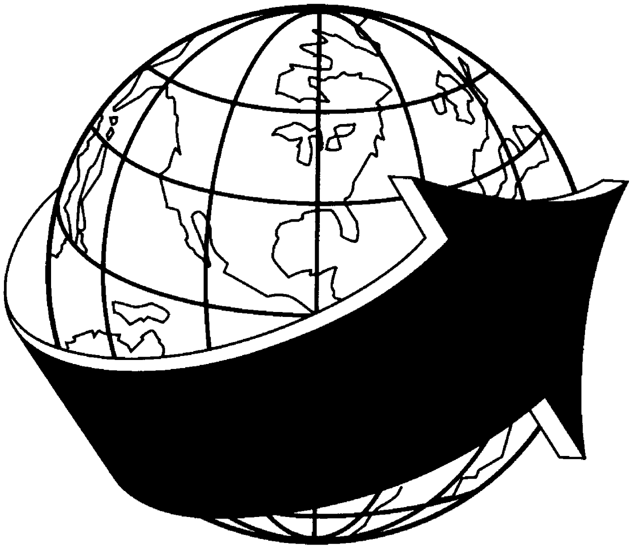
Annual Report 1996



Wm. **WRIGLEY** *Jr. Company*

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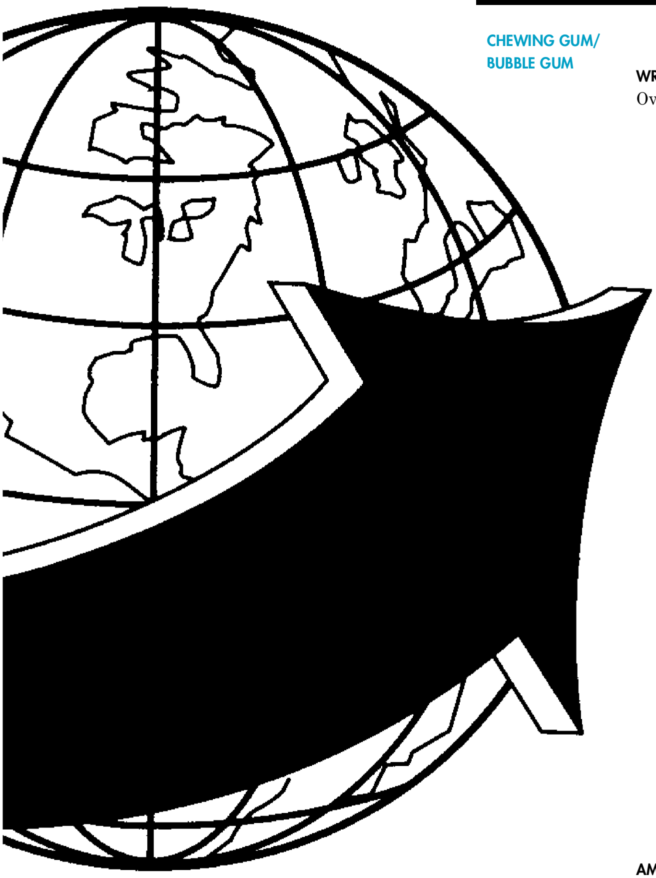
WRIGLEY *at a glance*



PRODUCTS	COMPANIES	PRODUCTION FACILITIES		REGIONSSERVED	MAJORBRANDS
CHEWING GUM/ BUBBLE GUM	WRIGLEY Over 130 countries served	UNITED STATES	Chicago, Illinois Gainesville, Georgia Santa Cruz, California	North America Latin America	WRIGLEY'S SPEARMINT; P.K.; DOUBLEMINT; Hubba Bubba; JUICY FRUIT; Orbit; Extra; Big Red; Freedent; Winterfresh
		CANADA	Don Mills, Ontario		
		ENGLAND	Plymouth	Europe Middle East Africa	
		FRANCE	Biesheim		
		AUSTRIA	Salzburg		
		POLAND	Poznan		
		KENYA	Nairobi		
		RUSSIA	St. Petersburg (1999)		
		AUSTRALIA	Sydney	Asia Pacific	
		PHILIPPINES	Metro Manila		
		TAIWAN	Tapei		
		CHINA	Guangzhou		
		INDIA	Bangalore		
	AMUROL CONFECTIONS Over 50 countries served	UNITED STATES	Yorkville, Illinois	North America Latin America Europe Middle East Africa Asia Pacific	Bubble Tape; Bubble Jug; CHECKBOOK; OUCH!; BUBBLE BEEPER; Squeeze Pop
GUM BASE	L.A. DREYFUS	UNITED STATES	Edison, New Jersey	All Wrigley production facilities (and some outside customers)	
		FRANCE	Biesheim		
FLAVORING	NORTHWESTERN FLAVORS	UNITED STATES	West Chicago, Illinois	All Wrigley production facilities (and some outside customers)	

Wm. **WRIGLEY** Jr. Company

OFFICE OF THE PRESIDENT

WRIGLEY BUILDING • 410 N. MICHIGAN AVENUE • CHICAGO, ILLINOIS 60611 • TELEPHONE: 644-2121

To the Stockholders and Employees
of the Wm. Wrigley Jr. Company

Your Company continued to grow its global business in 1996. Competitive activity worldwide remained at a high level, particularly in many emerging markets. Traditional retail outlets, especially in the U.S., continued to consolidate, and a proliferation of new products competed for shelf space and consumer attention. Nevertheless, thanks to the hard work and determination of all Wrigley employees to strengthen our leadership position throughout the world, we achieved record sales for the twelfth consecutive year. Net earnings, although reduced by charges related to the closing of our Santa Cruz factory, also improved.

The factory closing in Santa Cruz, which was announced last spring, is scheduled to be completed by the second quarter of this year. Those Wrigley employees who remain in Santa Cruz have worked diligently to maintain our high standards while winding down production. A number of Santa Cruz employees have also made the transition to our other U.S. factories where their associates have warmly welcomed them. By any measure, the process of closing a facility is difficult, but everyone involved is stepping up to meet the challenge. Their extra effort reflects the quality of the people within the Company.

Sales of all chewing gum in the U.S. declined somewhat in 1996 due to weakness in the sugarfree and bubble gum segments. Thanks to the continued strength of Winterfresh®, which posted a significant increase over 1995, our total volume held up better than the overall chewing gum category and we gained market share. Winterfresh, although introduced just a little more than two years ago, now trails only Doublemint® as the most popular single-flavored brand among U.S. consumers. Also, as a result of some selective pricing changes and continued cost control efforts, U.S. profitability improved over the prior year.

To grow our U.S. volume, we have been focusing on increased distribution and merchandising through new and nontraditional channels. Our efforts are directed toward keeping our products visible and within easy reach of consumers, whose shopping habits continue to evolve. Combined with solid distribution and merchandising, effective advertising remains a cornerstone of our business, not only in the U.S. but around the world. To counter growing competitive spending in this important area, we continue to increase our marketing investment.

Canada was our best performer in North America with solid volume growth in 1996. Our market share increased to its highest level in recent years due to our volume gains over 1995 while the total chewing gum category softened. The improvement was led by our sugarfree brands — Excel®, which has been steadily winning over consumers since its 1991 introduction, and Extra®, which recorded its largest volume increase since 1989.

For the second straight year, our associates at Amurol Confections experienced a decline in volume. In the U.S., increased competition took its toll on the business, reducing sales and profitability. On the international side, Amurol's volume gains in Europe and the Asia/Pacific region were more than offset by declines in Latin America. Our Amurol associates are keeping a tight rein on costs and have developed new products to strengthen their position heading into 1997.

