UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 30, 2010

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

Delaware	0-27446	94-3025618
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3603 Haven Avenue
Menlo Park, CA 94025
(Address of principal executive offices, including zip code)

(650) 306-1650
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Amendment No. 1

This Form 8-K/A is filed as an amendment (Amendment No. 1) to the Current Report on Form 8-K filed by Landec Corporation under Items 1.01, 2.01, 2.03 and 9.01 on May 5, 2010. Amendment No. 1 is being filed to include the financial information required under Item 9.01.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of Lifecore Biomedical, Inc. as of December 31, 2009 and 2008 and for the periods then ended are filed as Exhibit 99.1 hereto and incorporated herein by this reference.

(b) Pro Forma Financial Information.

The pro forma financial information with respect to the transaction described in Item 2.01 of the Current Report on Form 8-K filed on May 5, 2010 is filed as Exhibit 99.2 hereto and incorporated herein by this reference.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Grant Thornton LLP, Independent Certified Public Accountants
99.1	Audited financial statements of Lifecore Biomedical, LLC as of December 31, 2009 and 2008 and for the periods then ended
99.2	Unaudited pro forma condensed combined financial statements of Landec Corporation and Lifecore Biomedical, Inc.

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 hereunto duly authorized.

LANDEC CORPORATION

Date: July 9, 2010	By:	/s/ Gregory S. Skinner
		Gregory S. Skinner
		Chief Financial Officer

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Certified Public Accountants

We have issued our report dated February 12, 2010 accompanying the financial statements of Lifecore Biomedical, LLC for the year ended December 31, 2009 and the period from March 27, 2008 to December 31, 2008 included in this Current Report on Form 8-K/A. We hereby consent to the incorporation by reference of said report in the Registration Statements of Landec Corporation on Forms S-8 (Nos. 333-109889, effective October 22, 2003; 333-89368, effective May 30, 2002; 333-62866, effective June 13, 2001; 333-06163, effective June 17, 1996; 333-29103, effective June 13, 1997; 333-80313, effective June 9, 1999; 333-52339, effective May 11, 1998; 333-129895, effective November 22, 2005; and 333-163926, effective December 22, 2009).

Minneapolis, Minnesota
July 9, 2010

/s/ Grant Thornton LLP

Exhibit 99.1

Financial Statements and Report of Independent Certified Public Accountants

Lifecore Biomedical, LLC

December 31, 2009 and 2008

Contents

Report of Independent Certified Public Accountants

The Board of Directors and Member's
Lifecore Biomedical, LLC

We have audited the accompanying balance sheets of Lifecore Biomedical, LLC (a Minnesota limited liability company) as of December 31, 2009 and 2008, and the related statements of operations, member's equity and cash flows for the year ended December 31, 2009 and the period March 27, 2008 through December 31, 2008. 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 auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. A ccordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Lifecore Biomedical, LLC as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the year ended December 31, 2009 and for the period March 27, 2008 through December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

/s/ Grant Thornton LLP

Minneapolis, Minnesota
February 12, 2010

FINANCIAL STATEMENTS

Lifecore Biomedical, LLC

BALANCE SHEETS

December 31, 2009 and 2008

ASSETS	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	$ 9,673,000	$ 5,087,000
Accounts receivable, less allowances	2,198,000	5,357,000
Due from Dental	-	7,000
Inventories	7,021,000	5,570,000
Deferred income taxes, net	316,000	296,000
Income tax receivable	-	228,000
Prepaid expenses	296,000	447,000
Total current assets	19,504,000	16,992,000
PROPERTY, PLANT AND EQUIPMENT, NET	23,253,000	24,114,000
OTHER ASSETS		
Intangible assets, net	3,636,000	3,856,000
Long-term inventories	696,000	1,258,000
Deferred income taxes, net	-	31,000
Total other assets	4,332,000	5,145,000
	$ 47,089,000	$ 46,251,000

The accompanying notes are an integral part of these financial statements.

Lifecore Biomedical, LLC

BALANCE SHEETS – CONTINUED

December 31, 2009 and 2008

LIABILITIES AND MEMBER'S EQUITY	2009	2008
CURRENT LIABILITIES		
Current maturities of long-term obligations	$ 327,000	$ 318,000
Accounts payable	1,099,000	803,000
Accrued compensation	1,262,000	1,160,000
Accrued expenses	118,000	389,000
Accrued warranty expense	380,000	-
Total current liabilities	3,186,000	2,670,000
LONG-TERM OBLIGATIONS, less current maturities	3,720,000	4,047,000
LONG-TERM DEFERRED INCOME TAXES, net	46,000	-
MEMBER'S EQUITY		
Member's equity	40,566,000	40,205,000
Accumulated deficit	(429,000)	(671,000)
	40,137,000	39,534,000
	$ 47,089,000	$ 46,251,000

Lifecore Biomedical, LLC

STATEMENTS OF OPERATIONS

For the year ended December 31, 2009 and period from March 27, 2008 through December 31, 2008

	2009	2008
Net sales	$ 20,280,000	$ 17,663,000
Cost of goods sold	10,350,000	8,095,000
Gross profit	9,930,000	9,568,000
Operating expenses		
Research and development	4,601,000	4,067,000
Marketing and sales	1,035,000	790,000
General and administrative	3,871,000	4,304,000
Goodwill impairment	-	1,447,000
	9,507,000	10,608,000
Operating income (loss)	423,000	(1,040,000)
Other income (expense)		
Interest income	52,000	534,000
Interest expense	(174,000)	(126,000)
Other, net	-	40,000
	(122,000)	448,000
Income (loss) before income taxes	301,000	(592,000)
Income tax expense	(59,000)	(79,000)
NET INCOME (LOSS)	$ 242,000	$ (671,000)

The accompanying notes are an integral part of these financial statements.

