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): August 20, 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: (650) 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 with the Securities and Exchange Commission on October 15, 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

Item 7 is amended and restated in its entirety to read as follows:

(a) Financial Statements of Acquired Business

The following pages 3 through 6 contain (1) the unaudited condensed balance sheets of Williams & Sun, Inc., an Indiana corporation ("Williams & Sun") as of July 31, 1997 and October 31, 1996 and the notes thereto and (2) the unaudited statements of operations and cash flows of Williams & Sun and the notes thereto for the nine months ended July 31, 1997 and 1996. The audited financial statements of Williams & Sun as of October 31, 1996 and 1995 and for the years then ended with the Report of Katz, Sapper & Miller, LLP, Independent Auditors thereon have been included as Exhibit 99.1 to this filing.

(b) Pro Forma Financial Information

The following pages 7 through 15 contain (1) the unaudited pro forma condensed combined balance sheets of the Registrant and Williams & Sun as of July 31, 1997 and the notes thereto and (2) the unaudited pro forma combined statement of operations of the Registrant and Williams & Sun for the nine months ended July 31, 1997 and for the year ended October 31, 1996 and the notes thereto.

(c) Exhibits

2.1*+ Agreement and Plan of Reorganization by and among the Registrant, Intellicoat Corporation, Williams & Sun, Inc. and Michael L. Williams dated August 20, 1997.

2.2* Agreement of Merger by and between Intellicoat Corporation and Williams & Sun, Inc. dated September 30, 1997.

2.3* Articles of Merger of Williams & Sun into Intellicoat Corporation dated September 30, 1997.

23.1 Consent of Katz, Sapper & Miller, LLP, Independent Auditors.

99.1 Williams & Sun Financial Statements for October 31, 1996 and 1995 and the years then ended with Report of Katz, Sapper & Miller, LLP, Independent Auditors.

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* Previously filed.
\+ The Registrant hereby agrees to file with the Securities and Exchange Commission any schedules or exhibits to such agreement which are not filed herewith, upon the request of the Securities and Exchange

Commission.

WILLIAMS & SUN, INC.
CONDENSED BALANCE SHEETS
(Unaudited)
(In thousands)

	July 31, 1997	October 31, 1996
Assets		
Current Assets:		
Cash and cash equivalents	$ 945	$1,435
Accounts receivable, net	27	9
Notes receivable	--	350
Income tax receivable	--	16
Receivables from related parties	229	8
Inventories	506	152
Prepaid expenses	156	756
Total Current Assets	1,863	2,726
Property and equipment, net	921	680
Other assets	44	44
	$2,828	$3,450
Liabilities and Stockholder's Equity		
Current Liabilities:		
Accounts payable	$ 222	$ 287
Accrued compensation	16	55
Other accrued liabilities	777	136
Deferred revenue	--	1,911
Payables to related parties	--	332
Current portion of long term debt	24	93
Total Current Liabilities	1,039	2,814
Long-term debt	91	95
Stockholder's Equity:		
Common stock	11	11
Retained earnings	1,687	530
Total Stockholder's Equity	1,698	541
	$2,828	$3,450

See accompanying notes

WILLIAMS & SUN, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands)

	Nine Months Ended July 31, 1997	1996
Net product sales	$ 10,647	$ 8,070
Operating costs and expenses:		
Cost of product sales	5,861	4,369
Selling, general and administrative	2,924	2,343
Total operating costs and expenses	8,785	6,712
Income from operations	1,862	1,358
Interest and other income	103	121
Interest expense	(37)	(85)
Net income before income tax	1,928	1,394
Provision for income tax	771	558
Net income	$ 1,157	$ 836

See accompanying notes.

WILLIAMS & SUN, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine Months Ended July 31, 1997	1996
Cash flows from operating activities:		
Net income	$ 1,157	$ 836
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	92	97
Changes in operating assets and liabilities:		
Accounts receivable	(18)	(3)
Other receivables	145	1,108
Inventories	(354)	520
Prepaid expenses	600	1,100
Accounts payable	(65)	(124)
Accrued compensation	(39)	(2)
Other accrued liabilities	641	84
Payable to related parties	(332)	(84)
Deferred revenue	(1,911)	(1,493)
Total adjustments	(1,241)	1,203
Net cash provided by (used in) operating activities	(84)	2,039
Cash flows from investing activities:		
Capital expenditures	(333)	(102)
Decrease in other assets	--	136
Net cash provided by (used in) investing activities	(333)	34
Cash flows from financing activities:		
Long-term debt borrowings	--	58
Payments of long-term debt	(73)	(939)
Net cash used in financing activities	(73)	(881)
Net increase (decrease) in cash and cash equivalents	(490)	1,192
Cash and cash equivalents at beginning of period	1,435	6
Cash and cash equivalents at end of period	$ 945	$ 1,198

See accompanying notes.