In Europe, your Company achieved another year of solid growth in 1996, especially for our sugarfree brands. Substantial sugarfree volume gains across Eastern and Central Europe more than offset slight volume declines in Germany, France and Scandinavia. Our business in the U.K. rebounded strongly, with new advertising for Extra helping to boost sales.

Volume gains in almost every country of Eastern and Central Europe in 1996 underscore the need for the steps we are taking to add manufacturing capacity in that region. Last January, production started at our new factory in Poznan, Poland and increased steadily throughout the year. By the fourth quarter, the plant was supplying almost all the product needed by the Polish domestic market, as well as exporting our brands to several other Central European markets. In St. Petersburg, Russia, site preparation for another Wrigley factory is underway; construction activity awaits the spring thaw. Production is anticipated to begin in early 1999.

Again this year, Asia was your Company's fastest growing region. China led the way as our Wrigley team there expanded distribution and merchandising while ''heavying up'' advertising to support these efforts and build consumer demand for our brands. Construction crews are at work on a major addition to our Guangzhou factory to keep pace with volume that has grown at least 50% every year since this facility opened in 1993. In the Philippines, although domestic consumption was down in 1996, demand for our products in fast-growing export markets they service, such as Southeast Asia, continued to increase. Groundwork has begun for a factory to replace our existing 30-year-old facility. The new factory is expected to be up and running within two years.

An interesting market under development in the Asian region is India. We have, up to this time, been concentrating on building a solid base of business in India's southern provinces. In 1997, your Company plans to extend its distribution, merchandising and advertising activities to other parts of the country. Although we have a long way to go, we continue to believe there is an opportunity to develop the long-term potential of this country with the second largest population in the world.

Worldwide capital spending is expected to rise to record levels in 1997, and should top the 1996 total of $102 million. The capacity being added now will put your Company in a position to handle growth opportunities through the beginning of the next century. Less obvious but critical investments in research and development are also under way to take your Company beyond the year 2000. Our scientists and technicians are constantly working on ways to improve our products. And they are exploring new technologies to maintain our competitive edge in manufacturing.

While construction, manufacturing, research and marketing challenges remain formidable, our worldwide Wrigley team is up to the task. Our leadership position in the market and our reputation for quality and value are built upon a commitment by each Wrigley employee to achieve the very best. Across the Company, experienced and new employees alike strive to uphold this tradition and maintain our momentum.

As always, we remain dedicated to building the business, not just for tomorrow and next year, but for the long run. With your support, we believe that we can continue to build for your Company's future on the foundation we are currently laying — state-of-the-art production facilities, high quality products, and well-executed distribution, merchandising and advertising strategies.

Sincerely,

William Wrigley

Highlights of Operations

Wm. Wrigley Jr. Company and Associated Companies

	1996	1995
	In thousands of dollars except for per share amounts	
Net Sales	**$1,835,987**	1,754,931
Earnings before factory closure	**243,262**	223,739
—Per Share of Common Stock	**2.10**	1.93
Net Earnings	**230,272**	223,739
—Per Share of Common Stock	**1.99**	1.93
Dividends Paid	**118,308**	111,401
—Per Share of Common Stock	**1.02**	.96
Property Additions	**101,977**	102,759
Stockholders' Equity	**897,431**	796,852
Return on Average Equity	**27.2%**	30.1%
Stockholders at Close of Year	**34,951**	28,959
Average Shares Outstanding (000)	**115,983**	116,066

For additional historical financial data see page 22.

Consolidated Statement of Earnings

Wm. Wrigley Jr. Company and Associated Companies

Year Ended December 31	**1996**	1995	1994
	In thousands of dollars except for per share amounts		
Earnings			
Revenues:			
Net sales	**$1,835,987**	1,754,931	1,596,551
Investment and other income	**14,614**	14,811	26,597
Nonrecurring gain on sale of Singapore property	**—**	—	38,102
Total revenues	**1,850,601**	1,769,742	1,661,250
Costs and expenses:			
Cost of sales	**814,483**	778,019	697,442
Factory closure and related costs	**19,436**	—	—
Selling, distribution and general administrative	**656,473**	639,537	609,039
Interest	**1,097**	1,955	1,490
Total costs and expenses	**1,491,489**	1,419,511	1,307,971
Earnings before income taxes	**359,112**	350,231	353,279
Income taxes	**128,840**	126,492	122,746
Net earnings	**$ 230,272**	223,739	230,533
Per Share Amounts			
Net earnings per average share of common stock	**$ 1.99**	1.93	1.98
Dividends paid per share of common stock	**$ 1.02**	.96	.90

See accompanying accounting policies and notes.

Consolidated Balance Sheet

Wm. Wrigley Jr. Company and Associated Companies

As of December 31	1996	1995
In thousands of dollars		
Assets		
Current assets:		
Cash and cash equivalents	**$ 181,233**	125,725
Short-term investments, at amortized cost	**119,330**	105,947
Accounts receivable (less allowance for doubtful accounts: **1996—$8,538**; 1995—$9,060)	**165,051**	170,803
Inventories—		
Finished goods	**52,859**	54,231
Raw materials and supplies	**180,338**	181,116
	233,197	235,347
Other current assets	**19,674**	24,683
Deferred income taxes—current	**10,939**	9,591
Total current assets	**729,424**	672,096
Marketable equity securities, at fair value	**18,525**	19,827
Deferred charges and other assets	**69,461**	39,696
Deferred income taxes—noncurrent	**27,984**	20,109
Property, plant and equipment, at cost:		
Land	**25,921**	24,478
Buildings and building equipment	**251,687**	230,065
Machinery and equipment	**530,438**	475,955
	808,046	730,498
Less accumulated depreciation	**419,897**	383,007
	388,149	347,491
Total assets	**$1,233,543**	1,099,219

As of December 31	**1996**	1995
	In thousands of dollars and shares	
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 75,431**	75,815
Accrued expenses	**66,434**	67,958
Dividends payable	**19,715**	19,720
Income and other taxes payable	**55,756**	49,152
Deferred income taxes—current	**816**	768
Total current liabilities	**218,152**	213,413
Deferred income taxes—noncurrent	**24,390**	19,536
Other noncurrent liabilities	**93,570**	69,418
Stockholders' equity:		
Preferred stock—no par value Authorized: 20,000 shares Issued: None		
Common stock—no par value		
Common stock Authorized: 400,000 shares Issued: **1996—92,066 shares**; 1995—91,541 shares	**12,275**	12,205
Class B common stock—convertible Authorized: 80,000 shares Issued and outstanding: **1996—24,155 shares**; 1995—24,680 shares	**3,221**	3,291
Additional paid-in capital	**238**	1,625
Retained earnings	**898,512**	786,543
Foreign currency translation adjustment	**(14,716)**	(8,038)
Unrealized holding gains on marketable equity securities	**10,812**	11,404
Common stock in treasury, at cost (**1996—251 shares**; 1995—219 shares)	**(12,911)**	(10,178)
Total stockholders' equity	**897,431**	796,852
Total liabilities and stockholders' equity	**$1,233,543**	1,099,219

See accompanying accounting policies and notes.

