RALCORP HOLDINGS, INC.
2000 Annual Report

Ralcorp

FINANCIAL HIGHLIGHTS

(Dollars in millions except per share data)

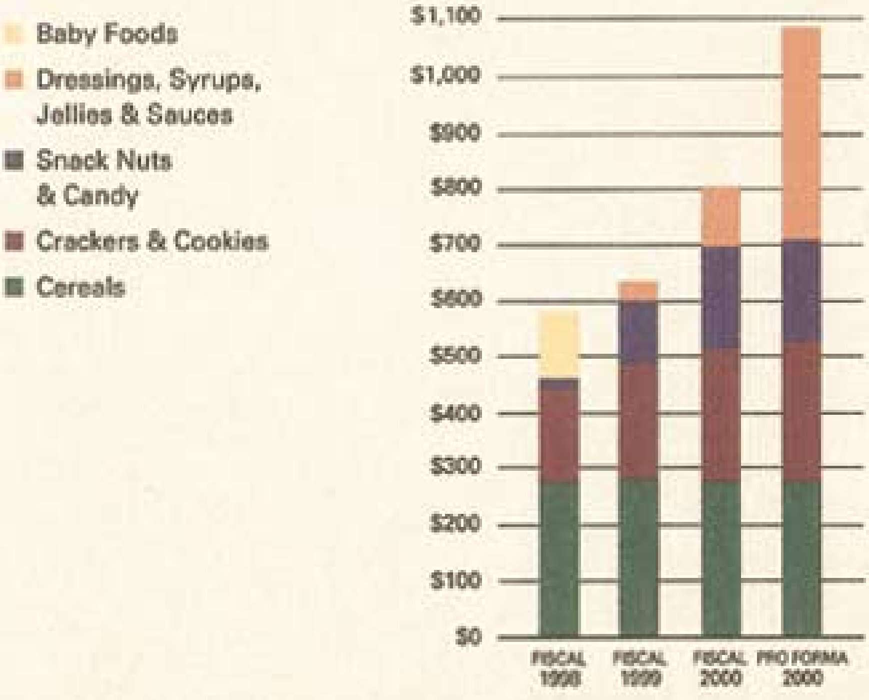
Year Ended September 30,	2000	1999	Increase
Results for Year			
Net Sales	$809.2	$638.6	27%
Food Business EBITDA (a)	98.2	78.1	26%
Net Earnings	36.4	36.4	–
Per Share – Basic	1.21	1.17	3%
Per Share – Diluted	1.19	1.15	3%
Year End Position			
Working Capital (b)	$144.8	$ 66.4	118%
Total Assets	804.7	483.8	66%
Long-Term Debt	264.4	42.8	518%
Total Shareholders' Equity	350.3	324.1	8%
Acquisition Growth Data			
Acquisition Payments, Net	$212.5	$ 55.6	282%
Employees at Year End	4,906	2,793	76%
Production Facilities at Year End	21	14	50%

(a) Earnings before interest, taxes, depreciation and amortization, excluding restructuring charge and equity earnings.

(b) Excludes cash and cash equivalents.

NET SALES BY OPERATING SEGMENT

(In millions)



LETTER FROM THE CHIEF EXECUTIVE OFFICER

December 27, 2000

Dear Fellow Shareholders:

Last year, I told you that the course charted for this company – to develop our strength in private label foods – was the right one for us. I still believe in that statement and feel Ralcorp is positioned for long-term growth.

The accomplishments of fiscal 2000 were encouraging. Net sales grew 27 percent, net earnings (excluding a non-recurring restructuring charge) increased 4.4 percent, and Food Business EBITDA (earnings before interest, taxes, depreciation and amortization, excluding the restructuring charge and equity earnings) improved 26 percent. These results demonstrate that Ralcorp's strategy is working – we can drive growth through acquisitions and internal expansion.

During fiscal 2000, Ralcorp completed acquisitions in all three of its reportable business segments. With the addition of Ripon Foods and Cascade Cookie Company, the Cereals, Crackers & Cookies segment is now able to go to the trade with a full line of quality cracker and cookie products. These acquisitions also enabled us to add breakfast bars to our extensive line of cereals and to step into the "perimeter" sections of retail stores by selling high quality cookies to the in-store bakeries of major U.S. grocery chains and selected mass merchandisers. The Linette acquisition gave the Company's snack nut business new capabilities in the higher consumer consumption areas of store brand chocolate candy and chocolate-coated nuts. Finally, the combination of The Red Wing Company with our mayonnaise and salad dressing producer, Martin Gillet, expanded our wet product offerings to include syrups, jellies, peanut butter, honey, cocktail mixes and various sauces. These fiscal 2000 acquisitions, especially Red Wing, further diversified our business mix and pushed our annualized sales over the billion dollar mark, providing significant opportunities for economies of scale and customer service.

When we purchase a business, we work to increase shareholder value in a number of ways. First, we look for a business with quality products that can generate a reliable earnings stream. Second, we use our well-developed accelerated cost reduction program to reduce costs across all facets of the newly acquired entity. Third, we use our expertise in the private label sector to gain new distribution and develop new product offerings. The Red Wing acquisition is a good example of our strategy at work. Although Red Wing's earnings were below par when purchased, Red Wing was well established throughout the grocery trade with an outstanding reputation for high quality products and service. Within two weeks of completing the deal, we announced a major cost reduction plan focused on closing our Baltimore facility and also initiated other operational improvements. This restructuring should significantly benefit the segment's operating profit beginning in the second quarter of fiscal 2001. The resulting organization is well positioned to capitalize on the combined strengths of Red Wing's and Martin Gillet's product lines and customer bases.

In August, we announced our plans to merge with Agribrands International, Inc. We had hoped that the combined company would be able to use Agribrands' significant cash reserves and borrowing capacity to aid Ralcorp's acquisition strategy. However, in early December, Agribrands terminated the merger plans in favor of their outright cash sale to Cargill. Although we were disappointed when Agribrands terminated the merger, Ralcorp's strategy remains unchanged. We will continue to build the preeminent private label food company through internal growth and acquisitions. Obviously, the Agribrands transaction would have given us additional flexibility to consider a wider array of acquisitions. Without Agribrands, we still maintain sufficient cash flow and borrowing capacity to fund a disciplined acquisition strategy.

Although existing businesses continued to experience intense competition in the past year, management made the right decisions to maximize our performance in the face of such pressures. While we will surely encounter additional challenges this year, I am confident that our dedicated employees and our capable management team, with its focus on building long-term shareholder value, will continue to develop Ralcorp into the premier provider of private label food products.

Thank you for your continued support.

Joe R. Micheletto
Chief Executive Officer and President

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-12619

RALCORP HOLDINGS, INC.
(Exact name of Registrant as specified in its Articles)

MISSOURI	**43-1766315**
(State of incorporation)	(I.R.S. Employer Identification No.)

800 MARKET STREET
ST. LOUIS, MISSOURI 63101
(314) 877-7000
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange, Inc.
Common Stock Purchase Rights	New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and has been subject to such filing requirements for the past 90 days.
Yes ✓ No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [✓]

Aggregate market value of the voting stock held by non-affiliates of the Registrant was $427,458,103 based upon the closing market price on December 18, 2000. Excluded from this figure is the voting stock held by Registrant's Directors, who are the only persons known to Registrant who may be considered to be its "affiliates" as defined under Rule 12b-2.

Number of shares of Common Stock, $.01 par value, outstanding as of close of business on December 18, 2000: 29,859,907.

DOCUMENTS INCORPORATED BY REFERENCE

Registrant's Notice of Annual Meeting and Proxy Statement relating to its 2001 Annual Meeting (to be filed), to the extent indicated in Part III.

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CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, are made throughout this Report. These forward-looking statements are sometimes identified by their use of terms and phrases such as "believes," "should," "expects," "anticipates," "intends," "will" or similar expressions elsewhere in this Report. The Company's results of operations and financial condition may differ materially from those in the forward-looking statements. Such statements are based on management's current views and assumptions, and involve risks and uncertainties that could affect expected results. For example, any of the following factors cumulatively or individually may impact expected results:

(i) If the Company is unable to maintain a meaningful price gap between its private label products and the branded products of its competitors, successfully introduce new products or successfully manage costs across all parts of the Company, the Company's private label businesses could incur operating losses;

(ii) Consolidation among members of the grocery trade may lead to increased wholesale price pressure from larger grocery trade customers and could result in the loss of key accounts if the surviving entities are not customers of the Company;

(iii) Significant increases in the cost of certain raw materials (e.g., wheat, soybean oil, various nuts) or energy used to manufacture the Company's products, to the extent not reflected in the price of the Company's products, could adversely impact the Company's results;

(iv) In light of its significant ownership in Vail Resorts, Inc., the Company's non-cash earnings can be adversely affected by Vail Resorts' unfavorable performance;

(v) The Company is currently generating profit from certain co-manufacturing contract arrangements with other manufacturers within its competitive categories. The termination or expiration of these contracts, and the inability of the Company to replace this level of business could negatively affect the Company's operating results;

(vi) The Company's businesses compete in mature segments with competitors having large percentages of segment sales;

(vii) The Company has realized increases to sales and earnings through the acquisitions of businesses, but the ability to undertake future acquisitions depends on many factors that the Company does not control, such as identifying acquisition candidates and negotiating satisfactory terms upon which to purchase such candidates; and

(viii) Several of the Company's key competitors have been or are being sold. Such changes in ownership could lead to the competitors adopting different marketing and sales strategies that could negatively impact the Company.

PART I

ITEM 1. BUSINESS

Ralcorp Holdings, Inc. is a Missouri corporation incorporated on October 23, 1996. Its principal executive offices are located at 800 Market Street, Suite 2900, St. Louis, Missouri 63101. The terms "Company", "Ralcorp" and “Registrant” as used herein refer to Ralcorp Holdings, Inc. and its consolidated subsidiaries.

The Company is primarily engaged in the manufacturing, distribution and marketing of private label ready-to-eat and hot cereal products, private label and branded crackers and cookies, private label and value branded snack nuts and chocolate candy and private label wet filled products such as salad dressings, mayonnaise, peanut butter, syrups, jams and jellies, and specialty sauces.

The following sections of this report contain financial and other information concerning the Company’s business developments and operations, and are incorporated into this Item 1: "Management’s Discussion and Analysis of Financial Condition and Results of Operations" under Item 7 of this Report; Note 16 "Segment Information", Note 2 "Acquisitions and Divestitures", and Note 7 "Supplemental Earnings Statement and Cash Flow Information" to the Financial Statements filed as part of this document under Item 8.

RECENT BUSINESS DEVELOPMENTS

On October 5, 1999, the Company announced it completed the purchase of Ripon Foods, Inc. for $44 million.

On January 31, 2000, the Company announced it completed the purchase of Cascade Cookie Company, Inc. for $22 million.

On May 1, 2000, the Company announced it completed the purchase of James P. Linette, Inc. for $31.5 million.

On July 14, 2000, the Company announced it completed the purchase of The Red Wing Company, Inc. for $132.5 million.

On August 8, 2000, the Company announced it had signed a merger agreement with Agribrands International, Inc.

On December 4, 2000, the Company announced that Agribrands International, Inc. had terminated the proposed merger with the Company.

OTHER INFORMATION PERTAINING TO THE BUSINESS OF THE COMPANY

Trademarks

The Company owns a number of trademarks that it considers substantially important to its business, including “Nutcracker”, “Flavor House”, “Rippin Good”, “Golden Batch”, “Major Peters”, and “Linette”.

Segments

The Company is presently comprised of three reportable business segments: Cereals, Crackers & Cookies; Snack Nuts & Candy; and Dressings, Syrups, Jellies & Sauces.

Cereals, Crackers & Cookies

The Cereals, Crackers & Cookies segment is composed of two product lines: private label ready-to-eat and hot cereals, (the “Private Label Cereal Business”); and private label and branded crackers and cookies (the “Cracker and Cookie Business”). In fiscal 2000, these product lines accounted for approximately 55% and 45%, respectively, of the Company’s Cereals, Crackers & Cookies segment sales.

Private Label Cereal Business

Private label ready-to-eat cereals are currently produced at three operating facilities. The Company’s Cracker and Cookie Business produces a shredded wheat cereal for the Private Label Cereal Business. Private label and branded hot cereals are produced at one facility. The hot cereal products include old fashioned oatmeal, quick oats, plain instant oatmeal, flavored instant oatmeal, farina and instant “Ralston”, a branded hot wheat cereal. The Private

Label Cereal Business also sells hot cereal under the brand "3 Minute Brand Oats". The Company believes it is the largest manufacturer of the private label ready-to-eat and hot cereals.

The Company's ready-to-eat and hot cereals are warehoused in and distributed through four independent distribution facilities and two of its plants and shipped to customers principally via independent truck lines. The ready-to-eat and hot cereal products are sold to grocery wholesalers, retail chains, mass merchandisers, warehouse club outlets and other customers through in-house district sales managers and independent food brokers.

Cracker and Cookie Business

The Company believes its Cracker and Cookie Business is currently the leading private label cracker manufacturer and a key producer of private label and branded cookies for sale in the United States. Also, the business produces cookies for sale in the in-store bakery sections of food retailers. The Cracker and Cookie Business also produces "Ry Krisp" branded crackers. Management positions the Cracker and Cookie Business as a low cost, premier quality producer of a wide variety of private label crackers and cookies.

The Cracker and Cookie Business operates seven plants: one produces solely "Ry Krisp" crackers, two produce private label crackers and cookies, three produce private label and branded cookies and one produces cookies for the in-store bakery sections of grocery stores. The Cracker and Cookie Business' products are largely produced to order and shipped directly to customers. Private label crackers and cookies are sold through a broker network and an internal sales staff. Branded "Ry Krisp" crackers and many branded cookies are sold through direct store distributor networks.

Snack Nuts & Candy

The Snack Nuts & Candy segment operates two plants that produce a variety of jarred, canned and bagged snack nuts and one plant that produces chocolate candy. The segment's products are largely produced to order and shipped directly to customers. The segment sells its products through an internal sales staff and a broker network. The segment produces store brand products as well as value branded products under the "Nutcracker", "Flavor House" and "Linette" brands.