WILLIAMS & SUN, INC.
NOTES TO FINANCIAL STATEMENTS
July 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 Williams & Sun, Inc. ("Williams & Sun") at July 31, 1997, and the results of operations and cash flows for the nine months ended July 31, 1997 and 1996. Interim results for the nine-month periods are not necessarily indicative of operating results to be expected for the full year.

2. RECLASSIFICATIONS

Certain prior year balances have been reclassified in the balance sheet to conform with current year presentation.

3. INVENTORIES

Inventories are stated at the lower of cost (determined by the first-in, first-out method, "FIFO") or market. At July 31, 1997 and October 31, 1996, the FIFO inventory value approximated current cost and consisted primarily of carryover seed corn and related packaging supplies which represented finished goods inventory.

4. SUBSEQUENT EVENTS

Pursuant to an Agreement and Plan of Reorganization by and among Landec Corporation ("Landec"), Intellicoat Corporation, a Delaware corporation and wholly-owned subsidiary of Landec ("Intellicoat"), Williams & Sun an Indiana corporation ("Williams & Sun") and Michael L. Williams, dated August 20, 1997 (the "Reorganization Agreement") and a related Agreement of Merger and Articles of Merger both dated September 30, 1997, Williams & Sun was merged with and into Intellicoat ("the Merger"). As a result of the Merger, the separate existence of Williams & Sun has ceased and Intellicoat continues as the surviving corporation. Intellicoat continues to conduct direct marketing of specialty hybrid seed corn products with the assets so acquired.

In connection with the Merger, the shareholders of Williams & Sun received approximately $2.9 million in cash and approximately 1.4 million shares of Landec common stock. The majority shareholder of Williams & Sun is also entitled to receive additional cash consideration from Intellicoat depending on the future performance of the business acquired. The timing and amount of the consideration paid in connection with the Merger was the result of arms-length negotiations between representatives of Landec, Intellicoat and Williams & Sun.

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 merger of Intellicoat Corporation ("Intellicoat"), a wholly owned subsidiary of Landec Corporation ("Landec" or, the "Company") and Williams & Sun, Inc. ("Williams & Sun").

On May 5, 1997, the Company filed Current Report on Form 8-K which was amended on July 3, 1997, reporting that on April 18, 1997 the Company acquired all of the outstanding capital stock of Dock Resins Corporation ("Dock Resins").

The pro forma information is based on the historical financial statements of the Company, Dock Resins and Williams & Sun giving effect to the transactions under the purchase method of accounting and the assumptions and adjustments in the accompanying notes to the pro forma financial statements. The historical balance sheet of the Company as of July 31, 1997 includes Dock Resins. The pro forma condensed combined balance sheet as of July 31, 1997, gives effect to the Williams & Sun acquisition as if it occurred on July 31, 1997. The pro forma condensed combined statement of operations for the nine months ended July 31, 1997, and for the fiscal year ended October 31, 1996 give effect to both the Dock Resins and Williams & Sun acquisitions as if they 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 transactions 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 for Williams & Sun and Dock Resins has been allocated to the acquired assets and liabilities based on their respective fair market values as determined by independent valuations and other studies. The Pro Forma Financial Statements and accompanying notes should be read in conjunction with the respective historical consolidated financial statements of Landec, Dock Resins, and Williams & Sun, and the notes thereto. The historical consolidated financial statements of Landec are included in its Quarterly Report on Form 10-Q for the period ended July 31, 1997, as filed with the Securities and Exchange Commission on September 15, 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 in the Company's Form 8-K/A, as filed with the Securities and Exchange Commission on July 3, 1997. The historical financial statements of Williams & Sun are included as Exhibit 99.1 to this Form 8-K/A.

