UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 18, 1997

LANDEC CORPORATION
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation or organization)

0-27446	94-3025618
(Commission file number)	(IRS Employer Identification No.)

3603 Haven Avenue, Menlo Park, California	94025
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (415) 306-1650

N/A
Former name or former address, if changed from last report)

The undersigned Registrant hereby amends the following items from the Current Report on Form 8-K filed on May 5, 1997. The Registrant is amending Item 7 to include certain required financial statements and pro forma financial information and exhibits associated therewith.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements of Acquired Business

The following pages 3 through 6 contain (1) the unaudited condensed balance sheet of Dock Resins Corporation ("Dock Resins") as of March 31, 1997 and December 31, 1996 and the notes thereto and (2) the unaudited statement of operations and the unaudited statement of cash flows of Dock Resins and the notes thereto for the three months ended March 31, 1997 and 1996. The audited financial statements of Dock Resins as of December 31, 1996 and December 31, 1995 and for the three years ended December 31, 1996 with the Report of Ernst & Young LLP, Independent Auditors thereon have been included as Exhibit 99.1 to this filing.

(b) Pro Forma Financial Information

The following pages 7 through 14 contain (1) the unaudited pro forma condensed combined balance sheets of Landec Corporation ("Landec") and Dock Resins as of January 31, 1997 and the notes thereto and (2) the unaudited pro forma combined statement of operations of Landec and Dock Resins for the three months ended January 31, 1997 and for the year ended October 31, 1996 and the notes thereto.

(c) Exhibits

2.1* Stock Purchase Agreement (including exhibits thereto) by and among the Registrant, Dock Resins, and A. Wayne Tamarelli dated April 18, 1997.

23.1 Consent of Ernst & Young LLP, Independent Auditors.

99.1 Dock Resins Corporation Financial Statements for December 31, 1996 and 1995 and the three years ended December 31, 1996 with Report of Ernst & Young LLP, Independent Auditors.

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* Previously filed.

DOCK RESINS CORPORATION
CONDENSED BALANCE SHEET
(Unaudited)
(In thousands)

	March 31, 1997	December 31, 1996
Assets		
Current Assets:		
Cash and cash equivalents	$ 610	$ 410
Marketable securities	837	841
Accounts receivable, net	1,702	1,644
Inventories	1,555	1,252
Prepaid expenses and other current assets	106	243
Total Current Assets	4,810	4,390
Property and equipment, net	1,588	1,537
	$ 6,398	$ 5,927
Liabilities and Stockholder's Equity		
Current Liabilities:		
Accounts payable	$ 1,084	$ 1,012
Payroll, bonuses and payroll taxes payable	947	740
Other accrued liabilities	459	488
Income taxes payable	13	83
Borrowings under revolving line of credit	25	25
Current portion of long term debt	92	86
Total Current Liabilities	2,620	2,434
Long-term debt	778	772
Deferred compensation	124	116
Stockholder's Equity:		
Common stock	79	79
Treasury stock	(355)	(355)
Retained earnings	3,152	2,881
Total Stockholder's Equity	2,876	2,605
	$ 6,398	$ 5,927

See accompanying notes.

DOCK RESINS CORPORATION
STATEMENT OF OPERATIONS
(Unaudited)
(In thousands)

	Three Months Ended March 31, 1997	Three Months Ended March 31, 1996
Net product sales	$ 3,479	$ 3,028
Operating costs and expenses:		
Cost of product sales	2,153	2,005
Research and development	312	264
Selling, general and administrative	751	600
Total operating costs and expenses	3,216	2,869
Income from operations	263	159
Interest income	11	2
Interest expense	(23)	(25)
Income before state income tax	251	136
Provision (benefit) for state income tax	(24)	3
Net income	$ 275	$ 133

See accompanying notes.

DOCK RESINS CORPORATION
STATEMENT OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended March 31, 1997	1996
Cash flows from operating activities:		
Net income	$ 275	$ 133
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	51	50
Changes in operating assets and liabilities:		
Accounts receivable	(58)	(424)
Inventories	(303)	3
Prepaid expenses and other current assets	137	(25)
Accounts payable	72	(195)
Payroll, bonuses and payroll taxes payable	207	(13)
Other accrued liabilities	(29)	15
Income taxes payable	(70)	11
Deferred compensation	8	(10)
Total adjustments	15	(588)
Net cash provided by (used in) operating activities	290	(455)
Cash flows from investing activities:		
Capital expenditures	(102)	(23)
Net cash used in investing activities	(102)	(23)
Cash flows from financing activities:		
Additions to long-term debt	34	--
Payments of long-term debt	(22)	(20)
Net cash provided by (used in) financing activities	12	(20)
Net increase (decrease) in cash and cash equivalents	200	(498)
Cash and cash equivalents at beginning of period	410	866
Cash and cash equivalents at end of period	$ 610	$ 368

See accompanying notes.