Dressings, Syrups, Jellies & Sauces

The Dressings, Syrups, Jellies & Sauces segment operates seven plants and includes The Red Wing Company, Inc. which was acquired during the fiscal year. Six plants produce a variety of private label shelf-stable dressings, syrups, jellies, peanut butter, and sauces and drink mixes under the "Major Peters" brand. One plant processes tomatoes for industrial use. The segment's products are largely produced to order and shipped directly to customers. The products are sold through an internal sales staff and a broker network.

Ownership of Vail Resorts, Inc.

The Company owns 7,554,406 shares of Vail Resorts, Inc. (Vail) Common Stock (approximately 21.8 percent of the shares outstanding as of September 30, 2000). Additionally, two of the Company's Directors, Messrs. Stiritz and Micheletto, are on the Vail Board of Directors. Currently, the Company utilizes the equity method of accounting to reflect the portion of Vail's earnings (or losses) applicable to the Company on a non-cash basis.

Pursuant to a Shareholder Agreement entered into in connection with the acquisition of the Vail Common Stock, the Company can only sell its Vail Common Stock in a registered offering allowed under the Shareholder Agreement or in private transactions (provided the purchaser agrees to be bound by the Shareholder Agreement). Vail's results of operations are highly seasonal and are dependent in part on weather conditions and consumers' discretionary spending trends. In light of the significance of the Company's ownership in Vail in comparison to earnings and assets of the Company, changes in the price of Vail's Common Stock can impact the Company's stock price.

Competition

The Company's businesses face intense competition from large branded manufacturers and highly competitive private label manufacturers in each of its product lines. Top branded ready-to-eat and hot cereal competitors include Kellogg, General Mills, Kraft Foods and Quaker Oats. Large branded competitors of the Cracker and Cookie Business include Nabisco and Keebler/Sunshine, who possess approximately 40% and 25%, respectively, of the branded cracker category and significant shares in the cookie category (on a volume basis). The Snack Nuts & Candy segment faces significant competition from one significant branded snack nut producer (Planters). Top branded competitors of the Dressings, Syrups, Jellies & Sauces segment include Kraft Foods, Bestfoods, Smucker's and Heinz.

The industries in which the Company competes are highly sensitive to both pricing and promotion. Competition is based upon product quality, price, effective promotional activities, and the ability to identify and satisfy emerging consumer preferences. These industries are expected to remain highly competitive in the foreseeable future. Future growth opportunities for the Company are expected to depend on the Company's ability to implement strategies for competing effectively in all of its businesses, including strategies relating to enhancing the performance of its employees, maintaining effective cost control programs, developing and implementing methods for more efficient manufacturing and distribution operations, and developing successful new products, while at the same time maintaining aggressive pricing and promotion of its products.

Employees

The Company employs approximately 4,900 people in the United States (as of September 30, 2000). Approximately 1,850 of the Company's personnel are covered by eleven union contracts and, from time to time, the Company has experienced union organizing activities at its non-union plants. The contracts expire at various times from December 31, 2000 to November 11, 2003. The Company believes its relations with its employees, including union employees, are good.

Raw Materials

The principal raw materials used in the Company's businesses are grain and grain products, flour, sugar, soybean oil, tomatoes, various nuts such as peanuts and cashews, and liquid chocolate, as well as a variety of packaging materials. The Company purchases such raw materials from local, regional, national and international suppliers. The cost of raw materials used in the Company's products may fluctuate widely due to weather conditions, government regulations, economic climate or other unforeseen circumstances. In fiscal 2000, ingredients and packaging represented approximately 45% and 20%, respectively, of the Company's total cost of goods sold. From time to time the Company will enter into supply contracts for periods up to twelve months to secure favorable pricing for ingredients and packaging supplies.

Seasonality

Due to the Company's equity interest in Vail, which typically yields more than the entire year's equity income during the Company's second and third fiscal quarters, net earnings of the Company are seasonal. In addition certain aspects of the Company's operations, especially in the Snack Nuts & Candy segment, are somewhat seasonal with a higher percentage of sales and operating profits expected to be recorded in the first and fourth fiscal quarters. See Note 17 in Item 8 for historical quarterly data.

Governmental Regulation; Environmental Matters

The operations of the Company are subject to regulation by various federal, state and local governmental entities and agencies. As a producer of goods for human consumption, such operations are subject to stringent production and labeling standards. In the early 1990's, new labeling regulations were promulgated and implemented which required the Company businesses to modify the information disclosed on their packaging. Management expects that similar changes in laws in the future could be implemented without a material adverse impact on the Company businesses if existing packaging stock may be used during a transition period while packaging information is modified.

The operations of the Company businesses, like those of similar businesses, are subject to various federal, state and local laws and regulations with respect to environmental matters, including air and water quality, underground fuel storage tanks, waste handling and disposal and other regulations intended to protect public health and the environment. While it is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for environmental matters, particularly remediation, and future capital expenditures for environmental control equipment, in the opinion of management, based upon the information currently available, the ultimate liability arising from such environmental matters, taking into account established accruals for estimated liabilities, should not have a material effect on the Company's capital expenditures or consolidated results of operations or financial position.

ITEM 2. PROPERTIES

The Company's principal properties are its manufacturing locations. Shown below are the Company's owned, and where indicated, leased principal properties. The Company leases its principal executive offices and research and development facilities in St. Louis, Missouri. Management believes its facilities are suitable and adequate for the purposes for which they are used and are adequately maintained.

Cereal Plants	Cracker and Cookie Plants	Snack Nuts & Candy Plants	Dressings, Syrups, Jellies & Sauces Plants
Battle Creek, MI	Princeton, KY	Billerica, MA	Baltimore, MD*
Cedar Rapids, IA	Poteau, OK	Dothan, AL (leased)	Dunkirk, NY
Lancaster, OH	Minneapolis, MN	Womelsdorf, PA (candy only)	Fredonia, NY
Sparks, NV	Tonawanda, NY		Kansas City, KS
	Ripon, WI (two plants)		Los Angeles, CA (leased)
	Kent, WA (leased)		San Jose, CA
			Streator, IL
			Williams, CA (tomato processing only)

*Closing in January 2001

ITEM 3. LEGAL PROCEEDINGS

The Company is a party to a number of legal proceedings in various state and federal jurisdictions. These proceedings are in varying stages and many may proceed for protracted periods of time. Some proceedings involve complex questions of fact and law. Additionally, the operations of the Company, like those of similar businesses, are subject to various federal, state, and local laws and regulations intended to protect public health and the environment, including air and water quality and waste handling and disposal.

Pending legal liability, if any, from these proceedings cannot be determined with certainty; however, in the opinion of Company management based upon the information presently known, the liability of the Company, if any, arising from the pending legal proceedings, as well as from asserted legal claims and known potential legal claims which are probable of assertion, taking into account established accruals for estimated liabilities (if any), are not expected to be material to the Company's consolidated financial position, results of operations and cash flows. In addition, while it is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for compliance with regulatory matters, in the opinion of management, based upon the information currently available, the ultimate liability arising from such compliance matters should not be material to the Company's consolidated financial position, results of operations and cash flows.

Additionally, the Company has retained certain potential liabilities associated with divested businesses (its former branded cereal business and ski resort business). Presently, management believes that taking into account applicable liability caps, sharing arrangements with acquiring entities and the known facts and circumstances regarding the retained liabilities, potential liabilities of the divested businesses should not be material to the Company's consolidated financial position, results of operations and cash flows.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to the security holders during the fourth quarter of fiscal year 2000.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

Joe R. Micheletto	64	Chief Executive Officer and President since September 1996. He served as Co-Chief Executive Officer and Chief Financial Officer from March 1994 to September 1996 with the Company. He served as Chief Executive Officer of Ralston Resorts from May 1991 to January 1997. Mr. Micheletto is also a Director of the Company.
Thomas G. Granneman	51	Corporate Vice President and Controller. Mr. Granneman has held the same position with the Company since January 1999. He joined Ralcorp in December 1996 as Vice President and Controller. Prior to joining Ralcorp, Mr. Granneman was Vice President of Finance for Lowell Shoe Company, Inc. from February 1995 to December 1996.
Kevin J. Hunt	49	Corporate Vice President; and President, Bremner, Inc. He has held the same position with the Company since October 1995.
Robert W. Lockwood	57	Corporate Vice President General Counsel and Secretary of the Company. He has held the same position with the Company since March 1994.
James A. Nichols	52	Corporate Vice President; and President, The Carriage House Companies, Inc. He has held the same position with the Company since June 2000. He served as Corporate Vice President; and President, Ralston Foods from October 1996 to June 2000. Mr. Nichols served as Corporate Vice President; and President, Beech-Nut Nutrition Corporation from March 1994 to October 1996.
David P. Skarie	54	Corporate Vice President; and President, Ralston Foods. He has held the same position with the Company since June 2000. Mr. Skarie served as Corporate Vice President and Director of Customer Development of Ralston Foods from March 1994 to June 2000.
Ronald D. Wilkinson	50	Corporate Vice President and Director of Product Supply of Ralston Foods. He has held the same position with the Company since October 1996. He served as Executive Vice President and Director of Product Supply for Ralston Foods from June 1996 to October 1996. Mr. Wilkinson served as Executive Vice President and Director, Manufacturing for Ralston Foods from November 1995 to June 1996.

(Ages are as of December 31, 2000)

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is traded on the New York Stock Exchange under the symbol "RAH". There were 14,300 shareholders of record on December 18, 2000. The Company has never paid cash dividends and has no plan to pay cash dividends in the foreseeable future. The range of high and low sale prices of Ralcorp common stock as reported on the NYSE Composite Tape is set forth in Note 17 of the financial statements filed as a part of this document under Item 8.

ITEM 6. SELECTED FINANCIAL DATA

FIVE YEAR FINANCIAL SUMMARY

(In millions except per share data)

	Year Ended September 30,				
	2000	1999	1998	1997	1996
Statements of Earnings and Cash Flows Data					
Net sales	$ 809.2	$ 636.6	$ 582.9	$ 739.7	$1,027.4
Costs and expenses	(711.0)	(558.5)	(523.6)	(665.9)	(901.3)
Depreciation and amortization	(34.3)	(23.1)	(18.2)	(24.4)	(46.4)
Interest expense, net	(8.8)	(1.4)	-	(7.9)	(26.8)
Gain on sales of businesses (a)	-	-	18.7	515.4	-
Restructuring charges (b)	(2.5)	-	-	(19.7)	(16.5)
Nonrecurring charges (c)	-	-	-	-	(109.5)
Earnings before income taxes and equity earnings	52.6	53.6	59.8	537.2	(73.1)
Income taxes	(19.6)	(20.1)	(22.8)	(8.6)	26.3
Equity in earnings of Vail Resorts, Inc., net of related deferred income taxes	3.4	2.9	6.6	2.9	-
Net earnings (loss)	$ 36.4	$ 36.4	$ 43.6	$ 531.5	$ (46.8)
Earnings (loss) per share:					
Basic	$ 1.21	$ 1.17	$ 1.33	$ 16.11	$ (1.42)
Diluted	$ 1.19	$ 1.15	$ 1.32	$ 16.01	$ (1.42)
Weighted average shares outstanding:					
Basic	30.2	31.1	32.7	33.0	33.0
Diluted	30.6	31.7	33.1	33.2	33.0
Cash provided (used) by:					
Operations	$ 33.0	$ 42.0	$ 38.1	$ 77.5	$ 91.8
Investing activities	(236.0)	(75.6)	(11.2)	(66.0)	(64.4)
Financing activities	205.2	23.2	(23.0)	(3.1)	(27.4)
Food Business EBITDA (d)	98.2	78.1	59.3	73.8	126.1
Balance Sheet Data					
Working capital (e)	$ 144.8	$ 66.4	$ 33.3	$ 56.5	$ 92.4
Total assets	804.7	483.8	417.9	400.3	627.1
Long-term debt	264.4	42.8	-	-	376.6
Shareholders' equity	350.3	324.1	307.3	286.7	107.4

(a) On September 10, 1998, Ralcorp completed the sale of its branded baby food subsidiary, Beech-Nut Nutrition Corporation, resulting in an after-tax gain of $11.6. On January 31, 1997, Ralcorp sold its branded cereal and snack mix businesses (Branded Business), resulting in a tax-free gain of $515.4.

(b) During 2000, Ralcorp recorded restructuring charges ($1.6 after taxes) related to the closure of its facility in Baltimore, MD. During 1997, Ralcorp recorded charges ($12.4 after taxes) to cover costs associated with the sale of its Branded Business as well as severance costs for certain employees whose jobs were eliminated in downsizing initiatives. During 1996, Ralcorp recorded a charge ($10.4 after taxes) to recognize the costs related to the restructuring of its cereal subsidiary, Ralston Foods.

(c) During 1996, Ralcorp recorded an impairment charge ($68.8 after taxes) related to its private label ready-to-eat cereal and consumer hot cereal operations.

(d) Food Business EBITDA consists of earnings before interest, income taxes, depreciation and amortization, excluding gains on sales of businesses, restructuring charges, nonrecurring charges and equity earnings. Ralcorp considers Food Business EBITDA to be an important indicator of the operational strength and performance of its businesses, including the ability to provide cash flows to service debt and fund capital expenditures. Food Business EBITDA, however, should not be considered an alternative to operating or net income as an indicator of the performance of Ralcorp, or as an alternative to cash flows from operating activities as a measure of liquidity, in each case determined in accordance with generally accepted accounting principles. In addition, this definition of Food Business EBITDA may not be comparable to similarly titled measures reported by other companies.

(e) Working capital excludes cash and cash equivalents and current maturities of long-term debt, where applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion summarizes the significant factors affecting the consolidated operating results, financial condition, liquidity and capital resources of Ralcorp Holdings, Inc. (Company). This discussion should be read in conjunction with the financial statements under Item 8, especially Note 16, and the "Cautionary Statement on Forward-Looking Statements" on page 3.

