sharing Plans -
Schedule of Information
Regarding Participation in
Multiemployer Pension
Plans (Detail)**

12 Months Ended

**Dec. 31, 2012 Dec. 31,
2011**

Western Conference of Teamsters Pension Plan [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	916145047	[1]		
<u>Pension Plan Number</u>	001	[1]		
<u>PPA Zone Status</u>	Green	[1]	Green	[1]
<u>FIP /RP Status Pending/ Implemented</u>	NA	[1]		
<u>Extended Amortization Provisions</u>	No	[1]		
<u>Expiration Date of Associated Collective Bargaining Agreement(s), First</u>	Apr. 30, 2013			
<u>Expiration Date of Associated Collective Bargaining Agreement(s), Last</u>	May 31, 2016			

Central States Southeast And Southwest Areas Pension Plan [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	366044243	[2]		
<u>Pension Plan Number</u>	001	[2]		
<u>PPA Zone Status</u>	Red	[2]	Red	[2]
<u>FIP /RP Status Pending/ Implemented</u>	Implemented	[2]		
<u>Extended Amortization Provisions</u>	No	[2]		
<u>Expiration Date of Associated Collective Bargaining Agreement(s), First</u>	May 31, 2013			
<u>Expiration Date of Associated Collective Bargaining Agreement(s), Last</u>	Mar. 11, 2017			

Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	630708442	[3]		
<u>Pension Plan Number</u>	001	[3]		
<u>PPA Zone Status</u>	Green	[3]	Green	[3]
<u>FIP /RP Status Pending/ Implemented</u>	NA	[3]		
<u>Extended Amortization Provisions</u>	Yes	[3]		
<u>Expiration Date of Associated Collective Bargaining Agreement(s), First</u>	Jan. 29, 2014			
<u>Expiration Date of Associated Collective Bargaining Agreement(s), Last</u>	Sep. 10, 2016			

Dairy Industry - Union Pension Plan for Philadelphia Vicinity [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	236283288	[4]		
<u>Pension Plan Number</u>	001	[4]		
<u>PPA Zone Status</u>	Red	[4]	Red	[4]
<u>FIP /RP Status Pending/ Implemented</u>	Implemented	[4]		
<u>Extended Amortization Provisions</u>	Yes	[4]		
<u>Expiration Date of Associated Collective Bargaining Agreement(s), First</u>	Jun. 30, 2014			
<u>Expiration Date of Associated Collective Bargaining Agreement(s), Last</u>	Sep. 30, 2017			

- [1] We are party to approximately 30 collective bargaining agreements that require contributions to this plan. These agreements cover a large number of employee participants and expire on various dates between 2013 and 2016. We do not believe that any one agreement is substantially more significant than another as none of these agreements individually represent greater than 15% of the total employee participants covered under this plan.
- [2] There are approximately 30 collective bargaining agreements that govern our participation in this plan. The agreements expire on various dates between 2013 and 2017. The agreements expiring in 2015 represent approximately 30% of our total employee participants in this plan, and the agreements expiring in 2016 represent approximately 35% of our total participants in the plan. The remaining agreements have a wide variety of expiration dates between 2013 and 2017 and do not individually represent a significant percentage of our overall participants to this plan.
- [3] We are subject to approximately 10 collective bargaining agreements with respect to this plan. Approximately 40% and 35% of our employee participants in this plan are covered by the agreements expiring in 2014 and 2015, respectively.
- [4] We are party to three collective bargaining agreements with respect to this plan. The agreement expiring in September 2017 is the most significant as more than 85% of our employee participants in this plan are covered by that agreement.

Postretirement Benefits Other Than Pensions - Funded Status of Plans (Parenthetical) (Detail) (USD \$) In Thousands, unless otherwise specified	3 Months Ended	12 Months Ended		
	Sep. 30, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Defined Benefit Plan Disclosure [Line Items] Other				\$ 10,848
Net Periodic Benefit Cost [Member]				
Defined Benefit Plan Disclosure [Line Items] Other	16,000	1,868	16,012	[1] 0
Net Periodic Benefit Cost [Member] Current Period [Member]				
Defined Benefit Plan Disclosure [Line Items] Other	800			
Net Periodic Benefit Cost [Member] Prior Periods [Member]				
Defined Benefit Plan Disclosure [Line Items] Other	\$ 15,200			

[1] As described more fully in the funded status table above, this amount in 2011 represents an increase in our net periodic benefit cost for the year ended December 31, 2011 as a result of identifying groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations.

**Income Tax - Reconciliation
of Income Tax (Detail) (USD
\$)**

12 Months Ended

**In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

<u>Tax expense at statutory rate, Amount</u>	\$ 92,373	\$ (749,014)	\$ 27,176
<u>State income taxes, Amount</u>	14,577	(43,309)	2,324
<u>Foreign taxes versus U.S. statutory rate, Amount</u>	(5,643)	(8,188)	(4,792)
<u>Nondeductible goodwill, Amount</u>		305,657	
<u>Deferred tax asset adjustment, Amount</u>			10,848
<u>Exclusion of non-controlling interest tax benefit, Amount</u>		5,792	3,057
<u>Sale of unconsolidated affiliate, Amount</u>	40,411		
<u>Nondeductible compensation, Amount</u>	317	1,322	2,713
<u>Other, Amount</u>	4,474	(1,848)	4,827
<u>Total income tax expense (benefit)</u>	\$ 146,509 ^[1]	\$ (489,588) ^[2]	\$ 46,153 ^[3]
<u>Tax expense at statutory rate, Percentage</u>	35.00%	35.00%	35.00%
<u>State income taxes, Percentage</u>	5.50%	2.00%	3.00%
<u>Foreign taxes versus U.S. statutory rate, Percentage</u>	(2.10%)	0.40%	(6.20%)
<u>Nondeductible goodwill, Percentage</u>		(14.20%)	
<u>Deferred tax asset adjustment, Percentage</u>			14.00%
<u>Exclusion of non-controlling interest tax benefit, Percentage</u>		(0.30%)	3.90%
<u>Sale of unconsolidated affiliate, Percentage</u>	15.30%		
<u>Nondeductible compensation, Percentage</u>	0.10%	(0.10%)	3.50%
<u>Other, Percentage</u>	1.70%	0.10%	6.20%
<u>Total, Percentage</u>	55.50%	22.90%	59.40%

[1] Excludes \$21.9 million in income tax expense related to discontinued operations.

[2] Excludes \$33.3 million in income tax expense related to discontinued operations.

[3] Excludes \$18.6 million in income tax expense related to discontinued operations.

Debt - Condensed Consolidating Statement of Operations (Detail) (USD \$) In Thousands, unless otherwise specified	3 Months Ended								12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Net sales	\$ 3,041,354	\$ 2,787,476	\$ 2,762,995	\$ 2,870,452	\$ 2,928,967	\$ 3,047,499	\$ 2,940,054	\$ 2,724,671	\$ 11,462,277	\$ 11,641,191	\$ 10,820,237
Cost of sales									8,562,279	8,861,574	8,063,932
Gross profit	728,359	713,033	735,039	723,567	704,755	686,228	698,247	690,387	2,899,998	2,779,617	2,756,305
Selling and distribution									1,912,588	1,878,372	1,816,958
General and administrative									555,012	585,288	601,177
Amortization of intangibles									6,283	7,616	8,342
Facility closing and reorganization costs									55,787	45,688	30,761
Litigation settlements										131,300	30,000
Goodwill impairment										2,075,836	
Other operating (income) loss									(57,459)	6,561	
Interest expense									164,572	190,912	191,205
Other (income) expense, net									(707)	(1,915)	217
Income (loss) from continuing operations before income taxes									263,922	(2,140,041)	77,645
Income tax expense (benefit)									146,509	^[1] (489,588)	^[2] 46,153 ^[3]
Income (loss) before equity in earnings (loss) of subsidiaries									117,413	(1,650,453)	31,492
Income (loss) from continuing operations	26,215	22,183	42,556	26,459	(20,978) ^[4]	(1,562,696) ^[4]	(79,559) ^[4]	12,780 ^[4]	117,413	(1,650,453)	31,492
Income (loss) from discontinued operations, net of tax									45,681	54,666	43,743
Gain on sale of discontinued operations, net of tax									(2,053)	3,616	7,521
Net income (loss)	30,552	^{[5],[6]} 36,441	^{[5],[6]} 56,165	^{[5],[6]} 37,883	^{[5],[6]} (10,499)	^{[4],[7]} (1,552,034) ^{[4],[7]}	^{[4],[7]} (53,020)	^{[4],[7]} 23,382	^{[4],[7]} 161,041	(1,592,171)	82,756
Net income attributable to non-controlling interest									(2,419)	16,550	8,735
Net income (loss) attributable to Dean Foods Company	28,133	^[5] 36,441	^[5] 56,165	^[5] 37,883	^[5] (9,874)	^{[4],[7]} (1,540,497) ^{[4],[7]}	^{[4],[7]} (50,513)	^{[4],[7]} 25,263	^{[4],[7]} 158,622	(1,575,621)	91,491
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company									8,467	(52,867)	20,323
Comprehensive income (loss) attributable to Dean Foods Company									167,089	(1,628,488)	111,814
Dean Foods Company [Member]											
General and administrative									7,741	9,613	7,920
Litigation settlements										131,300	
Other operating (income) loss									574	(801)	
Interest expense									141,784	172,926	179,972
Other (income) expense, net									(8,163)	(10,665)	(7,909)
Income (loss) from continuing operations before income taxes									(141,936)	(302,373)	(179,983)
Income tax expense (benefit)									(60,902)	(114,956)	(79,144)
Income (loss) before equity in earnings (loss) of subsidiaries									(81,034)	(187,417)	(100,839)
Equity in earnings (loss) of consolidated subsidiaries									239,656	(1,388,204)	192,330
Income (loss) from continuing operations									158,622	(1,575,621)	91,491
Net income (loss)									158,622	(1,575,621)	91,491
Net income (loss) attributable to Dean Foods Company									158,622	(1,575,621)	91,491
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company									2,002	(38,658)	40,492
Comprehensive income (loss) attributable to Dean Foods Company									160,624	(1,614,279)	131,983
Guarantor Subsidiaries [Member]											
Net sales									9,262,725	9,707,177	9,086,547
Cost of sales									7,170,646	7,612,325	6,943,389
Gross profit									2,092,079	2,094,852	2,143,158
Selling and distribution									1,418,695	1,455,170	1,417,073
General and administrative									428,945	464,974	482,376
Amortization of intangibles									3,759	4,997	5,784
Facility closing and reorganization costs									55,787	45,688	30,761
Litigation settlements											30,000
Goodwill impairment										2,075,836	
Other operating (income) loss										(12,985)	
Interest expense									18,166	17,851	10,890

Other (income) expense, net	15,985	25,589	28,643
Income (loss) from continuing operations before income taxes	150,742	(1,982,268)	137,631
Income tax expense (benefit)	67,337	(456,304)	81,332
Income (loss) before equity in earnings (loss) of subsidiaries	83,405	(1,525,964)	56,299
Equity in earnings (loss) of consolidated subsidiaries	(3,843)	(994)	3,465
Income (loss) from continuing operations	79,562	(1,526,958)	59,764
Income (loss) from discontinued operations, net of tax	45,681	54,666	46,248
Net income (loss)	125,243	(1,472,292)	106,012
Net income (loss) attributable to Dean Foods Company	125,243	(1,472,292)	106,012
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	(2,467)	(1,589)	1,353
Comprehensive income (loss) attributable to Dean Foods Company	122,776	(1,473,881)	107,365
Non-Guarantor Subsidiaries [Member]			
Net sales	2,199,552	1,934,014	1,733,690
Cost of sales	1,391,633	1,249,249	1,120,543
Gross profit	807,919	684,765	613,147
Selling and distribution	493,893	423,202	399,885
General and administrative	118,326	110,701	110,881
Amortization of intangibles	2,524	2,619	2,558
Other operating (income) loss	(58,033)	20,347	
Interest expense	4,622	135	343
Other (income) expense, net	(8,529)	(16,839)	(20,517)
Income (loss) from continuing operations before income taxes	255,116	144,600	119,997
Income tax expense (benefit)	140,074	81,672	43,965
Income (loss) before equity in earnings (loss) of subsidiaries	115,042	62,928	76,032
Income (loss) from continuing operations	115,042	62,928	76,032
Income (loss) from discontinued operations, net of tax			(2,505)
Gain on sale of discontinued operations, net of tax	(2,053)	3,616	7,521
Net income (loss)	112,989	66,544	81,048
Net income attributable to non-controlling interest	(2,419)	16,550	8,735
Net income (loss) attributable to Dean Foods Company	110,570	83,094	89,783
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	8,932	(12,620)	(21,522)
Comprehensive income (loss) attributable to Dean Foods Company	119,502	70,474	68,621
Eliminations [Member]			
Equity in earnings (loss) of consolidated subsidiaries	(235,813)	1,389,198	(195,795)
Income (loss) from continuing operations	(235,813)	1,389,198	(195,795)
Net income (loss)	(235,813)	1,389,198	(195,795)
Net income (loss) attributable to Dean Foods Company	(235,813)	1,389,198	(195,795)
Comprehensive income (loss) attributable to Dean Foods Company	\$ (235,813)	\$ 1,389,198	\$ (195,795)

[1] Excludes \$21.9 million in income tax expense related to discontinued operations.

[2] Excludes \$33.3 million in income tax expense related to discontinued operations.

[3] Excludes \$18.6 million in income tax expense related to discontinued operations.

[4] Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).

[5] The results for the first, second, third and fourth quarters of 2012 include facility closing and reorganization costs, net of tax, of \$16.2 million, \$4.2 million, \$4.2 million and \$11.3 million, respectively. See Note 17.

[6] Results for 2012 include a net after-tax loss of \$10.4 million related to the July 3, 2012 sale of our investment in CCC.

[7] The results for the first, second, third and fourth quarters of 2011 include facility closing and reorganization costs, net of tax, of \$6.6 million, \$12.9 million, \$6.3 million and \$2.2 million, respectively. See Note 17.

**Discontinued Operations
And Divestitures - Summary
of Operating Results And
Certain Other Directly
Attributable Expenses
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

**Income Statement, Balance Sheet and Additional Disclosures by Disposal
Groups, Including Discontinued Operations [Line Items]**

Net income

\$ 45,681 \$ 54,666 \$ 43,743

Morningstar [Member]

**Income Statement, Balance Sheet and Additional Disclosures by Disposal
Groups, Including Discontinued Operations [Line Items]**

Net sales

1,438,371 1,414,302 1,302,650

Income before income taxes

69,513 87,443 73,577

Income tax

(23,832) (32,777) (27,329)

Net income

\$ 45,681 \$ 54,666 \$ 46,248

**Common Stock and Share-
Based Compensation -
Summary of Share Based
Compensation Expense
Recognized (Parenthetical)
(Detail) (Share Based
Compensation Expense
Related To Accelerated
Vesting Provisions
[Member], USD \$)
In Millions, unless otherwise
specified**

3 Months Ended

Jun. 30, 2012

Share Based Compensation Expense Related To Accelerated Vesting Provisions [Member]
[Share-based Compensation Arrangement by Share-based Payment Award \[Line Items\]](#)
[Additional compensation expense](#)

\$ 12.1

**Postretirement Benefits
Other Than Pensions -
Summary of Assumptions
Used to Determine Benefit
Obligations (Detail)**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Benefit Obligation [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Healthcare cost trend rate assumed for next year</u>	8.20%	8.50%	
<u>Rate to which the cost trend rate is assumed to decline (ultimate trend rate)</u>	4.50%	4.50%	
<u>Year of ultimate rate achievement</u>	2029	2029	
<u>Weighted average discount rate</u>	3.38%	4.34%	
Net Periodic Benefit Cost [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Healthcare cost trend rate assumed for next year</u>	8.50%	8.70%	9.00%
<u>Rate to which the cost trend rate is assumed to decline (ultimate trend rate)</u>	4.50%	4.50%	4.50%
<u>Year of ultimate rate achievement</u>	2029	2029	2029
<u>Weighted average discount rate</u>	4.34%	4.68%	5.51%

**Income Tax - Deferred
Income Tax Assets
(Liabilities) (Parenthetical)
(Detail) (USD \$)
In Millions, unless otherwise
specified**

Dec. 31, 2012 Dec. 31, 2011

Components Of Deferred Tax Assets And Liabilities [Line Items]

<u>Deferred tax assets related to uncertain tax positions</u>	\$ 11.7	\$ 10.1
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**Segment, Geographic and
Customer Information -
Geographic Information-
Long-Lived Assets (Detail)
(USD \$)**

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

**In Thousands, unless
otherwise specified**

Segment Reporting Information [Line Items]

<u>Long-lived assets, Domestic</u>	\$ 3,037,046	\$ 3,072,861	\$ 5,118,447
<u>Long-lived assets, Foreign</u>	\$ 447,267	\$ 443,598	\$ 487,775

Debt - Dean Foods Company Senior Notes - Additional Information (Detail) (USD \$)	12 Months Ended				12 Months Ended			12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011	Aug. 03, 2011	Dec. 16, 2010	Dec. 31, 2012	Dec. 31, 2011	May 17, 2006	Dec. 31, 2012	Dec. 31, 2011
	Dean Foods Company	Dean Foods Company	Dean Foods Company	Dean Foods Company	Dean Foods Company	Dean Foods Company	Dean Foods Company	Subsidiary Debt Obligation	Subsidiary Debt Obligation
	[Member] Senior Notes Due 2018	[Member] Senior Notes Due 2018	[Member] Senior Notes Due 2018	[Member] Senior Notes Due 2018	[Member] Senior Notes Due 2016	[Member] Senior Notes Due 2016	[Member] Senior Notes Due 2016	[Member] Senior Notes Due 2017	[Member] Senior Notes Due 2017

[Debt Instrument \[Line
Items\]](#)

Debt instrument, principal amount			\$ 400,000,000	\$ 400,000,000			\$ 500,000,000	\$ 142,000,000	
Debt instrument, interest rate	9.75%	9.75%	9.75%		7.00%	7.00%	7.00%	6.90%	6.90%
Debt instrument, maturity date	Dec. 15, 2018				Jun. 01, 2016			Oct. 15, 2017	
Senior notes	\$ 400,000,000	\$ 400,000,000			\$ 499,167,000	\$ 498,959,000		\$ 130,879,000	\$ 129,117,000

Segment, Geographic and Customer Information - Segment Profit or Loss Other Than Depreciation and Amortization (Detail) (USD \$)	3 Months Ended				12 Months Ended						
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
In Thousands, unless otherwise specified											
Segment Reporting											
Information [Line Items]											
Net sales to external customers	\$ 3,041,354	\$ 2,787,476	\$ 2,762,995	\$ 2,870,452	\$ 2,928,967	\$ 3,047,499	\$ 2,940,054	\$ 2,724,671	\$ 11,462,277	\$ 11,641,191	\$ 10,820,237
Intersegment sales									161,395	174,562	164,244
Facility closing and reorganization costs									(55,787)	(45,688)	(30,761)
Litigation settlements										(131,300)	(30,000)
Goodwill impairment										(2,075,836)	
Other operating income (loss)									57,459	(6,561)	
Operating income (loss)									427,787	(1,951,044)	269,067
Interest expense									164,572	190,912	191,205
Depreciation and amortization									261,108	259,329	247,239
Other (income) expense, net									(707)	(1,915)	217
Income (loss) from continuing operations before income tax									263,922	(2,140,041)	77,645
Fresh Dairy Direct [Member]											
Segment Reporting											
Information [Line Items]											
Net sales to external customers									9,274,662	9,715,747	9,093,973
Intersegment sales									51,882	65,641	56,321
Operating income (loss)									446,451	378,493	449,622
Depreciation and amortization									159,636	161,326	157,725
WhiteWave-Alpro [Member]											
Segment Reporting											
Information [Line Items]											
Net sales to external customers									2,187,615	1,925,444	1,726,264
Intersegment sales									109,513	108,921	107,923
Operating income (loss)									192,557	148,595	100,205
Depreciation and amortization									74,761	70,075	68,353
Reportable Segment [Member]											
Segment Reporting											
Information [Line Items]											
Operating income (loss)									639,008	527,088	549,827
Corporate [Member]											
Segment Reporting											
Information [Line Items]											
Operating income (loss)									(212,893)	(218,747)	(219,999)
Depreciation and amortization									\$ 26,540	\$ 27,928	\$ 21,161

Quarterly Results of Operations - Summary of Quarterly Results of Operations (Detail) (USD \$) In Thousands, except Per Share data, unless otherwise specified	3 Months Ended				12 Months Ended						
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Quarterly Financial Data											
[Line Items]											
Net sales	\$ 3,041,354	\$ 2,787,476	\$ 2,762,995	\$ 2,870,452	\$ 2,928,967	\$ 3,047,499	\$ 2,940,054	\$ 2,724,671	\$ 11,462,277	\$ 11,641,191	\$ 10,820,237
Gross profit	728,359	713,033	735,039	723,567	704,755	686,228	698,247	690,387	2,899,998	2,779,617	2,756,305
Income (loss) from continuing operations	26,215	22,183	42,556	26,459	(20,978) ^[1]	(1,562,696) ^[1]	(79,559) ^[1]	12,780 ^[1]	117,413	(1,650,453)	31,492
Net income (loss)	30,552 ^{[2],[3]}	36,441 ^{[2],[3]}	56,165 ^{[2],[3]}	37,883 ^{[2],[3]}	(10,499) ^{[1],[4]}	(1,552,034) ^{[1],[4]}	(53,020) ^{[1],[4]}	23,382 ^{[1],[4]}	161,041 ^{[1],[4]}	(1,592,171)	82,756
Net income (loss) attributable to Dean Foods Company	\$ 28,133 ^[2]	\$ 36,441 ^[2]	\$ 56,165 ^[2]	\$ 37,883 ^[2]	\$ (9,874) ^{[1],[4]}	\$ (1,540,497) ^{[1],[4]}	\$ (50,513) ^{[1],[4]}	\$ 25,263 ^{[1],[4]}	\$ 158,622 ^{[1],[4]}	\$ (1,575,621)	\$ 91,491
Basic	\$ 0.15 ^[5]	\$ 0.20 ^[5]	\$ 0.30 ^[5]	\$ 0.21 ^[5]	\$ (0.05) ^[5]	\$ (8.39) ^[5]	\$ (0.28) ^[5]	\$ 0.14 ^[5]	\$ 0.86	\$ (8.59)	\$ 0.50
Diluted	\$ 0.15 ^[5]	\$ 0.20 ^[5]	\$ 0.30 ^[5]	\$ 0.20 ^[5]	\$ (0.05) ^[5]	\$ (8.39) ^[5]	\$ (0.28) ^[5]	\$ 0.14 ^[5]	\$ 0.85	\$ (8.59)	\$ 0.50

[1] Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).

[2] The results for the first, second, third and fourth quarters of 2012 include facility closing and reorganization costs, net of tax, of \$16.2 million, \$4.2 million, \$4.2 million and \$11.3 million, respectively. See Note 17.

[3] Results for 2012 include a net after-tax loss of \$10.4 million related to the July 3, 2012 sale of our investment in CCC.

[4] The results for the first, second, third and fourth quarters of 2011 include facility closing and reorganization costs, net of tax, of \$6.6 million, \$12.9 million, \$6.3 million and \$2.2 million, respectively. See Note 17.

[5] Earnings (loss) per common share calculations for each of the quarters were based on the basic and diluted weighted average number of shares outstanding for each quarter. The sum of the quarters may not necessarily be equal to the full year earnings (loss) per common share amount.

**Debt - Schedule of
Maturities of Long-Term
Debt (Detail) (USD \$)
In Thousands, unless
otherwise specified**

	Dec. 31, 2012	Dec. 31, 2011
<u>Debt Instrument [Line Items]</u>		
<u>2013</u>	\$ 25,535	
<u>2014</u>	290,535	
<u>2015</u>	31,786	
<u>2016</u>	992,173	
<u>2017</u>	1,137,218	
<u>Thereafter</u>	637,500	
<u>Subtotal</u>	3,114,747	
<u>Less discounts</u>	(11,954)	
<u>Total outstanding debt</u>	3,102,793	3,743,927
Term Loan B [Member]		
<u>Debt Instrument [Line Items]</u>		
<u>2013</u>	10,535	
<u>2014</u>	10,535	
<u>2015</u>	10,536	
<u>2016</u>	470,923	
<u>2017</u>	524,668	
<u>Subtotal</u>	1,027,197	
<u>Total outstanding debt</u>	1,027,197	
Subsidiary Senior Secured Credit Facilities [Member] WhiteWave Foods [Member]		
<u>Debt Instrument [Line Items]</u>		
<u>2013</u>	15,000	
<u>2014</u>	15,000	
<u>2015</u>	21,250	
<u>2016</u>	21,250	
<u>2017</u>	470,550	
<u>Thereafter</u>	237,500	
<u>Subtotal</u>	780,550	
<u>Total outstanding debt</u>	780,550	
Dean Foods Company [Member]		
<u>Debt Instrument [Line Items]</u>		
<u>Total outstanding debt</u>	2,191,364	3,376,119
Dean Foods Company [Member] Other [Member]		
<u>Debt Instrument [Line Items]</u>		
<u>2014</u>	265,000	[1]
<u>2016</u>	500,000	[1]
<u>2017</u>	142,000	[1]

<u>Thereafter</u>	400,000	[1]
<u>Subtotal</u>	1,307,000	[1]
<u>Less discounts</u>	(11,954)	[1]
<u>Total outstanding debt</u>	\$	[1]
	1,295,046	

[1] Includes the Dean Foods revolving credit facility, receivables-backed facility, Dean Foods Company senior notes and the subsidiary senior notes.

**Debt - Alpro Revolving
Credit Facility - Additional
Information (Detail) (Alpro
[Member], EUR €)
In Millions, unless otherwise
specified**

**12 Months
Ended**

Dec. 31, 2012

[Debt Instrument \[Line Items\]](#)

[Debt instrument, maturity date](#)

Subsidiary Revolving Credit Facility Maturing on July 10, 2013 [Member]

Jul. 10, 2013

[Debt Instrument \[Line Items\]](#)

[Letter of credit facility, maximum borrowing capacity](#)

Letter of Credit [Member] | Subsidiary Revolving Credit Facility Maturing on July 10, 2013
[Member]

1

[Debt Instrument \[Line Items\]](#)

[Letter of credit facility, maximum borrowing capacity](#)

1

**Income Taxes - Balance
Sheet Classification of Net
Deferred Income Tax Assets
(Liabilities) (Detail) (USD \$)
In Thousands, unless
otherwise specified**

**Dec. 31,
2012** **Dec. 31,
2011**

**Schedule Of Balance Sheet Classification Of Net Deferred Income Tax Assets
Liabilities [Line Items]**

<u>Current assets</u>	\$	\$
	103,207	109,475
<u>Noncurrent assets</u>	32,130	
<u>Noncurrent liabilities</u>	(321,509)	(292,539)
<u>Net deferred income tax liability</u>	\$ (186,172) ^[1]	\$ (183,064) ^[2]

[1] Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

[2] Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

**Income Tax - Schedule of
Income Tax Expense
(Benefit) (Parenthetical)
(Detail) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Income Tax Expense Benefit [Line Items]

<u>Income tax benefit related to discontinued Operation</u>	\$ 21.9	\$ 33.3	\$ 18.6
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**FACILITY CLOSING AND
REORGANIZATION
COSTS**

12 Months Ended

Dec. 31, 2012

**FACILITY CLOSING AND
REORGANIZATION COSTS**

17. FACILITY CLOSING AND REORGANIZATION COSTS

Approved plans within our multi-year initiatives and related charges are summarized as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Fresh Dairy Direct:			
Closure of facilities(1)	\$18,536	\$18,751	\$21,350
Broad-based reduction of facility and distribution personnel(2)	—	(282)	3,404
Organization Optimization Initiative(3)	(197)	4,269	0
Management Realignment(5)	—	(194)	3,100
Functional Realignment(6)	26,419	—	—
Field and Functional Reorganization (7)	<u>6,000</u>	<u>—</u>	<u>—</u>
Total Fresh Dairy Direct	<u>50,758</u>	<u>22,544</u>	<u>27,854</u>
Corporate:			
Department Realignment(4)	(96)	2,535	2,907
Organization Optimization Initiative(3)	(675)	20,609	—
Functional Realignment(6)	<u>5,800</u>	<u>—</u>	<u>—</u>
Total Corporate	<u>5,029</u>	<u>23,144</u>	<u>2,907</u>
Total	<u>\$55,787</u>	<u>\$45,688</u>	<u>\$30,761</u>

- (1) These charges in 2012, 2011 and 2010 primarily relate to facility closures in Evart, Michigan; Bangor, Maine; Newport, Kentucky; Baxley, Georgia; and Florence, South Carolina, as well as other approved closures. We have incurred \$73.1 million of charges related to these initiatives to date. We expect to incur additional charges related to these facility closures of \$1.2 million, related to shutdown and other costs. As we continue the evaluation of our supply chain described more fully below it is likely that we will close additional facilities in the future.
- (2) These charges relate to a plan to reduce the workforce within our Fresh Dairy Direct segment impacting approximately 230 positions. Implementation began during the second quarter of 2010 and was carried out over the balance of the year. The reduction in workforce affected employees across the country and was a result of operational changes from supply chain initiatives. The workforce reduction costs related to this plan were part of an existing benefit arrangement; therefore, the full amount of expected severance benefits was accrued during the second quarter of 2010. We incurred total charges of \$3.1 million related to this initiative and do not expect to incur any additional charges in the future.
- (3) In the first quarter of 2011 we initiated a significant cost reduction program that is incremental to our other ongoing cost-savings initiatives. This initiative is focused on permanently removing costs out of our business through organizational and corporate departmental redesigns, driven by process simplification and standardization, centralization of activities and reorganization to drive growth in our core customers and categories. As part of this program, we eliminated approximately 300 corporate and field positions during 2011. The charges recorded during 2011 relate to workforce reduction costs and include costs associated with eliminating the position filled by our then President and Chief Operating Officer. We incurred \$24.0 million of charges related to this initiative to date, and we do not expect to incur any material additional charges under this program going forward.

- (4) Charges relate to workforce reduction costs associated with a multi-year cost reduction plan aimed at centralization and process improvement, as well as business unit and functional organization redesigns. The plan was implemented during the fourth quarter of 2010 and resulted in the elimination of approximately 75 positions as each function reorganized its processes in line with peer comparisons and internally developed functional blueprints as approved by an executive operating team. We incurred total charges of \$5.4 million related to this initiative and do not expect to incur any additional charges in the future.
- (5) In 2010, we realigned management positions within our Fresh Dairy Direct segment to facilitate supply-chain and commercial focused functions across the segment. This resulted in the elimination of the position filled by the then President of Fresh Dairy Direct and we incurred \$2.9 million of workforce reduction costs. We do not expect additional costs related to this initiative.
- (6) During the first quarter of 2012, our management team reassessed our company-wide strategy, resulting in a shift in focus to deploying our capital and strategically investing in the value-added segments of our business. With this new strategy, our goal is to invest our strategic capital primarily in those initiatives that yield higher returns over shorter time frames. In connection with this change, our management team approved a cost reduction plan that is incremental to any other prior cost savings initiative. This initiative is focused on aligning key functions within the Fresh Dairy Direct organization under a single leadership team and permanently removing costs from the Fresh Dairy Direct organization as well as certain functions that support this segment of our business. During the first half of 2012, we eliminated approximately 120 positions at our corporate headquarters that directly supported our Fresh Dairy Direct business. Charges recorded during the year ended December 31, 2012 are related to workforce reduction costs, the write-down of certain information technology assets and leasehold improvements, lease termination costs and costs associated with exiting other commitments deemed not necessary to execute our new strategy. We have incurred total charges of approximately \$32.2 million under this initiative to date and we may incur additional charges in the future under this plan, primarily related to lease termination costs at our corporate headquarters in Dallas, Texas.
- (7) During the fourth quarter of 2012, our executive management team approved a plan to reorganize Fresh Dairy Direct's field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. As future tranches have not been approved by our executive management team, future costs to be incurred are not yet estimable.

Activity for 2012 and 2011 with respect to facility closing and reorganization costs is summarized below and includes items expensed as incurred:

	Accrued Charges at December 31, 2010			Accrued Charges at December 31, 2011			Accrued Charges at December 31, 2012
	Charges	Payments	Charges	Charges	Payments	2012	
(In thousands)							
Cash charges:							
Workforce reduction costs	\$ 3,860	\$25,171	\$(23,846)	\$ 5,185	\$26,260	\$(19,866)	\$ 11,579
Shutdown costs	16	2,648	(2,705)	(41)	1,579	(1,538)	—

Lease obligations after shutdown	—	240	(240)	—	2,798	(812)	1,986
Other	5	852	(854)	3	2,158	(1,934)	227
Subtotal	<u>\$ 3,881</u>	28,911	<u>\$(27,645)</u>	<u>\$ 5,147</u>	32,795	<u>\$(24,150)</u>	<u>\$ 13,792</u>
Non-cash charges:							
Write-down of assets(1)		16,535			23,411		
(Gain)/Loss on sale of related assets		(54)			(580)		
Other		296			161		
Total charges		<u>\$45,688</u>			<u>\$55,787</u>		

- (1) The write-down of assets relates primarily to owned buildings, land and equipment of those facilities identified for closure. The assets were tested for recoverability at the time the decision to close the facilities was more likely than not to occur. Estimates of future cash flows used to test the recoverability of the assets included the net cash flows directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the assets. The inputs for the fair value calculation were based on assessment of an individual asset's alternative use within other production facilities, evaluation of recent market data and historical liquidation sales values for similar assets. As the inputs into these calculations are largely based on management's judgments and are not generally observable in active markets, we consider such measurements to be Level 3 measurements in the fair value hierarchy. See Note 11.

**Supplemental Cash Flow
Information - Schedule of
Cash Flow, Supplemental
Disclosures (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Supplemental Cash Flow Information [Line Items]

<u>Cash paid for interest and financing charges, net of capitalized interest</u>	\$ 148,337	\$ 175,862	\$ 176,495
<u>Net cash paid (received) for taxes</u>	\$ 150,398	\$ (32,303)	\$ 9,184

**QUARTERLY RESULTS
OF OPERATIONS (Tables)**

**12 Months Ended
Dec. 31, 2012**

[Summary of Quarterly Results
of Operations](#)

The following is a summary of our unaudited quarterly results of operations for 2012 and 2011.

	Quarter			
	First	Second	Third	Fourth
(In thousands, except share data)				
2012				
Net sales	\$2,870,452	\$2,762,995	\$2,787,476	\$3,041,354
Gross profit	723,567	735,039	713,033	728,359
Income from continuing operations	26,459	42,556	22,183	26,215
Net income (1)(5)	37,883	56,165	36,441	30,552
Net income attributable to Dean Foods Company(1)	37,883	56,165	36,441	28,133
Earnings per common share(2):				
Basic	0.21	0.30	0.20	0.15
Diluted	0.20	0.30	0.20	0.15

	Quarter			
	First	Second	Third	Fourth
(In thousands, except share data)				
2011				
Net sales	\$2,724,671	\$2,940,054	\$3,047,499	\$2,928,967
Gross profit	690,387	698,247	686,228	704,755
Income (loss) from continuing operations (4)	12,780	(79,559)	(1,562,696)	(20,978)
Net income (loss)(3)(4)	23,382	(53,020)	(1,552,034)	(10,499)
Net income (loss) attributable to Dean Foods Company(3)(4)	25,263	(50,513)	(1,540,497)	(9,874)
Earnings (loss) per common share(2):				
Basic	0.14	(0.28)	(8.39)	(0.05)
Diluted	0.14	(0.28)	(8.39)	(0.05)

- (1) The results for the first, second, third and fourth quarters of 2012 include facility closing and reorganization costs, net of tax, of \$16.2 million, \$4.2 million, \$4.2 million and \$11.3 million, respectively. See Note 17.
- (2) Earnings (loss) per common share calculations for each of the quarters were based on the basic and diluted weighted average number of shares outstanding for each quarter. The sum of the quarters may not necessarily be equal to the full year earnings (loss) per common share amount.
- (3) The results for the first, second, third and fourth quarters of 2011 include facility closing and reorganization costs, net of tax, of \$6.6 million, \$12.9 million, \$6.3 million and \$2.2 million, respectively. See Note 17.
- (4) Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).
- (5) Results for 2012 include a net after-tax loss of \$10.4 million related to the July 3, 2012 sale of our investment in CCC.

**EARNINGS (LOSS) PER
SHARE (Tables)**

**12 Months Ended
Dec. 31, 2012**

Reconciliation of Numerators and Denominators
Used in Computations of Both Basic and Diluted
Earnings Per Share

The following table reconciles the numerators and denominators used in the computations of both basic and diluted earnings (loss) per share:

	Year Ended December 31		
	2012	2011	2010
(In thousands, except share data)			
Basic earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares	184,750,755	183,388,220	181,799,306
Basic earnings (loss) per share from continuing operations attributable to Dean Foods Company			
	\$0.62	\$(8.91)	\$0.22
Diluted earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492

Net (income) loss attributable to non- controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares — basic	184,750,755	183,388,220	181,799,306
Stock option conversion(1)	491,822	—	574,094
Stock units(2)	889,246	—	488,402
Average common shares — diluted	<u>186,131,823</u>	<u>183,388,220</u>	<u>182,861,802</u>
Diluted earnings (loss) per share from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
(1) Anti-dilutive options excluded	14,198,873	20,763,870	19,681,022
(2) Anti-dilutive stock units excluded	16,384	2,499,769	158,991

**Income Tax - Deferred
Income Tax Assets
(Liabilities) (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Income taxes Abstract:

<u>Accrued liabilities</u>	\$ 160,031	[1] \$ 166,469	[2]
<u>Retirement plans and postretirement benefits</u>	54,703	[1] 53,307	[2]
<u>Share-based compensation</u>	49,951	[1] 47,482	[2]
<u>Derivative instruments</u>	35,930	[1] 40,359	[2]
<u>Receivables and inventories</u>	20,685	[1] 20,562	[2]
<u>Net operating loss carryforwards</u>	35,504	[1] 30,881	[2]
<u>State and foreign tax credits</u>	8,631	[1] 10,070	[2]
<u>Other</u>		4,876	[2]
<u>Valuation allowances</u>	(7,781)	[1] (9,176)	[2]
<u>Deferred income tax assets</u>	357,654	[1] 364,830	[2]
<u>Intangible assets</u>	(183,652)	[1] (154,650)	[2]
<u>Property, plant and equipment</u>	(353,732)	[1] (370,513)	[2]
<u>Investment in unconsolidated affiliates</u>		(22,731)	[2]
<u>Other</u>	(6,442)	[1]	
<u>Deferred income tax liabilities</u>	(543,826)	[1] (547,894)	[2]
<u>Net deferred income tax liability</u>	\$ (186,172)	[1] \$ (183,064)	[2]

[1] Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

[2] Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

**Derivative Financial
Instruments and Fair Value
Measurements - Summary of
Deferred Compensation
Assets Measured at Fair
Value on Recurring Basis
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Money Market [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) \$ 2,941 \$ 3,552

Mutual Funds [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 3,337 3,031

Level 1 [Member] | Money Market [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 0 0

Level 1 [Member] | Mutual Funds [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 0 0

Level 2 [Member] | Money Market [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 2,941 3,552

Level 2 [Member] | Mutual Funds [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 3,337 3,031

Level 3 [Member] | Money Market [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) 0 0

Level 3 [Member] | Mutual Funds [Member]

[Debt Instrument \[Line Items\]](#)

[Deferred compensation assets, Fair Value](#) \$ 0 \$ 0

**ACCOUNTS PAYABLE
AND ACCRUED
EXPENSES (Tables)**

[Components of Accounts Payable and
Accrued Expenses](#)

12 Months Ended

Dec. 31, 2012

Accounts payable and accrued expenses as of December 31, 2012 and 2011 consisted of the following:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Accounts payable	\$667,845	\$695,663
Payroll and benefits	223,272	152,538
Health insurance, workers' compensation and other insurance costs	59,833	68,417
Current derivative liability	38,411	42,136
Other accrued liabilities	203,579	168,963
Total	<u>\$1,192,940</u>	<u>\$1,127,717</u>

**Summary of Significant
Accounting Policies -
Schedule of Property, Plant
and Equipment, Estimated
Useful Life (Detail)**

12 Months Ended

Dec. 31, 2012

Building [Member] | Minimum [Member]

[Summary Of Significant Accounting
Policies \[Line Items\]](#)

[Property, plant and equipment, Life Useful](#) 15 years

Building [Member] | Maximum [Member]

[Summary Of Significant Accounting
Policies \[Line Items\]](#)

[Property, plant and equipment, Life Useful](#) 40 years

Machinery and Equipment [Member] |
Minimum [Member]

[Summary Of Significant Accounting
Policies \[Line Items\]](#)

[Property, plant and equipment, Life Useful](#) 3 years

Machinery and Equipment [Member] |
Maximum [Member]

[Summary Of Significant Accounting
Policies \[Line Items\]](#)

[Property, plant and equipment, Life Useful](#) 20 years

Leasehold Improvements [Member]

[Summary Of Significant Accounting
Policies \[Line Items\]](#)

[Property, plant and equipment, Useful Life,
Useful Life](#) Over the shorter of their estimated useful lives or the terms of the
applicable lease agreements

**Goodwill and Intangible
Assets - Gross Carrying
Amount and Accumulated
Amortization of Intangible
Assets Other Than Goodwill
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011

Finite-Lived and Indefinite-Lived Intangible Assets [Line Items]

<u>Intangible assets with finite lives, Gross Carrying Amount</u>	\$ 678,327	\$ 675,342
<u>Intangible assets with finite lives, Accumulated Amortization</u>	(47,257)	(40,765)
<u>Intangible assets with finite lives, Net Carrying Amount</u>	631,070	634,577

Trademarks [Member]

Finite-Lived and Indefinite-Lived Intangible Assets [Line Items]

<u>Intangible assets with indefinite lives, Gross Carrying Amount</u>	576,806	[1] 575,122	[1]
<u>Intangible assets with indefinite lives, Accumulated Amortization</u>		[1]	[1]
<u>Intangible assets with indefinite lives, Net Carrying Amount</u>	576,806	[1] 575,122	[1]

Customer-Related and Other [Member]

Finite-Lived and Indefinite-Lived Intangible Assets [Line Items]

<u>Intangible assets with finite lives, Gross Carrying Amount</u>	90,957	[1] 89,656	[1]
<u>Intangible assets with finite lives, Accumulated Amortization</u>	(41,258)	[1] (35,827)	[1]
<u>Intangible assets with finite lives, Net Carrying Amount</u>	49,699	[1] 53,829	[1]

Trademarks [Member]

Finite-Lived and Indefinite-Lived Intangible Assets [Line Items]

<u>Intangible assets with finite lives, Gross Carrying Amount</u>	10,564	10,564
<u>Intangible assets with finite lives, Accumulated Amortization</u>	(5,999)	(4,938)
<u>Intangible assets with finite lives, Net Carrying Amount</u>	\$ 4,565	\$ 5,626

[1] The increase in the carrying amount is primarily the result of foreign currency translation adjustments.

Earnings (Loss) Per Share - Reconciliation of Numerators and Denominators Used in Computations of Both Basic and Diluted Earnings Per Share (Detail) (USD \$) In Thousands, except Share data, unless otherwise specified	3 Months Ended				12 Months Ended						
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Basic earnings (loss) per share computation:											
Income (loss) from continuing operations	\$ 26,215	\$ 22,183	\$ 42,556	\$ 26,459	\$ (20,978)	^[1] \$ (1,562,696)	^[1] \$ (79,559)	^[1] \$ 12,780	^[1] \$ 117,413	\$ (1,650,453)	\$ 31,492
Net (income) loss attributable to non-controlling interest									(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company									114,994	(1,633,903)	40,227
Average common shares									184,750,755	183,388,220	181,799,306
Basic earnings (loss) per share from continuing operations attributable to Dean Foods Company									\$ 0.62	\$ (8.91)	\$ 0.22
Diluted earnings (loss) per share computation:											
Income (loss) from continuing operations	26,215	22,183	42,556	26,459	(20,978)	^[1] (1,562,696)	^[1] (79,559)	^[1] 12,780	^[1] 117,413	(1,650,453)	31,492
Net (income) loss attributable to non-controlling interest									(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company									\$ 114,994	\$ (1,633,903)	\$ 40,227
Average common shares - basic									184,750,755	183,388,220	181,799,306
Stock option conversion									491,822		574,094
Stock units									889,246		488,402
Average common shares - diluted									186,131,823	183,388,220	182,861,802
Diluted earnings (loss) per share from continuing operations attributable to Dean Foods Company									\$ 0.62	\$ (8.91)	\$ 0.22

[1] Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).