Lifecore Biomedical, LLC

STATEMENTS OF MEMBER'S EQUITY

For the year ended December 31, 2009 and period from March 27, 2008 through December 31, 2008

	Member's equity			
	Units	Amount	Accumulated deficit	Total
Opening balances at March 27, 2008	14,117,697	$ 35,605,000	$ -	$ 35,605,000
Contributed capital	-	4,600,000	-	4,600,000
Net loss	-	-	(671,000)	(671,000)
Balances at December 31, 2008	14,117,697	40,205,000	(671,000)	39,534,000
Stock-based compensation expense	-	361,000	-	361,000
Net income	-	-	242,000	242,000
Balances at December 31, 2009	14,117,697	$ 40,566,000	$ (429,000)	$ 40,137,000

The accompanying notes are an integral part of these financial statements.

Lifecore Biomedical, LLC

STATEMENTS OF CASH FLOWS

For the year ended December 31, 2009 and period from March 27, 2008 through December 31, 2008

	2009	2008
Cash flows from operating activities:		
Net income (loss)	$ 242,000	$ (671,000)
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Goodwill impairment	-	1,447,000
Depreciation and amortization	2,334,000	1,638,000
Allowance for doubtful accounts	(349,000)	349,000
Deferred income taxes	57,000	134,000
Stock compensation expense	361,000	-
Changes in operating assets and liabilities:		
Accounts receivable	3,508,000	(1,816,000)
Inventories	(889,000)	237,000
Prepaid expenses and other assets	386,000	309,000
Accounts payable	296,000	(43,000)
Accrued liabilities	211,000	17,000
Net cash provided by operating activities	6,157,000	1,601,000
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,203,000)	(1,279,000)
Purchases of intangibles	(50,000)	(150,000)
Net cash used in investing activities	(1,253,000)	(1,429,000)
Cash flows from financing activities:		
Payments on long-term obligations	(318,000)	(217,000)
Net cash used in financing activities	(318,000)	(217,000)
Net increase (decrease) in cash and cash equivalents	4,586,000	(45,000)
Cash and cash equivalents at beginning of period	5,087,000	5,132,000
Cash and cash equivalents at end of period	$ 9,673,000	$ 5,087,000
Supplemental disclosure of cash flow information:		
Cash paid for interest during the period	$ 174,000	$ 126,000
Non-cash contributed capital	-	4,600,000

The accompanying notes are an integral part of these financial statements.

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

On March 26, 2008, Lifecore Biomedical, Inc. was acquired by SBT Acquisition, Inc., a private company (the "Acquirer"). Prior to this date, Lifecore's operations consisted of two divisions, Hyaluronan and Dental (Note B). The Acquirer of the Company merged Lifecore Biomedical, Inc.'s Dental operations into a different entity. Lifecore Biomedical, Inc. converted to Lifecore Biomedical, LLC ("Lifecore") and consists of the Company's Hyaluronan operations on March 27, 2008. Lifecore manufactures hyaluronan biomaterials and provides specialized contract aseptic manufacturing services. The Company's manufacturing facility is located in Chaska, Minnesota. The Company primarily markets its products through original contract manufacturing alliances in ophthalmologic and orthopedic surgery and ve terinary medicine.

In preparing these financial statements, the Company evaluated subsequent events through February 12, 2010, the date these financial statements were available to be issued. The Company made no significant changes to these financial statements as a result of the subsequent events evaluation.

A summary of significant accounting policies consistently applied in the preparation of the financial statements follows:

Cash and Cash Equivalents

The Company considers all highly liquid temporary investments with original maturities of three months or less to be cash equivalents. At December 31, 2009 and 2008, substantially all of the Company's cash and cash equivalents were invested in money market funds, which may at times exceed Federal Deposit Insurance Corporation limits. Money market funds are carried at cost which approximates fair value. The fair value of these funds is determined based upon quoted market prices, which are considered Level 1 inputs as defined by Accounting Standards Codification (ASC) 820, *Fair Value Measurement and Disclosures.*

Accounts Receivable

The Company extends credit to customers in the normal course of business but generally does not require collateral or any other security to support amounts due. Management performs on-going credit evaluations of its customers. The Company's customers are located primarily throughout North America, Europe and Asia. Accounts outstanding longer than contractual terms are considered past due. The Company evaluates the need for an allowance for credit losses based on history, economic conditions, and composition of its aging and in some cases, makes allowances for specific customers based on these and other factors. The Company writes off accounts receivable balances when they become uncollectible. At December 31, 2009, there was no allowance for credit losses. At December 31, 2008, the Company recorded an allowance of $349,000 for credit losses.