Significant changes to the Company's business mix and nonrecurring events that have been recorded over the last three years affect the comparisons of fiscal 2000, 1999 and 1998 operations. As a result, comparative results are more difficult to analyze and explain. Where practicable, this discussion attempts to address not only the financial results as reported, but also the key results and factors affecting Ralcorp's on-going businesses.

RESULTS OF OPERATIONS

Cereals, Crackers & Cookies

Fiscal 2000 vs. Fiscal 1999

Net sales for the Cereals, Crackers & Cookies segment were up $45.0 million in fiscal 2000 from fiscal 1999. This increase was due to the additional revenue acquired through the current year purchases of Ripon Foods, Inc. and Cascade Cookie Company, Inc., which are operated as part of Bremner, Ralcorp's cracker and cookie division. Ripon Foods, a cookie, sugar wafer and breakfast bar producer, was acquired on October 4, 1999, and Cascade, which produces cookies for in-store bakeries, was acquired on January 28, 2000. Comparing the pre-existing Bremner cracker and cookie businesses to the prior year, volumes were down 2 percent, primarily as a result of certain lower margin cracker category declines.

The Company's ready-to-eat (RTE) and hot cereal division, Ralston Foods, recorded decreased sales for the year ended September 30, 2000 compared to the prior year, principally due to lower volumes. The primary factor in the volume decline was the reduction of volume related to the termination of a cereal co-manufacturing agreement on December 31, 1999, a portion of which was replaced late in the year. In addition, hot cereal volume was down 7.5 percent from last year compared to a corresponding 17.5 percent year-over-year increase in fiscal 1999. Despite an industry decline in the overall RTE cereal category, Ralston Foods' base store brand RTE cereal volume for fiscal 2000 was flat compared to the prior year. Ralston Foods remains very active in its efforts to increase volume via other co-manufacturing opportunities, increased distribution and new product emulations.

From an operating results perspective, the Cereals, Crackers & Cookies segment recorded fiscal 2000 operating profit up $3.7 million from the prior year. Bremner operating profit improved due to the good performance of the cookie businesses acquired during the current year, as well as favorable raw material costs and production efficiencies in the pre-existing cracker operations which more than offset the decline in net sales. Bremner's operating profit improvements were partially offset by declines at Ralston Foods. While operating results were hurt at Ralston Foods by the aforementioned loss of co-manufacturing business and the resulting unfavorable effect on plant efficiencies, a significant portion of this unfavorability was offset by a reduction in managed costs.

Fiscal 1999 vs. Fiscal 1998

Net sales for the Cereals, Crackers & Cookies segment improved $35.0 million, or 8.0 percent, from fiscal 1998 to fiscal 1999. Both the Ralston Foods store brand cereal division and the Bremner store brand cracker and cookie operation contributed to this growth. Volume improvements in both ready-to-eat and hot cereal and a slightly improved product mix were the key factors driving the Ralston Foods sales increase. Ready-to-eat cereal volume increased 2.1 percent in a flat to slightly down category, and hot cereal volume grew 17.5 percent for fiscal 1999. Sales revenue increases at Bremner can be primarily attributed to the benefit of a full year of sales from Sugar Kake Cookie Inc., which was acquired in August 1998. Volumes for the pre-existing cracker and cookie operation (excluding Sugar Kake), which were adversely affected by the aggressive promotional activity of large branded product manufacturers, declined 1.2 percent for fiscal 1999 as volume gains in cookies were more than offset by volume declines in crackers.

From an operating results perspective, the Cereals, Crackers & Cookies segment recorded an improvement of 15.2 percent from fiscal 1998 to fiscal 1999. Ralston Foods' operating profit benefited primarily from ready-to-eat and hot cereal volume gains, a slight product mix improvement, favorable material costs, and continued operational cost containment. Bremner's operating profit improved due to the addition of Sugar Kake's volume and operating profit for the full fiscal 1999 period. In addition, the Bremner operation benefited from lower ingredient costs, improved production efficiencies, which greatly improved yields, and an improved product mix.

Snack Nuts & Candy

Net sales for the Snack Nuts & Candy segment have increased from $24.7 million in fiscal 1998 to $124.2 million in fiscal 1999 and $169.7 in fiscal 2000, largely due to the timing of the acquisitions. Ralcorp's first snack nut business, Flavor House Products, Inc., was acquired on April 23, 1998 and Nutcracker Brands, Inc. was acquired in early September 1998. Southern Roasted Nuts of Georgia, Inc., was acquired at the end of March 1999, but the Georgia facility was closed at the end of April 2000 to consolidate the operations of the three snack nut businesses into two locations at Billerica, MA and Dothan, AL. Finally, James P. Linette, Inc., a chocolate candy manufacturer, was acquired on May 1, 2000. In addition to the rapid growth through acquisitions, the segment has continued to improve its volume and customer base.

The segment's operating profit increased from $.9 million (3.6% of net sales) in fiscal 1998 to $8.2 million (6.6%) in fiscal 1999 and $9.7 million (5.7%) in fiscal 2000. Most of the dollar increase from year to year is attributable to the timing of acquisitions, as discussed above. However, operating profit as a percentage of net sales improved significantly from 1998 to 1999 as the segment benefited from increasing scale. The percentages in 1999 and 2000 were also negatively affected by a sharp increase in the cost of cashews due to a worldwide shortage of this commodity. While the management of this segment took steps to mitigate the impact of these higher costs, such steps could not fully offset the lower operating margins. Finally, the percentage in fiscal 2000 was negatively impacted by increased labor costs due to initial inefficiencies related to the moving of production lines from the Georgia plant to the other facilities.

Dressings, Syrups, Jellies & Sauces

The Company's Dressings, Syrups, Jellies & Sauces segment, also known as The Carriage House Companies, Inc., is comprised of Martin Gillet & Co., Inc., acquired at the beginning of March 1999, and The Red Wing Company, Inc., acquired on July 14, 2000. The segment's net sales and operating profit for the year ended September 30, 2000 increased significantly from the prior year. The increase is primarily due to the timing of the acquisitions as noted above, whereby fiscal 1999 included only seven months of results from Martin Gillet and fiscal 2000 includes Martin Gillet's results for the full year and two and a half months of results from Red Wing. Carriage House has struggled to regain sales lost by Red Wing during the previous owner's operation and has incurred incremental expenses associated with combining Red Wing and Martin Gillet. The Company's plan to close the Baltimore facility and move production to the Dunkirk facility by January 2001 is proceeding on schedule. Pro forma net sales for this segment, assuming Red Wing had been acquired at the beginning of fiscal 2000, were approximately $370 million.

Baby Foods

Ralcorp sold its branded baby food subsidiary, Beech-Nut Nutrition Corporation (Beech-Nut) on September 10, 1998 (see Note 2 in Item 8). The results of Beech-Nut operations are included in the Company's consolidated operating results through that date.

Consolidated

Net Sales Net sales grew from $582.9 in fiscal 1998 to $636.6 in 1999 and $809.2 in 2000. The 9% increase from 1998 to 1999 and the 27% increase from 1999 to 2000 were due primarily to business acquisitions. Refer to the segment discussions above for specific factors affecting these historical results.

Operating Expenses The following table shows operating expenses as a percentage of net sales.

	Year Ended September 30,		
	2000	1999	1998
Net Sales	100.0%	100.0%	100.0%
Cost of products sold	76.6%	73.4%	66.2%
Selling, general and administrative (SG&A)	12.5%	14.0%	16.8%
Advertising and promotion (A&P)	3.1%	3.9%	10.0%
Earnings before Interest, Restructuring, Gain on Sale, Income Taxes and Equity Earnings	7.9%	8.6%	7.1%

As noted above, the results of Beech-Nut are included for almost all of fiscal 1998. That branded business had significantly higher gross margins (i.e., lower cost of products sold percentage), A&P costs and other operating expenses than the continuing and subsequently acquired private label businesses. Consequently, the percentage of sales figures changed notably from 1998 to 1999. Furthermore, as acquisitions have continued to change the Company's business mix, the percentage of sales figures have changed, reflecting the lower gross margin and operating cost structure of the Snack Nuts & Candy and Dressings, Syrups, Jellies & Sauces businesses. The three-year gross margin trend was also affected by the temporary ingredient and labor cost increases within the snack nuts operation. In addition, the declining trend in SG&A expenses can be partially attributed to the ability of the Cereals, Crackers & Cookies operations to grow their revenue bases while keeping fixed costs relatively flat. All considered, the percentage for cost of products sold is expected to level off, the rate of decline in the SG&A percentage is expected to slow, and the A&P percentage is expected to remain at 3-4%.

Interest Expense, Net Net interest expense increased from zero in fiscal 1998 to $1.4 million in 1999 and $8.8 million in 2000, reflecting the Company's increasing debt level. The Company remained essentially debt-free throughout fiscal 1998 as the purchase prices of acquired businesses were funded by available cash from operations and the proceeds from the sale of Beech-Nut. Long-term debt increased to $42.8 million by the end of fiscal 1999 and to $264.4 million by September 30, 2000, primarily as a result of business acquisitions. Most of the increase occurred near the end of fiscal 2000 with the acquisition of Red Wing, so interest expense is expected to be higher in fiscal 2001.

Restructuring Charge On July 24, 2000, the Company announced its plan to close the Baltimore, MD plant of its Dressings, Syrups, Jellies & Sauces segment and move production to its Dunkirk, NY facility. In conjunction with this plan, the Company recorded charges in the fourth quarter in the amount of $2.5 million ($1.6 million after taxes, or $.05 per share) related to termination benefits for 132 production employees and 37 administrative employees and a write-down of assets to be sold. The land, building and equipment which will not be transferred to Dunkirk were written down to approximately $1.1 million to reflect their estimated realizable value net of selling expenses. None of these charges were utilized in fiscal 2000 but are expected to be fully utilized by the end of fiscal year 2001.

Gain on Sale of Beech-Nut The sale of Beech-Nut in fiscal 1998 resulted in a gain of $18.7 million ($11.6 million after taxes).

Income Taxes Income tax provisions generally reflect statutory tax rates for each of the fiscal years.

Equity in Earnings of Vail Resorts, Inc. The Company recorded pre-tax equity earnings of $10.6 million in fiscal 1998, which includes the Company's portion of Vail's operating results for only the period of October 1997 through July 1998 due to the timing of a change in Vail's fiscal year end. For fiscal 1999, the Company's pre-tax earnings from Vail were only $4.7 million. This decrease is the result of not only the inclusion of the unprofitable ski months of August and September, but also low snowfall during the peak ski season and an incident of arson. The Company's pre-tax equity earnings improved to $5.2 million for fiscal 2000, primarily as a result of the inclusion of expected net proceeds from a Reduced Skier Day Insurance Policy claim related to its second fiscal quarter, which was hurt by both poor early season snowfall and a significant decline in vacation travel around the New Years' holiday due to Y2K concerns.

LIQUIDITY AND CAPITAL RESOURCES

The Company's businesses have historically focused on generating positive cash flows through operations. Management believes that the Company will continue to generate operating cash flows through its mix of businesses and expects that short-term and long-term liquidity requirements will be met through a combination of operating cash flows and strategic use of borrowings under committed and uncommitted credit arrangements. Capital resources remained strong at September 30, 2000 with a net worth of $350.3 million and a long-term debt to total capital ratio of 43 percent.

Cash Flows from Operations

Cash flows from operations have been fairly steady in the past three years with $33.0 million, $42.0 million and $38.1 million in 2000, 1999 and 1998, respectively. Operating cash flows are primarily affected by cash earnings and changes in working capital. Cash earnings (net earnings before depreciation, amortization, deferred income taxes, equity earnings and other noncash items) have been growing along with the Company, from $43.9 million in 1998 to $65.5 million in 1999 and $76.8 million in 2000. From a cash flow standpoint, this growth in cash earnings has been offset by successively larger increases in working capital, excluding the effects of acquisitions and divestitures, of $4.2 million in 1998, $27.5 million in 1999 and $41.6 million in 2000. Much of this large fiscal 2000 increase is the result of a normal seasonal inventory build up at Red Wing's tomato paste production facility which occurred after the acquisition of Red Wing. Working capital, excluding cash and cash equivalents, was $144.8 million at September 30, 2000 compared to $66.4 million and $33.3 million at September 30, 1999 and 1998, respectively.

Cash Flows from Investing Activities

Net cash paid for business acquisitions totaled $212.5 million in fiscal 2000 (Ripon Foods, Cascade, Linette and Red Wing), $55.6 million in fiscal 1999 (Martin Gillet and Southern Roasted Nuts), and $55.2 million in fiscal 1998 (Flavor House, Sugar Kake and Nutcracker). Net proceeds from the sale of Beech-Nut in 1998 were $67.1 million. See Note 2 of Item 8 for more information about acquisitions and divestitures.

Capital expenditures were $24.1 million, $20.5 million and $24.6 million in fiscal years 2000, 1999 and 1998, respectively. Capital expenditures for fiscal 2001 are expected to increase to approximately $30 million, primarily as a result of the recently acquired businesses.

Cash Flows from Financing Activities

Net borrowings during fiscal 2000 were $215.4 million, compared to $42.8 million and zero in fiscal 1999 and 1998, respectively. These borrowings closely follow the Company's acquisition and divestiture activity discussed above; note that the total net cash paid for acquisitions during the past three years, net of the proceeds from the sale of Beech-Nut, was $256.2 million, while long-term debt outstanding at September 30, 2000 was $264.4 million. Of that outstanding balance, only $33.3 million (uncommitted credit arrangements) is required to be repaid during fiscal 2001. Another $100.0 million matures on April 10, 2001 unless such date is extended, at the Company's option, for an additional nine months. Both of these amounts were classified as long-term debt based on management's ability and intent to refinance it on a long-term basis (see Note 10 in Item 8).

As of September 30, 2000, $100 million of the Company's committed credit facilities was unused. In addition, the unused portion of uncommitted credit arrangements with banks was over $15 million. Further cash needs could be met through the sale of the Company's investment in Vail Resorts, Inc., which had a market value of $149 million at September 30, 2000.