Consolidated Statement of Cash Flows

Wm. Wrigley Jr. Company and Associated Companies

Year Ended December 31	**1996**	1995	1994
	In thousands of dollars		
Cash Flows—Operating Activities			
Net earnings	**$ 230,272**	223,739	230,533
Adjustments to reconcile net earnings to net cash flows from operating activities:			
Depreciation	**47,288**	43,773	41,057
Gain on sales of property, plant and equipment	**(1,771)**	(1,090)	(38,762)
(Increase) decrease in:			
Accounts receivable	**2,154**	(28,619)	(13,608)
Inventories	**973**	(11,422)	(38,086)
Other current assets	**3,777**	2,164	(13,578)
Other assets and deferred charges	**(24,075)**	(6,297)	461
Increase (decrease) in:			
Accounts payable	**474**	6,427	3,086
Accrued expenses	**3**	(3,657)	(525)
Income and other taxes payable	**6,095**	(6,889)	35,774
Deferred income taxes	**(4,496)**	720	(7,894)
Other noncurrent liabilities	**25,149**	3,702	5,078
Net cash flows—operating activities	**285,843**	222,551	203,536
Cash Flows—Investing Activities			
Additions to property, plant and equipment	**(101,977)**	(102,759)	(87,013)
Proceeds from property retirements	**10,785**	3,690	40,855
Purchases of short-term investments	**(576,995)**	(281,065)	(232,591)
Maturities of short-term investments	**559,603**	277,913	234,092
Net cash flows—investing activities	**(108,584)**	(102,221)	(44,657)
Cash Flows—Financing Activities			
Dividends paid	**(118,308)**	(111,401)	(104,694)
Common stock purchased	**(6,779)**	(11,811)	(13,225)
Net cash flows—financing activities	**(125,087)**	(123,212)	(117,919)
Effect of exchange rate changes on cash and cash equivalents	**3,336**	1,038	319
Net increase (decrease) in cash and cash equivalents	**55,508**	(1,844)	41,279
Cash and cash equivalents at beginning of year	**125,725**	127,569	86,290
Cash and cash equivalents at end of year	**$ 181,233**	125,725	127,569
Supplemental Cash Flow Information			
Income taxes paid	**$ 130,499**	133,494	94,576
Interest paid	**$ 631**	1,957	1,508
Interest and dividends received	**$ 14,477**	14,639	12,135

See accompanying accounting policies and notes.

Consolidated Statement of Stockholders' Equity

Wm. Wrigley Jr. Company and Associated Companies

As of December 31	**1996**	1995	1994
		In thousands of dollars	
Common Stock			
At beginning of year	**$ 12,205**	12,177	12,078
Conversion of Class B shares	**70**	52	99
Retirement	**—**	(24)	—
At end of year	**12,275**	12,205	12,177
Class B Common Stock			
At beginning of year	**3,291**	3,343	3,442
Conversion to Common Stock	**(70)**	(52)	(99)
At end of year	**3,221**	3,291	3,343
Additional Paid-In Capital			
At beginning of year	**1,625**	1,781	1,467
Options exercised and stock awards granted	**(1,387)**	(156)	140
Expired put option	**—**	—	174
At end of year	**238**	1,625	1,781
Retained Earnings			
At beginning of year	**786,543**	685,850	564,640
Net earnings	**230,272**	223,739	230,533
Dividends declared	**(118,303)**	(114,852)	(109,323)
Treasury stock retirement	**—**	(8,194)	—
At end of year	**898,512**	786,543	685,850
Treasury Stock			
At beginning of year	**(10,178)**	(9,034)	—
Purchases	**(6,779)**	(11,811)	(13,225)
Options exercised and stock awards granted	**4,046**	2,449	4,191
Retirement	**—**	8,218	—
At end of year	**(12,911)**	(10,178)	(9,034)
Foreign Currency Translation			
At beginning of year	**(8,038)**	(13,502)	(24,757)
Translation adjustment	**(6,678)**	5,464	11,255
At end of year	**(14,716)**	(8,038)	(13,502)
Unrealized Holding Gain			
At beginning of year	**11,404**	7,855	18,312
Marketable equity securities adjustment	**(592)**	3,549	(10,457)
At end of year	**10,812**	11,404	7,855
Total stockholders' equity	**$ 897,431**	796,852	688,470

See accompanying accounting policies and notes.

Accounting Policies and Notes to Consolidated Financial Statements

Wm. Wrigley Jr. Company and Associated Companies

Consolidation and Description of Business

The consolidated financial statements include the accounts of the Wm. Wrigley Jr. Company and its associated companies (the Company). The Company's principal business is manufacturing and selling chewing gum. All other businesses constitute less than 10% of combined revenues, operating profit and identifiable assets. Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect assets, liabilities, revenues and expenses. Actual results may vary from those estimates. Certain amounts reported in 1995 have been reclassified to conform to the 1996 presentation.

Factory Closure

In April, 1996 the Company announced it intended to close its Santa Cruz, California factory and transfer, retire or terminate the 311 employees at that factory by the second quarter of 1997 as part of a plan to realign U.S. production capacity. In 1996, the Company provided $17,000,000 for related closure costs covering employee severance and costs to maintain and sell the property and incurred an additional $2,436,000 in relocation, training and other transition costs related to this plan. Net earnings per share have been reduced by $.11 per share as a result of these charges in 1996. In addition to the $2,436,000 of relocation and training and transition related costs incurred to date, the Company expects to incur another $2,100,000 in such costs during 1997.

At December 31, 1996 a total of 109 employees has been transferred, retired or terminated and $700,000 in severance costs for the terminated employees has been incurred and charged to the factory closure reserve.

Cash and Cash Equivalents

The Company considers all highly-liquid debt instruments with a maturity of three months or less to be cash equivalents.

Nonrecurring Gain on Sale of Singapore Property

On January 12, 1994, the Company sold the real estate holdings of its wholly owned associated company in Singapore, Malayan Guttas Private Limited, for a gain of $38,102,000. This nonrecurring gain, reported in the first quarter of 1994, increased net earnings by an after tax amount of $24,765,000 or $.21 per share.

Advertising

The Company expenses all advertising costs in the year incurred. Advertising expense was $247,571,000 in 1996, $240,925,000 in 1995 and $225,291,000 in 1994.

Investments in Debt & Equity Securities

The Company adheres to Statement of Financial Accounting Standards (SFAS) No. 115 ''Accounting for Certain Investments in Debt and Equity Securities''. Its investments in debt securities, which typically mature in one year or less, are held to maturity and valued at amortized cost, which approximates fair value. The aggregate fair values at December 31, 1996 and December 31, 1995 were, respectively, $90,323,000 and $82,740,000 for municipal securities, and $29,007,000 and $23,207,000 for other debt securities.

The Company's investments in marketable equity securities are held for an indefinite period. Application of SFAS No. 115 resulted in unrealized holding gains of $16,634,000 at December 31, 1996 and $17,544,000 at December 31, 1995. The unrealized holding gains, net of the related tax effect, added $10,812,000 and $11,404,000 to Stockholders' equity at December 31, 1996 and 1995, respectively.

A contribution of marketable equity securities having a fair value of $14,966,000 and an original cost of $624,000 was made to the Company's charitable foundation in 1994.

Inventories

Inventories at December 31, 1996 and 1995 included $101,523,000 and $108,354,000, respectively, valued at cost on a last-in, first-out (LIFO) basis. If current costs had been used, such inventories would have been $44,268,000 and $46,483,000 higher than reported at December 31, 1996 and 1995, respectively. The non-LIFO inventories are valued at the lower of cost (principally first-in, first-out basis) or market.