**Valuation and Qualifying
Accounts (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Allowance for Doubtful Accounts [Member]

Valuation and Qualifying Accounts Disclosure [Line Items]

<u>Balance at Beginning of Period</u>	\$ 10,391	\$ 14,698	\$ 16,417
<u>Charged to (Reduction in) Costs and Expenses</u>	5,213	2,145	7,680
<u>Other</u>	230	(160)	(1,379)
<u>Deductions</u>	(2,141)	(6,292)	(8,020)
<u>Balance at End of Period</u>	13,693	10,391	14,698

Valuation Allowance of Deferred Tax Assets [Member]

Valuation and Qualifying Accounts Disclosure [Line Items]

<u>Balance at Beginning of Period</u>	9,176	7,660	9,108
<u>Charged to (Reduction in) Costs and Expenses</u>	(1,395)	1,516	(1,448)
<u>Other</u>	0	0	0
<u>Deductions</u>	0	0	0
<u>Balance at End of Period</u>	\$ 7,781	\$ 9,176	\$ 7,660

**Inventories - Inventories, Net
of Reserves (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Schedule Of Inventory [Line Items]

<u>Raw materials and supplies</u>	\$ 173,151	\$ 169,040
<u>Finished goods</u>	234,761	215,951
<u>Total</u>	\$ 407,912	\$ 384,991

**SUPPLEMENTAL CASH
FLOW INFORMATION**
(Tables)

12 Months Ended
Dec. 31, 2012

[Schedule of Cash Flow, Supplemental
Disclosures](#)

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Cash paid for interest and financing charges, net of capitalized interest	\$148,337	\$175,862	\$176,495
Net cash paid (received) for taxes	150,398	(32,303)	9,184

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES**

12 Months Ended

Dec. 31, 2012

[SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES](#)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Our Business — We are a leading food and beverage company in the United States, as well as a North American and European leader in branded plant-based foods and beverages. We align our leadership teams, operating strategies and supply chain initiatives around our two lines of business, Fresh Dairy Direct and WhiteWave.

Fresh Dairy Direct is the largest processor and distributor of milk and other dairy products in the United States, with products such as milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products sold under more than 50 familiar local and regional brands and a wide array of private labels. Fresh Dairy Direct also produces and distributes *Tru Moo*[®], which is our nationally branded, healthier, reformulated flavored milk.

Our WhiteWave business is comprised of our majority ownership interest in The WhiteWave Foods Company (“WhiteWave”) and its subsidiaries. WhiteWave manufactures, markets and sells a variety of nationally and internationally branded plant-based foods and beverages, such as *Silk*[®] soy, almond and coconut milks, and *Alpro*[®] and *Provamel*[®] soy, almond and hazelnut drinks and food products; nationally branded coffee creamers and beverages, including *International Delight*[®] and *LAND O LAKES*[®]; and nationally branded premium dairy products, such as *Horizon Organic*[®] milk.

As discussed in Note 2, in October 2012, WhiteWave completed its initial public offering (the “WhiteWave IPO”). Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave, which is now a publicly traded company whose Class A common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “WWAV”. We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. Unless and until a spin-off occurs or we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Basis of Presentation and Consolidation — Our Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), and include the accounts of our wholly-owned subsidiaries, as well as those of our 86.7% economic interest in WhiteWave. The resulting non-controlling interest’s share in the equity of WhiteWave is presented as a separate component of stockholders’ equity in the Consolidated Balance Sheets and Consolidated Statements of Stockholders’ Equity (Deficit), and the net income attributable to the non-controlling interest is presented in the Consolidated Statements of Operations. See Note 2 for further information regarding the WhiteWave IPO. All intercompany balances and transactions are eliminated in consolidation.

Unless otherwise indicated, references in the report to “we,” “us” or “our” refer to Dean Foods Company and its subsidiaries, taken as a whole. On December 2, 2012, we entered into an agreement to sell our Morningstar division to a third party. Morningstar is a leading manufacturer of dairy and non-dairy extended shelf-life (“ESL”) and cultured products, including creams and

creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. See Note 10. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations. See Note 3.

During the first quarter of 2012, we completed the shutdown of the operations of our 50% owned joint venture with Hero Group, which was part of our WhiteWave segment.

During the second quarter of 2010, we committed to a plan to sell the business operations of our Rachel's Dairy companies ("Rachel's"), which provide organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All of our Rachel's operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations. See Note 3.

Unless stated otherwise, any reference to income statement items in these financial statements refers to results from continuing operations.

Use of Estimates — The preparation of our Consolidated Financial Statements in conformity with GAAP requires us to use our judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates under different assumptions or conditions.

Cash Equivalents — We consider temporary investments with an original maturity of three months or less to be cash equivalents.

Inventories — Inventories are stated at the lower of cost or market. Our products are valued using the first-in, first-out method. The costs of finished goods inventories include raw materials, direct labor and indirect production and overhead costs. Reserves for obsolete or excess inventory are not material.

Property, Plant and Equipment — Property, plant and equipment are stated at acquisition cost, plus capitalized interest on borrowings during the actual construction period of major capital projects. Also included in property, plant and equipment are certain direct costs related to the implementation of computer software for internal use. Depreciation is calculated using the straight-line method typically over the following range of estimated useful lives of the assets:

<u>Asset</u>	<u>Useful Life</u>
Buildings	15 to 40 years
Machinery and equipment	3 to 20 years
Leasehold improvements	Over the shorter of their estimated useful lives or the terms of the applicable lease agreements

We test property, plant and equipment for impairment when circumstances indicate that the carrying value may not be recoverable. Indicators of impairment could include significant

changes in business environment or the planned closure of a facility. Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash flows. Expenditures for repairs and maintenance which do not improve or extend the life of the assets are expensed as incurred.

Goodwill and Intangible Assets — Identifiable intangible assets, other than indefinite-lived trademarks, are typically amortized over the following range of estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Customer relationships	5 to 15 years
Certain finite-lived trademarks	5 to 15 years
Customer supply contracts	Over the shorter of the estimated useful lives or the terms of the agreements
Noncompetition agreements	Over the shorter of the estimated useful lives or the terms of the agreements
Deferred financing costs	Over the terms of the related debt

In accordance with Accounting Standards related to “Goodwill and Other Intangible Assets”, we do not amortize goodwill and other intangible assets determined to have indefinite useful lives. Instead, we assess our goodwill and indefinite-lived trademarks for impairment annually and when circumstances indicate that the carrying value may not be recoverable. See Note 7.

Assets Held for Sale — We classify assets as held for sale when management approves and commits to a formal plan of sale and our expectation is that the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value or the fair market value, less costs to sell. As of December 31, 2012 and 2011, an immaterial amount related to Fresh Dairy Direct facilities that are closed or to be closed were held for sale and recorded in the prepaid expenses and other current assets line on our Consolidated Balance Sheets.

Foreign Currency Translation — The financial statements of our foreign subsidiaries are translated to U.S. dollars. The functional currency of our foreign subsidiaries is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated to U.S. dollars at year-end exchange rates. Income and expense items are translated at the average rates prevailing during the year. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses and are recognized in the statement of operations with their related operational activity. Currently, an immaterial amount of transaction gains and losses are reflected in general and administrative expense in our Consolidated Statements of Operations. The cumulative translation adjustment in our Consolidated Statements of Stockholders’ Equity (Deficit) reflects the unrealized adjustments resulting from translating the financial statements of our foreign subsidiaries.

Share-Based Compensation — Share-based compensation expense is recognized for equity awards over the vesting period based on their grant date fair value. The fair value of option awards is estimated at the date of grant using the Black-Scholes valuation model. The fair value of restricted stock unit awards is equal to the closing price of our stock on the date of grant. The fair value of our phantom shares is remeasured at each reporting period based on the closing price

of our common stock on the last day of the respective reporting period. The fair value of our cash performance units is remeasured at each reporting period and is based on our cumulative Total Shareholder Return (“TSR”) over the performance period relative to the TSR of the peer companies included in our performance comparison group. Compensation expense is recognized only for equity awards expected to vest. We estimate forfeitures at the date of grant based on our historical experience and future expectations. Share-based compensation expense is included within the same financial statement caption where the recipient’s cash compensation is reported and is classified as a corporate item for segment reporting. See Note 12.

Revenue Recognition, Sales Incentives and Accounts Receivable — Sales are recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product has been delivered to the customer and there is a reasonable assurance of collection of the sales proceeds. Sales are recorded net of allowances for returns, trade promotions and prompt pay and other discounts. We routinely offer sales incentives and discounts through various regional and national programs to our customers and consumers. These programs include rebates, shelf-price reductions, in-store display incentives, coupons and other trade promotional activities. These programs, as well as amounts paid to customers for shelf-space in retail stores, are considered reductions in the price of our products and thus are recorded as reductions to gross sales. Some of these incentives are recorded by estimating incentive costs based on our historical experience and expected levels of performance of the trade promotion. We maintain liabilities at the end of each period for the estimated incentive costs incurred but unpaid for these programs. Differences between estimated and actual incentive costs are normally insignificant and are recognized in earnings in the period such differences are determined.

We provide credit terms to customers generally ranging up to 30 days, perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses based on our historical experience. Estimated product returns have not historically been material.

Income Taxes — All of our consolidated U.S. operating subsidiaries, as well as our proportional share of the operations of our unconsolidated affiliates, are included in our U.S. federal consolidated income tax return. Our foreign subsidiaries are required to file local jurisdiction income tax returns with respect to their operations, the earnings from which are expected to be reinvested indefinitely. At December 31, 2012, no provision had been made for U.S. federal or state income tax on approximately \$107.3 million of accumulated foreign earnings as they are considered to be indefinitely reinvested. Computation of the potential deferred tax liability associated with these undistributed earnings and other basis differences is not practicable.

Deferred income taxes arise from temporary differences between amounts recorded in the Consolidated Financial Statements and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Deferred tax assets, including the benefit of net operating loss and tax credit carryforwards, are evaluated based on the guidelines for realization and are reduced by a valuation allowance if deemed necessary.

We recognize the income tax benefit from an uncertain tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination, including resolutions of any related appeals or litigation processes. We recognize accrued interest related to uncertain tax positions as a component of income tax expense, and penalties, if incurred, are recognized as a component of operating income.

Advertising Expense — We market our products through advertising and other promotional activities, including media, agency, coupons, trade shows and other promotional activities.

Advertising expense is charged to income during the period incurred, except for expenses related to the development of a major commercial or media campaign which are charged to income during the period in which the advertisement or campaign is first presented by the media. Advertising expense totaled \$201.2 million in 2012, \$174.3 million in 2011 and \$188.1 million in 2010. Prepaid advertising was not material as of December 31, 2012 and 2011.

Shipping and Handling Fees — Our shipping and handling costs are included in both cost of sales and selling and distribution expense, depending on the nature of such costs. Shipping and handling costs included in cost of sales reflect inventory warehouse costs and product loading and handling costs. Shipping and handling costs included in selling and distribution expense consist primarily of those costs associated with moving finished products from production facilities through our distribution network, including costs associated with its distribution centers, route delivery costs and the cost of shipping products to customers through third party carriers. Shipping and handling costs that were recorded as a component of selling and distribution expense were \$1.4 billion, \$1.4 billion and \$1.3 billion during 2012, 2011 and 2010, respectively.

Insurance Accruals — We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverage. Accrued liabilities for incurred but not reported losses related to these retained risks are calculated based upon loss development factors which contemplate a number of factors including claims history and expected trends.

Research and Development — Our research and development activities primarily consist of generating and testing new product concepts, new flavors and packaging. Our total research and development expense was \$14.4 million, \$14.6 million and \$20.7 million for 2012, 2011 and 2010, respectively. Research and development costs are primarily included in general and administrative expenses in our Consolidated Statements of Operations.

Recently Issued Accounting Pronouncements — In July 2012 the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update related to "Testing Indefinite-Lived Intangibles for Impairment." The purpose of the update is to simplify the guidance for testing indefinite-lived intangible assets for impairment and the update permits entities to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Unless an entity determines, through its qualitative assessment, that it is more likely than not that an indefinite-lived intangible asset is impaired, it would not be required to calculate the fair value of the asset. This standard is effective for annual and interim impairment tests of indefinite-lived intangible assets performed in fiscal years beginning after September 15, 2012, and early adoption is permitted. This standard did not have an impact on our annual indefinite-lived asset impairment testing process in 2012 as we did not elect to perform a qualitative assessment.

Facility Closing and Reorganization Costs - Approved Plans and Related Charges (Parenthetical) (Detail) (USD \$)	12 Months Ended		3 Months Ended	6 Months Ended	12 Months Ended	3 Months Ended	Dec. 31, 2012 Facility Closing [Member] Fresh Dairy Direct Facility Closures [Member]	12 Months Ended					Dec. 31, 2012 Field and Functional Reorganization [Member] Fresh Dairy Direct [Member]	
	Dec. 31, 2010 Fresh Dairy Direct [Member]	Dec. 31, 2012 Fresh Dairy Direct Facility Closures [Member]	Jun. 30, 2010 Functional Realignment [Member]	Jun. 30, 2012 Functional Realignment [Member]	Dec. 31, 2012 Functional Realignment [Member]	Dec. 31, 2010 Department Realignment [Member]		Dec. 31, 2011 Organization Optimization Initiative [Member]	Dec. 31, 2012 Organization Optimization Initiative [Member]	Dec. 31, 2011 Organization Optimization Initiative [Member]	Dec. 31, 2010 Organization Optimization Initiative [Member]	Dec. 31, 2012 Field and Functional Reorganization [Member]		
Restructuring Cost and Reserve Line Items Charges incurred to date			\$ 3,100,000		\$ 32,200,000	\$ 5,400,000	\$ 73,100,000	\$ 24,000,000						
Expected costs	2,900,000	1,200,000												
Reduction of workforce				120	230	75		300						
Severance cost									\$ (197,000)	[1] \$ 4,269,000	[1] \$ 0	[1] \$ 6,000,000	\$ 6,000,000	[2]

[1] In the first quarter of 2011 we initiated a significant cost reduction program that is incremental to our other ongoing cost-savings initiatives. This initiative is focused on permanently removing costs out of our business through organizational and corporate departmental redesigns, driven by process simplification and standardization, centralization of activities and reorganization to drive growth in our core customers and categories. As part of this program, we eliminated approximately 300 corporate and field positions during 2011. The charges recorded during 2011 relate to workforce reduction costs and include costs associated with eliminating the position filled by our then President and Chief Operating Officer. We incurred \$24.0 million of charges related to this initiative to date, and we do not expect to incur any material additional charges under this program going forward.

[2] During the fourth quarter of 2012, our executive management team approved a plan to reorganize Fresh Dairy Direct's field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. As future tranches have not been approved by our executive management team, future costs to be incurred are not yet estimable.

**Employee Retirement and
Profit Sharing Plans -
Reconciliation of Projected
Benefit Obligation and Fair
Value of Plans Assets (Detail)
(USD \$)**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

**In Thousands, unless
otherwise specified**

Defined Benefit Plan Disclosure [Line Items]

<u>Balance at December 31, 2012</u>	\$ 260,912	\$ 232,229	
Employee Retirement and Profit Sharing Plans [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Benefit obligation at beginning of year</u>	330,288	305,588	
<u>Service cost</u>	4,477	4,151	3,699
<u>Interest cost</u>	14,404	15,633	
<u>Plan participants' contributions</u>	68	68	
<u>Plan amendments</u>	318		
<u>Actuarial (gain) loss</u>	34,968	32,633	
<u>Benefits paid</u>	(21,162)	(25,654)	
<u>Plan settlements</u>		(1,730)	
<u>Exchange rate changes</u>	320	(401)	
<u>Benefit obligation at end of year</u>	363,681	330,288	305,588
<u>Fair value of plan assets at beginning of year</u>	232,229	230,072	
<u>Actual return on plan assets</u>	31,251	11,675	
<u>Employer contribution</u>	18,331	18,073	
<u>Plan participants' contributions</u>	68	68	
<u>Benefits paid</u>	(21,162)	(25,654)	
<u>Plan settlements</u>		(1,730)	
<u>Exchange rate changes</u>	195	(275)	
<u>Balance at December 31, 2012</u>	260,912	232,229	230,072
<u>Funded status at end of year</u>	\$ (102,769)	\$ (98,059)	

**Property, Plant and
Equipment - Components of
Property, Plant and
Equipment (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Property, Plant and Equipment [Line Items]

<u>Land</u>	\$ 235,350	\$ 233,650
<u>Buildings</u>	879,273	858,217
<u>Leasehold improvements</u>	82,764	84,455
<u>Machinery and equipment</u>	2,346,817	2,224,615
<u>Construction in progress</u>	53,237	122,714
<u>Property, plant and equipment, gross</u>	3,597,441	3,523,651
<u>Less accumulated depreciation</u>	(1,724,162)	(1,587,416)
<u>Total</u>	\$ 1,873,279	\$ 1,936,235

**Employee Retirement and
Profit Sharing Plans -
Schedule of Information
Regarding Participation in
Multiemployer Pension
Plans (Parenthetical) (Detail)**

**12 Months
Ended
Dec. 31,
2012
Agreement**

Western Conference of Teamsters Pension Plan [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Collective bargaining agreements	30
Dairy Industry - Union Pension Plan for Philadelphia Vicinity [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Collective bargaining agreements	3
Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Collective bargaining agreements	10
Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member] Agreements Expiring In Twenty Fourteen [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	40.00%
Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member] Agreements Expiring In Twenty Fifteen	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	35.00%
Central States Southeast And Southwest Areas Pension Plan [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Collective bargaining agreements	30
Central States Southeast And Southwest Areas Pension Plan [Member] Agreements Expiring In Twenty Fifteen	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	30.00%
Central States Southeast And Southwest Areas Pension Plan [Member] Agreements Expiring In Twenty Sixteen	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	35.00%
Minimum [Member] Western Conference of Teamsters Pension Plan [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	15.00%
Maximum [Member] Dairy Industry - Union Pension Plan for Philadelphia Vicinity [Member]	
Defined Benefit Plan Disclosure [Line Items]	
Percentage of agreements representing total employee participants	85.00%

**Postretirement Benefits
Other Than Pensions -
Effects of One Percent
Change in Assumed Health
Care Cost Trend Rates
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012

Defined Benefit Plan Disclosure [Line Items]

<u>Effect on total of service and interest cost components, 1-Percentage-Point Increase</u>	\$ 223
<u>Effect on total of service and interest cost components, 1-Percentage-Point Decrease</u>	3,901
<u>Effect on postretirement obligation, 1-Percentage-Point Increase</u>	(193)
<u>Effect on postretirement obligation, 1-Percentage-Point Decrease</u>	\$ (3,360)

**OTHER
COMPREHENSIVE
INCOME (LOSS) (Tables)**

**12 Months Ended
Dec. 31, 2012**

[Components of Accumulated
Other Comprehensive Income
\(Loss\)](#)

The components of accumulated other comprehensive loss, as reflected in the Consolidated Statements of Stockholders' Equity (Deficit) at December 31, 2012 and 2011, are as follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Cumulative translation adjustment	\$(22,287)	\$(36,977)
Fair value of derivative instruments, net of tax	(58,452)	(63,662)
Pension and other postretirement liability adjustment, net of tax	<u>(105,845)</u>	<u>(98,881)</u>
Total accumulated other comprehensive loss	<u><u>\$(186,584)</u></u>	<u><u>\$(199,520)</u></u>

**QUARTERLY RESULTS
OF OPERATIONS**

**12 Months Ended
Dec. 31, 2012**

**QUARTERLY RESULTS OF
OPERATIONS**

21. QUARTERLY RESULTS OF OPERATIONS (unaudited)

The following is a summary of our unaudited quarterly results of operations for 2012 and 2011.

	Quarter			
	First	Second	Third	Fourth
(In thousands, except share data)				
2012				
Net sales	\$2,870,452	\$2,762,995	\$2,787,476	\$3,041,354
Gross profit	723,567	735,039	713,033	728,359
Income from continuing operations	26,459	42,556	22,183	26,215
Net income (1)(5)	37,883	56,165	36,441	30,552
Net income attributable to Dean Foods Company(1)	37,883	56,165	36,441	28,133
Earnings per common share(2):				
Basic	0.21	0.30	0.20	0.15
Diluted	0.20	0.30	0.20	0.15

	Quarter			
	First	Second	Third	Fourth
(In thousands, except share data)				
2011				
Net sales	\$2,724,671	\$2,940,054	\$3,047,499	\$2,928,967
Gross profit	690,387	698,247	686,228	704,755
Income (loss) from continuing operations (4)	12,780	(79,559)	(1,562,696)	(20,978)
Net income (loss)(3)(4)	23,382	(53,020)	(1,552,034)	(10,499)
Net income (loss) attributable to Dean Foods Company(3)(4)	25,263	(50,513)	(1,540,497)	(9,874)
Earnings (loss) per common share(2):				
Basic	0.14	(0.28)	(8.39)	(0.05)
Diluted	0.14	(0.28)	(8.39)	(0.05)

- (1) The results for the first, second, third and fourth quarters of 2012 include facility closing and reorganization costs, net of tax, of \$16.2 million, \$4.2 million, \$4.2 million and \$11.3 million, respectively. See Note 17.
- (2) Earnings (loss) per common share calculations for each of the quarters were based on the basic and diluted weighted average number of shares outstanding for each quarter. The sum of the quarters may not necessarily be equal to the full year earnings (loss) per common share amount.
- (3) The results for the first, second, third and fourth quarters of 2011 include facility closing and reorganization costs, net of tax, of \$6.6 million, \$12.9 million, \$6.3 million and \$2.2 million, respectively. See Note 17.
- (4) Results for 2011 include a charge of \$1.6 billion related to goodwill impairment, net of tax (Note 7), a \$84.5 million net of tax charge related to a class action antitrust complaint settlement (Note 19), and a \$7.9 million loss, net of tax, related to divestitures (Note 3).
- (5) Results for 2012 include a net after-tax loss of \$10.4 million related to the July 3, 2012 sale of our investment in CCC.

**SEGMENT, GEOGRAPHIC
AND CUSTOMER
INFORMATION**

12 Months Ended

Dec. 31, 2012

SEGMENT, GEOGRAPHIC
AND CUSTOMER
INFORMATION

20. SEGMENT, GEOGRAPHIC AND CUSTOMER INFORMATION

We have two reportable segments: Fresh Dairy Direct and WhiteWave.

Fresh Dairy Direct is our largest segment with 79 manufacturing facilities geographically located largely based on local and regional customer needs and other market factors. Fresh Dairy Direct manufactures, markets and distributes a wide variety of branded and private label dairy case products, including milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products to retailers, distributors, foodservice outlets, educational institutions and governmental entities across the United States. Our products are primarily delivered through what we believe to be one of the most extensive refrigerated direct store delivery (“DSD”) systems in the United States.

WhiteWave manufactures, develops, markets and sells a variety of nationally and internationally branded plant-based food and beverages, such as Silk soy, almond and coconut milks, and *Alpro* and *Provamel* soy, almond and hazelnut drinks and food products; nationally branded coffee creamers and beverages, including International Delight and *LAND O LAKES*; and nationally branded premium dairy products, such as *Horizon Organic* milk. WhiteWave sells its products to a variety of customers, including grocery stores, mass merchandisers, club stores and convenience stores, as well as through various other away-from-home channels, including restaurants and foodservice outlets, across North America and Europe. The majority of the WhiteWave products are delivered through warehouse delivery systems. As discussed in Note 2, in October 2012, WhiteWave, whose subsidiaries comprise our WhiteWave segment, completed the WhiteWave IPO. Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave, which is now a publicly traded company whose Class A common stock is listed on the NYSE under the symbol “WWAV”. Unless and until a spin-off occurs or we otherwise cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

On December 2, 2012, we entered into an agreement to sell our Morningstar division, which is a leading manufacturer of dairy and non-dairy extended shelf-life and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. We completed the sale of these operations on January 3, 2013. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011. See Note 3.

During the second quarter of 2010, we committed to a plan to sell the business operations of Rachel’s, which provided organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All Rachel’s operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the year ended December 31, 2010. See Note 3.

The wind down of the operations of the joint venture with Hero Group was completed as of December 31, 2012.

Our Chief Executive Officer, who is our chief operating decision maker, evaluates the performance of our segments based on sales and operating income or loss before gains and losses on the sale of businesses, facility closing and reorganization costs, litigation settlements, goodwill impairment, foreign exchange gains and losses and write-downs related to the wind-down of our joint venture. We do not report revenue by product or product category as it is impracticable to do so due to certain system limitations. The reporting segments do not include an allocation of the costs related to shared services such as audit services, corporate development, human resources, strategy, tax or treasury. In addition, the expense related to share-based compensation has not been allocated to our segments and is reflected entirely within the caption “Corporate and Other”. Therefore, the measure of segment profit or loss presented below is before such items.

A portion of our WhiteWave products are produced, distributed and sold by Fresh Dairy Direct. In the past, those sales, together with their related costs, were included in the WhiteWave segment for management and segment reporting purposes. From a cost perspective, the results of these transactions may not have been equivalent to the terms that would prevail in arm’s length transactions, and, as a result of the commercial agreements described below, this presentation is no longer consistent with the way our management team expects to evaluate the performance of our segments going forward. Accordingly, beginning in the fourth quarter of 2012, the results of these transactions were no longer included in the WhiteWave segment and are instead reflected in the Fresh Dairy Direct segment for management and segment reporting purposes. All segment results herein have been recast to present results on a comparable basis. These changes had no impact on consolidated net sales and operating income.

In connection with the WhiteWave IPO discussed in Note 2, our separate lines of businesses entered into agreements with each other that formalize and, in certain cases, modify ongoing commercial arrangements. These agreements became effective October 31, 2012. As described above, following their effectiveness and for so long as WhiteWave is consolidated for financial reporting purposes, these agreements will impact our intersegment sales and their related costs, but will be eliminated in consolidation. In the case of a spin-off or other tax-free disposition of WhiteWave, these intersegment sales would become third-party sales that, along with their related costs, would no longer be eliminated in consolidation.

The amounts in the following tables are obtained from reports used by our executive management team and do not include any allocated income taxes or management fees. There are no significant non-cash items reported in segment profit or loss other than depreciation and amortization. The consolidated financial statements of WhiteWave will differ from our historically reported WhiteWave segment results, as our historical results include adjustments for management and segment reporting purposes. In addition, WhiteWave’s consolidated financial statements include certain other adjustments, including the allocation of corporate and shared service costs, which are not reflected in the segment results below.

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Net sales to external customers:			
Fresh Dairy Direct	\$9,274,662	\$9,715,747	\$9,093,973

WhiteWave	2,187,615	1,925,444	1,726,264
Total	<u>\$11,462,277</u>	<u>\$11,641,191</u>	<u>\$10,820,237</u>
Intersegment sales:			
Fresh Dairy Direct	\$51,882	\$65,641	\$56,321
WhiteWave	109,513	108,921	107,923
Total	<u>\$161,395</u>	<u>\$174,562</u>	<u>\$164,244</u>
Operating income (loss):			
Fresh Dairy Direct	\$446,451	\$378,493	\$449,622
WhiteWave	192,557	148,595	100,205
Total reportable segment operating income	639,008	527,088	549,827
Corporate and Other	(212,893)	(218,747)	(219,999)
Facility closing and reorganization costs	(55,787)	(45,688)	(30,761)
Litigation settlements	—	(131,300)	(30,000)
Goodwill impairment	—	(2,075,836)	—
Other operating income (loss)	57,459	(6,561)	—
Total	427,787	(1,951,044)	269,067
Other (income) expense:			
Interest expense	164,572	190,912	191,205
Other (income) expense, net	(707)	(1,915)	217
Consolidated income (loss) from continuing operations before tax	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>
Depreciation and amortization:			
Fresh Dairy Direct	\$159,636	\$161,326	\$157,725
WhiteWave	74,761	70,075	68,353
Corporate and Other	26,540	27,928	21,161
Total	<u>\$260,937</u>	<u>\$259,329</u>	<u>\$247,239</u>

	December 31		
	2012	2011	2010
(In thousands)			
Assets:			
Fresh Dairy Direct	\$2,609,459	\$2,672,002	\$4,759,220
WhiteWave	2,135,045	2,089,279	1,984,893
Corporate	269,598	325,213	412,431
Discontinued Operations and Assets Held for Sale	<u>672,989</u>	<u>668,673</u>	<u>784,874</u>
Total	<u>\$5,687,091</u>	<u>\$5,755,167</u>	<u>\$7,941,418</u>
Capital expenditures:			
Fresh Dairy Direct	\$109,345	\$164,833	\$173,608
WhiteWave	104,191	127,209	52,255
Corporate and Other	14,547	13,125	50,059

Total	<u>\$228,083</u>	<u>\$305,167</u>	<u>\$275,922</u>
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Geographic Information — Net sales and long-lived assets for domestic and foreign operations are shown in the table below.

	December 31		
	2012	2011	2010
	(In thousands)		
Net sales to external customers:			
Domestic	\$11,082,346	\$11,264,061	\$10,470,994
Foreign	379,931	377,130	349,243
Long-lived assets:			
Domestic	\$3,037,046	\$3,072,861	\$5,118,447
Foreign	447,267	443,598	487,775

Significant Customers — Our largest customer accounted for approximately 22% of our consolidated net sales in 2012 and 21% in 2011 and 2010. Sales to this customer were included in our Fresh Dairy Direct and WhiteWave segments.

**Common Stock and Share-
Based Compensation -
Summary of Stock Option
Activity (Detail) (USD \$)**

12 Months Ended

Dec. 31, 2012

**Dec. 31,
2011**

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Options outstanding at January 1, 2012, Options</u>	18,930,658	
<u>Granted, Options</u>	2,172,616	
<u>Forfeited and canceled, Options</u>	(3,801,113)	[1]
<u>Exercised, Options</u>	(2,165,224)	
<u>Options outstanding at December 31, 2012, Options</u>	15,136,937	
<u>Options vested and expected to vest at December 31, 2012, Options</u>	15,057,893	
<u>Options exercisable at September 30, 2012, Options</u>	11,891,660	15,710,662
<u>Options outstanding at January 1, 2012, Weighted Average Exercise Price</u>	\$ 19.21	
<u>Granted, Weighted Average Exercise Price</u>	\$ 12.14	
<u>Forfeited and cancelled, Weighted Average Exercise Price</u>	\$ 16.23	[1]
<u>Exercised, Weighted Average Exercise Price</u>	\$ 14.09	
<u>Options outstanding at December 31, 2012, Weighted Average Exercise Price</u>	\$ 19.64	
<u>Options vested and expected to vest at December 31, 2012, Weighted Average Exercise Price</u>	\$ 19.68	
<u>Options exercisable at December 31, 2011, Weighted Average Exercise Price</u>	\$ 21.81	\$ 20.39
<u>Options outstanding at December 31, 2012, Weighted Average Contractual Life</u>	5 years 29 days	
<u>Options vested and expected to vest at December 31, 2012, Weighted Average Contractual Life</u>	5 years 1 month 13 days	
<u>Options exercisable at December 31, 2012, Weighted Average Contractual Life</u>	4 years 1 month 6 days	
<u>Options outstanding at December 31, 2012, Aggregate Intrinsic Value</u>	\$ 21,627,660	
<u>Options vested and expected to vest at December 31, 2012, Aggregate Intrinsic Value</u>	21,167,382	
<u>Options exercisable at December 31, 2012, Aggregate Intrinsic Value</u>	\$ 6,386,222	

[1] Pursuant to the terms of our stock option plans, options that are forfeited or cancelled may be available for future grants.

**Discontinued Operations
And Divestitures - Summary
of Morningstar's Assets And
Liabilities (Detail) (USD \$)
In Thousands, unless
otherwise specified**

**Dec. 31, Dec. 31,
2012 2011**

**Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups,
Including Discontinued Operations [Line Items]**

<u>Assets of discontinued operations</u>	\$	\$
	672,989	668,673
<u>Liabilities of discontinued operations</u>	101,332	133,202

Morningstar [Member]

**Income Statement, Balance Sheet and Additional Disclosures by Disposal Groups,
Including Discontinued Operations [Line Items]**

<u>Current assets</u>	154,211	147,091
<u>Property, plant and equipment, net</u>	176,582	178,145
<u>Goodwill</u>	306,095	306,095
<u>Identifiable intangibles and other assets, net</u>	36,101	37,342
<u>Assets of discontinued operations</u>	672,989	668,673
<u>Accounts payable and accrued expenses</u>	94,188	105,252
<u>Debt</u>	97	22,001
<u>Other long-term liabilities</u>	7,047	5,949
<u>Liabilities of discontinued operations</u>	\$	\$
	101,332	133,202

**EMPLOYEE
RETIREMENT AND
PROFIT SHARING PLANS
(Tables)**

12 Months Ended

Dec. 31, 2012

[Retirement and Profit Sharing
Plan Expenses](#)

During 2012, 2011 and 2010, our retirement and profit sharing plan expenses were as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Defined benefit plans	\$14,720	\$13,849	\$12,975
Defined contribution plans	19,854	23,901	25,258
Multiemployer pension and certain union plans	28,674	26,203	25,227
Total	\$63,248	\$63,953	\$63,460

[Summary of Assumptions
Used to Determine Benefit
Obligations](#)

A summary of our key actuarial assumptions used to determine benefit obligations as of December 31, 2012 and 2011 follows:

	December 31	
	2012	2011
Weighted average discount rate(1)	3.70%	4.50%
Rate of compensation increase(1)	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 95% of our total benefit obligation as of December 31, 2012 and 2011.

A summary of our key actuarial assumptions used to determine net periodic benefit cost for 2012, 2011 and 2010 follows:

	Year Ended December 31		
	2012	2011	2010
Weighted average discount rate(1)	4.50%	5.28%	6.00%
Expected return on plan assets(1)	7.67%	7.67%	7.70%
Rate of compensation increase(1)	4.00%	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 85% of our total net periodic benefit cost during the years ended December 31, 2012, 2011 and 2010.

[Summary of Assumptions
Used to Determine Net
Periodic Benefit Cost](#)

Pension plans with an accumulated benefit obligation in excess of plan assets follows:

	December 31	
	2012	2011
	(In millions)	
Projected benefit obligation	\$351.0	\$320.6
Accumulated benefit obligation	343.6	310.7
Fair value of plan assets	252.6	225.2

[Pension Plans With an
Accumulated Benefit
Obligation in Excess of Plan
Assets](#)

The fair values by category of inputs as of December 31, 2012 were as follows (in thousands):

	Fair Value as of			
	December 31, 2012	Level 1	Level 2	Level 3
Equity Securities:				
Common Stock	\$ 112	\$ 112	\$—	\$—
Index Funds:				
U.S. Equities(a)	119,377	—	119,377	—
International Equities(b)	22,373	—	22,373	—
Equity Funds(c)	7,320	—	7,320	—
Total Equity Securities	149,182	112	149,070	—
Fixed Income:				
Bond Funds(d)	93,200	—	93,200	—
Diversified Funds(e)	2,938	—	0	2,938
Total Fixed Income	96,138	—	93,200	2,938

	Fair Value as of			
	December 31, 2012	Level 1	Level 2	Level 3
Cash Equivalents:				
Short-term Investment Funds(f)	4,327	—	4,327	—
Total Cash Equivalents	4,327	—	4,327	—
Other Investments:				
Insurance Contracts(g)	9,818	—	—	9,818
Partnerships/Joint Ventures(h)	1,447	—	—	1,447
Insurance Reserves	—	—	—	—

[Fair Values by Category of
Inputs](#)

Total Other Investments	11,265	—	—	11,265
Total	<u>\$ 260,912</u>	<u>\$ 112</u>	<u>\$246,597</u>	<u>\$14,203</u>

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

The fair values by category of inputs as of December 31, 2011 were as follows (in thousands):

	Fair Value as of			
	December 31, 2011	Level 1	Level 2	Level 3
Equity Securities:				
Common Stock	\$ 94	\$94	\$0	\$0
Index Funds:				
U.S. Equities(a)	107,247	0	107,247	0
International Equities(b)	18,986	0	18,986	0
Equity Funds(c)	<u>6,546</u>	<u>0</u>	<u>6,546</u>	<u>0</u>
Total Equity Securities	132,873	94	132,779	—
Fixed Income:				
Bond Funds(d)	82,192	—	82,192	—
Diversified Funds(e)	<u>3,266</u>	<u>—</u>	<u>—</u>	<u>3,266</u>
Total Fixed Income	85,458	—	82,192	3,266
Cash Equivalents:				
Short-term Investment Funds(f)	4,608	—	4,608	0
Total Cash Equivalents	4,608	—	4,608	0
Other Investments:				
Insurance Contracts(g)	7,710	—	—	7,710
Partnerships/Joint Ventures(h)	1,580	—	—	1,580
Insurance Reserves	—	—	—	—
Total Other Investments	<u>9,290</u>	<u>—</u>	<u>—</u>	<u>9,290</u>
Total	<u>\$ 232,229</u>	<u>\$94</u>	<u>\$219,579</u>	<u>\$12,556</u>

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

[Reconciliation of Change in Fair Value Measurement of Defined Benefit Plans](#)

A reconciliation of the change in the fair value measurement of the defined benefit plans' consolidated assets using significant unobservable inputs (Level 3) during the years ended December 31, 2012 and 2011 is as follows (in thousands):

	Diversified Funds	Insurance Contracts	Partnerships/Joint Ventures	Total
Balance at January 1, 2011	\$3,104	\$6,169	\$ 1,913	\$11,186
Actual return on plan assets:				
Relating to instruments still held at reporting date	155	370	28	553
Purchases, sales and settlements (net)	(2,172)	1,171	(361)	(1,362)
Transfers in and/or out of Level 3	<u>2,179</u>	<u>0</u>	<u>0</u>	<u>2,179</u>
Balance at December 31, 2011	\$3,266	\$7,710	\$ 1,580	\$12,556
Actual return on plan assets:				
Relating to instruments still held at reporting date	(212)	484	131	403
Purchases, sales and settlements (net)	(695)	1,624	—	929
Transfers in and/or out of Level 3	<u>579</u>	<u>—</u>	<u>(264)</u>	<u>315</u>

[Schedule of Information Regarding Participation in Multiemployer Pension Plans](#)

Balance at December 31, 2012 \$2,938 \$9,818 \$ 1,447 \$14,203

The last column in the table lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Pension Fund	Employer Identification Number	Pension Plan Number	PPA Zone Status		FIP /RP Status Pending/ Implemented	Extended Amortization Provisions	Expiration Date of Associated Collective-Bargaining Agreement(s)
			2012	2011			
			Western Conference of Teamsters Pension Plan (1)	91-6145047			
Central States, Southeast and Southwest Areas Pension Plan (2)	36-6044243	001	Red	Red	Implemented	No	May 31, 2013 – March 11, 2017
Retail, Wholesale & Department Store International Union and Industry Pension Fund (3)	63-0708442	001	Green	Green	N/A	Yes	January 29, 2014 – September 10, 2016
Dairy Industry – Union Pension Plan for Philadelphia Vicinity (4)	23-6283288	001	Red	Red	Implemented	Yes	June 30, 2014 – September 30, 2017

- (1) We are party to approximately 30 collective bargaining agreements that require contributions to this plan. These agreements cover a large number of employee participants and expire on various dates between 2013 and 2016. We do not believe that any one agreement is substantially more significant than another as none of these agreements individually represent greater than 15% of the total employee participants covered under this plan.
- (2) There are approximately 30 collective bargaining agreements that govern our participation in this plan. The agreements expire on various dates between 2013 and 2017. The agreements expiring in 2015 represent approximately 30% of our total employee participants in this plan, and the agreements expiring in 2016 represent approximately 35% of our total participants in the plan. The remaining agreements have a wide variety of expiration dates between 2013 and 2017 and do not individually represent a significant percentage of our overall participants to this plan.
- (3) We are subject to approximately 10 collective bargaining agreements with respect to this plan. Approximately 40% and 35% of our employee participants in this plan are covered by the agreements expiring in 2014 and 2015, respectively.
- (4) We are party to three collective bargaining agreements with respect to this plan. The agreement expiring in September 2017 is the most significant as more than 85% of our employee participants in this plan are covered by that agreement.

Information regarding our contributions to our multiemployer pension plans is shown in the table below. There are no changes which materially affected the comparability of our contributions to each of these plans during the years ended December 31, 2012, 2011 and 2010.

[Schedule of Information Regarding Contribution in Multiemployer Pension Plans](#)

Pension Fund	Employer Identification Number	Pension Plan Number	Dean Foods Company Contributions (in millions)				Surcharge Imposed (3)
			2012	2011	2010		
			Western Conference of Teamsters Pension Plan	91-6145047	001	\$14.3	
Central States, Southeast and Southwest Areas Pension Plan	36-6044243	001	9.5	8.6	8.4	No	
Retail, Wholesale & Department Store International Union and Industry Pension Fund (1)	63-0708442	001	1.3	1.2	1.3	No	
Dairy Industry – Union Pension Plan for Philadelphia Vicinity (1)	23-6283288	001	1.8	1.5	1.5	Yes	
Other Funds (2)			1.8	0.2	0.0		
Total Contributions			<u>\$28.7</u>	<u>\$26.2</u>	<u>\$25.2</u>		

- (1) During the 2011 and 2010 plan years, our contributions to these plans exceeded 5% of total plan contributions. At the date of filing of this Annual Report on Form 10-K, Forms 5500 were not available for the plan years ending in 2012.
- (2) Amounts shown represent our contributions to all other multiemployer pension and other postretirement benefit plans, which are immaterial both individually and in the aggregate to our Consolidated Financial Statements.
- (3) Federal law requires that contributing employers to a plan in Critical status pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount we would otherwise be required to contribute to the plan and ceases once our related collective bargaining agreements are amended to comply with the provisions of the rehabilitation plan.

**SCHEDULE II
VALUATION AND
QUALIFYING ACCOUNTS**

SCHEDULE II VALUATION AND
QUALIFYING ACCOUNTS

12 Months Ended

Dec. 31, 2012

SCHEDULE II

**DEAN FOODS COMPANY AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2012, 2011 and 2010**

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to (Reduction in)</u>			<u>Balance at End of Period</u>
		<u>Costs and Expenses</u>	<u>Other</u>	<u>Deductions</u>	
(In thousands)					
<u>Year ended</u>					
<u>December 31,</u>					
<u>2012</u>					
Allowance for doubtful accounts	\$ 10,391	\$ 5,213	\$ 230	\$(2,141)	\$ 13,693
Deferred tax asset valuation allowances	9,176	(1,395)	0	0	7,781
<u>Year ended</u>					
<u>December 31,</u>					
<u>2011</u>					
Allowance for doubtful accounts	\$ 14,698	\$ 2,145	\$(160)	\$(6,292)	\$ 10,391
Deferred tax asset valuation allowances	7,660	1,516	0	0	9,176
<u>Year ended</u>					
<u>December 31,</u>					
<u>2010</u>					
Allowance for doubtful accounts	\$ 16,417	\$ 7,680	\$(1,379)	\$(8,020)	\$ 14,698
Deferred tax asset valuation allowances	9,108	(1,448)	0	0	7,660

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES
(Policies)**

12 Months Ended

Dec. 31, 2012

[Nature of Our Business](#)

Nature of Our Business — We are a leading food and beverage company in the United States, as well as a North American and European leader in branded plant-based foods and beverages. We align our leadership teams, operating strategies and supply chain initiatives around our two lines of business, Fresh Dairy Direct and WhiteWave.

Fresh Dairy Direct is the largest processor and distributor of milk and other dairy products in the United States, with products such as milk, ice cream, cultured dairy products, creamers, ice cream mix and other dairy products sold under more than 50 familiar local and regional brands and a wide array of private labels. Fresh Dairy Direct also produces and distributes *Tru Moo*[®], which is our nationally branded, healthier, reformulated flavored milk.

