



B&G Foods, Inc.

Quality Foods Since 1889

January 14, 2009

Information about Tax Treatment of 2008 Class A Common Stock and EIS Distributions

The following is an explanation of certain aspects of the U.S. federal income tax treatment of B&G Foods' 2008 cash payments on our separately traded Class A common stock and Enhanced Income Securities (EISs). The following does not discuss all aspects of individual holder circumstances and does not constitute tax advice. Holders of our separately traded Class A common stock and/or EISs are urged to consult their own tax advisors regarding their individual circumstances.

Summary

- Our separately traded Class A common stock (i.e., shares of Class A common stock that are not represented by EISs) trade on the New York Stock Exchange under the symbol "BGS."
- Each EIS is comprised of one share of Class A common stock and \$7.15 principal amount of 12% senior subordinated notes due 2016. Our EISs trade on the New York Stock Exchange under the symbol "BGF."

Separately Traded Class A Common Stock (NYSE: BGS)

- In 2008, B&G Foods distributed \$0.8480 per share of separately traded Class A common stock.
- Based on U.S. federal income tax laws, B&G Foods has determined that of such distributions, 100% (or \$0.8480 per share) will be treated as a return of capital.
- The table below summarizes the tax treatment of the 2008 distributions on the separately traded Class A common stock.

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Total Per Share Distribution</u>	<u>2008 Taxable Dividend</u>	<u>2008 Return of Capital</u>
11/13/2007	12/31/2007	1/30/2008	\$0.2120	\$0.0000	\$0.2120
3/10/2008	3/31/2008	4/30/2008	\$0.2120	\$0.0000	\$0.2120
5/6/2008	6/30/2008	7/30/2008	\$0.2120	\$0.0000	\$0.2120
7/23/2008	9/30/2008	10/30/2008	\$0.2120	\$0.0000	\$0.2120
2008 Totals			\$0.8480	\$0.0000	\$0.8480

Enhanced Income Securities (EISs) (NYSE: BGF)

- In 2008, B&G Foods distributed \$0.8480 per EIS as a distribution on the Class A common stock represented thereby and \$0.8580 per EIS as a distribution of interest on the principal amount of senior subordinated notes represented thereby.
- Based on U.S. federal income tax laws, B&G Foods has determined that of the portion of the 2008 EIS distributions attributable to the Class A common stock, 100% (or \$0.8480 per EIS) will be treated as a return of capital on the Class A common stock.
- With respect to EISs not held by an EIS holder for the entire year, the per EIS tax treatment for each quarterly payment is set forth in the tables below.

Class A Common Stock Portion of Each EIS

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payment Date</u>	<u>Total Per Share Distribution</u>	<u>2008 Taxable Dividend</u>	<u>2008 Return of Capital</u>
11/13/2007	12/31/2007	1/30/2008	\$0.2120	\$0.0000	\$0.2120
3/10/2008	3/31/2008	4/30/2008	\$0.2120	\$0.0000	\$0.2120
5/6/2008	6/30/2008	7/30/2008	\$0.2120	\$0.0000	\$0.2120
7/23/2008	9/30/2008	10/30/2008	\$0.2120	\$0.0000	\$0.2120
2008 Totals			\$0.8480	\$0.0000	\$0.8480

12% Senior Subordinated Notes due 2016 Portion of Each EIS

<u>Record Date</u>	<u>Payment Date</u>	<u>Total Interest Distribution per \$7.15 Principal Amount</u>	<u>2008 Interest Income</u>
12/31/2007	1/30/2008	\$0.2145	\$0.2145
3/31/2008	4/30/2008	\$0.2145	\$0.2145
6/30/2008	7/30/2008	\$0.2145	\$0.2145
9/30/2008	10/30/2008	\$0.2145	\$0.2145
2008 Totals		\$0.8580	\$0.8580

General

- Nuances in U.S. federal income tax laws require the tax treatment described in this memorandum, which is based on a complex calculation that cannot be computed until after the end of each year. Therefore the tax treatment of the 2008 quarterly dividends on the Class A common stock was not determined until after the close of the year. Similarly, we will not be able to accurately determine the treatment of any 2009 dividends until after year-end.
- Generally, the portion of the distribution on the Class A common stock that is treated as a return of capital should reduce the tax basis in the shares of Class A common stock (regardless of whether the shares of Class A common stock are held separately or are represented by EISs).
- Holders of our separately traded shares of Class A common stock and/or EISs are urged to check their 2008 tax statements received from brokerage firms in order to ensure that the cash distribution information reported on such statements conforms to the information reported herein.

- B&G Foods has provided this information to the appropriate reporting companies. However, if you receive an incorrect 1099 form from your broker you should contact your broker directly. Brokers can produce a corrected 1099 by accessing the information through the Depository Trust Company's databank.
- See "Questions and Answers" below for additional information.

Questions and Answers

How do holders of our separately traded Class A common stock and/or EISs treat cash distributions for tax purposes?

Distributions paid on the shares of our Class A common stock (regardless of whether the shares are held separately or are represented by EISs) will be taxable to you as dividend income to the extent those distributions are paid out of our current or accumulated earnings and profits. If you are an individual, such dividend income will (through 2010) be subject to tax at long-term capital gains rates provided you meet certain holding period and other requirements. Distributions on our shares of Class A common stock not paid out of our current or accumulated earnings and profits will be treated as a return of capital to the extent of your basis in your shares of Class A common stock and any such payments in excess of your basis will be taxed as capital gain. Interest income on the senior subordinated notes (regardless of whether the notes are held separately or are represented by EISs) will be taxable to you at ordinary income rates.

As treatments may vary due to individual status and other considerations, B&G Foods urges holders to consult their own tax advisors for their individual treatment.

What is the tax treatment of the 2008 "return of capital"?

The "nontaxable distribution" language on Box 3 of the 2008 Form 1099-DIV should be read with care in conjunction with the Instructions to Recipients explanation to Box 3 contained in the notes to Form 1099-DIV. These distributions are more commonly referred to as "return of capital" distributions for U.S. federal income tax purposes. If a holder of separately traded Class A common stock or EISs has a cost or other tax basis in the shares of Class A common stock held separately or represented by EISs equal to at least the amount of the return of capital distribution, the distribution does not trigger any tax, but instead merely reduces the holder's cost or other tax basis in his or her shares of Class A common stock held separately or represented by the EISs. If the amount of the "nontaxable distribution" is in excess of the holder's cost or other tax basis, such excess is taxable as capital gain. See the Instructions to Recipients—Box 3 on the 2008 Form 1099-DIV or 2008 IRS Publication 550, Investment Income and Expenses.

What if my broker sent me an incorrect 2008 1099-DIV?

To ensure that information regarding such accounts is correctly reported to the IRS, holders who receive incorrect 1099-DIV forms should contact their brokers directly to request a corrected 1099-DIV. Brokers can access the correct information through the Depository Trust Company's databank. Unfortunately, B&G Foods cannot provide a 1099-DIV to holders of separately traded Class A common stock or EISs who own their shares or EISs through brokers.

How will the 2009 B&G Foods dividends be treated?

It is possible that all or a portion of the dividends paid by B&G Foods during 2009 could represent a return of capital distribution to recipients for U.S. federal income tax purposes. However, the determination of the actual characterization of distributions made during 2009 cannot be determined until after the close of the year, and will be reflected in the 2009 Form 1099-DIV (sent in early 2010).

IRS Circular 230 Disclosure: The discussion contained in this memorandum as to tax matters is not intended or written to be used, and cannot be used, for the purpose of avoiding United States federal income tax penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this memorandum. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.