Depreciation

Depreciation is provided over the estimated useful lives of the respective assets (buildings and building equipment—12 to 50 years; machinery and equipment—3 to 20 years). Depreciation is provided primarily by the straight-line method for international associated companies and by the accelerated method, with a change to straight-line in the latter years of useful life, for the U.S. companies. The amounts were:

	1996	1995	1994
	In thousands of dollars		
Straight-Line	**$30,489**	25,804	17,531
Accelerated	**16,799**	17,969	23,526

Other Noncurrent Liabilities

Other noncurrent liabilities at December 31, 1996 included liabilities for approximately $26,938,000 of deferred compensation and $16,200,000 for postretirement benefit plans. At December 31, 1995, they included liabilities for approximately $19,900,000 of deferred compensation and $16,100,000 for postretirement benefits.

Foreign Currency Translation and Exchange Contracts

The Company has determined that the functional currency for each associated company except for selected Eastern European entities is its local currency. Some Eastern European entities are considered to be highly inflationary and their functional currencies are remeasured to U.S. dollars.

Certain foreign associated companies enter into fixed rate currency exchange contracts as non-speculative hedges against future material purchase commitments among associated companies. In addition, the Parent Company enters into such contracts from time to time as non-speculative hedges regarding known future commitments with associated companies. Market value gains and losses, recognized at expiration of the contracts, offset foreign exchange gains or losses on the related transactions being hedged. At December 31, 1996, foreign exchange rate contracts for a number of currencies, primarily French francs, German marks, and U.S. dollars, maturing at various dates through December 31, 1997 aggregated $239,645,000. Open foreign exchange contracts at December 31, 1995 aggregated $142,003,000. Unrealized gains or losses on these contracts were not significant as of either December 31, 1996 or 1995.

Accrued Expenses

Accrued expenses at December 31, 1996 and 1995 included $25,972,000 and $23,617,000 of payroll expenses, respectively.

Common Stock

The Company's Management Incentive Plan (MIP) authorizes the granting of up to 5,400,000 shares of the Company's new or reissued Common Stock (including 492,222 shares issued under the predecessor 1984 Stock Award Plan) to key managers in various forms, including stock grants and stock appreciation rights.

The MIP established in 1988 was designed to provide key employees the opportunity to participate in the long-term growth and profitability of the Company through equity-based incentives. In accordance with the MIP, shares of Wrigley stock or deferral share units are awarded by the Long-Term Stock Grant, Stock Award, and Alternate Investment and Savings Plan programs to key employees. Deferral share units are also awarded to non-employee directors. Neither the cost to provide share and share units nor the number of shares which may be issued is material.

Each share of Class B Common Stock has ten votes, is restricted as to transfer or other disposition and is convertible at any time into one share of Common Stock.

Additional paid-in capital primarily represents the excess of fair market value of Common Stock issued from treasury on the date the shares of stock were awarded over the average acquisition cost of the shares.

Treasury Stock is acquired for MIP plans or under a resolution the Board of Directors adopted at its meeting of August 18, 1993 authorizing the Company to purchase from time to time shares of the Company's Common Stock not to exceed $100,000,000 in aggregate price. On August 19, 1992 the Board of Directors adopted a resolution retiring the entire balance of shares of Common Stock held in the corporate treasury at that time and all subsequent acquisitions to the extent not required for issuance under the MIP programs. On December 22, 1995, 180,000 shares of Common Stock were retired.

On June 9, 1994, the Company agreed to an unsolicited offer from the Wrigley Memorial Garden Foundation to purchase 345,072 shares of Wrigley Common Stock in four quarterly installments. The purchase amount was based on the average New York Stock Exchange daily closing price of the Company's Common Stock during each quarter. Purchases during 1994 and 1995 were 172,536 shares at an average price of $44.19 and 172,536 shares at an average price of $45.34, respectively.

Following is a summary of activity in the share balances of Common Stock, Class B Common Stock and Treasury Stock:

	Common Stock	Class B Common	Treasury Stock
	In thousands of shares		
Balance at 12/31/95	91,541	24,680	219
Conversion of Class B Shares	525	(525)	—
Treasury Stock Purchases	—	—	115
Options Exercised and Stock Awards Granted	—	—	(83)
Balance at 12/31/96	92,066	24,155	251

Income Taxes

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. Components of net deferred tax assets are as follows:

	1996	1995
	In thousands of dollars	
Accrued compensation, pension and postretirement benefits	**$ 17,904**	15,804
Depreciation	**(11,704)**	(7,899)
Unrealized holding gain	**(5,822)**	(6,140)
Factory closure and related costs	**5,695**	—
All other—net	**7,644**	7,631
Net deferred tax asset	**$ 13,717**	9,396

Balance sheet classifications of deferred taxes are as follows:

	1996	1995
	In thousands of dollars	
Deferred tax asset—current	**$ 10,939**	9,591
Deferred tax asset—noncurrent	**27,984**	20,109
Deferred tax liability—current	**(816)**	(768)
Deferred tax liability—noncurrent	**(24,390)**	(19,536)
Net deferred tax asset	**$ 13,717**	9,396

Applicable U.S. income and foreign withholding taxes have not been provided on $304,993,000 of undistributed earnings of international associated companies at December 31, 1996. These earnings are considered to be permanently invested and, under the tax laws, are not subject to such taxes until distributed as dividends. If the earnings were not considered permanently invested, approximately $22,870,000 of deferred income taxes, consisting primarily of foreign withholding taxes, would have been provided. Such taxes, if ultimately paid, may be recoverable as foreign tax credits in the U.S.

Income taxes are based on pre-tax earnings which are distributed geographically as follows:

	1996	1995	1994
	In thousands of dollars		
Domestic	**$161,510**	172,373	172,194
Foreign	**197,602**	177,858	181,085
	$359,112	350,231	353,279

Reconciliation of the provision for income taxes computed at the U.S. Federal statutory rate of 35% for 1996, 1995 and 1994 to the reported provision for income taxes is as follows:

	1996	1995	1994
	In thousands of dollars		
Provision at statutory rate	**$125,690**	122,581	123,648
State taxes—net	**8,284**	8,963	8,308
Foreign tax rates	**34**	2,695	361
Contribution of appreciated securities	**—**	—	(5,020)
Other—net	**(5,168)**	(7,747)	(4,551)
	$128,840	126,492	122,746

The components of the provision for income taxes for 1996, 1995, and 1994 were:

	Current	Deferred	Total
	In thousands of dollars		
1996			
Federal	**$ 47,890**	**(6,205)**	**41,685**
Foreign	**72,702**	**1,709**	**74,411**
State	**12,744**	**—**	**12,744**
	$133,336	**(4,496)**	**128,840**
1995			
Federal	$ 45,770	(1,333)	44,437
Foreign	66,154	2,053	68,207
State	13,848	—	13,848
	$125,772	720	126,492
1994			
Federal	$ 63,941	(8,171)	55,770
Foreign	53,560	277	53,837
State	13,139	—	13,139
	$130,640	(7,894)	122,746

Retirement Plans

The Company maintains non-contributory defined benefit pension plans covering substantially all of its employees. Retirement benefits are a function of the years of service and the level of compensation, generally for the highest three consecutive salary years occurring within ten years prior to an employee's retirement date, depending on the plan. The Company's policy is to fund within ERISA or other statutory limits to provide benefits earned to date and expected to be earned in the future. The components of consolidated net pension cost are presented below:

	1996		1995		1994	
	Domestic	**Foreign**	Domestic	Foreign	Domestic	Foreign
	In thousands of dollars					
Service Cost— Benefits Earned During the Year	**$ 6,878**	**3,298**	5,754	3,133	7,467	3,163
Interest Cost on Projected Benefit Obligation	**14,769**	**4,145**	14,202	3,809	14,104	3,164
Actual Return on Plan Assets	**(26,978)**	**(4,824)**	(31,984)	(4,258)	(79)	(3,820)
Net Amortization and Deferral	**8,325**	**(501)**	16,033	(301)	(15,087)	(437)
Other Pension Plans	**551**	**4,223**	433	3,846	500	2,984
Net Pension Cost	**$ 3,545**	**6,341**	4,438	6,229	6,905	5,054

