NATIONAL
FOOD PRODUCTS CORPORATION

Annual Report
1956
Total income received during the 1956 fiscal year amounted to $1,047,758.11 (a new high) as compared with $983,469.60 for 1955.

Net income amounted to $934,277.39 after deducting expenses of $40,407.36 and Federal Income Taxes estimated at $73,073.36—comparable net income for 1955 was $887,197.35.

Cash dividends paid during the year amounted to $811,561.13. Prior to the 2 for 1 stock split in October, two quarterly dividends of 50¢ per share and one quarterly dividend of 55¢ per share were paid. The fourth quarterly dividend of 27½¢ per share was paid on the number of shares outstanding after the 2 for 1 stock split. In addition to these cash dividends the corporation paid in December a 2% stock dividend to reflect a 2% stock dividend received from Colonial Stores Incorporated.

During the year your corporation reduced its bank loan from $255,000 to $50,000.

At the year end your corporation held 822,794 shares of Colonial Stores Incorporated Common stock (31.7%), 89,000 shares of H. C. Bohack Co. Inc. Common stock (21.1%) and other investments amounting to $127,598.61. The increase in the number of shares of Colonial, as compared with the 403,330 shares held a year ago, was brought about by the receipt of 403,330 shares in connection with a 2 for 1 split on April 30 and 16,133 10/50ths shares resulting from a 2% stock dividend on December 1.

On October 24, National Food Products Corporation stockholders voted to increase the authorized Common stock from 500,000 shares to 1,000,000 shares, and authorized a 2 for 1 split to be effected by the issuance to each Common stockholder of one additional share of Common stock for each share held at the close of business on October 26, 1956. 15,458 shares were also issued in
December in connection with the 2% stock dividend. The total number of Common shares of your corporation outstanding at the year end was 787,995, excluding 5,704 shares held in its treasury.

During the year your corporation received from its Paying Agent cash and shares of its own stock to be held for the account of security holders who have not yet presented their old securities for exchange for new securities in accordance with the terms of the 1938 Reorganization Plan. Appropriate reserves have been provided in the corporation's accounts (see Note 1 to the Financial Statement).

The 1956 annual report of Colonial Stores Incorporated is enclosed. It reflects continued growth and progress.

H. C. Bohack Co. Inc. closed its fiscal year February 2, 1957 (53 weeks versus 52 weeks last year). Reported sales were $141,768,102 as compared with $140,236,308 last year. Profits after provisions for Federal Income taxes amounted to $1,929,155 as compared with $2,183,542 the previous year. After deducting dividends on Preferred stocks, earnings per Common share were $4.00. A copy of the Bohack annual report will be sent to any stockholder upon request.

Respectfully submitted,

[Signature]

President.
Accountants' Report

THE BOARD OF DIRECTORS

NATIONAL FOOD PRODUCTS CORPORATION:

We have examined the balance sheet of National Food Products Corporation as of December 31, 1956 and the related statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We inspected the investment securities, confirmed the cash in banks by certificates from the depositaries and counted the cash fund.

In our opinion, the accompanying balance sheet and statements of income and surplus present fairly the financial position of National Food Products Corporation at December 31, 1956 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

Boston, Mass.
January 11, 1957
NATIONAL FOOD PRODUCTS CORPORATION

balance Sheet

DECEMBER 31, 1956

ASSETS

INVESTMENTS AT COST:

Common stock of Colonial Stores Incorporated (a controlled company)
822,794 shares ...................................................... $3,326,722.30

Common stock of H. C. Bohack Co. Inc. 89,000 shares. ...................... 1,442,606.53

Other ................................................................. 127,598.61

$4,769,328.83 *

CASH IN BANKS AND ON HAND ........................................ 50,878.12

$4,896,927.44

$4,947,805.56

*Quoted market value, $23,918,247.00.
NATIONAL FOOD PRODUCTS CORPORATION

Balance Sheet

DECEMBER 31, 1956

LIABILITIES

Notes payable to bank, due on demand .............................................. $50,000.00
Accounts payable and accrued expenses .............................................. 7,503.88
Federal taxes on income, estimated .................................................... 73,073.36
Amounts reserved for payments to holders of pre-reorganization securities (note 1) . 83,804.98

Capital stock and surplus:
Capital stock:
Authorized 1,000,000 shares of common stock of the par value
of $1.00 each,
Issued 793,699 shares (note 1) ......................................................... $ 793,699.00

