

BOB EVANS FARMS INC

FORM 10-K (Annual Report)

Filed 06/19/15 for the Period Ending 04/24/15

Address	8111 SMITH'S MILL ROAD NEW ALBANY, OH 43054
Telephone	614-491-2225
CIK	0000033769
Symbol	BOBE
SIC Code	5812 - Eating Places
Industry	Restaurants
Sector	Services
Fiscal Year	04/24

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

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

For the fiscal year ended April 24, 2015

OR

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

For the transition period from to

Commission file number: 0-1667

Bob Evans Farms, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

31-4421866

(I.R.S. Employer Identification No.)

8111 Smith's Mill Road, New Albany, Ohio

(Address of principal executive offices)

43054

(Zip Code)

(614) 491-2225

(Registrant's telephone number, including area code)

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

Title of Each Class

Name of Each Exchange on Which Registered

Common Stock, \$.01 par value per share

The NASDAQ Stock Market LLC

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 24, 2014 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$1,106,700,605 based on the closing sale price as reported on the

NASDAQ Stock Market.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

Class	Outstanding as of June 17, 2015
Common Stock, \$.01 par value per share	22,321,207

DOCUMENTS INCORPORATED BY REFERENCE

Document	Parts Into Which Incorporated
Portions of the registrant's Proxy Statement for the 2015 Annual Meeting of Stockholders	Part III

Forward-Looking Statements

The Securities and Exchange Commission (“SEC”) encourages companies to disclose forward-looking information so that investors can better understand a company’s future prospects and make informed investment decisions. This Annual Report on Form 10-K and other written or oral statements that we make from time-to-time in this report and in our public disclosures may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”). Statements in this Annual Report on Form 10-K, including those contained in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 of this Annual Report on Form 10-K, that are not historical facts are forward-looking statements. These statements are often indicated by words such as “expects,” “anticipates,” “believes,” “could,” “may,” “will,” “would,” “estimates,” “targets,” “assumes,” “continues,” “intends” and “plans,” and other similar expressions, whether in the negative or the affirmative. Forward-looking statements are not guarantees of future performance and involve various important assumptions, risks and uncertainties. Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events. We note these factors for investors as contemplated by the Private Securities Litigation Reform Act of 1995. It is impossible to predict or identify all of the risk factors that we face. Consequently, you should not consider any such list to be a complete set of all potential assumptions, risks or uncertainties. Forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update any forward-looking statement for circumstances or events that occur after the date on which the statement is made. In addition, it is our policy generally not to endorse any projections regarding future performance that may be made by third parties.

Many important factors could affect our future results and could cause those results to differ materially from those expressed in or implied by the forward-looking statements contained herein. Such factors, all of which are difficult or impossible to predict accurately, and many of which are beyond our control, include, but are not limited to, the following:

- consumers’ perceptions of the relative quality, variety, affordability and value of the food products we offer;
- food safety events, including instances of food-borne illness (such as salmonella or E. Coli) involving our restaurants, production plants or our supply chain;
- the effects of negative publicity that can occur from increased use of social media;
- success of operating and marketing initiatives, including advertising and promotional efforts and new product and concept development by us and our competitors;
- changes in consumer tastes and preferences, and in discretionary consumer spending;
- changes in spending patterns and demographic trends, such as the extent to which consumers eat meals away from home;
- changes in commodity costs (including hogs, beef, chicken, eggs and corn), labor, supply, fuel, utilities, distribution and other operating costs;
- development costs, including real estate and restaurant and plant construction costs;
- availability of qualified restaurant and plant personnel, and the ability to retain such personnel;
- our ability, if necessary, to secure alternative distribution of supplies of food, equipment and other products to our restaurants and production facilities at competitive rates and in adequate amounts, and the potential financial impact of any interruptions in such distribution;
- availability and cost of insurance;
- adverse weather conditions;
- availability, terms (including changes in interest rates) and deployment of capital;
- changes in, and our ability to comply with, legal, regulatory or similar requirements, including payment card industry rules, overtime rules, minimum wage rates, wage and hour laws, government-mandated health care benefits, tax legislation, and accounting standards;
- the costs, uncertainties and other effects of legal, environmental and administrative proceedings;
- the effects of charges for impairment of goodwill or for the impairment of other long-lived assets;
- the effects of war or terrorist activities;
- the difficulty in predicting the ultimate costs that will be incurred in connection with the Company’s plan to reduce its general and administrative expense, and the future impact on the Company’s earnings;

- the possibility that the Company will not be able to implement certain strategic options and as part of such recapitalize its balance sheet on acceptable terms, as well as risks associated with such plan, including the ability to generate sufficient cash flow to meet increased debt service obligations, compliance with operational and financial covenants, and restrictions on the Company's ability to raise additional capital following the implementation of certain strategic options and the completion of a recapitalization transaction;
- the level of success of our implementation of a new enterprise resource planning system implementation, and;
- other risks and uncertainties affecting us and our subsidiaries referred to in this Annual Report on Form 10-K (see "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations") and in our other current and periodic filings with the SEC.

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PART I

ITEM 1. BUSINESS

In this Annual Report on Form 10-K, we use the terms “Bob Evans,” “company,” “we,” “us” and “our” to collectively refer to Bob Evans Farms, Inc., a Delaware corporation, and its direct and indirect subsidiaries.

The following description of our business should be read in conjunction with the information contained in Management’s Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 of this Annual Report on Form 10-K and our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Background

We are a full-service restaurant company that operates 567 Bob Evans Restaurants and licenses four Bob Evans Express locations in 19 states. We are also a leading producer and distributor of pork sausage products and a variety of complementary home-style refrigerated side dishes and frozen food items primarily under the Bob Evans, Owens and Country Creek brand names. These food products are distributed primarily to customers throughout the United States. Additionally, we manufacture and sell similar products to foodservice accounts, including Bob Evans Restaurants and other restaurants and food sellers.

Our business began in 1948 when our founder, Bob Evans, began making sausage on his southeastern Ohio farm to serve at his 12-stool diner. Our business grew from there and was incorporated in Ohio in 1957. We became a publicly traded company in 1963. Our current parent company was incorporated in Delaware in 1985 as the successor to the original company.