Our WhiteWave business is comprised of our majority ownership interest in The WhiteWave Foods Company (“WhiteWave”) and its subsidiaries. WhiteWave manufactures, markets and sells a variety of nationally and internationally branded plant-based foods and beverages, such as *Silk*[®] soy, almond and coconut milks, and *Alpro*[®] and *Provamel*[®] soy, almond and hazelnut drinks and food products; nationally branded coffee creamers and beverages, including *International Delight*[®] and *LAND O LAKES*[®]; and nationally branded premium dairy products, such as *Horizon Organic*[®] milk.

As discussed in Note 2, in October 2012, WhiteWave completed its initial public offering (the “WhiteWave IPO”). Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave, which is now a publicly traded company whose Class A common stock is listed on the New York Stock Exchange (“NYSE”) under the symbol “WWAV”. We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. Unless and until a spin-off occurs or we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

[Basis of Presentation and Consolidation](#)

Basis of Presentation and Consolidation — Our Consolidated Financial Statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), and include the accounts of our wholly-owned subsidiaries, as well as those of our 86.7% economic interest in WhiteWave. The resulting non-controlling interest’s share in the equity of WhiteWave is presented as a separate component of stockholders’ equity in the Consolidated Balance Sheets and Consolidated Statements of Stockholders’ Equity (Deficit), and the net income attributable to the non-controlling interest is presented in the Consolidated Statements of Operations. See Note 2 for further information regarding the WhiteWave IPO. All intercompany balances and transactions are eliminated in consolidation.

Unless otherwise indicated, references in the report to “we,” “us” or “our” refer to Dean Foods Company and its subsidiaries, taken as a whole. On December 2, 2012, we entered into an agreement to sell our Morningstar division to a third party. Morningstar is a leading manufacturer of dairy and non-dairy extended shelf-life (“ESL”) and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half,

value-added milks, sour cream and cottage cheese. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. See Note 10. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations. See Note 3.

During the first quarter of 2012, we completed the shutdown of the operations of our 50% owned joint venture with Hero Group, which was part of our WhiteWave segment.

During the second quarter of 2010, we committed to a plan to sell the business operations of our Rachel's Dairy companies ("Rachel's"), which provide organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. The sale of these operations was completed on August 4, 2010. All of our Rachel's operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations. See Note 3.

Unless stated otherwise, any reference to income statement items in these financial statements refers to results from continuing operations.

Use of Estimates

Use of Estimates — The preparation of our Consolidated Financial Statements in conformity with GAAP requires us to use our judgment to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of net sales and expenses during the reporting period. Actual results could differ from these estimates under different assumptions or conditions.

Cash Equivalents

Cash Equivalents — We consider temporary investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories — Inventories are stated at the lower of cost or market. Our products are valued using the first-in, first-out method. The costs of finished goods inventories include raw materials, direct labor and indirect production and overhead costs. Reserves for obsolete or excess inventory are not material.

Property, Plant and Equipment

Property, Plant and Equipment — Property, plant and equipment are stated at acquisition cost, plus capitalized interest on borrowings during the actual construction period of major capital projects. Also included in property, plant and equipment are certain direct costs related to the implementation of computer software for internal use. Depreciation is calculated using the straight-line method typically over the following range of estimated useful lives of the assets:

<u>Asset</u>	<u>Useful Life</u>
Buildings	15 to 40 years
Machinery and equipment	3 to 20 years
Leasehold improvements	Over the shorter of their estimated useful lives or the terms of the applicable lease agreements

We test property, plant and equipment for impairment when circumstances indicate that the carrying value may not be recoverable. Indicators of impairment could include significant changes in business environment or the planned closure of a facility. Considerable management judgment is necessary to evaluate the impact of operating changes and to estimate future cash

flows. Expenditures for repairs and maintenance which do not improve or extend the life of the assets are expensed as incurred.

Goodwill and Intangible Assets

Goodwill and Intangible Assets — Identifiable intangible assets, other than indefinite-lived trademarks, are typically amortized over the following range of estimated useful lives:

Asset	Useful Life
Customer relationships	5 to 15 years
Certain finite-lived trademarks	5 to 15 years
Customer supply contracts	Over the shorter of the estimated useful lives or the terms of the agreements
Noncompetition agreements	Over the shorter of the estimated useful lives or the terms of the agreements
Deferred financing costs	Over the terms of the related debt

In accordance with Accounting Standards related to “Goodwill and Other Intangible Assets”, we do not amortize goodwill and other intangible assets determined to have indefinite useful lives. Instead, we assess our goodwill and indefinite-lived trademarks for impairment annually and when circumstances indicate that the carrying value may not be recoverable. See Note 7.

Assets Held for Sale

Assets Held for Sale — We classify assets as held for sale when management approves and commits to a formal plan of sale and our expectation is that the sale will be completed within one year. The net assets of the business held for sale are then recorded at the lower of their current carrying value or the fair market value, less costs to sell. As of December 31, 2012 and 2011, an immaterial amount related to Fresh Dairy Direct facilities that are closed or to be closed were held for sale and recorded in the prepaid expenses and other current assets line on our Consolidated Balance Sheets.

Foreign Currency Translation

Foreign Currency Translation — The financial statements of our foreign subsidiaries are translated to U.S. dollars. The functional currency of our foreign subsidiaries is generally the local currency of the country. Accordingly, assets and liabilities of the foreign subsidiaries are translated to U.S. dollars at year-end exchange rates. Income and expense items are translated at the average rates prevailing during the year. Changes in exchange rates that affect cash flows and the related receivables or payables are recognized as transaction gains and losses and are recognized in the statement of operations with their related operational activity. Currently, an immaterial amount of transaction gains and losses are reflected in general and administrative expense in our Consolidated Statements of Operations. The cumulative translation adjustment in our Consolidated Statements of Stockholders’ Equity (Deficit) reflects the unrealized adjustments resulting from translating the financial statements of our foreign subsidiaries.

Share-Based Compensation

Share-Based Compensation — Share-based compensation expense is recognized for equity awards over the vesting period based on their grant date fair value. The fair value of option awards is estimated at the date of grant using the Black-Scholes valuation model. The fair value of restricted stock unit awards is equal to the closing price of our stock on the date of grant. The fair value of our phantom shares is remeasured at each reporting period based on the closing price of our common stock on the last day of the respective reporting period. The fair value of our cash performance units is remeasured at each reporting period and is based on our cumulative Total Shareholder Return (“TSR”) over the performance period relative to the TSR of the peer

companies included in our performance comparison group. Compensation expense is recognized only for equity awards expected to vest. We estimate forfeitures at the date of grant based on our historical experience and future expectations. Share-based compensation expense is included within the same financial statement caption where the recipient's cash compensation is reported and is classified as a corporate item for segment reporting. See Note 12.

Revenue Recognition, Sales Incentives and Accounts Receivable

Revenue Recognition, Sales Incentives and Accounts Receivable — Sales are recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, the product has been delivered to the customer and there is a reasonable assurance of collection of the sales proceeds. Sales are recorded net of allowances for returns, trade promotions and prompt pay and other discounts. We routinely offer sales incentives and discounts through various regional and national programs to our customers and consumers. These programs include rebates, shelf-price reductions, in-store display incentives, coupons and other trade promotional activities. These programs, as well as amounts paid to customers for shelf-space in retail stores, are considered reductions in the price of our products and thus are recorded as reductions to gross sales. Some of these incentives are recorded by estimating incentive costs based on our historical experience and expected levels of performance of the trade promotion. We maintain liabilities at the end of each period for the estimated incentive costs incurred but unpaid for these programs. Differences between estimated and actual incentive costs are normally insignificant and are recognized in earnings in the period such differences are determined.

We provide credit terms to customers generally ranging up to 30 days, perform ongoing credit evaluations of our customers and maintain allowances for potential credit losses based on our historical experience. Estimated product returns have not historically been material.

Income Taxes

Income Taxes — All of our consolidated U.S. operating subsidiaries, as well as our proportional share of the operations of our unconsolidated affiliates, are included in our U.S. federal consolidated income tax return. Our foreign subsidiaries are required to file local jurisdiction income tax returns with respect to their operations, the earnings from which are expected to be reinvested indefinitely. At December 31, 2012, no provision had been made for U.S. federal or state income tax on approximately \$107.3 million of accumulated foreign earnings as they are considered to be indefinitely reinvested. Computation of the potential deferred tax liability associated with these undistributed earnings and other basis differences is not practicable.

Deferred income taxes arise from temporary differences between amounts recorded in the Consolidated Financial Statements and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Deferred tax assets, including the benefit of net operating loss and tax credit carryforwards, are evaluated based on the guidelines for realization and are reduced by a valuation allowance if deemed necessary.

We recognize the income tax benefit from an uncertain tax position when it is more likely than not that, based on technical merits, the position will be sustained upon examination, including resolutions of any related appeals or litigation processes. We recognize accrued interest related to uncertain tax positions as a component of income tax expense, and penalties, if incurred, are recognized as a component of operating income.

Advertising Expense

Advertising Expense — We market our products through advertising and other promotional activities, including media, agency, coupons, trade shows and other promotional activities. Advertising expense is charged to income during the period incurred, except for expenses related to the development of a major commercial or media campaign which are charged to income during the period in which the advertisement or campaign is first presented by the media.

Advertising expense totaled \$201.2 million in 2012, \$174.3 million in 2011 and \$188.1 million in 2010. Prepaid advertising was not material as of December 31, 2012 and 2011.

Shipping and Handling Fees

Shipping and Handling Fees — Our shipping and handling costs are included in both cost of sales and selling and distribution expense, depending on the nature of such costs. Shipping and handling costs included in cost of sales reflect inventory warehouse costs and product loading and handling costs. Shipping and handling costs included in selling and distribution expense consist primarily of those costs associated with moving finished products from production facilities through our distribution network, including costs associated with its distribution centers, route delivery costs and the cost of shipping products to customers through third party carriers. Shipping and handling costs that were recorded as a component of selling and distribution expense were \$1.4 billion, \$1.4 billion and \$1.3 billion during 2012, 2011 and 2010, respectively.

Insurance Accruals

Insurance Accruals — We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third party carriers with high deductible limits. In other areas, we are self-insured with stop-loss coverage. Accrued liabilities for incurred but not reported losses related to these retained risks are calculated based upon loss development factors which contemplate a number of factors including claims history and expected trends.

Research and Development

Research and Development — Our research and development activities primarily consist of generating and testing new product concepts, new flavors and packaging. Our total research and development expense was \$14.4 million, \$14.6 million and \$20.7 million for 2012, 2011 and 2010, respectively. Research and development costs are primarily included in general and administrative expenses in our Consolidated Statements of Operations.

Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements — In July 2012 the Financial Accounting Standards Board ("FASB") issued an Accounting Standards Update related to "Testing Indefinite-Lived Intangibles for Impairment." The purpose of the update is to simplify the guidance for testing indefinite-lived intangible assets for impairment and the update permits entities to first assess qualitative factors to determine whether it is necessary to perform the quantitative impairment test. Unless an entity determines, through its qualitative assessment, that it is more likely than not that an indefinite-lived intangible asset is impaired, it would not be required to calculate the fair value of the asset. This standard is effective for annual and interim impairment tests of indefinite-lived intangible assets performed in fiscal years beginning after September 15, 2012, and early adoption is permitted. This standard did not have an impact on our annual indefinite-lived asset impairment testing process in 2012 as we did not elect to perform a qualitative assessment.

Subsequent Event

Discontinuation of Interest Rate Cash Flow Hedge

As disclosed in Note 3, on January 3, 2013, we completed the sale of our Morningstar operations and used a portion of the proceeds to repay in full our outstanding 2016 and 2017 Tranche B term loan borrowings. As a result of these repayments, we determined that we no longer had sufficient levels of variable rate debt to support the \$1 billion aggregate notional amount of interest rate hedges maturing in 2013 and 2016 shown in the table above. Accordingly, on January 4, 2013, we terminated these interest rate swaps, and upon termination, we paid the counterparties \$28.0 million based on the fair value of the swaps on that date. As we have determined that the forecasted transactions hedged by these swaps are no longer probable, we

expect to reclassify total losses of \$28.1 million (\$17.3 million, net of tax) previously recorded in accumulated other comprehensive income to interest expense during the first quarter of 2013.

**CONSOLIDATED
STATEMENTS OF CASH
FLOWS (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Cash flows from operating activities:</u>			
<u>Net income (loss)</u>	\$ 161,041	\$ (1,592,171)	\$ 82,756
<u>Income from discontinued operations</u>	(45,681)	(54,666)	(43,743)
<u>(Gain) loss on sale of discontinued operations</u>	2,053	(3,616)	(7,521)
<u>Adjustments to reconcile net income (loss) to net cash provided by operating activities:</u>			
<u>Depreciation and amortization</u>	261,108	259,329	247,239
<u>Share-based compensation expense</u>	38,755	36,632	36,872
<u>(Gain) loss on divestitures and other, net</u>	(21,832)	34,025	18,862
<u>Write-off of financing costs</u>	3,519		3,695
<u>Goodwill impairment</u>		2,075,836	
<u>Deferred income taxes</u>	90	(471,176)	121,043
<u>Other</u>	8,324	1,672	(1,291)
<u>Changes in operating assets and liabilities:</u>			
<u>Receivables, net</u>	(10,012)	(56,376)	32,777
<u>Inventories</u>	(22,168)	(25,946)	590
<u>Prepaid expenses and other assets</u>	2,914	6,087	7,213
<u>Accounts payable and accrued expenses</u>	46,706	55,287	17,373
<u>Income taxes receivable/payable</u>	20,829	42,902	(55,220)
<u>Litigation settlements</u>	(61,325)	103,838	30,000
<u>Net cash provided by operating activities-continuing operations</u>	384,321	411,657	490,645
<u>Net cash provided by operating activities-discontinued operations</u>	56,221	53,687	28,573
<u>Net cash provided by operating activities</u>	440,542	465,344	519,218
<u>Cash flows from investing activities:</u>			
<u>Payments for property, plant and equipment</u>	(228,083)	(305,167)	(275,922)
<u>Proceeds from insurance and other recoveries</u>	7,481	786	
<u>Proceeds from divestitures</u>	58,034	91,958	
<u>Proceeds from sale of fixed assets</u>	14,465	7,361	8,239
<u>Other, net</u>	(1,244)		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	(149,347)	(205,062)	(267,683)
<u>Net cash provided by (used in) investing activities-discontinued operations</u>	(24,831)	76,802	(1,771)
<u>Net cash used in investing activities</u>	(174,178)	(128,260)	(269,454)
<u>Cash flows from financing activities:</u>			
<u>Proceeds from issuance of debt</u>			400,000
<u>Repayment of Dean Foods Company senior secured term loan debt</u>	(1,350,275)	(209,885)	(514,189)
<u>Proceeds from senior secured revolver</u>	2,481,800	3,274,390	4,006,680
<u>Payments for senior secured revolver</u>	(2,316,500)	(3,627,690)	(4,068,880)
<u>Proceeds from receivables-backed facility</u>	2,834,551	4,246,006	2,220,267

<u>Payments for receivables-backed facility</u>	(3,072,961)	(4,007,598)	(2,220,267)
<u>Proceeds from subsidiary senior secured credit facility</u>	1,019,200		
<u>Payments for subsidiary senior secured credit facility</u>	(238,650)		
<u>Payments of financing costs</u>	(12,278)	(600)	(52,720)
<u>Proceeds from sale of subsidiary shares in initial public offering, net of offering costs</u>	367,540		
<u>Issuance of common stock, net of share repurchases for withholding taxes</u>	6,434	3,623	3,415
<u>Tax savings on share-based compensation</u>	571	33	278
<u>Capital contribution from non-controlling interest</u>		6,754	7,992
<u>Net cash used in financing activities-continuing operations</u>	(280,568)	(314,967)	(217,424)
<u>Net cash provided by (used in) financing activities-discontinued operations</u>	(21,895)	21,369	(268)
<u>Net cash provided by (used in) financing activities</u>	(302,463)	(293,598)	(217,692)
<u>Effect of exchange rate changes on cash and cash equivalents</u>	(576)	(4,588)	(502)
<u>Increase (decrease) in cash and cash equivalents</u>	(36,675)	38,898	31,570
<u>Cash and cash equivalents, beginning of period</u>	115,650	76,752	45,182
<u>Cash and cash equivalents, end of period</u>	\$ 78,975	\$ 115,650	\$ 76,752

**SUMMARY OF
SIGNIFICANT
ACCOUNTING POLICIES
(Tables)**

12 Months Ended

Dec. 31, 2012

[Schedule of Property Plant and Equipment, Estimated Useful Life](#)

Depreciation is calculated using the straight-line method typically over the following range of estimated useful lives of the assets:

<u>Asset</u>	<u>Useful Life</u>
Buildings	15 to 40 years
Machinery and equipment	3 to 20 years
Leasehold improvements	Over the shorter of their estimated useful lives or the terms of the applicable lease agreements

[Schedule of Intangible and Other Assets, Estimated Useful Life](#)

Goodwill and Intangible Assets — Identifiable intangible assets, other than indefinite-lived trademarks, are typically amortized over the following range of estimated useful lives:

<u>Asset</u>	<u>Useful Life</u>
Customer relationships	5 to 15 years
Certain finite-lived trademarks	5 to 15 years
Customer supply contracts	Over the shorter of the estimated useful lives or the terms of the agreements
Noncompetition agreements	Over the shorter of the estimated useful lives or the terms of the agreements
Deferred financing costs	Over the terms of the related debt

Debt - WhiteWave Senior Secured Credit Facility - Additional Information (Detail) (USD \$)	1 Months Ended		1 Months Ended								12 Months Ended		12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Oct. 12, 2012	Oct. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Oct. 12, 2012	Oct. 31, 2012	Dec. 31, 2012	Oct. 12, 2012	Oct. 31, 2012	Dec. 31, 2012	Oct. 31, 2012	Dec. 31, 2012
			WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]	WhiteWave Foods [Member]
			Revolving Credit Facility	Revolving Credit Facility	Term Loan A	Term Loan A	Term Loan A	Term Loan A	Term Loan A	Term Loan A	Letter of Credit Facility	Swing Line Loan A-2	Term Loan A	Term Loan A	Term Loan A
			Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary	Senior Subsidiary
			Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]	Secured Credit Facilities [Member]
Debt Instrument (Line Items)															
Line of credit facility				\$ 850,000,000							\$ 75,000,000	\$ 75,000,000			
Secured debt					500,000,000		250,000,000			250,000,000					
Outstanding borrowings	3,102,793,000	3,743,927,000	780,600,000	280,600,000											
Amortization of repayment in 2013	25,535,000					12,500,000				2,500,000					
Amortization of repayment in 2014	290,535,000					12,500,000				2,500,000					
Amortization of repayment in 2015	31,786,000					18,750,000				2,500,000					
Amortization of repayment in 2016	992,173,000					18,750,000				2,500,000					
Amortization of repayment in 2017	1,137,218,000					25,000,000				2,500,000					
Line of credit facility additional borrowing capacity														500,000,000	
Maximum consolidated net leverage ratio													4.25	3.00	
Net leverage ratio initial funding		4.00													
Net leverage ratio for next four fiscal quarter		3.75													
Net leverage ratio quoted, increased													4.50	0.50	
Debt purchase consideration equal or exceeds															50,000,000
Borrowings under the senior secured credit facilities interest rate								1.75%					2.00%		
Interest rate description					LIBOR										
Financing costs	\$ 12,000,000														

Employee Retirement and Profit Sharing Plans - Additional Information (Detail) (USD \$)	12 Months Ended		12 Months Ended				1 Months Ended	1 Months Ended	1 Months Ended	1 Months Ended	1 Months Ended	1 Months Ended	1 Months Ended	
	Dec. 31, 2012 Y	Dec. 31, 2011	Dec. 31, 2012 Minimum [Member]	Dec. 31, 2012 Maximum [Member]	Dec. 31, 2012 Minimum [Member]	Dec. 31, 2012 Maximum [Member]	Dec. 31, 2012 Employee Retirement and Profit Sharing Plans [Member]	Dec. 31, 2011 Employee Retirement and Profit Sharing Plans [Member]	Jul. 31, 2009 Master Trust Securities [Member]	Dec. 31, 2012 Master Trust Securities [Member]	Jul. 31, 2009 Master Trust Income Equivalents [Member]	Dec. 31, 2012 Master Trust Income Equivalents [Member]	Jul. 31, 2009 Master Trust Cash Investments [Member]	Dec. 31, 2012 Master Trust Cash Investments [Member]
Defined Benefit Plan Disclosure [Line Items]														
Minimum requisite service period, years	1													
Unrecognized prior service costs, before tax						\$ 4,600,000	\$ 5,200,000							
Unrecognized prior service costs, net of tax						2,800,000	3,200,000							
Unrecognized actuarial losses, before tax						160,300,000	152,000,000							
Unrecognized actuarial losses, net of tax						99,100,000	93,500,000							
Unrecognized transition obligation, before tax							112,000							
Unrecognized transition obligation, net of tax							69,000							
Prior service costs expected to be recognized next fiscal year						807,000								
Prior service costs expected to be recognized next fiscal year, net of tax						496,000								
Actuarial losses expected to be recognized next fiscal year						12,500,000								
Actuarial losses expected to be recognized next fiscal year, net of tax						7,700,000								
Underfunded status of the plans						(102,769,000)	(98,059,000)							
Current accrued pension liability						700,000								
Employer contribution in remainder of fiscal year 2012	2,500,000					12,900,000								
Accumulated benefit obligation	351,900,000	316,700,000												
Frozen defined benefit plan obligations	90.00%													
Weighted average discount rate						3.70%	[1]4.50%	[1]						
Targets investment in equity securities, fixed income, cash equivalents and other investments, percentage								59.00%	37.00%				1.00%	
Targets investment in equity securities, fixed income, cash equivalents and other investments, percentage										3.00%				
Investment in equity securities, fixed income, cash equivalents and other investments, percentage								59.00%	39.00%		2.00%		1.00%	
Plan participants' contributions, allowed percentage of participants' annual compensation			1.00%	20.00%										
Employer contributions per pay period for certain union hourly employees			\$ 24	\$ 91										
Plans in red zone				65.00%										
Plans in yellow zone				80.00%										
Plans in green zone		80.00%												

[1] Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 95% of our total benefit obligation as of December 31, 2012 and 2011

**DERIVATIVE FINANCIAL
INSTRUMENTS AND FAIR
VALUE MEASUREMENTS
(Tables)**

12 Months Ended

Dec. 31, 2012

[Summary of Various Interest
Rate Agreements](#)

The following table summarizes the various interest rate agreements in effect as of December 31, 2012:

<u>Fixed Interest Rates</u>	<u>Expiration</u>	<u>Notional Amounts</u> (In millions)
	<u>Date</u>	
1.60% to 1.84%	December 31, 2013	800
2.75% to 2.84%	March 31, 2016	200

[Derivatives Recorded at Fair
Value in Consolidated Balance
Sheets](#)

As of December 31, 2012 and 2011, our derivatives recorded at fair value in our Consolidated Balance Sheets were:

	<u>Derivative Assets</u>		<u>Derivative Liabilities</u>	
	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>December 31, 2012</u>	<u>December 31, 2011</u>
(In thousands)				
<i>Derivatives designated as Hedging Instruments</i>				
Interest rate swap contracts — current(1)	\$ —	\$ —	\$ 17,716	\$ 38,260
Interest rate swap contracts — noncurrent(2)	—	—	10,432	64,037
Commodities contracts — current(1)	776	93	1,143	2,346
Foreign currency contracts – current (1)	—	411	489	—
<i>Derivatives not designated as Hedging Instruments</i>				
Interest rate swap contracts — current(1)	—	—	18,262	—
Interest rate swap contracts — noncurrent(2)	—	—	48,669	—
Commodities contracts —current(1)	964	2,006	742	1,530
Total derivatives	<u>\$ 1,740</u>	<u>\$ 2,510</u>	<u>\$ 97,453</u>	<u>\$ 106,173</u>

- (1) Derivative assets and liabilities that have settlement dates equal to or less than 12 months from the respective balance sheet date were included in other current assets and accounts payable and accrued expenses, respectively, in our Consolidated Balance Sheets.
- (2) Derivative assets and liabilities that have settlement dates greater than 12 months from the respective balance sheet date were included in identifiable intangible and other assets, net and other long-term liabilities, respectively, in our Consolidated Balance Sheets.

[Gains and Losses on
Derivatives Designated as
Cash Flow Hedges](#)

Gains and losses on derivatives designated as cash flow hedges reclassified from accumulated other comprehensive income into income were as follows (in thousands):

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Losses on interest rate swap contracts(1)	\$38,607	\$61,387	\$96,573
(Gains)/losses on commodities contracts(2)	2,916	(3,097)	6
(Gains)/losses on foreign currency contracts(3)	(320)	101	0

- (1) Recorded in interest expense in our Consolidated Statements of Operations.
- (2) Recorded in selling and distribution or cost of sales, depending on commodity type, in our Consolidated Statements of Operations.
- (3) Recorded in cost of sales in our Consolidated Statements of Operations.

[Summary of Derivative Assets
and Liabilities Measured at
Fair Value on Recurring Basis](#)

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2012	Level 1	Level 2	Level 3
Liability — Interest rate swap contracts	\$ 95,079	\$ 0	\$95,079	\$ 0
Asset — Commodities contracts	1,740	0	1,740	0
Liability — Commodities contracts	1,885	0	1,885	0
Liability – Foreign currency contracts	489	0	489	0

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2011	Level 1	Level 2	Level 3
Liability — Interest rate swap contracts	\$ 102,297	\$ 0	\$102,297	\$ 0
Asset — Commodities contracts	2,099	0	2,099	0
Liability — Commodities contracts	3,876	0	3,876	0
Asset — Foreign currency contracts	411	0	411	0

[Carrying Value and Fair Value of Senior Notes and Subsidiary Senior Notes](#) The following table presents the carrying values and fair values of our senior and subsidiary senior notes at December 31:

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Subsidiary senior notes due 2017	\$ 130,879	\$155,135	\$ 129,117	\$136,853
Dean Foods Company senior notes due 2016	499,167	551,875	498,959	493,750
Dean Foods Company senior notes due 2018	400,000	459,000	400,000	426,000

[Summary of Deferred Compensation Assets Measured at Fair Value on Recurring Basis](#)

The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2012 (in thousands):

	Total	Level 1	Level 2	Level 3
	Money market	\$2,941	\$ 0	\$2,941
Mutual funds	3,337	0	3,337	0

The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2011 (in thousands):

	Total	Level 1	Level 2	Level 3
	Money market	\$3,552	\$ 0	\$3,552
Mutual funds	3,031	0	3,031	0

**Summary of Significant
Accounting Policies -
Schedule of Intangible and
Other Assets, Estimated
Useful Life (Detail)**

12 Months Ended

Dec. 31, 2012

Customer Supply Contracts [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

Over the shorter of the estimated useful lives or the terms of the agreements

Noncompetition Agreements [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

Over the shorter of the estimated useful lives or the terms of the agreements

Deferred Financing Costs [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

Over the terms of the related debt

Minimum [Member] | Customer Relationships [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

5 years

Minimum [Member] | Trademarks [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

5 years

Maximum [Member] | Customer Relationships [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

15 years

Maximum [Member] | Trademarks [Member]

[Summary Of Significant Accounting Policies
\[Line Items\]](#)

[Identifiable intangible assets, Useful Life](#)

15 years

**Income Tax - Income from
Continuing Operations
Before Income Taxes (Detail)
(USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

**Income Loss From Continuing Operations Before Income Taxes Minority
Interest And Income Loss From Equity Method Investments [Line Items]**

United States

Other Countries

Income (loss) from continuing operations before income taxes

Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
\$	\$	\$
242,671	(2,169,900)	54,357
21,251	29,859	23,288
\$	\$	\$
263,922	(2,140,041)	77,645

**CONSOLIDATED
BALANCE SHEETS (USD
\$)
In Thousands, unless
otherwise specified**

	Dec. 31, 2012	Dec. 31, 2011
<u>Current assets:</u>		
<u>Cash and cash equivalents</u>	\$ 78,975	\$ 115,650
<u>Receivables, net of allowance of \$13,693 and \$10,391</u>	881,410	872,958
<u>Income tax receivable</u>		24,960
<u>Inventories</u>	407,912	384,991
<u>Deferred income taxes</u>	103,207	109,475
<u>Prepaid expenses and other current assets</u>	58,285	62,001
<u>Assets of discontinued operations</u>	672,989	668,673
<u>Total current assets</u>	2,202,778	2,238,708
<u>Property, plant and equipment, net</u>	1,873,279	1,936,235
<u>Goodwill</u>	852,427	849,177
<u>Identifiable intangible and other assets, net</u>	726,477	731,047
<u>Deferred income taxes</u>	32,130	
<u>Total</u>	5,687,091	5,755,167
<u>Current liabilities:</u>		
<u>Accounts payable and accrued expenses</u>	1,192,940	1,127,717
<u>Income tax payable</u>	1,186	
<u>Current portion of debt</u>	25,535	202,292
<u>Current portion of litigation settlements</u>	20,000	60,838
<u>Liabilities of discontinued operations</u>	101,332	133,202
<u>Total current liabilities</u>	1,340,993	1,524,049
<u>Long-term debt</u>	3,077,258	3,541,635
<u>Deferred income taxes</u>	321,509	292,539
<u>Other long-term liabilities</u>	433,991	422,595
<u>Long-term litigation settlements</u>	53,712	73,000
<u>Commitments and contingencies (Note 19)</u>		
<u>Dean Foods Company stockholders' equity (deficit):</u>		
<u>Preferred stock, none issued</u>		
<u>Common stock 185,563,534 and 183,745,789 shares issued and outstanding, with a par value of \$0.01 per share</u>	1,856	1,837
<u>Additional paid-in capital</u>	1,375,812	1,086,804
<u>Accumulated deficit</u>	(833,897)	(992,519)
<u>Accumulated other comprehensive loss</u>	(186,584)	(199,520)
<u>Total Dean Foods Company stockholders' equity (deficit)</u>	357,187	(103,398)
<u>Non-controlling interest</u>	102,441	4,747
<u>Total stockholders' equity (deficit)</u>	459,628	(98,651)
<u>Total</u>	\$ 5,687,091	\$ 5,755,167

**POSTRETIREMENT
BENEFITS OTHER THAN
PENSIONS (Tables)**

12 Months Ended

Dec. 31, 2012

Employee Retirement and
Profit Sharing Plans [Member]

Funded Status of Plans

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended December 31, 2012 and 2011, and the funded status of the plans at December 31, 2012 and 2011 is as follows:

	December 31	
	2012	2011
(In thousands)		
Change in benefit obligation:		
Benefit obligation at beginning of year	\$330,288	\$305,588
Service cost	4,477	4,151
Interest cost	14,404	15,633
Plan participants' contributions	68	68
Plan amendments	318	—
Actuarial (gain) loss	34,968	32,633
Benefits paid	(21,162)	(25,654)
Plan settlements	—	(1,730)
Exchange rate changes	320	(401)
Benefit obligation at end of year	363,681	330,288
Change in plan assets:		
Fair value of plan assets at beginning of year	232,229	230,072
Actual return on plan assets	31,251	11,675
Employer contribution	18,331	18,073
Plan participants' contributions	68	68
Benefits paid	(21,162)	(25,654)
Plan settlements	—	(1,730)
Exchange rate changes	195	(275)
Fair value of plan assets at end of year	260,912	232,229
Funded status at end of year	<u>\$ (102,769)</u>	<u>\$ (98,059)</u>

Net Periodic Benefit Cost

	Year Ended December 31		
	2012	2011	2010
(In thousands)			
Components of net periodic benefit cost:			
Service cost	\$4,477	\$4,151	\$3,699
Interest cost	14,514	15,735	16,941
Expected return on plan assets	(17,604)	(17,105)	(16,584)
Amortizations:			
Unrecognized transition obligation	129	130	112
Prior service cost	763	770	716
Unrecognized net loss	11,667	9,060	5,594
Effect of curtailment	—	—	790
Effect of settlement	—	969	1,707

Other	774	139	—
Net periodic benefit cost	<u>\$14,720</u>	<u>\$13,849</u>	<u>\$12,975</u>

[Estimated Pension Plan Benefit Payments to Participants for Next Ten Years](#)

Estimated pension plan benefit payments to participants for the next ten years are as follows:

2013	\$20.1 million
2014	19.4 million
2015	19.4 million
2016	19.6 million
2017	19.9 million
Next five years	107.5 million

Postretirement Benefits
[Member]

[Effects of One Percent Change in Assumed Health Care Cost Trend Rates](#)

A one percent change in assumed health care cost trend rates would have the following effects:

	<u>1-Percentage-Point Increase</u>	<u>1-Percentage-Point Decrease</u>
	(In thousands)	
Effect on total of service and interest cost components	\$ 223	\$ (193)
Effect on postretirement obligation	3,901	(3,360)

Benefit Obligation [Member]
[Funded Status of Plans](#)

The following table sets forth the funded status of these plans:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	\$32,508	\$17,551
Service cost	589	27
Interest cost	1,350	762
Employee contributions	466	431
Actuarial (gain) loss	3,317	(885)
Benefits paid	(2,670)	(2,343)
Plan amendments	0	953
Plan curtailments	0	0
Other	1,868	16,012 ⁽¹⁾
Benefit obligation at end of year	37,428	32,508
Fair value of plan assets at end of year	0	0
Funded status	<u>\$ (37,428)</u>	<u>\$ (32,508)</u>

- (1) During the third quarter of 2011, we identified groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations, which resulted in an understatement of our benefit obligations and net periodic

benefit cost. These errors relate primarily to periods prior to 2011. As the effects of the errors are not material to our Consolidated Financial Statements for the year ended December 31, 2011 and were not material to any individual period prior to 2011, we recorded a non-cash charge, and the related benefit obligation, of \$16.0 million during the third quarter of 2011, of which \$0.8 million related to the year ended December 31, 2011 and \$15.2 million related to prior periods. The charge and the corresponding liability were recorded in general and administrative expenses in our Consolidated Statements of Operations and other long term liabilities in our Consolidated Balance Sheets, respectively, during the year ended December 31, 2011.

Benefit Obligation [Member] |
Postretirement Benefits
[Member]

[Summary of Actuarial Assumptions Used to Determine Benefit Obligations](#)

A summary of our key actuarial assumptions used to determine the benefit obligation as of December 31, 2012 and 2011 follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Healthcare inflation:		
Healthcare cost trend rate assumed for next year	8.20 %	8.50 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029
Weighted average discount rate	3.38 %	4.34 %

Net Periodic Benefit
[Member]

[Net Periodic Benefit Cost](#)

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
(In thousands)			
Components of net periodic benefit cost:			
Service and interest cost	\$1,939	\$789	\$991
Amortizations:			
Prior service cost	26	(66)	(66)
Unrecognized net loss	129	494	524
Other	<u>1,868</u>	<u>16,012⁽¹⁾</u>	<u>0</u>
Net periodic benefit cost	<u>\$3,962</u>	<u>\$17,229</u>	<u>\$1,449</u>

- (1) As described more fully in the funded status table above, this amount in 2011 represents an increase in our net periodic benefit cost for the year ended December 31, 2011 as a result of identifying groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations.

Postretirement Benefits
[Member]

[Estimated Pension Plan Benefit Payments to](#)

Estimated postretirement health care plan benefit payments for the next ten years are as follows:

[Participants for Next Ten Years](#)

2013	\$2.5 million
2014	2.5 million
2015	2.5 million
2016	2.6 million
2017	2.5 million
Next five years	13.4 million

Postretirement Benefits
[Member] | Net Periodic
Benefit [Member]

[Summary of Actuarial Assumptions Used to Determine Benefit Obligations](#)

A summary of our key actuarial assumptions used to determine net periodic benefit cost follows:

	Year Ended December 31		
	2012	2011	2010
Healthcare inflation:			
Healthcare cost trend rate assumed for next year	8.50 %	8.70 %	9.00 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029	2029
Weighted average discount rate	4.34 %	4.68 %	5.51 %

**Derivative Financial
Instruments and Fair Value
Measurements - Carrying
Value and Fair Value of
Senior Notes and Subsidiary
Senior Notes (Detail) (USD
\$)**

Dec. 31, 2012 Dec. 31, 2011

**In Thousands, unless
otherwise specified**

Subsidiary Debt Obligation [Member] | Senior Notes Due 2017 [Member]

Debt Instrument [Line Items]

<u>Senior Notes, Carrying Value</u>	\$ 130,879	\$ 129,117
<u>Senior Notes, Fair Value</u>	155,135	136,853

Dean Foods Company [Member] | Senior Notes Due 2016 [Member]

Debt Instrument [Line Items]

<u>Senior Notes, Carrying Value</u>	499,167	498,959
<u>Senior Notes, Fair Value</u>	551,875	493,750

Dean Foods Company [Member] | Senior Notes Due 2018 [Member]

Debt Instrument [Line Items]

<u>Senior Notes, Carrying Value</u>	400,000	400,000
<u>Senior Notes, Fair Value</u>	\$ 459,000	\$ 426,000

Postretirement Benefits Other Than Pensions - Net Periodic Benefit Cost (Detail) (USD \$) In Thousands, unless otherwise specified	3 Months Ended		12 Months Ended	
	Sep. 30, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
	<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Other</u>				\$ 10,848
<u>Net periodic benefit cost</u>		14,720	13,849	12,975
Net Periodic Benefit Cost [Member]				
<u>Defined Benefit Plan Disclosure [Line Items]</u>				
<u>Service and interest cost</u>		1,939	789	991
<u>Prior service cost</u>		26	(66)	(66)
<u>Unrecognized net loss</u>		129	494	524
<u>Other</u>	16,000	1,868	16,012	[1] 0
<u>Net periodic benefit cost</u>		\$ 3,962	\$ 17,229	\$ 1,449

[1] As described more fully in the funded status table above, this amount in 2011 represents an increase in our net periodic benefit cost for the year ended December 31, 2011 as a result of identifying groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations.

**Other Comprehensive
Income Loss - Components
of Accumulated Other
Comprehensive Income
(Loss) (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Other Comprehensive Income Loss [Line Items]

<u>Cumulative translation adjustment</u>	\$ (22,287)	\$ (36,977)
<u>Fair value of derivative instruments, net of tax</u>	(58,452)	(63,662)
<u>Pension and other postretirement liability adjustment, net of tax</u>	(105,845)	(98,881)
<u>Total accumulated other comprehensive loss</u>	\$ (186,584)	\$ (199,520)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT) (USD \$)	Total	Common Stock [Member]	Additional Paid-In Capital [Member]	Retained Earnings (Accumulated Deficit) [Member]	Accumulated Other Comprehensive Income (Loss) [Member]	Non- controlling Interest [Member]
<u>Balance at Dec. 31, 2009</u>	\$ 1,367,232,000	\$ 1,809,000	\$ 1,025,502,000	\$ 491,611,000	\$ (166,976,000)	\$ 15,286,000
<u>Balance, Shares at Dec. 31, 2009</u>		180,854,163				
<u>Issuance of common stock, net of tax impact of share-based compensation</u>	(1,107,000)	14,000	(1,121,000)			
<u>Issuance of common stock, net of tax impact of share-based compensation, Share</u>		1,401,171				
<u>Share-based compensation expense</u>	36,872,000		36,872,000			
<u>Capital contribution from non-controlling interest</u>	7,992,000					7,992,000
<u>Net income loss attributable to non-controlling interest</u>	(8,735,000)					(8,735,000)
<u>Other comprehensive income (loss) (Note 14):</u>						
<u>Net income (loss) attributable to Dean Foods Company</u>	91,491,000			91,491,000		
<u>Change in fair value of derivative instruments, net of tax benefit</u>	(17,360,000)				(17,360,000)	
<u>Amounts reclassified to statement of operations related to hedging activities, net of tax</u>	59,393,000				59,393,000	
<u>Cumulative translation adjustment</u>	(20,707,000)				(20,707,000)	
<u>Pension liability adjustment, net of tax benefit</u>	(1,003,000)				(1,003,000)	
<u>Balance at Dec. 31, 2010</u>	1,514,068,000	1,823,000	1,061,253,000	583,102,000	(146,653,000)	14,543,000
<u>Balance, Shares at Dec. 31, 2010</u>		182,255,334				
<u>Issuance of common stock, net of tax impact of share-based compensation</u>	(5,843,000)	14,000	(5,857,000)			
<u>Issuance of common stock, net of tax impact of share-based compensation, Share</u>		1,490,455				
<u>Share-based compensation expense</u>	31,408,000		31,408,000			
<u>Capital contribution from non-controlling interest</u>	6,754,000					6,754,000

<u>Net income loss attributable to non-controlling interest</u>	(16,550,000)					(16,550,000)
<u>Other comprehensive income (loss) (Note 14):</u>						
<u>Net income (loss) attributable to Dean Foods Company</u>	(1,575,621,000)			(1,575,621,000)		
<u>Change in fair value of derivative instruments, net of tax benefit</u>	(58,797,000)				(58,797,000)	
<u>Amounts reclassified to statement of operations related to hedging activities, net of tax</u>	35,235,000				35,235,000	
<u>Cumulative translation adjustment</u>	(12,738,000)				(12,738,000)	
<u>Pension liability adjustment, net of tax benefit</u>	(16,567,000)				(16,567,000)	
<u>Balance at Dec. 31, 2011</u>	(98,651,000)	1,837,000	1,086,804,000	(992,519,000)	(199,520,000)	4,747,000
<u>Balance, Shares at Dec. 31, 2011</u>	183,745,789	183,745,789				
<u>Issuance of common stock, net of tax impact of share-based compensation</u>	(224,000)	19,000	(243,000)			
<u>Issuance of common stock, net of tax impact of share-based compensation, Share</u>		1,817,745				
<u>Share-based compensation expense</u>	24,247,000		24,247,000			
<u>Sale of subsidiary shares to non-controlling interest</u>	367,540,000		265,004,000		4,469,000	98,067,000
<u>Share-based compensation expense for subsidiary shares</u>	1,167,000					1,167,000
<u>Wind-down of joint venture</u>	(4,747,000)					(4,747,000)
<u>Net income loss attributable to non-controlling interest</u>	2,419,000					2,419,000
<u>Other comprehensive income (loss) (Note 14):</u>						
<u>Net income (loss) attributable to Dean Foods Company</u>	158,622,000			158,622,000		
<u>Change in fair value of derivative instruments, net of tax benefit</u>	(19,793,000)				(19,780,000)	(13,000)
<u>Amounts reclassified to statement of operations related to hedging activities, net of tax</u>	24,964,000				24,964,000	
<u>Cumulative translation adjustment</u>	11,287,000				10,354,000	933,000
<u>Pension liability adjustment, net of tax benefit</u>	(7,203,000)				(7,071,000)	(132,000)
<u>Balance at Dec. 31, 2012</u>	\$ 459,628,000	\$ 1,856,000	\$ 1,375,812,000	\$ (833,897,000)	\$ (186,584,000)	\$ 102,441,000

<u>Balance, Shares at Dec. 31,</u> <u>2012</u>	185,563,534	185,563,534
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**Derivative Financial
Instruments and Fair Value
Measurements - Gains and
Losses on Derivatives
Designated as Cash Flow
Hedges (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Derivative Instruments, Gain (Loss) [Line Items]

<u>Losses on interest rate swap contracts</u>	\$ 38,607	[1]	\$ 61,387	[1]	\$ 96,573	[1]
<u>(Gains)/losses on commodities contracts</u>	2,916	[2]	(3,097)	[2]	6	[2]
<u>(Gains)/losses on foreign currency contracts</u>	\$ (320)	[3]	\$ 101	[3]	\$ 0	[3]

[1] Recorded in interest expense in our Consolidated Statements of Operations.

[2] Recorded in selling and distribution or cost of sales, depending on commodity type, in our Consolidated Statements of Operations.

[3] Recorded in cost of sales in our Consolidated Statements of Operations.