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories consist mainly of finished hyaluronan powder, aseptic units and related raw materials. The Company's inventory has been reduced to lower of cost or market for obsolete, excess or unmarketable inventory. The lower of cost or market adjustment is based on management's review of inventories on hand compared to estimated future usage and sales. The portion of finished hyaluronan powder inventory not expected to be consumed within the next 12 months is classified as a long-term asset. The finished hyaluronan inventory is maintained in a frozen state and has a shelf life of ten years. At the time of the acquisition, finish goods inventory was valued at selling p rices less cost and profits for the selling effort. Inventories consisted of the following at December 31:

	2009	2008
Raw materials	$ 2,283,000	$ 2,150,000
Work-in-process	796,000	92,000
Finished goods – current	3,942,000	3,328,000
	7,021,000	5,570,000
Finished goods – long-term	696,000	1,258,000
	$ 7,717,000	$ 6,828,000

Depreciation

Depreciation is provided in amounts sufficient to charge the cost of depreciable assets to operations over their estimated service lives principally on a straight-line method for financial reporting purposes and accelerated methods for income tax reporting purposes. Depreciation expense was approximately $2,064,000 and $1,444,000 for the year ended December 31, 2009 and the period from March 27, 2008 to December 31, 2008, respectively. The depreciable lives represent the remaining useful lives assigned to the property, plant and equipment as a part of the acquisition of the Company (Note B). For property, plant and equipment acquired subsequent to the acquisition, the Company assigned useful lives as follows:

Building	7 – 40 years
Land and building improvements	7 – 40 years
Equipment	3 – 10 years

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property, plant and equipment consists of the following at December 31:

	2009	2008
Land	$ 2,900,000	$ 2,900,000
Building	17,266,000	17,256,000
Land and building improvements	550,000	550,000
Equipment	5,477,000	4,852,000
	26,193,000	25,558,000
Less accumulated depreciation	(3,508,000)	(1,444,000)
	22,685,000	24,114,000
Construction in progress	568,000	-
Total property, plant and equipment	$ 23,253,000	$ 24,114,000

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated, undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the assets exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. There was no impairment during the year ended December 31, 200 9 and period from March 27, 2008 to December 31, 2008.

Goodwill

Goodwill is tested for impairment on an annual basis, or when there is an indication that an impairment has occurred, and is written down when impaired by applying a fair-value test based on a cash flow multiple. Management has selected December 31 as the date for the annual goodwill impairment test. Management completed the test at December 31, 2008 and determined that goodwill was fully impaired due to a change in market conditions during the second half of 2008 that reduced the cash flow multiples used by market participants to value comparable companies as compared to the multiple used to value the Company at acquisition.

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Identifiable Intangible Assets

Intangible assets are amortized over their respective useful lives to their residual values, and reviewed for impairment if events and circumstances indicate the asset might be impaired. In conjunction with the goodwill impairment analysis at December 31, 2008, management reviewed the fair-value of identifiable intangible assets based on future cash flows and determined identifiable intangible assets were not impaired. There were no indicators that intangible assets were impaired at December 31, 2009.

Intangible assets consisted of the following at December 31:

	Useful lives in years	2009	2008
Patents and license fees	15 years	$ 200,000	$ 150,000
Customer relationships	12 years	1,900,000	1,900,000
Trademarks and technology	20 years	2,000,000	2,000,000
		4,100,000	4,050,000
Less accumulated amortization		(464,000)	(194,000)
		$ 3,636,000	$ 3,856,000

Amortization expense was approximately $270,000 and $194,000 for the year ended December 31, 2009 and the period from March 27, 2008 to December 31, 2008, respectively.

The following is a schedule of future amortization expenses for the years ended December 31:

2010	$ 272,000
2011	272,000
2012	272,000
2013	272,000
2014	272,000
Thereafter	2,276,000

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, product is shipped, or otherwise accepted by the customer, pursuant to customers' orders, the price is fixed and determinable and collection is reasonably assured. The Company does not regularly experience product returns.

NOTE A – NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Company offers various warranties on their products. A warranty expense is recorded at the time the Company becomes aware of a product warranty liability as the Company does not have a history of warranty obligations. The Company accrued a warranty liability of $380,000 at December 31, 2009 for sales that occurred during 2009. The Company had no accrued warranty expense at December 31, 2008.

<u>Shipping & Handling</u>

Costs incurred with the shipment of product between the Company and its vendors are classified as cost of goods sold. Costs incurred with the shipment of products from the Company to its customers are classified in net sales when billed.

<u>Income Taxes</u>

The Company is a single-member LLC, which is considered a “disregarded entity” for tax purposes because the Company’s parent is a C-Corporation. As a result, income taxes have been provided for in the financial statements as if the Company was a C-Corporation. Deferred income taxes are provided for based on the liability method whereby deferred tax assets and deferred tax liabilities are recognized for the effects of taxable temporary differences. Temporary differences are the differences between reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rat es on the date of enactment.

<u>Stock-Based Awards</u>

During 2009, the Company recognized stock-based compensation expense within the statement of operations based on the fair value of the award over the requisite service period. The Company did not recognize compensation expense and no equity instruments were authorized or granted by the Company during the period from March 27, 2008 through December 31, 2008.

<u>Use of Estimates</u>

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE B – ACQUISITION

On January 15, 2008, the Company and SBT Holdings, Inc., a Delaware corporation (the "Parent"), and SBT Acquisition, Inc., a Minnesota corporation and wholly-owned subsidiary of the Acquirer, entered into an Agreement and Plan of Merger. On March 20, 2008, the Acquirer successfully completed the tender offer for all of the outstanding shares of the common stock of Lifecore Biomedical, Inc. As of the expiration of the tender offer, on Thursday, March 20, 2008, a total of approximately 12,769,687 shares were validly tendered and not withdrawn in the offer (including shares tendered by notices of guaranteed delivery), representing approximately 94.18% of the outstanding shares of the Company. Acquirer accepted for payment, in accordance with the terms of the offer, all shares that were validly tendered and not withdrawn prior to the ex piration of the offer.