- In 1987, we expanded our business by acquiring Owens Foods, Inc. (then known as Owens Country Sausage, Inc.).
- In 2004 we expanded our business by acquiring SWH Corporation, which owned and operated the Mimi's Café restaurant chain. We sold our Mimi's Café restaurant chain in February 2013 to Le Duff America, Inc. (“Le Duff”). Le Duff is a U.S.-based subsidiary of Groupe Le Duff, a global bakery and restaurant company headquartered in France.
- In August 2010 we closed our fresh sausage plant in Galva, Illinois.
- In 2010 we eliminated direct store deliveries and moved to shipping products directly to customer warehouses.
- In October 2011 we sold our distribution center in Springfield, Ohio.
- In 2011 after performing market research we launched the Farm Fresh Remodel (“FFR”) program for Bob Evans Restaurants; a program we completed in 2014.
- In August 2012 we purchased the Kettle Creations brand and a 100,000 square foot food production facility in Lima, Ohio, where we primarily produce potato and pasta-based side dishes.
- In September 2013 we closed our fresh sausage plant in Richardson, Texas.
- In October 2013 we completed the first phase of an expansion at our Lima, Ohio, production facility, including an expansion of 57,000 square feet and constructing an additional production line.
- In October 2013 we implemented modifications and completed an expansion at the Sulphur Springs, Texas, production facility to modify and add production lines to increase production capabilities of ready-to-eat food products, as well as adding capacity for soups and gravies.
- In October 2013 we moved into our new corporate headquarters in New Albany, Ohio.
- In December 2013 we closed our production facility in Bidwell, Ohio.
- In February 2014 we closed our production facility in Springfield, Ohio.

We have a 52 or 53-week fiscal year that ends on the last Friday in April. When we refer to fiscal 2015, fiscal 2014 and fiscal 2013, we are referring to our fiscal years that ended on April 24, 2015, April 25, 2014, and April 26, 2013, respectively. All years presented are comprised of 52 weeks. Our fiscal 2016 year that ends on April 29, 2016, will be a 53-week fiscal year.

Our Strategy

We believe our restaurant and foods businesses are regional brands with national potential. Our vision and mission statements embody our expectations for our company's future. Our mission and vision are to make our regional brands powerful national brands. We are working with a high sense of urgency to implement actions that will enhance performance and create shareholder value. In fiscal 2015 we conducted a comprehensive review of strategic alternatives. Some of the significant actions in this turnaround effort are as follows:

1. Continue to review the possibility of a separation of the BEF Foods business
2. Review the potential for real estate transactions or other changes to our capital structure continuing to evaluate various alternatives with respect to all, or a portion of, the Company's real estate assets, including a potential REIT spin-off, a sale-leaseback, and other real estate financing transactions.
3. Optimize our asset base by periodically reviewing our assets and taking appropriate investment and disposal actions when necessary.
4. Continue to review our G&A and certain other cost structures to identify sustainable cost savings and establish an enterprise-wide lean efficiency team to focus on these savings opportunities.

With the successful execution of our business objectives and business strategy we believe we will achieve our vision and mission.

Bob Evans Restaurant Segment

As of April 24, 2015, we operated 567 Bob Evans Restaurant locations. Through our restaurant concept, we offer our customers a variety of high-quality, reasonably priced breakfast, lunch and dinner items either on a dine-in or carryout basis in family-friendly settings.

Our vision for Bob Evans Restaurants is to be recognized as a premier restaurant company in all markets in which we compete. Our mission is to be our customers' favorite restaurant by giving them our best one customer at a time. To do this we must get back to basics and simplify our operations to allow our restaurant teams to deliver on that premise. Bob Evans Restaurants are founded on quality, farm-style food and friendly service. Bob Evans Restaurants feature "farm fresh goodness that brings families together," including a wide variety of comfort foods inspired by our homestead heritage such as sausage gravy, sweet and stacked hotcakes and our rise and shine breakfasts. We are striving to take advantage of this heritage and focus on delivering "Best In Class Breakfast." We want our customers to always feel right at home with us, so we "treat strangers like friends and friends like family."

Breakfast entrées are served all day and feature traditional favorites such as sausage, bacon and eggs, as well as specialty offerings like sweet and stacked hotcakes, omelets and our signature coffee highlighting the importance of "Best In Class Breakfast" execution. We also offer a wide variety of lunch and dinner entrées, including a full line-up of Farm Fresh Salads and signature dinner items, such as slow-roasted pot roast, slow-roasted turkey and country fried steak. During fiscal 2015, we started rolling out our Broasted Chicken platform. This fresh, never frozen chicken, is hand-breaded in-house and cooked to a golden-crust in our special broaster cooker. It is already becoming a signature Bob Evans entrée and highest selling item in many restaurants.

Bob Evans Restaurants feature an atmosphere inspired by our Ohio farm heritage. Most traditional Bob Evans Restaurants range in size from approximately 3,600 to 6,500 square feet and average approximately 5,000 square feet, while our larger Bob Evans Restaurants & General Stores are approximately 9,800 square feet. In fiscal 2015 we opened seven new restaurants in Ohio, Florida and Kentucky and closed one restaurant in the state of Florida. We expect to open one new restaurant and to close 20 restaurants in fiscal 2016.

We believe our Bob Evans Restaurants draw people who want a delicious meal at a fair price in an alcohol-free, family-friendly atmosphere. Our average annual store sales were \$1.7 million for Bob Evans Restaurants in fiscal 2015. Average per-guest checks for fiscal 2015 for breakfast, lunch and dinner were \$9.06, \$9.58 and \$9.66, respectively, for an average per-guest check of \$9.42 for all day parts. The average per-guest check has increased primarily due to a mix shift towards higher price items as well as price increases implemented during the year. Depending on each location's business patterns, Bob Evans Restaurants are generally open from 6 a.m. or 7 a.m. until 9 p.m. or 10 p.m. Sunday through Thursday, with extended closing hours on Friday and Saturday at some locations. In fiscal 2015, we were open on Thanksgiving Day with extended hours. During fiscal 2015, breakfast, lunch and dinner accounted for 33 percent, 38 percent and 29 percent, respectively, of total Bob Evans Restaurants' revenue. Weekend sales, defined as Saturday and Sunday, accounted for approximately 40 percent of a typical week's revenue during fiscal 2015. Off-premise sales (carryout, catering, bakery, retail and on-line ordering) are

approximately 14% of the total Bob Evans Restaurants segment revenue and have grown by approximately 16% as compared to the prior year.