Surplus, per accompanying statement:
Capital surplus ........................................ $3,001,312.62
Earned surplus ........................................ 944,115.72 3,945,428.34

$4,739,127.34

Less treasury stock, 5,704 shares, at par value. .............................. 5,704.00

4,733,423.34

$4,947,805.56

Notes to Financial Statements

(1) The United States District Court for the District of Maryland has directed June 30, 1961 to be the last day
on which holders of unexchanged pre-reorganization securities may convert such securities to common shares of
the Corporation and receive such other beneficial interests to which such holders are entitled under the
1938 Plan of Reorganization. These interests have been provided for in the financial statements of the Corpo-
ratin the account "Amounts reserved for payments to holders of pre-reorganization securities" and by
the reservation of 9,152 shares of capital stock which are included in the total issued and outstanding shares.

(2) During the year, the stockholders approved the charging of present and future stock dividends against capital
surplus in the amount of the aggregate par value of full shares issued in connection therewith to the extent
that such stock dividends are issued for the purpose of reflecting similar stock dividends received from Colonial
Stores Incorporated.
NATIONAL FOOD PRODUCTS CORPORATION

Statement of Income

Year Ended December 31, 1956

Income:
Dividends:
  Colonial Stores Incorporated (a controlled company) .................. $ 867,159.50
  H. C. Bohack Co. Inc. ......................................................... 178,000.00
Total Dividends ........................................................................ 1,045,159.50

Interest .......................................................... 2,598.61

Total Income ........................................................................ $1,047,758.11

Expenses:
  Salaries ................................................................. $11,632.19
  Legal and audit fees ......................................................... 8,470.28
  Transfer agency fees .......................................................... 6,491.34
  Directors' fees and expenses ................................................ 916.55
  Taxes (other than Federal taxes on income) .............................. 785.72
  Interest on bank loans ......................................................... 7,380.68
  General expenses .............................................................. 4,730.60
  Total Expenses .................................................................. 40,407.36

Net income before Federal taxes on income ................................. 1,007,350.75
Federal taxes on income, estimated .............................................. 73,073.36
Net income ........................................................................... $ 934,277.39

See accompanying notes to financial statements.
NATIONAL FOOD PRODUCTS CORPORATION

Statement of Surplus

YEAR ENDED DECEMBER 31, 1956

CAPITAL SURPLUS

Amount at beginning of year.......................................................... $3,412,810.62

Deduct:

Par value of 386,451 shares issued pursuant to stock split on the basis of one additional share of common stock for each share issued and outstanding at October 26, 1956. ........................................ $386,451.00

Par value of 15,458 shares issued pursuant to stock dividend on the basis of one share for each fifty shares issued and outstanding at November 19, 1956 (note 2) ........................................ 15,458.00

Excess of cost over par value of 379 shares of capital stock purchased and held in the treasury. .......................................................... 9,589.00

411,498.00

Amount at end of year ................................................................. $3,001,312.62

EARNED SURPLUS

Amount at beginning of year.......................................................... $ 821,399.46

Net income for the year................................................................. 934,277.39

$1,755,676.85

Deduct:

Cash dividends paid. ................................................................. 811,561.13

Amount at end of year ................................................................. $ 944,115.72

See accompanying notes to financial statements.
NATIONAL FOOD PRODUCTS CORPORATION  
24 FEDERAL STREET  
BOSTON 10, MASSACHUSETTS 

Officers 

Russell B. Stearns . . . . . . . . . . . . . . . . . . President  
Edward K. Dunn . . . . . . . . . . . . . . . . . . Vice-President and Treasurer  
C. T. Williams, J. R. . . . . . . . . . . . . . . . . . Secretary  
Allison M. Berry . . . . . . . . . . . . . . . . . . Assistant Secretary and Assistant Treasurer  
M. May . . . . . . . . . . . . . . . . . . . . . . . Assistant Secretary and Assistant Treasurer  

Directors  

Edward K. Dunn  
John M. Foster  
James W. Moss  
Hunter C. Phelan  

Joseph Seitz  
Ellis D. Slater  
Russell B. Stearns  
C. T. Williams, J. R.  

Auditors  

Peat, Marwick, Mitchell & Co.  

Transfer Agent  

Fidelity-Baltimore National Bank  
Baltimore, Maryland