DOCK RESINS CORPORATION
NOTES TO FINANCIAL STATEMENTS
March 31, 1997
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, the unaudited financial statements contain all adjustments necessary to present fairly the financial position of Dock Resins Corporation ("Dock Resins") at March 31, 1997, and the results of operations and cash flows for the three months ended March 31, 1997 and 1996. Interim results for the three month periods are not necessarily indicative of operating results to be expected for the full year.

2. INVENTORIES

Inventories are stated at the lower of cost (determined by the last-in, first-out method, ("LIFO")) or market. At March 31, 1997 and December 31, 1996, the LIFO inventory value approximated current cost and consisted of the following:

	March 31, 1997	December 31, 1996
	(in thousands)	
Raw materials	$ 675	$ 420
Finished goods	880	832
	$1,555	$1,252

3. INCOME TAXES

Income tax expense associated with Dock Resins on a historical basis reflects "S" Corporation status. The tax benefit in 1997 resulted from the reversal of a prior-year accrual.

4. SUBSEQUENT EVENTS

Pursuant to a Stock Purchase Agreement by and among Landec Corporation ("Landec"), Dock Resins and its shareholder, dated April 18, 1997 (the "Purchase Agreement"), Landec acquired (the "Acquisition") all of the outstanding capital stock of Dock Resins in exchange for an aggregate of 396,039 shares of Landec's common stock, $3,262,861 in cash, a payable of $462,000 and a secured promissory note with principal amount of $8,500,000. The payable and promissory note are due in January 1998. As a result of the Acquisition, Dock Resins has become a wholly-owned subsidiary of Landec.

Under the terms of the Purchase Agreement and a related Escrow Agreement dated April 18, 1997, $1,500,000 and the 396,039 shares of Landec's common stock will be held in escrow for the purpose of indemnifying Landec against certain liabilities of Dock Resins and its shareholder. Such escrow will expire on August 18, 2002.

LANDEC CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED
FINANCIAL INFORMATION

The unaudited pro forma condensed combined financial statements (collectively, "the Pro Forma Financial Statements") were prepared to give effect to the acquisition by Landec Corporation ("Landec" or the "Company") of all the outstanding capital stock of Dock Resins. The acquisition has been accounted for using the purchase method. The pro forma condensed combined balance sheet as of January 31, 1997, assumed that the acquisition occurred on January 31, 1997. The pro forma combined statement of operations for the three months ended January 31, 1997, and for the fiscal year ended October 31, 1996 assumes that the acquisition occurred on November 1, 1995. The Pro Forma Financial Statements do not purport to represent what Landec's financial position or results of operations would have been if the acquisition in fact had occurred on the date or at the beginning of the periods indicated or to project Landec's financial position or results of operations for any future date or period.

The pro forma adjustments are based upon available information and upon certain assumptions as described in Note 1 to the Pro Forma Financial Statements that Landec believes are reasonable under the circumstances. The purchase price has been allocated to the acquired assets and liabilities based on their respective fair market values. The Pro Forma Financial Statements and accompanying notes should be read in conjunction with the respective historical consolidated financial statements of Landec and Dock Resins, including the notes thereto. The historical consolidated financial statements of Landec are included in its Quarterly Report on Form 10-Q for the period ended January 31, 1997, as filed with the Securities and Exchange Commission on March 14, 1997 and in its Annual Report on Form 10-K for the fiscal year ended October 31, 1996, as filed with the Securities and Exchange Commission on January 29, 1997. The historical financial statements of Dock Resins are included as Exhibit 99.1 to this Form 8-K/A.