Assumptions used to determine net pension cost and the actuarial present value of the projected benefit obligation were as follows:

	1996		1995		1994	
	Domestic	**Foreign**	Domestic	Foreign	Domestic	Foreign
Discount Rates	**7.5%**	**7.5-9.0%**	7.25%	7.5-9.0%	8.0%	6.5-8.0%
Long-Term Rates of Return on Assets	**8.5%**	**7.0-9.0%**	8.5%	7.0-9.0%	8.5%	6.5-8.0%
Rates of Increase in Compensation Levels	**4.75%**	**5.0-6.0%**	4.75%	5.0-6.0%	4.75%	3.5-7.0%

Domestic plan assets consist primarily of high quality marketable fixed income and equity securities. Foreign plan assets consist primarily of contracts with insurance companies. The defined benefit plans' funded status and the pension liability recorded in the consolidated balance sheet were as follows:

	1996		1995	
	Domestic	**Foreign**	Domestic	Foreign
	In thousands of dollars			
Plan Assets at Fair Value	**$240,937**	**61,685**	218,472	51,957
Actuarial Present Value of Benefit Obligation:				
Vested benefits	**163,489**	**48,109**	160,944	38,261
Nonvested benefits	**5,897**	**669**	5,984	802
Accumulated benefit obligation	**169,386**	**48,778**	166,928	39,063
Projected future salary increases	**41,015**	**7,450**	44,237	10,279
Projected benefit obligation	**210,401**	**56,228**	211,165	49,342
Plan Assets in Excess of Projected Benefit Obligation	**30,536**	**5,457**	7,307	2,615
Less Items Not Yet Recognized in Earnings:				
Unrecognized prior service cost	**(157)**	**(453)**	(181)	(435)
Unrecognized net gain (loss)	**30,624**	**968**	7,385	(746)
Unrecognized transition asset	**2,282**	**3,579**	2,683	3,703
Accrued Pension Liability (Asset)	**$ 2,213**	**(1,363)**	2,580	(93)

In addition to the defined benefit plans described above, the Company also sponsors defined contribution plans within the U.S. and at selected foreign associated companies. The plans cover full time employees and provide for contributions of between 3% and 5% of salary. The Company's expense for the defined contribution plans totaled $4,700,000, $4,850,000 and $4,476,000 in 1996, 1995 and 1994, respectively.

Postretirement Benefits

The Company provides limited postretirement healthcare benefits on a contributory basis and life insurance benefits in the U.S. and at certain international associated companies. The cost of postretirement benefits is provided for during the employee's active working career.

A reconciliation of the plans' funded status to the amounts reported in the financial statements follows:

	1996	1995
	In thousands of dollars	
Accumulated Postretirement Benefit Obligation:		
Retirees	**$ 8,000**	5,500
Active employees	**17,400**	17,700
Total	**25,400**	23,200
Plan Assets	**8,000**	6,200
Accumulated Postretirement Benefit Obligation in Excess of Plan Assets	**17,400**	17,000
Unrecognized Actuarial Gain (Loss)	**(1,200)**	(900)
Accrued Postretirement Liability	**$16,200**	16,100

The components of the net periodic postretirement benefit cost are as follows:

	1996	1995	1994
	In thousands of dollars		
Service Cost	**$1,000**	800	900
Interest Cost	**1,800**	1,600	1,500
Return on Plan Assets	**(200)**	(300)	(200)
Net Periodic Expense	**$2,600**	2,100	2,200

Actuarial assumptions used to measure the postretirement benefit cost are as follows:

	1996	1995	1994
Discount Rate	**7.5%**	7.25%	8.0%
Healthcare Trend to 2002 (in 1996)	**8.75-5.0%**	9.375-5.0%	10.0-5.0%
Return on Plan Assets	**5.5%**	5.5%	5.5%

Effects of increasing the healthcare trend rates by one percentage point in each year are summarized below:

	1996	1995	1994
	In thousands of dollars		
Increase Accumulated Postretirement Benefit Obligation by	**$2,400**	2,300	1,900
Increase Postretirement Benefit Cost by	**350**	300	300

Operations by Geographic Areas

Information concerning the Company's operations in different geographic areas at December 31, 1996, 1995 and 1994, and for the years then ended is presented below.

Operating profit is revenue less all costs and expenses other than general corporate expenses, interest expense and income taxes.

Identifiable assets are those involved in the operations in each geographic area and include all of the assets of associated companies. Marketable equity securities held by the Parent Company are not distributed to geographic areas, and the related dividend income is included in the adjustments and eliminations line.

	1996	1995	1994
	In thousands of dollars		
Revenues:			
North America (principally U.S.)	**$ 909,540**	922,185	938,034[2]
Europe	**769,671**	703,349	573,153
Asia, Pacific & Other	**218,043**	189,619	199,638[3]
Adjustments and eliminations	**(46,653)**	(45,411)	(49,575)
Total revenues	**$1,850,601**	1,769,742	1,661,250
Operating Profit:			
North America (principally U.S.)	**$ 166,035**[1]	177,563	176,794
Europe	**153,513**	141,737	107,390
Asia, Pacific & Other	**40,866**	33,975	70,390[3]
Adjustments and eliminations	**723**	(300)	1,020
	361,137	352,975	355,594
Interest and General Corporate Expenses	**(2,025)**	(2,744)	(2,315)
Earnings before income taxes	**$ 359,112**	350,231	353,279
Identifiable Assets Used in Operations:			
North America (principally U.S.)	**$ 665,172**	598,214	578,952
Europe	**409,154**	353,625	264,534
Asia, Pacific & Other	**144,933**	126,931	121,339
Adjustments and eliminations	**(4,241)**	622	(678)
	1,215,018	1,079,392	964,147
Corporate Assets	**18,525**	19,827	14,687
Total assets	**$1,233,543**	1,099,219	978,834

[1] Includes charges of $19,436 from the closure of the Santa Cruz factory.

[2] Includes nonrecurring gain of $14,342 on marketable equity securities contributed to the Company's charitable foundation.

[3] Includes nonrecurring gain of $38,102 on sale of Singapore property.

Management's Report on Responsibility for Financial Reporting

Management of the Wm. Wrigley Jr. Company is responsible for the preparation and integrity of the financial statements and related information presented in this Annual Report. This responsibility is carried out through a system of internal controls to insure that assets are safeguarded, transactions are properly authorized and financial records are accurate.

These controls include a comprehensive internal audit program, written financial policies and procedures, appropriate divisions of responsibility, and careful selection and training of personnel. Written policies include a code of conduct prescribing that all employees maintain the highest ethical and business standards.

Ernst & Young LLP have conducted an independent audit of the financial statements, and their report appears on the facing page.

The Board of Directors exercises its control responsibility through an Audit Committee composed entirely of outside directors. The Audit Committee meets regularly to review accounting and control matters. Both Ernst & Young LLP and the internal auditors have direct access to the Audit Committee and periodically meet privately with them.