The Company repurchased $10.6 million, $19.9 million and $23.0 million of its common stock during fiscal 2000, 1999 and 1998, respectively. During the first quarter of fiscal 1999, the Company's Board of Directors approved an authorization to buy back up to two million shares of the Company's common stock from time to time as management determines. As of September 30, 2000, 690,700 shares remained available for repurchase by the Company pursuant to that authorization.

OUTLOOK

Cereals, Crackers & Cookies

The level of competition in the cereal category continues to be very intense. Competition comes from branded box cereal manufacturers, branded bagged cereal producers and other private label cereal providers. For the last several years, the overall category has not recorded any meaningful growth, which has only added to the competitive nature. When the competition focuses on price/promotion, the environment for private label producers becomes more challenging. Ralston Foods must maintain an effective price gap between its quality private label cereal products and those of branded cereal producers, thereby providing the best value alternative for the consumer. Increased distribution, including new co-manufacturing opportunities, new product emulations and aggressive cost containment remain important goals of the organization.

The Company's cracker and cookie operation, Bremner, also conducts business in a very competitive category. Major branded competitors continue to aggressively market and promote their offerings and many smaller, regional participants provide additional competitive pressures. During fiscal 2000, two large branded competitors announced that they had been acquired by even larger organizations, which may add to the competitive environment. Bremner's ability to successfully respond to changing market conditions and to realize improved operating efficiencies from recent acquisitions will be important to its results of operations. In addition, Bremner will continue to focus on cost containment, new products and volume growth of existing products in order to improve operating results.

Snack Nuts & Candy

The outlook for the Snack Nuts & Candy segment remains favorable, as the snack nut category leader continues to drive growth in this snack food segment. Cashew costs are trending down from significant highs and the Company has completed its consolidation of three snack nut operations down to two plants, which should improve the segment's profitability. The addition of chocolate candy capability through the acquisition of Linette has increased the scope of products offered by the segment. From an operation perspective, the segment will continue to focus on fully leveraging the combined strengths of all of its operations, growing its customer base and maintaining the quality of its products.

Dressings, Syrups, Jellies & Sauces

The Dressings, Syrups, Jellies & Sauces operation (the combination of Red Wing and Martin Gillet, now referred to as Carriage House) starts fiscal 2000 in the middle of major operational changes. The consolidation of its Baltimore operation into the Dunkirk facility, which is an important opportunity to capture synergies of the original two companies, is progressing on schedule. When completed in January 2001, this change will result in significant operational benefits to Carriage House in the future. In addition, Carriage House plans to improve performance by increasing sales to new and existing customers by expanding product offerings and integrating the Martin Gillet and Red Wing sales efforts. Cost containment and the capturing of additional synergies of the two organizations will also be critical objectives.

Overall

The Company's management believes that the opportunities in the private label and value brand areas are favorable for long-term growth. The Company has taken significant steps to reshape the Company and lessen its reliance on any one business segment and to achieve sufficient scale in the categories in which it operates. Management expects to continue to improve its business mix through volume and profit growth of existing businesses, as well as through key acquisitions or alliances. Management will continue to explore those acquisition opportunities that strategically fit with the Company's intentions of being the premier provider of private label, or value-oriented, food products.

On August 7, 2000, the Company and Agribrands International, Inc. (Agribrands) entered into an Agreement and Plan of Reorganization (Agreement), which set forth the terms and conditions of a proposed merger of equals of the two companies. On December 1, 2000, the Agreement was terminated by Agribrands. In accordance with the Agreement, the Company received a payment of $5.0 million as a termination fee. This termination fee income will be recorded net of related expenses in the first quarter of fiscal 2001. Although access to Agribrands' cash reserves and cash flow would have given Ralcorp the opportunity to make more or larger acquisitions within a shorter time frame, Ralcorp still has substantial acquisition capital available from unused debt capacity and its investment in Vail Resorts, Inc.

INFLATION

Management recognizes that inflationary pressures may have an adverse effect on the Company through higher asset replacement costs, related depreciation and higher material costs. The Company tries to minimize these effects through cost reductions and productivity improvements as well as price increases to maintain reasonable profit margins. It is management's view, however, that inflation has not had a significant impact on operations in the three years ended September 30, 2000.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 1 of Item 8 for a discussion regarding recently issued accounting standards, including SOP 98-1, FAS 133, SAB 101, and EITF 00-10 and 00-14.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the ordinary course of business, the Company is exposed to commodity price risks relating to the acquisition of raw materials. The Company utilized derivative financial instruments, including futures contracts and options, to manage certain of these exposures when it is practical to do so.

As of September 30, 2000 and 1999, a hypothetical 10% adverse change in the market price of the Company's principal commodities, including corn, oats, wheat and soybean oil, would have decreased the fair value of the Company's derivatives portfolio by $.3 million and $.2 million, respectively. This volatility analysis ignores changes in the exposures inherent in the underlying hedged transactions. Because the Company does not hold or trade derivatives for speculation or profit, all changes in derivative values are effectively offset by corresponding changes in the underlying exposures.

For more information, see Note 1 and Note 11 to the financial statements included in Item 8.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF MANAGEMENT

The preparation and integrity of the financial statements of Ralcorp Holdings, Inc. are the responsibility of its management. These statements have been prepared in accordance with generally accepted accounting principles and in the opinion of management fairly present the Company's financial position, results of operations and cash flow.

The Company maintains accounting and internal control systems which it believes are adequate to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements. The selection and training of qualified personnel, the establishment and communication of accounting and administrative policies and procedures, and an extensive program of internal audits are important elements of these control systems.

The Board of Directors, through its Audit Committee consisting solely of nonmanagement directors, meets periodically with management and the independent accountants to discuss audit and financial reporting matters. To ensure independence, PricewaterhouseCoopers LLP has direct access to the Audit Committee.

The report of PricewaterhouseCoopers LLP, independent accountants, on their audits of the accompanying financial statements follows. This report states that their audits were performed in accordance with generally accepted auditing standards. These standards include an evaluation of internal control for the purpose of establishing a basis for reliance thereon relative to the scope of their audits of the financial statements.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors of Ralcorp Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Ralcorp Holdings, Inc. and its subsidiaries as of September 30, 2000 and 1999, and the related consolidated statements of earnings, of shareholders' equity and of cash flows for each of the three years in the period ended September 30, 2000. 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 did not audit the financial statements of Vail Resorts, Inc., an investment which is reflected in the accompanying financial statements using the equity method of accounting. The Company's investment in Vail Resorts, Inc. at September 30, 2000 and 1999 was $75,900,000 and $70,700,000, respectively, and the Company's equity in its net income, net of deferred income taxes, was $3,400,000, $2,900,000 and $6,600,000 for each of the three years in the period ended September 30, 2000. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for Vail Resorts, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ralcorp Holdings, Inc. and its subsidiaries at September 30, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2000 in conformity with accounting principles generally accepted in the United States of America.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP
St. Louis, Missouri
November 1, 2000, except for Note 18,
which is as of December 1, 2000

RALCORP HOLDINGS, INC.
CONSOLIDATED STATEMENT OF EARNINGS
(Dollars in millions except per share data, shares in thousands)

	Year Ended September 30, 2000	1999	1998
Net Sales	$ 809.2	$ 636.6	$ 582.9
Costs and Expenses			
Cost of products sold	619.7	467.5	386.0
Selling, general and administrative	100.9	89.3	97.7
Advertising and promotion	24.7	24.8	58.1
Interest expense, net	8.8	1.4	-
Restructuring charge	2.5	-	-
Gain on sale of Beech-Nut	-	-	(18.7)
Total Costs and Expenses	756.6	583.0	523.1
Earnings before Income Taxes and Equity Earnings	52.6	53.6	59.8
Income Taxes	19.6	20.1	22.8
Earnings before Equity Earnings	33.0	33.5	37.0
Equity in Earnings of Vail Resorts, Inc., Net of Related Deferred Income Taxes	3.4	2.9	6.6
Net Earnings	$ 36.4	$ 36.4	$ 43.6
Basic Earnings per Share	$ 1.21	$ 1.17	$ 1.33
Diluted Earnings per Share	$ 1.19	$ 1.15	$ 1.32
Weighted Average Shares for Basic Earnings per Share	30,150	31,112	32,684
Dilutive effect of:			
Stock options	213	325	295
Deferred compensation awards	206	247	104
Weighted Average Shares for Diluted Earnings per Share	30,569	31,684	33,083

See accompanying Notes to Consolidated Financial Statements.

RALCORP HOLDINGS, INC.

CONSOLIDATED BALANCE SHEET

(In millions except share and per share data)

	September 30, 2000	September 30, 1999
Assets		
Current Assets		
Cash and cash equivalents	$ 4.1	$ 1.9
Receivables, net	102.4	59.9
Inventories	150.1	75.3
Prepaid expenses	3.5	2.8
Deferred income taxes	6.7	5.5
Total Current Assets	266.8	145.4
Investment in Vail Resorts, Inc.	75.9	70.7
Intangible Assets, Net	186.1	100.7
Property, Net	271.9	165.5
Other Assets	4.0	1.5
Total Assets	$ 804.7	$ 483.8
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable	$ 78.5	$ 53.4
Other current liabilities	39.4	23.7
Total Current Liabilities	117.9	77.1
Long-term Debt	264.4	42.8
Deferred Income Taxes	36.6	6.9
Other Liabilities	35.5	32.9
Total Liabilities	454.4	159.7
Commitments and Contingencies		
Shareholders' Equity		
Common stock, par value $.01 per share		
Authorized: 300,000,000 shares		
Issued: 33,011,317 shares	.3	.3
Capital in excess of par value	110.0	110.1
Retained earnings	292.7	256.3
Common stock in treasury, at cost (3,151,410 and 2,474,168 shares)	(52.7)	(42.6)
Total Shareholders' Equity	350.3	324.1
Total Liabilities and Shareholders' Equity	$ 804.7	$ 483.8

See accompanying Notes to Consolidated Financial Statements.

RALCORP HOLDINGS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

(In millions)

	Year Ended September 30, 2000	1999	1998
Cash Flows from Operations			
Net earnings	$ 36.4	$ 36.4	$ 43.6
Adjustments to reconcile net earnings to net cash flow provided by operations:			
Depreciation and amortization	34.3	23.1	18.2
Deferred income taxes	8.8	10.7	11.4
Restructuring charge	2.5	-	-
Gain on sale of Beech-Nut	-	-	(18.7)
Equity in earnings of Vail Resorts, Inc.	(5.2)	(4.7)	(10.6)
Changes in current assets and liabilities, net of effects of acquisitions and divestitures:			
(Increase) decrease in receivables	(13.0)	(8.8)	5.7
Increase in inventories	(23.3)	(5.5)	(5.0)
(Increase) decrease in prepaid expenses	-	(.6)	.6
Decrease in accounts payable and other current liabilities	(5.3)	(12.6)	(5.5)
Other, net	(2.2)	4.0	(1.6)
Net cash provided by operations	33.0	42.0	38.1
Cash Flows from Investing Activities			
Business acquisitions, net of cash acquired	(212.5)	(55.6)	(55.2)
Additions to property and intangible assets	(24.1)	(20.5)	(24.6)
Proceeds from sale of property	.6	.5	1.5
Proceeds from sale of Beech-Nut	-	-	67.1
Net cash used by investing activities	(236.0)	(75.6)	(11.2)
Cash Flows from Financing Activities			
Net borrowings under credit arrangements	215.4	42.8	-
Proceeds from exercise of stock options	.4	.3	-
Purchase of treasury stock	(10.6)	(19.9)	(23.0)
Net cash provided (used) by financing activities	205.2	23.2	(23.0)
Net Increase (Decrease) in Cash and Cash Equivalents	2.2	(10.4)	3.9
Cash and Cash Equivalents, Beginning of Year	1.9	12.3	8.4
Cash and Cash Equivalents, End of Year	$ 4.1	$ 1.9	$ 12.3

See accompanying Notes to Consolidated Financial Statements.

RALCORP HOLDINGS, INC.

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(Dollars in millions, shares in thousands)

	Common Stock		Capital in Excess of	Retained	Common Stock in Treasury, at Cost		
	Shares	Amount	Par Value	Earnings	Shares	Amount	Total
Balance, September 30, 1997	33,011	$ .3	$ 110.1	$ 176.3	-	$ -	$ 286.7
Net earnings				43.6			43.6
Purchase of treasury stock					(1,300)	(23.0)	(23.0)
Balance, September 30, 1998	33,011	$ .3	$ 110.1	$ 219.9	(1,300)	$(23.0)	$ 307.3
Net earnings				36.4			36.4
Purchase of treasury stock					(1,190)	(19.9)	(19.9)
Activity under stock plans					16	.3	.3
Balance, September 30, 1999	33,011	$ .3	$ 110.1	$ 256.3	(2,474)	$(42.6)	$ 324.1
Net earnings				36.4			36.4
Purchase of treasury stock					(705)	(10.6)	(10.6)
Activity under stock plans			(.1)		28	.5	.4
Balance, September 30, 2000	33,011	$ .3	$ 110.0	$ 292.7	(3,151)	$(52.7)	$ 350.3

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The financial statements are presented on a consolidated basis and include the accounts of Ralcorp and its majority-owned subsidiaries. All significant intercompany transactions have been eliminated. Investments in 20%–50%-owned companies are presented on the equity basis (see Note 3).

Estimates – The financial statements have been prepared in conformity with generally accepted accounting principles, which require management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Cash Equivalents include all highly liquid investments with original maturities of three months or less.

Inventories are valued generally at the lower of average cost or market. In connection with purchasing key raw ingredient materials, the Company often uses commodities futures contracts to reduce the risk of price fluctuations related to future raw materials requirements for commodities such as corn, wheat, oats and soybean oil. The terms of these financial instruments generally do not exceed twelve months, and depend on the commodity and other market factors. The contracts are accounted for as hedges, with related gains and losses ultimately included as part of the cost of products sold. The effect of any realized or deferred gains or losses is immaterial to the financial condition, results of operations and cash flows of the Company.

Property, Plant and Equipment is recorded at cost and depreciation expense is generally provided on the straight-line basis by charges to costs or expenses at rates based on the estimated useful lives of the properties. Estimated useful lives range from 3 to 15 years for machinery and equipment and 10 to 50 years for buildings and leasehold improvements. Depreciation expense was $24.7, $16.7, and $16.1 in fiscal 2000, 1999, and 1998, respectively.