Effective March 26, 2008, the Acquirer of the Company merged Lifecore Biomedical, Inc.'s Dental operations into another entity it owns.

The purchase price has been allocated to the assets and liabilities assumed based on their fair market value at the date of purchase. The estimated market value of acquired assets and liabilities exceeded the purchase price by approximately $1,447,000 which was reflected as goodwill. As outlined in Note A, goodwill was fully impaired at December 31, 2008.

A summary of the acquisition is as follows:

Accounts receivable	$ 3,890,000
Inventories	7,065,000
Prepaid expenses and other current assets	990,000
Property, plant and equipment	24,279,000
Identifiable intangible assets	3,900,000
Deferred taxes, net	(4,139,000)
Assumed liabilities	(6,959,000)
Net assets acquired	29,026,000
Purchase price	30,473,000
Goodwill	$ 1,447,000

NOTE C – LINE OF CREDIT

The Company has a $5,000,000 credit facility with a bank which has a maturity date of May 31, 2010. The agreement is subject to compliance with cove nants. Under the credit facility, interest will accrue at LIBOR plus 2.50%, but at no time less than 4.00%. At December 31, 2009 and December 31, 2008, there were no balances outstanding under the line of credit. The Company believes they will be able to renew the credit facility with the same bank under similar terms.

NOTE D – LONG-TERM OBLIGATIONS

On August 19, 2004, the Company issued variable rate industrial revenue bonds. The proceeds from these bonds were used to retire the then existing 10.25% fixed rate industrial revenue bonds on September 1, 2004. The aggregate principal amount of the new bonds was $5,630,000, and the bonds bear interest at a variable rate set weekly by the bond remarketing agent (3.32% and 1.45% on December 31, 2009 and December 31, 2008). The bonds are collateralized by a bank letter of credit which is secured by a first mortgage on the Company's facility in Chaska, Minnesota. The terms of the agreement require the Company to comply with various financial covenants including minimum tangible net worth and liabilities to tangible net worth ratio. In addition, the Company pays an annual remarketing fee equal to 0.125% and an annual letter of credit fee of 1.00%.

Long-term obligations consist of the following at December 31:

	2009	2008
Industrial development revenue bonds	$ 4,047,000	$ 4,365,000
Less current maturities	(327,000)	(318,000)
	$ 3,720,000	$ 4,047,000

The aggregate minimum annual principal payments of long-term obligations are as follows for the years ended December 31:

2010	$ 327,000
2011	333,000
2012	345,000
2013	358,000
2014	368,000
Thereafter	2,316,000

NOTE E – MEMBER'S EQUITY

Stock Based Awards

During 2009, the Company adopted a stock option plan. The Company's stock options generally vest ratably over five years of service and have a contractual life of 10 years. The Company had authorized 320,856 shares for grant. Options were granted under all plans at exercise prices that are determined by the Board of Directors. Each grant awarded specifies the period for which the options are exercisable and provides that the options shall expire at the end of such period.

NOTE E – MEMBER'S EQUITY – Continued

In 2009, the Company granted stock options to certain key members of management. The following is a rollforward of stock option activity:

	Number of stock options	Exercise price
Options outstanding at December 31, 2008	-	$ -
Granted	235,294	17.00
Exercised	-	-
Forfeited	(8,021)	17.00
Options outstanding at December 31, 2009	227,273	$ 17.00

Stock-based compensation expense is classified based on the option holders' salary expense classification.

Cost of goods sold	$ 53,000
Research and development	60,000
Marketing and sales	97,000
General and administrative	151,000
Total stock-based compensation expense	$ 361,000

The weighted-average fair value of options granted during the year ended December 31, 2009 was $10.68 per share. All options outstanding at December 31, 2009 represent unvested stock options. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used:

Risk-free interest rate	2.06%
Expected volatility	77%
Expected life (in years)	5
Dividend yield	0%

The risk-free interest rate represents the five year treasury rate on the date of the option grant. The expected volatility is an estimate based on the volatility of similar public companies. The expected life was calculated using the simplified method, as the Company does not have a history of expenses. The Company does not anticipate paying dividends.

NOTE E – MEMBER'S EQUITY – Continued

The following table summarizes information concerning outstanding stock options as of December 31, 2009:

Range of exercise price	Number outstanding	Weighted-average remaining contractual life	Weighted-average exercise price	Aggregate intrinsic value
$17.00	237,969	4 years	$17.00	$4,045,000

At December 31, 2009, the total unrecognized compensation cost related to unvested stock option is approximately $1,800,000, and the related weighted average period over which it is expected to be recognized is approximately four years.

NOTE F – INCOME TAXES

The Company's financial statements recognize the current and deferred income tax consequences that result from the Company's activities. Differences between the Company's separate company income tax provision and cash flows attributable to income taxes pursuant to the provisions of the Company's tax sharing arrangement with the parent company have been recognized as capital contribution from, or dividends to, the parent company. Under this tax sharing agreement, the federal income tax liability is allocated based upon the Company's separate taxable income or loss.