LANDEC CORPORATION
UNAUDITED PRO FORMA CONDENSED
COMBINED BALANCE SHEET
January 31, 1997
(in thousands)

	Landec Corporation	Dock Resins Corporation	Pro Forma Adjustments	Pro Forma Combined
Assets				
Current Assets:				
Cash and cash equivalents	$ 10,370	$ 610	$ (8,838)(c)	$ 2,142
			(3,263)(e)	(3,263)
Short-term investments	24,429	837	(837)(b)	24,429
Restricted investment	--	--	8,838 (c)	8,838
Accounts receivable, net	102	1,702	--	1,804
Inventory	478	1,555	249 (a&d)	2,282
			72 (b)	72
Prepaid expenses and other current assets	215	106	--	321
Total Current Assets	35,594	4,810	(3,779)	36,625
Property and equipment, net	1,255	1,588	924 (a)	3,767
			268 (b)	268
Intangible assets	--	--	7,074 (a)	7,074
Other assets	125	--	--	125
	$ 36,974	$ 6,398	$ 4,487	$ 47,859
Liabilities and Stockholders' Equity				
Current Liabilities:				
Accounts Payable	$ 298	$ 1,084	--	$ 1,382
Accrued compensation	307	947	(834)(b)	420
Other accrued liabilities	202	459	1,013 (a)	1,674
			(420)(b)	(420)
Payable related to acquisition of Dock Resins	--	--	8,962 (e)	8,962
	--	--	442 (a)	442
Income taxes payable	--	13	(13)(b)	--
Borrowings under revolving line of credit	--	25	(25)(b)	--
Current portion of long term debt	237	92	(86)(b)	243
Deferred revenue	229	--	--	229
Total Current Liabilities	1,273	2,620	9,039	12,932
Non-current portion of long term debt	267	778	(752)(b)	293
Deferred compensation	--	124	--	124
Stockholders' Equity:				
Common stock - Landec	68,296	--	2,098 (e)	70,394
Notes receivable from shareholders - Landec	(13)	--	--	(13)
Deferred compensation - Landec	(283)	--	--	(283)
Accumulated deficit - Landec	(32,566)	--	(3,022)(a)	(35,588)
Common stock - Dock Resins	--	79	(79)(a)	--
Treasury stock - Dock Resins	--	(355)	355 (a)	--
Retained earnings - Dock Resins	--	3,152	(3,152)(a)	--
Total Stockholders' Equity	35,434	2,876	(3,800)	34,510
	$ 36,974	$ 6,398	$ 4,487	$ 47,859

See accompanying notes

LANDEC CORPORATION
NOTES TO UNAUDITED PRO FORMA CONDENSED
COMBINED BALANCE SHEET
January 31, 1997

1. BASIS OF PRESENTATION

The unaudited pro forma condensed combined balance sheet information has been prepared by combining the historical consolidated balance sheet of Landec at January 31, 1997 with the historical balance sheet of Dock Resins at March 31, 1997, and gives effect to the pro forma adjustments as described in the notes below.

(a) The acquisition of Dock Resins, which was accounted for as a purchase, has been recorded based upon available information and upon certain assumptions that Landec believes are reasonable under the circumstances. Estimated acquisition expenses of $1,455,000 include approximately $1,013,000 of finder's fees, legal, accounting, consulting and miscellaneous costs and approximately $442,000 payable to the former shareholder of Dock Resins. The purchase price has been allocated to the acquired assets and liabilities based on their relative fair market values, subject to final adjustments. These allocations are based on independent valuations and other studies. The final values may differ from those set forth below.

	(In thousands)
Estimated purchase price (Note e)	$14,323
Estimated acquisition expenses	1,455
Total estimated acquisition cost	$15,778
Historical net book value of the assets at March 31, 1997	$ 2,876
Increase in net book value of assets acquired (Note b)	1,633
Net write-up of inventories (Note d)	249
Write-up of property, plant and equipment	924
Covenant not to compete	77
Customer base	496
Work force in place	690
Trademark	775
Developed technology	5,036
In-process research and development	3,022
	$15,778

In accordance with general accepted accounting principles, Landec will allocate approximately $3.0 million of the purchase price to in-process research and development. This amount will be taken as a charge to operations for the quarter ending April 30, 1997, resulting in a corresponding charge to retained earnings. This one-time charge is reflected in the unaudited pro forma condensed combined balance sheet but not in the unaudited pro forma combined statement of operations due to its unusual, non-recurring nature.

LANDEC CORPORATION
NOTES TO UNAUDITED PRO FORMA CONDENSED
COMBINED BALANCE SHEET
January 31, 1997

(b) The increase in the net book value of the assets from March 31, 1997 to the close date of April 18, 1997 is a result of an increase in the net book value of assets acquired due to operating activities from March 31, 1997 to April 18, 1997 and the elimination of certain assets and liabilities that were not assumed by Landec in the acquisition.