Bob Evans Restaurants is focused on growing sales and profits in key product areas. Exciting new products like Broasted Chicken and Brioche French Toast are geared to drive dine-in traffic and sales. Broasted Chicken was also successful at driving carryout sales in those locations where it has been rolled out. Family Meals To Go and \$5/\$6 Soup and Sides To Go have become major sellers. Catering has also become a significant sales layer. Our Farm House Feasts that serve 8 to 10 people, featured on Thanksgiving and Christmas, have already become a holiday favorite. Bob Evans Restaurants' total off-premise business accounted for approximately 14% of total revenues, up from approximately 13% in fiscal 2014. We will continue to focus efforts on increasing both our dine-in and off-premise business in fiscal 2016.

Restaurant Operations and Management

We believe that quality restaurant management is critical to the success of our restaurant concept. We must be the best at operations execution to keep our customers satisfied. Our restaurant management structure for Bob Evans Restaurants is organized to drive quality, service, cleanliness and top-line growth and bottom-line profitability.

The Bob Evans Restaurants leadership focuses efforts on the overall growth and development of the concept, with particular focus on increasing sales and profitability. Our restaurant leaders are incented to "act like owners."

Each Bob Evans Restaurants location employs approximately 50 to 90 hourly employees, and is led by a general manager, an assistant general manager, and one or more assistant managers, depending on the size, location and sales volume of the restaurant. A Bob Evans Restaurants general manager reports to an Above Restaurant Leader who oversees an area of approximately 8-12 restaurants. The Above Restaurant Leader reports to a Region Coach, who is responsible for approximately 8-12 areas. The Region Coach reports to the executive vice president and chief concept officer. Bob Evans Restaurants are visited regularly by all levels of management to ensure they are operating effectively and adhering to our standards.

Restaurant Locations

As of April 24, 2015, Bob Evans Restaurants were located in 19 states, primarily in the Midwest, mid-Atlantic and Southeast. We believe we must innovate and change the way people think about Bob Evans Restaurants by ensuring that the concept is relevant to our target segments which include families, frequent restaurant diner and blissful boomers. During fiscal 2015, we opened seven new Bob Evans Restaurants, compared to four in fiscal 2014, and two in fiscal 2013. During fiscal 2015 we also closed one Bob Evans Restaurants, compared to three in fiscal 2014, and seven in fiscal 2013.

The following table sets forth the number and location of our Bob Evans Restaurants as of the end of fiscal 2015 :

Restaurants in Operation at April 24, 2015

	Bob Evans Restaurants
Arkansas	2
Delaware	7
Florida	50
Illinois	16
Indiana	60
Kansas	3
Kentucky	24
Maryland	28
Michigan	51
Missouri	21
New Jersey	2
New York	8
North Carolina	7
Ohio	194
Pennsylvania	39
South Carolina	4
Tennessee	3
Virginia	17
West Virginia	31
Total	567

Future restaurant growth depends on a variety of factors, including:

- the expected rate of return on the capital invested in the new restaurant;
- the availability of affordable sites that meet our demographic and other specifications;
- general economic conditions, including consumer spending for family and casual dining;
- growth trends in consumer demand for our restaurant concepts;
- our ability to obtain local permits; and
- the availability of high-quality management and hourly employees.

We use a site selection process for our Bob Evans Restaurants that includes a detailed evaluation of factors such as population density, household income in the area, competition, the site's visibility and traffic patterns, accessibility, proximity to retail centers, and the demographics of potential guests.

We periodically evaluate performance of our existing restaurants to determine whether any restaurants should be (1) closed, (2) remodeled, or (3) relocated. On April 24, 2015, the Board of Directors approved and management committed to close 20 underperforming restaurants. We closed 18 of these stores in the first quarter of fiscal 2016 and plan to close the remaining two stores by the end of fiscal 2016. We believe these closures will strengthen our restaurant portfolio and improve overall returns, and free up resources for other uses including managing leverage under our Credit Agreement.

Supply Chain and Distribution

Controlling our supply costs is a critical component of improving margins with a focus on customer satisfaction. Our ability to offer high-quality, reasonably priced menu items at our restaurants depends upon acquiring food products and related items from reliable sources at competitive prices. Our supply chain team sources, negotiates and purchases food and nonfood items from more than 700 suppliers. Our suppliers must adhere to strict product specifications and quality control standards.

Our restaurant operating margins are subject to changes in the price and availability of food commodities. Prices for many of the foods and other commodities we bought for our restaurants increased during fiscal 2015, and we expect increases during fiscal 2016. Our operating margins are also affected by changes in the price of utilities, such as natural gas, upon which many of our restaurants depend for their energy supply.

To help control costs and obtain competitive prices, our supply chain team negotiates directly with our suppliers and occasionally uses purchase commitment contracts to stabilize the potentially volatile pricing associated with certain commodity items. Additionally, we purchase products in bulk for our food products operations and negotiate volume discounts with suppliers that are also beneficial to our restaurants. We continue to consolidate our purchasing activities for the entire company. This allows us to leverage the combined purchasing power of our restaurant concept and BEF Foods segment. As part of this effort, we use competitive bidding and reverse online auctions for certain products and services.

The BEF Foods segment manufactures sausage products, as well as side dishes and soups, which are distributed, on average, twice per week to our restaurants by third parties. Our distributors purchase products from the suppliers we specify, at the prices we negotiate, and distribute them to our restaurants on a cost-plus basis. Produce, breads and dairy items are sometimes delivered to restaurants more frequently and/or obtained from local suppliers.

We believe we have improved distribution efficiency, attained consistent pricing and lowered costs as we leverage the volume of our restaurant concept. Although only one distributor, through multiple distribution centers, furnishes the majority of inventory items to our restaurants, we believe other distributors can readily provide this inventory. Please see Item 1A. Risk Factors — “Our restaurant and food products businesses are dependent on timely delivery of fresh ingredients by our suppliers and distributors.” for more information.

Sources and Availability of Raw Materials

Menu mix in the restaurant business is varied enough that raw materials historically have been readily available. However, some food products may be in short supply during certain seasons and raw material prices often fluctuate according to availability. We believe that all essential food products will continue to be generally available from our existing suppliers or, upon short notice, can be obtained from other qualified suppliers. At the start of fiscal 2016, our prices to purchase shell and liquid eggs began to increase, a result of the avian influenza that has significantly impacted poultry farms in the Midwest. We expect egg prices to rise further in fiscal 2016 and may not be able to pass through the additional costs to customers in the form of increased pricing.