Intangible Assets – Goodwill represents the excess of cost over the fair value of the net identifiable assets of acquired businesses and is amortized evenly over estimated periods of related benefit ranging from 20 to 40 years. Other intangible assets, primarily computer software developed or obtained for internal use, are amortized evenly over their estimated useful lives ranging from 3 to 5 years.

Recoverability of Long-lived Assets – The Company continually evaluates whether events or circumstances have occurred which might impair the recoverability of the carrying value of its long-lived assets, including identifiable intangibles and goodwill. An asset is deemed impaired and written down to its fair value if estimated related future cash flows are less than its carrying amount.

Investments – The Company funds a portion of its deferred compensation liability by investing in certain mutual funds in the same amounts as selected by the participating employees. Because management's intent is to invest in a manner that matches the deferral options chosen by the participants and those participants can elect to transfer amounts in or out of each of the designated deferral options at any time, these investments have been classified as trading assets and are stated at fair value. Both realized and unrealized gains and losses on these assets are included in earnings and offset the related change in the deferred compensation liability.

Revenue is recognized when products are shipped to customers. Net sales reflect gross sales less sales discounts and costs of freight out to customers.

Advertising and promotion costs are expensed as incurred.

Stock-based Compensation is recognized using the intrinsic value method. For disclosure purposes, pro forma net earnings and earnings per share amounts are provided as if the fair value method had been applied (see Note 15).

Recently Issued Accounting Standards – In March 1998, the American Institute of Certified Public Accountants issued SOP 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." This statement requires the capitalization of internal use computer software costs when certain criteria are met. The capitalized software costs will be amortized on a straight-line basis over the useful life of the software. The Company adopted this statement as of October 1, 1999, but it did not have a material impact on the Company's financial statements.

The Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities," in June 1998, and its amendments, Statements 137 and 138, in June 1999 and June 2000, respectively. The Company is required to adopt the statement effective October 1, 2000. This statement establishes accounting and reporting standards for derivative instruments and requires an entity to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. Fair value adjustments will impact either shareholders' equity or net earnings depending on whether the derivative instrument qualifies as a hedge and, if so, the nature of the hedging activity. Based on the Company's derivative positions at September 30, 2000, the Company has determined that the cumulative effect of adoption will be immaterial. Management also believes that the implementation of this standard will not have a material effect on its future consolidated financial position or results of operations.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin (SAB) 101, "Revenue Recognition in Financial Statements." SAB 101 provides guidance on recognition, presentation and disclosure of revenue in financial statements. In addition, the Emerging Issues Task Force (EITF) issued EITF 00-10, "Accounting for Shipping and Handling Fees and Costs," which states that amounts billed, if any, for shipping and handling should be included in revenue and amounts incurred for shipping and handling should not be netted against revenue, and EITF 00-14, "Accounting for Certain Sales Incentives", which provides guidance on accounting for discounts, coupons, rebates and free product. Ralcorp will be required to adopt SAB 101 (as amended by SAB 101B), EITF 00-10 and EITF 00-14 no later than the fourth quarter of fiscal year 2001. Management is still evaluating the impact of this new guidance but does not expect the Company's adoption to have a material effect on its results of operations. Current estimates indicate that including freight costs in "Cost of products sold" instead of netting them with sales (in accordance with EITF 00-10) will result in an increase in reported cost of products sold of approximately 10% and an increase in reported net sales of approximately 7.5%.

Reclassifications – Certain prior years' amounts have been reclassified to conform with the current year's presentation.

NOTE 2 – ACQUISITIONS AND DIVESTITURES

All of the following acquisitions were accounted for using the purchase method of accounting, whereby the results of operations are included in the consolidated statement of earnings from the date of acquisition. The purchase price, including costs of acquisition, has been allocated to acquired assets and liabilities based on their estimated fair values at the date of acquisition, and any excess has been allocated to goodwill. Such allocations are subject to adjustment when additional analysis concerning asset and liability values is finalized, but generally no later than one year after the date of acquisition. Management does not expect the final allocations to differ materially from the preliminary allocation amounts included herein. Goodwill relating to each of the following acquisitions is being amortized on a straight-line basis over 25 years or, in the case of Red Wing, 35 years. For income tax purposes, the amortization of goodwill related to the Flavor House, Southern Roasted Nuts, Ripon Foods, Cascade and Red Wing acquisitions is nondeductible.

Fiscal 2000

On October 4, 1999, the Company completed the purchase of Ripon Foods, Inc., which manufactures a wide variety of high quality private label and branded cookie products, including sugar wafers and wire cut and enrobed cookies. The $43.1 cost, of which $38.3 had been paid in cash as of September 30, 2000, exceeded the estimated fair value of the net assets acquired by $16.5. Included in the acquisition cost allocation were liabilities totaling approximately $1.7 related to the Company's plan to terminate or relocate certain Ripon Foods employees (see Note 4). Ripon Foods is located in Ripon, WI.

On January 28, 2000, the Company completed the purchase of Cascade Cookie Company, Inc., a leading manufacturer and marketer of high quality cookies that are sold to the in-store bakeries of major U.S. grocery chains and selected mass merchandisers. The $22.1 cost exceeded the estimated fair value of the net assets acquired by $18.1. Cascade is located in Kent, WA.

On May 1, 2000, the Company completed the purchase of James P. Linette, Inc., which manufactures chocolate products, including peanut butter and caramel cups, as well as chocolate covered peanuts. The $33.4 cost exceeded the estimated fair value of the net assets acquired by $20.6. Linette is located in Womelsdorf, PA.

On July 14, 2000, the Company completed the purchase of The Red Wing Company, Inc., a leading manufacturer of private label shelf-stable wet filled type products such as salad dressings, table syrups, peanut butter, jams, jellies and various sauces. The $146.7 cost exceeded the estimated fair value of the net assets acquired (which included $27.7 of cash) by $39.8. Red Wing has plants in Fredonia, NY, Dunkirk, NY, Streator, IL, San Jose, CA and Williams, CA.

Fiscal 1999

On March 4, 1999, the Company completed the purchase of Martin Gillet & Co., Inc., a leading private label manufacturer of mayonnaise and pourable, shelf-stable salad dressings with plants in Baltimore, MD, Kansas City, KS and Los Angeles, CA. The $35.3 cost exceeded the fair value of the net assets acquired by $20.4.

On March 24, 1999, the Company purchased Southern Roasted Nuts of Georgia, Inc., a private label and value brand snack nut operation located in Fitzgerald, GA. The $17.1 cost exceeded the fair value of the net assets acquired by $12.9.

Fiscal 1998

On April 23, 1998, the Company completed the purchase of Flavor House, Inc., a leading private label snack nut business located in Dothan, AL. The $21.5 cost exceeded the fair value of the net assets acquired by $15.5.

On August 25, 1998, the Company increased its cookie production capacity through the purchase of Sugar Kake Cookie Inc., a privately held cookie manufacturer located in Tonawanda, NY. The $15.8 cost exceeded the fair value of the net assets acquired by $5.8.

On September 8, 1998, the Company purchased Nutcracker Brands, Inc., a value brand and private label snack nut business located in Billerica, MA. The $19.9 cost exceeded the fair value of the net assets acquired by $10.2.

On September 10, 1998, the Company completed the sale of its branded baby food subsidiary, Beech-Nut Nutrition Corporation, to The Milnot Company, a privately held company based in St. Louis, MO, for $68 in cash. The Company recorded an $18.7 pre-tax ($11.6 after tax) gain related to this sale transaction.

Pro Forma Information

The following unaudited pro forma information presents the results of operations of the Company, including equity earnings from Vail, as if the fiscal 2000 and 1999 acquisitions described above had occurred as of October 1, 1999. These pro forma results may not necessarily reflect the actual results of operations that would have been achieved, nor are they necessarily indicative of future results of operations.

	2000	1999
Net sales	$ 1,083.7	$ 1,131.3
Net earnings	40.6	42.3
Basic earnings per share	1.34	1.36
Diluted earnings per share	1.33	1.34

NOTE 3 – EQUITY INVESTMENT IN VAIL RESORTS, INC.

On January 3, 1997, the Company sold its ski resorts holdings (Resort Operations) to Vail Resorts, Inc. (Vail) in exchange for 7,554,406 shares of Vail common stock (NYSE:MTN). At the date of the exchange, the Company's equity interest in the underlying net assets of Vail exceeded the net book value of the net assets contributed by the Company to Vail by $37.5. This excess is being amortized ratably to the investment in Vail over 20 years. The unamortized excess was $30.5 and $32.3 as of September 30, 2000 and 1999, respectively. The amount of retained earnings that represents undistributed earnings of Vail was $11.5 and $9.3 as of September 30, 2000 and 1999, respectively.

The following table summarizes information about the Company's equity investment in Vail at September 30:

	2000	1999
Ownership percentage	21.8%	21.9%
Carrying value	$ 75.9	$ 70.7
Market value	149.2	175.2

Terms of a shareholder agreement provide that the Company will not acquire any additional shares of Vail stock except in limited circumstances. The Company has registration rights with respect to the Vail stock, but the shareholder agreement provides that, with certain limited exceptions, Vail and its largest shareholder can purchase at market prices any Vail stock the Company desires to sell. The Company can only sell its Vail stock in a registered offering allowed under the shareholder agreement or in private transactions (provided the purchaser agrees to be bound by the shareholder agreement). The shareholder agreement provides that the Company will vote the shares of Vail stock in accordance with the recommendation of Vail's Board of Directors with respect to shareholder proposals and nominations to that Board, and with respect to other proposals, in proportion to the votes of all other shareholders. However, the Company may vote as it deems appropriate with respect to proposals for the merger of Vail, the sale of all Vail assets, the creation of any other class of voting stock of Vail or changes to Vail's certificate of incorporation or bylaws if such changes adversely affect the Company's rights under the shareholder agreement. The Company has two representatives on the 17-member Vail Board of Directors.

On November 6, 1997, Vail announced a change in its fiscal year end from September 30 to July 31. As a result, the Company reports current year equity earnings on a two-month time lag, with only ten months of equity earnings from Vail included in fiscal 1998. Vail's summarized financial information follows.

	Year Ended July 31, 2000	Year Ended July 31, 1999	Ten Months Ended July 31, 1998
Net revenues	$ 553.1	$ 475.7	$ 410.3
Total operating expenses	491.8	433.3	321.7
Income from operations	$ 61.3	$ 42.4	$ 88.6
Net income	$ 15.3	$ 12.8	$ 41.0

	July 31, 2000	July 31, 1999
Current assets	$ 100.3	$ 92.7
Noncurrent assets	1,027.5	996.5
Total assets	$ 1,127.8	$ 1,089.2
Current liabilities	$ 110.2	$ 93.1
Noncurrent liabilities	516.4	512.0
Minority interest	7.4	7.3
Stockholders' equity	493.8	476.8
Total liabilities and stockholders' equity	$ 1,127.8	$ 1,089.2

NOTE 4 – RESTRUCTURING CHARGES

On July 24, 2000, the Company announced its plan to close the Baltimore, MD plant of its Dressings, Syrups, Jellies & Sauces segment and move production to its Dunkirk, NY facility. In conjunction with this plan, the Company recorded charges in the fourth quarter in the amount of $2.5 ($1.6 after taxes, or $.05 per share) related to termination benefits for 132 production employees and 37 administrative employees and a write-down of assets to be sold. The land, building and equipment which will not be transferred to Dunkirk were written down to approximately $1.1 to reflect their estimated realizable value net of selling expenses. None of these charges were utilized in fiscal 2000 but are expected to be fully utilized by the end of fiscal year 2001.

Concurrent with the Ripon acquisition (see Note 2), the Company recorded a restructuring reserve of approximately $1.7 in the Ripon opening balance sheet related to the severance of 46 administrative employees at Ripon. Recording this reserve had no effect on the Company's earnings, but resulted in a corresponding increase in goodwill. Approximately $.2 of this reserve remains as of September 30, 2000 and will be paid by the end of the first quarter of fiscal year 2001.

The restructuring charges and their utilization are summarized in the following table.

	FY 2000 Charges	Utilized in FY 2000	Balance of Reserve
Severance, benefits and outplacement expenses	$ 3.6	$ (1.5)	$ 2.1
Asset write-down	.6	-	.6
	$ 4.2	$ (1.5)	$ 2.7

NOTE 5 – INCOME TAXES

The provision for income taxes consisted of the following:

	2000	1999	1998
Current:			
Federal	$ 11.7	$ 10.3	$ 13.7
State	.9	.9	1.7
	12.6	11.2	15.4
Deferred:			
Federal	7.6	10.4	9.8
State	1.2	.3	1.6
	8.8	10.7	11.4
Total provision for income taxes	$ 21.4	$ 21.9	$ 26.8

A reconciliation of income taxes with amounts computed at the statutory federal rate follows:

	2000	1999	1998
Computed tax at federal statutory rate (35.0%)	$ 20.2	$ 20.4	$ 24.6
State income taxes, net of federal tax benefit	1.4	.8	2.1
Other, net	(.2)	.7	.1
	$ 21.4	$ 21.9	$ 26.8

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets (liabilities) at September 30 were as follows:

	2000	1999
Current:		
Accrued liabilities	$ 3.7	$ 2.9
Inventories	2.4	2.0
Other items	.6	.6
	6.7	5.5
Noncurrent:		
Equity investment in Vail	(19.9)	(18.1)
Property basis differences	(28.3)	(1.1)
Postretirement benefits	5.3	5.5
Deferred compensation	3.5	2.6
Insurance reserves	2.6	2.0
Intangible assets	(.9)	1.1
Pension	.6	1.1
Other items	.5	-
	(36.6)	(6.9)
Net deferred tax liability	$(29.9)	$ (1.4)

NOTE 6 – EARNINGS PER SHARE

Options to purchase shares of common stock which were outstanding at September 30 and could potentially dilute basic earnings per share in the future but which were not included in the computation of diluted earnings per share for the year then ended because to do so would have been antidilutive for the period were 844,500, 450,500 and zero for fiscal 2000, 1999 and 1998, respectively. See Note 15 for more information about outstanding options.