(c) Restricted cash in the form of an irrevocable, non-transferable, direct pay letter of credit was set aside by Landec as security for the promissory note issued in connection with the purchase of Dock Resins. This instrument, which was subordinated by a certificate of time deposit, matures in January, 1998.

(d) Landec will write-up the value of Dock Resins inventory to market value (selling price less selling expenses) in connection with its allocation of the aggregate purchase price for the acquisition. This write-up includes the impact of the change in accounting policy from the LIFO to the FIFO inventory method. Landec will charge this net write-up to cost of goods sold during fiscal year 1997.

(e) The acquisition by Landec for all of the outstanding capital stock of Dock Resins was exchanged for the following:

	(In thousands)
Landec common stock	$ 2,098
Promissory note and other payable	8,962
Cash paid at closing	3,263
Purchase price	$14,323

A secured promissory note for $8.5 million and other payable of approximately $462,000 related to the acquisition are due to the former shareholder of Dock Resins and are due in January, 1998.

Furthermore, $1.5 million of the cash consideration and all of the equity consideration was set aside in escrow to cover costs associated with certain outstanding obligations of Dock Resins as well as any potential breach of representations and warranties made by Dock Resins in connection with the acquisition.

LANDEC CORPORATION
UNAUDITED PRO FORMA
COMBINED STATEMENT OF OPERATIONS
Three Months Ended January 31, 1997
(in thousands, except per share amounts)

	Landec Corporation	Dock Resins Corporation	Pro Forma Adjustments	Pro Forma Combined
Revenues:				
Product sales	$ 173	$ 3,479	--	$ 3,652
License fees	--	--	--	--
Research and development revenues	217	--	--	217
Total revenues	390	3,479	--	3,869
Operating costs and expenses				
Cost of product sales	309	2,153	84(b)	2,546
			13(a)	13
Research and development	916	312	--	1,228
Selling, general and administrative	934	751	51(b)	1,736
			(5)(d)	(5)
Total operating costs and expenses	2,159	3,216	143	5,518
Operating income (loss)	(1,769)	263	(143)	(1,649)
Interest income	494	11	--	505
Interest expense	(20)	(23)	20(d)	(23)
Income (loss) before income taxes	(1,295)	251	(123)	(1,167)
Provision (benefit) for state income tax	--	(24)	36(e)	12
Net income (loss)	$ (1,295)	275	(159)	$ (1,179)
Net income (loss) per share	$ (0.12)			$ (0.11)
Shares used in calculating per share information	10,760		396(c)	11,156

See accompanying notes.

LANDEC CORPORATION
NOTES TO UNAUDITED PRO FORMA
COMBINED STATEMENT OF OPERATIONS
January 31, 1997

The unaudited pro forma condensed combined statement of operations information has been prepared by combining the historical consolidated statement of operations of Landec for the three months ended January 31, 1997 with the historical statement of operations of Dock Resins for the three months ended March 31, 1997, and gives effect to the pro forma adjustments as described in the notes below.

(a) Depreciation expense of $13,000 for the write-up of property, plant and equipment arising from the Dock Resins acquisition was reflected as a pro forma adjustment.

(b) Amortization expense of intangible assets arising from the Dock Resins acquisition as shown below is reflected in the pro forma adjustments and detailed as follows (dollars in thousands):

	AMOUNT	PERIOD OF AMORTIZATION	THREE MONTH AMORTIZATION
Intangible assets:			
Covenant not to compete	$ 77	5 years	$ 4
Customer base	496	10 years	12
Work force in place	690	7 years	25
Trademark	775	20 years	10
Developed technology	5,036	15 years	84
	$ 7,074		$ 135

(c) The pro forma adjustments reflects the issuance of 396,039 shares of Landec common stock that were exchanged as part of the acquisition of Dock Resins. These shares were assumed to have been issued on November 1, 1995 for purposes of the pro forma statement of operations.

(d) Interest expense and loan guarantee fees that arose from the debt of Dock Resins have been eliminated as the debt was assumed by the previous owner upon the close of the acquisition.

(e) Income tax expense associated with Dock Resins on an historical basis reflects "S" Corporation status. The pro forma adjustment eliminates this status which provided a benefit resulting from the reversal of a prior-year accrual and assumes "C" Corporation status for Dock Resins for federal and state income tax purposes.