Due to the rapid turnover of perishable food items, our restaurants maintain inventories with a modest (approximately \$12 thousand of perishable inventory per restaurant) aggregate cost in relation to revenues.

Advertising and Marketing

We spent approximately \$31 million on restaurant advertising and marketing during fiscal 2015. Most of our advertising budget was spent on television, radio, print and outdoor advertising. We focus our advertisements on new Bob Evans Restaurants' menu items and the concept's position as offering “farm fresh goodness that brings families together,” and “get in on something good™.” We also distribute coupons through multiple channels and support in-store merchandising, menus, kids' marketing programs, and local store marketing. Total discounts, recognized as a reduction of sales for Bob Evans Restaurants, were \$53.6 million, \$46.4 million and \$32.7 million in fiscal 2015, 2014 and 2013 respectively.

Research and Development

As part of our effort to consistently drive sales growth we continuously test food items to identify new and improved menu and retail food product offerings to appeal to our existing customers, satisfy changing eating trends and attract new customers. We strive to maintain a 12 to 24 month product development pipeline which is focused on creating and introducing innovative menu items and retail food products, as well as enhancements to our existing offerings.

In order to keep our menu and retail food products fresh and appealing to our guests' taste preferences, our product development team is concentrated on creating appealing menu offerings that are consistent with the positioning of the brand, as well as quality enhancements to some of our best-selling items. Product development for both Bob Evans Restaurants and BEF Foods segments focuses on home-style offerings with a unique Bob Evans twist. New products are market tested before they are widely rolled out. Research and development expenses for our restaurant concept and BEF Foods operations are generally not material.

Competition

The restaurant industry is highly competitive. There are numerous segments within the restaurant industry distinguishable based on the type of food, food quality, service, location, associated price-to-value relationship and overall dining experience. We have positioned our Bob Evans Restaurants in the family dining segment.

Key competitive factors in the industry include the quality and value of menu offerings, quality and speed of service, attractiveness of facilities, advertising, brand awareness and image, and restaurant locations. Although we believe our restaurant concept competes favorably with respect to each of these factors, many of our competitors are well-established national, regional or local chains, and some have substantially greater financial, marketing and other resources than we have. Additionally, we compete with many restaurant operators and other retail establishments for site locations and restaurant employees. We also face growing competition from quick-service and fast-casual restaurants that are improving the quality and expanding the variety of their offerings, especially at breakfast.

Our BEF Foods Segment

Our vision for our BEF Foods segment is to be a powerful national brand food business driven by innovation and strong retail partnerships with a portfolio of convenient meal solutions that meet consumer needs. We offer a variety of quality, wholesome food products to retail and foodservice customers. We sell our retail food products under the Bob Evans, Owens and Country Creek brand names. Our food products provide "farm-fresh goodness" and convenient meal solutions that uphold our commitment to premium quality. Our food products include approximately 60 varieties of branded fresh, smoked and fully cooked pork and turkey sausage, ham and hickory-smoked bacon products, such as Bob Evans Fresh Sausage (in rolls, patties or links, all in a variety of seasonings), Bob Evans Sweet Italian Sausage, Bob Evans Fully Cooked Maple Links and Bob Evans Fully Cooked Turkey Sausage Patties. We also offer over 100 complementary, convenience food items in the refrigerated and frozen areas of grocery stores such as mashed potatoes (different varieties in various sizes), our Oven Bake™ Scalloped Potatoes and Oven Bake™ Macaroni & Cheese, our sides such as Homestyle Broccoli & Cheese, Seasoned Homestyle Stuffing, Six Cheese Pasta, Original Green Bean Casserole and Sliced Glazed Apples, our Handheld Breakfast Items such as Bob Evans Sausage, Egg, Cheese Biscuits, Bob Evans Sausage Gravy Stuffers, Bob Evans Southwest Breakfast Bake and Bob Evans Sausage, Egg & Cheese Croissant, our Breakfast Burritos, Breakfast Bowls, Owens Kolaches, as well as our Soups (Original Chicken & Noodles and Original Sausage Chili), and Sausage Gravies.

Our refrigerated mashed potatoes and macaroni and cheese side dishes continue to grow as a percentage of our food products volume. We expect to continue to consistently drive sales growth through new product development and enhancements to existing items to address evolving consumer demands.

Production

We have made efforts to increase returns on invested capital by implementing a plant optimization program to ensure we are operating efficiently and are positioned for future growth. The program is geared to identify operational gaps and opportunities to improve production efficiencies at our production facilities. As a part of this program, we closed our fresh sausage plant in Galva, Illinois, and the fresh sausage production portion of our Bidwell, Ohio, plant in fiscal 2011. We closed our ready-to-eat plants in Springfield and Bidwell, Ohio, and our fresh sausage plant in Richardson, Texas, in fiscal 2014.

In August 2012, we purchased Kettle Creations, which included a 100,000 square foot food production facility in Lima, Ohio, where we produce potato and pasta-based side dishes. Kettle Creations previously was a co-packer for BEF Foods. During the second quarter of fiscal 2014 we completed the expansion at the Lima, Ohio, production facility, including an

additional 57,000 square feet of production facility and constructing an additional production line at a cost of approximately \$24 million.

As part of our plant optimization program, we also invested approximately \$36 million of capital to expand, modify and add production lines to our food production facility in Sulphur Springs, Texas, which increased production of ready-to-eat food products, as well as added capacity for soups and gravies. This plant expansion was completed during the second quarter of fiscal 2014.

We currently produce food products in our four manufacturing facilities. We produce fresh sausage products at our plants located in Hillsdale, Michigan, and Xenia, Ohio. Ready-to-eat products, such as sandwiches, soups and gravies, are produced at our Sulphur Springs, Texas, plant, and our Lima, Ohio, plant produces refrigerated side dishes. In fiscal 2016 we plan to invest \$20 million to add an additional side-dish production line at our Lima, Ohio, plant. The line is expected to be completed in the first quarter of fiscal 2017.

We strive to be the best at operations execution by always focusing on food safety. We follow a Hazard Analysis and Critical Control Points (“HACCP”) program at each of our manufacturing plants. HACCP is a comprehensive system developed in conjunction with government agencies to prevent food safety problems by addressing physical, chemical and biological hazards. We use HACCP to identify potential safety hazards so that key actions can be taken to reduce or eliminate risks during production. We also have a team dedicated to food safety and quality assurance. During fiscal 2015, all of our manufacturing plants earned certification pursuant to Global Food Safety Initiative standards.