NOTE 7 – SUPPLEMENTAL EARNINGS STATEMENT AND CASH FLOW INFORMATION

	2000	1999	1998
Repair and maintenance expenses	$ 27.0	$ 19.8	$ 20.2
Research and development expenses	4.0	4.2	4.2
Interest paid	8.3	1.6	.2
Income taxes paid, net of refunds	12.6	17.1	8.1

NOTE 8 – SUPPLEMENTAL BALANCE SHEET INFORMATION

	September 30, 2000	September 30, 1999
Receivables		
Trade	$ 94.9	$ 60.3
Other	9.1	1.7
	104.0	62.0
Allowance for doubtful accounts	(1.6)	(2.1)
	$ 102.4	$ 59.9
Inventories		
Raw materials and supplies	$ 57.8	$ 31.9
Finished products	92.3	43.4
	$ 150.1	$ 75.3
Intangible Assets		
Goodwill	$ 184.5	$ 90.3
Other intangible assets	21.3	20.5
	205.8	110.8
Accumulated amortization	(19.7)	(10.1)
	$ 186.1	$ 100.7
Property		
Land	$ 10.0	$ 3.6
Buildings	81.7	51.2
Machinery and equipment	312.2	214.1
Construction in progress	7.7	11.5
	411.6	280.4
Accumulated depreciation	(139.7)	(114.9)
	$ 271.9	$ 165.5
Other Current Liabilities		
Compensation	$ 9.7	$ 7.6
Income taxes	.5	.6
Advertising and promotion	12.3	7.1
Other items	16.9	8.4
	$ 39.4	$ 23.7
Other Liabilities		
Postretirement medical and life	$ 15.0	$ 15.1
Deferred compensation	9.7	8.5
Insurance	6.6	5.1
Other items	4.2	4.2
	$ 35.5	$ 32.9

NOTE 9 – ALLOWANCE FOR DOUBTFUL ACCOUNTS

	2000	1999	1998
Balance, beginning of year	$ 2.1	$ 1.2	$ 1.0
Provision charged to (income) expense	(.1)	.8	.4
Write-offs, less recoveries	(.7)	(.3)	(.2)
Acquisitions	.3	.4	-
Balance, end of year	$ 1.6	$ 2.1	$ 1.2

NOTE 10 – LONG-TERM DEBT

Long-term debt consisted of the following at September 30:

	2000		1999	
	Balance Outstanding	Interest Rate	Balance Outstanding	Interest Rate
Credit Agreement A	$ 125.0	7.375%	$ -	n/a
Credit Agreement B	100.0	7.625%	-	n/a
Uncommited credit arrangements	33.3	7.474%	42.8	6.2%
Industrial Development Revenue Bond	5.6	5.575%	-	n/a
Other	.5	Various	-	n/a
	$ 264.4		$ 42.8	

On April 28, 1999 the Company entered into a $125 revolving credit agreement (Credit Agreement A). Borrowings under Credit Agreement A bear interest at either, at the Company's option, (1) LIBOR plus the applicable margin rate of 0.75% or (2) the maximum of the federal funds rate plus the applicable margin rate of 0.50% or the prime rate. Such borrowings are unsecured and mature on April 28, 2002 unless such date is extended. Credit Agreement A calls for an unused commitment fee of 0.175%, payable quarterly in arrears, and contains certain representations, warranties, covenants and conditions customary to credit facilities of this nature.

On July 10, 2000, the Company entered into a $200 revolving credit agreement (Credit Agreement B). Borrowings under Credit Agreement B bear interest at either, at the Company's option, (1) LIBOR plus the applicable margin rate of 1.00% or (2) the maximum of the federal funds rate plus the applicable margin rate of 0.50% or the prime rate. Such borrowings are unsecured and mature on April 10, 2001 unless such date is extended, at the Company's option, for an additional nine months. Credit Agreement B calls for an unused commitment fee of 0.20%, payable quarterly in arrears, and contains certain representations, warranties, covenants and conditions customary to credit facilities of this nature. The outstanding balance was classified as long-term debt based on management's ability and intent to refinance it on a long-term basis.

The amount outstanding under uncommitted credit arrangements with banks as of September 30, 2000 matured October 2, 2000 but was classified as long-term debt based on management's ability and intent to refinance it on a long-term basis.

Through the acquisition of The Red Wing Company, Inc., the Company acquired an Industrial Development Revenue Bond (IRB) in the amount of $5.6, which bears interest at a variable rate and matures on April 1, 2005.

As of September 30, 2000, $10.6 in letters of credit and surety bonds were outstanding with various financial institutions, principally related to self-insurance requirements, the IRB and acquisition transactions.

NOTE 11 – FINANCIAL INSTRUMENTS

Fair Values

The carrying amounts reported on the Consolidated Balance Sheet for cash and cash equivalents, receivables and accounts payable approximate fair value because of the short maturities of these financial instruments. The estimated fair value of the Company's long-term debt (see Note 10) approximates book value since the interest rates on nearly all of the outstanding borrowings are adjusted very frequently. In the ordinary course of business, the Company is exposed to commodity price risks relating to the acquisition of raw materials and supplies and interest rate risks relating to long-term borrowings. Authorized individuals within the Company may utilize derivative financial instruments, including (but not limited to) futures contracts, option contracts, forward contracts and swaps, to manage certain of these exposures by hedging when it is practical to do so. As a matter of policy, the Company is not permitted to engage in speculative or leveraged transactions and will not hold or issue financial instruments for trading purposes. The Company's derivative financial instruments are off-balance-sheet and therefore have no carrying value. The contractual amounts of those derivatives totaled $3.5 and $2.3 at September 30, 2000 and 1999, respectively, while the corresponding fair values were not significant.

Concentration of Credit Risk

The Company's primary concentration of credit risk is related to certain trade accounts receivable due from several highly leveraged or "at risk" customers. At September 30, 2000 and 1999 the amount of such receivables was immaterial. Consideration was given to the financial position of these customers when determining the appropriate allowance for doubtful accounts.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is a party to a number of legal proceedings in various state and federal jurisdictions. These proceedings are in varying stages and many may proceed for protracted periods of time. Some proceedings involve complex questions of fact and law. Additionally, the operations of the Company, like those of similar businesses, are subject to various federal, state, and local laws and regulations intended to protect public health and the environment, including air and water quality and waste handling and disposal.

Pending legal liability, if any, from these proceedings cannot be determined with certainty; however, in the opinion of Company management, based upon the information presently known, the ultimate liability of the Company, if any, arising from the pending legal proceedings, as well as from asserted legal claims and known potential legal claims which are probable of assertion, taking into account established accruals for estimated liabilities (if any), are not expected to be material to the Company's consolidated financial position, results of operations and cash flows. In addition, while it is difficult to quantify with certainty the potential financial impact of actions regarding expenditures for compliance with regulatory matters, in the opinion of management, based upon the information currently available, the ultimate liability arising from such compliance matters should not be material to the Company's consolidated financial position, results of operations and cash flows.

Additionally, the Company has retained certain potential liabilities associated with divested businesses (its former branded cereal business and ski resort business). Presently, management believes that taking into account applicable liability caps, sharing arrangements with acquiring entities and the known facts and circumstances regarding the retained liabilities, potential liabilities of the divested businesses should not be material to the Company's consolidated financial position, results of operations and cash flows.

Lease Commitments

Future minimum rental payments (receipts) under noncancellable operating leases and subleases in effect as of September 30, 2000 were:

	2001	2002	2003	2004	2005	Later	Total
Leases	$ 5.3	$ 3.9	$ 3.4	$ 3.1	$ 2.9	$ .8	$ 19.4
Subleases	(.6)	(.6)	(.6)	(.6)	(.6)	-	(3.0)

Rent expense for all operating leases was $4.2, $4.9 and $3.9 (net of sublease income of $.4, $.4 and $.2) in fiscal 2000, 1999 and 1998, respectively.

Other Contingencies

In connection with the sale of the Company's Resort Operations in 1997, Vail assumed the obligation to repay, when due, certain indebtedness of Resort Operations consisting of the following: Series 1990 Sports Facilities Refunding Revenue Bonds in the aggregate principal amount of $20.36, bearing interest at rates ranging from 7.2% to 7.875% and maturing in installments in 1998, 2006 and 2008; and Series 1991 Sports Facilities Refunding Revenue Bonds in the aggregate principal amount of $3, bearing interest at 7.125% for the portion maturing in 2002 and 7.375% for the portion maturing in 2010 (collectively, "Resort Operations Debt"). The Resort Operations Debt is guaranteed by Ralston Purina Company (Ralston). Pursuant to an Agreement and Plan of Reorganization signed when the Company was spun-off from Ralston in 1994, the Company agreed to indemnify Ralston for any liabilities associated with the guarantees. To facilitate the sale of the Company's branded cereal business to General Mills in 1997, General Mills acquired the legal entity originally obligated to so indemnify Ralston. Pursuant to the Reorganization Agreement with General Mills, however, the Company has agreed to indemnify General Mills for any liabilities it may incur with respect to indemnifying Ralston relating to aforementioned guarantees. Presently, management believes that there is not a significant likelihood that Vail will default on its repayment obligations with respect to the Resort Operations Debt.

NOTE 13 – PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company sponsors qualified and supplemental noncontributory defined benefit pension plans and other postretirement benefit plans for its employees. The following tables provide a reconciliation of the changes in the plans' benefit obligations and fair value of assets over the two-year period ending September 30, 2000, and a statement of the funded status as of September 30 of both years.

	Pension Benefits		Other Benefits	
	2000	1999	2000	1999
Change in benefit obligation				
Benefit obligation at beginning of year	$ 88.3	$ 84.1	$ 14.9	$ 15.2
Service cost	2.9	2.4	.1	.1
Interest cost	6.7	5.7	1.1	1.0
Plan amendments	-	.1	-	-
Actuarial (gain) loss	1.2	.4	1.9	(.6)
Acquisitions	15.5	-	-	-
Benefit payments	(4.9)	(4.4)	(1.3)	(.8)
Benefit obligation at end of year	$ 109.7	$ 88.3	$ 16.7	$ 14.9
Change in fair value of plan assets				
Fair value of plan assets at beginning of year	$ 110.7	$ 95.3	$ -	$ -
Actual return on plan assets	13.3	19.9	-	-
Acquisitions	17.9	-	-	-
Employer contributions	.1	-	-	-
Benefit payments	(4.9)	(4.4)	-	-
Settlements	-	(.1)	-	-
Fair value of plan assets at end of year	$ 137.1	$ 110.7	$ -	$ -
Funded status	$ 27.4	$ 22.4	$ (16.7)	$ (14.9)
Unrecognized net (gain) loss	(29.6)	(26.7)	1.6	(.4)
Unrecognized prior service cost	.5	.7	.1	.2
Unrecognized transition asset	(.3)	(.3)	-	-
Net amount recognized	$ (2.0)	$ (3.9)	$ (15.0)	$ (15.1)
Amounts recognized				
Prepaid benefit cost	$ 2.1	$ -	$ -	$ -
Accrued benefit liability	(4.1)	(3.9)	(15.0)	(15.1)
Net amount recognized	$ (2.0)	$ (3.9)	$ (15.0)	$ (15.1)
Weighted-average assumptions as of September 30				
Discount rate	7.75%	7.50%	7.75%	7.50%
Rate of compensation increase	5.25%	5.25%	N/A	N/A
Expected return on plan assets	9.50%	9.50%	N/A	N/A

For September 30, 2000 measurement purposes, the assumed annual rate of increase in the future per capita cost of covered health care benefits was 8% for 2001, declining gradually to an ultimate rate of 6% for 2009. For September 30, 1999 measurement purposes, the assumed annual rate of increase was 7% for 2000, declining gradually to an ultimate rate of 5% for 2004. A 1% change in assumed health care cost trend rates would result in a corresponding change in the accumulated postretirement benefit obligation at September 30, 2000 of approximately \$1.4 and in the total service and interest cost components for fiscal 2000 of approximately \$.1.

The following table provides the components of net periodic benefit cost for the plans.

	Pension Benefits			Other Benefits		
	2000	1999	1998	2000	1999	1998
Service cost	$ 2.9	$ 2.4	$ 3.4	$ .1	$ .1	$ .1
Interest cost	6.7	5.7	5.3	1.1	1.0	1.0
Expected return on plan assets	(9.2)	(7.8)	(7.7)	-	-	-
Amortization of:						
Net (gain) loss	(.2)	.1	(1.0)	-	-	(.1)
Prior service cost	.3	.3	.4	-	.1	.1
Transition asset	(.1)	(.1)	(.1)	-	-	-
Net periodic benefit cost	.4	.6	.3	1.2	1.2	1.1
Curtailment gain	-	-	(2.1)	-	-	-
Settlement loss	-	-	.6	-	-	-
Net periodic benefit cost after curtailments and settlements	$ .4	$ .6	$(1.2)	$ 1.2	$ 1.2	$ 1.1

In addition to the above plans, the Company sponsors defined contribution [401(k)] plans under which the Company makes matching contributions. The costs of these plans were \$2.2, \$1.5 and \$1.5 for the years ended September 30, 2000, 1999 and 1998, respectively.

NOTE 14 – SHAREHOLDERS' EQUITY

On December 18, 1996, the Company's Board of Directors declared a dividend distribution of one share purchase right (Right) for each outstanding share of the Company's common stock. Each Right entitles a shareholder to purchase from the Company one common share at an exercise price of \$30 per share subject to antidilution adjustments. The Rights, however, become exercisable only at the time a person or group acquires, or commences a public tender offer for, 20% or more of the Company's common stock. If an acquiring person or group acquires 20% or more of the Company's common stock, the price will be further adjusted so that each Right (other than those held by the acquiring person or group) would entitle the holder to acquire for the exercise price a number of shares of the Company's common stock found by dividing the then current exercise price by the number of shares of the Company's common stock for which a Right is then exercisable and dividing that amount by 50% of the then current per share market price of the Company's common stock. In the event that the Company merges with, or transfers 50% or more of its assets or earning power to, any person or group after the Rights become exercisable, holders of the Rights may purchase, at the exercise price, common stock of the acquiring entity having a value equal to twice the exercise price. The Rights can be redeemed by the Board of Directors at \$.01 per Right only up to the tenth business day after a person or group acquires 20% or more of the Company's common stock. Also, following the acquisition by a person or group of beneficial ownership of at least 20% but less than 50% of the Company's common stock, the Board may exchange the Rights for common stock at a ratio of one share of common stock per Right. The Rights expire on January 31, 2007.