**Facility Closing and
Reorganization Costs -
Approved Plans and Related
Charges (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Facility closing and reorganization costs</u>	\$ 55,787	\$ 45,688	\$ 30,761
Field and Functional Reorganization [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>	6,000		
Fresh Dairy Direct [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Closure of facilities</u>	18,536	[1] 18,751	[1] 21,350
<u>Facility closing and reorganization costs</u>	50,758	22,544	27,854
Fresh Dairy Direct [Member] Functional Realignment [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Functional Realignment</u>	26,419	[2]	
Fresh Dairy Direct [Member] Organization Optimization Initiative [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>	(197)	[3] 4,269	[3] 0
Fresh Dairy Direct [Member] Broad-Based Reduction of Facility and Distribution Personnel [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>		(282)	[4] 3,404
Fresh Dairy Direct [Member] Management Realignment [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>		(194)	[5] 3,100
Fresh Dairy Direct [Member] Field and Functional Reorganization [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>	6,000	[6]	
Corporate [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Facility closing and reorganization costs</u>	5,029	23,144	2,907
Corporate [Member] Functional Realignment [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Functional Realignment</u>	5,800	[2]	
Corporate [Member] Department Realignment [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Field and functional reorganization</u>	(96)	[7] 2,535	[7] 2,907
Corporate [Member] Organization Optimization Initiative [Member]			

Restructuring Cost and Reserve [Line Items]

Field and functional reorganization

\$ (675) [3] \$ 20,609 [3]

- [1] These charges in 2012, 2011 and 2010 primarily relate to facility closures in Ewart, Michigan; Bangor, Maine; Newport, Kentucky; Baxley, Georgia; and Florence, South Carolina, as well as other approved closures. We have incurred \$73.1 million of charges related to these initiatives to date. We expect to incur additional charges related to these facility closures of \$1.2 million, related to shutdown and other costs. As we continue the evaluation of our supply chain described more fully below it is likely that we will close additional facilities in the future.
- [2] During the first quarter of 2012, our management team reassessed our company-wide strategy, resulting in a shift in focus to deploying our capital and strategically investing in the value-added segments of our business. With this new strategy, our goal is to invest our strategic capital primarily in those initiatives that yield higher returns over shorter time frames. In connection with this change, our management team approved a cost reduction plan that is incremental to any other prior cost savings initiative. This initiative is focused on aligning key functions within the Fresh Dairy Direct organization under a single leadership team and permanently removing costs from the Fresh Dairy Direct organization as well as certain functions that support this segment of our business. During the first half of 2012, we eliminated approximately 120 positions at our corporate headquarters that directly supported our Fresh Dairy Direct business. Charges recorded during the year ended December 31, 2012 are related to workforce reduction costs, the write-down of certain information technology assets and leasehold improvements, lease termination costs and costs associated with exiting other commitments deemed not necessary to execute our new strategy. We have incurred total charges of approximately \$32.2 million under this initiative to date and we may incur additional charges in the future under this plan, primarily related to lease termination costs at our corporate headquarters in Dallas, Texas.
- [3] In the first quarter of 2011 we initiated a significant cost reduction program that is incremental to our other ongoing cost-savings initiatives. This initiative is focused on permanently removing costs out of our business through organizational and corporate departmental redesigns, driven by process simplification and standardization, centralization of activities and reorganization to drive growth in our core customers and categories. As part of this program, we eliminated approximately 300 corporate and field positions during 2011. The charges recorded during 2011 relate to workforce reduction costs and include costs associated with eliminating the position filled by our then President and Chief Operating Officer. We incurred \$24.0 million of charges related to this initiative to date, and we do not expect to incur any material additional charges under this program going forward.
- [4] These charges relate to a plan to reduce the workforce within our Fresh Dairy Direct segment impacting approximately 230 positions. Implementation began during the second quarter of 2010 and was carried out over the balance of the year. The reduction in workforce affected employees across the country and was a result of operational changes from supply chain initiatives. The workforce reduction costs related to this plan were part of an existing benefit arrangement; therefore, the full amount of expected severance benefits was accrued during the second quarter of 2010. We incurred total charges of \$3.1 million related to this initiative and do not expect to incur any additional charges in the future.
- [5] In 2010, we realigned management positions within our Fresh Dairy Direct segment to facilitate supply-chain and commercial focused functions across the segment. This resulted in the elimination of the position filled by the then President of Fresh Dairy Direct and we incurred \$2.9 million of workforce reduction costs. We do not expect additional costs related to this initiative.
- [6] During the fourth quarter of 2012, our executive management team approved a plan to reorganize Fresh Dairy Direct's field organization and certain functional areas that support our regional business teams, including finance, distribution, operations and human resources. We believe this streamlined leadership structure will enable faster decision-making and create enhanced opportunities to build our Fresh Dairy

Direct business. During 2012, we recorded charges of \$6.0 million under this initiative, related to severance costs associated with the first tranche of this program. As future tranches have not been approved by our executive management team, future costs to be incurred are not yet estimable.

[7] Charges relate to workforce reduction costs associated with a multi-year cost reduction plan aimed at centralization and process improvement, as well as business unit and functional organization redesigns. The plan was implemented during the fourth quarter of 2010 and resulted in the elimination of approximately 75 positions as each function reorganized its processes in line with peer comparisons and internally developed functional blueprints as approved by an executive operating team. We incurred total charges of \$5.4 million related to this initiative and do not expect to incur any additional charges in the future.

**Facility Closing and
Reorganization Costs -
Facility Closing and
Reorganization Costs
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Charges</u>	\$ (55,787)	\$ (45,688)	\$ (30,761)
Restructuring Charges, Cash [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Accrued Charges, Beginning Balance</u>	5,147	3,881	
<u>Charges</u>	32,795	28,911	
<u>Payments</u>	(24,150)	(27,645)	
<u>Accrued Charges, Ending balance</u>	13,792	5,147	
Restructuring Charges, Cash [Member] Workforce Reduction Costs [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Accrued Charges, Beginning Balance</u>	5,185	3,860	
<u>Charges</u>	26,260	25,171	
<u>Payments</u>	(19,866)	(23,846)	
<u>Accrued Charges, Ending balance</u>	11,579	5,185	
Restructuring Charges, Cash [Member] Shutdown Costs [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Accrued Charges, Beginning Balance</u>	(41)	16	
<u>Charges</u>	1,579	2,648	
<u>Payments</u>	(1,538)	(2,705)	
<u>Accrued Charges, Ending balance</u>		(41)	
Restructuring Charges, Cash [Member] Lease Obligations After Shutdown [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Charges</u>	2,798	240	
<u>Payments</u>	(812)	(240)	
<u>Accrued Charges, Ending balance</u>	1,986		
Restructuring Charges, Cash [Member] Restructuring Charges, Other [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			
<u>Accrued Charges, Beginning Balance</u>	3	5	
<u>Charges</u>	2,158	852	
<u>Payments</u>	(1,934)	(854)	
<u>Accrued Charges, Ending balance</u>	227	3	
Restructuring Charges, Noncash Charges [Member]			
<u>Restructuring Cost and Reserve [Line Items]</u>			

<u>Charges</u>	55,787	45,688
Restructuring Charges, Noncash Charges [Member] Restructuring Charges, Other [Member]		
<u>Restructuring Cost and Reserve [Line Items]</u>		
<u>Charges</u>	161	296
Restructuring Charges, Noncash Charges [Member] Write-Down of Assets [Member]		
<u>Restructuring Cost and Reserve [Line Items]</u>		
<u>Charges</u>	23,411	[1] 16,535 [1]
Restructuring Charges, Noncash Charges [Member] (Gain) Loss on Sale of Related Assets [Member]		
<u>Restructuring Cost and Reserve [Line Items]</u>		
<u>Charges</u>	\$ (580)	\$ (54)

[1] The write-down of assets relates primarily to owned buildings, land and equipment of those facilities identified for closure. The assets were tested for recoverability at the time the decision to close the facilities was more likely than not to occur. Estimates of future cash flows used to test the recoverability of the assets included the net cash flows directly associated with and that are expected to arise as a direct result of the use and eventual disposition of the assets. The inputs for the fair value calculation were based on assessment of an individual asset's alternative use within other production facilities, evaluation of recent market data and historical liquidation sales values for similar assets.

Investment In Affiliates - Additional Information (Detail) (USD \$) In Millions, unless otherwise specified	12 Months Ended		6 Months Ended	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011	Jul. 03, 2012 Consolidated Container Company [Member]	Dec. 31, 2011 Consolidated Container Company [Member]	Dec. 31, 2010 Consolidated Container Company [Member]
<u>Investments in and Advances to Affiliates [Line Items]</u>					
<u>Non-controlling interest, ownership percentage</u>	25.00%				
<u>Equity investments</u>		\$ 0			
<u>Sales Proceeds</u>	58.0				
<u>Cash tax obligation</u>	90				
<u>Pre-tax gain from sale</u>	58.0				
<u>Additional income tax expense</u>	68.4				
<u>Net after-tax loss on the sale of investment</u>	10.4				
<u>Supply agreement, product purchase cost</u>			204.1	314.9	268.2
<u>Net payables</u>				\$ 24.5	\$ 12.8

**Common Stock and Share-
Based Compensation -
Weighted Average
Assumptions Used to
Estimate Fair Value of
Grants Issued (Detail)**

12 Months Ended

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Expected volatility</u>	44.00%	41.00%	34.00%
<u>Expected dividend yield</u>	0.00%	0.00%	0.00%
<u>Expected option term (years)</u>	5 years	5 years	5 years
<u>Risk-free rate of return, minimum</u>	0.62%	1.52%	1.26%
<u>Risk-free rate of return, maximum</u>	0.89%	2.30%	2.59%

**PROPERTY, PLANT AND
EQUIPMENT (Tables)**

[Components of Property, Plant and
Equipment](#)

**12 Months Ended
Dec. 31, 2012**

Property, plant and equipment as of December 31, 2012 and 2011 consisted of the following:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Land	\$235,350	\$233,650
Buildings	879,273	858,217
Leasehold improvements	82,764	84,455
Machinery and equipment	2,346,817	2,224,615
Construction in progress	53,237	122,714
	<u>3,597,441</u>	<u>3,523,651</u>
Less accumulated depreciation	(1,724,162)	(1,587,416)
Total	<u><u>\$1,873,279</u></u>	<u><u>\$1,936,235</u></u>

**Segment, Geographic and
Customer Information -
Geographic Information -
Net Sales (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Segment Reporting Information [Line Items]

<u>Net sales to external customers, Domestic</u>	\$ 11,082,346	\$ 11,264,061	\$ 10,470,994
<u>Net sales to external customers, Foreign</u>	\$ 379,931	\$ 377,130	\$ 349,243

**Postretirement Benefits
Other Than Pensions -
Additional Information
(Detail) (USD \$)**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011

Defined Benefit Plan Disclosure [Line Items]

Accrued postretirement liability, current \$ 2,500,000

Postretirement health care plans, expected contribution in 2012 2,500,000

Postretirement Benefits [Member]

Defined Benefit Plan Disclosure [Line Items]

Unrecognized prior service costs, before tax 768,000 794,000

Unrecognized prior service costs, net of tax 469,000 483,000

Unrecognized actuarial losses, before tax 6,000,000 2,800,000

Unrecognized actuarial losses, net of tax 3,700,000 1,700,000

Prior service costs expected to be recognized next fiscal year 26,000

Prior service costs expected to be recognized next fiscal year, net of tax 16,000

Actuarial losses expected to be recognized next fiscal year 299,000

Actuarial losses expected to be recognized next fiscal year, net of tax 182,000

Unfunded portion of the liability \$ (37,428,000) \$ (32,508,000)

**Goodwill and Intangible
Assets - Changes in Carrying
Amount of Goodwill (Detail)
(USD \$)**

12 Months Ended

**In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Goodwill [Line Items]

<u>Goodwill Balance, beginning</u>	\$ 849,177	\$ 2,870,210	
<u>Goodwill impairment</u>		(2,075,836)	
<u>Foreign currency translation</u>	3,250	(3,655)	
<u>Goodwill transferred to assets held for sale and divestitures</u>		(1,108)	[1]
<u>Other</u>		59,566	
<u>Goodwill Balance, ending</u>	852,427	849,177	

Fresh Dairy Direct [Member]

Goodwill [Line Items]

<u>Goodwill Balance, beginning</u>	86,841	2,163,785	
<u>Goodwill impairment</u>		(2,075,836)	
<u>Foreign currency translation</u>	0		
<u>Goodwill transferred to assets held for sale and divestitures</u>		(1,108)	[1]
<u>Goodwill Balance, ending</u>	86,841	86,841	

WhiteWave-Alpro [Member]

Goodwill [Line Items]

<u>Goodwill Balance, beginning</u>	762,336	706,425	
<u>Foreign currency translation</u>	3,250	(3,655)	
<u>Other</u>		59,566	
<u>Goodwill Balance, ending</u>	\$ 765,586	\$ 762,336	

[1] In 2011, we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in the goodwill attributable to our WhiteWave reporting unit of \$59.6 million, with a corresponding increase in deferred tax liabilities. See Note 9.

**OTHER
COMPREHENSIVE
INCOME (LOSS)**

12 Months Ended

Dec. 31, 2012

**OTHER COMPREHENSIVE
INCOME (LOSS)**

14. OTHER COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) comprises net income plus all other changes in equity from non-owner sources. The components of accumulated other comprehensive loss, as reflected in the Consolidated Statements of Stockholders' Equity (Deficit) at December 31, 2012 and 2011, are as follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Cumulative translation adjustment	\$(22,287)	\$(36,977)
Fair value of derivative instruments, net of tax	(58,452)	(63,662)
Pension and other postretirement liability adjustment, net of tax	<u>(105,845)</u>	<u>(98,881)</u>
Total accumulated other comprehensive loss	<u><u>\$(186,584)</u></u>	<u><u>\$(199,520)</u></u>

**GOODWILL AND
INTANGIBLE ASSETS
(Tables)**

**12 Months Ended
Dec. 31, 2012**

Changes in Carrying Amount
of Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2012 and 2011 are as follows:

	Fresh Dairy <u>Direct</u>	WhiteWave- <u>Alpro</u>	<u>Total</u>
	(In thousands)		
Balance at December 31, 2010	\$2,163,785	\$706,425	\$2,870,210
Goodwill impairment	(2,075,836)	—	(2,075,836)
Foreign currency translation	—	(3,655)	(3,655)
Divestitures (Note 3)	(1,108)	—	(1,108)
Other (1)	—	59,566	59,566
Balance at December 31, 2011	\$86,841	\$762,336	\$849,177
Foreign currency translation	0	3,250	3,250
Balance at December 31, 2012	<u>\$86,841</u>	<u>\$765,586</u>	<u>\$852,427</u>

(1) In 2011, we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in the goodwill attributable to our WhiteWave reporting unit of \$59.6 million, with a corresponding increase in deferred tax liabilities. See Note 9.

Gross Carrying Amount and
Accumulated Amortization of
Intangible Assets Other Than
Goodwill

The gross carrying amount and accumulated amortization of our intangible assets other than goodwill as of December 31, 2012 and 2011 are as follows:

	December 31					
	2012			2011		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Intangible assets with indefinite lives:						
Trademarks(1)	\$576,806	\$—	\$576,806	\$575,122	\$—	\$575,122
Intangible assets with finite lives:						
Customer-related and other (1)	90,957	(41,258)	49,699	89,656	(35,827)	53,829
Trademarks	10,564	(5,999)	4,565	10,564	(4,938)	5,626
Total	<u>\$678,327</u>	<u>\$(47,257)</u>	<u>\$631,070</u>	<u>\$675,342</u>	<u>\$(40,765)</u>	<u>\$634,577</u>

(1) The increase in the carrying amount is primarily the result of foreign currency translation adjustments.

Estimated aggregate intangible asset amortization expense for the next five years is as follows:

2013	\$ 6.4 million
------	----------------

Estimated Aggregate Finite-
Lived Intangible Asset
Amortization Expense

2014	6.3 million
2015	5.7 million
2016	5.5 million
2017	5.5 million

	12 Months Ended	12 Months Ended	12 Months Ended		12 Months Ended				12 Months Ended						
Common Stock And Share-Based Compensation - Additional Information (Detail) (USD \$)	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Jan. 31, 2013	Oct. 25, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012
Share data in Millions, except Per Share data, unless otherwise specified	31, 2011	31, 2012	Whitewave [Member]	Whitewave [Member]	Subsequent Event Whitewave [Member]	Common Class A [Member]	Options [Member]	Restricted Stock [Member]	Restricted Stock [Member]	Phantom Shares [Member]	Option And Restricted Stock Plan [Member]	Foods Dean Company 2007 Incentive Plan [Member]	Restricted Stock Units [Member]	Performance Units [Member]	Performance Units [Member]
Share-based Compensation Arrangement by Share-based Payment Award [Line Items]															
Preferred stock, shares authorized	1														
Common stock, shares authorized	500														
Common stock, par value	\$ 0.01	\$ 0.01													
Maximum stock options grants											37.5	5.7	12.3		
Shares available for issuance	9.2														
Option vested on grant															
Expected option term, in years															
Cash received from stock option exercises															
Cash benefit for tax deductions realized for option exercises															
Total unrecognized stock option expense															
Unrecognized compensation expense expected to be recognized period, years															
Percentage of fee value option to receive in restricted stock															
Payout range, cash performance units														0.00%	200.00%
Cash paid on vesting of performance shares															
Stock units vesting period															
Authorized to repurchase common stock	2,300,000,000														
Amount available for repurchase	218,700,000														
Value of Grants Issued in Connection with WhiteWave IPO															
Common stock look back period		6 years													
Average implied yield term			5 years	7 years											
Offering price															\$ 17.00
IPO grant expenses vesting term		3 years													
Share base compensation expenses		\$ 1,400,000													

**Employee Retirement and
Profit Sharing Plans -
Estimated Pension Plan
(Detail) (Employee
Retirement and Profit
Sharing Plans [Member],
USD \$)**

Dec. 31, 2012

**In Millions, unless otherwise
specified**

Employee Retirement and Profit Sharing Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

2013	\$ 20.1
2014	19.4
2015	19.4
2016	19.6
2017	19.9
Next five years	\$ 107.5

**POSTRETIREMENT
BENEFITS OTHER THAN
PENSIONS**

12 Months Ended

Dec. 31, 2012

POSTRETIREMENT
BENEFITS OTHER THAN
PENSIONS

16. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Certain of our subsidiaries provide health care benefits to certain retirees who are covered under specific group contracts. As defined by the specific group contract, qualified covered associates may be eligible to receive major medical insurance with deductible and co-insurance provisions subject to certain lifetime maximums.

Included in accumulated other comprehensive income at December 31, 2012 and 2011 are the following amounts that have not yet been recognized in net periodic benefit cost: unrecognized prior service costs of \$768,000 (\$469,000 net of tax) and \$794,000 (\$483,000 net of tax) and unrecognized actuarial losses of \$6.0 million (\$3.7 million net of tax) and \$2.8 million (\$1.7 million net of tax), respectively. The prior service cost and actuarial loss included in accumulated other comprehensive income and expected to be recognized in net periodic benefit cost during the year ended December 31, 2013 is \$26,000 (\$16,000 net of tax) and \$299,000 (\$182,000 net of tax), respectively.

The following table sets forth the funded status of these plans:

	December 31	
	2012	2011
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	\$32,508	\$17,551
Service cost	589	27
Interest cost	1,350	762
Employee contributions	466	431
Actuarial (gain) loss	3,317	(885)
Benefits paid	(2,670)	(2,343)
Plan amendments	0	953
Plan curtailments	0	0
Other	1,868	16,012 ⁽¹⁾
Benefit obligation at end of year	37,428	32,508
Fair value of plan assets at end of year	0	0
Funded status	<u>\$(37,428)</u>	<u>\$(32,508)</u>

- (1) During the third quarter of 2011, we identified groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations, which resulted in an understatement of our benefit obligations and net periodic benefit cost. These errors relate primarily to periods prior to 2011. As the effects of the errors are not material to our Consolidated Financial Statements for the year ended December 31, 2011 and were not material to any individual period prior to 2011, we recorded a non-cash charge, and the related benefit obligation, of \$16.0 million during the third quarter of 2011, of which \$0.8 million related to the year ended December 31, 2011 and \$15.2 million related to prior periods. The charge and the corresponding liability were recorded in general and administrative expenses in our Consolidated Statements of Operations and other long term

liabilities in our Consolidated Balance Sheets, respectively, during the year ended December 31, 2011.

The unfunded portion of the liability of \$37.4 million at December 31, 2012 is recognized in our Consolidated Balance Sheet and includes \$2.5 million classified as a current accrued postretirement liability.

A summary of our key actuarial assumptions used to determine the benefit obligation as of December 31, 2012 and 2011 follows:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Healthcare inflation:		
Healthcare cost trend rate assumed for next year	8.20 %	8.50 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029
Weighted average discount rate	3.38 %	4.34 %

A summary of our key actuarial assumptions used to determine net periodic benefit cost follows:

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Healthcare inflation:			
Healthcare cost trend rate assumed for next year	8.50 %	8.70 %	9.00 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	4.50 %	4.50 %	4.50 %
Year of ultimate rate achievement	2029	2029	2029
Weighted average discount rate	4.34 %	4.68 %	5.51 %

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
(In thousands)			
Components of net periodic benefit cost:			
Service and interest cost	\$1,939	\$789	\$991
Amortizations:			
Prior service cost	26	(66)	(66)
Unrecognized net loss	129	494	524
Other	<u>1,868</u>	<u>16,012⁽¹⁾</u>	<u>0</u>
Net periodic benefit cost	<u>\$3,962</u>	<u>\$17,229</u>	<u>\$1,449</u>

(1) As described more fully in the funded status table above, this amount in 2011 represents an increase in our net periodic benefit cost for the year ended December 31, 2011 as a result of

identifying groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one percent change in assumed health care cost trend rates would have the following effects:

	<u>1-Percentage- Point Increase</u>	<u>1-Percentage- Point Decrease</u>
	(In thousands)	
Effect on total of service and interest cost components	\$ 223	\$ (193)
Effect on postretirement obligation	3,901	(3,360)

We expect to contribute \$2.5 million to the postretirement health care plans in 2013. Estimated postretirement health care plan benefit payments for the next ten years are as follows:

2013	\$2.5 million
2014	2.5 million
2015	2.5 million
2016	2.6 million
2017	2.5 million
Next five years	13.4 million

**Goodwill and Intangible
Assets - Estimated Aggregate
Finite-Lived Intangible Asset
Amortization Expense
(Detail) (USD \$)
In Millions, unless otherwise
specified**

Dec. 31, 2012

Estimated Amortization Expense [Line Items]

<u>2013</u>	\$ 6.4
<u>2014</u>	6.3
<u>2015</u>	5.7
<u>2016</u>	5.5
<u>2017</u>	\$ 5.5

**Common Stock and Share-
Based Compensation -
Summary of Share Based
Compensation Expense
Recognized (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based compensation expense \$ 37,691 ^[1] \$ 34,832 \$ 35,108

Stock Options [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based compensation expense 8,279 ^[1] 11,392 15,621

Stock Units [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based compensation expense 14,726 ^[1] 18,508 19,487

Cash Performance Units [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based compensation expense 3,848 ^[1] 1,679

Phantom Shares [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

Share-based compensation expense \$ 10,838 ^[1] \$ 3,253

[1] During the second quarter of 2012, we recorded additional compensation expense of \$12.1 million related to employees whose equity-based long-term incentive awards are subject to certain accelerated vesting provisions, based on age and years of service, as a result of amendments to our incentive award agreements that were approved during 2010. The portion of the additional expense pertaining to prior periods was immaterial.

**CONSOLIDATED
STATEMENTS OF
STOCKHOLDERS
EQUITY (DEFICIT)
(Parenthetical)
(Accumulated Other
Comprehensive Income
(Loss) [Member], USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Accumulated Other Comprehensive Income (Loss) [Member]			
<u>Change in fair value of derivative instruments, tax benefit</u>	\$ 12,682	\$ 38,527	\$ 12,491
<u>Amounts reclassified to statement of operations related to hedging activities, tax</u>	16,239	23,156	37,180
<u>Pension liability adjustment, tax benefit</u>	\$ 4,493	\$ 10,694	\$ 525

**CONSOLIDATED
BALANCE SHEETS**
(Parenthetical) (USD \$)
In Thousands, except Share
data, unless otherwise
specified

Dec. 31, 2012 **Dec. 31, 2011**

<u>Receivables, allowance</u>	\$ 13,693	\$ 10,391
<u>Preferred stock, issued</u>	0	0
<u>Common stock, shares issued</u>	185,563,534	183,745,789
<u>Common stock, shares outstanding</u>	185,563,534	183,745,789
<u>Common stock, par value</u>	\$ 0.01	\$ 0.01

INCOME TAXES

**12 Months Ended
Dec. 31, 2012**

INCOME TAXES

9. INCOME TAXES

The following table presents the 2012, 2011 and 2010 income tax expense (benefit):

	Year Ended December 31		
	2012(1)	2011(2)	2010(3)
	(In thousands)		
Current income taxes:			
Federal	\$118,544	\$(21,851)	\$(65,165)
State	27,052	3,911	(3,295)
Foreign	3,571	598	2,050
Total current income tax expense (benefit)	149,167	(17,342)	(66,410)
Deferred income taxes:			
Federal	3,745	(399,057)	102,261
State	(4,346)	(72,195)	8,855
Foreign	(2,057)	(994)	1,447
Total deferred income tax expense (benefit)	(2,658)	(472,246)	112,563
Total income tax expense (benefit)	<u>\$146,509</u>	<u>\$(489,588)</u>	<u>\$46,153</u>

- (1) Excludes \$21.9 million in income tax expense related to discontinued operations.
- (2) Excludes \$33.3 million in income tax expense related to discontinued operations.
- (3) Excludes \$18.6 million in income tax expense related to discontinued operations.

The following table presents the 2012, 2011 and 2010 income (loss) from continuing operations before income taxes for our domestic and foreign operations:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
United States	\$242,671	\$(2,169,900)	\$54,357
Other Countries	21,251	29,859	23,288
Total income (loss) from continuing operations before income taxes	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>

The following is a reconciliation of income tax expense (benefit) computed at the U.S. federal statutory tax rate to income tax expense (benefit) reported in our Consolidated Statements of Operations:

Year Ended December 31					
2012		2011		2010	
Amount	Percentage	Amount	Percentage	Amount	Percentage
(In thousands, except percentages)					

Tax expense at								
statutory rate	\$92,373	35.0	%	\$ (749,014)	35.0	%	\$27,176	35.0
State income taxes	14,577	5.5		(43,309)	2.0		2,324	3.0
Foreign taxes versus								
U.S. statutory								
rate	(5,643)	(2.1)	(8,188)	0.4		(4,792)	(6.2)
Nondeductible								
goodwill	—	—		305,657	(14.2)	—	—
Deferred tax asset								
adjustment	—	—		—	—		10,848	14.0
Exclusion of non-								
controlling								
interest tax								
benefit	—	—		5,792	(0.3)	3,057	3.9
Sale of								
unconsolidated								
affiliate	40,411	15.3		—	—		—	—
Nondeductible								
compensation	317	0.1		1,322	(0.1)	2,713	3.5
Other	4,474	1.7		(1,848)	0.1		4,827	6.2
Total	<u>\$ 146,509</u>	<u>55.5</u>	<u>%</u>	<u>\$ (489,588)</u>	<u>22.9</u>	<u>%</u>	<u>\$ 46,153</u>	<u>59.4</u>

In 2010, we identified deferred tax asset balances associated with errors primarily related to periods prior to 2007. Since the effects of the errors were not material to the financial results for the year ending December 31, 2010 and were not material to any individual year prior to 2010, we adjusted our deferred tax assets and recorded a non-cash income tax charge of \$10.8 million.

The tax effects of temporary differences giving rise to deferred income tax assets (liabilities) were:

	December 31	
	2012(1)	2011(2)
(In thousands)		
Deferred income tax assets:		
Accrued liabilities	\$160,031	\$166,469
Retirement plans and postretirement benefits	54,703	53,307
Share-based compensation	49,951	47,482
Derivative instruments	35,930	40,359
Receivables and inventories	20,685	20,562
Net operating loss carryforwards	35,504	30,881
State and foreign tax credits	8,631	10,070
Other	—	4,876
Valuation allowances	(7,781)	(9,176)
	<u>357,654</u>	<u>364,830</u>
Deferred income tax liabilities:		
Intangible assets	(183,652)	(154,650)
Property, plant and equipment	(353,732)	(370,513)
Investment in unconsolidated affiliates	—	(22,731)

Other	(6,442)	—
	<u>(543,826)</u>	<u>(547,894)</u>
Net deferred income tax liability	<u><u>\$(186,172)</u></u>	<u><u>\$(183,064)</u></u>

(1) Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

(2) Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

These net deferred income tax assets (liabilities) are classified in our Consolidated Balance Sheets as follows:

	December 31	
	2012	2011
	(In thousands)	
Current assets	\$103,207	\$109,475
Noncurrent assets	32,130	—
Noncurrent liabilities	<u>(321,509)</u>	<u>(292,539)</u>
Total	<u>\$(186,172)</u>	<u>\$(183,064)</u>

As discussed in Note 7, in 2011 we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in deferred tax liabilities of \$59.6 million with a corresponding increase to the goodwill attributable to our WhiteWave reporting unit.

At December 31, 2012, we had \$35.5 million of tax-effected state and foreign net operating loss carryforwards and \$8.6 million of state tax credits available for carryover to future years. These items are subject to certain limitations and begin to expire in 2013. A valuation allowance of \$7.8 million has been established because we do not believe it is more likely than not that all of the deferred tax assets related to these items will be realized prior to expiration. Our valuation allowance decreased \$1.4 million in 2012 due to the expiration of the related foreign tax credit carryover.

The following is a reconciliation of gross unrecognized tax benefits, including interest, recorded in our Consolidated Balance Sheets:

	December 31		
	2012	2011	2010
	(In thousands)		
Balance at beginning of year	\$41,701	\$58,165	\$72,611
Increases in tax positions for current year	249	15,531	1,245
Increases in tax positions for prior years	5,161	4,518	7,857
Decreases in tax positions for prior years	(3,932)	(31,162)	(18,295)
Settlement of tax matters	(2,961)	(4,066)	(3,884)
Lapse of applicable statutes of limitations	<u>(2,051)</u>	<u>(1,285)</u>	<u>(1,369)</u>
Balance at end of year	\$38,167	\$41,701	\$58,165

These unrecognized tax benefits are classified in our Consolidated Balance Sheets as follows:

	December 31		
	2012	2011	2010
	(In thousands)		
Accrued expenses	\$1,787	\$4,687	\$5,620
Other long-term liabilities	36,380	37,014	52,545
Total	\$38,167	\$41,701	\$58,165

Of the balance at December 31, 2012, \$21.6 million would impact our effective tax rate and \$4.9 million would be offset by tax benefits associated with potential transfer pricing adjustments, if recognized. The remaining \$11.7 million represents tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Due to the impact of deferred income tax accounting, the disallowance of the shorter deductibility period would not affect our effective tax rate but would accelerate payment of cash to the applicable taxing authority. We do not expect any material changes to our liability for uncertain tax positions during the next 12 months.

We recognize accrued interest related to uncertain tax positions as a component of income tax expense. Penalties, if incurred, are recorded in general and administrative expenses in our Consolidated Statements of Operations. Income tax expense for 2012, 2011 and 2010 included interest expense, net of tax of (\$0.4) million, \$0, and (\$1.4) million, respectively. Our liability for uncertain tax positions included accrued interest of \$2.9 million and \$4.1 million at December 31, 2012 and 2011, respectively.

Our U.S. consolidated income tax returns for 2009 through 2011 are under examination by the Internal Revenue Service and our 2007 tax return is under a limited scope examination. State income tax returns are generally subject to examination for a period of three to five years after filing. We have various state and foreign income tax returns in the process of examination, appeals or settlement.

**Common Stock and Share-
Based Compensation -
Summary of Restricted
Stock Unit Activity (Detail)
(Restricted Stock Units
[Member], USD \$)**

12 Months Ended

Dec. 31, 2012

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	2,157,686	
<u>RSUs issued</u>	1,062,681	
<u>Shares issued upon vesting</u>	(748,319)	
<u>RSUs cancelled or forfeited</u>	(635,140)	[1]
<u>Outstanding ending</u>	1,836,908	
<u>Weighted-average per share grant date fair value</u>	\$ 12.91	

Employees [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	2,055,548	
<u>RSUs issued</u>	1,016,979	
<u>Shares issued upon vesting</u>	(714,818)	
<u>RSUs cancelled or forfeited</u>	(635,140)	[1]
<u>Outstanding ending</u>	1,722,569	
<u>Weighted-average per share grant date fair value</u>	\$ 13.01	

Directors [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	102,138	
<u>RSUs issued</u>	45,702	
<u>Shares issued upon vesting</u>	(33,501)	
<u>RSUs cancelled or forfeited</u>	0	[1]
<u>Outstanding ending</u>	114,339	
<u>Weighted-average per share grant date fair value</u>	\$ 11.19	

[1] Pursuant to the terms of our RSU plans, employees have the option of forfeiting RSUs to cover their minimum statutory tax withholding when shares are issued. RSUs that are cancelled or forfeited may be available for future grants.

**Derivative Financial
Instruments and Fair Value
Measurements - Derivatives
Recorded at Fair Value in
Consolidated Balance Sheets
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

	Dec. 31, 2012	Dec. 31, 2011	
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Asset, Fair Value, Gross Asset</u>	\$ 1,740	\$ 2,510	
<u>Derivative Liability, Fair Value, Gross Liability</u>	97,453	106,173	
Designated As Hedging Instrument [Member] Current [Member] Commodities Contracts [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Asset, Fair Value, Gross Asset</u>	776	[1] 93	[1]
<u>Derivative Liability, Fair Value, Gross Liability</u>	1,143	[1] 2,346	[1]
Designated As Hedging Instrument [Member] Current [Member] Foreign Currency Contracts [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Asset, Fair Value, Gross Asset</u>		411	[1]
<u>Derivative Liability, Fair Value, Gross Liability</u>	489	[1]	
Designated As Hedging Instrument [Member] Interest Rate Swap Contracts Current [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Liability, Fair Value, Gross Liability</u>	17,716	[1] 38,260	[1]
Designated As Hedging Instrument [Member] Interest Rate Swap Contracts Non Current [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Liability, Fair Value, Gross Liability</u>	10,432	[2] 64,037	[2]
Not Designated As Hedging Instruments [Member] Current [Member] Commodities Contracts [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Asset, Fair Value, Gross Asset</u>	964	[1] 2,006	[1]
<u>Derivative Liability, Fair Value, Gross Liability</u>	742	[1] 1,530	[1]
Not Designated As Hedging Instruments [Member] Interest Rate Swap Contracts Current [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Liability, Fair Value, Gross Liability</u>	18,262	[1]	
Not Designated As Hedging Instruments [Member] Interest Rate Swap Contracts Non Current [Member]			
<u>Derivatives, Fair Value [Line Items]</u>			
<u>Derivative Liability, Fair Value, Gross Liability</u>	\$ 48,669	[2]	

- [1] Derivative assets and liabilities that have settlement dates equal to or less than 12 months from the respective balance sheet date were included in other current assets and accounts payable and accrued expenses, respectively, in our Consolidated Balance Sheets.
- [2] Derivative assets and liabilities that have settlement dates greater than 12 months from the respective balance sheet date were included in identifiable intangible and other assets, net and other long-term liabilities, respectively, in our Consolidated Balance Sheets.

Derivative Financial Instruments and Fair Value Measurements - Summary of Various Interest Rate Agreements (Detail) (Interest Rate Swap Contracts, USD \$)

**12 Months Ended
Dec. 31, 2012**

In Millions, unless otherwise specified

1.60% to 1.84% [Member]

Derivative [Line Items]

Fixed Interest Rates, Low 1.60%

Fixed Interest Rates, High 1.84%

Expiration Date Dec. 31, 2013

Notional Amounts \$ 800

2.75% to 2.84% [Member]

Derivative [Line Items]

Fixed Interest Rates, Low 2.75%

Fixed Interest Rates, High 2.84%

Expiration Date Mar. 31, 2016

Notional Amounts \$ 200

**Employee Retirement and
Profit Sharing Plans -
Pension Plans with
Accumulated Benefit
Obligation in Excess of Plan
Assets (Detail) (USD \$)
In Millions, unless otherwise
specified**

Dec. 31, 2012 Dec. 31, 2011

Defined Benefit Plan Disclosure [Line Items]

<u>Projected benefit obligation</u>	\$ 351.0	\$ 320.6
<u>Accumulated benefit obligation</u>	343.6	310.7
<u>Fair value of plan assets</u>	\$ 252.6	\$ 225.2

Postretirement Benefits Other Than Pensions - Funded Status of Plans (Detail) (USD \$) In Thousands, unless otherwise specified	12 Months Ended	
	Dec. 31, 2012	Dec. 31, 2011
Defined Benefit Plan Disclosure [Line Items]		
Fair value of plan assets at end of year	\$ 260,912	\$ 232,229
Postretirement Benefits [Member]		
Defined Benefit Plan Disclosure [Line Items]		
Benefit obligation at beginning of year	32,508	17,551
Service cost	589	27
Interest cost	1,350	762
Employee contributions	466	431
Actuarial (gain) loss	3,317	(885)
Benefits paid	(2,670)	(2,343)
Plan amendments	0	953
Other	1,868	16,012
Benefit obligation at end of year	37,428	32,508
Fair value of plan assets at end of year	0	0
Funded status	\$ (37,428)	\$ (32,508)

[1] During the third quarter of 2011, we identified groups of employees who were eligible to receive other postretirement benefits that had historically been excluded from our benefit plan valuations, which resulted in an understatement of our benefit obligations and net periodic benefit cost. These errors relate primarily to periods prior to 2011. As the effects of the errors are not material to our Consolidated Financial Statements for the year ended December 31, 2011 and were not material to any individual period prior to 2011, we recorded a non-cash charge, and the related benefit obligation, of \$16.0 million during the third quarter of 2011, of which \$0.8 million related to the year ended December 31, 2011 and \$15.2 million related to prior periods. The charge and the corresponding liability were recorded in general and administrative expenses in our Consolidated Statements of Operations and other long term liabilities in our Consolidated Balance Sheets, respectively, during the year ended December 31, 2011.

**Segment, Geographic and
Customer Information -
Assets, by Segment (Detail)
(USD \$)**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

**In Thousands, unless
otherwise specified**

Schedule Of Assets By Segment [Line Items]

<u>Assets</u>	\$ 5,687,091	\$ 5,755,167	\$ 7,941,418
<u>Capital Expenditures</u>	228,083	305,167	275,922

Fresh Dairy Direct [Member]

Schedule Of Assets By Segment [Line Items]

<u>Assets</u>	2,609,459	2,672,002	4,759,220
<u>Capital Expenditures</u>	109,345	164,833	173,608

WhiteWave-Alpro [Member]

Schedule Of Assets By Segment [Line Items]

<u>Assets</u>	2,135,045	2,089,279	1,984,893
<u>Capital Expenditures</u>	104,191	127,209	52,255

Corporate [Member]

Schedule Of Assets By Segment [Line Items]

<u>Assets</u>	269,598	325,213	412,431
<u>Capital Expenditures</u>	14,547	13,125	50,059

Assets Held-for-Sale [Member]

Schedule Of Assets By Segment [Line Items]

<u>Assets</u>	\$ 672,989	\$ 668,673	\$ 784,874
---------------	------------	------------	------------

**Employee Retirement and
Profit Sharing Plans -
Summary of Assumptions
Used to Determine Net
Periodic Benefit Cost
(Detail) (Employee
Retirement and Profit
Sharing Plans [Member])**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Employee Retirement and Profit Sharing Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Weighted average discount rate</u>	4.50%	[1]	5.28%	[1]	6.00%	[1]
<u>Expected return on plan assets</u>	7.67%	[1]	7.67%	[1]	7.70%	[1]
<u>Rate of compensation increase</u>	4.00%	[1]	4.00%	[1]	4.00%	[1]

[1] Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 85% of our total net periodic benefit cost during the years ended December 31, 2012, 2011 and 2010.

**Document and Entity
Information (USD \$)
In Billions, except Share
data, unless otherwise
specified**

12 Months Ended

Dec. 31, 2012 Feb. 15, 2013 Jun. 30, 2012

Entity Information [Line Items]

<u>Document Type</u>	10-K		
<u>Amendment Flag</u>	false		
<u>Document Period End Date</u>	Dec. 31, 2012		
<u>Document Fiscal Year Focus</u>	2012		
<u>Document Fiscal Period Focus</u>	FY		
<u>Trading Symbol</u>	DF		
<u>Entity Registrant Name</u>	DEAN FOODS CO		
<u>Entity Central Index Key</u>	0000931336		
<u>Current Fiscal Year End Date</u>	--12-31		
<u>Entity Well-known Seasoned Issuer</u>	Yes		
<u>Entity Current Reporting Status</u>	Yes		
<u>Entity Voluntary Filers</u>	No		
<u>Entity Filer Category</u>	Large Accelerated Filer		
<u>Entity Common Stock, Shares Outstanding</u>		185,921,100	
<u>Entity Public Float</u>			\$ 3.10

**Employee Retirement and
Profit Sharing Plans - Fair
Values by Category of Inputs
(Parenthetical) (Detail)**

**12 Months Ended
Dec. 31, 2012 Dec. 31, 2011**

Defined Benefit Plan Disclosure [Line Items]

<u>U.S. large-cap stocks percentage</u>	90.00%	90.00%
<u>International stocks percentage</u>	10.00%	10.00%
<u>Percentage of insurance contracts financed by employer premiums</u>	90.00%	90.00%
<u>Percentage of insurance contracts financed by employer and employee contributions</u>	10.00%	10.00%

DEBT

12 Months Ended
Dec. 31, 2012

DEBT

10. DEBT

	December 31, 2012		December 31, 2011	
	Amount Outstanding	Interest Rate	Amount Outstanding	Interest Rate
(In thousands, except percentages)				
Dean Foods Company debt obligations:				
Senior secured credit facility	\$1,292,197	4.82 %*	\$2,477,160	3.00 %*
Senior notes due 2016	499,167	7.00	498,959	7.00
Senior notes due 2018	400,000	9.75	400,000	9.75
	<u>2,191,364</u>		<u>3,376,119</u>	
Subsidiary debt obligations:				
WhiteWave senior secured credit facilities	780,550	2.20 *	—	—
Senior notes due 2017	130,879	6.90	129,117	6.90
Receivables-backed facility	—	—	238,410	1.31 **
Capital lease obligations and other	—		281	
Alpro revolving credit facility	—		—	
	<u>911,429</u>		<u>367,808</u>	
	<u>3,102,793</u>		<u>3,743,927</u>	
Less current portion	<u>(25,535)</u>		<u>(202,292)</u>	
Total long-term portion	<u>\$3,077,258</u>		<u>\$3,541,635</u>	

* Represents a weighted average rate, including applicable interest rate margins, for the senior secured revolving credit facility, term loan A and term loan B.

** Represents a weighted-average rate, including applicable interest rate margins, for indebtedness outstanding under the receivables securitization facility.

The scheduled maturities of long-term debt at December 31, 2012, were as follows (in thousands):

	Total	Dean Foods Term Loan B	Other Dean Foods Company Debt*	WhiteWave Senior Secured Credit Facilities
2013	\$25,535	\$10,535	\$ —	\$ 15,000
2014	290,535	10,535	265,000	15,000
2015	31,786	10,536	—	21,250
2016	992,173	470,923	500,000	21,250
2017	1,137,218	524,668	142,000	470,550
Thereafter	<u>637,500</u>	<u>—</u>	<u>400,000</u>	<u>237,500</u>

Subtotal	3,114,747	1,027,197	1,307,000	780,550
Less discounts	(11,954)	—	(11,954)	—
Total outstanding debt	<u>\$3,102,793</u>	<u>\$1,027,197</u>	<u>\$ 1,295,046</u>	<u>\$ 780,550</u>

* Includes the Dean Foods revolving credit facility, receivables-backed facility, Dean Foods Company senior notes and the subsidiary senior notes.