We also use third parties to manufacture or “co-pack” the Bob Evans and Owens products that are not produced in our own facilities or to supplement production in peak demand periods. These co-packed items include some of our side dish and meat items. We used approximately 20 third parties to manufacture food products for us in fiscal 2015.

Sales

The U.S. food industry has experienced significant consolidation over the last 20 years as competitors have shed non-core businesses and made strategic acquisitions to complement category positions, maximize economies of scale in raw material sourcing and production, and expand retail distribution. This consolidation is expected to continue. The importance of sustaining strong relationships with retailers has become a critical success factor for food companies because it drives category management and continuous replenishment programs. Food companies with category leadership positions and strong retail relationships have increasingly benefited from these initiatives as a way to maintain shelf space and maximize distribution efficiencies.

Although our Bob Evans brand mashed potatoes are not available in all grocery stores across the country, it is the leading brand of refrigerated mashed potatoes in the United States (based on pound sales and Information Resource Inc.'s total U.S. grocery data for 52 weeks ending in April 2015) and has been since 2007. Our goal is to consistently drive sales growth by leveraging our strong share position to secure additional retail store business and gain additional market penetration. We also believe strong brand awareness is critical in maintaining and securing valuable retail shelf space and will provide a strong platform for introducing product line extensions and new products.

Our retail sales force, which consists of our national account teams as well as third-party food brokers, sells our food products to the leading national and regional retail chains. Retail sales are approximately 80 percent of net sales, while foodservice sales account for approximately 20 percent of net sales.

A relatively small number of customers account for a large percentage of our sales. For fiscal 2015, our 10 largest accounts represented approximately 60 percent of our total BEF Foods sales, with the top two customers representing approximately 30 percent of our BEF Foods segment sales. We use national account teams to address the needs of our key retailers on a long-term basis.

Items for our foodservice customers are made to their specifications and include sausage, sausage gravy, breakfast sandwiches and side dishes. Foodservice sales provide us with incremental volume in our production plants. Volumes in foodservice business declined as compared to fiscal 2014, primarily due to a shift of resources towards our growing side dish business.

Distribution

We supply our customers by shipping products directly to their warehouses for further distribution by the customers to their retail stores. We also distribute our products through food wholesalers and distributors who primarily service smaller, independent grocers.

At the end of fiscal 2015, Bob Evans or Owens brand products were available for purchase in grocery stores in all 50 states, the District of Columbia and Canada. Our Owens brand products were available for purchase primarily in Oklahoma, Louisiana and Texas.

We continue to work with retailers in states where there is an opportunity to distribute our products. We will explore expansion prospects with retailers to profitably increase points of distribution.

Sources and Availability of Raw Materials

One of the most important raw materials used in our food products business is live sows (an adult female pig), which we depend upon to produce our pork sausage products. We produce our sausage using the same premium ingredients that Bob Evans used when he started the Company. Sow meat is a high-value product compared to other types of pig meat because it has a different texture and color than other pork; other pork tends to be chewy when made into sausage, which we depend upon to produce our pork sausage products. We procure live sows at prevailing market prices from terminals, local auctions, country markets and corporate and family farms in many states and Canada. The live sow market is highly volatile in terms of the number of sows available and market price. The live sow market is also dependent upon supply and demand for pork products, as well as corn and soybean meal prices (the major food supply for sows), weather and farmers' access to capital. During fiscal 2014 and part of fiscal 2015, sow costs reached record high prices in part driven by Porcine Epidemic Diarrhea virus ("PEDv") which reduced the supply of sows for slaughter due to the impact PEDv had on young piglets. The supply reduction did not significantly impact our ability to procure the live sows needed to meet customer demand, however it significantly impacted the cost beginning in the second quarter of fiscal 2014 through the third quarter of fiscal 2015. We procure sows in a variety of ways, including under supply contracts, however due to the structure of the sow market, including the limited availability of sows, there is neither a way to "lock" in prices nor any commercially feasible hedging contracts or like financial instruments for sows, like there are for "lean hogs" or "pork bellies." We experienced significantly declining sow costs in the latter part of fiscal 2015 due to the end of PEDv, rebuilding of the sow herd and low demand. In fiscal 2016 an adequate supply of sows and static demand look to keep sow costs below the average costs experienced in fiscal 2015.

Other important raw materials used in our food products operations are potatoes, dairy products, seasonings and packaging materials. Historically, these materials have been readily available, although some items may be in short supply during certain seasons and the price fluctuates according to availability. Such shortages did not have a material impact on net sales or operating income in fiscal 2015. Generally, we purchase these items under supply contracts, and we occasionally engage in forward buying when we believe it to be advantageous. We believe that these items will continue to be available from our existing suppliers or, upon short notice, can be obtained from other qualified suppliers.

Our raw material prices may be impacted by the spread of avian influenza across poultry farms in the Midwest. Eggs are key ingredient in some of our frozen products and we may not be able to pass additional costs through to our customers.

Most of our food products are highly perishable and require proper refrigeration. Product shelf life ranges from 18 to 60 days for refrigerated products. Due to the highly perishable nature and shelf life of these items, our production plants normally process only enough products to fill existing orders. As a result, we maintain minimal inventory levels. With our transition to a warehouse delivery system, many of our breakfast and dinner sausage items are frozen and shipped to warehouses. Shipping frozen product allows our retailers added flexibility to slack out product to meet consumer demand and allows us to build inventory for heavy consumption periods.

Advertising and Marketing

During fiscal 2015, we spent approximately \$3.6 million advertising our food products, excluding coupons and trade promotion marketing costs. Our food products marketing programs consist of advertising, consumer promotions and trade promotions. Our advertising activities include newspaper and digital advertising aimed at increasing brand awareness and building consumer loyalty. Consumer promotions include the distribution of recipes featuring our products and targeted coupons designed to attract new customers and increase the frequency of purchases. Our trade promotions are aimed at providing retail display support, price discounts and securing additional shelf space. Trade promotions, recorded as a reduction to net sales, were \$56.6 million, \$49.1 million and \$54.5 million in fiscal years 2015, 2014 and 2013, respectively.

Competition

The food products business is highly competitive and is affected by changes in the public's eating habits and preferences, as well as by local and national economic conditions affecting consumer spending habits, many of which are beyond our control. Key competitive factors in the industry are the quality, flavor and value of the food products offered, advertising and name brand awareness. We believe that we compete favorably with respect to each of these factors. Our competitors include well-established national, regional and local producers and wholesalers of similar products, some of whom have substantially

greater financial, marketing and other resources than we have. We also face growing competition from private label sausage products and side dishes.