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

	Landec Corporation	Williams & Sun	Pro Forma Adjustments	Pro Forma Combined
Assets				
Current Assets:				
Cash and cash equivalents	$ 7,740	$ 945	$ (738)(a) 50(b) (2,912)(c)	$ 5,085
Short-term investments	11,280	--	--	11,280
Restricted investment	8,837	--	--	8,837
Accounts receivable, net	2,318	27	(13)(b)	2,332
Receivables from related parties	--	229	(229)(b)	--
Inventory	2,125	506	--	2,631
Prepaid expenses and other current assets	567	156	302(b)	1,025
Total Current Assets	32,867	1,863	(3,540)	31,190
Property and equipment, net	4,078	921	74(b)	5,073
Intangible assets	6,916	--	8,246(a)	15,162
Other assets	202	44	(44)(b)	202
	$ 44,063	$ 2,828	$ 4,736	$ 51,627
Liabilities and Stockholders' Equity				
Current Liabilities:				
Accounts Payable	$ 1,079	$ 222	120(b)	$ 1,421
Accrued compensation	441	16	114(b)	571
Other accrued liabilities	694	777	(630)(b)	841
Payable related to acquisition of Dock Resins	9,105	--	--	9,105
Current portion of long term debt	292	24	(24)(b)	292
Deferred revenue	104	--	1,770(a)	1,874
Total Current Liabilities	11,715	1,039	1,350	14,104
Non-current portion of long term debt	129	91	(91)(b)	129
Deferred compensation	135	--	--	135
Stockholders' Equity:				
Common stock - Landec	70,490	--	5,175(c)	75,665
Notes receivable from shareholders - Landec	(13)	--	--	(13)
Deferred compensation - Landec	(226)	--	--	(226)
Accumulated deficit - Landec	(38,167)	--	--	(38,167)
Common stock - Williams & Sun	--	11	(11)(a)	--
Retained earnings - Williams & Sun	--	1,687	(1,687)(a)	--
Total Stockholders' Equity	32,084	1,698	3,477	37,259
	$ 44,063	$ 2,828	$ 4,736	$ 51,627

See accompanying notes.

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

1. BASIS OF PRESENTATION

The unaudited pro forma condensed combined balance sheet information has been prepared by combining the unaudited condensed consolidated balance sheet of Landec with the unaudited condensed balance sheet of Williams & Sun at July 31, 1997, and gives effect to the pro forma adjustments as described in the notes below.

(a) The acquisition of Williams & Sun, 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 $738,000 includes expenses for finder's fees, legal, accounting, consulting and miscellaneous costs. 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 c)	$ 8,087
Estimated acquisition expenses	738
Total estimated acquisition cost	$ 8,825
Historical net book value of the assets at July 31, 1997	$ 1,698
Decrease in net book value of assets acquired (Note b)	(1,119)
Covenant not to compete	200
Customer base	1,900
Work force in place	220
Tradename	4,200
Goodwill	1,726
	$ 8,825

(b) The decrease in the net book value of the assets from July 31, 1997 to the close date of September 30, 1997 is a result of the difference in the net book value of assets acquired due to operating activities from July 31, 1997 to September 30, 1997 and the elimination of certain assets and liabilities that were not assumed by Landec in the acquisition.

(c) The acquisition by Landec of certain assets of Williams & Sun was exchanged for the following:

	(In thousands)
Landec common stock (1,425,648 shares)	$ 5,175
Cash paid at closing	2,912
Purchase price	$ 8,087

The majority shareholder of Williams & Sun is also entitled to receive additional cash consideration from Intellicoat depending on the future performance of the business acquired.

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

	Landec Corporation	Dock Resins Corporation*	Williams & Sun	Dock Resins Pro Forma Adjustments	Williams & Sun Pro Forma Adjustments	Pro Forma Combined
Revenues:						
Product sales	$ 5,076	$ 6,719	$ 10,647	$ --	$ --	$ 22,442
Research and development revenues	671	--	--			671
Total revenues	5,747	6,719	10,647	--	--	23,113
Operating costs and expenses						
Cost of product sales	3,731	4,766	5,861	19(a) 154(b)	--	14,531
Research and development	3,316	613	--	--	--	3,929
Selling, general and administrative	3,715	1,024	2,924	93(b) (8)(c)	428(g)	8,176
Purchase of in-process research and development	3,022	--	--	(3,022)(d)	--	--
Total operating costs and expenses	13,784	6,403	8,785	(2,764)	428	26,636
Operating income (loss)	(8,037)	316	1,862	2,764	(428)	(3,523)
Interest and other income	1,353	26	103	--	--	1,482
Interest expense	(197)	(61)	(37)	49(c)	41(h)	(205)
Income (loss) before income taxes	(6,881)	281	1,928	2,813	(387)	(2,246)
Provision (benefit) for state income tax	--	(49)	771	54(e)	(698)(i)	78
Net income (loss)	$ (6,881)	$ 330	$ 1,157	$ 2,759	$ 311	$ (2,324)
Net loss per share	$ (0.63)					$ (0.18)
Shares used in calculating per share information	10,938			262(f)	1,426(j)	12,626