The current taxes payable for the period from March 27, 2008 through September 30, 2008 are being paid by the parent company and have been shown as a capital contribution from the parent. Any current taxes payable or receivable due to operations from October 1, 2008 forward will also be reported on the Company's balance sheet as income taxes payable or receivable.

The provision for income taxes consists of the following for the periods ending December 31:

	2009	2008
Current		
Federal	$ -	$ 781,000
State	2,000	60,000
Deferred	57,000	(762,000)
Total tax expense	$ 59,000	$ 79,000

NOTE F – INCOME TAXES – Continued

Deferred tax assets and liabilities represent the tax effects, based on current tax law, of future deductible or taxable amounts attributable to events that have been recognized in the financial statements. Deferred tax assets (liabilities) consist of the following at December 31:

	2009	2008
Current deferred tax assets (liabilities):		
Inventories	$ 311,000	$ 210,000
Bad debt reserve	-	126,000
Accrued compensation	149,000	45,000
Prepaid expenses	(144,000)	(85,000)
Net current deferred tax asset	$ 316,000	$ 296,000
Long-term deferred tax assets (liabilities):		
Tax credit carryforward	$ 163,000	$ 82,000
Net operating loss carryforward	160,000	109,000
Stock option expense	130,000	-
Customer relationships	(55,000)	(158,000)
Trademarks	(208,000)	(127,000)
Depreciation	(236,000)	125,000
Net long-term deferred tax asset (liability)	$ (46,000)	$ 31,000

Management periodically evaluates the recoverability of the deferred tax assets and recognizes the tax benefit only as reassessment demonstrates that they are realizable. As of December 31, 2009, the Company determined no valuation allowance was necessary. The Company has net operating loss carryforwards of approximately $443,000, which begin to expire 2028 through 2029. The Company also has research and development tax credit carryforwards of $163,000, which would otherwise expire beginning in 2028.

The Company accounts for uncertainty in income tax positions and applying of a “more likely than not” threshold to the recognition and derecoginition of income tax positions. The Company does not have any accrued interest or penalties at December 31, 2009 and 2008 but if they are incurred in the future, interest and penalties would be included in income tax expense. The Company does not have a material liability for uncertain tax positions and does not anticipate a material change in their tax positions within the next twelve months.

NOTE G – COMMITMENTS AND CONTINGENCIES

Severance Agreements

The Company incurred $30,000 and $600,000 of severance expense for the year ended December 31, 2009 and the period from March 27, 2008 through December 31, 2008, respectively. The Company had accrued severance payments of $30,000 and $358,000 at December 31, 2009 and December 31, 2008, respectively.

NOTE H – EMPLOYEE BENEFIT PLAN

The Company has a 401(k) profit sharing plan for eligible employees. The Company, at the discretion of the Board of Directors, may set a matching percentage that is proportionate to the amount of the employees' elective contributions each year. During the year ended December 31, 2009 and the period from March 27, 2008 through December 31, 2008, the Board of Directors authorized a company matching contribution to the plan of $253,000 and $205,000, respectively.

NOTE I – CUSTOMER CONCENTRATIONS

The Company had two and three customers that each accounted for 10% or more of total net sales during the year ended December 31, 2009 and the period March 27, 2008 through December 31, 2008, respectively. Net sales to these customers during the periods then ended were approximately $15,586,000 and $13,396,000, respectively. The Company also had trade accounts receivable due from these customers of approximately $1,269,000 and $4,323,000 at December 31, 2009 and December 31, 2008, respectively.

Exhibit 99.2

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS OF LANDEC CORPORATION AND LIFECORE BIOMEDICAL, INC.

The following unaudited pro forma condensed combined financial statements are based on the historical financial statements of Landec Corporation and Lifecore Biomedical, Inc. ("Lifecore") after giving effect to Landec's acquisition of Lifecore on April 30, 2010, and the assumptions, reclassifications and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements.

The unaudited pro forma condensed combined balance sheet as of February 28, 2010 is presented as if the acquisition of Lifecore had occurred on February 28, 2010.

The unaudited pro forma condensed combined statements of operations for the nine months ended February 28, 2010, and fiscal year ended May 31, 2009, are presented as if the Lifecore acquisition had occurred on May 26, 2008 and were carried forward through each of the aforementioned respective periods.

The allocation of the purchase price used in the unaudited pro forma condensed combined financial statements is based upon preliminary estimates and assumptions. These preliminary estimates and assumptions could change significantly during the purchase price measurement period as we finalize the valuations of the net tangible assets and intangible assets. Any change could result in material variances between our future financial results and the amounts presented in these unaudited pro forma condensed combined financial statements, including variances in fair values recorded, as well as expenses and cash flows associated with these items.

The unaudited pro forma condensed combined financial statements are prepared for illustrative purposes only and are not necessarily indicative of or intended to represent the results that would have been achieved had the transaction been consummated as of the dates indicated or that may be achieved in the future. The unaudited pro forma condensed combined financial statements do not reflect any operating efficiencies and associated cost savings that we may achieve with respect to the combined companies.

The unaudited pro forma condensed combined financial statements should be read in conjunction with our historical consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended May 31, 2009 and our Quarterly Report on Form 10-Q for the quarter ended February 28, 2010, the historical financial statements of Lifecore Biomedical, LLC for the year ended December 31, 2009 included as Exhibit 99.1, and other information pertaining to us and Lifecore contained in this Form 8-K/A.