Wm. Wrigley Jr. Company

Chicago, Illinois
January 30, 1997

Report of Independent Auditors

To the Stockholders and Board of Directors
of the Wm. Wrigley Jr. Company

We have audited the accompanying consolidated balance sheet of Wm. Wrigley Jr. Company and associated companies at December 31, 1996 and 1995, and the related consolidated statements of earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wm. Wrigley Jr. Company and associated companies at December 31, 1996 and 1995, and the consolidated results of their operations and cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

Ernst & Young LLP

Chicago, Illinois
January 30, 1997

Selected Financial Data

Wm. Wrigley Jr. Company and Associated Companies

	1996	1995	1994	1993
Operating Data				
Net Sales	**$1,835,987**	1,754,931	1,596,551	1,428,504
Cost of Sales	**833,919**	778,019	697,442	617,156
Income Taxes	**128,840**	126,492	122,746	103,944
Earnings before factory closure in 1996, nonrecurring gain on sale of Singapore property in 1994 and cumulative effect of accounting changes in 1992	**243,262**	223,739	205,767	174,891
—Per Share of Common Stock	**2.10**	1.93	1.77	1.50
Net Earnings	**230,272**	223,739	230,533	174,891
—Per Share of Common Stock	**1.99**	1.93	1.98	1.50
Dividends Paid	**118,308**	111,401	104,694	87,344
—Per Share of Common Stock	**1.02**	.96	.90	.75
—As a Percent of Net Earnings	**51%**	50%	45%	50%
Dividends Declared Per Share of Common Stock	**1.02**	.99	.94	.75
Average Shares Outstanding	**115,983**	116,066	116,358	116,511
Other Financial Data				
Total Property, Plant and Equipment (Net)	**$ 388,149**	347,491	289,420	239,868
Total Assets	**1,233,543**	1,099,219	978,834	815,324
Working Capital	**511,272**	458,683	413,414	343,132
Stockholders' Equity	**897,431**	796,852	688,470	575,182
Return on Average Equity	**27.2%**	30.1%	36.5%	32.6%
Stockholders at Close of Year	**34,951**	28,959	24,078	18,567
Employees at Close of Year	**7,800**	7,300	7,000	6,700
Market Price of Stock—High	**62.875**	54.000	53.875	46.125
—Low	**48.375**	42.875	38.125	29.500

In thousands of dollars and shares except for per share amounts

1992	1991	1990	1989	1988	1987	1986
1,286,921	1,148,875	1,110,639	992,853	891,392	781,059	698,982
572,468	507,795	508,957	451,773	392,460	338,081	318,280
83,730	79,362	70,897	64,277	53,491	52,863	49,840
148,573	128,652	117,362	106,149	87,236	70,145	53,818
1.27	1.09	1.00	0.90	0.73	0.56	0.42
141,295	128,652	117,362	106,149	87,236	70,145	53,818
1.21	1.09	1.00	0.90	0.73	0.56	0.42
72,511	64,609	58,060	53,506	43,591	35,080	27,056
0.62	0.55	0.49	0.45	0.36	0.28	0.21
51%	50%	49%	50%	50%	50%	50%
0.63	0.55	0.51	0.47	0.37	0.29	0.22
117,055	117,517	117,743	118,035	120,308	125,006	126,817
222,137	201,386	188,959	171,951	155,260	151,425	134,383
711,372	625,074	563,665	498,624	440,400	407,350	394,352
299,149	276,047	229,735	186,588	165,430	149,154	168,754
498,935	463,399	401,386	342,994	308,538	288,965	292,962
29.4%	29.8%	31.5%	32.6%	29.2%	24.1%	19.5%
14,546	11,086	10,497	10,218	9,440	9,351	8,956
6,400	6,250	5,850	5,750	5,500	5,500	5,500
39.875	27.000	19.750	17.917	13.750	11.833	8.667
22.125	16.375	14.583	11.833	10.667	6.500	4.583

Quarterly Data

Wm. Wrigley Jr. Company and Associated Companies

Consolidated Results

	Net Sales	Cost of Sales	Net Earnings Amount	Net Earnings Per Share
	In thousands of dollars except for per share amounts			
1996				
First Quarter	**$ 426,674**	**187,864**	**57,613**	**.50**
Second Quarter[1]	**483,625**	**231,803**	**57,043**	**.49**
Third Quarter	**462,425**	**204,708**	**61,207**	**.53**
Fourth Quarter	**463,263**	**209,544**	**54,409**	**.47**
Total	**$1,835,987**	**833,919**	**230,272**	**1.99**
1995				
First Quarter	$ 410,159	181,761	55,276	.48
Second Quarter	470,648	208,076	63,896	.55
Third Quarter	431,479	189,939	58,288	.50
Fourth Quarter	442,645	198,243	46,279	.40
Total	$1,754,931	778,019	223,739	1.93

[1] Cost of sales, net earnings, and earnings per share for the 2nd quarter 1996 included charges of $17,600,000, $11,200,000 and $0.10 respectively from the closure of the Santa Cruz factory.

Market Prices

Although there is no established public trading market for the Class B Common Stock, these shares are at all times convertible into shares of Common Stock on a one-for-one basis and are entitled to identical dividend payments.

The Common Stock of the Company is listed and traded on the New York Stock Exchange. The table below presents the high and low sales prices for the two most recent years.

	1996		1995	
	High	**Low**	High	Low
First Quarter	**$62⅞**	**52¼**	49¼	43½
Second Quarter	**59⅝**	**49**	47⅜	42⅞
Third Quarter	**61⅜**	**48⅜**	51¼	43½
Fourth Quarter	**62**	**55⅛**	54	46⅜

Dividends

The following table indicates the breakdown of dividends declared per share of Common Stock and Class B Common Stock for the two most recent years.

	1996			1995		
	Regular	**Extra**	**Total**	Regular	Extra	Total
First Quarter	**$ .17**		**.17**	.14		.14
Second Quarter	**.17**		**.17**	.14		.14
Third Quarter	**.17**		**.17**	.17		.17
Fourth Quarter	**.17**	**.34**	**.51**	.17	.37	.54
Total	**$ .68**	**.34**	**1.02**	.62	.37	.99

Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations

Net Sales

Consolidated net sales for 1996 increased $81,056,000 or 5% from 1995's level which was up $158,380,000 or 10% from 1994. Net sales for both 1996 and 1995 were favorably affected by higher overseas unit volume and selected selling price increases mainly in Europe and North America. Translation of foreign currency sales to U.S. dollars at lower average exchange rates in 1996 reduced reported net sales by 2% and generally higher rates in 1995 increased reported net sales 4% from 1994. Higher shipments of chewing gum increased net sales 5% in 1996 and 3% in 1995. Selected selling price changes increased net sales about 2% in 1996 and 3% in 1995.

North American 1996 net sales were down more than 1% from 1995, while 1995 net sales were up nearly 2% from 1994. Selected selling price increases in both years tended to offset volume declines. In total, North American shipments decreased by 4% in 1996 and by 3% in 1995 from the previous years. Decreased sales to Mexico lowered North American unit volume by 1% in 1996 and by 2% in 1995. At Amurol Confections Company, lower unit shipments reduced North American volume by 2% in 1996 and 1% in 1995. U.S. shipments of Wrigley brands lowered the volume by 1% in 1996 from 1995 which was essentially even with 1994. Increased shipments of Winterfresh®, introduced in 1994, tended to offset volume declines from other brands in the U.S. in both 1996 and 1995.

Overseas, net sales, excluding currency translation effects, increased 15% in 1996 and 13% in 1995. Unit volume increased 10% in 1996 and 8% in 1995. Customer shipments to emerging markets such as China and Eastern Europe accounted for most of the volume gain in both years.

Investment and Other Income

In 1996, consolidated investment and other income decreased about 1% from 1995 mainly due to lower average yields.