Dean Foods Senior Secured Credit Facility — Our senior secured credit facility consists of an original combination of a \$1.5 billion five-year revolving credit facility, a \$1.5 billion five-year term loan A and a \$1.8 billion seven-year term loan B. In June 2010, we amended and restated the agreement governing the senior secured credit facility, and entered into a further amendment in December 2010, which included extension of the maturity dates for certain principal amounts, amendment of the maximum permitted leverage ratio and minimum interest coverage ratio and the addition of a senior secured leverage ratio (each as defined in our credit agreement), and the amendment of certain other terms. At December 31, 2012, there were outstanding borrowings of \$1.03 billion under the term loan B and \$265 million under the revolving credit facility. Our average daily balance under the revolving credit facility during the year ended December 31, 2012 was \$107.2 million. Letters of credit in the aggregate amount of \$1.0 million were issued under the revolving credit facility but undrawn.

Effective April 2, 2012, pursuant to the terms of our amended and restated credit agreement dated June 30, 2010, the total commitment amount available to us under the senior secured revolving credit facility decreased from \$1.5 billion to \$1.275 billion, and any principal borrowings on a pro rata basis related to the \$225 million of non-extended revolving credit facility commitments were reallocated to the remaining portion of the facility. Additionally, in connection with the WhiteWave IPO discussed in Note 2, effective October 31, 2012, we voluntarily reduced the total commitment amount available to us under the revolving credit facility from \$1.275 billion to \$1.0 billion. No principal payments are due on these revolving credit facility commitments until April 2, 2014. The amended and restated senior secured revolving credit facility is available for the issuance of up to \$350 million of letters of credit and up to \$150 million of swing line loans. Our credit agreement requires mandatory principal prepayments upon the occurrence of certain asset sales (provided that such sales, in total, exceed \$250 million in any fiscal year), recovery events or as a result of exceeding certain leverage limits.

Our credit agreement permits us to complete acquisitions that meet all of the following conditions without obtaining prior approval: (1) the acquired company is involved in the manufacture, processing and distribution of food or packaging products or any other line of business in which we were engaged as of April 2007; (2) the net cash purchase price for any single acquisition is not greater than \$500 million and not greater than \$100 million if our leverage ratio is greater than 4.50 times on a pro-forma basis; (3) we acquire at least 51% of the acquired entity; (4) the transaction is approved by the board of directors or shareholders, as appropriate, of the target; and (5) after giving effect to such acquisition on a pro-forma basis, we would have been in compliance with all financial covenants. All other acquisitions must be approved in advance by the required lenders.

The senior secured credit facility contains limitations on liens, investments and the incurrence of additional indebtedness, prohibits certain dispositions of property and restricts certain

payments, including dividends. There are no restrictions on these certain payments, including dividends, when our leverage ratio is below 4.50 times consolidated EBITDA (as defined in the credit agreement) on a pro-forma basis. The senior secured credit facility is secured by liens on substantially all of our domestic assets, including the assets of our domestic subsidiaries, but excluding all assets of WhiteWave and its subsidiaries, the capital stock of subsidiaries of the former Dean Foods Company (“Legacy Dean”) and the capital stock of WhiteWave and its subsidiaries, the real property owned by Legacy Dean and its subsidiaries, and accounts receivable associated with the receivables-backed facility. In connection with the WhiteWave IPO, WhiteWave and its subsidiaries have been released from their obligations as guarantors of Dean Foods’ senior secured credit facility and designated as unrestricted subsidiaries thereunder.

The credit agreement governing our senior secured credit facility contains standard default triggers, including without limitation: failure to maintain compliance with the financial and other covenants contained in the credit agreement, default on certain of our other debt, a change in control and certain other material adverse changes in our business. The credit agreement does not contain any requirements to maintain specific credit rating levels.

As discussed in Note 3, on January 3, 2013, we completed the sale of our Morningstar division to a third party and we received net proceeds of approximately \$1.45 billion, a portion of which was used for the full repayment of \$480 million in outstanding 2016 Tranche B term loan borrowings, \$547 million in outstanding 2017 Tranche B term loan borrowings and \$265 million in revolver borrowings outstanding as of December 31, 2012. As a result of these principal repayments, we expect to write off \$1.5 million in previously deferred financing costs related to Dean Foods’ senior secured credit facility in the first quarter of 2013.

Additionally, we repatriated approximately €55 million (\$71 million) from our foreign operations during the second quarter of 2012 and utilized approximately \$70 million of those funds to prepay a portion of our then-outstanding 2014 tranche A term loan borrowings.

WhiteWave Senior Secured Credit Facilities — On October 12, 2012, in connection with the WhiteWave IPO discussed in Note 2, WhiteWave entered into senior secured credit facilities, consisting of a five-year \$850 million revolving credit facility, a five-year \$250 million term loan A-1 and a seven-year \$250 million term loan A-2. The revolving credit facility will be available for the issuance of up to \$75 million of letters of credit and up to \$75 million of swing line loans.

As of December 31, 2012, WhiteWave had total outstanding borrowings of \$780.6 million under its senior secured credit facility, which consisted of \$500 million in term loan borrowings and \$280.6 million drawn under its revolving credit facility.

The terms of WhiteWave’s senior secured credit facilities include the following:

- maturity on October 31, 2017 for the term loan A-1 and revolving credit facility and October 31, 2019 for the \$250 million term loan A-2 facility;
- required amortization repayment in quarterly installments of the following amounts on the \$250 million term loan A-1 facility: \$12.5 million in 2013 and 2014, \$18.75 million in 2015 and 2016, and \$25.0 million in 2017, with the balance at maturity, and in the case of the \$250 million term loan A-2 facility, \$2.5 million in 2013 through 2019, with the balance at maturity;

- an accordion feature allowing, under certain circumstances, the maximum principal amount of the senior secured credit facilities to be increased by up to \$500 million, subject to lender commitments;
- mandatory prepayments in the event of certain asset sales and receipt of insurance proceeds;
- customary representations and warranties that are made at closing and upon each borrowing under the senior secured credit facilities;
- customary affirmative and negative covenants for agreements of this type, including delivery of financial and other information, compliance with laws, further assurances, and limitations with respect to indebtedness, liens, fundamental changes, restrictive agreements, dispositions of assets, acquisitions and other investments, sale leaseback transactions, conduct of business, transactions with affiliates, and restricted payments; and
- financial covenants establishing (a) a maximum consolidated net leverage ratio initially set at 4.25 to 1.00 and stepping down to 4.00 to 1.00 beginning March 31, 2014 and then to 3.75 to 1.00 beginning March 31, 2015 and thereafter (subject to WhiteWave's right to increase such ratio by 0.50 to 1.00, but not to exceed 4.50 to 1.00, for the next four fiscal quarters following any permitted acquisition for which the purchase consideration equals or exceeds \$50 million) and (b) a minimum consolidated interest coverage ratio set at 3.00 to 1.00.

WhiteWave's senior secured credit facilities are secured by security interests and liens on substantially all of its assets and the assets of its material domestic subsidiaries. The senior secured credit facilities are guaranteed by its material domestic subsidiaries. Dean Foods Company does not guarantee WhiteWave's senior secured credit facilities. Borrowings under the senior secured credit facilities currently bear interest at a rate of LIBOR plus 1.75% per annum or, in the case of the \$250 million term loan A-2 facility, LIBOR plus 2.00% per annum, and are subject to adjustment based on WhiteWave's consolidated net leverage ratio.

WhiteWave incurred financing costs of approximately \$12 million in connection with the execution of its senior secured credit facilities, which have been deferred and will be recognized over the terms of the respective debt agreements using the effective interest method.

Use of Net Proceeds from WhiteWave IPO and Initial Borrowing under WhiteWave Senior Secured Credit Facilities — On October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under its senior secured credit facilities. Substantially all of the net proceeds of the borrowing and \$282 million of the net proceeds from the WhiteWave IPO, totaling approximately \$1.16 billion, were contributed to WWF Opco, which then paid such proceeds to Dean Foods to repay then-outstanding obligations under intercompany notes owed to Dean Foods. On October 31, 2012, we utilized those funds to repay in full the then-outstanding \$480 million aggregate principal amount of our 2014 Tranche A term loan and the then-outstanding \$675 million aggregate principal amount of our outstanding 2014 Tranche B term loan borrowings. As a result of these principal repayments, \$3.5 million in previously deferred financing costs related to Deans Foods' senior secured credit facility were written off in the fourth quarter of 2012.

Dean Foods Receivables-Backed Facility — We have a \$600 million receivables securitization facility pursuant to which certain of our subsidiaries sell their accounts receivable to four wholly-owned entities intended to be bankruptcy-remote. The entities then transfer the

receivables to third-party asset-backed commercial paper conduits sponsored by major financial institutions. The assets and liabilities of these four entities are fully reflected in our Consolidated Balance Sheets, and the securitization is treated as a borrowing for accounting purposes. The receivables-backed facility is available for the issuance of letters of credit of up to \$300 million.

In connection with the WhiteWave IPO, effective September 1, 2012, WWF Opco and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by WWF Opco to these entities on or prior to August 31, 2012 will continue to be collected by us; however, any receivables generated by WhiteWave or WWF Opco subsequent to September 1, 2012 will not be sold into the receivables securitization program, and no WWF Opco receivables previously sold into the facility will be included in the determination of our ability to re-borrow under the facility. Additionally, effective November 1, 2012, Morningstar Foods and its subsidiaries were no longer participants in the Dean Foods receivables securitization program. Receivables sold by Morningstar to these entities prior to October 31, 2012 will continue to be collected by us; however, any receivables generated by Morningstar or its subsidiaries subsequent to November 1, 2012 will not be sold into the receivables securitization program, and no Morningstar receivables previously sold into the facility will be included in the determination of our ability to re-borrow under the facility as described below. See Note 2 and Note 3, respectively, for more information regarding the WhiteWave IPO and the Morningstar divestiture.

The total amount of receivables sold to the receivables securitization entities as of December 31, 2012 was \$748.5 million. During the year ended December 31, 2012, we borrowed \$2.83 billion and subsequently repaid \$3.07 billion under the facility with no remaining drawn balance at December 31, 2012, excluding letters of credit in the aggregate amount of \$230.6 million that were issued but undrawn. Our average daily balance under this facility during the year ended December 31, 2012 was \$148.5 million. The receivables-backed facility bears interest at a variable rate based upon commercial paper and one-month LIBOR rates plus an applicable margin. Our ability to re-borrow under this facility is subject to a monthly borrowing base formula. Based on this formula, we had the ability to borrow up to \$572.4 million of the \$600 million total commitment amount as of December 31, 2012.

Standby Letter of Credit — As discussed in Note 19, on February 14, 2012, the United States District Court for the Eastern District of Tennessee granted preliminary approval of our settlement agreement with the plaintiffs in the Tennessee dairy farmer actions, and on June 15, 2012, the Court issued a ruling granting final approval of the settlement agreement. As part of the settlement agreement, on February 21, 2012, we issued a standby letter of credit in the amount of \$80 million, representing the subsequent payments due under the terms of the settlement agreement. The total amount of the letter of credit will decrease proportionately as we make each of the four installment payments. We expect to make the first installment payment in June 2013.

We are currently in compliance with all covenants under our credit agreements, and we expect to maintain such compliance for the foreseeable future.

Dean Foods Company Senior Notes due 2018 — On December 16, 2010, we issued \$400 million aggregate principal amount of 9.75% senior unsecured notes in a private placement to qualified institutional buyers and in offshore transactions, and on August 3, 2011, we exchanged \$400 million of the senior notes for new notes that are registered under the Securities Act and do not have restrictions on transfer, rights to special interest or registration rights. These notes are our senior unsecured obligations and mature on December 15, 2018 with interest payable on

June 15 and December 15 of each year. The indenture under which we issued the senior notes due 2018 does not contain financial covenants but does contain covenants that, among other things, limit our ability to incur certain indebtedness, enter into sale-leaseback transactions and engage in mergers, consolidations and sales of all or substantially all of our assets. The carrying value of these notes at December 31, 2012 was \$400.0 million.

Dean Foods Company Senior Notes due 2016 — On May 17, 2006, we issued \$500 million aggregate principal amount of 7.0% senior unsecured notes. The senior unsecured notes mature on June 1, 2016, and interest is payable on June 1 and December 1 of each year. The indenture under which we issued the senior notes due 2016 does not contain financial covenants but does contain covenants that, among other things, limit our ability to incur certain indebtedness, enter into sale-leaseback transactions and engage in mergers, consolidations and sales of all or substantially all of our assets. The carrying value of these notes at December 31, 2012 was \$499.2 million.

Subsidiary Senior Notes due 2017 — Legacy Dean had certain senior notes outstanding at the time of its acquisition, of which one series (\$142 million aggregate principal amount) remains outstanding with a maturity date of October 15, 2017. The carrying value of these notes at December 31, 2012 was \$130.9 million at 6.90% interest. The indenture governing the Legacy Dean senior notes does not contain financial covenants but does contain certain restrictions, including a prohibition against Legacy Dean and its subsidiaries granting liens on certain of their real property interests and a prohibition against Legacy Dean granting liens on the stock of its subsidiaries. The Legacy Dean senior notes are not guaranteed by Dean Foods Company or Legacy Dean's wholly-owned subsidiaries.

Capital Lease Obligations and Other — Capital lease obligations and other subsidiary debt includes various promissory notes related to the purchase of property, plant and equipment and capital lease obligations. The various promissory notes payable provide for interest at varying rates and are payable in periodic installments of principal and interest until maturity, when the remaining principal balances are due. Capital lease obligations represent machinery and equipment financing obligations, which are payable in monthly installments of principal and interest and are collateralized by the related assets financed. See Note 19.

Alpro Revolving Credit Facility — White Wave's Alpro operations have access to a multicurrency revolving credit facility with a borrowing capacity of €1 million (or its currency equivalent). The facility is unsecured, and as of September 30, 2012, was guaranteed by Dean Foods Company and various Alpro subsidiaries. In connection with the WhiteWave IPO discussed in Note 2, effective as of October 9, 2012, Dean Foods Company has been released from this guarantee. Proceeds under the facility may be used for Alpro's working capital and other general corporate purposes. The subsidiary revolving credit facility is available for the issuance of up to €1 million (or its currency equivalent) of letters of credit. On July 10, 2012, we renewed this facility under substantially similar terms. No principal payments are due under the subsidiary revolving credit facility until maturity on July 10, 2013. At December 31, 2012, there were no outstanding borrowings under this facility.

Interest Rate Agreements — See Note 11 for information related to interest rate swap arrangements associated with our debt.

Guarantor Information — The 2016 and 2018 senior notes described above are our unsecured obligations and, except as described below, are fully and unconditionally, jointly and

severally guaranteed by substantially all of our 100%-owned U.S. subsidiaries other than our receivables securitization subsidiaries. The following condensed consolidating financial statements present the financial position, results of operations and cash flows of Dean Foods Company (“Parent”), the 100%-owned subsidiary guarantors of the senior notes and, separately, the combined results of the 100%-owned and majority-owned subsidiaries that are not a party to the guarantees. The 100%-owned and majority-owned non-guarantor subsidiaries reflect certain foreign and other operations, in addition to our receivables securitization subsidiaries.

Upon completion of the WhiteWave IPO discussed in Note 2, WhiteWave and its wholly-owned domestic subsidiaries were released from their obligations as guarantors for the 2016 and 2018 senior notes. Accordingly, we have recast the financial information included in the tables below for all periods presented to include WhiteWave’s wholly-owned domestic subsidiaries within the non-guarantor column, as WhiteWave and its wholly-owned domestic subsidiaries are no longer guarantors of the 2016 or 2018 senior notes.

Additionally, as of December 31, 2012, our Morningstar subsidiaries were still guarantors of the 2016 and 2018 senior notes. Therefore, the activity and balances allocated to discontinued operations related to the Morningstar divestiture for each of the three years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011 have been reflected in the guarantor column, with the exception of Morningstar’s allocated portion of interest expense under the receivables-backed facility, which is included in the non-guarantor column. Effective upon completion of the Morningstar sale on January 3, 2013, Morningstar and its subsidiaries were no longer parties to the guarantees.

Condensed Consolidating Balance Sheet as of December 31, 2012

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
	(In thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	\$15,242	\$—	\$63,733	\$—	\$78,975
Receivables, net	972	40,080	840,358	—	881,410
Inventories	—	261,265	146,647	—	407,912
Intercompany receivables	—	4,190,180	79,938	(4,270,118)	—
Other current assets	6,464	112,021	43,007	—	161,492
Assets of discontinued operations	—	672,989	—	—	672,989
Total current assets	22,678	5,276,535	1,173,683	(4,270,118)	2,202,778
Property, plant and equipment, net	4	1,244,616	628,659	—	1,873,279
Goodwill	—	86,839	765,588	—	852,427
Identifiable intangible and other assets, net	101,950	280,043	376,614	—	758,607
Investment in subsidiaries	6,325,265	74,054	—	(6,399,319)	—
Total	\$6,449,897	\$6,962,087	\$2,944,544	\$(10,669,437)	\$5,687,091

**LIABILITIES AND
STOCKHOLDERS'
EQUITY (DEFICIT)**

Current liabilities:

Accounts payable and accrued expenses	\$133,689	\$769,644	\$290,793	\$—	\$1,194,126
Intercompany payables	3,582,794	—	687,324	(4,270,118)	—
Current portion of debt	10,535	1	14,999	—	25,535
Current portion of litigation settlements	20,000	—	—	—	20,000
Liabilities of discontinued operations	—	101,332	—	—	101,332
Total current liabilities	3,747,018	870,977	993,116	(4,270,118)	1,340,993
Long-term debt	2,180,829	130,879	765,550	—	3,077,258
Other long-term liabilities	111,151	352,784	291,565	—	755,500
Long-term litigation settlements	53,712	—	—	—	53,712
Dean Foods Company stockholders' equity (deficit)	357,187	5,607,447	791,872	(6,399,319)	357,187
Non-controlling interest	—	—	102,441	—	102,441
Total stockholders' equity (deficit)	357,187	5,607,447	894,313	(6,399,319)	459,628
Total	\$6,449,897	\$6,962,087	\$2,944,544	\$(10,669,437)	\$5,687,091

Condensed Consolidating Balance Sheet as of December 31, 2011

Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		Eliminations	Consolidated Totals
		Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
(In thousands)					

ASSETS

Current assets:

Cash and cash equivalents	\$3,061	\$6,709	\$105,880	\$—	\$115,650
Receivables, net	104	46,725	826,129	—	872,958
Income tax receivable	24,934	—	26	—	24,960
Inventories	—	257,228	127,763	—	384,991
Intercompany receivables	—	3,798,921	545,247	(4,344,168)	—
Intercompany note receivable	—	125,000	—	(125,000)	—
Other current assets	44,779	90,986	35,711	—	171,476
Assets of discontinued operations	—	600,017	68,656	—	668,673

Total current assets	72,878	4,925,586	1,709,412	(4,469,168)	2,238,708
Property, plant and equipment, net	413	1,336,921	598,901	—	1,936,235
Goodwill	—	86,840	762,337	—	849,177
Identifiable intangible and other assets, net	69,904	276,446	384,697	—	731,047
Investment in subsidiaries	<u>7,676,028</u>	<u>75,381</u>	<u>—</u>	<u>(7,751,409)</u>	<u>—</u>
Total	<u>\$7,819,223</u>	<u>\$6,701,174</u>	<u>\$3,455,347</u>	<u>\$(12,220,577)</u>	<u>\$5,755,167</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$129,369	\$763,395	\$234,953	\$—	\$1,127,717
Intercompany payables	4,204,433	26,604	113,131	(4,344,168)	—
Current portion of debt	202,012	12	268	—	202,292
Intercompany note payable	—	—	125,000	(125,000)	—
Current portion of litigation settlements	60,838	—	—	—	60,838
Liabilities of discontinued operations	—	85,008	48,194	—	133,202
Total current liabilities	4,596,652	875,019	521,546	(4,469,168)	1,524,049
Long-term debt	3,174,107	129,118	238,410	—	3,541,635
Other long-term liabilities	78,862	387,772	248,500	—	715,134
Long-term litigation settlements	73,000	—	—	—	73,000
Dean Foods Company stockholders' equity (deficit)	(103,398)	5,309,265	2,442,144	(7,751,409)	(103,398)
Non-controlling interest	—	—	4,747	—	4,747
Total stockholders' equity (deficit)	<u>(103,398)</u>	<u>5,309,265</u>	<u>2,446,891</u>	<u>(7,751,409)</u>	<u>(98,651)</u>
Total	<u>\$7,819,223</u>	<u>\$6,701,174</u>	<u>\$3,455,347</u>	<u>\$(12,220,577)</u>	<u>\$5,755,167</u>

Condensed Consolidating Statement of Comprehensive Income for the Year Ended December 31, 2012

Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Totals
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	(In thousands)				
Net sales	\$—	\$9,262,725	\$2,199,552	\$—	\$11,462,277
Cost of sales	—	7,170,646	1,391,633	—	8,562,279
Gross profit	—	2,092,079	807,919	—	2,899,998
Selling and distribution	—	1,418,695	493,893	—	1,912,588
General and administrative	7,741	428,945	118,326	—	555,012
Amortization of intangibles	—	3,759	2,524	—	6,283
Facility closing and reorganization costs	—	55,787	—	—	55,787
Other operating (income) loss	574	—	(58,033)	—	(57,459)
Interest expense	141,784	18,166	4,622	—	164,572
Other (income) expense, net	(8,163)	15,985	(8,529)	—	(707)
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(141,936)	150,742	255,116	—	263,922
Income tax expense (benefit)	(60,902)	67,337	140,074	—	146,509
Income (loss) before equity in earnings (loss) of subsidiaries	(81,034)	83,405	115,042	—	117,413
Equity in earnings (loss) of consolidated subsidiaries	239,656	(3,843)	—	(235,813)	—
Income (loss) from continuing operations	158,622	79,562	115,042	(235,813)	117,413
Income from discontinued operations, net of tax	—	45,681	—	—	45,681
Loss on sale of discontinued operations, net of tax	—	—	(2,053)	—	(2,053)
Net income (loss)	158,622	125,243	112,989	(235,813)	161,041
Net income attributable to non-controlling interest	—	—	(2,419)	—	(2,419)
Net income (loss) attributable to Dean Foods Company	158,622	125,243	110,570	(235,813)	158,622
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	2,002	(2,467)	8,932	—	8,467
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$160,624</u>	<u>\$122,776</u>	<u>\$119,502</u>	<u>\$(235,813)</u>	<u>\$167,089</u>

**Condensed Consolidating Statement of Comprehensive Income (Loss) for
the Year Ended December 31, 2011**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
	(In thousands)				
Net sales	\$—	\$9,707,177	\$1,934,014	\$—	\$11,641,191
Cost of sales	—	7,612,325	1,249,249	—	8,861,574
Gross profit	—	2,094,852	684,765	—	2,779,617
Selling and distribution	—	1,455,170	423,202	—	1,878,372
General and administrative	9,613	464,974	110,701	—	585,288
Amortization of intangibles	—	4,997	2,619	—	7,616
Facility closing and reorganization costs	—	45,688	—	—	45,688
Litigation settlements	131,300	—	—	—	131,300
Goodwill impairment	—	2,075,836	—	—	2,075,836
Other operating (income) loss	(801)	(12,985)	20,347	—	6,561
Interest expense	172,926	17,851	135	—	190,912
Other (income) expense, net	(10,665)	25,589	(16,839)	—	(1,915)
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(302,373)	(1,982,268)	144,600	—	(2,140,041)
Income tax expense (benefit)	(114,956)	(456,304)	81,672	—	(489,588)
Income (loss) before equity in earnings (loss) of subsidiaries	(187,417)	(1,525,964)	62,928	—	(1,650,453)
Equity in earnings (loss) of consolidated subsidiaries	(1,388,204)	(994)	—	1,389,198	—
Income (loss) from continuing operations	(1,575,621)	(1,526,958)	62,928	1,389,198	(1,650,453)
Income from discontinued operations, net of tax	—	54,666	—	—	54,666
Gain on sale of discontinued operations, net of tax	—	—	3,616	—	3,616
Net income (loss)	(1,575,621)	(1,472,292)	66,544	1,389,198	(1,592,171)

Net loss attributable to non-controlling interest	—	—	16,550	—	16,550
Net income (loss) attributable to Dean Foods Company	(1,575,621)	(1,472,292)	83,094	1,389,198	(1,575,621)
Other comprehensive loss, net of tax, attributable to Dean Foods Company	(38,658)	(1,589)	(12,620)	—	(52,867)
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$(1,614,279)</u>	<u>\$(1,473,881)</u>	<u>\$70,474</u>	<u>\$1,389,198</u>	<u>\$(1,628,488)</u>

**Condensed Consolidating Statement of Comprehensive Income for
the Year Ended December 31, 2010**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
	(In thousands)				
Net sales	\$—	\$9,086,547	\$1,733,690	\$—	\$10,820,237
Cost of sales	—	6,943,389	1,120,543	—	8,063,932
Gross profit	—	2,143,158	613,147	—	2,756,305
Selling and distribution	—	1,417,073	399,885	—	1,816,958
General and administrative	7,920	482,376	110,881	—	601,177
Amortization of intangibles	—	5,784	2,558	—	8,342
Facility closing and reorganization costs	—	30,761	—	—	30,761
Litigation settlements	—	30,000	—	—	30,000
Interest expense	179,972	10,890	343	—	191,205
Other (income) expense, net	(7,909)	28,643	(20,517)	—	217
Income (loss) from continuing operations before income taxes and equity in earnings (loss) of subsidiaries	(179,983)	137,631	119,997	—	77,645
Income tax expense (benefit)	(79,144)	81,332	43,965	—	46,153
Income (loss) before equity in earnings (loss) of subsidiaries	(100,839)	56,299	76,032	—	31,492
Equity in earnings (loss) of consolidated subsidiaries	192,330	3,465	—	(195,795)	—
Income (loss) from continuing operations	91,491	59,764	76,032	(195,795)	31,492

Income (loss) from discontinued operations, net of tax	—	46,248	(2,505)	—	43,743
Gain on sale of discontinued operations, net of tax	—	—	7,521	—	7,521
Net income (loss)	91,491	106,012	81,048	(195,795)	82,756
Net loss attributable to non-controlling interest	—	—	8,735	—	8,735
Net income (loss) attributable to Dean Foods Company	91,491	106,012	89,783	(195,795)	91,491
Other comprehensive income (loss), net of tax, attributable to Dean Foods Company	40,492	1,353	(21,522)	—	20,323
Comprehensive income (loss) attributable to Dean Foods Company	<u>\$131,983</u>	<u>\$107,365</u>	<u>\$68,261</u>	<u>\$(195,795)</u>	<u>\$111,814</u>

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2012**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non- Guarantor Subsidiaries</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
(In thousands)					
Cash flows from operating activities:					
Net cash provided by (used in) operating activities — continuing operations	\$(83,915)	\$202,719	\$265,517	\$—	\$384,321
Net cash provided by operating activities — discontinued operations	—	56,221	—	—	56,221
Net cash provided by (used in) operating activities	(83,915)	258,940	265,517	—	440,542
Cash flows from investing activities:					
Payments for property, plant and equipment	(1,564)	(124,085)	(102,434)	—	(228,083)
Proceeds from intercompany note	1,155,000	—	—	(1,155,000)	—

Proceeds from intercompany dividend	—	—	70,000	(70,000)	—
Proceeds from insurance and other recoveries	3,075	3,356	1,050	—	7,481
Proceeds from divestitures	—	58,034	—	—	58,034
Proceeds from sale of fixed assets	—	9,606	4,859	—	14,465
Other, net	—	(725)	(519)	—	(1,244)
Net cash provided by (used in) investing activities — continuing operations	1,156,511	(53,814)	(27,044)	(1,225,000)	(149,347)
Net cash used in investing activities — discontinued operations	—	(24,831)	—	—	(24,831)
Net cash provided by (used in) investing activities	1,156,511	(78,645)	(27,044)	(1,225,000)	(174,178)
Cash flows from financing activities:					
Repayment of Dean Foods Company senior secured term loan debt	(1,350,263)	(12)	—	—	(1,350,275)
Proceeds from senior secured revolver	2,481,800	—	—	—	2,481,800
Payments for senior secured revolver	(2,316,500)	—	—	—	(2,316,500)
Proceeds from receivables-backed facility	—	—	2,834,551	—	2,834,551
Payments for receivables-backed facility	—	—	(3,072,961)	—	(3,072,961)
Proceeds from subsidiary	—	—	1,019,200	—	1,019,200

senior secured credit facility					
Payments for subsidiary senior secured credit facility	—	—	(238,650)	—	(238,650)
Payment of financing costs	—	—	(12,278)	—	(12,278)
Proceeds from sale of subsidiary shares in initial public offering, net of offering costs	—	—	367,540	—	367,540
Repayment of intercompany note	—	—	(1,155,000)	1,155,000	—
Payment of intercompany dividend	—	—	(70,000)	70,000	—
Issuance of common stock, net of share repurchases for withholding taxes	6,434	—	—	—	6,434
Tax savings on share-based compensation	571	—	—	—	571
Net change in intercompany balances	117,543	(165,097)	47,554	—	—
Net cash used in financing activities — continuing operations	(1,060,415)	(165,109)	(280,044)	1,225,000	(280,568)
Net cash used in financing activities — discontinued operations	—	(21,895)	—	—	(21,895)
Net cash used in financing activities	(1,060,415)	(187,004)	(280,044)	1,225,000	(302,463)

Effect of exchange rate changes on cash and cash equivalents	—	—	(576)	—	(576)
Increase (decrease) in cash and cash equivalents	12,181	(6,709)	(42,147)	—	(36,675)
Cash and cash equivalents, beginning of period	3,061	6,709	105,880	—	115,650
Cash and cash equivalents, end of period	<u>\$15,242</u>	<u>\$—</u>	<u>\$63,733</u>	<u>—</u>	<u>\$78,975</u>

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2011**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Consolidated Totals</u>
(In thousands)				
Cash flows from operating activities:				
Net cash provided by (used in) operating activities — continuing operations	\$(59,869)	\$417,030	\$54,496	\$411,657
Net cash provided by operating activities — discontinued operations	—	52,913	774	53,687
Net cash provided by (used in) operating activities	(59,869)	469,943	52,270	465,344
Cash flows from investing activities:				
Payments for property, plant and equipment	—	(177,958)	(127,209)	(305,167)
Proceeds from insurance and other recoveries	—	786	—	786
Proceeds from divestitures	—	91,958	—	91,958
Proceeds from sale of fixed assets	—	6,650	711	7,361
Net cash used in investing activities — continuing operations	—	(78,564)	(126,498)	(205,062)
Net cash provided by (used in) investing	—	77,293	(491)	76,802

activities — discontinued operations				
Net cash used in investing activities	—	(1,271)	(126,989)	(128,260)
Cash flows from financing activities:				
Repayment of Dean Foods Company senior secured term loan debt	(203,070)	(6,201)	(614)	(209,885)
Proceeds from senior secured revolver	3,274,390	—	—	3,274,390
Payments for senior secured revolver	(3,627,690)	—	—	(3,627,690)
Proceeds from receivables-backed facility	—	—	4,246,006	4,246,006
Payments for receivables-backed facility	—	—	(4,007,598)	(4,007,598)
Payment of financing costs	(600)	—	—	(600)
Issuance of common stock, net of share repurchases for withholding taxes	3,623	—	—	3,623
Tax savings on share-based compensation	33	—	—	33
Capital contribution from non-controlling interest	—	—	6,754	6,754
Net change in intercompany balances	615,937	(477,131)	(138,806)	—
Net cash provided by (used in) financing activities — continuing operations	62,623	(483,332)	105,742	(314,967)
Net cash provided by financing activities — discontinued operations	—	21,369	—	21,369

Net cash provided by (used in) financing activities	62,623	(461,963)	105,742	(293,598)
Effect of exchange rate changes on cash and cash equivalents	—	—	(4,588)	(4,588)
Increase in cash and cash equivalents	2,754	6,709	29,435	38,898
Cash and cash equivalents, beginning of period	307	—	76,445	76,752
Cash and cash equivalents, end of period	<u>\$3,061</u>	<u>\$6,709</u>	<u>\$105,880</u>	<u>\$115,650</u>

**Condensed Consolidating Statement of Cash Flows for
the Year Ended December 31, 2010**

	<u>Parent</u>	<u>Guarantor Subsidiaries</u>	<u>Non-Guarantor Subsidiaries</u>	<u>Consolidated Totals</u>
(In thousands)				
Cash flows from operating activities:				
Net cash provided by operating activities — continuing operations	\$45,054	\$243,744	\$201,847	\$490,645
Net cash provided by operating activities — discontinued operations	—	19,808	8,765	28,573
Net cash provided by operating activities	45,054	263,552	210,612	519,218
Cash flows from investing activities:				
Payments for property, plant and equipment	—	(223,560)	(52,362)	(275,922)
Proceeds from sale of fixed assets	—	7,235	1,004	8,239
Net cash used in investing activities — continuing operations	—	(216,325)	(51,358)	(267,683)
Net cash provided by (used in) investing activities — discontinued operations	—	(25,892)	24,121	(1,771)

Net cash used in investing activities	—	(242,217)	(27,237)	(269,454)
Cash flows from financing activities:				
Proceeds from the issuance of debt	400,000	—	—	400,000
Repayment of Dean Foods Company senior secured term loan debt	(501,220)	(12,824)	(145)	(514,189)
Proceeds from senior secured revolver	4,006,680	—	—	4,006,680
Payments for senior secured revolver	(4,068,880)	—	—	(4,068,880)
Proceeds from receivables-backed facility	—	—	2,220,267	2,220,267
Payments for receivables-backed facility	—	—	(2,220,267)	(2,220,267)
Payment of financing costs	(52,720)	—	—	(52,720)
Issuance of common stock, net of share repurchases for withholding taxes	3,415	—	—	3,415
Tax savings on share-based compensation	278	—	—	278
Capital contribution from non-controlling interest	—	—	7,992	7,992
Net change in intercompany balances	158,035	(8,243)	(149,792)	—
Net cash used in financing activities — continuing operations	(54,412)	(21,067)	(141,945)	(217,424)
Net cash used in financing activities	—	(268)	—	(268)

— discontinued operations				
Net cash used in financing activities	(54,412)	(21,335)	(141,945)	(217,692)
Effect of exchange rate changes on cash and cash equivalents	—	—	(502)	(502)
Increase (decrease) in cash and cash equivalents	(9,358)	—	40,928	31,570
Cash and cash equivalents, beginning of period	9,665	—	35,517	45,182
Cash and cash equivalents, end of period	<u>\$307</u>	<u>\$—</u>	<u>\$76,445</u>	<u>\$76,752</u>

Debt - Schedule of Debt Instruments (Detail) (USD \$) In Thousands, unless otherwise specified	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	May 17, 2006	Dec. 31, 2012	Dec. 31, 2011	Aug. 03, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Senior secured credit facility			\$ 1,292,197	\$ 2,477,160																
Senior notes					499,167	498,959		400,000	400,000											
Credit facility																				
Capital lease obligations and other																				
Long-term debt	3,102,793	3,743,927	2,191,364	3,376,119																
Less current portion	(25,535)	(202,292)																		
Total long-term portion	\$ 3,077,258	\$ 3,541,635	\$ 2,180,829	\$ 3,174,107																
Weighted average rate			4.82%	[1] 3.00%	[1]															
Interest Rate					7.00%	7.00%	7.00%	9.75%	9.75%	9.75%										

[1] Represents a weighted average rate, including applicable interest rate margins, for the senior secured revolving credit facility, term loan A and term loan B.
[2] Represents a weighted-average rate, including applicable interest rate margins, for indebtedness outstanding under the receivables securitization facility.

**Debt - Condensed
Consolidating Statement of
Cash Flows (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Cash flows from operating activities:</u>			
<u>Net cash provided by (used in) operating activities - continuing operations</u>	\$ 384,321	\$ 411,657	\$ 490,645
<u>Net cash provided by operating activities - discontinued operations</u>	56,221	53,687	28,573
<u>Net cash provided by (used in) operating activities</u>	440,542	465,344	519,218
<u>Cash flows from investing activities:</u>			
<u>Payments for property, plant and equipment</u>	(228,083)	(305,167)	(275,922)
<u>Proceeds from insurance and other recoveries</u>	7,481	786	
<u>Proceeds from divestitures</u>	58,034	91,958	
<u>Proceeds from sale of fixed assets</u>	14,465	7,361	8,239
<u>Other, net</u>	(1,244)		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	(149,347)	(205,062)	(267,683)
<u>Net cash provided by (used in) investing activities - discontinued operations</u>	(24,831)	76,802	(1,771)
<u>Net cash provided by (used in) investing activities</u>	(174,178)	(128,260)	(269,454)
<u>Cash flows from financing activities:</u>			
<u>Proceeds from the issuance of debt</u>			400,000
<u>Repayment of Dean Foods Company senior secured term loan debt</u>	(1,350,275)	(209,885)	(514,189)
<u>Proceeds from senior secured revolver</u>	2,481,800	3,274,390	4,006,680
<u>Payments for senior secured revolver</u>	(2,316,500)	(3,627,690)	(4,068,880)
<u>Proceeds from receivables-backed facility</u>	2,834,551	4,246,006	2,220,267
<u>Payments for receivables-backed facility</u>	(3,072,961)	(4,007,598)	(2,220,267)
<u>Proceeds from subsidiary senior secured credit facility</u>	1,019,200		
<u>Payments for subsidiary senior secured credit facility</u>	(238,650)		
<u>Payment of financing costs</u>	(12,278)	(600)	(52,720)
<u>Proceeds from sale of subsidiary shares in initial public offering, net of offering costs</u>	367,540		
<u>Issuance of common stock, net of share repurchases for withholding taxes</u>	6,434	3,623	3,415
<u>Tax savings on share-based compensation</u>	571	33	278
<u>Capital contribution from non-controlling interest</u>		6,754	7,992
<u>Net cash used in financing activities - continuing operations</u>	(280,568)	(314,967)	(217,424)
<u>Net cash used in financing activities - discontinued operations</u>	(21,895)	21,369	(268)
<u>Net cash provided by (used in) financing activities</u>	(302,463)	(293,598)	(217,692)
<u>Effect of exchange rate changes on cash and cash equivalents</u>	(576)	(4,588)	(502)
<u>Increase (decrease) in cash and cash equivalents</u>	(36,675)	38,898	31,570
<u>Cash and cash equivalents, beginning of period</u>	115,650	76,752	45,182
<u>Cash and cash equivalents, end of period</u>	78,975	115,650	76,752
Dean Foods Company [Member]			
<u>Cash flows from operating activities:</u>			
<u>Net cash provided by (used in) operating activities - continuing operations</u>	(83,915)	(59,869)	45,054

<u>Net cash provided by (used in) operating activities</u>	(83,915)	(59,869)	45,054
<u>Cash flows from investing activities:</u>			
<u>Payments for property, plant and equipment</u>	(1,564)		
<u>Proceeds from intercompany note</u>	1,155,000		
<u>Proceeds from insurance and other recoveries</u>	3,075		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	1,156,511		
<u>Net cash provided by (used in) investing activities</u>	1,156,511		
<u>Cash flows from financing activities:</u>			
<u>Proceeds from the issuance of debt</u>			400,000
<u>Repayment of Dean Foods Company senior secured term loan debt</u>	(1,350,263)	(203,070)	(501,220)
<u>Proceeds from senior secured revolver</u>	2,481,800	3,274,390	4,006,680
<u>Payments for senior secured revolver</u>	(2,316,500)	(3,627,690)	(4,068,880)
<u>Payment of financing costs</u>		(600)	(52,720)
<u>Issuance of common stock, net of share repurchases for withholding taxes</u>	6,434	3,623	3,415
<u>Tax savings on share-based compensation</u>	571	33	278
<u>Net change in intercompany balances</u>	117,543	615,937	158,035
<u>Net cash used in financing activities - continuing operations</u>	(1,060,415)	62,623	(54,412)
<u>Net cash provided by (used in) financing activities</u>	(1,060,415)	62,623	(54,412)
<u>Increase (decrease) in cash and cash equivalents</u>	12,181	2,754	(9,358)
<u>Cash and cash equivalents, beginning of period</u>	3,061	307	9,665
<u>Cash and cash equivalents, end of period</u>	15,242	3,061	307
Guarantor Subsidiaries [Member]			
<u>Cash flows from operating activities:</u>			
<u>Net cash provided by (used in) operating activities - continuing operations</u>	202,719	417,030	243,744
<u>Net cash provided by operating activities - discontinued operations</u>	56,221	52,913	19,808
<u>Net cash provided by (used in) operating activities</u>	258,940	469,943	263,552
<u>Cash flows from investing activities:</u>			
<u>Payments for property, plant and equipment</u>	(124,085)	(177,958)	(223,560)
<u>Proceeds from insurance and other recoveries</u>	3,356	786	
<u>Proceeds from divestitures</u>	58,034	91,958	
<u>Proceeds from sale of fixed assets</u>	9,606	6,650	7,235
<u>Other, net</u>	(725)		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	(53,814)	(78,564)	(216,325)
<u>Net cash provided by (used in) investing activities - discontinued operations</u>	(24,831)	77,293	(25,892)
<u>Net cash provided by (used in) investing activities</u>	(78,645)	(1,271)	(242,217)
<u>Cash flows from financing activities:</u>			
<u>Repayment of Dean Foods Company senior secured term loan debt</u>	(12)	(6,201)	(12,824)
<u>Net change in intercompany balances</u>	(165,097)	(477,131)	(8,243)
<u>Net cash used in financing activities - continuing operations</u>	(165,109)	(483,332)	(21,067)
<u>Net cash used in financing activities - discontinued operations</u>	(21,895)	21,369	(268)
<u>Net cash provided by (used in) financing activities</u>	(187,004)	(461,963)	(21,335)
<u>Increase (decrease) in cash and cash equivalents</u>	(6,709)	6,709	
<u>Cash and cash equivalents, beginning of period</u>	6,709		

<u>Cash and cash equivalents, end of period</u>			6,709
Non-Guarantor Subsidiaries [Member]			
<u>Cash flows from operating activities:</u>			
<u>Net cash provided by (used in) operating activities - continuing operations</u>	265,517	54,496	201,847
<u>Net cash provided by operating activities - discontinued operations</u>		774	8,765
<u>Net cash provided by (used in) operating activities</u>	265,517	52,270	210,612
<u>Cash flows from investing activities:</u>			
<u>Payments for property, plant and equipment</u>	(102,434)	(127,209)	(52,362)
<u>Proceeds from intercompany dividend</u>	70,000		
<u>Proceeds from insurance and other recoveries</u>	1,050		
<u>Proceeds from sale of fixed assets</u>	4,859	711	1,004
<u>Other, net</u>	(519)		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	(27,044)	(126,498)	(51,358)
<u>Net cash provided by (used in) investing activities - discontinued operations</u>		(491)	24,121
<u>Net cash provided by (used in) investing activities</u>	(27,044)	(126,989)	(27,237)
<u>Cash flows from financing activities:</u>			
<u>Repayment of Dean Foods Company senior secured term loan debt</u>		(614)	(145)
<u>Proceeds from receivables-backed facility</u>	2,834,551	4,246,006	2,220,267
<u>Payments for receivables-backed facility</u>	(3,072,961)	(4,007,598)	(2,220,267)
<u>Proceeds from subsidiary senior secured credit facility</u>	1,019,200		
<u>Payments for subsidiary senior secured credit facility</u>	(238,650)		
<u>Payment of financing costs</u>	(12,278)		
<u>Proceeds from sale of subsidiary shares in initial public offering, net of offering costs</u>	367,540		
<u>Repayment of intercompany note</u>	(1,155,000)		
<u>Payment of intercompany dividend</u>	(70,000)		
<u>Capital contribution from non-controlling interest</u>		6,754	7,992
<u>Net change in intercompany balances</u>	47,554	(138,806)	(149,792)
<u>Net cash used in financing activities - continuing operations</u>	(280,044)	105,742	(141,945)
<u>Net cash provided by (used in) financing activities</u>	(280,044)	105,742	(141,945)
<u>Effect of exchange rate changes on cash and cash equivalents</u>	(576)	(4,588)	(502)
<u>Increase (decrease) in cash and cash equivalents</u>	(42,147)	29,435	40,928
<u>Cash and cash equivalents, beginning of period</u>	105,880	76,445	35,517
<u>Cash and cash equivalents, end of period</u>	63,733	105,880	76,445
Eliminations [Member]			
<u>Cash flows from investing activities:</u>			
<u>Proceeds from intercompany note</u>	(1,155,000)		
<u>Proceeds from intercompany dividend</u>	(70,000)		
<u>Net cash provided by (used in) investing activities - continuing operations</u>	(1,225,000)		
<u>Net cash provided by (used in) investing activities</u>	(1,225,000)		
<u>Cash flows from financing activities:</u>			
<u>Repayment of intercompany note</u>	1,155,000		
<u>Payment of intercompany dividend</u>	70,000		

<u>Net cash used in financing activities - continuing operations</u>	1,225,000
<u>Net cash provided by (used in) financing activities</u>	\$ 1,225,000

**CONSOLIDATED
STATEMENTS OF
OPERATIONS (USD \$)**
In Thousands, except Share
data, unless otherwise
specified

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

<u>Net sales</u>	\$	\$	\$
	11,462,277	11,641,191	10,820,237
<u>Cost of sales</u>	8,562,279	8,861,574	8,063,932
<u>Gross profit</u>	2,899,998	2,779,617	2,756,305
<u>Operating costs and expenses:</u>			
<u>Selling and distribution</u>	1,912,588	1,878,372	1,816,958
<u>General and administrative</u>	555,012	585,288	601,177
<u>Amortization of intangibles</u>	6,283	7,616	8,342
<u>Facility closing and reorganization costs</u>	55,787	45,688	30,761
<u>Litigation settlements</u>		131,300	30,000
<u>Goodwill impairment</u>		2,075,836	
<u>Other operating (income) loss</u>	(57,459)	6,561	
<u>Total operating costs and expenses</u>	2,472,211	4,730,661	2,487,238
<u>Operating income (loss)</u>	427,787	(1,951,044)	269,067
<u>Other (income) expense:</u>			
<u>Interest expense</u>	164,572	190,912	191,205
<u>Other (income) expense, net</u>	(707)	(1,915)	217
<u>Total other expense</u>	163,865	188,997	191,422
<u>Income (loss) from continuing operations before income taxes</u>	263,922	(2,140,041)	77,645
<u>Income tax expense (benefit)</u>	146,509	[1](489,588)	[2]46,153
			[3]
<u>Income (loss) from continuing operations</u>	117,413	(1,650,453)	31,492
<u>Income from discontinued operations, net of tax</u>	45,681	54,666	43,743
<u>Gain (loss) on sale of discontinued operations, net of tax</u>	(2,053)	3,616	7,521
<u>Net income (loss)</u>	161,041	(1,592,171)	82,756
<u>Net (income) loss attributable to non-controlling interest</u>	(2,419)	16,550	8,735
<u>Net income (loss) attributable to Dean Foods Company</u>	\$ 158,622	\$ (1,575,621)	\$ 91,491
<u>Average common shares:</u>			
<u>Basic</u>	184,750,755	183,388,220	181,799,306
<u>Diluted</u>	186,131,823	183,388,220	182,861,802
<u>Basic earnings (loss) per common share:</u>			
<u>Income (loss) from continuing operations attributable to Dean Foods Company</u>	\$ 0.62	\$ (8.91)	\$ 0.22
<u>Income from discontinued operations attributable to Dean Foods Company</u>	\$ 0.24	\$ 0.32	\$ 0.28
<u>Net income (loss) attributable to Dean Foods Company</u>	\$ 0.86	\$ (8.59)	\$ 0.50
<u>Diluted earnings (loss) per common share:</u>			

<u>Income (loss) from continuing operations attributable to Dean Foods Company</u>	\$ 0.62	\$ (8.91)	\$ 0.22
<u>Income from discontinued operations attributable to Dean Foods Company</u>	\$ 0.23	\$ 0.32	\$ 0.28
<u>Net income (loss) attributable to Dean Foods Company</u>	\$ 0.85	\$ (8.59)	\$ 0.50

[1] Excludes \$21.9 million in income tax expense related to discontinued operations.