LANDEC CORPORATION
UNAUDITED PRO FORMA
COMBINED STATEMENT OF OPERATIONS
Twelve Months Ended October 31, 1996
(In thousands, except per share amounts)

	Landec Corporation	Dock Resins Corporation	Pro Forma Adjustments	Pro Forma Combined
Revenues:				
Product sales	$ 755	$ 13,498	$ --	$ 14,253
License fees	600	--	--	600
Research and development revenues	1,096	--	--	1,096
Total revenues	2,451	13,498	--	15,949
Operating costs and expenses				
Cost of product sales	1,004	8,540	249(d)	9,793
			336(b)	336
			52(a)	52
Research and development	3,808	1,097	--	4,905
Selling, general and administrative	3,288	3,183	202(b)	6,673
	--	--	(17)(e)	(17)
Total operating costs and expenses	8,100	12,820	822	21,742
Operating income (loss)	(5,649)	678	(822)	(5,793)
Interest income	1,548	18	--	1,566
Interest expense	(99)	(96)	(355)(f)	(550)
	--	--	85(e)	85
Income (loss) before income taxes	(4,200)	600	(1,092)	(4,692)
Provision for state income tax	--	(5)	5(g)	--
Net income (loss)	$ (4,200)	$ 605	$ (1,097)	$ (4,692)
Net income (loss) per share	$ (0.55)			$ (0.58)
Shares used in calculating per share information	7,699		396(c)	8,095

See accompanying notes.

LANDEC CORPORATION
NOTES TO UNAUDITED PRO FORMA
COMBINED STATEMENT OF OPERATIONS
October 31, 1996

The unaudited pro forma combined statement of operations information has been prepared by combining the historical consolidated statement of operations of Landec for the fiscal year ended October 31, 1996 with the historical statement of operations of Dock Resins for the fiscal year ended December 31, 1996, and gives effect to the pro forma adjustments as described in the notes below.

(a) Depreciation expense of $52,000 for the write-up of property, plant and equipment arising from the Dock Resins acquisition was reflected as a pro forma adjustment.

(b) Amortization expense of intangible assets arising from the Dock Resins acquisition as shown below are reflected in the pro forma adjustments and detailed as follows (dollars in thousands):

	AMOUNT	PERIOD OF AMORTIZATION	ANNUAL AMORTIZATION
Intangible assets:			
Covenant not to compete	$ 77	5 years	$ 15
Customer base	496	10 years	50
Work force in place	690	7 years	98
Trademark	775	20 years	39
Developed technology	5,036	15 years	336
	$ 7,074		$ 538

(c) The pro forma adjustment reflects the issuance of 396,039 shares of Landec common stock that were exchanged as part of the acquisition of Dock Resins. These shares were assumed to have been issued on November 1, 1995 for purposes of the pro forma statement of operations.

(d) Cost of product sales includes the charge for the inventory recorded in connection with the purchase price allocation and assumes that the inventory was sold during the twelve months ended October 31, 1996 based on historical inventory turnover.

(e) Interest expense and loan guarantee fees that arose from the debt of Dock Resins have been eliminated as the debt was assumed by the previous owner upon the close of the acquisition.

(f) Interest expense associated with the secured promissory note exchanged in the purchase price of Dock Resins.

(g) Income tax expense associated with Dock Resins on an historical basis reflects "S" Corporation status. The pro forma adjustment eliminates this status which provided a benefit as a result of the difference between book and state tax depreciation and assumes "C" Corporation status for Dock Resins for federal and state income tax purposes.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

LANDEC CORPORATION
(Registrant)

Date: July 3, 1997

By: /s/ Joy T. Fry

Joy T. Fry
Vice President of Finance and Administration and Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our report dated January 31, 1997, with respect to the financial statements of Dock Resins Corporation included in the Current Report on Form 8-K/A dated July 3, 1997 of Landec Corporation, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

MetroPark, New Jersey
June 30, 1997

Exhibit 99.1

Financial Statements

Dock Resins Corporation

December 31, 1996

Dock Resins Corporation

Financial Statements

December 31 1996

Contents

Report of Independent Auditors

The Board of Directors
Dock Resins Corporation

We have audited the accompanying balance sheets of Dock Resins Corporation at December 31, 1996 and 1995, and the related statements of income, stockholder's equity and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dock Resins Corporation at December 31, 1996 and 1995, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