In 1995, investment and other income decreased by $11,786,000 or 44% due to the 1994 one-time market appreciation gain of $14,342,000 on marketable equity securities contributed to the Company's charitable foundation. Higher invested balances and yields in 1995 partially offset the one-time decrease from 1994.

Cost of Sales and Gross Profit

In April, 1996 the Company announced it intended to close its Santa Cruz, California factory by the second quarter of 1997 as part of a plan to realign U.S. production capacity. At the time of the announcement, the Company provided $17,000,000 for related costs including employee severance and costs to hold and sell the factory. In addition, the Company incurred $2,436,000 for employee relocation and training and other transition related costs for a total charge of $19,436,000 in 1996. It is expected that another $2,100,000 in transition costs will be incurred in 1997. With this realignment of production and related efficiencies, U.S. operating costs are expected to be lower than would otherwise be the case by about $6,000,000 in 1997 and $12,000,000 to $13,000,000 annually starting in 1998.

Excluding the Santa Cruz factory closure costs, consolidated cost of sales increased $36,464,000 or nearly 5% in 1996 from 1995 mainly due to increased international volume and higher product costs. Without the foreign currency translation effects in 1996, cost of sales increased by about 8%.

In 1995, cost of sales increased $80,577,000 or 12% from 1994. Most of this increase was from higher product costs and international volume gains. Excluding the translation of foreign currency effects at higher average exchange rates, the cost of sales increase was about 8%.

Consolidated gross profit in 1996 was $1,021,504,000, an increase of $44,592,000, excluding factory closure costs, or nearly 5% from 1995 which had increased $77,803,000 or 9% from 1994. The consolidated gross profit margin on net sales was 55.6% for 1996, 55.7% for 1995 and 56.3% for 1994.

Selling, Distribution and General Administrative Expenses

Consolidated selling, distribution and general administrative expenses increased $16,936,000 or 3% in 1996 from 1995. Excluding the effects of foreign currency translation, the increase was about 5% in 1996.

Expenses in 1994 included the Company's contribution of appreciated marketable equity securities to its charitable foundation previously discussed in Investment and Other Income. Excluding the nonrecurring amount of the 1994 contribution resulted in an increase of $44,498,000 or 7% in 1995 from 1994. Overseas selling and marketing expenditures were the major factor for increases in both years.

As a percentage of consolidated net sales, these expenses were:

	1996	1995	1994
Selling and Marketing	**25.5%**	26.0%	26.1%
Distribution and General Administrative	**10.3%**	10.4%	12.0%
	35.8%	36.4%	38.1%

Excluding the Company's contribution to its charitable foundation, the Distribution and General Administrative percentage in 1994 would have been 11.2%.

Income Taxes

Income taxes in 1996 increased by $2,348,000 or 2% from 1995 which increased $3,746,000 or 3% from the prior year. The effective consolidated income tax rates were 35.9% in 1996, 36.1% in 1995 and 34.7% in 1994. The lower effective rate in 1994 is mainly from the tax benefit of the contribution of appreciated securities to the Company's foundation noted above. Excluding the effect of this transaction, the 1994 effective tax rate would have been 36.2%.

Net Earnings

Consolidated net earnings in 1996 increased by $6,533,000 and $.06 per share or 3% from 1995. However, as noted in Cost of Sales and Gross Profit, 1996 earnings include significant costs related to the Santa Cruz factory closure. These costs resulted in lowering 1996 reported earnings by $12,990,000 and $.11 per share. Excluding the factory closure costs, 1996 net earnings increased $19,523,000 and $.17 per share or 9% from 1995.

Net earnings in 1995 decreased by $6,794,000 and $.05 per share or 3% from 1994. However, 1994 net earnings of $230,533,000 and $1.98 per share included the gain from the nonrecurring sale of real estate holdings in Singapore which added $24,765,000 after taxes or $.21 per share to that year's reported results. Excluding the nonrecurring Singapore gain in 1994, 1995 net earnings increased $17,971,000 and $.16 per share or 9%.

Liquidity and Capital Resources

Addition to Property, Plant and Equipment

Capital expenditures for 1996 were $101,977,000; essentially even with 1995's expenditures of $102,759,000 which increased by $15,746,000 or 18% from 1994. All of the capital expenditures for 1996 and 1995 were funded from the Company's cash flow from operations. Additions to property, plant and equipment in 1997 are expected to be above 1996 expenditures and are also planned to be funded from the Company's cash flow from operations.

Current Ratio

The Company has maintained a strong financial position with a current ratio (current assets divided by current liabilities) of approximately 3 to 1 for the periods under discussion (1994-1996).

Nonfinancial Information

William Wrigley
Director of the Company since 1960
Joined the Wm. Wrigley Jr. Company in 1956
President & Chief Executive Officer since 1961
Director, Texaco Inc., since 1974
Director, American Home Products Corporation, since 1981
Director, Grocery Manufacturers of America, since 1983

Committees of The Board of Directors

Audit

Charles F. Allison III
Chairman

Gary E. Gardner
Thomas A. Knowlton
Penny Pritzker
Richard K. Smucker

Compensation

Robert P. Billingsley
Chairman

Charles F. Allison III
Lee Phillip Bell
Gary E. Gardner
Thomas A. Knowlton

Nominating

Richard K. Smucker
Chairman

Lee Phillip Bell
Robert P. Billingsley
Penny Pritzker

Charles F. Allison III
Director of the Company since 1980
Joined Booz-Allen & Hamilton in 1958
Partner of Counsel since 1996
Senior Vice President (1977-96)

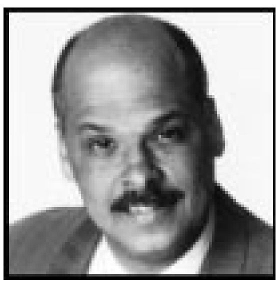
Robert P. Billingsley
Director of the Company since 1977
Executive Vice President, WLD Enterprises (1987-94)
Vice President, Northern Trust Bank of Florida (1981-86)
Vice President, Northern Trust Company (1966-81)

Penny Pritzker
Director of the Company since 1994
President, Classic Residence by Hyatt since 1987
Partner, Pritzker & Pritzker, since 1985
President, Penguin Group L.P., since 1989
Director, Coast-to-Coast Financial Corporation, since 1990

Board of Directors—1996

Douglas S. Barrie
Director of the Company since 1996
Joined the Wm. Wrigley Jr. Company in 1983
Group Vice President since 1984

Lee Phillip Bell
Director of the Company since 1981
Director, Bell Phillip Television Productions, Inc., since 1980
Co-Creator, *The Bold and the Beautiful* and *The Young and the Restless*



Gary E. Gardner
Director of the Company since 1994
President, Namaste Laboratories L.L.C., since 1996
President & Director, Soft Sheen Products, Inc. (1983-95)

Thomas A. Knowlton
Director of the Company since 1996
Joined the Kellogg Company in 1980
Executive Vice President since 1992
President, Kellogg North America since 1994
President, Kellogg Europe (1992-94)

Richard K. Smucker
Director of the Company since 1988
Joined The J. M. Smucker Company in 1972
President and Director since 1987 and 1975 respectively
Director, Sherwin-Williams Company, since 1991

William Wrigley, Jr.
Director of the Company since 1988
Joined the Wm. Wrigley Jr. Company in 1985
Vice President since 1991
Assistant to the President (1985-1992)
Director, The J. M. Smucker Company, since 1991