Items That Impact Both the Bob Evans Restaurants Segment and Our BEF Foods Segment

Seasonality and Quarterly Results

Our Bob Evans Restaurants and BEF Foods segments are subject to seasonal fluctuations. Historically, our highest levels of revenue and net income at Bob Evans Restaurants occurred in the first and second quarters of our fiscal year. Many Bob Evans Restaurants are located near major interstate highways and generally experience increased revenue during the summer travel season. Holidays, severe weather conditions (such as snow storms, hurricanes, and thunderstorms), natural disasters (such as flooding and tornadoes) and similar conditions can impact restaurant sales volumes in most of the markets in which we operate.

Our BEF Foods segment is seasonal to the extent that third and fourth quarter sales are typically higher due to increased sales of sausage and our home-style side dishes during the colder months from November through April and especially during the holiday season.

Our consolidated quarterly results are significantly impacted by the cost and availability of raw materials, especially live hogs. Our consolidated quarterly results are also impacted by the timing of new restaurant openings and remodels and their associated costs. As a result of these and other factors, our financial results for any given quarter may not be indicative of the results that may be achieved for a full fiscal year.

Trademarks and Service Marks

We have registered trademarks and service marks, such as the mark Bob Evans[®] for our restaurant business, and Bob Evans[®], Owens[®], Country Creek Farm[®] and Kettle Creations[®] for BEF Foods. We use additional registered and proprietary marks, some of which are listed under “Item 1. Business” above. We maintain a registration program for our marks with the United States Patent and Trademark Office and in certain foreign countries. In order to better protect our brands, we have also registered our ownership of the Internet domain names such as bobevans.com, beffoods.com and kettlecreations.net. We believe that our trademarks, service marks, proprietary recipes and other proprietary rights have significant value and are important to our brand-building efforts and the marketing of our Bob Evans Restaurants and BEF Foods segments. We have vigorously protected our proprietary rights in the past and expect to continue to do so. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of these rights or the use by others of restaurant features based upon, or otherwise similar to, our concepts. It may be difficult for us to prevent others from copying elements of our restaurant concepts and food products, and any litigation to enforce our rights would likely be costly.

The following terms are the principal trademarks and registered trademarks of Bob Evans, many of which are used herein: Get in on Something Good[™], BE Express[®], BE Fit[®], BE Mail[®], BEST Bob Evans Special Touch[®], Big Farm Burgers[®], Bob Evans[®], Bob Evans Express[®], Bob Evans Oven Bake[®], Bob Evans Restaurants[®], Bob Evans Wildfire[®], Country Creek Farm[®], Discover Farm-Fresh Goodness[®], Farm-Fresh Goodness[®], Farmhouse Feast[®], Fit From the Farm[®], Kettle Creations[®], and Owens[®]. Bob Evans uses additional registered trademarks and proprietary marks in its business.

As part of the roll out of our Broasted Chicken[®] platform, we have licensed the use of the Broasted[®], Broaster Chicken[®], Genuine Broaster Chicken[®] and Broasted Chicken trademarks from The Broaster Company. Our Development Agreement provides us with limited exclusivity rights to use these licensed trademarks and proprietary Broaster equipment for a period of 10 years within the domestic family dining segment.

Government Regulation

We are subject to numerous federal, state and local laws affecting our businesses. Our Bob Evans Restaurant segment is subject to licensing and regulation by a number of governmental authorities, which may include health, sanitation, environmental, zoning and public safety agencies in the state or municipality in which each of our restaurants is located. Difficulties in obtaining or failures to obtain the required licenses or approvals could delay or prevent the development and openings of new restaurants or could disrupt the operations of existing restaurants. However, we believe that we are in compliance in all material respects with applicable governmental regulations and, to date, we have not experienced abnormal difficulties or delays in obtaining the licenses or approvals required to open or operate any of our restaurants.

Various federal and state labor laws govern our operations and our relationships with our employees, including such matters as minimum wage, meal and rest breaks, overtime, fringe benefits, safety, working conditions and citizenship requirements.

Minimum wages are governed by federal, state and local laws. There have been a number of increases in minimum wage in various states, as well as increasing legislative discussion at the federal level. Additionally, our industry has many tipped employees who receive much of their compensation in the form of customer tips. In many cases, we are allowed to take a tip credit against the required minimum wage rate and pay a lower cash wage rate to those employees. Any significant changes in the level of minimum wage or the permissibility of tipped wages could affect the profitability of our Bob Evans Restaurants and BEF Foods segments. Federal and state legislatures have also proposed bills that would require paid time off at the hourly level. As this has not been common practice in the restaurant industry, such changes could affect our labor costs and profitability.

There have been a number of federal, state and local proposals and regulations to require restaurants to provide nutritional information on menus and/or require that restaurants label menus with the country of origin of meal ingredients. The Affordable Care Act enacted on March 23, 2010, contains provisions that require restaurants with 20 or more locations to post calorie information on menus and additional nutritional information in writing at the restaurant. The Food and Drug Administration (“FDA”) has released final regulations that have an effective date of December 1, 2015.

The passage of the Affordable Care Act and ongoing changes in the governing rules have required significant effort to ensure compliance. The Company has chosen to continue to make health care available to eligible employees based on the terms set forth in the plan. Further, we are providing medical, prescription drug, dental, vision and an employee assistance program through a private exchange, as we attempt to manage overall health care costs. In the first year under the Affordable Care Act (calendar 2014) we experienced a more significant increase in costs than we had anticipated and were unable to mitigate the cost to the Company by re-distributing the cost of the coverage between the Company and employees. We experienced another significant cost increase in the second year (calendar 2015), which caused us to increase the overall costs to both the Company and employee participants, but due to the size of the increase, the Company is responsible for a greater percentage of the costs than it has historically been responsible. Significant cost increases or administrative burdens could affect our profitability and our ability to continue our current health care strategy.

The nature of our business requires many of our employees to work nights, weekends and nontraditional schedules. Our restaurants may have varying labor needs at various points in time. These factors make it imperative that we carefully monitor and manage the hours that nonexempt employees work to remain compliant with overtime pay regulations. We employ both salaried exempt and hourly nonexempt employees at our restaurants, which require us to manage the type of work done by the different classes of employees. As the definitions and enforcement of overtime and overtime exemption regulations continue to change at the federal and state levels, we may need to consider making changes in these classifications, which could result in higher payroll costs and negatively impact profitability.