* Represents the results of operations of Dock Resins for the period November 1, 1996 to April 18, 1997. On April 18, 1997, all of the outstanding capital stock of Dock Resins was purchased by Landec, and, accordingly, the consolidated statement of operations of Landec include the results of operations of Dock Resins from April 19, 1997 through July 31, 1997.

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

The unaudited pro forma combined statement of operations information has been prepared by combining the unaudited consolidated statement of operations of Landec, the unaudited statement of operations of Dock Resins for the period from November 1, 1996 to April 18, 1997 (the date upon which Dock Resins was acquired), and the unaudited statement of operations of Williams & Sun for the nine months ended July 31, 1997, and gives effect to the pro forma adjustments as described in the notes below.

Dock Resins

(a) Represents depreciation expense for the write-up of property, plant and equipment arising from the Dock Resins acquisition.

(b) Represents amortization expense of intangible assets arising from the Dock Resins acquisition.

(c) Represents the elimination of interest expense and loan guarantee fees that arose from the debt of Dock Resins which was retained by the previous owner upon the close of the acquisition.

(d) In accordance with general accepted accounting principles, Landec allocated approximately $3.0 million of the purchase price to in-process research and development. This amount was reflected in the historical consolidated financial statements of the Company as of July 31, 1997. However, due to its non-recurring nature, this charge is reflected in the unaudited pro forma condensed combined balance sheet, but not in the unaudited pro forma combined statement of operations.

(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 state income tax purposes only since the Company on a consolidated basis generated a loss.

(f) The pro forma adjustment reflects the issuance of 396,096 shares of Landec common stock on April 18, 1997 that were issued in connection with the acquisition of Dock Resins. These shares were assumed to have been issued on November 1, 1995 for purposes of pro forma statement of operations, the weighting of which from November 1, 1996 through April 18, 1997 resulted in an additional 262,000 shares used in calculating the per share information. For the period from April 19, 1997 to July 31, 1997, the shares issued in the acquisition were included in Landec's historical share calculation.

Williams & Sun

(g) Represents amortization expense of intangible assets arising from the Williams & Sun acquisition reflected as follows (dollars in thousands):

	Amount	Period of Amortization	Nine Months Amortization
Intangible assets:			
Covenant not to compete	$ 200	5 years	$ 30
Customer base	1,900	10 years	142
Work force in place	220	5 years	33
Tradename	4,200	20 years	158
Goodwill	1,726	20 years	65
	$ 8,246		$ 428

(h) Represents the elimination of interest expense that arose from the debt of Williams & Sun which was retained by the previous owner upon the close of the acquisition.

(i) Represents the elimination of federal tax as a result of the pro forma consolidated net loss of the Company.

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

(j) Represents the issuance of 1,425,648 shares of Landec common stock that were exchanged as part of the acquisition of Williams & Sun. These shares were assumed to have been issued on November 1, 1995 for purposes of the pro forma statement of operations.

LANDEC CORPORATION
UNAUDITED PRO FORMA
COMBINED STATEMENT OF OPERATIONS
Fiscal Year Ended October 31, 1996
(in thousands, except per share amounts)