MetroPark, New Jersey
January 31, 1997

Dock Resins Corporation

Balance Sheets

	December 31 1996	December 31 1995
Assets		
Current assets:		
Cash and cash equivalents	$ 410,230	$ 866,366
Marketable securities	841,392	--
Accounts receivable	1,644,170	1,110,334
Inventories:		
Raw materials	419,692	424,361
Finished goods	832,395	732,443
	1,252,087	1,156,804
Prepaid expenses and other current assets	241,595	106,330
Total current assets	4,389,474	3,239,834
Property, plant and equipment, at cost:		
Land	236,824	236,824
Buildings and improvements	550,548	550,548
Machinery and equipment	2,504,348	2,452,877
Construction in progress	219,932	--
	3,511,652	3,240,249
Less accumulated depreciation	1,974,369	1,786,207
Net property, plant and equipment	1,537,283	1,454,042
	$5,926,757	$4,693,876
Liabilities and stockholder's equity Current liabilities:		
Accounts payable	$1,011,999	$ 952,676
Payroll, bonuses and payroll taxes payable	739,890	165,562
Other accrued expenses	487,662	447,913
Income taxes payable	83,077	61,192
Borrowings under revolving line of credit	25,000	25,000
Current portion of long-term debt	86,384	86,384
Total current liabilities	2,434,012	1,738,727
Long-term debt	771,939	858,358
Deferred compensation	115,884	96,713
Stockholder's equity:		
Common stock, no par value:		
Authorized 2,500 shares		
Issued 300 shares	78,754	78,754
Retained earnings	2,881,505	2,276,661
	2,960,259	2,355,415
Less cost of treasury stock-75 shares	355,337	355,337
Total stockholder's equity	2,604,922	2,000,078
	$5,926,757	$4,693,876

See accompanying notes.

Dock Resins Corporation

Statements of Income

	Year ended December 31		
	1996	1995	1994
Net sales	$ 13,498,204	$ 11,889,186	$ 11,185,215
Operating costs and expenses:			
Cost of sales	8,540,435	8,026,647	7,714,511
Research and development	1,096,792	1,031,167	977,942
Selling, general and administrative	3,182,547	2,312,687	2,077,225
Total operating costs and expenses	12,819,774	11,370,501	10,769,678
Operating profit	678,430	518,685	415,537
Interest income	18,246	5,860	2,517
Interest expense	(96,332)	(122,527)	(152,945)
Income before income taxes	600,344	402,018	265,109
Provision (benefit) for state income taxes:			
Current	17,400	6,500	12,500
Deferred	(12,900)	(4,700)	--
	(4,500)	1,800	12,500
Net income	$ 604,844	$ 400,218	$ 252,609

See accompanying notes.

Dock Resins Corporation

Statements of Changes in Stockholder's Equity

	Common Stock		Retained Earnings	Treasury Stock	Total Stockholder's Equity
	Shares	Amount			
Balance at December 31, 1993	300	$ 78,754	$1,623,834	$ (355,337)	$1,347,251
Net income			252,609		252,609
Balance at December 31, 1994	300	78,754	1,876,443	(355,337)	1,599,860
Net income			400,218		400,218
Balance at December 31, 1995	300	78,754	2,276,661	(355,337)	2,000,078
Net income			604,844		604,844
Balance at December 31 1996	300	$ 78,754	$2,881,505	$ (355,337)	$2,604,922

See accompanying notes.

Dock Resins Corporation

Statements of Cash Flows

	Year ended December 31 1996	1995	1994
Cash flows from operating activities			
Net income	$ 604,844	$ 400,218	$ 252,609
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	205,012	214,714	232,257
Changes in operating assets and liabilities:			
Accounts receivable	(533,836)	46,193	162,986
Inventories	(95,283)	36,414	(252,955)
Prepaid expenses	(135,265)	(4,606)	(7,328)
Accounts payable	59,323	187,493	(76,391)
Payroll, bonuses and payroll taxes payable	574,328	72,150	(6,790)
Other accrued expenses	39,749	100,963	156,331
Income taxes payable	21,885	(10,550)	41,410
Deferred compensation	19,171	11,520	10,230
Net cash provided by operating activities	759,928	1,054,509	512,359
Cash flows from investing activities			
Capital expenditures	(288,253)	(63,554)	(34,281)
Purchase of marketable securities	(841,392)	--	--
Decrease in other assets	--	--	545,651
Net cash (used in) provided by investing activities	(1,129,645)	(63,554)	511,370
Cash flows from financing activities			
Borrowings under line of credit	150,000	550,000	1,275,000
Payments under line of credit	(150,000)	(950,000)	(1,800,000)
Payments of long-term debt	(86,419)	(104,120)	(120,314)
Net cash used in financing activities	(86,419)	(504,120)	(645,314)
Net (decrease) increase in cash and cash equivalents	(456,136)	486,835	378,415
Cash and cash equivalents at beginning of year	866,366	379,531	1,116
Cash and cash equivalents at end of year	$ 410,230	$ 866,366	$ 379,531
Supplemental disclosures of cash flow information Cash paid (refunded) during the year:			
Interest	$ 84,462	$ 116,796	$ 154,963
Income taxes	$ (4,485)	$ 12,550	$ (7,941)

See accompanying notes.