LANDEC CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
February 28, 2010
(in thousands)

	Historical February 28, 2010 Landec Corporation	Historical February 28, 2010 Lifecore Biomedical, Inc.	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	$ 6,339	$ 8,558	$ 12,000	A	$ 26,897
Marketable securities	63,282	—	(40,000)	B	23,282
Accounts receivables, net	14,463	3,146	—		17,609
Accounts receivable, related party	195	—	—		195
Inventories, net	6,588	7,644	285	C	14,517
Notes and advances receivable	375	—	—		375
Deferred taxes	1,835	84	527	P	2,446
Prepaid expenses and other current assets	2,378	587	—		2,965
Total current assets	95,455	20,019	(27,188)		88,286
Property and equipment, net	24,097	23,176	1,324	D	48,597
Goodwill	27,361	—	13,361	E	40,722
Trademarks	8,228	1,808	2,392	F	12,428
Other intangible assets	—	1,783	1,917	F	3,700
Other assets	4,431	—	—		4,431
Total assets	$ 159,572	$ 46,786	$ (8,194)		$ 198,164
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ 11,246	$ 856	$ —		$ 12,102
Related party payables	115	—	—		115
Income taxes payable	84	—	—		84
Accrued compensation	1,319	675	—		1,994
Other accrued liabilities	1,773	595	—		2,368
Deferred revenue	4,128	—	—		4,128
Current portion of long-term debt	—	327	4,000	G	4,327
Total current liabilities	18,665	2,453	4,000		25,118
Deferred revenue	1,500	—	—		1,500
Long-term debt	—	3,666	16,000	G	19,666
Deferred taxes	5,611	46	2,427	P	8,084
Other long-term liabilities	—	—	10,000	H	10,000
Total liabilities	25,776	6,165	32,427		64,368
Stockholders' equity:					
Common stock	26	—	—		26
Additional paid-in-capital	117,410	40,621	(40,621)	I	117,410
Retained earnings	14,674	—	—		14,674
Accumulated other comprehensive income	94	—	—		94
Total stockholders' equity	132,204	40,621	(40,621)		132,204
Noncontrolling interest	1,592	—	—		1,592
Total equity	133,796	40,621	(40,621)		133,796
Total liabilities and stockholders' equity	$ 159,572	$ 46,786	$ (8,194)		$ 198,164

See accompanying notes to unaudited pro forma condensed combined financial statements.

LANDEC CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Nine Months Ended February 28, 2010
(in thousands, except per share amounts)

	Historical Nine months ended February 28, 2010		Pro Forma		Pro Forma
	Landec Corporation	Lifecore Biomedical, Inc.	Adjustments		Combined
Revenues:					
Product sales	$ 172,694	$ 16,677	$ —		$ 189,371
Service revenue, related party	2,800	—	—		2,800
License fees	4,050	—	—		4,050
Research, development and royalty revenues	464	—	—		464
Total revenues	180,008	16,677	—		196,685
Cost of revenue:					
Cost of product sales	151,067	9,443	(531)	J,N	159,979
Cost of product sales, related party	2,192	—	—		2,192
Cost of service revenue	2,335	—	—		2,335
Total cost of revenue	155,594	9,443	(531)		164,506
Gross profit	24,414	7,234	531		32,179
Operating expenses:					
Research and development	2,880	3,448	(37)	N	6,291
Selling, general and administrative	13,138	3,720	(14)	K,N	16,844
Total operating expenses	16,018	7,168	(51)		23,135
Operating income	8,396	66	582		9,044
Interest income	696	55	—		751
Interest expense	(8)	(155)	(594)	L	(757)
Net income (loss) before taxes	9,084	(34)	(12)		9,038
Income tax expense	(3,249)	61	4	M	(3,184)
Consolidated net income	5,835	27	(8)		5,854
Noncontrolling interest	(383)	—	—		(383)
Net income applicable to Common Stockholders	$ 5,452	$ 27	$ (8)		$ 5,471
Basic net income per share	$ 0.21				$ 0.21
Diluted net income per share	$ 0.20				$ 0.21
Shares used in per share computation:					
Basic	26,357				26,357
Diluted	26,644				26,644

See accompanying notes to unaudited pro forma condensed combined financial statements.

LANDEC CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Fiscal Year Ended May 31, 2009
(in thousands, except per share amounts)

	Historical Fiscal Year ended May 31, 2009		Pro Forma		Pro Forma
	Landec Corporation	Lifecore Biomedical, Inc.	Adjustments		Combined
Revenues:					
Product sales	$ 224,404	$ 22,889	$ —		$ 247,293
Service revenue, related party	4,145	—	—		4,145
License fees	6,000	—	—		6,000
Research, development and royalty revenues	1,389	—	—		1,389
Total revenues	235,938	22,889	—		258,827
Cost of revenue:					
Cost of product sales	195,180	10,671	(949)	J,N	204,902
Cost of product sales, related party	3,189	—	—		3,189
Cost of service revenue	3,289	—	—		3,289
Total cost of revenue	201,658	10,671	(949)		211,380
Gross profit	34,280	12,218	949		47,447
Operating expenses:					
Research and development	3,665	5,211	(8)	N	8,868
Selling, general and administrative	18,017	5,984	(20)	K,N	23,981
Total operating expenses	21,682	11,195	(28)		32,849
Operating income	12,598	1,023	977		14,598
Interest income	1,306	401	—		1,707
Interest expense	(8)	(147)	(770)	L	(925)
Net income before taxes	13,896	1,277	207		15,380
Income tax expense	(5,611)	(469)	(87)	O	(6,167)
Consolidated net income	8,285	808	120		9,213
Noncontrolling interest	(555)	—	—		(555)
Net income applicable to Common Stockholders	$ 7,730	$ 808	$ 120		$ 8,658
Basic net income per share	$ 0.30				$ 0.33
Diluted net income per share	$ 0.29				$ 0.32
Shares used in per share computation:					
Basic	26,202				26,202
Diluted	26,751				26,751

See accompanying notes to unaudited pro forma condensed combined financial statements.