	Landec Corporation	Dock Resins Corporation	Williams & Sun	Dock Resins Pro Forma Adjustments	Williams & Sun Pro Forma Adjustments	Pro Forma Combined
Revenues:						
Product sales	$ 755	$ 13,498	$ 8,075	$ --	$ --	$ 22,328
License fees	600	--	--	--	--	600
Research and development revenues	1,096	--	--	--	--	1,096
Total revenues	2,451	13,498	8,075	--	--	24,024
Operating costs and expenses						
Cost of product sales	1,004	8,540	4,361	249(d)) 336(b) 52(a)	--	14,542
Research and development	3,808	1,097	--	--	--	4,905
Selling, general and administrative	3,288	3,183	3,399	202(b) (17)(e)	570(h)	10,625
Total operating costs and expenses	8,100	12,820	7,760	822	570	30,072
Operating income (loss)	(5,649)	678	315	(822)	(570)	(6,048)
Interest and other income	1,548	18	148		--	1,714
Interest expense	(99)	(96)	(81)	(355)(f) 85 (e)	81(i)	(465)
Income (loss) before income taxes	(4,200)	600	382	(1,092)	(489)	(4,799)
Provision (benefit) for state income tax	--	(5)	140	5(g)	(140)(j)	--
Net income (loss)	$ (4,200)	$ 605	$ 242	$ (1,097)	$ (349)	$ (4,799)
Net income (loss) per share	$ (0.55)					$ (0.50)
Shares used in calculating per share information	7,699			396(c)	1,426(k)	9,521

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, the historical statement of operations of Dock Resins for the year ended December 31, 1996, and the historical statement of operations of Williams & Sun for the fiscal year ended October 31, 1996 and gives effect to the pro forma adjustments as described in the notes below.

Dock Resins

(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) Represents amortization expense of intangible assets arising from the Dock Resins acquisition.

(c) The pro forma adjustment reflects the issuance of 396,039 shares of Landec common stock that were issued in connection with 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 retained 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 resulting from the reversal of a prior-year accrual and assumes "C" Corporation status for Dock Resins which requires the elimination of the income tax expense as a result of the pro forma combined net loss.

Williams & Sun

(h) Represents amortization expense of intangible assets arising from the Williams & Sun acquisition reflected as follows (dollars in thousands):

	Amount	Period of Amortization	Annual Amortization
Intangible assets:			
Covenant not to compete	$ 200	5 years	$ 40
Customer base	1,900	10 years	190
Work force in place	220	5 years	44
Tradename	4,200	20 years	210
Goodwill	1,726	20 years	86
	$ 8,246		$ 570

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

(i) Represents the elimination of interest expense that arose from the debt of Williams & Sun which was retained by the previous owner upon the close of the acquisition.

(j) Represents the elimination of income tax expense as a result of the pro forma combined net loss.

(k) Represents the issuance of 1,425,648 shares of Landec common stock that were exchanged as part of the acquisition of Williams & Sun. These shares were assumed to have been issued on November 1, 1995 for purposes of the pro forma statement of operations.

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: December 15, 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 July 17, 1997, with respect to the financial statements of Williams & Sun, Inc. included in the Current Report on Form 8-K/A dated December 15, 1997 of Landec Corporation, filed with the Securities and Exchange Commission.

KATZ, SAPPER & MILLER, LLP

Indianapolis, Indiana
December 12, 1997

Exhibit 99.1

WILLIAMS & SUN, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
October 31, 1996 and 1995

/h/ Katz, Sapper & Miller, LLP letterhead

Independent Auditors' Report

Board of Directors
Williams & Sun, Inc.

We have audited the accompanying balance sheets of Williams & Sun, Inc. as of October 31, 1996 and 1995, and the related statements of operations and retained earnings and cash flows for the years then ended. 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 Williams & Sun, Inc. at October 31, 1996 and 1995, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

As discussed in Note 6 to the financial statements, certain errors resulting in the overstatement of previously reported receivables from related parties and of prepaid advertising costs, were discovered in 1997. Accordingly, the financial statements for the years ended October 31, 1996 and 1995 have been restated to correct the errors.

KATZ, SAPPER & MILLER, LLP
Certified Public Accountants

Indianapolis, Indiana
July 17, 1997 (except for Note 5,
for which the date is September 30, 1997)

WILLIAMS & SUN, INC.

BALANCE SHEETS
October 31, 1996 and 1995

ASSETS	1996	1995
CURRENT ASSETS-Note 3		
Cash and equivalents	$1,434,529	$ 6,355
Accounts receivable-trade, less allowance for doubtful accounts of $5,700 in 1996 and $19,200 in 1995	9,455	19,474
Note receivable-supplier	350,000	9,765
Notes receivable from related parties-Note 4	--	1,040,469
Income tax refund receivable	16,465	70,879
Receivables - related parties-Note 4	8,105	18,865
Inventories	151,832	562,166
Prepaid seed corn	--	441,413
Prepaid advertising expenses	756,013	735,469
Total Current Assets	2,726,399	2,904,855
PROPERTY AND EQUIPMENT-Note 3		
Land and improvements	140,914	140,914
Buildings	190,801	190,801
Leasehold improvements	165,936	165,499
Machinery and equipment	628,494	513,284
	1,126,145	1,010,498
Less: Accumulated depreciation	445,729	308,905
Total Property and Equipment	680,416	701,593
OTHER ASSETS		
Receivable from stockholder for split-dollar life insurance	--	94,477
Lease deposit	43,750	43,750
Deferred tax asset-Note 2	--	123,663
Total Other Assets	43,750	261,890
TOTAL ASSETS	$3,450,565	$3,868,338