[2] Excludes \$33.3 million in income tax expense related to discontinued operations.

[3] Excludes \$18.6 million in income tax expense related to discontinued operations.

**INVESTMENT IN
AFFILIATES**

**12 Months Ended
Dec. 31, 2012**

[INVESTMENT IN
AFFILIATES](#)

4. INVESTMENT IN AFFILIATES

Sale of Unconsolidated Affiliate and Related Party

Consolidated Container Company — On July 3, 2012, our approximate 25% non-controlling interest, on a fully diluted basis, in Consolidated Container Company (“CCC”), one of the nation’s largest manufacturers of rigid plastic containers and our largest supplier of plastic bottles and bottle components, was sold in connection with Vestar Capital Partners’ sale of the business operations of CCC. Vestar Capital Partners, an unaffiliated entity, controlled CCC through a majority ownership interest. Prior to the sale, our investment in CCC was accounted for under the equity method of accounting and had been recorded at zero value since 2001 when we determined the investment to be permanently impaired. As a result of the sale, we received cash proceeds of \$58.0 million. As the tax basis of our investment in CCC is calculated differently than the carrying value of our investment, we incurred a cash tax obligation of approximately \$90 million, which was paid during fourth quarter of 2012. During 2012, we recorded a pre-tax gain from the sale of \$58.0 million which was recorded in other operating (income) loss in our Consolidated Statements of Operations and additional income tax expense of \$68.4 million, resulting in a net after-tax loss on the sale of the investment of \$10.4 million.

We have supply agreements with CCC to purchase certain of our requirements for plastic bottles and bottle components from CCC through December 31, 2014. We spent \$204.1 million on products purchased from CCC during 2012 prior to the sale of our interest on July 3, 2012 and \$314.9 million and \$268.2 million during the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010, we had net payables to CCC of \$24.5 million and \$12.8 million, respectively.

**DISCONTINUED
OPERATIONS AND
DIVESTITURES**

12 Months Ended

Dec. 31, 2012

DISCONTINUED
OPERATIONS AND
DIVESTITURES

3. DISCONTINUED OPERATIONS AND DIVESTITURES

Discontinued Operations—Morningstar

On December 2, 2012, we entered into an agreement to sell our Morningstar division to a third party. Morningstar is a leading manufacturer of dairy and non-dairy extended shelf-life and cultured products, including creams and creamers, ice cream mixes, whipping cream, aerosol whipped toppings, iced coffee, half and half, value-added milks, sour cream and cottage cheese. The sale closed on January 3, 2013 and we received net proceeds of approximately \$1.45 billion, a portion of which was used to retire outstanding debt under our senior secured credit facility. We expect to record a net pre-tax gain of approximately \$850 million on the sale of our Morningstar division, excluding \$22.9 million of transaction costs recognized in discontinued operations during 2012. The operating results of our Morningstar division, previously reported within the Morningstar segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the years ended December 31, 2012, 2011 and 2010 and as of December 31, 2012 and 2011.

The following is a summary of Morningstar's assets and liabilities classified as discontinued operations as of December 31, 2012 and 2011:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
Assets		
Current assets	\$154,211	\$147,091
Property, plant and equipment, net	176,582	178,145
Goodwill	306,095	306,095
Identifiable intangibles and other assets, net	<u>36,101</u>	<u>37,342</u>
Assets of discontinued operations	<u>\$672,989</u>	<u>\$668,673</u>
Liabilities		
Accounts payable and accrued expenses	\$94,188	\$105,252
Debt	97	22,001
Other long-term liabilities	<u>7,047</u>	<u>5,949</u>
Liabilities of discontinued operations	<u>\$101,332</u>	<u>\$133,202</u>

The following is a summary of Morningstar's operating results and certain other directly attributable expenses, including interest expense, which are included in discontinued operations for the years ended December 31, 2012, 2011 and 2010:

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(In thousands)		
Operations:			
Net sales	\$1,438,371	\$1,414,302	\$1,302,650

Income before income taxes	69,513	87,443	73,577
Income tax	(23,832)	(32,777)	(27,329)
Net income	<u>\$45,681</u>	<u>\$54,666</u>	<u>\$46,248</u>

Discontinued Operations — Other

In July 2012, we participated in a global settlement agreement with Spanish authorities and numerous milk industry participants to resolve pending industry-wide investigations relating to excess production of raw milk by producers and unpaid levies associated with such production, which obligation we retained in the 2006 sale of our Iberian operations. On July 2, 2012, pursuant to the settlement, we paid €4.1 million (\$5.2 million) for unpaid milk levies and accrued interest, plus an additional €1.6 million (\$2.0 million) in related fees and expenses. In the second quarter of 2012, we incurred charges of \$2.5 million, net of tax, which were in addition to amounts we had previously accrued in connection with these contingent obligations. The additional charges recorded during 2012 are included in gain (loss) on sale of discontinued operations, net of tax in our Consolidated Statements of Operations.

During the second quarter of 2010, we committed to a plan to sell the business operations of Rachel's, which provided organic branded dairy-based chilled yogurt, milk and related dairy products primarily in the United Kingdom. We completed the sale of our Rachel's business on August 4, 2010 and recognized a gain of \$5.7 million, net of tax. Our Rachel's operations, previously reported within the WhiteWave segment, have been reclassified as discontinued operations in our Consolidated Financial Statements for the year ended December 31, 2010.

In September 2011, we recorded an additional gain of \$3.6 million, net of tax, on the sale of Rachel's as a result of the final working capital cash settlement, which has been recorded in gain (loss) on sale of discontinued operations, net of tax in our Consolidated Statements of Operations.

The following is a summary of Rachel's operating results, which are included in discontinued operations:

	<u>Year Ended December 31</u>
	<u>2010</u>
	(In thousands)
Operations:	
Net sales	\$ 26,319
Loss before income taxes	(3,783)
Income tax	1,399
Net loss	<u>\$ (2,384)</u>

In 2010 we recognized expense of \$121,000 related to prior discontinued operations and a gain of \$1.8 million on the sale of prior discontinued operations.

Divestitures

In the fourth quarter of 2010, we entered into two separate agreements to sell our Mountain High and private label yogurt operations. The Mountain High yogurt operations were part of our Fresh Dairy Direct segment, and the private label yogurt operations were part of our Fresh Dairy Direct segment and our former Morningstar segment. The divestiture of these operations was completed in the first half of 2011, with all sales proceeds applied towards debt reduction,

including the full repayment of the then outstanding 2012 tranche A term loan borrowings. See Note 10.

Additionally, in the first quarter of 2011, we committed to a plan to sell the fluid milk operations at our Fresh Dairy Direct manufacturing facility in Waukesha, Wisconsin (“Waukesha”) as a result of the settlement of the United States Department of Justice (“DOJ”) civil action related to our acquisition of the Consumer Products Division of Foremost Farms USA in April 2009. On September 8, 2011, we completed the sale of our Waukesha facility.

We recorded a net pre-tax loss of \$6.6 million during the year ended December 31, 2011 related to our divestitures, including the wind-down of the operations of our Hero joint venture. The loss was recorded in other operating (income) loss in our Consolidated Statements of Operations.

Transaction Costs

During the years ended December 31, 2012, 2011 and 2010, we recorded expenses of approximately \$23.6 million, \$1.5 million and \$9.8 million, respectively, in connection with the Morningstar, Mountain High, private label yogurt, Waukesha and Rachel’s sales, as well as other transactional activities, excluding the transaction costs associated with the WhiteWave IPO discussed in Note 2. Of this amount, \$22.9 million, \$0.0 million and \$3.6 million was recorded in discontinued operations during the years ended December 31, 2012, 2011 and 2010, respectively. The remaining amount is recorded in general and administrative expenses in our Consolidated Statements of Operations.

Segment, Geographic and Customer Information - Additional Information (Detail)	12 Months Ended			1 Months Ended	12 Months Ended
	Dec. 31, 2012 Segment	Dec. 31, 2011	Dec. 31, 2010	Oct. 31, 2012 WhiteWave Foods [Member]	Dec. 31, 2012 Fresh Dairy Direct [Member]
<u>Segment Reporting Information</u>					
<u>[Line Items]</u>					
<u>Number of reportable segments</u>	2				
<u>Number of manufacturing facilities</u>					79
<u>Percentage of consolidated subsidiary owned</u>				86.70%	
<u>Voting Power of outstanding shares</u>				98.50%	
<u>Major customer, percentage of sales</u>	22.00%	21.00%	21.00%		

**EMPLOYEE
RETIREMENT AND
PROFIT SHARING PLANS**
[EMPLOYEE RETIREMENT
AND PROFIT SHARING
PLANS](#)

12 Months Ended

Dec. 31, 2012

15. EMPLOYEE RETIREMENT AND PROFIT SHARING PLANS

We sponsor various defined benefit and defined contribution retirement plans, including various employee savings and profit sharing plans, and contribute to various multiemployer pension plans on behalf of our employees. Substantially all full-time union and non-union employees who have completed one or more years of service and have met other requirements pursuant to the plans are eligible to participate in one or more of these plans. During 2012, 2011 and 2010, our retirement and profit sharing plan expenses were as follows:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Defined benefit plans	\$14,720	\$13,849	\$12,975
Defined contribution plans	19,854	23,901	25,258
Multiemployer pension and certain union plans	28,674	26,203	25,227
Total	<u>\$63,248</u>	<u>\$63,953</u>	<u>\$63,460</u>

Defined Benefit Plans — The benefits under our defined benefit plans are based on years of service and employee compensation. Our funding policy is to contribute annually the minimum amount required under ERISA regulations plus additional amounts as we deem appropriate.

Included in accumulated other comprehensive income at December 31, 2012 and 2011 are the following amounts that have not yet been recognized in net periodic pension cost: unrecognized prior service costs of \$4.6 million (\$2.8 million net of tax) and \$5.2 million (\$3.2 million net of tax) and unrecognized actuarial losses of \$160.3 million (\$99.1 million net of tax) and \$152.0 million (\$93.5 million net of tax). Unrecognized transition obligation of \$112,000 (\$69,000 net of tax) at December 31, 2011 was fully recognized in 2012, and no transition obligation costs are expected to be recognized in net periodic pension cost during the year ended December 31, 2013. Prior service costs and actuarial losses included in accumulated other comprehensive income and expected to be recognized in net periodic pension cost during the year ended December 31, 2013 are \$807,000 (\$496,000 net of tax) and \$12.5 million (\$7.7 million net of tax), respectively.

The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the years ended December 31, 2012 and 2011, and the funded status of the plans at December 31, 2012 and 2011 is as follows:

	December 31	
	2012	2011
	(In thousands)	
Change in benefit obligation:		
Benefit obligation at beginning of year	\$330,288	\$305,588
Service cost	4,477	4,151
Interest cost	14,404	15,633
Plan participants' contributions	68	68
Plan amendments	318	—
Actuarial (gain) loss	34,968	32,633
Benefits paid	(21,162)	(25,654)
Plan settlements	—	(1,730)
Exchange rate changes	320	(401)
Benefit obligation at end of year	<u>363,681</u>	<u>330,288</u>
Change in plan assets:		
Fair value of plan assets at beginning of year	232,229	230,072
Actual return on plan assets	31,251	11,675
Employer contribution	18,331	18,073
Plan participants' contributions	68	68
Benefits paid	(21,162)	(25,654)
Plan settlements	—	(1,730)
Exchange rate changes	195	(275)
Fair value of plan assets at end of year	<u>260,912</u>	<u>232,229</u>
Funded status at end of year	<u>\$(102,769)</u>	<u>\$(98,059)</u>

The underfunded status of the plans of \$102.8 million at December 31, 2012 is recognized in our Consolidated Balance Sheet and includes \$0.7 million classified as a current accrued pension liability. We do not expect any plan assets to be returned to us during the year ended December 31, 2013. We expect to contribute \$12.9 million to the pension plans in 2013.

A summary of our key actuarial assumptions used to determine benefit obligations as of December 31, 2012 and 2011 follows:

	December 31	
	2012	2011
Weighted average discount rate(1)	3.70%	4.50%
Rate of compensation increase(1)	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 95% of our total benefit obligation as of December 31, 2012 and 2011.

A summary of our key actuarial assumptions used to determine net periodic benefit cost for 2012, 2011 and 2010 follows:

	Year Ended December 31		
	2012	2011	2010
Weighted average discount rate(1)	4.50%	5.28%	6.00%
Expected return on plan assets(1)	7.67%	7.67%	7.70%
Rate of compensation increase(1)	4.00%	4.00%	4.00%

- (1) Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 85% of our total net periodic benefit cost during the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Components of net periodic benefit cost:			
Service cost	\$4,477	\$4,151	\$3,699
Interest cost	14,514	15,735	16,941
Expected return on plan assets	(17,604)	(17,105)	(16,584)
Amortizations:			
Unrecognized transition obligation	129	130	112
Prior service cost	763	770	716
Unrecognized net loss	11,667	9,060	5,594
Effect of curtailment	—	—	790
Effect of settlement	—	969	1,707
Other	774	139	—
Net periodic benefit cost	<u>\$14,720</u>	<u>\$13,849</u>	<u>\$12,975</u>

The overall expected long-term rate of return on plan assets is a weighted-average expectation based on the targeted and expected portfolio composition. We consider historical performance and current benchmarks to arrive at expected long-term rates of return in each asset category.

The amortization of unrecognized net loss represents the amortization of investment losses incurred. In 2010, we closed a plant in South Carolina and also carried out a broad-based workforce reduction plan within our Fresh Dairy Direct segment. The effect of curtailment cost in 2010 represents the recognition of net periodic pension service costs associated with these activities. The effect of settlement costs in 2012, 2011 and 2010 represents the recognition of net periodic benefit cost related to pension settlements reached as a result of plant closures.

Pension plans with an accumulated benefit obligation in excess of plan assets follows:

	December 31	
	2012	2011
	(In millions)	
Projected benefit obligation	\$351.0	\$320.6
Accumulated benefit obligation	343.6	310.7
Fair value of plan assets	252.6	225.2

The accumulated benefit obligation for all defined benefit plans was \$351.9 million and \$316.7 million at December 31, 2012 and 2011, respectively.

Almost 90% of our defined benefit plan obligations are frozen as to future participation or increases in projected benefit obligation. Many of these obligations were acquired in prior strategic transactions. As an alternative to defined benefit plans, we offer defined contribution plans for eligible employees.

The weighted average discount rate reflects the rate at which our defined benefit plan obligations could be effectively settled. The rate, which is updated annually with the assistance of an independent actuary, uses a model that reflects a bond yield curve. The weighted average discount rate was decreased from 4.50% at December 31, 2011 to 3.70% at December 31, 2012. We do not expect this change to increase the net periodic benefit cost in 2013 as we expect the decrease in discount rate to meaningfully reduce the interest cost component of net periodic benefit cost.

Substantially all of our qualified pension plans are consolidated into one master trust. The investments held in the master trust are managed by an established Investment Committee with assistance from independent investment advisors. On July 1, 2009, the Investment Committee adopted a new long-term investment policy for the master trust that targets investments in equity securities at 59% of the portfolio, fixed income at 37%, cash equivalents at 3% and other investments of 1%. Policy objectives include maximizing long-term return at acceptable risk levels, diversifying among asset classes, if appropriate, and among investment managers, as well as establishing relevant risk parameters within each asset class. The investment policies permit variances from the targets within certain parameters. The investment policy prohibits investments in non-marketable or exotic securities, such as short-sale contracts; letter stock; commodities and private placements, without the Investment Committee's prior approval. At December 31, 2012, our master trust was invested as follows: investments in equity securities were at 59%; investments in fixed income were at 39%; cash equivalents were at 2% and other investments were less than 1%. Equity securities of the plan did not include any investment in our common stock at December 31, 2012 or 2011.

Estimated pension plan benefit payments to participants for the next ten years are as follows:

2013	\$20.1 million
2014	19.4 million
2015	19.4 million
2016	19.6 million
2017	19.9 million
Next five years	107.5 million

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, we follow a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value of our defined benefit plans' consolidated assets as follows:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.
- Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair values by category of inputs as of December 31, 2012 were as follows (in thousands):

	Fair Value as of			
	December 31, 2012	Level 1	Level 2	Level 3
Equity Securities:				
Common Stock	\$ 112	\$ 112	\$—	\$—
Index Funds:				
U.S. Equities(a)	119,377	—	119,377	—
International Equities(b)	22,373	—	22,373	—
Equity Funds(c)	7,320	—	7,320	—
Total Equity Securities	149,182	112	149,070	—
Fixed Income:				
Bond Funds(d)	93,200	—	93,200	—
Diversified Funds(e)	2,938	—	0	2,938
Total Fixed Income	96,138	—	93,200	2,938
Cash Equivalents:				
Short-term Investment Funds(f)	4,327	—	4,327	—
Total Cash Equivalents	4,327	—	4,327	—
Other Investments:				
Insurance Contracts(g)	9,818	—	—	9,818
Partnerships/Joint Ventures(h)	1,447	—	—	1,447
Insurance Reserves	—	—	—	—
Total Other Investments	11,265	—	—	11,265
Total	\$ 260,912	\$ 112	\$246,597	\$14,203

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

The fair values by category of inputs as of December 31, 2011 were as follows (in thousands):

	Fair Value as of			
	December 31, 2011	Level 1	Level 2	Level 3
Equity Securities:				
Common Stock	\$ 94	\$94	\$0	\$0
Index Funds:				
U.S. Equities(a)	107,247	0	107,247	0
International Equities(b)	18,986	0	18,986	0

Equity Funds(c)	6,546	0	6,546	0
Total Equity Securities	132,873	94	132,779	—
Fixed Income:				
Bond Funds(d)	82,192	—	82,192	—
Diversified Funds(e)	3,266	—	—	3,266
Total Fixed Income	85,458	—	82,192	3,266
Cash Equivalents:				
Short-term Investment Funds(f)	4,608	—	4,608	0
Total Cash Equivalents	4,608	—	4,608	0
Other Investments:				
Insurance Contracts(g)	7,710	—	—	7,710
Partnerships/Joint Ventures(h)	1,580	—	—	1,580
Insurance Reserves	—	—	—	—
Total Other Investments	9,290	—	—	9,290
Total	\$ 232,229	\$ 94	\$ 219,579	\$ 12,556

- (a) Represents a pooled/separate account that tracks the Dow Jones U.S. Total Stock Market Index.
- (b) Represents a pooled/separate account that tracks the MSCI EAFE Index.
- (c) Represents a pooled/separate account comprised of approximately 90% U.S. large-cap stocks and 10% in international stocks.
- (d) Represents a pooled/separate account which tracks the overall performance of the Barclays Capital Long Term Government/Credit Index.
- (e) Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.
- (f) Investment is comprised of high grade money market instruments with short-term maturities and high liquidity.
- (g) Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.
- (h) The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

A reconciliation of the change in the fair value measurement of the defined benefit plans' consolidated assets using significant unobservable inputs (Level 3) during the years ended December 31, 2012 and 2011 is as follows (in thousands):

	Diversified Funds	Insurance Contracts	Partnerships/ Joint Ventures	Total
Balance at January 1, 2011	\$3,104	\$6,169	\$ 1,913	\$11,186
Actual return on plan assets:				
Relating to instruments still held at reporting date	155	370	28	553
Purchases, sales and settlements (net)	(2,172)	1,171	(361)	(1,362)
Transfers in and/or out of Level 3	2,179	0	0	2,179
Balance at December 31, 2011	\$3,266	\$7,710	\$ 1,580	\$12,556
Actual return on plan assets:				
Relating to instruments still held at reporting date	(212)	484	131	403
Purchases, sales and settlements (net)	(695)	1,624	—	929
Transfers in and/or out of Level 3	579	—	(264)	315
Balance at December 31, 2012	\$2,938	\$9,818	\$ 1,447	\$14,203

Defined Contribution Plans — Certain of our non-union personnel may elect to participate in savings and profit sharing plans sponsored by us. These plans generally provide for salary reduction contributions to the plans on behalf of the participants of between 1% and 20% of a participant's annual compensation and provide for employer matching and profit sharing contributions as determined by our Board of Directors. In addition, certain union hourly employees are participants in company-sponsored defined contribution plans, which provide for employer contributions in various amounts ranging from \$24 to \$91 per pay period per participant.

Multemployer Pension Plans — Certain of our subsidiaries contribute to various multiemployer pension and other postretirement benefit plans which cover a majority of our full-time union employees and certain of our part-time union employees. Such plans are usually administered by a board of trustees composed of labor representatives and the management of the participating companies. The risks of participating in these multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to a multiemployer plan by one employer may be used to provide benefits to employees of other participating employers;
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; and
- If we choose to stop participating in one or more of our multiemployer plans, we may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

At this time, we have not established any significant liabilities because withdrawal from these plans is not probable or reasonably possible.

Our participation in these multiemployer plans for the year ended December 31, 2012 is outlined in the table below. Unless otherwise noted, the most recent Pension Protection Act ("PPA") Zone Status available in 2012 and 2011 is for the plans' year-end at December 31, 2011 and

December 31, 2010, respectively. The zone status is based on information that we obtained from each plan's Form 5500, which is available in the public domain and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a funding improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. Federal law requires that plans classified in the yellow zone or red zone adopt a funding improvement plan or rehabilitation plan, respectively, in order to improve the financial health of the plan. The "Extended Amortization Provisions" column indicates plans which have elected to utilize the special 30-year amortization rules provided by the Pension Relief Act of 2010 to amortize its losses from 2008 as a result of turmoil in the financial markets. The last column in the table lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

Pension Fund	Employer Identification Number	Pension Plan Number	PPA Zone Status				FIP /RP Status Pending/Implemented	Extended Amortization Provisions	Expiration Date of Associated Collective-Bargaining Agreement(s)
			2012	2011	2010	2009			
			Western Conference of Teamsters Pension Plan (1)	91-6145047	001	Green			
Central States, Southeast and Southwest Areas Pension Plan (2)	36-6044243	001	Red	Red	Red	Implemented	No	May 31, 2013 – March 11, 2017	
Retail, Wholesale & Department Store International Union and Industry Pension Fund (3)	63-0708442	001	Green	Green	Green	N/A	Yes	January 29, 2014 – September 10, 2016	
Dairy Industry – Union Pension Plan for Philadelphia Vicinity (4)	23-6283288	001	Red	Red	Red	Implemented	Yes	June 30, 2014 – September 30, 2017	

- (1) We are party to approximately 30 collective bargaining agreements that require contributions to this plan. These agreements cover a large number of employee participants and expire on various dates between 2013 and 2016. We do not believe that any one agreement is substantially more significant than another as none of these agreements individually represent greater than 15% of the total employee participants covered under this plan.
- (2) There are approximately 30 collective bargaining agreements that govern our participation in this plan. The agreements expire on various dates between 2013 and 2017. The agreements expiring in 2015 represent approximately 30% of our total employee participants in this plan, and the agreements expiring in 2016 represent approximately 35% of our total participants in the plan. The remaining agreements have a wide variety of expiration dates between 2013 and 2017 and do not individually represent a significant percentage of our overall participants to this plan.
- (3) We are subject to approximately 10 collective bargaining agreements with respect to this plan. Approximately 40% and 35% of our employee participants in this plan are covered by the agreements expiring in 2014 and 2015, respectively.
- (4) We are party to three collective bargaining agreements with respect to this plan. The agreement expiring in September 2017 is the most significant as more than 85% of our employee participants in this plan are covered by that agreement.

Information regarding our contributions to our multiemployer pension plans is shown in the table below. There are no changes which materially affected the comparability of our contributions to each of these plans during the years ended December 31, 2012, 2011 and 2010.

Pension Fund	Employer Identification Number	Pension Plan Number	Dean Foods Company Contributions (in millions)				Surcharge Imposed (3)
			2012	2011	2010	2009	
			Western Conference of Teamsters Pension Plan	91-6145047	001	\$14.3	
Central States, Southeast and Southwest Areas Pension Plan	36-6044243	001	9.5	8.6	8.4	No	
Retail, Wholesale & Department Store International Union and Industry Pension Fund (1)	63-0708442	001	1.3	1.2	1.3	No	
Dairy Industry – Union Pension Plan for Philadelphia Vicinity (1)	23-6283288	001	1.8	1.5	1.5	Yes	
Other Funds (2)			1.8	0.2	0.0		
Total Contributions			\$28.7	\$26.2	\$25.2		

- (1) During the 2011 and 2010 plan years, our contributions to these plans exceeded 5% of total plan contributions. At the date of filing of this Annual Report on Form 10-K, Forms 5500 were not available for the plan years ending in 2012.
- (2) Amounts shown represent our contributions to all other multiemployer pension and other postretirement benefit plans, which are immaterial both individually and in the aggregate to our Consolidated Financial Statements.
- (3) Federal law requires that contributing employers to a plan in Critical status pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount we would otherwise be required to contribute to the plan and ceases once our related collective bargaining agreements are amended to comply with the provisions of the rehabilitation plan.

**DERIVATIVE FINANCIAL
INSTRUMENTS AND FAIR
VALUE MEASUREMENTS**

12 Months Ended

Dec. 31, 2012

[DERIVATIVE FINANCIAL
INSTRUMENTS AND FAIR
VALUE MEASUREMENTS](#)

11. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Derivative Financial Instruments

Interest Rates — We have interest rate swap agreements in place at Dean Foods that have been designated as cash flow hedges against variable interest rate exposure on a portion of our debt, with the objective of minimizing the impact of interest rate fluctuations and stabilizing cash flows. These swap agreements provide hedges for interest rates on the Dean Foods senior secured credit facility by fixing the LIBOR component of interest rates specified in the senior secured credit facility at the interest rates noted below until the indicated expiration dates of these interest rate swap agreements.

The following table summarizes the various interest rate agreements in effect as of December 31, 2012:

<u>Fixed Interest Rates</u>	<u>Expiration Date</u>	<u>Notional Amounts</u> (In millions)
1.60% to 1.84%	December 31, 2013	800
2.75% to 2.84%	March 31, 2016	200

These swaps are recorded as an asset or liability in our Consolidated Balance Sheets at fair value, with an offset to accumulated other comprehensive income to the extent the hedge is effective. Derivative gains and losses included in other comprehensive income are reclassified into earnings as the underlying transaction occurs. Any ineffectiveness in our hedges is recorded as an adjustment to interest expense. There was no hedge ineffectiveness during 2012, 2011 or 2010.

We are exposed to market risk under these arrangements due to the possibility of interest rates on our senior secured credit facility falling below the rates on our interest rate derivative agreements. Credit risk under these arrangements is believed to be remote as the counterparties to our interest rate swap agreements are major financial institutions; however, if any of the counterparties to our hedging arrangements become unable to fulfill their obligations to us, we may lose the financial benefits of these arrangements.

As disclosed in Note 3, on January 3, 2013, we completed the sale of our Morningstar operations and used a portion of the proceeds to repay in full our outstanding 2016 and 2017 Tranche B term loan borrowings. As a result of these repayments, we determined that we no longer had sufficient levels of variable rate debt to support the \$1 billion aggregate notional amount of interest rate hedges maturing in 2013 and 2016 shown in the table above. Accordingly, on January 4, 2013, we terminated these interest rate swaps, and upon termination, we paid the counterparties \$28.0 million based on the fair value of the swaps on that date. As we have determined that the forecasted transactions hedged by these swaps are no longer probable, we expect to reclassify total losses of \$28.1 million (\$17.3 million, net of tax) previously recorded in accumulated other comprehensive income to interest expense during the first quarter of 2013.

Novation of 2017 Interest Rate Swaps to WhiteWave

In addition to the interest rate hedges described above, in connection with the WhiteWave IPO discussed in Note 2, on October 31, 2012, we novated certain of our interest rate swaps with a notional value of \$650 million and a maturity date of March 31, 2017 (the “2017 swaps”) to WhiteWave. WhiteWave is now the sole counterparty to the financial institutions under these swap agreements and will be directly responsible for any required future settlements, and the sole beneficiary of any future receipts of funds, pursuant to the terms of the 2017 swaps.

As of the novation date, the 2017 swaps were de-designated and subsequent changes in fair value are reflected in our Consolidated Statements of Operations, with a non-controlling interest adjustment for the

13.3% economic interest in WhiteWave that we do not own. As described in Note 2, unless and until a spin-off or other disposition transaction occurs after which we cease to own a controlling financial interest in WhiteWave, we will continue to consolidate WhiteWave for financial reporting purposes. Additionally, we have determined that the underlying hedged forecasted transaction related to the 2017 swaps remains probable; therefore, amounts recorded in accumulated other comprehensive income associated with the 2017 swaps will continue to be reclassified into the income statement as the underlying hedged forecasted transaction affects earnings. However, a future separation of WhiteWave through a spin-off or other transaction would result in a determination that the underlying forecasted transaction is no longer probable, which would subsequently trigger the recognition of a significant amount of accumulated other comprehensive income in earnings. As of December 31, 2012, total losses of approximately \$66.7 million (approximately \$ 40.9 million, net of tax) were recorded in accumulated other comprehensive income related to the 2017 swaps.

Commodities — We are exposed to commodity price fluctuations, including milk, organic and non-genetically modified (“non-GMO”) soybeans, butterfat, sweeteners and other commodity costs used in the manufacturing, packaging and distribution of our products, including utilities, natural gas, resin and diesel fuel. To secure adequate supplies of materials and bring greater stability to the cost of ingredients and their related manufacturing, packaging and distribution, we routinely enter into forward purchase contracts and other purchase arrangements with suppliers.

Under the forward purchase contracts, we commit to purchasing agreed-upon quantities of ingredients and commodities at agreed-upon prices at specified future dates. The outstanding purchase commitment for these commodities at any point in time typically ranges from one month’s to one year’s anticipated requirements, depending on the ingredient or commodity. These contracts are considered normal purchases.

In addition to entering into forward purchase contracts, from time to time we may purchase over-the-counter contracts with our qualified banking partners or exchange-traded commodity futures contracts for raw materials that are ingredients of our products or components of such ingredients. Certain of the contracts offset the risk of increases in our commodity costs, and are designated as hedging instruments when appropriate. Other contracts may be executed related to certain customer pricing arrangements. We have not designated such contracts as hedging instruments; therefore, the contracts are marked to market at each reporting period and a derivative asset or liability is recorded on our balance sheet. A summary of these open commodities contracts recorded at fair value in our Consolidated Balance Sheets at December 31, 2012 is included in the table below.

Although we may utilize forward purchase contracts and other instruments to mitigate the risks related to commodity price fluctuation, such strategies do not fully mitigate commodity price risk. Adverse movements in commodity prices over the terms of the contracts or instruments could decrease the economic benefits we derive from these strategies.

Foreign Currency — Our international operations represented approximately 13% and 3% of our long-lived assets and net sales, respectively, as of and for the year ended December 31, 2012. Sales in foreign countries, as well as certain expenses related to those sales, are transacted in currencies other than our reporting currency, the U.S. Dollar. Our foreign currency exchange rate risk is primarily limited to the Euro and the British Pound. We may, from time to time, employ derivative financial instruments to manage our exposure to fluctuations in foreign currency rates or enter into forward currency exchange contracts to hedge our net investment and intercompany payable or receivable balances in foreign operations.

As of December 31, 2012 and 2011, our derivatives recorded at fair value in our Consolidated Balance Sheets were:

<u>Derivative Assets</u>		<u>Derivative Liabilities</u>	
<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>

(In thousands)

<i>Derivatives designated as Hedging Instruments</i>				
Interest rate swap contracts — current(1)	\$ —	\$ —	\$ 17,716	\$ 38,260
Interest rate swap contracts — noncurrent(2)	—	—	10,432	64,037
Commodities contracts — current(1)	776	93	1,143	2,346
Foreign currency contracts — current (1)	—	411	489	—
<i>Derivatives not designated as Hedging Instruments</i>				
Interest rate swap contracts — current(1)	—	—	18,262	—
Interest rate swap contracts — noncurrent(2)	—	—	48,669	—
Commodities contracts —current(1)	964	2,006	742	1,530
Total derivatives	\$ 1,740	\$ 2,510	\$ 97,453	\$ 106,173

- (1) Derivative assets and liabilities that have settlement dates equal to or less than 12 months from the respective balance sheet date were included in other current assets and accounts payable and accrued expenses, respectively, in our Consolidated Balance Sheets.
- (2) Derivative assets and liabilities that have settlement dates greater than 12 months from the respective balance sheet date were included in identifiable intangible and other assets, net and other long-term liabilities, respectively, in our Consolidated Balance Sheets.

Gains and losses on derivatives designated as cash flow hedges reclassified from accumulated other comprehensive income into income were as follows (in thousands):

	Year Ended December 31		
	2012	2011	2010
Losses on interest rate swap contracts(1)	\$38,607	\$61,387	\$96,573
(Gains)/losses on commodities contracts(2)	2,916	(3,097)	6
(Gains)/losses on foreign currency contracts(3)	(320)	101	0

- (1) Recorded in interest expense in our Consolidated Statements of Operations.
- (2) Recorded in selling and distribution or cost of sales, depending on commodity type, in our Consolidated Statements of Operations.
- (3) Recorded in cost of sales in our Consolidated Statements of Operations.

Based on current interest rates, commodity prices and exchange rates, we estimate that \$0.4 million of hedging activity related to our commodities contracts and \$0.5 million of hedging activity related to our foreign currency contracts will be reclassified from accumulated other comprehensive income into income within the next 12 months. As a result of the January 4, 2013 termination of the 2013 and 2016 interest rate swaps, we expect to reclassify approximately \$28.1 million from accumulated other comprehensive income into income during the first quarter of 2013. The future separation of WhiteWave will likely trigger the reclassification of significant additional amounts of accumulated other comprehensive income in earnings during 2013, as described more fully above.

Fair Value Measurements

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, we follow a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 — Quoted prices for identical instruments in active markets.
- Level 2 — Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are observable in active markets.
- Level 3 — Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2012 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2012	Level 1	Level 2	Level 3
Liability — Interest rate swap contracts	\$ 95,079	\$ 0	\$95,079	\$ 0
Asset — Commodities contracts	1,740	0	1,740	0
Liability — Commodities contracts	1,885	0	1,885	0
Liability — Foreign currency contracts	489	0	489	0

A summary of our derivative assets and liabilities measured at fair value on a recurring basis as of December 31, 2011 is as follows (in thousands):

	Fair Value			
	as of			
	December 31, 2011	Level 1	Level 2	Level 3
Liability — Interest rate swap contracts	\$ 102,297	\$ 0	\$102,297	\$ 0
Asset — Commodities contracts	2,099	0	2,099	0
Liability — Commodities contracts	3,876	0	3,876	0
Asset — Foreign currency contracts	411	0	411	0

The fair value of our interest rate swaps is determined based on the notional amounts of the swaps and the forward LIBOR curve relative to the fixed interest rates under the swap agreements. The fair value of our commodities contracts is based on the quantities and fixed prices under the agreements and quoted forward commodity prices. The fair value of our foreign currency contracts is based on the notional amounts and rates under the contracts and observable market forward exchange rates. We classify these instruments in Level 2 because quoted market prices can be corroborated utilizing observable benchmark market rates at commonly quoted intervals, observable current and forward commodity market prices on active exchanges, and observable market transactions of spot currency rates and forward currency prices. We did not significantly change our valuation techniques from prior periods.

Due to their near-term maturities, the carrying amounts of accounts receivable and accounts payable are considered equivalent to fair value. In addition, because the interest rates on our senior secured credit facility and certain other debt are variable, their fair values approximate their carrying values.

The fair values of our Dean Foods Company senior notes and subsidiary senior notes were determined based on quoted market prices obtained through an external pricing source which derives its price valuations from daily marketplace transactions, with adjustments to reflect the spreads of benchmark bonds, credit risk and certain other variables. We have determined these fair values to be Level 2 measurements as all significant inputs into the quotes provided by our pricing source are observable in active markets. The following table presents the carrying values and fair values of our senior and subsidiary senior notes at December 31:

	2012		2011	
	Carrying Value	Fair Value	Carrying Value	Fair Value
(In thousands)				
Subsidiary senior notes due 2017	\$ 130,879	\$155,135	\$ 129,117	\$136,853
Dean Foods Company senior notes due 2016	499,167	551,875	498,959	493,750
Dean Foods Company senior notes due 2018	400,000	459,000	400,000	426,000

Additionally, we maintain a Supplemental Executive Retirement Plan (“SERP”), which is a nonqualified deferred compensation arrangement for our executive officers and other employees earning compensation in

excess of the maximum compensation that can be taken into account with respect to our 401(k) plan. The SERP is designed to provide these employees with retirement benefits from us that are equivalent, as a percentage of total compensation, to the benefits provided to other employees. The assets related to this plan are primarily invested in money market and mutual funds and are held at fair value. We classify these assets as Level 2 as fair value can be corroborated based on quoted market prices for identical or similar instruments in markets that are not active. The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2012 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$2,941	\$ 0	\$2,941	\$ 0
Mutual funds	3,337	0	3,337	0

The following table presents a summary of the SERP assets measured at fair value on a recurring basis as of December 31, 2011 (in thousands):

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money market	\$3,552	\$ 0	\$3,552	\$ 0
Mutual funds	3,031	0	3,031	0

Debt - Use of Net Proceeds from WhiteWave IPO and Initial Borrowing under WhiteWave Senior Secured Credit Facilities - Additional Information (Detail) (USD \$)	12 Months Ended		1 Months Ended		1 Months Ended	
	Dec. 31, 2012	Dec. 31, 2010	Oct. 31, 2012 Term Loan A [Member]	Oct. 31, 2012 Term Loan B [Member]	Oct. 31, 2012 WhiteWave Foods [Member]	Oct. 12, 2012 WhiteWave Foods [Member]
<u>Debt Instrument [Line Items]</u>						
<u>Indebtedness</u>					\$ 885,000,000	\$ 885,000,000
<u>Net proceeds from the WhiteWave IPO</u>	367,540,000				282,000,000	
<u>Amount contributed to WWF Opco</u>					1,160,000,000	
<u>Repayments of Outstanding Term Loan Borrowings</u>			480,000,000	675,000,000		
<u>Write off of debt issuance cost</u>	\$ 3,519,000	\$ 3,695,000	\$ 3,500,000			

GOODWILL AND INTANGIBLE ASSETS

**12 Months Ended
Dec. 31, 2012**

GOODWILL AND INTANGIBLE ASSETS

7. GOODWILL AND INTANGIBLE ASSETS

Our goodwill and intangible assets have resulted from acquisitions. Upon acquisition, the purchase price is first allocated to identifiable assets and liabilities, including trademarks and customer-related intangible assets, with any remaining purchase price recorded as goodwill. Goodwill and trademarks with indefinite lives are not amortized.

A trademark is determined to have an indefinite life if it has a history of strong sales and cash flow performance that we expect to continue for the foreseeable future. If these perpetual trademark criteria are not met, the trademarks are amortized over their expected useful lives. Determining the expected life of a trademark is based on a number of factors including the competitive environment, trademark history and anticipated future trademark support.

Amortizable intangible assets are evaluated for impairment upon a significant change in the operating environment or whenever circumstances indicate that the carrying value may not be recoverable. If an evaluation of the undiscounted cash flows indicates impairment, the asset is written down to its estimated fair value, which is generally based on discounted future cash flows.

We conduct impairment tests of goodwill and intangible assets with indefinite lives annually in the fourth quarter and on an interim basis when circumstances arise that indicate a possible impairment. We evaluate goodwill at the reporting unit level; as of our annual assessment date (December 1), our reporting units included Fresh Dairy Direct, WhiteWave, Morningstar and Alpro. As discussed in Note 3, we completed the sale of our Morningstar division on January 3, 2013.

In evaluating goodwill for impairment, we are permitted under the accounting guidance to first assess qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If we conclude that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill assigned to the reporting unit is required. However, if we conclude that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then we perform a two-step goodwill impairment test to identify potential goodwill impairment and measure the amount of goodwill impairment to be recognized, if any.

A qualitative assessment of goodwill was performed for each of our reporting units during 2012. We assessed economic conditions and industry and market considerations, in addition to the overall financial performance of each of our reporting units. Based on the results of our assessment, we determined that it was not more likely than not that any of our reporting units had a carrying value in excess of its fair value. Accordingly, no further goodwill testing was completed, and we did not recognize any impairment charges related to goodwill during 2012.

Additionally, based on the results of the annual impairment testing of our indefinite-lived trademarks completed during the fourth quarter of 2012, we did not record any impairment charges.

