

Ralston to Exchange 'SAILS' For Cash

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Ralston Purina Company today announced that it will exchange for cash its 7% Exchangeable Notes ("SAILS") due August 1, 2000, pursuant to the provisions of the SAILS. The SAILS, or Stock Appreciation Income Linked Securities, are listed on the New York Stock Exchange under the symbol "IBX."

In addition, Ralston announced that it has signed an agreement with Interstate Bakeries Corporation to sell a total of 15,498,000 shares of IBC Common Stock to IBC by September 1, 2000. The Company and IBC have amended their Shareholder Agreement, first entered into in July 1995, to authorize the sale of shares to IBC and to eliminate a provision that would have required Ralston to reduce its stake in IBC to no more than 20 percent of outstanding shares as of September 30, 2000.

Ralston's equity investment in IBC relates to the July 1995 sale of its Continental Baking Company subsidiary to IBC for cash and stock in IBC.

Ralston Purina Company is the world's largest manufacturer of dry dog and dry and soft-moist cat foods, and a leading manufacturer of cat box filler in the United States and Canada.

SOURCE: Ralston Purina Company

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