See Accompanying Notes to Financial Statements.

WILLIAMS & SUN, INC.

BALANCE SHEETS (continued)
October 31, 1996 and 1995

LIABILITIES AND STOCKHOLDER'S EQUITY

	1996	1995
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 478,158	$ 641,903
Seed corn deposits	1,910,464	1,492,726
Note payable to bank-Note 3	--	805,000
Note payable to stockholder-Note 4	332,224	337,770
Current maturities of long-term debt-Note 3	93,373	103,408
Total Current Liabilities	2,814,219	3,380,807
LONG-TERM DEBT-Note 3		
Capital lease obligations	115,773	206,480
Mortgage note payable	66,399	72,291
Term note payable-bank	6,165	12,896
	188,337	291,667
Less: Current maturities	93,373	103,408
Total Long-term Debt	94,964	188,259
Total Liabilities	2,909,183	3,569,066
STOCKHOLDER'S EQUITY		
Common stock, no par value; 1,000 shares authorized, 100 shares issued and outstanding	11,124	11,124
Retained earnings	530,258	288,148
Total Stockholder's Equity	541,382	299,272
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$3,450,565	$3,868,338

See Accompanying Notes to Financial Statements.

WILLIAMS & SUN, INC.

STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
Years Ended October 31, 1996 and 1995

	1996	1995
SALES	$ 8,075,066	$ 5,465,486
COST OF SALES	4,360,845	2,972,919
Gross Profit	3,714,221	2,492,567
OPERATING EXPENSES		
General and administrative	1,532,834	1,182,687
Marketing and sales	1,866,478	1,411,607
Total Operating Expenses	3,399,312	2,594,294
Income (Loss) from Operations	314,909	(101,727)
OTHER INCOME (EXPENSE)		
Interest expense-Note 4	(81,421)	(85,698)
Interest income-Note 4	91,072	53,526
Rental income-Note 4	41,658	41,550
Other	15,292	(20,019)
Total Other Income (Expense)	66,601	(10,641)
Net Income (Loss) before Income Taxes	381,510	(112,368)
INCOME TAX PROVISION (BENEFIT)-Note 2	139,400	(47,300)
NET INCOME (LOSS)	242,110	(65,068)
RETAINED EARNINGS		
Beginning of Year	288,148	353,216
End of Year	$ 530,258	$ 288,148

See Accompanying Notes to Financial Statements.

WILLIAMS & SON, INC.

STATEMENTS OF CASH FLOWS
Years Ended October 31, 1996 and 1995

	1996	1995
OPERATING ACTIVITIES		
Net income (loss)	$ 242,110	$ (65,068)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation of property and equipment	136,837	155,388
Deferred income tax (benefit)	123,663	(80,591)
Loss on retirement of assets	--	33,045
(Increase) decrease in certain current assets:		
Accounts receivable-trade	10,019	(7,361)
Receivables-related parties	10,760	(15,363)
Income tax refund receivable	54,414	(70,879)
Inventories	410,334	(520,280)
Prepaid seed corn	441,413	(29,124)
Prepaid expenses	(20,544)	(433,901)
Increase (decrease) in certain current liabilities:		
Accounts payable and accrued expenses	(163,745)	571,083
Income taxes payable	--	(112,780)
Seed corn deposits	417,738	619,833
Net Cash Provided by Operating Activities	1,662,999	44,002
INVESTING ACTIVITIES		
(Increase) in notes receivable-supplier	(340,235)	(4,015)
Decrease (increase) in notes receivable from related parties	1,040,469	(883,282)
Decrease (increase) in receivable from stockholder for insurance	94,477	(27,457)
Purchases of property and equipment	(119,896)	(244,273)
Proceeds from sale of property and equipment	4,236	--
Net Cash Provided (Used) by Investing Activities	679,051	(1,159,027)
FINANCING ACTIVITIES		
Proceeds of bank line of credit borrowings	50,000	2,280,000
Principal payments on bank line of credit	(855,000)	(1,475,000)
Principal payments on long-term debt	(103,330)	(96,564)
Proceeds of note payable to stockholder	191,722	193,583
Principal payments on note payable to stockholder	(197,268)	--
Net Cash Provided (Used) by Financing Activities	(913,876)	902,019
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	1,428,174	(213,006)
CASH AND EQUIVALENTS		
Beginning of Year	6,355	219,361
End of Year	$ 1,434,529	$ 6,355
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	$ 89,454	$ 78,060
Cash paid for income taxes	25,131	216,950