2011 Goodwill Impairment at Fresh Dairy Direct — During 2011, we performed a step one interim goodwill analysis of our Fresh Dairy Direct reporting unit as a prolonged economic

decline had resulted in significantly lower consumer spending, declining volumes in the fluid milk industry and increased competitive pricing pressures that were unlikely to improve materially. These conditions continued to affect both consumption and pricing in our Fresh Dairy Direct product categories, which culminated in a change to our outlook for that business. Based on the results of the step one analysis, we determined that the carrying value of our Fresh Dairy Direct reporting unit exceeded its fair value. Accordingly, we were required to perform step two of the impairment analysis to determine the amount of goodwill impairment to be recorded. The amount of the impairment was calculated by comparing the implied fair value of the goodwill to its carrying amount, which required us to allocate the fair value determined in the step one analysis to the individual assets and liabilities of the reporting unit. Any remaining fair value would represent the implied fair value of goodwill on the testing date.

Based on the results of analysis, we recorded a \$2.1 billion, non-cash charge (\$1.6 billion, net of tax), during 2011. This impairment charge did not impact our operations, compliance with our debt covenants or our cash flows.

We can provide no assurance that we will not have impairment charges in future periods as a result of changes in our operating results or the assumptions utilized in our impairment tests.

The changes in the carrying amount of goodwill for the years ended December 31, 2012 and 2011 are as follows:

	<u>Fresh Dairy</u> <u>Direct</u>	<u>WhiteWave-</u> <u>Alpro</u>	<u>Total</u>
	(In thousands)		
Balance at December 31, 2010	\$2,163,785	\$706,425	\$2,870,210
Goodwill impairment	(2,075,836)	—	(2,075,836)
Foreign currency translation	—	(3,655)	(3,655)
Divestitures (Note 3)	(1,108)	—	(1,108)
Other (1)	—	59,566	59,566
Balance at December 31, 2011	\$86,841	\$762,336	\$849,177
Foreign currency translation	0	3,250	3,250
Balance at December 31, 2012	<u>\$86,841</u>	<u>\$765,586</u>	<u>\$852,427</u>

(1) In 2011, we identified that we had not set up a deferred tax liability for a trademark acquired as part of our acquisition of WhiteWave in 2002. We corrected this error as of December 31, 2011 and recorded an increase in the goodwill attributable to our WhiteWave reporting unit of \$59.6 million, with a corresponding increase in deferred tax liabilities. See Note 9.

The gross carrying amount and accumulated amortization of our intangible assets other than goodwill as of December 31, 2012 and 2011 are as follows:

December 31					
2012			2011		
Gross		Net	Gross		Net
Carrying	Accumulated	Carrying	Carrying	Accumulated	Carrying
Amount	Amortization	Amount	Amount	Amortization	Amount

(In thousands)

Intangible assets with
indefinite lives:

Trademarks(1)	\$576,806	\$—	\$576,806	\$575,122	\$—	\$575,122
Intangible assets with finite lives:						
Customer-related and other (1)	90,957	(41,258)	49,699	89,656	(35,827)	53,829
Trademarks	10,564	(5,999)	4,565	10,564	(4,938)	5,626
Total	<u>\$678,327</u>	<u>\$ (47,257)</u>	<u>\$631,070</u>	<u>\$675,342</u>	<u>\$ (40,765)</u>	<u>\$634,577</u>

(1) The increase in the carrying amount is primarily the result of foreign currency translation adjustments.

Amortization expense on intangible assets for the years ended December 31, 2012, 2011 and 2010 was \$6.3 million, \$7.6 million and \$8.3 million, respectively. Estimated aggregate intangible asset amortization expense for the next five years is as follows:

2013	\$ 6.4 million
2014	6.3 million
2015	5.7 million
2016	5.5 million
2017	5.5 million

Quarterly Results of Operations - Summary of Quarterly Results of Operations (Parenthetical) (Detail) (USD \$)	3 Months Ended							12 Months Ended		
	Dec. 31, 2012	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2012	Dec. 31, 2011
Quarterly Financial Data										
[Line Items]										
Facility closing and reorganization costs, net of tax	\$ 11,300,000	\$ 4,200,000	\$ 4,200,000	\$ 16,200,000	\$ 2,200,000	\$ 6,300,000	\$ 12,900,000	\$ 6,600,000		
Goodwill impairment, net of tax										1,600,000,000
Antitrust complaint settlement, net of tax										84,500,000
Loss related to divestitures, net of tax										7,900,000
Net after-tax loss on the sale of investment									\$ 10,400,000	

**Inventories - Additional
Information (Detail) (USD \$)
In Millions, unless otherwise
specified**

Dec. 31, 2012 Dec. 31, 2011

Inventories [Line Items]

<u>Inventories, net of reserves</u>	\$ 3.6	\$ 3.4
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**Common Stock And Share-
Based Compensation -
Weighted Average
Assumptions Used to
Estimate Fair Value of Grant
Issued (Detail)**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Expected volatility</u>	44.00%	41.00%	34.00%
<u>Expected dividend yield</u>	0.00%	0.00%	0.00%
<u>Expected option term</u>	5 years	5 years	5 years

WhiteWave Foods [Member] | Stock Option [Member]

**Share-based Compensation Arrangement by Share-based Payment
Award [Line Items]**

<u>Expected volatility</u>	28.00%
<u>Expected dividend yield</u>	0.00%
<u>Expected option term</u>	6 years
<u>Risk-free rate of return</u>	1.05%

INVENTORIES

**12 Months Ended
Dec. 31, 2012**

INVENTORIES

5. INVENTORIES

Inventories, net of obsolescence reserves of \$3.6 million and \$3.4 million as of December 31, 2012 and 2011, consisted of the following:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Raw materials and supplies	\$173,151	\$169,040
Finished goods	234,761	215,951
Total	<u>\$407,912</u>	<u>\$384,991</u>

**PROPERTY, PLANT AND
EQUIPMENT**

**12 Months Ended
Dec. 31, 2012**

PROPERTY, PLANT AND
EQUIPMENT

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of December 31, 2012 and 2011 consisted of the following:

	December 31	
	2012	2011
	(In thousands)	
Land	\$235,350	\$233,650
Buildings	879,273	858,217
Leasehold improvements	82,764	84,455
Machinery and equipment	2,346,817	2,224,615
Construction in progress	53,237	122,714
	3,597,441	3,523,651
Less accumulated depreciation	(1,724,162)	(1,587,416)
Total	<u>\$1,873,279</u>	<u>\$1,936,235</u>

Depreciation expense amounted to \$240.3 million, \$235.8 million and \$227.9 million during the years ended December 31, 2012, 2011 and 2010, respectively.

For 2012 and 2011, we capitalized \$4.2 million and \$1.5 million in interest related to borrowings during the construction period of major capital projects, which is included as part of the cost of the related asset. Other non-cash additions to property, plant and equipment were \$5.7 million and \$10.5 million in 2012 and 2011.

**Postretirement Benefits
Other Than Pensions -
Estimated Post retirement
Health Care Plan Benefit
Payments (Detail) Dec. 31, 2012
(Postretirement Benefits
[Member], USD \$)
In Millions, unless otherwise
specified**

Postretirement Benefits [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>2013</u>	\$ 2.5
<u>2014</u>	2.5
<u>2015</u>	2.5
<u>2016</u>	2.6
<u>2017</u>	2.5
<u>Next five years</u>	\$ 13.4

**ACCOUNTS PAYABLE
AND ACCRUED
EXPENSES**

**ACCOUNTS PAYABLE AND
ACCRUED EXPENSES**

12 Months Ended

Dec. 31, 2012

8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2012 and 2011 consisted of the following:

	<u>December 31</u>	
	<u>2012</u>	<u>2011</u>
	(In thousands)	
Accounts payable	\$667,845	\$695,663
Payroll and benefits	223,272	152,538
Health insurance, workers' compensation and other insurance costs	59,833	68,417
Current derivative liability	38,411	42,136
Other accrued liabilities	<u>203,579</u>	<u>168,963</u>
Total	<u>\$1,192,940</u>	<u>\$1,127,717</u>

**Goodwill and Intangible
Assets - Additional
Information (Detail) (USD \$)**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Goodwill And Intangible Assets [Line Items]

<u>Non-cash impairment charge</u>		\$ 2,075,836,000	
<u>Non-cash impairment charge, net of tax</u>		1,600,000,000	
<u>Amortization expense on intangible assets</u>	\$ 6,283,000	\$ 7,616,000	\$ 8,342,000

**Employee Retirement and
Profit Sharing Plans -
Summary of Assumptions
Used to Determine Net
Periodic Benefit Cost
(Parenthetical) (Detail)
(Assumptions Utilized for
Domestic Pension Plans
[Member])**

12 Months Ended

Assumptions Utilized for Domestic Pension Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

Domestic pension plans as a percentage of total net periodic benefit cost

**Dec. 31,
2012**

**Dec. 31,
2011**

**Dec. 31,
2010**

85.00%

85.00%

85.00%

**Debt - Dean Foods
Receivables-Backed Facility
and Standby Letter of Credit
- Additional Information
(Detail) (Receivables
Securitization Facility
[Member], USD \$)**

12 Months Ended

Dec. 31, 2012 Feb. 21, 2012

Debt Instrument [Line Items]

<u>Line of Credit Facility, maximum borrowing capacity</u>	\$ 600,000,000	
<u>Value of receivables sold to asset securitization facility</u>	748,500,000	
<u>Proceeds from accounts receivable securitization</u>	2,830,000,000	
<u>Repayments of accounts receivable securitization</u>	3,070,000,000	
<u>Letters of credit, amount outstanding</u>	230,600,000	
<u>Line of credit average outstanding amount</u>	148,500,000	
<u>Line of credit, current borrowing capacity</u>	572,400,000	
<u>Issuance of standby letter of credit</u>		80,000,000
Letter of Credit [Member]		

Debt Instrument [Line Items]

<u>Line of Credit Facility, maximum borrowing capacity</u>	\$ 300,000,000
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Goodwill and Intangible 12 Months Ended
Assets - Changes in Carrying
Amount of Goodwill
(Parenthetical) (Detail)
(Whitewave [Member], USD Dec. 31, 2011
)

In Millions, unless otherwise
specified

Whitewave [Member]

[Goodwill \[Line Items\]](#)

[Increase in goodwill](#) \$ 59.6

**Common Stock and Share-
Based Compensation -
Additional Information on
Stock Option Activity
(Detail) (Stock Option
[Member], USD \$)
In Thousands, except Per
Share data, unless otherwise
specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
Stock Option [Member]			
<u>Share-based Compensation Arrangement by Share-based Payment Award [Line Items]</u>			
<u>Weighted-average per share grant date fair value of options granted</u>	\$ 4.74	\$ 3.96	\$ 4.67
<u>Intrinsic value of options exercised</u>	\$ 6,165	\$ 1,183	\$ 2,474
<u>Fair value of shares vested</u>	8,409	15,663	21,132
<u>Tax benefit related to stock option expense</u>	\$ 3,117	\$ 4,309	\$ 5,901

**Property, Plant and
Equipment - Additional
Information (Detail) (USD \$)
In Millions, unless otherwise
specified**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

**Interest Cost Capitalized And Depreciation And Amortization Expenses For
Property, Plant and Equipment [Line Items]**

<u>Depreciation expense</u>	\$ 240.3	\$ 235.8	\$ 227.9
<u>Interest related to borrowings</u>	4.2	1.5	
<u>Other non-cash additions to property, plant and equipment</u>	\$ 5.7	\$ 10.5	

Derivative Financial Instruments and Fair Value Measurements - Additional Information (Detail) (USD \$)	12 Months Ended			1 Months Ended		1 Months Ended			12 Months Ended			
	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 Minimum [Member]	Dec. 31, 2012 Maximum [Member]	Jan. 08, 2013 Subsequent Event	Jan. 04, 2013 Subsequent Event	Dec. 31, 2012 WhiteWave Foods [Member]	Oct. 31, 2012 Swaps Novated To White Wave [Member]	Dec. 31, 2012 Swaps Novated To White Wave Rate Swap Contracts	Oct. 31, 2012 Swaps Novated To White Wave Interest Rate Swap Contracts	Dec. 31, 2012 Commodities Contracts [Member]
Derivative [Line Items]												
Hedge ineffectiveness	\$ 0	\$ 0	\$ 0									
Notional Amount						1,000,000,000						
Payment of termination of interest rate swaps						28,000,000						
Derivative instrument pretax loss reclassified from accumulated other comprehensive income							28,100,000					
Reclassification of total losses, tax amount							17,300,000					
Notional value of interest rate swaps											650,000,000	
Maturity date of Interest Rate Swaps									Mar. 31, 2017			
Economic interest in WhiteWave								13.30%				
Losses in accumulated and other comprehensive income										66,700,000		
Losses in accumulated and other comprehensive income, net of tax										40,900,000		
Anticipated requirements, Outstanding purchase commitment				One Month	One Year							
International Sales Percentage of Long Lived Assets	13.00%											
International Sales Percentage of Total Sales	3.00%											
Interest rate swap contract hedging activity to be reclassified within next 12 months	28,100,000											
Commodities contract hedging activity to be reclassified within next 12 months												400,000
Foreign currency contract hedging activity to be reclassified within next 12 months	\$ 500,000											

**Employee Retirement and
Profit Sharing Plans -
Schedule of Information
Regarding Contribution in
Multiemployer Pension
Plans (Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Defined Benefit Plan Disclosure [Line Items]

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Total contribution</u>	\$ 28,674	\$ 26,203	\$ 25,227
Dean Foods Company [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Total contribution</u>	28,700	26,200	25,200
Western Conference of Teamsters Pension Plan [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Employer Identification Number</u>	916145047 ^[1]		
<u>Pension Plan Number</u>	001	^[1]	
Western Conference of Teamsters Pension Plan [Member] Dean Foods Company [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Employer Identification Number</u>	916145047		
<u>Pension Plan Number</u>	001		
<u>Total contribution</u>	14,300	14,700	14,000
<u>Surcharge Imposed</u>	No	^[2]	
Central States Southeast And Southwest Areas Pension Plan [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Employer Identification Number</u>	366044243 ^[3]		
<u>Pension Plan Number</u>	001	^[3]	
Central States Southeast And Southwest Areas Pension Plan [Member] Dean Foods Company [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Employer Identification Number</u>	366044243		
<u>Pension Plan Number</u>	001		
<u>Total contribution</u>	9,500	8,600	8,400
<u>Surcharge Imposed</u>	No	^[2]	
Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member]			
<u>Defined Benefit Plan Disclosure [Line Items]</u>			
<u>Employer Identification Number</u>	630708442 ^[4]		
<u>Pension Plan Number</u>	001	^[4]	
Retail, Wholesale & Department Store International Union and Industry Pension Fund [Member] Dean Foods Company [Member]			

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	630708442	[5]		
<u>Pension Plan Number</u>	001	[5]		
<u>Total contribution</u>	1,300	[5]	1,200	[5] 1,300 [5]
<u>Surcharge Imposed</u>	No	[2],[5]		

Dairy Industry - Union Pension Plan for Philadelphia Vicinity [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	236283288	[6]		
<u>Pension Plan Number</u>	001	[6]		

Dairy Industry - Union Pension Plan for Philadelphia Vicinity [Member] |
Dean Foods Company [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Employer Identification Number</u>	236283288	[5]		
<u>Pension Plan Number</u>	001	[5]		
<u>Total contribution</u>	1,800	[5]	1,500	[5] 1,500 [5]
<u>Surcharge Imposed</u>	Yes	[2],[5]		

All Other Multi Employer Plans [Member] | Dean Foods Company
[Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Total contribution</u>	\$ 1,800	[7]	\$ 200	[7] \$ 0 [7]
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- [1] We are party to approximately 30 collective bargaining agreements that require contributions to this plan. These agreements cover a large number of employee participants and expire on various dates between 2013 and 2016. We do not believe that any one agreement is substantially more significant than another as none of these agreements individually represent greater than 15% of the total employee participants covered under this plan.
- [2] Federal law requires that contributing employers to a plan in Critical status pay to the plan a surcharge to help correct the plan's financial situation. The amount of the surcharge is equal to a percentage of the amount we would otherwise be required to contribute to the plan and ceases once our related collective bargaining agreements are amended to comply with the provisions of the rehabilitation plan.
- [3] There are approximately 30 collective bargaining agreements that govern our participation in this plan. The agreements expire on various dates between 2013 and 2017. The agreements expiring in 2015 represent approximately 30% of our total employee participants in this plan, and the agreements expiring in 2016 represent approximately 35% of our total participants in the plan. The remaining agreements have a wide variety of expiration dates between 2013 and 2017 and do not individually represent a significant percentage of our overall participants to this plan.
- [4] We are subject to approximately 10 collective bargaining agreements with respect to this plan. Approximately 40% and 35% of our employee participants in this plan are covered by the agreements expiring in 2014 and 2015, respectively.
- [5] During the 2011 and 2010 plan years, our contributions to these plans exceeded 5% of total plan contributions. At the date of filing of this Annual Report on Form 10-K, Forms 5500 were not available for the plan years ending in 2012.

- [6] We are party to three collective bargaining agreements with respect to this plan. The agreement expiring in September 2017 is the most significant as more than 85% of our employee participants in this plan are covered by that agreement.
- [7] Amounts shown represent our contributions to all other multiemployer pension and other postretirement benefit plans, which are immaterial both individually and in the aggregate to our Consolidated Financial Statements.

INVENTORIES (Tables)

12 Months Ended Dec. 31, 2012

[Inventories, Net of Reserves](#)

Inventories, net of obsolescence reserves of \$3.6 million and \$3.4 million as of December 31, 2012 and 2011, consisted of the following:

	December 31	
	2012	2011
	(In thousands)	
Raw materials and supplies	\$173,151	\$169,040
Finished goods	234,761	215,951
Total	<u>\$407,912</u>	<u>\$384,991</u>

**Commitments and
Contingencies - Future
Minimum Payments under
Non-Cancelable Operating
Leases (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012

Schedule Of Commitments And Contingencies [Line Items]

<u>2013</u>	\$ 113,249
<u>2014</u>	93,952
<u>2015</u>	74,011
<u>2016</u>	43,295
<u>2017</u>	31,511
<u>Thereafter</u>	99,516
<u>Total minimum lease payments</u>	\$ 455,534

Summary of Significant Accounting Policies - Additional Information (Detail) (USD \$)	12 Months Ended				1 Months Ended	3 Months Ended	
	Dec. 31, 2012 Segment	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2012 Morningstar [Member]	Dec. 31, 2012 Minimum WhiteWave Brand [Member]	Oct. 31, 2012 WhiteWave Foods [Member]	Mar. 31, 2012 Joint Venture [Member]
Summary Of Significant Accounting Policies [Line Items]							
Number of reporting segments	2						
Number of local and regional brands and private labels					50		
Percentage of consolidated subsidiary owned						86.70%	
Voting Power of outstanding shares						98.50%	
Net proceeds used to retire under senior secured credit facility				\$ 1,450,000,000			
Percentage of joint venture owned							50.00%
Tax provision for accumulated foreign earnings	0						
Accumulated foreign earnings	107,300,000						
Advertising expense	201,200,000	174,300,000	188,100,000				
Shipping and handling costs	1,400,000,000	1,400,000,000	1,300,000,000				
Research and development expense	\$ 14,400,000	\$ 14,600,000	\$ 20,700,000				

**EARNINGS (LOSS) PER
SHARE**

**12 Months Ended
Dec. 31, 2012**

EARNINGS (LOSS) PER
SHARE

13. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is based on the weighted average number of common shares outstanding during each period. Diluted earnings (loss) per share is based on the weighted average number of common shares outstanding and the effect of all dilutive common stock equivalents outstanding during each period. Stock option conversions and stock units were not included in the computation of diluted loss per share for the year ended December 31, 2011 as we incurred a loss for this period and any effect on loss per share would have been anti-dilutive. The following table reconciles the numerators and denominators used in the computations of both basic and diluted earnings (loss) per share:

	Year Ended December 31		
	2012	2011	2010
	(In thousands, except share data)		
Basic earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares	184,750,755	183,388,220	181,799,306
Basic earnings (loss) per share from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22

Diluted earnings (loss) per share computation:			
Numerator:			
Income (loss) from continuing operations	\$117,413	\$(1,650,453)	\$31,492
Net (income) loss attributable to non-controlling interest	(2,419)	16,550	8,735
Income (loss) from continuing operations attributable to Dean Foods Company	\$114,994	\$(1,633,903)	\$40,227
Denominator:			
Average common shares — basic	184,750,755	183,388,220	181,799,306
Stock option conversion(1)	491,822	—	574,094
Stock units(2)	889,246	—	488,402
Average common shares — diluted	<u>186,131,823</u>	<u>183,388,220</u>	<u>182,861,802</u>
Diluted earnings (loss) per share from continuing operations attributable to Dean Foods Company	\$0.62	\$(8.91)	\$0.22
(1) Anti-dilutive options excluded	14,198,873	20,763,870	19,681,022
(2) Anti-dilutive stock units excluded	16,384	2,499,769	158,991

**Employee Retirement and
Profit Sharing Plans -
Retirement and Profit
Sharing Plan Expenses
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010

Defined Benefit Plan Disclosure [Line Items]

<u>Defined benefit plans</u>	\$ 14,720	\$ 13,849	\$ 12,975
<u>Defined contribution plans</u>	19,854	23,901	25,258
<u>Multiemployer pension and certain union plans</u>	28,674	26,203	25,227
<u>Total</u>	\$ 63,248	\$ 63,953	\$ 63,460

**SUPPLEMENTAL CASH
FLOW INFORMATION**

[SUPPLEMENTAL CASH FLOW
INFORMATION](#)

**12 Months Ended
Dec. 31, 2012**

18. SUPPLEMENTAL CASH FLOW INFORMATION

	<u>Year Ended December 31</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
	(In thousands)		
Cash paid for interest and financing charges, net of capitalized interest	\$148,337	\$175,862	\$176,495
Net cash paid (received) for taxes	150,398	(32,303)	9,184

**Derivative Financial
Instruments and Fair Value
Measurements - Summary of
Derivative Assets and
Liabilities Measured at Fair
Value on Recurring Basis
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Interest Rate Swap Contracts

Derivatives, Fair Value [Line Items]

Liability, Fair Value \$ 95,079 \$ 102,297

Commodities Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 1,740 2,099

Liability, Fair Value 1,885 3,876

Foreign Currency Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 411

Liability, Fair Value 489

Level 1 [Member] | Interest Rate Swap Contracts

Derivatives, Fair Value [Line Items]

Liability, Fair Value 0 0

Level 1 [Member] | Commodities Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 0 0

Liability, Fair Value 0 0

Level 1 [Member] | Foreign Currency Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 0

Liability, Fair Value 0

Level 2 [Member] | Interest Rate Swap Contracts

Derivatives, Fair Value [Line Items]

Liability, Fair Value 95,079 102,297

Level 2 [Member] | Commodities Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 1,740 2,099

Liability, Fair Value 1,885 3,876

Level 2 [Member] | Foreign Currency Contracts [Member]

Derivatives, Fair Value [Line Items]

Asset, Fair Value 411

Liability, Fair Value 489

Level 3 [Member] | Interest Rate Swap Contracts

Derivatives, Fair Value [Line Items]

<u>Liability, Fair Value</u>	0	0
Level 3 [Member] Commodities Contracts [Member]		
<u>Derivatives, Fair Value [Line Items]</u>		
<u>Asset, Fair Value</u>	0	0
<u>Liability, Fair Value</u>	0	0
Level 3 [Member] Foreign Currency Contracts [Member]		
<u>Derivatives, Fair Value [Line Items]</u>		
<u>Asset, Fair Value</u>		0
<u>Liability, Fair Value</u>	\$ 0	

**SEGMENT, GEOGRAPHIC
AND CUSTOMER
INFORMATION (Tables)**

12 Months Ended

Dec. 31, 2012

Segment Profit or Loss Other
Than Depreciation and
Amortization

The amounts in the following tables are obtained from reports used by our executive management team and do not include any allocated income taxes or management fees. There are no significant non-cash items reported in segment profit or loss other than depreciation and amortization. The consolidated financial statements of WhiteWave will differ from our historically reported WhiteWave segment results, as our historical results include adjustments for management and segment reporting purposes. In addition, WhiteWave's consolidated financial statements include certain other adjustments, including the allocation of corporate and shared service costs, which are not reflected in the segment results below.

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
Net sales to external customers:			
Fresh Dairy Direct	\$9,274,662	\$9,715,747	\$9,093,973
WhiteWave	<u>2,187,615</u>	<u>1,925,444</u>	<u>1,726,264</u>
Total	<u>\$11,462,277</u>	<u>\$11,641,191</u>	<u>\$10,820,237</u>
Intersegment sales:			
Fresh Dairy Direct	\$51,882	\$65,641	\$56,321
WhiteWave	<u>109,513</u>	<u>108,921</u>	<u>107,923</u>
Total	<u>\$161,395</u>	<u>\$174,562</u>	<u>\$164,244</u>
Operating income (loss):			
Fresh Dairy Direct	\$446,451	\$378,493	\$449,622
WhiteWave	<u>192,557</u>	<u>148,595</u>	<u>100,205</u>
Total reportable segment operating income	639,008	527,088	549,827
Corporate and Other	(212,893)	(218,747)	(219,999)
Facility closing and reorganization costs	(55,787)	(45,688)	(30,761)
Litigation settlements	—	(131,300)	(30,000)
Goodwill impairment	—	(2,075,836)	—
Other operating income (loss)	<u>57,459</u>	<u>(6,561)</u>	<u>—</u>
Total	427,787	(1,951,044)	269,067
Other (income) expense:			
Interest expense	164,572	190,912	191,205
Other (income) expense, net	<u>(707)</u>	<u>(1,915)</u>	<u>217</u>
Consolidated income (loss) from continuing operations before tax			
	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>
Depreciation and amortization:			
Fresh Dairy Direct	\$159,636	\$161,326	\$157,725

WhiteWave	74,761	70,075	68,353
Corporate and Other	26,540	27,928	21,161
Total	<u>\$260,937</u>	<u>\$259,329</u>	<u>\$247,239</u>

Assets, by Segment

	December 31		
	2012	2011	2010
	(In thousands)		
Assets:			
Fresh Dairy Direct	\$2,609,459	\$2,672,002	\$4,759,220
WhiteWave	2,135,045	2,089,279	1,984,893
Corporate	269,598	325,213	412,431
Discontinued Operations and Assets Held for Sale	<u>672,989</u>	<u>668,673</u>	<u>784,874</u>
Total	<u>\$5,687,091</u>	<u>\$5,755,167</u>	<u>\$7,941,418</u>
Capital expenditures:			
Fresh Dairy Direct	\$109,345	\$164,833	\$173,608
WhiteWave	104,191	127,209	52,255
Corporate and Other	<u>14,547</u>	<u>13,125</u>	<u>50,059</u>
Total	<u>\$228,083</u>	<u>\$305,167</u>	<u>\$275,922</u>

Geographic Information - Net Sales

Geographic Information — Net sales and long-lived assets for domestic and foreign operations are shown in the table below.

	December 31		
	2012	2011	2010
	(In thousands)		
Net sales to external customers:			
Domestic	\$11,082,346	\$11,264,061	\$10,470,994
Foreign	379,931	377,130	349,243

Geographic Information - Long-Lived Assets

	December 31		
	2012	2011	2010
	(In thousands)		
Net sales to external customers:			
Domestic	\$11,082,346	\$11,264,061	\$10,470,994
Foreign	379,931	377,130	349,243
Long-lived assets:			
Domestic	\$3,037,046	\$3,072,861	\$5,118,447
Foreign	447,267	443,598	487,775

**Common Stock and Share-
Based Compensation -
Summary of Restricted
Stock Activity (Detail)
(Restricted Stock [Member],
USD \$)**

12 Months Ended

Dec. 31, 2012

Restricted Stock [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	72,264
<u>Restricted shares granted</u>	48,194
<u>Restricted shares vested</u>	(65,137)
<u>Forfeited</u>	
<u>Outstanding ending</u>	55,321
<u>Outstanding beginning balance, Weighted-Average Grant Date Fair Value</u>	\$ 10.43
<u>Restricted shares granted, Weighted-Average Grant Date Fair Value</u>	\$ 15.35
<u>Restricted shares vested, Weighted-Average Grant Date Fair Value</u>	\$ 11.64
<u>Restricted shares forfeited, Weighted-Average Grant Date Fair Value</u>	\$ 0.00
<u>Outstanding ending balance, Weighted-Average Grant Date Fair Value</u>	\$ 13.29

**COMMON STOCK AND
SHARE-BASED
COMPENSATION (Tables)**

**12 Months Ended
Dec. 31, 2012**

[Weighted Average
Assumptions Used to Estimate
Fair Value of Grants Issued](#)

The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model, using the following assumptions:

	Year Ended December 31					
	2012		2011		2010	
Expected volatility	44	%	41	%	34	%
Expected dividend yield	0	%	0	%	0	%
Expected option term	5 years		5 years		5 years	
Risk-free rate of return	0.62 to 0.89%		1.32 to 2.30%		1.26 to 2.59%	

[Summary of Stock Option
Activity](#)

The following table summarizes stock option activity during the year ended December 31, 2012:

	Options	Weighted Average Exercise Price	Weighted Average Contractual Life	Aggregate Intrinsic Value
Options outstanding at January 1, 2012	18,930,658	\$ 19.21		
Granted	2,172,616	12.14		
Forfeited and cancelled(1)	(3,801,113)	16.23		
Exercised	(2,165,224)	14.09		
Options outstanding at December 31, 2012	<u>15,136,937</u>	19.64	5.08	\$ 21,627,660
Options vested and expected to vest at December 31, 2012	15,057,893	19.68	5.12	\$21,167,382
Options exercisable at December 31, 2011	15,710,662	20.39		
Options exercisable at December 31, 2012	11,891,660	21.81	4.10	\$6,386,222

(1) Pursuant to the terms of our stock option plans, options that are forfeited or cancelled may be available for future grants.

[Summary of Options
Outstanding and Exercisable](#)

The following table summarizes information about options outstanding and exercisable at December 31, 2012:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted- Average Remaining Contractual Life	Weighted- Average Exercise Price	Number Exercisable	Weighted- Average Exercise Price

\$7.44 to \$10.35	1,641,701	8.06	\$ 10.33	661,895	\$ 10.31
10.38 to 11.02	11,428	6.48	10.42	7,210	10.44
12.07 to 12.07	2,059,504	9.13	12.07	130,221	12.07
12.09 to 17.91	2,489,214	3.32	16.34	2,157,244	16.59
18.10 to 19.98	1,468,303	2.29	18.45	1,468,303	18.45
20.07 to 20.07	1,794,552	6.10	20.07	1,794,552	20.07
20.19 to 25.37	1,923,196	4.50	24.72	1,923,196	24.72
25.39 to 25.39	117,560	3.18	25.39	117,560	25.39
25.69 to 25.69	1,733,452	3.02	25.68	1,733,452	25.68
25.81 to 31.90	1,898,027	4.20	29.73	1,898,027	29.73

[Additional Information on Stock Option Activity](#)

The following table summarizes additional information regarding our stock option activity (in thousands, except per share amounts):

	Year Ended December 31		
	2012	2011	2010
Weighted-average per share grant date fair value of options granted	\$4.74	\$3.96	\$4.67
Intrinsic value of options exercised	6,165	1,183	2,474
Fair value of shares vested	8,409	15,663	21,132
Tax benefit related to stock option expense	3,117	4,309	5,901

[Summary of Restricted Stock Unit Activity](#)

The following table summarizes RSU activity during the year ended December 31, 2012:

	Employees	Directors	Total
RSUs outstanding January 1, 2012	2,055,548	102,138	2,157,686
RSUs issued	1,016,979	45,702	1,062,681
Shares issued upon vesting	(714,818)	(33,501)	(748,319)
RSUs cancelled or forfeited(1)	(635,140)	0	(635,140)
RSUs outstanding at December 31, 2012	<u>1,722,569</u>	<u>114,339</u>	<u>1,836,908</u>
Weighted-average per share grant date fair value	\$13.01	\$11.19	\$12.91

(1) Pursuant to the terms of our RSU plans, employees have the option of forfeiting RSUs to cover their minimum statutory tax withholding when shares are issued. RSUs that are cancelled or forfeited may be available for future grants.

[Stock Unit Grants and Stock Unit Expense](#)

The following table summarizes information about our RSU grants and RSU expense during the years ended December 31, 2012, 2011 and 2010 (in thousands, except per share amounts):

	Year Ended December 31		
	2012	2011	2010
Weighted-average grant date fair value of RSUs granted	\$11.90	\$10.31	\$18.45
Tax benefit related to RSU expense	5,041	5,495	5,852

[Summary of Restricted Stock Activity](#)

The following table summarizes restricted stock activity during the year ended December 31, 2012:

[Summary of Cash
Performance Units Activity](#)

	Shares	Weighted- Average Grant Date Fair Value
Unvested at January 1, 2012	72,264	\$ 10.43
Restricted shares granted	48,194	15.35
Restricted shares vested	(65,137)	11.64
Restricted shares forfeited	—	0.00
Unvested at December 31, 2012	<u>55,321</u>	13.29

The following table summarizes CPU activity during the years ended December 31, 2012:

	Units
Outstanding at January 1, 2012	10,963,417
Granted	1,562,500
Converted/paid	—
Forfeited	(9,094,667)
Outstanding at December 31, 2012	<u>3,431,250</u>

[Summary of Phantom Stock
Shares Activity](#)

The following table summarizes the phantom share activity during the year ended December 31, 2012:

	Shares	Weighted- Average Grant Date Fair Value
Outstanding at January 1, 2012	982,315	\$ 10.36
Granted	809,974	12.12
Converted/paid	(296,620)	10.36
Forfeited	(202,756)	10.80
Outstanding at December 31, 2012	<u>1,292,913</u>	11.39

[Summary of Share-Based
Compensation Expense
Recognized](#)

The following table summarizes the share-based compensation expense related to Dean Foods equity-based awards recognized during the years ended December 31, 2012, 2011 and 2010 (in thousands):

	Year Ended December 31		
	2012 (1)	2011	2010
Stock Options	\$8,279	\$11,392	\$15,621
Stock Units	14,726	18,508	19,487
Cash Performance Units	3,848	1,679	—
Phantom Shares	10,838	3,253	—
Total	<u>37,691</u>	<u>34,832</u>	<u>35,108</u>

- (1) During the second quarter of 2012, we recorded additional compensation expense of \$12.1 million related to employees whose equity-based long-term incentive awards are subject to certain accelerated vesting provisions, based on age and years of service, as a result of

amendments to our incentive award agreements that were approved during 2010. The portion of the additional expense pertaining to prior periods was immaterial.

WhiteWave Foods [Member] |
Stock Option [Member]
[Weighted Average](#)
[Assumptions Used to Estimate](#)
[Fair Value of Grants Issued](#)

The grant date fair value of WhiteWave's stock options was based on WhiteWave's stock price as of the grant date and a set of Black-Scholes assumptions specific to WhiteWave, which were as follows:

	Year Ended	
	December 31,	
	2012	
Expected volatility	28	%
Expected dividend yield	0	%
Expected option term	6 years	
Risk-free rate of return	1.05	%

**Common Stock and Share-
Based Compensation -
Summary of Phantom Share
Activity (Detail) (Phantom
Shares [Member], USD \$)**

12 Months Ended

Dec. 31, 2012

Phantom Shares [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	982,315
<u>Granted</u>	809,974
<u>Converted/paid</u>	(296,620)
<u>Forfeited</u>	(202,756)
<u>Outstanding ending</u>	1,292,913
<u>Outstanding beginning balance, Weighted-Average Grant Date Fair Value</u>	\$ 10.36
<u>Granted</u>	\$ 12.12
<u>Converted/paid</u>	\$ 10.36
<u>Forfeited</u>	\$ 10.80
<u>Outstanding ending balance, Weighted-Average Grant Date Fair Value</u>	\$ 11.39

**CONSOLIDATED
STATEMENTS OF
COMPREHENSIVE
INCOME (LOSS) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2010
<u>Net income (loss)</u>	\$ 161,041	\$ (1,592,171)	\$ 82,756
<u>Other comprehensive income (loss):</u>			
<u>Cumulative translation adjustment</u>	11,287	(12,738)	(20,707)
<u>Unrealized gain (loss) on derivative instruments, net of tax:</u>			
<u>Change in fair value of derivative instruments</u>	(19,793)	(58,797)	(17,360)
<u>Less: reclassification adjustments for (gains) losses included in net income (loss)</u>	24,964	35,235	59,393
<u>Defined benefit pension and other postretirement benefit plans, net of tax:</u>			
<u>Prior service costs arising during the period</u>	(193)	(579)	
<u>Net loss arising during the period</u>	(16,343)	(32,796)	(7,156)
<u>Less: amortization of prior service cost included in net periodic benefit cost</u>	9,333	16,808	6,153
<u>Other comprehensive income (loss)</u>	9,255	(52,867)	20,323
<u>Comprehensive income(loss)</u>			
<u>Comprehensive income (loss) attributable to non-controlling interest</u>	3,207	(16,550)	(8,735)
<u>Comprehensive income (loss) attributable to Dean Foods Company</u>	\$ 167,089	\$ (1,628,488)	\$ 111,814

**Debt - Condensed
Consolidating Balance Sheet
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011 Dec. 31, 2010 Dec. 31, 2009

<u>Cash and cash equivalents</u>	\$ 78,975	\$ 115,650	\$ 76,752	\$ 45,182
<u>Receivables, net</u>	881,410	872,958		
<u>Income tax receivable</u>		24,960		
<u>Inventories</u>	407,912	384,991		
<u>Other current assets</u>	161,492	171,476		
<u>Assets of discontinued operations</u>	672,989	668,673		
<u>Total current assets</u>	2,202,778	2,238,708		
<u>Property, plant and equipment, net</u>	1,873,279	1,936,235		
<u>Goodwill</u>	852,427	849,177	2,870,210	
<u>Identifiable intangible and other assets, net</u>	758,607	731,047		
<u>Total</u>	5,687,091	5,755,167	7,941,418	

LIABILITIES AND STOCKHOLDERS' EQUITY

<u>Accounts payable and accrued expenses</u>	1,194,126	1,127,717		
<u>Current portion of debt</u>	25,535	202,292		
<u>Current portion of litigation settlements</u>	20,000	60,838		
<u>Liabilities of discontinued operations</u>	101,332	133,202		
<u>Total current liabilities</u>	1,340,993	1,524,049		
<u>Long-term debt</u>	3,077,258	3,541,635		
<u>Other long-term liabilities</u>	755,500	715,134		
<u>Long-term litigation settlements</u>	53,712	73,000		
<u>Dean Foods Company stockholders' equity (deficit)</u>	357,187	(103,398)		
<u>Non-controlling interest</u>	102,441	4,747		
<u>Total stockholders' equity (deficit)</u>	459,628	(98,651)	1,514,068	1,367,232
<u>Total</u>	5,687,091	5,755,167		

Dean Foods Company [Member]

<u>Cash and cash equivalents</u>	15,242	3,061	307	9,665
<u>Receivables, net</u>	972	104		
<u>Income tax receivable</u>		24,934		
<u>Other current assets</u>	6,464	44,779		
<u>Total current assets</u>	22,678	72,878		
<u>Property, plant and equipment, net</u>	4	413		
<u>Identifiable intangible and other assets, net</u>	101,950	69,904		
<u>Investment in subsidiaries</u>	6,325,265	7,676,028		
<u>Total</u>	6,449,897	7,819,223		

LIABILITIES AND STOCKHOLDERS' EQUITY

<u>Accounts payable and accrued expenses</u>	133,689	129,369		
<u>Intercompany payables</u>	3,582,794	4,204,433		
<u>Current portion of debt</u>	10,535	202,012		
<u>Current portion of litigation settlements</u>	20,000	60,838		

<u>Total current liabilities</u>	3,747,018	4,596,652		
<u>Long-term debt</u>	2,180,829	3,174,107		
<u>Other long-term liabilities</u>	111,151	78,862		
<u>Long-term litigation settlements</u>	53,712	73,000		
<u>Dean Foods Company stockholders' equity (deficit)</u>	357,187	(103,398)		
<u>Total stockholders' equity (deficit)</u>	357,187	(103,398)		
<u>Total</u>	6,449,897	7,819,223		
Guarantor Subsidiaries [Member]				
<u>Cash and cash equivalents</u>		6,709		
<u>Receivables, net</u>	40,080	46,725		
<u>Inventories</u>	261,265	257,228		
<u>Intercompany receivables</u>	4,190,180	3,798,921		
<u>Intercompany note receivable</u>		125,000		
<u>Other current assets</u>	112,021	90,986		
<u>Assets of discontinued operations</u>	672,989	600,017		
<u>Total current assets</u>	5,276,535	4,925,586		
<u>Property, plant and equipment, net</u>	1,244,616	1,336,921		
<u>Goodwill</u>	86,839	86,840		
<u>Identifiable intangible and other assets, net</u>	280,043	276,446		
<u>Investment in subsidiaries</u>	74,054	75,381		
<u>Total</u>	6,962,087	6,701,174		
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>				
<u>Accounts payable and accrued expenses</u>	769,644	763,395		
<u>Intercompany payables</u>		26,604		
<u>Current portion of debt</u>	1	12		
<u>Liabilities of discontinued operations</u>	101,332	85,008		
<u>Total current liabilities</u>	870,977	875,019		
<u>Long-term debt</u>	130,879	129,118		
<u>Other long-term liabilities</u>	352,784	387,772		
<u>Dean Foods Company stockholders' equity (deficit)</u>	5,607,447	5,309,265		
<u>Total stockholders' equity (deficit)</u>	5,607,447	5,309,265		
<u>Total</u>	6,962,087	6,701,174		
Non-Guarantor Subsidiaries [Member]				
<u>Cash and cash equivalents</u>	63,733	105,880	76,445	35,517
<u>Receivables, net</u>	840,358	826,129		
<u>Income tax receivable</u>		26		
<u>Inventories</u>	146,647	127,763		
<u>Intercompany receivables</u>	79,938	545,247		
<u>Other current assets</u>	43,007	35,711		
<u>Assets of discontinued operations</u>		68,656		
<u>Total current assets</u>	1,173,683	1,709,412		
<u>Property, plant and equipment, net</u>	628,659	598,901		
<u>Goodwill</u>	765,588	762,337		
<u>Identifiable intangible and other assets, net</u>	376,614	384,697		

<u>Total</u>	2,944,544	3,455,347
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Accounts payable and accrued expenses</u>	290,793	234,953
<u>Intercompany payables</u>	687,324	113,131
<u>Current portion of debt</u>	14,999	268
<u>Intercompany note payable</u>		125,000
<u>Liabilities of discontinued operations</u>		48,194
<u>Total current liabilities</u>	993,116	521,546
<u>Long-term debt</u>	765,550	238,410
<u>Other long-term liabilities</u>	291,565	248,500
<u>Dean Foods Company stockholders' equity (deficit)</u>	791,872	2,442,144
<u>Non-controlling interest</u>	102,441	4,747
<u>Total stockholders' equity (deficit)</u>	894,313	2,446,891
<u>Total</u>	2,944,544	3,455,347
Eliminations [Member]		
<u>Intercompany receivables</u>	(4,270,118)	(4,344,168)
<u>Intercompany note receivable</u>		(125,000)
<u>Total current assets</u>	(4,270,118)	(4,469,168)
<u>Investment in subsidiaries</u>	(6,399,319)	(7,751,409)
<u>Total</u>	(10,669,437)	(12,220,577)
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
<u>Intercompany payables</u>	(4,270,118)	(4,344,168)
<u>Intercompany note payable</u>		(125,000)
<u>Total current liabilities</u>	(4,270,118)	(4,469,168)
<u>Dean Foods Company stockholders' equity (deficit)</u>	(6,399,319)	(7,751,409)
<u>Total stockholders' equity (deficit)</u>	(6,399,319)	(7,751,409)
<u>Total</u>	\$ (10,669,437)	\$ (12,220,577)

**WhiteWave IPO and
Proposed Spin-Off or Other
Disposition (WhiteWave
Foods [Member])**

12 Months Ended

Dec. 31, 2012

WhiteWave Foods [Member]

[WhiteWave IPO and Proposed
Spin-Off or Other Disposition](#)

2. WhiteWave IPO and Proposed Spin-Off or Other Disposition

On October 31, 2012, WhiteWave completed the WhiteWave IPO, and sold 23 million shares of its Class A common stock at a price to the public of \$17 per share. Prior to completion of the WhiteWave IPO, we contributed the capital stock of WWF Operating Company (“WWF Opco”), another wholly-owned subsidiary of ours that held substantially all of the assets and liabilities associated with our WhiteWave segment, to WhiteWave in exchange for 150 million shares of Class B common stock of WhiteWave.