Bob Evans must comply with the applicable requirements of the Americans with Disabilities Act of 1990, as amended by the ADA Amendments Act of 2008 (“ADA”) and related state statutes. In pertinent part, the ADA prohibits discrimination on the basis of disability with respect to public accommodations and employment. Under the ADA and related state laws, when constructing new restaurants and facilities or undertaking significant remodeling of existing restaurants and facilities, we must ensure each restaurant and facility meets the accessibility requirements of all applicable laws and regulations. We also must make reasonable accommodations for the employment of people with disabilities.

As a manufacturer and distributor of food products, our BEF Foods segment is subject to a number of food safety regulations, including regulations promulgated by the U.S. Department of Agriculture (“USDA”) and the FDA. These agencies enact and enforce regulations relating to the manufacturing, labeling, packaging, distribution and safety of food in the United States. Among other matters, these agencies: enforce statutory prohibitions against misbranded and adulterated foods; establish safety standards for food processing; establish standards for ingredients and manufacturing procedures for certain foods; establish standards for identifying certain foods; determine the safety of food additives; establish labeling standards and nutrition labeling requirements for food products; and enforce regulations to prevent the introduction, transmission or spread of communicable diseases. In addition, various states regulate our operations by: enforcing federal and state standards for selected food products; grading food products; licensing and inspecting plants and warehouses; regulating trade practices related to the sale of food products; and imposing their own labeling requirements on food products. Some of the food commodities we use in our operations are also subject to governmental agricultural programs. These programs have substantial effects on prices and supplies and are subject to Congressional and administrative review.

Through our sausage manufacturing operations, our BEF Foods segment is subject to the requirements of the Packers & Stockyards Act (the “P&S Act”). The general purpose of the P&S Act is to: (1) assure fair competition and fair trade practices; (2) safeguard farmers and ranchers; (3) protect consumers; and (4) protect members of the livestock, meat and poultry industries from unfair, deceptive, unjustly discriminatory and monopolistic practices. The P&S Act is administered by the Grain Inspection, Packers & Stockyards Administration (“GIPSA”), which is part of the USDA. Among other requirements, the P&S Act requires meat packers, such as our BEF Foods segment, to be bonded, which provides trust protection for producers in the

event they are not paid for livestock by a meat packer, and requires that livestock producers be paid promptly by meat packers for the sale of livestock. Violations of the P&S Act may be resolved through a notice of violation, a stipulation agreement with GIPSA, administrative actions and court actions.

We are subject to federal and state environmental regulations, including various laws concerning the handling, storage and disposal of hazardous materials, such as cleaning solvents. These regulations have not had a material adverse effect on our operations to date. We do not anticipate that compliance with federal, state and local provisions regulating the discharge of materials into the environment, or which otherwise relate to the protection of the environment, will have a material adverse effect upon our capital expenditures, revenues or competitive position.

U.S. federal, state and local laws and regulations are increasingly being enacted to address concerns about the effects that carbon dioxide emissions and other identified greenhouse gases (“GHG”) may have on the environment and climate worldwide. These effects are widely referred to as “Climate Change.” One or more of our BEF Foods segment manufacturing facilities could be covered by such new legislation. As in virtually every industry, GHG emissions occur at several points across our operations, including production, transportation and processing. Compliance with future legislation, if any, and compliance with currently evolving regulation of GHGs by the EPA and states may result in increased compliance costs, capital expenditures, and operating costs. In the event that any future compliance requirements at any of our facilities require more than the sustainability measures that we are currently undertaking to monitor emissions and improve our energy efficiency, we may experience increases in our costs of operation. These regulatory changes may also lead to higher cost of goods and services, which may be passed on to us by suppliers. Based on information currently available to us, we believe that compliance with these regulations will not have a material adverse effect on us.

From time to time, we receive notices and inquiries from regulatory authorities and others asserting that we are not in compliance with particular laws and regulations. In some instances, litigation ensues. In addition, individuals may initiate litigation against us. Many of our facilities are subject to environmental permits and other regulatory requirements, violations of which are subject to civil and criminal sanction. In some cases, third parties may also have the right to sue to enforce compliance.

Employees

As of April 24, 2015, we employed 32,341 employees including approximately 7,471 full-time employees. None of our employees are currently covered by collective bargaining agreements. We consider overall relations with our employees to be satisfactory.

Available Information

We are subject to the informational requirements of the Exchange Act, and, accordingly, we file reports, proxy statements, and other information with the SEC. Such reports, proxy statements, and other information are publicly available and can be read and copied at the reference facilities maintained by the SEC at the Public Reference Room, 100 F Street, NE, Room 1580, Washington, D.C. 20549. Information regarding the operation of the Public Reference Room may be obtained by calling the SEC at 800-SEC-0330. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Our website is www.bobevans.com. We make available at this address, free of charge, press releases, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, reports for transactions in the Company stock by insiders on Forms 3, 4 and 5, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. In addition, we provide periodic investor relations updates and our corporate governance materials at our website.

Upon the written request of a stockholder, we will provide without charge a copy of this Annual Report on Form 10-K, including the financial statements and financial statement schedules included herein. In addition, upon the written request of a stockholder, we will provide a copy of any exhibit to this Annual Report on Form 10-K upon the payment of a reasonable fee. Written requests should be delivered to Bob Evans Farms, Inc., Attention: Investor Relations, 8111 Smith's Mill Road, New Albany, Ohio 43054.

ITEM 1A. RISK FACTORS.

The risk factors presented below may have a material adverse effect on our future operating results, financial position and cash flows. The categories listed below are for information purposes only and do not signify that any risk should or should not be included in one or more of the other categories, or that any category or risk is more significant than any other risk. In addition to the risk factors presented below, changes in general economic conditions, consumer tastes and discretionary

spending patterns, demographic trends and consumer confidence in the economy, which affect consumer behavior and spending for restaurant dining occasions and retail purchases in general, may have a material adverse effect on us. Our actual results could vary significantly from any results expressed or implied by any forward-looking statements contained in this Annual Report on Form 10-K or our other filings with the Securities and Exchange Commission ("SEC") depending upon a variety of factors, including, but not limited to, the following risks and uncertainties:

I. STRATEGIC

Our failure to achieve and maintain positive average unit store growth for an extended period of time could have a material adverse effect upon our financial condition, results of operations and cash flows.