See Accompanying Notes to Financial Statements.

WILLIAMS & SUN, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Williams & Sun, Inc. (the Company) engages in the retail sale of seed corn from its base in Monticello, Indiana. The Company grants credit to its customers, most of whom are farmers located throughout the United States.

Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Equivalents: For purposes of the statement of cash flows, cash equivalents may include bank time deposits, money market fund shares, and all short-term investments with original terms of three months or less. The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits.

Inventories are valued at the lower of cost (first-in, first-out method) or market, and consist primarily of carryover seed corn and related packaging supplies.

Property and Equipment are recorded at cost and are being depreciated over the estimated useful lives of the assets using primarily accelerated methods except for buildings, land improvements and leasehold improvements, for which the straight-line method is used. Amortization of equipment acquired pursuant to capital leases is included in depreciation expense. The estimated lives are as follows:

Land improvements	15 years
Buildings	31.5 years
Leasehold improvements	39 years
Machinery and equipment	3-7 years

Prepaid Seed Corn represents payments made to the Company's major supplier (which supplies 98% of the Company's inventory) to finance the supplier's production of inventory. When the seed corn is purchased for resale by the Company, the prepayment is reduced.

Prepaid Expenses include payments made for direct response advertising and related costs. Such costs are amortized over the related estimated benefit period, usually five months. All other advertising costs are expensed as incurred. Total advertising expense was $1,132,604 and $774,651 for the years ended October 31, 1996 and 1995, respectively.

Revenue Recognition: The Company recognizes revenue upon shipment of seed to customers.

NOTE 2 - INCOME TAXES

The income tax provision (benefit) is comprised of the following for the years ended October 31, 1996 and 1995:

	1996	1995
Currently payable:		
Federal	$ 7,354	$ 23,468
State	8,383	9,823
	15,737	33,291
Deferred:		
Federal	100,846	(63,268)
State	22,817	(17,323)
	123,663	(80,591)
Income Tax Provision (Benefit)	$ 139,400	$ (47,300)

The deferred tax asset of $123,663 at October 31, 1995, resulted from operating losses. The Company has no other significant temporary differences in the recognition of revenue and expenses between financial reporting and tax reporting.

Following is a reconciliation of tax expense (benefit) computed at the federal statutory rate to the income tax provision (benefit) reflected in the accompanying statements of operations for the years ended October 31, 1996 and 1995:

	1996	1995
Tax expense (benefit) computed at 34%	$ 129,713	$ (38,205)
State income taxes, net of federal income tax	20,592	(4,950)
Other	(10,905)	(4,145)
Income Tax Provision (Benefit)	$ 139,400	$ (47,300)

NOTE 3 - DEBT AND CREDIT ARRANGEMENTS

Long-term debt at October 31, 1996 and 1995 consisted of:

	1996	1995
Capital lease obligation payable in monthly installments of $4,018, including interest imputed at a rate of 6.25%, to August 1998. Secured by the related equipment recorded at a cost of $170,849.	$ 83,457	$ 125,219
Capital lease obligation payable in monthly installments of $2,741, including interest imputed at a rate of 10.16%, to September 1997. Secured by the related equipment recorded at a cost of $85,304.	28,736	57,311
Capital lease obligation payable in monthly installments of $1,810, including interest imputed at a rate of 9.60%, to January 1997. Secured by the related equipment recorded at a cost of $56,775.	3,580	23,950
	115,773	206,480