LANDEC CORPORATION
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. BASIS OF PRO FORMA PRESENTATION

The unaudited pro forma condensed combined balance sheet as of February 28, 2010, and the unaudited pro forma condensed combined statements of operations for the nine months ended February 28, 2010, and for the fiscal year ended May 31, 2009, are based on the historical financial statements of Landec Corporation and those of Lifecore Biomedical, Inc. after giving effect to the Lifecore acquisition on April 30, 2010 (“Closing Date”) and the assumptions, reclassifications and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements.

We account for business combinations pursuant to Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 805, *Business Combinations*. In accordance with ASC 805, we recognize separately from goodwill, the identifiable assets acquired, the liabilities assumed, and any noncontrolling interests in an acquiree, generally at the acquisition date fair value as defined by ASC 820, *Fair Value Measurements and Disclosures*. Goodwill as of the acquisition date is measured as the excess of consideration transferred, which is also generally measured at fair value, and the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

We have made significant assumptions and estimates in determining the preliminary estimated purchase price and the preliminary allocation of the estimated purchase price in the unaudited pro forma condensed combined financial statements. These preliminary estimates and assumptions are subject to change during the measurement period (up to one year from the acquisition date) as we finalize the valuations of the net tangible assets, intangible assets and resultant goodwill. In particular, the final valuations of identifiable intangible and net tangible assets may change significantly from our preliminary estimates. These changes could result in material variances between our future financial results and the amounts presented in these unaudited pro forma condensed combined financial statements, including variances in fair values recorded, a s well as expenses and cash flows associated with these items.

Accounting Periods Presented

The unaudited pro forma condensed combined balance sheet as of February 28, 2010 is presented as if the Lifecore acquisition had occurred on February 28, 2010.

The unaudited pro forma condensed combined statements of operations for the nine months ended February 28, 2010, and year ended May 31, 2009, are presented as if the Lifecore acquisition had occurred on May 26, 2008. Since Lifecore’s fiscal year end of December 31, 2009 differs from Landec’s fiscal year end of May 31, 2009, Lifecore’s results have been presented as if its fiscal year end was May 31, 2009.

2. PURCHASE PRICE ALLOCATION

The total consideration paid by Landec to the Lifecore shareholder at closing for all of the outstanding securities of Lifecore consisted of $40.0 million in cash, of which $6.6 million was placed in an escrow account, half of which will be held until April 30, 2011 and the other half until April 30, 2012 to secure the indemnification rights of Landec and other indemnities with respect to certain matters, including breaches of representations, warranties and covenants of Lifecore included in the Stock Purchase Agreement (the “Agreement”). In addition, Landec assumed $4.0 million of debt. Landec may also be required to pay up to an additional $10.0 million in earn out payments based on Lifecore achieving certain revenue targets during calendar years 2011 and 2012.

In accordance with ASC Topic 805, the contingent payment obligations are included in the purchase price allocation and are recorded as a long-term liability at estimated fair value on the Closing Date. The estimated fair value of this long-term liability is based on management’s assessment of whether, as of the Closing Date, the specified financial targets would be achieved, and of the present value factors associated with the timing of the milestone achievement. Based on management’s assumption that all milestones will be met, and due to the short-term nature of the performance period, the contractual amount of contingent consideration due to the seller approximates its fair value.

In accordance with ASC Topic 805, management will remeasure the fair value of the contingent payment obligations at each reporting period, with any changes in fair value being recorded in the current period’s Consolidated Statement of Operations.

For purposes of presentation in the unaudited pro forma condensed combined financial information, the estimated purchase price for Lifecore is $50.0 million, as follows *(in thousands)*:

(in thousands)		
Payment to Lifecore shareholder	$	40,000
Acquisition-related contingent consideration		10,000
Total consideration transferred	$	50,000

Preliminary Allocation of Consideration Transferred

Under the purchase method of accounting, the identifiable assets acquired, and liabilities assumed were recognized and measured as of the acquisition date based on their estimated fair values as of the Closing Date. The excess of the acquisition date fair value of consideration transferred over estimated fair value of the net tangible assets and intangible assets was recorded as goodwill.

The following table summarizes the estimated fair values of the assets and liabilities assumed at the acquisition date. Estimates of deferred tax assets both current and non-current are subject to change, pending the finalization of certain tax returns.