At September 30, 2000, 2,820,559 shares of the Company's common stock were reserved under various employee incentive compensation and benefit plans.

The Company has not issued any shares of preferred stock. The terms of any series of preferred stock (including but not limited to the dividend rate, voting rights, convertibility into other Company securities and redemption) may be set by the Company's Board of Directors.

NOTE 15 – STOCK-BASED COMPENSATION PLANS

During fiscal 1997, the Board of Directors adopted the Incentive Stock Plan (Plan), which reserves shares to be used for various stock-based compensation awards. The Plan provides that eligible employees may receive stock option awards and other stock awards payable in whole or part by the issuance of stock. At September 30, 2000, 1,034,332 shares were available for future awards under the Plan.

Stock Options

Under the provisions of the Plan, zero, 455,500, and 424,500 stock option awards were issued in 2000, 1999, and 1998, respectively, at an option price equal to the fair market value of the shares at the grant date and accordingly, no charge against earnings was made. Generally, options are exercisable beginning from three to nine years after date of grant and have a maximum term of ten years. For options outstanding at September 30, 2000, the weighted average remaining contractual life was 7.6 years and the range of exercise prices was $12.00 to $17.19.

Changes in incentive and nonqualified stock options outstanding are summarized as follows:

	2000		1999		1998	
	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price	Shares Under Option	Weighted Average Exercise Price
Outstanding, beginning of year	1,687,500	$14.05	1,250,500	$12.89	850,000	$12.00
Granted	-	-	455,500	17.18	424,500	14.63
Exercised	(31,000)	12.00	(16,000)	12.00	-	-
Canceled	(59,000)	14.25	(2,500)	14.63	(24,000)	12.00
Outstanding, end of year	1,597,500	14.09	1,687,500	14.05	1,250,500	12.89
Exercisable, end of year	26,000	12.61	31,000	12.00	16,000	12.00

The Company accounts for stock-based compensation using the intrinsic value method. Accordingly, as previously discussed, no compensation expense has been recognized for the stock options granted. If the Company had accounted for the Plan using the fair value method, which requires recognition of compensation cost ratably over the vesting period of the options, net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

	Net Earnings			Diluted Earnings Per Share		
	2000	1999	1998	2000	1999	1998
As reported	$ 36.4	$ 36.4	$ 43.6	$ 1.19	$ 1.15	$ 1.32
Pro forma	34.6	35.4	43.1	1.13	1.12	1.31

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model as follows:

	1999	1998
Expected stock price volatility	41.35%	43.37%
Risk-free interest rate	5.7%	4.5%
Expected option lives	5.6 - 8 yrs	6.5 - 8 yrs
Estimated fair value of options granted (per share)	$ 9.29	$ 7.77

Deferred Compensation

The Incentive Stock Plan provides for deferred compensation plans for non-management directors and key employees, as well as an Executive Savings Investment Plan.

Under the Deferred Compensation Plan for Non-Management Directors, any non-management director may elect to defer, within certain limitations, their retainer and fees until retirement or other termination of their directorship. Deferrals may be made in Ralcorp common stock equivalents (Equity Option) or in cash under a number of funds operated by The Vanguard Group Inc. with a variety of investment strategies and objectives (Vanguard Funds). Deferrals in the Equity Option receive a 33 1/3% Company matching contribution which is fully vested.

Under the Deferred Compensation Plan for Key Employees, eligible employees may elect to defer payment of all or a portion of their bonus until some later date. Deferrals may be made in the Equity Option or in the Vanguard Funds. Deferrals in the Equity Option currently receive a 25% Company matching contribution which is fully vested if the related employee deferral remains invested in the Equity Option for five years. The plan also contains provisions that result in forfeiture of the Company match in the event of termination for cause or involuntary termination prior to age 55.

The Executive Savings Investment Plan allows eligible employees to defer up to 12% of their compensation once they have reached the legislated maximum annual pre-tax contribution to the Company's Savings Investment Plan [401(k)] or their compensation exceeds the legislated maximum compensation that can be recognized under that plan. A portion of the deferrals under this plan receives a Company matching contribution which vests at a rate of 25% for each year of Company service.

Matching contributions related to these three deferred compensation plans resulted in additional compensation expense of approximately $.2, $.3 and $.2 for fiscal 2000, 1999 and 1998. Market adjustments to the liability and investment related to these plans resulted in pretax income of $.9 for fiscal 2000, pretax expense of $.9 for fiscal 1999 and pretax income of $.5 for fiscal 1998.

NOTE 16 – SEGMENT INFORMATION

The Company's operating segments offer different products and services and are managed separately. These operating segments have been aggregated to present the Company's reportable segments – Cereals, Crackers & Cookies; Snack Nuts & Candy; Dressings, Syrups, Jellies & Sauces; and Baby Foods. The Company evaluates segment performance based on profit or loss from operations before income taxes, interest, restructuring charges and unallocated corporate expenses (operating profit).

The accounting policies of the segments are the same as those described in Note 1. The Company's revenues are primarily generated by sales within the United States; foreign sales are immaterial. There are no intersegment revenues and no single customer accounted for 10% or more of sales.

The table below presents information about reportable segments as of and for the years ended September 30. Note that "Additions to property and intangibles" excludes additions through business acquisitions (see Note 2) and "Assets, end of year" for Corporate includes the equity investment in Vail of $75.9, $70.7, and $66.0 as of September 30, 2000, 1999, and 1998, respectively (see Note 3).

	2000	1999	1998
Net sales			
Cereals	$ 283.6	$ 297.1	$ 278.2
Crackers & Cookies	232.2	173.7	157.6
Snack Nuts & Candy	169.7	124.2	24.7
Dressings, Syrups, Jellies & Sauces	123.7	41.6	-
Baby Foods	-	-	122.4
Total	$ 809.2	$ 636.6	$ 582.9
Operating profit (loss)			
Cereals, Crackers & Cookies	$ 57.5	$ 53.8	$ 46.7
Snack Nuts & Candy	9.7	8.2	.9
Dressings, Syrups, Jellies & Sauces	3.5	1.7	-
Baby Foods	-	-	(1.1)
Total segment operating profit	70.7	63.7	46.5
Interest expense	(8.8)	(1.4)	-
Restructuring charge	(2.5)	-	-
Gain on sale of business	-	-	18.7
Unallocated corporate expenses	(6.8)	(8.7)	(5.4)
Earnings before income taxes and equity earnings	$ 52.6	$ 53.6	$ 59.8
Additions to property and intangibles			
Cereals, Crackers & Cookies	$ 17.5	$ 17.8	$ 21.6
Snack Nuts & Candy	4.4	1.5	.5
Dressings, Syrups, Jellies & Sauces	2.0	1.2	-
Baby Foods	-	-	2.5
Corporate	.2	-	-
Total	$ 24.1	$ 20.5	$ 24.6
Depreciation and amortization			
Cereals, Crackers & Cookies	$ 25.1	$ 19.0	$ 15.0
Snack Nuts & Candy	4.9	2.6	.6
Dressings, Syrups, Jellies & Sauces	3.8	1.0	-
Baby Foods	-	-	2.2
Corporate	.5	.5	.4
Total	$ 34.3	$ 23.1	$ 18.2
Assets, end of year			
Cereals, Crackers & Cookies	$ 348.1	$ 272.2	$ 270.5
Snack Nuts & Candy	132.0	87.1	55.1
Dressings, Syrups, Jellies & Sauces	225.8	41.7	-
Baby Foods	-	-	-
Corporate	98.8	82.8	92.3
Total	$ 804.7	$ 483.8	$ 417.9

NOTE 17 – QUARTERLY FINANCIAL DATA (UNAUDITED)

The results for any single quarter are not necessarily indicative of the Company's results for any other quarter or the full year. Due to the Company's equity interest in Vail (see Note 3), which typically yields more than the entire year's equity income during the Company's second and third fiscal quarters, net earnings of the Company are seasonal. In addition certain aspects of the Company's operations, especially in the Snack Nuts & Candy segment, are somewhat seasonal with a higher percentage of sales and operating profits expected to be recorded in the first and fourth fiscal quarters.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Fiscal 2000					
Net sales	$ 204.9	$ 173.2	$ 172.1	$ 259.0	$ 809.2
Gross profit	49.4	42.3	40.7	57.1	189.5
Net earnings	7.6	10.6	12.9	5.3	36.4
Diluted earnings per share	.24	.34	.43	.18	1.19
Market price per share - high	20.75	19.88	15.50	14.38	20.75
Market price per share - low	17.13	14.44	11.50	12.31	11.50
Fiscal 1999					
Net sales	$ 154.9	$ 150.3	$ 154.4	$ 177.0	$ 636.6
Gross profit	42.9	41.7	39.8	44.7	169.1
Net earnings	6.3	10.9	12.1	7.1	36.4
Diluted earnings per share	.20	.34	.38	.23	1.15
Market price per share - high	18.38	20.81	20.88	17.69	20.88
Market price per share - low	13.00	16.50	16.06	15.75	13.00

NOTE 18 – SUBSEQUENT EVENT

On August 7, 2000, the Company and Agribrands International, Inc. (Agribrands) entered into an Agreement and Plan of Reorganization (Agreement), which set forth the terms and conditions of a proposed merger of equals of the two companies. On December 1, 2000, the Agreement was terminated by Agribrands. In accordance with the Agreement, the Company received a payment of $5.0 million as a termination fee. This termination fee income will be recorded net of related expenses in the first quarter of fiscal 2001.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information regarding directors under the headings "ELECTION OF DIRECTORS" and "INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS" in the Company's Notice of Annual Meeting and Proxy Statement, to be filed, is hereby incorporated by reference. Information regarding Executive Officers of the Company is included under Item 4A of Part I.

ITEM 11. EXECUTIVE COMPENSATION

Information appearing under the heading "INFORMATION ON EXECUTIVE COMPENSATION" and the remuneration information under the caption "How does Ralcorp compensate its directors?" in the Company's Notice of Annual Meeting and Proxy Statement, to be filed, are hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The discussion of the security ownership of certain beneficial owners and management appearing under the caption "How much Ralcorp stock do directors and executive officers own?" in the Company's Notice of Annual Meeting and Proxy Statement, to be filed, is hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information appearing under the heading "COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION" of the Company's Notice of Annual Meeting and Proxy Statement, to be filed, is hereby incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) Documents filed with this report:

1. Financial Statements. The following financial statements are filed as a part of this document under Item 8.

   -Report of Independent Accountants
   -Consolidated Statement of Earnings for years ended September 30, 2000, 1999 and 1998
   -Consolidated Balance Sheet at September 30, 2000 and 1999
   -Consolidated Statement of Cash Flows for years ended September 30, 2000, 1999 and 1998
   -Consolidated Statement of Shareholders' Equity for the three years ended September 30, 2000
   -Notes to Consolidated Financial Statements

2. Financial Statement Schedules. None. Schedules not included have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto. Financial statements of the Registrant's 50% or less owned companies have been omitted because, in the aggregate, they are not significant.

3. Exhibits. See the Exhibit Index that appears at the end of this document and which is incorporated herein. Exhibits 10.14 to 10.37 are management compensation plans or arrangements.

(b) Reports on Form 8-K. The Company filed the following reports on Form 8-K during the last quarter of the fiscal year:

   Form 8-K filed July 14, 2000 relating to a press release dated July 14, 2000 announcing the completion of the purchase of The Red Wing Company, Inc.

   Form 8-K filed July 24, 2000 relating to a press release dated July 24, 2000 announcing the relocation of Baltimore production to Dunkirk, NY.

   Form 8-K filed July 26, 2000 relating to a press release dated July 26, 2000 announcing earnings for third quarter and nine months ended June 30, 2000.

   Form 8-K/A filed July 27, 2000 relating to the filing of the Stock Purchase Agreement and Credit Facility for the purchase of The Red Wing Company, Inc.

   Form 8-K filed August 2, 2000 relating to a press release dated August 2, 2000 announcing that employees of Ripon Foods, Inc. who are members of Local 91 Union of Needletrades, Industrial and Textile Employees (UNITE) have gone on strike.

   Form 8-K filed August 4, 2000 relating to a press release dated August 3, 2000 announcing that employees of Ripon Foods, Inc. who are members of Local 91 Union of Needletrades, Industrial and Textile Employees (UNITE) have reached accord with the Company.

   Form 8-K filed August 8, 2000 relating to a press release dated August 8, 2000 announcing the definitive agreement between Ralcorp Holdings, Inc. and Agribrands International, Inc. to merge.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, Ralcorp Holdings, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

RALCORP HOLDINGS, INC.