Elected Officers—1996

William Wrigley
President & Chief Executive Officer

Douglas S. Barrie
Group Vice President

Ronald O. Cox
Group Vice President

John F. Bard
Senior Vice President

Martin J. Geraghty
Senior Vice President—Manufacturing

William Wrigley, Jr.
Vice President

Donald E. Balster
Vice President—Production

Gary R. Bebee
Vice President—Customer Marketing

David E. Boxell
Vice President—Personnel

J. E. Dy-Liacco
Vice President—International

Susan S. Fox
Vice President—Consumer Marketing

Philip G. Hamilton
Vice President—International

Shaun Kim
Vice President—Engineering

Jon Orving
Vice President—International

Dushan Petrovich
Vice President—Controller

Stefan Pfander
Vice President—International

Wm. M. Piet
Vice President—Corporate Affairs,
Secretary and Assistant to the President

John A. Schafer
Vice President—Purchasing

Philip G. Schnell
Vice President—Research & Development

Christafor E. Sundstrom
Vice President—Corporate Development

Philip C. Johnson
Senior Director—Benefits and Compensation

Dennis R. Mally
Senior Director—Information Services

Alan J. Schneider
Treasurer

John H. Sutton
General Manager—Converting Division

Dennis J. Yarbrough
Controller—Corporate Accounting

Corporate Facilities and Associated Companies—1996

Domestic Facilities

Corporate Offices

Wrigley Building
410 North Michigan Avenue
Chicago, Illinois 60611

Production Facilities

Chicago, Illinois
Gainesville, Georgia
Santa Cruz, California

Operating Associated Companies

Domestic

Amurol Confections Company*
Yorkville, Illinois 60560

Four-Ten Corporation
Chicago, Illinois 60611

L. A. Dreyfus Company*
Edison, New Jersey 08820

Northwestern Flavors, Inc.*
West Chicago, Illinois 60185

International

The Wrigley Company Pty. Limited*
Sydney, Australia

Wrigley Austria Ges.m.b.H.*
Salzburg, Austria

Wrigley Bulgaria EOOD
Sofia, Bulgaria

Wrigley Canada Inc.*
Don Mills, Ontario, Canada

Wrigley Chewing Gum Company Ltd.*
Guangzhou, Guangdong,
People's Republic of China

Wrigley s.r.o.
Prague, Czech Republic

The Wrigley Company Limited*
Plymouth, England, U.K.

Oy Wrigley Scandinavia Ab
Turku, Finland

Wrigley S.A.*
Biesheim, France

Wrigley G.m.b.H.
Munich, Germany

Wrigley N.V.
Amsterdam, Holland

The Wrigley Company (H.K.) Limited
Hong Kong, B.C.C.

Wrigley Hungaria, Kbt.
Budapest, Hungary

Wrigley India Private Limited*
Bangalore, Karnataka, India

Wrigley & Company, Ltd., Japan
Tokyo, Japan

The Wrigley Company (East Africa) Limited*
Nairobi, Kenya

The Wrigley Company (Malaysia) Limited
Kuala Lumpur, Malaysia

The Wrigley Company (N.Z.) Limited
Auckland, New Zealand

Wrigley Scandinavia AS
Oslo, Norway

The Wrigley Company (P.N.G). Pty. Ltd.
Port Moresby, Papua, New Guinea

Wrigley Philippines, Inc.*
Pasig, Metro Manila, Philippines

Wrigley Poland Sp zo. o*
Poznan, Poland

Wrigley Romania Produse
Zaharoase SRL
Bucharest, Romania

Wrigley T.O.O.
Moscow, Russia

Wrigley Slovakia, s.r.o.
Banska Bystrica, Slovakia

Wrigley d.o.o.
Ljubljana, Slovenia

Wrigley Co., S.A.
Santa Cruz de Tenerife
Canary Islands, Spain

Wrigley Scandinavia AB
Stockholm, Sweden

Wrigley Taiwan, Limited*
Taipei, Taiwan, R.O.C.

* *Denotes production facility.*

Stockholder Information

Stockholder Inquiries

Any inquiries about your Wrigley stockholdings should be directed to:

Stockholder Relations
Wm. Wrigley Jr. Company
410 North Michigan Avenue
Chicago, Illinois 60611
1-800-824-9681

For additional information about the Company, please visit our Internet home page at: http://www.wrigley.com

Capital Stock

Common Stock of the Wm. Wrigley Jr. Company is traded on the New York Stock Exchange. The Company's symbol is WWY.

Class B Common Stock, issued to stockholders of record on April 4, 1986, has restricted transferability and is not traded on the New York Stock Exchange. It is at all times convertible, on a share-for-share basis, into Common Stock and once converted is freely transferable and publicly traded. Class B Common Stock also has the same rights as Common Stock with respect to cash dividends and treatment upon liquidation.

Dividends

Regular quarterly dividends are paid in advance on the first business day of February, May, August, and November with the record date for each payment falling on or about the 15th of the prior month. The Company also has a long history of paying ''extra'' dividends. In recent years, a single ''extra'' dividend has been paid in December.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) is open to all stockholders of record. The Plan is administered by First Chicago Trust Company of New York and uses cash dividends on both Common Stock and Class B Common Stock, along with voluntary cash contributions, to purchase additional shares of Common Stock. Cash contributions can be made monthly for a minimum of $50 and a maximum of $5,000. The Company pays all brokerage and administrative costs associated with the DRP.

All shares purchased through the Plan are retained in a DRP account, so there are no certificates that could be lost, misplaced, or stolen. Additionally, once a DRP account is established, a participant can deposit any Wrigley stock certificates held outside the Plan into the account for safekeeping.

Just over 24,000 or 69% of the Company's stockholders of record currently participate in the DRP. A brochure fully describing the Plan and its enrollment procedure is available upon request.

Direct Dividend Deposit Service

The Direct Dividend Deposit Service allows stockholders to receive cash dividends through electronic deposits into their checking or savings account.

Stock Certificates

For security and tax purposes, stockholders should keep a record of all of their stock certificates. The record should be kept in a separate place from the certificates themselves and should contain the following information for each certificate: exact registration, number of shares, certificate number, date of certificate, and the original cost of the shares.

If a stock certificate is lost or stolen, notification should be sent to the Company immediately. The transfer agent has two requirements to be met before a new certificate will be issued—a completed affidavit and payment for an indemnity bond based on the current market value of the lost or stolen stock. The replacement of a certificate will take about a week to ten days. Even if a certificate is lost or stolen, the stockholder will continue to receive dividends on those shares while the new certificate is being issued.

A transfer of stock is required when the shares are sold or when there is any change in name or ownership of the stock. To be accepted for transfer, the stockholder's signature on the certificate or stock power must receive a Medallion Signature Guarantee by a qualified financial institution that participates in the Medallion Guarantee program. A verification by a notary public is not sufficient. Anytime a certificate is mailed, it should be sent registered mail, return receipt requested.

Consolidation of Multiple Accounts

To avoid receiving duplicate mailings, stockholders with more than one Wrigley account may want to consolidate their shares. For more information, please contact the Company.

Company Publications

The Company's 1996 annual report to the Securities and Exchange Commission on Form 10-K is expected to be available on or about April 4, 1997.

Other publications that are currently available include:

The Wrigley Way:
Continuing Our Legacy of Social Responsibility
The Story of Chewing Gum and the
Wm. Wrigley Jr. Company
A Historical Look at the Wrigley Building

Requests for these publications should be addressed to Corporate Communications at the main office of the Company. They are also available for review at our Internet home page (http://www.wrigley.com).

Transfer Agent and Registrar

The First Chicago Trust Company of New York
P. O. Box 2500
Jersey City, New Jersey 07303-2500
1-800-446-2617