(in thousands)		
Cash and cash equivalents	$	318
Accounts receivable, net		1,582
Inventories, net		8,891
Property and equipment		24,614
Other tangible assets		1,309
Intangible assets		7,900
Total identifiable assets acquired		44,614
Accounts payable and other liabilities		(2,705)
Long-term debt		(3,965)
Deferred taxes		(2,473)
Total liabilities assumed		(9,143)
Net identifiable assets acquired		35,471
Goodwill		14,529
Net assets acquired	$	50,000

Intangible Assets

In our determination of the fair value of the intangible assets we considered, among other factors, the best use of acquired assets, analyses of historical financial performance and estimates of future financial performance of Lifecore. The fair values of identified intangible assets were calculated using an income approach and estimates and assumptions provided by Lifecore's and our management. The rates utilized to discount net cash flows to their present values were based on weighted average cost of capital ranging from 20% to 25%. This discount rate was determined after consideration of the rate of return on debt capital and equity that typical investors would require in an investment in companies similar in size and operating in similar markets as Lifecore. The following table sets forth the components of identified intangible assets associated with the Lifecore acquisition and their estimated useful lives:

(in thousands)	**Useful life**		**Fair Value**
Customer contracts	12 years		3,700
Trade Name	Indefinite		4,200
Total intangible assets		$	7,900

In accordance with generally accepted accounting principles, we determined the useful life of intangible assets based on the expected future cash flows associated with the respective asset. There were no in-process research and development assets as of the acquisition date. Customer relationships and service agreements represent the underlying relationships and agreements with Lifecore's installed customer base. Trademarks represent the fair value of the brand and name recognition associated with the marketing of Lifecore's products and services. Amortization expense for customer relationships is included in operating expenses.

Goodwill

Of the total estimated purchase price, approximately $14.5 million was allocated to goodwill. Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net tangible and intangible assets. In accordance with ASC Topic 805, goodwill resulting from business combinations is tested for impairment at least annually (more frequently if certain indicators are present). In the event that management determines that the value of goodwill has become impaired, we will incur an accounting charge for the amount of impairment during the fiscal quarter in which the determination is made. None of the goodwill is expected to be deductible for income tax purposes.

Debt

On April 30, 2010 in conjunction with the acquisition, Lifecore entered into with Wells Fargo Bank N.A. ("Wells Fargo") a new $20 million Credit Agreement that has a five year term with equal monthly principal payments plus interest at a fixed rate of 4.24%. The Credit Agreement contains certain restrictive covenants, which require Lifecore to meet certain financial tests, including minimum levels of net income, minimum quick ratio, minimum fixed coverage ratio and maximum capital expenditures. Landec has pledged all of the assets of Lifecore to secure the Credit Agreement. Landec is a guarantor of the debt.

On May 4, 2010, we entered into interest rate swap agreements that have the economic effect of modifying the variable interest obligations associated with the $20 million facility so that the interest payable on these notes effectively became fixed.

Pre-Acquisition Contingencies

We have evaluated and continue to evaluate pre-acquisition contingencies related to Lifecore that existed as of the acquisition date. If these pre-acquisition contingencies that existed as of the acquisition date become probable in nature and estimable during the remainder of the measurement period, amounts recorded for such matters will be made in the measurement period and, subsequent to the measurement period, in our results of operations.

3. PRO FORMA FINANCIAL STATEMENT ADJUSTMENTS

Pro forma adjustments giving effect to the acquisition which were based on Lifecore's February 28, 2010 balances and the related financing in the unaudited pro forma condensed combined financial statements are as follows:

A. To record the proceeds from the credit facility of $20.0 million less the cash retained by the seller of $8.0 million.

B. To record cash paid for Lifecore common stock of $40.0 million.

C. To record the difference between (1) the fair value of Lifecore's inventories purchased as part of the acquisition at estimated selling prices less the sum of costs of selling and a reasonable profit margin for the sales effort ("inventory step up") and (2) the amount of the inventory step up on the books of Lifecore as of February 28, 2010 from its previous purchase in March 2008.

D. To record the difference between the historical carrying value and the preliminary fair value of Lifecore's property and equipment.

E. To record preliminary estimated goodwill for the Lifecore acquisition.

F. To record the difference between the historical carrying value and the preliminary fair value of Lifecore's trademarks and other intangibles.

G. To record the current and non-current portion of long-term debt entered into on the Closing Date.

H. To record the estimated contingent consideration to be paid to the former shareholder of Lifecore upon certain performance targets being met.

I. To eliminate Lifecore's historical stockholders' equity.

J. To record the difference between (1) the amount of Lifecore's cost of product sales associated with the writedown of the inventory step up to fair value from a previous purchase of Lifecore and (2) the amount of Lifecore's cost of product sales associated with the inventory step up from Landec's acquisition of Lifecore. The difference was $305,000 for the twelve months ended May 31, 2009 and $79,000 for the nine months ended February 28, 2010.

K. To record the difference between (1) the previous intangible amortization expense for Lifecore and (2) the new intangible amortization expense for Lifecore.

L. To record the interest expense on the $20 million long-term debt which has a fixed interest rate of 4.24% that was entered into on the Closing Date as if it occurred at the beginning of the period presented.

M. To record the pro forma income tax impact at Landec's effective tax rate of 37% for the period presented. The pro forma combined provision for income taxes does not reflect the amounts that would have resulted had Landec and Lifecore filed consolidated income tax returns during the periods presented.

N. To record the impact on depreciation as if the acquisition and related fair value adjustments to the historical carrying amounts of Lifecore property and equipment had occurred at the beginning of the periods presented

O. To record the pro forma income tax impact at Landec's effective tax rate of 42% for the period presented. The pro forma combined provision for income taxes does not reflect the amounts that would have resulted had Landec and Lifecore filed consolidated income tax returns during the periods presented.

P. To record the change in deferred tax assets and deferred tax liabilities resulting from the acquisition.