The WhiteWave IPO was accounted for as an equity transaction in accordance with ASC 810 and no gain or loss has been recognized as we retained the controlling financial interest. This transaction increased our equity attributable to non-controlling interest by \$98.1 million, which represented the carrying value of the non-controlling interest, increased our additional paid-in capital by \$265 million and reduced our accumulated other comprehensive loss by \$4.5 million.

WhiteWave contributed \$282 million of the net proceeds from the WhiteWave IPO to WWF Opco, which used those proceeds, together with substantially all of the net proceeds of the initial borrowings described below, to repay then-outstanding obligations under intercompany notes owed to Dean Foods. Dean Foods subsequently utilized these proceeds to prepay a portion of the outstanding indebtedness under our senior secured credit facility. See Note 10. The remaining net proceeds of approximately \$86 million were used to repay indebtedness under WhiteWave’s senior secured credit facilities, which is described below.

Upon completion of the WhiteWave IPO, we owned no shares of WhiteWave Class A common stock and 150 million shares of WhiteWave’s Class B common stock, which represents 100% of the outstanding shares of WhiteWave’s Class B common stock. The rights of the holders of the shares of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share, and each share of class B common stock is entitled to ten votes per share, subject to reduction in accordance with the terms of WhiteWave’s amended and restated certificate of incorporation, on all matters presented to WhiteWave stockholders. Each share of Class B common stock is convertible into one share of Class A common stock at any time at our election and automatically in certain circumstances.

Upon completion of the WhiteWave IPO, we owned an 86.7% economic interest, and a 98.5% voting interest, in WhiteWave. We have announced our intention to effect a tax-free spin-off of shares of WhiteWave in May, following the April 23, 2013 expiration of the lock-up period under the WhiteWave IPO underwriting agreement. We have received a private letter ruling from the Internal Revenue Service (“IRS”) providing that, subject to certain conditions, the anticipated spin-off will be tax-free to us and our stockholders for U.S. federal income tax purposes. We have also announced plans to retain up to 19.9% of the outstanding WhiteWave shares, or up to 34.4 million shares, with the intention to monetize or otherwise distribute the position in a tax-free manner at a later date. The spin-off or other disposition is subject to various conditions, including Board approval, the receipt of any necessary regulatory or other approvals, the

maintenance of the private letter ruling from the IRS, the receipt of an opinion of counsel and the existence of satisfactory market conditions.

There can be no assurance as to when the proposed spin-off or any other disposition will be completed, if at all. Unless and until we cease to own a controlling financial interest in WhiteWave, we will consolidate WhiteWave for financial reporting purposes, with a non-controlling interest adjustment for the economic interest in WhiteWave that we do not own.

Additionally, on October 12, 2012, WhiteWave entered into a \$1.35 billion senior secured credit facility, and on October 31, 2012, WhiteWave incurred approximately \$885 million in new indebtedness under this facility. WhiteWave contributed substantially all of the initial net proceeds of this borrowing to WWF Opco and caused WWF Opco to use those net proceeds to prepay WhiteWave's obligations under then-outstanding intercompany notes owed to Dean Foods. Dean Foods used these funds to prepay a portion of the debt outstanding-under its senior secured credit facilities. See Note 10.

In connection with the WhiteWave IPO, we entered into various agreements relating to the separation of the WhiteWave business from the rest of Dean Foods' businesses, including, a separation and distribution agreement, a transition services agreement, a tax matters agreement, a registration rights agreement, an employee matters agreement and several commercial agreements. Additionally, in connection with the WhiteWave IPO, WhiteWave and its wholly-owned domestic subsidiaries were released from their obligations as guarantors of Dean Foods Company's senior secured credit facility (and designated as "unrestricted subsidiaries" thereunder) and Dean Foods' senior notes due 2016 and 2018, and Dean Foods Company has been released from its guarantee of Alpro's revolving credit facility. See Note 10.

During the year ended December 31, 2012, we incurred approximately \$26 million in transaction costs associated with the WhiteWave IPO and the related business separation, which were expensed as incurred.

**Discontinued Operations
and Divestitures -
Discontinued Operations
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

**Dec. 31, Dec. 31, Dec. 31,
2012 2011 2010**

**Income Statement, Balance Sheet and Additional Disclosures by Disposal
Groups, Including Discontinued Operations [Line Items]**

<u>Net loss</u>	\$	\$	\$
	45,681	54,666	43,743

Rachel's

**Income Statement, Balance Sheet and Additional Disclosures by Disposal
Groups, Including Discontinued Operations [Line Items]**

<u>Net sales</u>	26,319
<u>Loss before income taxes</u>	(3,783)
<u>Income tax</u>	1,399
<u>Net loss</u>	\$ (2,384)

12 Months Ended	12 Months Ended			12 Months Ended			12 Months Ended			12 Months Ended			12 Months Ended		
	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2010	Dec. 31, 2011	Jan. 03, 2013	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012	Dec. 31, 2012
Debt - Dean Foods Senior Secured Credit Facility - Additional Information (Detail)	USD (\$)	EUR (€)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)	USD (\$)
Debt Instrument II Line Items															
Debt instrument, principal amount						\$ 1,500,000,000	\$ 1,800,000,000								
Term Of Debt, in years						5	7								
Line of Credit Facility, total original commitment amount										1,500,000,000					
Outstanding borrowings	3,102,793,000		3,743,927,000			1,030,000,000		265,000,000							
Average daily balance under facility										107,200,000					
Letters of credit outstanding amount										1,000,000					
Line of Credit Facility, maximum borrowing capacity								1,275,000,000	225,000,000	350,000,000	150,000,000				
Minimum sales total that results in required mandatory principal payments	250,000,000														
Voluntary reduction in line of credit facility maximum borrowing capacity									1,000,000,000						
Single acquisition amount permitted under credit agreements											500,000,000	100,000,000			
Maximum permitted leverage ratio											4.50		4.50		
Non-controlling interest, ownership percentage	25.00%	25.00%											51.00%		
Cash proceeds from sale of operations				1,450,000,000											
Debt Repayments Using Proceeds from Morningstar Divestiture							480,000,000	547,000,000							
Write-off of deferred financing costs	3,519,000		3,695,000				1,500,000								
Reparation of foreign operations	71,000,000	55,000,000													
Prepayment of outstanding term loan borrowings															\$ 70,000,000

**Common Stock and Share-
Based Compensation -
Summary of Cash
Performance Unit Activity
(Detail) (Cash Performance
Units [Member])**

12 Months Ended

Dec. 31, 2012

Cash Performance Units [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

<u>Outstanding beginning</u>	10,963,417
<u>Granted</u>	1,562,500
<u>Converted/paid</u>	
<u>Forfeited</u>	(9,094,667)
<u>Outstanding ending</u>	3,431,250

**Accounts Payable and
Accrued expenses -
Components of Accounts
Payable and Accrued
Expenses (Detail) (USD \$)
In Thousands, unless
otherwise specified**

Dec. 31, 2012 Dec. 31, 2011

Accounts Payable And Accrued Liabilities [Line Items]

<u>Accounts payable</u>	\$ 667,845	\$ 695,663
<u>Payroll and benefits</u>	223,272	152,538
<u>Health insurance, workers' compensation and other insurance costs</u>	59,833	68,417
<u>Current derivative liability</u>	38,411	42,136
<u>Other accrued liabilities</u>	203,579	168,963
<u>Total</u>	\$ 1,192,940	\$ 1,127,717

COMMITMENTS AND CONTINGENCIES

**12 Months Ended
Dec. 31, 2012**

COMMITMENTS AND CONTINGENCIES

19. COMMITMENTS AND CONTINGENCIES

Contingent Obligations Related to Divested Operations — We have divested certain businesses in prior years. In each case, we have retained certain known contingent obligations related to those businesses and/or assumed an obligation to indemnify the purchasers of the businesses for certain unknown contingent liabilities, including environmental liabilities. We believe that we have established adequate reserves, which are immaterial to the financial statements, for potential liabilities and indemnifications related to our divested businesses. Moreover, we do not expect any liability that we may have for these retained liabilities, or any indemnification liability, to materially exceed amounts accrued.

Contingent Obligations Related to Milk Supply Arrangements — On December 21, 2001, in connection with our acquisition of Legacy Dean, we purchased Dairy Farmers of America's ("DFA") 33.8% interest in our operations. In connection with that transaction, we issued a contingent, subordinated promissory note to DFA in the original principal amount of \$40 million. The promissory note has a 20-year term that bears interest based on the consumer price index. Interest will not be paid in cash but will be added to the principal amount of the note annually, up to a maximum principal amount of \$96 million. We may prepay the note in whole or in part at any time, without penalty. The note will only become payable if we materially breach or terminate one of our related milk supply agreements with DFA without renewal or replacement. Otherwise, the note will expire in 2021, without any obligation to pay any portion of the principal or interest. Payments made under the note, if any, would be expensed as incurred. We have not terminated, and we have not materially breached, any of our milk supply agreements with DFA related to the promissory note. We have previously terminated unrelated supply agreements with respect to several plants that were supplied by DFA. In connection with our goals of accelerated cost control and increased supply chain efficiency, we continue to evaluate our sources of raw milk supply.

Insurance — We retain selected levels of property and casualty risks, primarily related to employee health care, workers' compensation claims and other casualty losses. Many of these potential losses are covered under conventional insurance programs with third party carriers with high deductible limits. In other areas, we are self-insured. These deductibles are \$2.0 million per claim for casualty claims but may vary higher or lower due to insurance market conditions and risk. We believe that we have established adequate reserves to cover these claims. At December 31, 2012 and 2011, we recorded accrued liabilities related to these retained risks of \$170.2 million and \$186.2 million, respectively, including both current and long-term liabilities.

Lease and Purchase Obligations — We lease certain property, plant and equipment used in our operations under both capital and operating lease agreements. Such leases, which are primarily for machinery, equipment and vehicles, have lease terms ranging from one to 20 years. We did not have any material capital lease obligations as of December 31, 2012 or 2011. Certain of the operating lease agreements require the payment of additional rentals for maintenance, along with additional rentals based on miles driven or units produced. Certain leases require us to guarantee a minimum value of the leased asset at the end of the lease. Our maximum exposure under those guarantees is not a material amount. Rent expense was \$134.2 million, \$140.6 million and \$153.0 million for 2012, 2011 and 2010, respectively.

Future minimum payments at December 31, 2012, under non-cancelable operating leases with terms in excess of one year are summarized below:

	<u>Operating Leases</u>
	<u>(In thousands)</u>
2013	\$ 113,249
2014	93,952
2015	74,011
2016	43,295
2017	31,511
Thereafter	99,516
Total minimum lease payments	<u><u>\$ 455,534</u></u>

We have entered into various contracts, in the normal course of business, obligating us to purchase minimum quantities of raw materials used in our production and distribution processes, including diesel fuel, soybeans and organic raw milk. We enter into these contracts from time to time to ensure a sufficient supply of raw ingredients. In addition, we have contractual obligations to purchase various services that are part of our production process.

Litigation, Investigations and Audits — We are not party to, nor are our properties the subject of, any material pending legal proceedings, other than as set forth below:

Tennessee Dairy Farmer Actions

On June 15, 2012, we received final approval of a settlement agreement with respect to a group of six antitrust class actions alleging that we and others in the milk industry worked together to limit the price Southeastern dairy farmers are paid for their raw milk and to deny these farmers access to fluid Grade A milk processing facilities. Under the settlement agreement, we agreed to pay a total of up to \$140 million over a period of four to five years into a fund for distribution to dairy farmer class members in a number of Southeastern states. In the second quarter of 2011, we recorded a \$131.3 million charge and a corresponding liability for the present value of our obligations under the original settlement agreement, based on imputed interest computed at a rate of 4.77%, which approximates our like-term incremental fixed rate borrowing cost.

Per the terms of the settlement agreement, on February 21, 2012, we made a payment of \$60 million into an escrow account to be distributed following the Court's final approval, and issued a standby letter of credit in the amount of \$80 million to support subsequent payments due under the agreement. The settlement agreement requires us to make a payment of up to \$20 million on each of the following four anniversaries of the settlement agreement's final approval date. We expect to make the first installment payment in June 2013.

Tennessee Retailer and Indirect Purchaser Actions

A putative class action antitrust complaint (the "retailer action") was filed on August 9, 2007 in the United States District Court for the Eastern District of Tennessee. Plaintiffs allege generally that we, either acting alone or in conjunction with others in the milk industry who are also defendants in the retailer action, lessened competition in the Southeastern United States for the sale of processed fluid Grade A milk to retail outlets and other customers, and that the defendants' conduct also artificially inflated wholesale prices for direct milk purchasers. Defendants' motion for summary judgment in the retailer action was granted in part and denied in

part in August 2010. Defendants filed a motion for reconsideration on September 10, 2010, and filed a supplemental motion for summary judgment as to the remaining claims on September 27, 2010. On March 27, 2012, the Court granted summary judgment in favor of defendants as to all remaining counts and entered judgment in favor of all defendants, including the Company. Plaintiffs filed a notice of appeal on April 25, 2012. On May 30, 2012, the Company participated in a scheduling conference and mediation conducted by the appeals court. The mediation did not result in a settlement agreement. Pursuant to the briefing schedule issued by the appeals court, briefing on the appeal should be complete on or about April 5, 2013. The appeals court has not set a date for oral argument at this time.

On June 29, 2009, another putative class action lawsuit was filed in the Eastern District of Tennessee, Greeneville Division, on behalf of indirect purchasers of processed fluid Grade A milk (the “indirect purchaser action”). The allegations in this complaint are similar to those in the retailer action, but primarily involve state law claims. Because the allegations in the indirect purchaser action substantially overlap with the allegations in the retailer action, the Court granted the parties’ joint motion to stay all proceedings in the indirect purchaser action

pending the outcome of the summary judgment motions in the retailer action. On August 16, 2012, the indirect purchaser plaintiffs voluntarily dismissed their lawsuit. On January 17, 2013, these same plaintiffs filed a new lawsuit in the Eastern District of Tennessee, Greeneville Division, on behalf of a putative class of indirect purchasers of processed fluid Grade A milk (the “2013 indirect purchaser action”). The allegations are similar to those in the voluntarily dismissed indirect purchaser action, but involve only claims arising under Tennessee law. At this time, the Company has not been served with the complaint in the 2013 indirect purchaser action.

Other than the material pending legal proceedings set forth above, we are party from time to time to certain claims, litigations, audits and investigations. Potential liabilities associated with the other matters referred to in this paragraph are not expected to have a material adverse impact on our financial position, results of operations or cash flows.

At this time, it is not possible for us to predict the ultimate outcome of the matters set forth within this section.

Other

We are in varying stages of discussion with numerous states to determine whether we have complied with state unclaimed property laws. Most, but not all, of these states have appointed an agent to conduct an examination of our books and records. In addition to seeking remittance of unclaimed property, some states may also seek interest and penalties. We do not expect the ultimate outcomes of these examinations to have a material adverse impact on our financial position, results of operations or cash flows.

**Employee Retirement and
Profit Sharing Plans -
Summary of Assumptions
Used to Determine Benefit
Obligations (Detail)
(Employee Retirement and
Profit Sharing Plans
[Member])**

Dec. 31, 2012 Dec. 31, 2011

Employee Retirement and Profit Sharing Plans [Member]

Defined Benefit Plan Disclosure [Line Items]

<u>Weighted average discount rate</u>	3.70%	[1]	4.50%	[1]
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<u>Rate of compensation increase</u>	4.00%	[1]	4.00%	[1]
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[1] Assumptions in this table represent the assumptions utilized for our domestic pension plans as they represented more than 95% of our total benefit obligation as of December 31, 2012 and 2011

**Employee Retirement and
Profit Sharing Plans -
Schedule of Information
Regarding Contribution in
Multiemployer Pension
Plans (Parenthetical) (Detail)**
Defined Benefit Plan Disclosure
[Line Items]
Contribution to plans

12 Months Ended

Dec. 31, 2012

During the 2011 and 2010 plan years, our contributions to these plans exceeded 5% of total plan contributions.

**Employee Retirement and
Profit Sharing Plans -
Reconciliation of Change in
Fair Value Measurement of
Defined Benefit Plans
(Detail) (USD \$)
In Thousands, unless
otherwise specified**

12 Months Ended

Dec. 31, 2012 Dec. 31, 2011

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Balance at December 31, 2012 \$ 260,912 \$ 232,229

Fixed Income, Diversified Funds [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Balance at December 31, 2012 2,938 [1] 3,266 [1]

Other Investments, Insurance Contracts [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Balance at December 31, 2012 9,818 [2] 7,710 [2]

Other Investments, Partnerships/Joint Ventures [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Balance at December 31, 2012 1,447 [3] 1,580 [3]

Level 3 [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Fair value of plan assets at beginning of year 12,556 11,186

Relating to instruments still held at reporting date 403 553

Purchases, sales and settlements (net) 929 (1,362)

Transfers in and/or out of Level 3 315 2,179

Balance at December 31, 2012 14,203 12,556

Level 3 [Member] | Fixed Income, Diversified Funds [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Fair value of plan assets at beginning of year 3,266 [1] 3,104

Relating to instruments still held at reporting date (212) 155

Purchases, sales and settlements (net) (695) (2,172)

Transfers in and/or out of Level 3 579 2,179

Balance at December 31, 2012 2,938 [1] 3,266 [1]

Level 3 [Member] | Other Investments, Insurance Contracts [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

Fair value of plan assets at beginning of year 7,710 [2] 6,169

Relating to instruments still held at reporting date 484 370

Purchases, sales and settlements (net) 1,624 1,171

Transfers in and/or out of Level 3 0

Balance at December 31, 2012 9,818 [2] 7,710 [2]

Level 3 [Member] | Other Investments, Partnerships/Joint Ventures [Member]

Fair Value, Option, Qualitative Disclosures Related to Election [Line Items]

<u>Fair value of plan assets at beginning of year</u>	1,580	[3] 1,913	
<u>Relating to instruments still held at reporting date</u>	131	28	
<u>Purchases, sales and settlements (net)</u>		(361)	
<u>Transfers in and/or out of Level 3</u>	(264)	0	
<u>Balance at December 31, 2012</u>	\$ 1,447	[3] \$ 1,580	[3]

[1] Represents a pooled/separate account investment in the General Investment Account of an investment manager. The account primarily invests in fixed income debt securities, such as high grade corporate bonds, government bonds and asset-backed securities.

[2] Approximately 90% of the insurance contracts are financed by employer premiums with the insurer managing the reserves as calculated using an actuarial model. The remaining 10% of the insurance contracts are financed by employer and employee contributions with the insurer managing the reserves collectively with other pension plans.

[3] The majority of the total partnership balance is a partnership comprised of a portfolio of two limited partnership funds that invest in public and private equity.

**Income Taxes - Additional
Information (Detail) (USD \$)**

12 Months Ended
Dec. 31, 2012 Dec. 31, 2011 Dec. 31,
2010

Income Taxes [Line Items]

<u>Deferred tax asset adjustment, Amount</u>			\$ 10,848,000
<u>State and foreign net operating loss carry forwards</u>	35,504,000	[1] 30,881,000 [2]	
<u>State and foreign tax credits</u>	8,631,000	[1] 10,070,000 [2]	
<u>Valuation allowance</u>	7,781,000	[1] 9,176,000 [2]	
<u>Increase in valuation allowance</u>	1,400,000		
<u>Unrecognized tax benefits that would impact effective tax rate</u>	21,600,000		
<u>Unrecognized tax benefit that would be offset by tax benefits associated with transfer pricing adjustment</u>	4,900,000		
<u>Unrecognized tax benefit with uncertainty about timing of deductibility</u>	11,700,000		
<u>Interest expense, net of tax</u>	(400,000)	0	(1,400,000)
<u>Accrued interest</u>	2,900,000	4,100,000	
<u>Tax years subject to examination</u>	2009 through 2011		

Minimum [Member]

Income Taxes [Line Items]

Period of income tax returns examination after filing 3 years

Maximum [Member]

Income Taxes [Line Items]

Period of income tax returns examination after filing 5 years

WhiteWave Reporting Unit [Member]

Income Taxes [Line Items]

Deferred tax liabilities increase to the goodwill \$
59,600,000

[1] Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

[2] Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

INCOME TAXES (Tables)

12 Months Ended Dec. 31, 2012

[Schedule of Income Tax Expense \(Benefit\)](#)

The following table presents the 2012, 2011 and 2010 income tax expense (benefit):

	Year Ended December 31		
	2012(1)	2011(2)	2010(3)
	(In thousands)		
Current income taxes:			
Federal	\$118,544	\$(21,851)	\$(65,165)
State	27,052	3,911	(3,295)
Foreign	3,571	598	2,050
Total current income tax expense (benefit)	149,167	(17,342)	(66,410)
Deferred income taxes:			
Federal	3,745	(399,057)	102,261
State	(4,346)	(72,195)	8,855
Foreign	(2,057)	(994)	1,447
Total deferred income tax expense (benefit)	(2,658)	(472,246)	112,563
Total income tax expense (benefit)	<u>\$146,509</u>	<u>\$(489,588)</u>	<u>\$46,153</u>

(1) Excludes \$21.9 million in income tax expense related to discontinued operations.

(2) Excludes \$33.3 million in income tax expense related to discontinued operations.

(3) Excludes \$18.6 million in income tax expense related to discontinued operations.

[Income from Continuing Operations Before Income Taxes](#)

The following table presents the 2012, 2011 and 2010 income (loss) from continuing operations before income taxes for our domestic and foreign operations:

	Year Ended December 31		
	2012	2011	2010
	(In thousands)		
United States	\$242,671	\$(2,169,900)	\$54,357
Other Countries	21,251	29,859	23,288
Total income (loss) from continuing operations before income taxes	<u>\$263,922</u>	<u>\$(2,140,041)</u>	<u>\$77,645</u>

[Reconciliation of Income Taxes](#)

The following is a reconciliation of income tax expense (benefit) computed at the U.S. federal statutory tax rate to income tax expense (benefit) reported in our Consolidated Statements of Operations:

	Year Ended December 31					
	2012		2011		2010	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
	(In thousands, except percentages)					
Tax expense at statutory rate	\$92,373	35.0 %	\$(749,014)	35.0 %	\$27,176	35.0 %

State income taxes	14,577	5.5	(43,309)	2.0	2,324	3.0
Foreign taxes versus U.S. statutory rate	(5,643)	(2.1)	(8,188)	0.4	(4,792)	(6.2)
Nondeductible goodwill	—	—	305,657	(14.2)	—	—
Deferred tax asset adjustment	—	—	—	—	10,848	14.0
Exclusion of non-controlling interest tax benefit	—	—	5,792	(0.3)	3,057	3.9
Sale of unconsolidated affiliate	40,411	15.3	—	—	—	—
Nondeductible compensation	317	0.1	1,322	(0.1)	2,713	3.5
Other	4,474	1.7	(1,848)	0.1	4,827	6.2
Total	\$ 146,509	55.5 %	\$(489,588)	22.9 %	\$ 46,153	59.4 %

[Deferred Income Tax Assets \(Liabilities\)](#)

The tax effects of temporary differences giving rise to deferred income tax assets (liabilities) were:

	<u>December 31</u>	
	<u>2012(1)</u>	<u>2011(2)</u>
	(In thousands)	
Deferred income tax assets:		
Accrued liabilities	\$160,031	\$166,469
Retirement plans and postretirement benefits	54,703	53,307
Share-based compensation	49,951	47,482
Derivative instruments	35,930	40,359
Receivables and inventories	20,685	20,562
Net operating loss carryforwards	35,504	30,881
State and foreign tax credits	8,631	10,070
Other	—	4,876
Valuation allowances	(7,781)	(9,176)
	<u>357,654</u>	<u>364,830</u>
Deferred income tax liabilities:		
Intangible assets	(183,652)	(154,650)
Property, plant and equipment	(353,732)	(370,513)
Investment in unconsolidated affiliates	—	(22,731)
Other	(6,442)	—
	<u>(543,826)</u>	<u>(547,894)</u>
Net deferred income tax liability	<u>\$ (186,172)</u>	<u>\$ (183,064)</u>

(1) Includes \$11.7 million of deferred tax assets related to uncertain tax positions.

[Balance Sheet Classification of Net Deferred Income Tax Assets \(Liabilities\)](#)

(2) Includes \$10.1 million of deferred tax assets related to uncertain tax positions.

These net deferred income tax assets (liabilities) are classified in our Consolidated Balance Sheets as follows:

	December 31	
	2012	2011
	(In thousands)	
Current assets	\$103,207	\$109,475
Noncurrent assets	32,130	—
Noncurrent liabilities	(321,509)	(292,539)
Total	\$(186,172)	\$(183,064)

[Reconciliation of Gross Unrecognized Tax Benefits](#)

The following is a reconciliation of gross unrecognized tax benefits, including interest, recorded in our Consolidated Balance Sheets:

	December 31		
	2012	2011	2010
	(In thousands)		
Balance at beginning of year	\$41,701	\$58,165	\$72,611
Increases in tax positions for current year	249	15,531	1,245
Increases in tax positions for prior years	5,161	4,518	7,857
Decreases in tax positions for prior years	(3,932)	(31,162)	(18,295)
Settlement of tax matters	(2,961)	(4,066)	(3,884)
Lapse of applicable statutes of limitations	(2,051)	(1,285)	(1,369)
Balance at end of year	\$38,167	\$41,701	\$58,165

[Balance Sheet Classification of Unrecognized Tax Benefits](#)

These unrecognized tax benefits are classified in our Consolidated Balance Sheets as follows:

	December 31		
	2012	2011	2010
	(In thousands)		
Accrued expenses	\$1,787	\$4,687	\$5,620
Other long-term liabilities	36,380	37,014	52,545
Total	\$38,167	\$41,701	\$58,165

**COMMON STOCK AND
SHARE-BASED
COMPENSATION**
COMMON STOCK AND
SHARE-BASED
COMPENSATION

**12 Months Ended
Dec. 31, 2012**

12. COMMON STOCK AND SHARE-BASED COMPENSATION

Our authorized shares of capital stock include one million shares of preferred stock and 500 million shares of common stock with a par value of \$0.01 per share.

Stock Award Plans — As of December 31, 2012, we had three award plans with remaining shares available for issuance. These plans, which are our 1997 Stock Option and Restricted Stock Plan, the 1989 Dean Foods Company Stock Awards Plan (which we adopted upon completion of our acquisition of Legacy Dean) and the Dean Foods Company 2007 Stock Incentive Plan (the “2007 Plan”) provide for grants of stock options, stock units, restricted stock and other stock-based awards to employees, officers, directors and, in some cases, consultants, up to a maximum of 37.5 million, 5.7 million and 12.3 million shares, subject to adjustments as provided in these respective plans. Options and other stock-based awards vest in accordance with provisions set forth in the applicable award agreements. The remaining shares available for grant under the historical plans are granted pursuant to the terms and conditions of the 2007 Plan. As of December 31, 2012, we had approximately 9.2 million shares, in aggregate, available for issuance.

Under our stock award plans, we grant stock options and restricted stock units to certain employees and directors. Non-employee directors also can elect to receive their director’s fees in the form of restricted stock in lieu of cash.

Stock Options — Under the terms of our stock option plans, employees and non-employee directors may be granted options to purchase our stock at a price equal to the market price on the date the option is granted. In general, employee options vest one-third on the first anniversary of the grant date, one-third on the second anniversary of the grant date and one-third on the third anniversary of the grant date. All unvested options vest immediately upon a change of control or in certain cases upon death or qualified disability. Options granted to non-employee directors generally vest immediately.

We recognize share-based compensation expense for stock options ratably over the vesting period. The fair value of each option award is estimated on the date of grant using the Black-Scholes valuation model, using the following assumptions:

	Year Ended December 31					
	2012		2011		2010	
Expected volatility	44	%	41	%	34	%
Expected dividend yield	0	%	0	%	0	%
Expected option term	5 years		5 years		5 years	
Risk-free rate of return	0.62 to 0.89%		1.32 to 2.30%		1.26 to 2.59%	

The expected term of the options represents the estimated period of time until exercise and is based on historical experience of similar awards, giving consideration to contractual terms (generally 10 years), vesting schedules and expectations of future employee and director behavior. Expected stock price volatility is based on a combination of historical volatility of our stock and expectations with regard to future volatility. The risk-free rates are based on the implied

yield available on U.S. Treasury zero-coupon issues with an equivalent remaining term. We have not historically declared or paid a regular cash dividend on our common stock, and we have no current plans to pay a cash dividend in the future.

The following table summarizes stock option activity during the year ended December 31, 2012:

	<u>Options</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Contractual Life</u>	<u>Aggregate Intrinsic Value</u>
Options outstanding at				
January 1, 2012	18,930,658	\$ 19.21		
Granted	2,172,616	12.14		
Forfeited and cancelled(1)	(3,801,113)	16.23		
Exercised	<u>(2,165,224)</u>	14.09		
Options outstanding at				
December 31, 2012	<u>15,136,937</u>	19.64	5.08	\$ 21,627,660
Options vested and expected to vest at				
December 31, 2012	15,057,893	19.68	5.12	\$21,167,382
Options exercisable at				
December 31, 2011	15,710,662	20.39		
Options exercisable at				
December 31, 2012	11,891,660	21.81	4.10	\$6,386,222

(1) Pursuant to the terms of our stock option plans, options that are forfeited or cancelled may be available for future grants.

The following table summarizes information about options outstanding and exercisable at December 31, 2012:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted- Average Remaining Contractual Life	Weighted- Average Exercise Price	Number Exercisable	Weighted- Average Exercise Price
\$7.44 to \$10.35	1,641,701	8.06	\$ 10.33	661,895	\$ 10.31
10.38 to 11.02	11,428	6.48	10.42	7,210	10.44
12.07 to 12.07	2,059,504	9.13	12.07	130,221	12.07
12.09 to 17.91	2,489,214	3.32	16.34	2,157,244	16.59
18.10 to 19.98	1,468,303	2.29	18.45	1,468,303	18.45
20.07 to 20.07	1,794,552	6.10	20.07	1,794,552	20.07
20.19 to 25.37	1,923,196	4.50	24.72	1,923,196	24.72
25.39 to 25.39	117,560	3.18	25.39	117,560	25.39
25.69 to 25.69	1,733,452	3.02	25.68	1,733,452	25.68
25.81 to 31.90	1,898,027	4.20	29.73	1,898,027	29.73

The following table summarizes additional information regarding our stock option activity (in thousands, except per share amounts):

	Year Ended December 31		
	2012	2011	2010
Weighted-average per share grant date fair value of options granted	\$4.74	\$3.96	\$4.67
Intrinsic value of options exercised	6,165	1,183	2,474
Fair value of shares vested	8,409	15,663	21,132
Tax benefit related to stock option expense	3,117	4,309	5,901

During the year ended December 31, 2012, net cash received from stock option exercises was \$9.7 million and the total cash benefit for tax deductions to be realized for these option exercises was \$2.4 million.

At December 31, 2012, there was \$4.2 million of total unrecognized stock option expense, all of which is related to unvested awards. This compensation expense is expected to be recognized over the weighted-average remaining vesting period of 1.65 years.

Dean Foods does not plan to grant any stock options in 2013.

Restricted Stock Units — We issue restricted stock units (“RSUs”) to certain senior employees and non-employee directors as part of our long-term incentive program. An RSU represents the right to receive one share of common stock in the future. RSUs have no exercise price. RSUs granted to employees generally vest ratably over three years, subject to certain accelerated vesting provisions based primarily on a change of control, or in certain cases upon death or qualified disability. RSUs granted to non-employee directors vest ratably over three years.

The following table summarizes RSU activity during the year ended December 31, 2012:

	Employees	Directors	Total
RSUs outstanding January 1, 2012	2,055,548	102,138	2,157,686
RSUs issued	1,016,979	45,702	1,062,681
Shares issued upon vesting	(714,818)	(33,501)	(748,319)
RSUs cancelled or forfeited(1)	(635,140)	0	(635,140)
RSUs outstanding at December 31, 2012	<u>1,722,569</u>	<u>114,339</u>	<u>1,836,908</u>
Weighted-average per share grant date fair value	\$13.01	\$11.19	\$12.91

(1) Pursuant to the terms of our RSU plans, employees have the option of forfeiting RSUs to cover their minimum statutory tax withholding when shares are issued. RSUs that are cancelled or forfeited may be available for future grants.

The following table summarizes information about our RSU grants and RSU expense during the years ended December 31, 2012, 2011 and 2010 (in thousands, except per share amounts):

	Year Ended December 31		
	2012	2011	2010
Weighted-average grant date fair value of RSUs granted	\$11.90	\$10.31	\$18.45

Tax benefit related to RSU expense	5,041	5,495	5,852
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At December 31, 2012, there was \$9.5 million of total unrecognized RSU expense, all of which is related to unvested awards. This compensation expense is expected to be recognized over the weighted-average remaining vesting period of 1.51 years.

Restricted Stock — We offer our non-employee directors the option to receive their compensation for services rendered in either cash or shares of restricted stock equal to 150% of the fee amount. Shares of restricted stock vest one-third on grant, one-third on the first anniversary of grant and one-third on the second anniversary of grant. The following table summarizes restricted stock activity during the year ended December 31, 2012:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at January 1, 2012	72,264	\$ 10.43
Restricted shares granted	48,194	15.35
Restricted shares vested	(65,137)	11.64
Restricted shares forfeited	—	0.00
Unvested at December 31, 2012	<u>55,321</u>	13.29

Cash Performance Units — In 2010, we began granting cash performance units (“CPUs”) as part of our long-term incentive compensation program under the terms of our 2007 Stock Incentive Plan (the “2007 Plan”). The CPU awards are cash-settled awards and are designed to link compensation of certain executive officers and other key employees to our performance over a three-year period. The performance metric, as defined in the award, is our TSR relative to that of a peer group of companies. The range of payout under the award is between 0% and 200% and is payable in cash at the end of each respective performance period. The fair value of the awards is measured at each reporting period. Compensation expense is recognized over the vesting period with a corresponding liability, is the current and long-term portions of which are recorded in accounts payable and accrued expenses and other long-term liabilities, respectively, in our Consolidated Balance Sheets. The following table summarizes CPU activity during the years ended December 31, 2012:

	Units
Outstanding at January 1, 2012	10,963,417
Granted	1,562,500
Converted/paid	—
Forfeited	(9,094,667)
Outstanding at December 31, 2012	<u>3,431,250</u>

The performance period for the CPU awards granted in 2010 ended on December 31, 2012. Based on the performance of our stock price relative to that of the peer group of companies, the minimum performance metric was not met, and therefore, no amounts will be payable with respect to these awards and they have been reflected as forfeited in the table above.

Additionally, as a result of certain arrangements that were negotiated in connection with the WhiteWave IPO, in January 2013, we made a payment of approximately \$4 million representing the payout of the vested portion of Dean Foods CPU awards granted to WhiteWave employees in 2011 and 2012. Accordingly, going forward, these awards will no longer be reflected as

outstanding and will no longer be subject to periodic re-measurement in our Consolidated Balance Sheets.

Phantom Shares — In 2011, we began granting phantom shares as part of our long-term incentive compensation program, which are similar to RSUs in that they are based on the price of our stock and vest ratably over a three-year period, but are cash-settled based upon the value of our stock at each vesting period. The fair value of the awards is remeasured at each reporting period. Compensation expense is recognized over the vesting period with a corresponding liability, which is recorded in accounts payable and accrued expenses in our Consolidated Balance Sheets. The following table summarizes the phantom share activity during the year ended December 31, 2012:

	Shares	Weighted- Average Grant Date Fair Value
Outstanding at January 1, 2012	982,315	\$ 10.36
Granted	809,974	12.12
Converted/paid	(296,620)	10.36
Forfeited	(202,756)	10.80
Outstanding at December 31, 2012	<u>1,292,913</u>	11.39

Share-Based Compensation Expense — The following table summarizes the share-based compensation expense related to Dean Foods equity-based awards recognized during the years ended December 31, 2012, 2011 and 2010 (in thousands):

	Year Ended December 31		
	2012 (1)	2011	2010
Stock Options	\$8,279	\$11,392	\$15,621
Stock Units	14,726	18,508	19,487
Cash Performance Units	3,848	1,679	—
Phantom Shares	10,838	3,253	—
Total	<u>37,691</u>	<u>34,832</u>	<u>35,108</u>

(1) During the second quarter of 2012, we recorded additional compensation expense of \$12.1 million related to employees whose equity-based long-term incentive awards are subject to certain accelerated vesting provisions, based on age and years of service, as a result of amendments to our incentive award agreements that were approved during 2010. The portion of the additional expense pertaining to prior periods was immaterial.

Stock Repurchases — Since 1998, our Board of Directors has from time to time authorized the repurchase of our common stock up to an aggregate of \$2.3 billion, excluding fees and expense. We made no share repurchases in 2012 or 2011. As of December 31, 2012, \$218.7 million was available for repurchases under this program (excluding fees and commissions). Shares, when repurchased, are retired.

WhiteWave IPO Grants — In connection with the WhiteWave IPO discussed in Note 2, on October 25, 2012, WhiteWave issued one-time equity awards (the “IPO Grants”) with an aggregate grant date fair value of approximately \$30 million in order to, among other things, provide executives and employees with an immediate equity interest in WhiteWave and align their interests with those of WhiteWave’s stockholders. The IPO Grants consisted of a

combination of stock options, RSUs, phantom shares, cash awards and stock appreciation rights (“SARS”). The grant date fair value of WhiteWave’s stock options was based on WhiteWave’s stock price as of the grant date and a set of Black-Scholes assumptions specific to WhiteWave, which were as follows:

	Year Ended	
	December 31,	
	2012	
Expected volatility	28	%
Expected dividend yield	0	%
Expected option term	6 years	
Risk-free rate of return	1.05	%

Since WhiteWave’s common stock had not been publicly traded at the grant date, the expected volatility assumption was calculated based on a compensation peer group analysis of stock price volatility with a six-year look back period ending on the grant date. The risk-free rates were based on the averages implied yield available on five-year and seven-year U.S. Treasury issues. WhiteWave has not paid, and has advised Dean Food that it does not anticipate paying, cash dividends on its common stock.

The grant date fair value of the RSU grants was determined based on WhiteWave’s \$17.00 offering price. The IPO Grants will be expensed ratably over a three-year vesting term. During the year ended December 31, 2012, WhiteWave recognized \$1.4 million in share-based compensation expense related to the IPO Grants.

Additionally, we expect that certain of our outstanding stock options and unvested restricted stock units held by WhiteWave employees on the date of a spin-off or other corporate transaction requiring a similar conversion will be converted to equivalent options or restricted stock units, as applicable, with respect to WhiteWave’s Class A common stock. These modified awards will otherwise have substantially the same terms and conditions, including term and vesting provisions, as the existing Dean Foods Company equity awards will have at the time of conversion.

**Common Stock and Share-
Based Compensation -
Summary of Options
Outstanding and Exercisable
(Detail) (USD \$)**

12 Months Ended

Dec. 31, 2012

7.44 to 10.35 [Member]

Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]

<u>Exercise price range, Lower limit</u>	\$ 7.44
<u>Exercise price range, Upper limit</u>	\$ 10.35
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	8 years 22 days
<u>Number Outstanding, Options Outstanding</u>	1,641,701
<u>Weighted-Average Exercise Price, Options Outstanding</u>	\$ 10.33
<u>Number Exercisable, Options Exercisable</u>	661,895
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 10.31

10.38 to 14.24 [Member]

Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]

<u>Exercise price range, Lower limit</u>	\$ 10.38
<u>Exercise price range, Upper limit</u>	\$ 11.02
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	6 years 5 months 23 days
<u>Number Outstanding, Options Outstanding</u>	11,428
<u>Weighted-Average Exercise Price, Options Outstanding</u>	\$ 10.42
<u>Number Exercisable, Options Exercisable</u>	7,210
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 10.44

14.25 to 14.56 [Member]

Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]

<u>Exercise price range, Lower limit</u>	\$ 12.07
<u>Exercise price range, Upper limit</u>	\$ 12.07
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	9 years 1 month 17 days
<u>Number Outstanding, Options Outstanding</u>	2,059,504
<u>Weighted-Average Exercise Price, Options Outstanding</u>	\$ 12.07
<u>Number Exercisable, Options Exercisable</u>	130,221
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 12.07

15.99 to 18.30 [Member]

Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]

<u>Exercise price range, Lower limit</u>	\$ 12.09
<u>Exercise price range, Upper limit</u>	\$ 17.91
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	3 years 3 months 26 days

Number Outstanding, Options Outstanding	2,489,214
Weighted-Average Exercise Price, Options Outstanding	\$ 16.34
Number Exercisable, Options Exercisable	2,157,244
Weighted-Average Exercise Price, Options Exercisable	\$ 16.59
18.69 to 19.98 [Member]	
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]	
Exercise price range, Lower limit	\$ 18.10
Exercise price range, Upper limit	\$ 19.98
Weighted-Average Remaining Contractual Life, Options Outstanding	2 years 3 months 15 days
Number Outstanding, Options Outstanding	1,468,303
Weighted-Average Exercise Price, Options Outstanding	\$ 18.45
Number Exercisable, Options Exercisable	1,468,303
Weighted-Average Exercise Price, Options Exercisable	\$ 18.45
20.07 [Member]	
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]	
Exercise price range, Lower limit	\$ 20.07
Exercise price range, Upper limit	\$ 20.07
Weighted-Average Remaining Contractual Life, Options Outstanding	6 years 1 month 6 days
Number Outstanding, Options Outstanding	1,794,552
Weighted-Average Exercise Price, Options Outstanding	\$ 20.07
Number Exercisable, Options Exercisable	1,794,552
Weighted-Average Exercise Price, Options Exercisable	\$ 20.07
20.19 to 25.37 [Member]	
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]	
Exercise price range, Lower limit	\$ 20.19
Exercise price range, Upper limit	\$ 25.37
Weighted-Average Remaining Contractual Life, Options Outstanding	4 years 6 months
Number Outstanding, Options Outstanding	1,923,196
Weighted-Average Exercise Price, Options Outstanding	\$ 24.72
Number Exercisable, Options Exercisable	1,923,196
Weighted-Average Exercise Price, Options Exercisable	\$ 24.72
25.39 to 25.68 [Member]	
Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]	
Exercise price range, Lower limit	\$ 25.39
Exercise price range, Upper limit	\$ 25.39
Weighted-Average Remaining Contractual Life, Options Outstanding	3 years 2 months 5 days
Number Outstanding, Options Outstanding	117,560
Weighted-Average Exercise Price, Options Outstanding	\$ 25.39

<u>Number Exercisable, Options Exercisable</u>	117,560
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 25.39
25.81 to 30.11 [Member]	
<u>Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]</u>	
<u>Exercise price range, Lower limit</u>	\$ 25.69
<u>Exercise price range, Upper limit</u>	\$ 25.69
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	3 years 7 days
<u>Number Outstanding, Options Outstanding</u>	1,733,452
<u>Weighted-Average Exercise Price, Options Outstanding</u>	\$ 25.68
<u>Number Exercisable, Options Exercisable</u>	1,733,452
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 25.68
30.64 to 31.90 [Member]	
<u>Share-based Compensation, Shares Authorized under Stock Option Plans, Exercise Price Range [Line Items]</u>	
<u>Exercise price range, Lower limit</u>	\$ 25.81
<u>Exercise price range, Upper limit</u>	\$ 31.90
<u>Weighted-Average Remaining Contractual Life, Options Outstanding</u>	4 years 2 months 12 days
<u>Number Outstanding, Options Outstanding</u>	1,898,027
<u>Weighted-Average Exercise Price, Options Outstanding</u>	\$ 29.73
<u>Number Exercisable, Options Exercisable</u>	1,898,027
<u>Weighted-Average Exercise Price, Options Exercisable</u>	\$ 29.73