Dock Resins Corporation

Notes to Financial Statements

December 31 1996

1. Summary of Significant Accounting Policies

Organization

Dock Resins Corporation (the Company) manufactures and sells resins, adhesives, sealants, coatings and related products to various industrial customers principally in the United States.

Inventories

Inventories are stated at the lower of cost (determined by the last-in, first-out method) or market. At December 31, 1996 and 1995, the LIFO inventory value approximates current cost.

Property, Plant and Equipment

For financial reporting purposes, depreciation is provided on the straight-line basis over the estimated useful life of each asset. Accelerated methods are used for tax purposes. Replacements, betterments and additions to property, plant and equipment are capitalized at cost. Expenditures for maintenance and repairs are charged to income as incurred.

The estimated useful lives used in computing depreciation are as follows:

Buildings and improvements	20 years
Machinery and equipment	5 - 10 years

Depreciation expense charged to earnings for the years ended December 31, 1996, 1995 and 1994 was approximately $205,000, $207,000 and $220,000, respectively.

Income Taxes

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

1. Summary of Significant Accounting Policies (continued)

Research and Development

Research and development costs are expensed as incurred.

Cash Equivalents

The Company considers as cash equivalents all highly-liquid marketable securities with an original maturity of three months or less.

Marketable Securities

Marketable securities consist of fixed income investments (state and local government obligations and short-term commercial paper) with maturity dates ranging from 1997 through 2007 as of December 31, 1996 which can be readily purchased or sold using established markets. Management determines the appropriate classification of debt securities at the time of purchase and re-evaluates such designation as of each balance sheet date. Such securities are classified as available for sale and, accordingly, are carried at fair value which approximates cost at December 31, 1996. The amortized cost of debt securities is adjusted for amortization of premium and accretion of discounts to maturity. Such amortization, realized gains and losses, interest and dividends are included in interest income.

Profit Sharing Plan

The Company has a profit sharing plan which covers substantially all employees. Contributions to the plan, which are funded as accrued, are determined at the discretion of the Board of Directors. Such contributions were $80,000 for 1996, $65,000 for 1995 and $60,000 for 1994, respectively.

Effective January 1, 1995, the Company's profit sharing plan was amended to allow for contributions qualified under Section 401(k) of the Internal Revenue Code. Eligible employees may elect to contribute up to 12% of their salaries, subject to IRS limitations, to the plan. The Company contributes an amount equal to 30% of the first 5% of employee contributions. Contributions to the plan by the Company amounted to approximately $24,800 in 1996 and $15,300 in 1995.

Use of Estimates

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

Dock Resins Corporation

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

In 1996, the Company adopted SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of', which has no effect on its financial condition or results of operations. The Company records impairment losses on long-lived assets used in operations or expected to be disposed when events and circumstances indicate that the assets are less than the carrying amounts of those assets. No such events and circumstances have occurred.

Fair Value of Financial Instruments

The estimated fair value of the Company's marketable securities (based upon quoted market prices) and long-term debt (based upon current rates offered to the Company) approximate their carrying values at December 31, 1996.

Reclassifications

Certain 1995 and 1994 balances have been reclassified to conform to 1996 presentation.

2. Debt

Long-term debt consists of the following:

	1996	1995
Unsecured note payable to shareholder, interest at 10.5%, payable in annual principal installments of $7,500 through 2004.	$ 52,500	$ 60,000
Mortgage loan payable to bank, interest at 8.5%, payable in monthly installments of principal and interest of $6,042 and the remaining principal of $494,936 due August 2000.	591,383	611,818
Equipment line of credit/term loan facility payable to bank, interest at 9.0%, payable in monthly installments of principal of $4,874 plus interest due August 2000.	214,440	272,924
	858,323	944,742
Less current maturities	86,384	86,384
	$ 771,939	$ 858,358

2. Debt (continued)

At December 31, 1996, long-term debt was due in aggregate annual installments, as follows:

1997	$ 86,384
1998	91,233
1999	93,465
2000	564,741
Thereafter	22,500
	$858,323

The Company's Amended and Restated Loan and Security Agreement, dated as of June 30, 1996, provides for a $ 1,250,000 revolving line of credit, a $ 1,000,000 equipment line of credit and a $614,000 mortgage loan. Each of the borrowings under the Amended and Restated Loan and Security Agreement is collateralized by substantially all of the Company's assets and is guaranteed by the Company's shareholder. Further, the unsecured note payable to the shareholder is subordinated to each of the borrowings. The Amended and Restated Loan and Security Agreement contains certain restrictive covenants, the more significant of which relate to limitations on additional borrowings and require maintenance of a specified financial leverage ratio.

The revolving line of credit, which bears interest at the lender's floating base rate (8.25% at December 31, 1996) plus .5%, is available through June 30, 1997. The line of credit provides for borrowings equal to 80% of the Company's eligible accounts receivable. No commitment fees were charged under the agreement and no compensating balances are required.

The equipment line of credit provides for borrowings by the Company through June 30, 1997 to a maximum of 80% of the purchase price of equipment purchased by the Company. Each borrowing under this line is evidenced by a separate term loan note, due in equal monthly principal payments over either 60 months or, for certain specified equipment, 59 months with a balloon payment equal to the remaining balance due on the sixtieth month.

3. Income Taxes

The Company is an "S" Corporation for federal income tax purposes. This election generally eliminates federal income taxes at the corporate level and profits are taxed directly to the Company's shareholder. Therefore, no provision for federal income taxes is included in the accompanying financial statements.

3. Income Taxes (continued)

The Company is also an "S" Corporation for New Jersey state income tax purposes. This election generally reduces state income taxes at the corporate level to a rate equal to the difference between the corporate tax rate and the highest marginal personal tax rate (such rate differential was 2.63% for 1996, 2.42% for 1995 and 2.35% for 1994). The Company's shareholder is also taxed directly by New Jersey on the Company's profits.

For 1996 and 1995, the effective state income tax rates are lower than the statutory state tax rates, principally reflecting the tax benefits of state research and development tax credits. For 1994, the effective state income tax rate is higher than the statutory tax rate. This results from the non-deductibility of certain payments and charges.

Deferred state income taxes are primarily attributable to temporary differences which are not currently deductible for income tax purposes, including inventory reserves, bonuses, deferred compensation and certain other reserves and accrued liabilities, partially offset by differences between book and state tax depreciation.

The Company has not recorded any valuation allowances against its deferred tax assets at December 31, 1996 and 1995 as full realization of these assets is expected.

4. Bonus and Deferred Compensation Plans

Certain officers and employees of the Company are paid bonuses at the discretion of the board of directors.

The Company maintains a deferred compensation agreement for one of its employees, with benefits payable, contingent upon continued employment, three years after being earned. The annual expense for this agreement was $31,171 for 1996, $26,519 for 1995 and $23,500 for 1994. Included in payroll, bonuses and payroll taxes payable was $27,000 and $25,000 at December 31, 1996 and 1995, respectively, representing the current portion of deferred compensation.

5. Contingencies

The Company's largest customer accounted for approximately 24%, 17% and 20% of sales in 1996, 1995 and 1994, respectively, and approximately 39% and 19% of accounts receivable at December 31, 1996 and 1995, respectively.

5. Contingencies (continued)

The Company is subject to legal proceedings and environmental claims which arise in the ordinary course of business. In the opinion of management and counsel, the ultimate amount of liability, if any, resulting from these actions will not materially affect the financial position of the Company.

6. Subsequent Events (Unaudited)

Pursuant to a Stock Purchase Agreement by and among Landec Corporation ("Landec"), the Company and its stockholder, dated April 18, 1997 (the "Purchase Agreement"), Landec acquired (the "Acquisition") all of the outstanding capital stock of the Company in exchange for an aggregate of 396,039 shares of Landec's common stock, $3,262,861 in cash, a payable of $462,000 and a secured promissory note with principal amount of $8,500,000. The payable and promissory note are due in January 1998. As a result of the Acquisition, the Company has become a wholly-owned subsidiary of Landec.

Under the terms of the Purchase Agreement and a related Escrow Agreement dated April 18, 1997, $1,500,000 and the 396,039 shares of Landec's common stock will be held in escrow for the purpose of indemnifying Landec against certain liabilities of the Company and its stockholder. Such escrow will expire on August 18, 2002.