NOTE 3 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

	1996	1995
Mortgage note payable in monthly installments of $1,380, including interest at prime plus 1%, until November 14, 2001. Secured.	66,399	72,291
Term note payable to a bank in monthly installments of $632, including interest at 8.5%, until August 30, 1997. Secured by automobile.	$ 6,165	$ 12,896
	188,337	291,667
Less: Current maturities	93,373	103,408
Total Long-term Debt	$ 94,964	$ 188,259

At October 31, 1996, the aggregate note principal maturities and the minimum future capital lease payments required by the above long-term obligations were as follows:

Payable In Year Ending October 31,	Note Principal Maturities	Capital Lease Payments
1997	$ 16,687	$ 81,989
1998	13,162	40,183
1999	14,690	
2000	15,841	
2001	12,184	
Total Capital Lease Payments		122,172
Less: Amount representing interest		6,399
Net Capital Lease Obligations		$ 115,773

At October 31, 1995, the Company had borrowed $805,000 under a secured bank line of credit. Interest was payable monthly and computed at the Bank's prime lending rate plus 2% (see Note 5).

NOTE 4 - RELATED PARTY TRANSACTIONS

At October 31, 1995, the Company had notes receivable aggregating $1,040,469 from companies owned by the Company's stockholder. Interest earned on these notes for the years ended October 31, 1996 and 1995 was $47,002 and $47,567, respectively.

The Company has a demand note payable to its stockholder in the amount of $332,224 and $337,770 at December 31, 1996 and 1995, respectively. Interest on the note is payable monthly and is calculated at an annual rate of 15.5%. Interest expense was $44,847 and $22,458 for the years ended October 31, 1996 and 1995, respectively.

The Company rents its facilities from its stockholder. The related rent expense was $30,000 for each of the years ended October 31, 1996 and 1995. Total rental expense was $45,601 and $45,128 for the years ended October 31, 1996 and 1995, respectively.

The Company rents a portion of its facilities and common usage equipment to an entity owned by the Company's stockholder. The related rental income for the years ended October 31, 1996 and 1995 was $41,658 and $41,550, respectively. At October 31, 1995, rent receivable from the stockholder was $11,000.

NOTE 5 - SUBSEQUENT EVENTS

On November 13, 1996, the Company obtained a $3,000,000 letter of credit for the purchase of seed corn. Interest on letter of credit draws is computed at the Bank's prime lending rate plus 2.5%. The letter of credit is secured by substantially all of the Company's assets and is guaranteed by the Company's stockholder. The letter of credit expired on February 28, 1997.

On November 14, 1996, the Company entered into new financing agreements with a bank which provide for short-term line of credit borrowings of up to $700,000, and a term note of $66,843. For both agreements, interest is computed at the Bank's prime lending rate plus .5%. Both agreements are secured by substantially all of the Company's assets and are guaranteed by the Company's stockholder.

Pursuant to an Agreement and Plan of Reorganization by and among Landec Corporation ("Landec"), Intellicoat Corporation, a Delaware corporation and wholly-owned subsidiary of Landec ("Intellicoat"), Williams & Sun, Inc. and Michael L. Williams, the majority stockholder of Williams & Sun, Inc., dated August 20, 1997 (the "Reorganization Agreement") and a related Agreement of Merger and Articles of Merger both dated September 30, 1997, Williams & Sun, Inc. was merged with and into Intellicoat ("the Merger"). As a result of the merger, the separate existence of Williams & Sun has ceased and Intellicoat continues as the surviving corporation. Intellicoat continues to conduct direct marketing of sepcialty hybrid seed corn products with the assets so acquired.

In connection with the merger, the stockholders of Williams & Sun received approximately $2.9 million in cash and approximately 1.4 million shares of Landec common stock. The majority stockholder of Williams & Sun is also entitled to receive additional cash consideration from Intellicoat depending on the future performance of the business acquired. The timing and amount of the consideration paid in connection with the merger was the result of arms-length negotiations between representatives of Landec, Intellicoat and Williams & Sun.

NOTE 6 - RESTATEMENT OF FINANCIAL STATEMENTS

The financial statements for the years ended October 31, 1996 and 1995 have been restated to reflect the correction of errors in the amounts of certain receivables from related parties and prepaid advertising costs. As a result, retained earnings at October 31, 1995 and 1994, have been decreased $170,429 and $28,154, respectively, from amounts previously reported. Net income for the year ended October 31, 1995 was decreased $142,275 from the amount previously reported. In addition, net income for the year ended October 31, 1996 was increased $170,429 from the amount previously reported.

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