By: /s/ JOE R. MICHELETTO
Joe R. Micheletto
Chief Executive Officer
and President

December 27, 2000

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints R. W. Lockwood and T. G. Granneman and each of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resolution, for him and in his name, place, and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JOE R. MICHELETTO Joe R. Micheletto	Chief Executive Officer, President and Director (Principal Executive Officer and Principal Financial Officer)	December 27, 2000
/s/ THOMAS G. GRANNEMAN Thomas G. Granneman	Corporate Vice President and Controller (Principal Accounting Officer)	December 27, 2000
/s/ WILLIAM D. GEORGE, JR. William D. George, Jr.	Director	December 27, 2000
/s/ JACK W. GOODALL Jack W. Goodall	Director	December 27, 2000
/s/ DAVID W. KEMPER David W. Kemper	Director	December 27, 2000
/s/ WILLIAM P. STIRITZ William P. Stiritz	Director	December 27, 2000

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
*2.1	Stock Purchase Agreement between Tomkins Overseas Holdings S.A. and RH Financial Corporation dated as of June 16, 2000 (Filed as Exhibit 2.1(a) to the Company's Current Report on Form 8-K filed on July 14, 2000).
*2.2	Amendment No. 1 to Agreement between Tomkins Overseas Holdings S.A. and RH Financial Corporation dated as of June 16, 2000 (Filed as Exhibit 2.1(b) to the Company's Current Report on Form 8-K filed on July 14, 2000).
*2.3	Amendment No. 2 to Agreement between Tomkins Overseas Holdings S.A. and RH Financial Corporation dated as of June 16, 2000 (Filed as Exhibit 2.1(c) to the Company's Current Report on Form 8-K filed on July 14, 2000).
*2.4	Agreement and Plan of Reorganization dated as of August 7, 2000 by and between Ralcorp Holdings, Inc. and Agribrands International, Inc. (Filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 7, 2000).
*3.1	Restated Articles of Incorporation of Ralcorp Holdings, Inc. (Filed as Exhibit 3.1 to the Company's Form 10-Q for the period ending December, 31, 1996).
*3.2	Bylaws of Ralcorp Holdings, Inc. (Filed as Exhibit 3.2 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*4.1	Shareholder Protection Rights Agreement (Filed as Exhibit 4.1 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*4.2	First Amendment to Shareholder Rights Protection Plan (Filed as Exhibit 4 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.1	$125,000,000 Credit Agreement among Ralcorp Holdings, Inc., the lenders named therein, and the First National Bank of Chicago, as Agent, dated as of April 28, 1999. (Filed as Exhibit 10.1 to the Company's Form 10-Q for the period ending March 31, 1999.
*10.2	Reorganization Agreement dated as of January 31, 1997 by and among Ralcorp Holdings, Inc. New Ralcorp Holdings, Inc., Ralston Foods, Inc., Chex, Inc. and General Mills, Inc. (Filed as Exhibit 10.2 to the Company's Form 10-Q for the period ending December 31, 1997).
*10.3	Tax Sharing Agreement dated as of January 31, 1997 between Ralcorp Holdings, Inc. and New Ralcorp Holdings, Inc. (Filed as Exhibit 10.5 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.4	Stock Purchase Agreement made as of July 29, 1999 by and among Milnot Holding Corporation, RH Financial Corporation and Ralcorp Holdings, Inc. (filed as Exhibit 99.2 to the Company's Form 8-K dated September 10, 1999).
*10.5	Technology Agreement dated as of January 31, 1997 by and among Ralcorp Holdings, Inc., New Ralcorp Holdings, Inc. and Chex, Inc. (Filed as Exhibit 10.4 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.6	Trademark Agreement dated as of January 31, 1997 by and among Ralcorp Holdings, Inc., New Ralcorp Holdings, Inc. and Chex, Inc. (Filed as Exhibit 10.3 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.7	Agreement and Plan of Merger dated as of August 13, 1996 by and among Ralcorp Holdings, Inc., General Mills, Inc. and General Mills Missouri, Inc. (Filed as Exhibit 2.6 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.8	Stock Purchase Agreement by and among Vail resorts, Inc., Ralston Foods, Inc. and Ralston Resorts, Inc. dated July 22, 1996 (Filed as Exhibit 10.10 to the Company's Registration Statement on Form 10, dated December 27, 1996).

Exhibit Number	Description of Exhibit
*10.9	Shareholder Agreement dated as of January 3, 1997 among Vail Resorts, Inc., Ralston Foods, Inc. and Apollo Ski Partners L.P. (Filed as Exhibit 10.9 to the Company's Form 10-Q for the period ending December 31, 1996).
10.9(a)	First Amendment to Shareholder Agreement dated as of November 1, 1999 among Vail Resorts, Inc., Ralcorp Holdings, Inc. and Apollo Ski Partners LP. (Filed as Exhibit 10.9(a) to the Company's Form 10-K for the year ending September 30, 2000.)
*10.10	Stock Purchase Agreement among Bremner, Inc. and all of the shareholders of the Wortz Company dated March 14, 1997 (Filed as exhibit 10.0 to the Company's Form 10-Q for the period ending March 31, 1997).
*10.11	Amendment to Agreement and Plan of Merger dated October 26, 1996 by and among Ralcorp Holdings, Inc., General Mills, Inc. and General Mills Missouri, Inc. (filed as Exhibit 10.11 to the Company's Form 10-K for the period ending September 30, 1997).
*10.12	Second Amendment to Agreement and Plan of Merger dated January 29, 1997 by and among Ralcorp Holdings, Inc., General Mills, Inc., and General Mills Missouri, Inc. (Filed as Exhibit 10.7 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.13	Third Amendment to Agreement and Plan of Merger dated January 31, 1997 by and among Ralcorp Holdings, Inc., General Mills, Inc. and General Mills Missouri, Inc. (Filed as Exhibit 10.8 to the Company's Form 10-Q for the period ending December 31, 1996).
*10.14	Incentive Stock Plan (Filed as Exhibit 10.01 to the Company's Registration Statement on Form 10 dated December 27, 1997).
*10.15	Form of 1997 Non-Qualified Stock Option Agreement (Filed as Exhibit 10.01 to Company's Form 10-Q for the period ending June 30, 1997).
*10.16	Form of 1997 Non-Qualified Stock Option Agreement for Non-Management Directors (Filed as Exhibit 10.01 to Company's Form 10-Q for the period ending June 30, 1997).
*10.17	Form of Management Continuity Agreement (Filed as Exhibit 10.3 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.18	Employment Agreement For J. R. Micheletto (Filed as Exhibit 10.4 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.18(a)	Amendment to Employment Agreement For J. R. Micheletto (Filed as Exhibit 10.18 to the Company's Form 10-K for the year ending September 30, 1997).
*10.19	Employment Agreement For K. J. Hunt (Filed as Exhibit 10.5 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.20	Employment Agreement For R. W. Lockwood (Filed as Exhibit 10.6 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.21	Employment Agreement For J. A. Nichols (Filed as Exhibit 10.7 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.22	Employment Agreement For D. P. Skarie (Filed as Exhibit 10.8 to the Company's Form 10-Q for the period ending June 30, 1997).
*10.23	Summary of Terms for 1998 Non-Qualified Stock Options. (Filed as Exhibit 10.23 to the Company's Form 10-K for the year ending September 30, 1998).
*10.24	Employment Agreement for R. D. Wilkinson (Filed as Exhibit 10.24 to the Company's Form 10-K for the year ending September 30, 1997).
*10.25	Split Dollar Second to Die Life Insurance Arrangement (Filed as Exhibit 10.07 to the Company's Registration Statement on Form 10 dated December 27, 1996).

Exhibit Number	Description of Exhibit
*10.26	Change in Control Severance Compensation Plan (Filed as Exhibit 10.06 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*10.27	Deferred Compensation Plan for Non-Management Directors (Filed as Exhibit 10.28 to the Company's Form 10-K for the year ending September 30, 2000).
*10.28	Deferred Compensation Plan for Key Employees (Filed as Exhibit 10.29 to the Company's Form 10-K for the year ending September 30, 2000).
*10.29	Executive Life Insurance Plan (Filed as Exhibit 10.10 to the Company's Registration statement on Form 10 Dated December 27, 1996).
*10.30	Executive Health Plan (Filed as Exhibit 10.11 to the Company's Registration Statement on Form 10 Dated December 27, 1996).
*10.31	Executive Long Term Disability Plan (Filed as Exhibit 10.12 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*10.32	Supplemental Retirement Plan (Filed as Exhibit 10.14 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*10.33	Executive Savings Investment Plan (Filed as Exhibit 10.15 to the Company's Registration Statement on Form 10 dated December 27, 1996).
*10.34	Form of Indemnification Agreement for all Non-Management Directors of the Company (Filed as Exhibit 10.35 to the Company's Form 10-K for the year ending September 30, 1999).
*10.35	Form of Indemnification Agreement for all Management Directors of the Company (Filed as Exhibit 10.36 to the Company's Form 10-K for the year ending September 30, 1999).
*10.36	Form of Indemnification Agreement for all Corporate Officers who are not Directors of the Company (Filed as Exhibit 10.37 to the Company's Form 10-K for the year ending September 30, 1999).
*10.37	Summary of Terms of 1999 Non-Qualified Stock Options (Filed as Exhibit 10.38 to the Company's Form 10-K for the year ending September 30, 1999).
*10.38	$200 Million Credit Agreement among Ralcorp Holdings, Inc., the Lenders named herein, and BankOne, N.A., as Agent dated as of July 10, 2000 (Filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed on July 14, 2000).
21	Subsidiaries of the Company.
23(a)	Consent of PricewaterhouseCoopers LLP.
23(b)	Consent of Arthur Andersen LLP.
*24	Power of Attorney (Included in Part II).
27	Financial Data Schedule.
99.1	Opinion of Arthur Anderson LLP.

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* Incorporated by reference

BOARD OF DIRECTORS

William D. George, Jr. *(1,2)*
Retired President and Chief Executive Officer,
S.C. Johnson & Son, Inc.
(consumer products)

Jack W. Goodall *(1,2)*
Chairman of the Board, Jack in the Box Inc.
(restaurants)

David W. Kemper *(1,2)*
Chairman, President and Chief Executive
Officer, Commerce Bancshares, Inc.
(bank holding company)

Joe R. Micheletto
Chief Executive Officer and President,
Ralcorp Holdings, Inc.

William P. Stiritz *(1,2,3)*
Chairman of the Board,
Chief Executive Officer and President,
Agribrands International, Inc.
(animal feed and agricultural products)

(1) Member of Audit Committee
(2) Member of Nominating and Compensation Committee
(3) Chairman of the Board

CORPORATE OFFICERS

Joe R. Micheletto
Chief Executive Officer and President

Thomas G. Granneman
Vice President and Controller

Kevin J. Hunt
Vice President; and President,
Bremner, Inc.

Robert W. Lockwood
Vice President, General Counsel
and Secretary

James A. Nichols
Vice President; and President,
The Carriage House Companies, Inc.

David P. Skarie
Vice President; and President,
Ralston Foods

Ronald D. Wilkinson
Vice President and Director of
Product Supply

CORPORATE AND SHAREHOLDER INFORMATION

General Office
Ralcorp Holdings, Inc.
P.O. Box 618
St. Louis, MO 63188-0618
Telephone: 314/877-7000
Internet: www.ralcorp.com

Date and State of Incorporation
October 23, 1996 – Missouri

Number of Record Shareholders
14,467 at September 30, 2000

Number of Employees
Approximately 4,900 at September 30, 2000

Independent Accountants
PricewaterhouseCoopers LLP, St. Louis, MO

Fiscal Year End
September 30

Notice of Annual Meeting
The 2001 Annual Meeting of Shareholders will be held at the Gateway Center, One Gateway Drive, Collinsville, Illinois at 10:00 a.m., Monday, February 26, 2001. Proxy material for the Meeting is enclosed.

Form 10-K Information and Investor Inquiries
Shareholders may obtain, without charge, a copy of the Company's most recent Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, by directing inquiries to:
Ralcorp Holdings, Inc.
Attn: Shareholder Services
P.O. Box 618
St. Louis, MO 63188-0618
Telephone: 314/877-7046

Transfer Agent and Registrar
EquiServe Trust Company
(First Chicago Trust division)

Shareholder Telephone Calls:
(Operators are available Monday – Friday, 8:30 a.m. to 7:00 p.m. Eastern time. An interactive automated system is available around the clock everyday.)

Inside the U.S.:	800/446-2617
Outside the U.S.:	201/324-0498
TDD/TTY (hearing impaired):	201/222-4955

Internet: www.equiserve.com

Addresses:
For Questions Regarding Stock Transfers, Change of Address or Lost Certificates:
EquiServe Trust Company
P.O. Box 2500
Jersey City, NJ 07303-2500

To Send Stock Certificates for Transfer Via Regular Mail:
EquiServe Trust Company
P.O. Box 2589
Jersey City, NJ 07303-2589

To Send Stock Certificates by Messenger or Drop Off by Shareholder:
EquiServe Trust Company
c/o Securities Transfer & Reporting Service
100 William Street, Galleria
New York, NY 10038

To Send Stock Certificates Via Express Courier:
EquiServe
525 Washington Blvd.
Jersey City, NJ 07310

Exchange Listing
New York Stock Exchange, Inc.
(Ticker Symbol – RAH)

RAH
Listed
NYSE

ACQUISITION TIMELINE
(As of September 30, 2000)

July 14, 2000
The Red Wing Company, Inc.

May 1, 2000
James P. Linette, Inc.

January 28, 2000
Cascade Cookie Company, Inc.

October 4, 1999
Ripon Foods, Inc.

March 24, 1999
Southern Roasted Nuts of Georgia, Inc.

March 4, 1999
Martin Gillet & Co., Inc.

September 4, 1998
Nutcracker Brands, Inc.

August 25, 1998
Sugar Kake Cookie Inc.

April 23, 1998
Flavor House, Inc.

April 21, 1997
Wortz Company

LOCATIONS & NUMBER OF EMPLOYEES
(As of September 30, 2000)

★ Corporate Headquarters	
St. Louis, MO	224
Cereals	
Battle Creek, MI	146
Cedar Rapids, IA	141
Lancaster, OH	394
Sparks, NV	150
Field Sales	16
Crackers & Cookies	
Kent, WA	118
Minneapolis, MN	33
Poteau, OK	347
Princeton, KY	593
Ripon, WI	515
Tonawanda, NY	225
Snack Nuts & Candy	
Billerica, MA	102
Dothan, AL	212
Womelsdorf, PA	111
Dressings, Syrups, Jellies & Sauces	
Baltimore, MD	177
Dunkirk, NY	133
Fredonia, NY	645
Kansas City, KS	28
Los Angeles, CA	61
San Jose, CA	100
Streator, IL	269
Williams, CA	166

▲ Equity Investment
Vail Resorts, Inc. (Vail, CO)

Ralcorp

Ralcorp Holdings, Inc.
P.O. Box 618
St. Louis, MO
63188-0618
Telephone: (314) 877-7000
Internet: www.ralcorp.com