Same-store sales are a key measure of the financial health of our company, as well as our individual restaurants. Same-store sales growth may be affected by a number of factors, including:

- local and national economic conditions affecting consumer spending habits;
- gasoline prices;
- customer trends;
- intense competition in the restaurant business;
- customer satisfaction;
- extraordinary events such as weather or natural disasters; and
- pricing pressure.

We depend on consumer acceptance of our menu offerings, food products, prices, atmosphere, convenience and service procedures.

Our success in creating demand for our brand as well as our restaurant menu offerings and food products is dependent on our ability to continue to accurately predict consumer dining and taste preferences and adapt our menu and food products to trends in food consumption. Our success is also dependent upon our ability to provide outstanding customer service and convenience and to keep the atmosphere of our Bob Evans Restaurants segment differentiated from our competitors, and relevant and appealing to our customers. If we change our restaurant concept or customer service technique, we may lose customers who do not prefer the changed concept or customer service technique, and we may not be able to attract a sufficient new customer base to produce the revenue needed to make the concept or technique profitable.

We depend on initiatives designed to improve the efficiencies, costs and effectiveness of our operations, as well as increase revenues, and failure to fully achieve or sustain these initiatives could adversely affect our results of operations.

We have had, and expect to continue to have, initiatives related to cost efficiencies and revenue generation in various stages of testing, evaluation and implementation, upon which we expect to rely on to improve our results of operations and financial condition. Many of these initiatives are inherently risky and uncertain in their application to our business in general, even when tested successfully on a more limited scale. It is possible that successful testing can result partially from resources and attention that cannot be duplicated in broader implementation. Testing and general implementation also can be affected by other risk factors described herein that reduce the results expected. Successful system-wide implementation of these initiatives across hundreds of restaurants and involving tens of thousands of employees relies on consistency of training, stability of workforce, ease of execution, changes in market conditions and the absence of offsetting factors that can adversely influence results. Failure to achieve successful implementation of our initiatives could adversely affect our results of operations.

Our long-term growth strategy depends on successfully executing our current strategic efforts to turnaround our business results. Our ability to complete our turnaround efforts is influenced by factors beyond our control, which may slow our turnaround efforts and impair our long-term growth

We are pursuing a disciplined long-term growth strategy which, to be successful, will depend in large part on our ability to execute our current turnaround efforts. If we are unable to execute the turnaround efforts due to factors beyond our control our long-term growth opportunities could be impaired.

We are authorized to pursue certain strategic transactions, including one or more sale-leasebacks of our New Albany, Ohio headquarters, our BEF Foods manufacturing facilities in Lima, Ohio, and Sulphur Springs, Texas. The Company cannot guarantee that any of these transactions will occur. The decision to enter into any of these transactions, or the assets subject to

a transaction, depends on a number of factors including, but not limited to, interest rates and general U.S economic conditions, the performance of the Bob Evan's business segments, etc., and must first be approved by the Board of Directors. Any transaction would be subject to the normal conditions and covenants for closing. Depending upon the size and structure of any of these transactions, prior to entering into a transaction, the Company could be required to either obtain permission from its credit facility lenders or put in place alternative financing arrangements. The failure to successfully implement on one or more of these strategic transactions within the time period planned could have a material adverse effect on our long-term growth strategy to turn around the business as well as on our results of operations. Additionally, there is no guarantee that the execution of one or more such transactions will have a positive impact on our long-term growth strategy or results of operations.

We may experience higher-than-anticipated costs associated with the opening of new restaurants or with the closing of existing restaurants, which may adversely affect our results of operations.

Our sales and expenses can be impacted significantly by the number and timing of the opening of new restaurants and the closing of existing restaurants. We incur substantial preopening expenses each time we open a new restaurant and other expenses when we close existing restaurants. The expenses of opening or closing any of our restaurants may be higher than anticipated. An increase in such expenses could have an adverse effect on our results of operations.

Our restaurant business is dependent upon satisfactory customer service, and we may have difficulty hiring and retaining a sufficient number of qualified employees to deliver appropriate service.

Our restaurant business depends in significant part upon our ability to attract, train, motivate and retain a sufficient number of qualified employees, including Above Restaurant Leaders, restaurant managers, kitchen staff and servers who can meet the high standards necessary to deliver the levels of food quality and service on which our restaurant segment is based upon. The short supply of qualified individuals in some areas could strain our restaurant operations, delay new restaurant openings or require us to increase wages to attract desired individuals, which could have a material adverse effect on our financial position or results of operations. Also, high rates of employee turnover could have a negative impact on food quality, recruiting and training costs, and customer service, which would result in an adverse effect on our restaurant business and results of operations.

We depend on our ability to compete effectively in the restaurant and food products industries.

The restaurant industry is highly competitive and is affected by changes in the public's eating habits and preferences, population trends, traffic patterns and weather conditions, as well as by local and national economic conditions affecting consumer spending habits, many of which are beyond our control. Key competitive factors in the restaurant industry include the quality and value of the menu items offered, food preparation and consistency of the preparation from restaurant to restaurant, quality and speed of service, attractiveness of facilities, advertising, name brand awareness and image and restaurant locations. Many of our competitors are well-established national, regional or local chains, and some have substantially greater financial, marketing and other resources than we have, which may give them competitive advantages. We compete with many restaurant operators and other retail establishments for site locations and restaurant employees. We also compete with grocery store chains that offer cooked and prepared products for the consumer. We expect competition to intensify as our competitors expand operations in our markets and quick-service restaurant chains expand their breakfast offerings. This increased competition could have a material adverse effect on our financial position or results of operations.

The food products industry is also highly competitive and is affected by changes in the public's eating habits and preferences, as well as by local and national economic conditions affecting consumer spending habits. Key competitive factors in the industry include the quality, flavor and value of the food products offered, advertising and name brand awareness. Our competitors include well-established national, regional and local producers and wholesalers of similar products, many of whom have substantially greater name recognition and financial, marketing and other resources than we have, which may give them competitive advantages. We are facing increased competition from private label sausage products and side dishes. We expect competition to intensify in our BEF Foods segment as other food companies introduce refrigerated side dishes to compete with our successful products. This increased competition could have a material adverse effect on our financial position or results of operations.

Our marketing and branding strategies may not be successful, which could negatively affect our business.

Our marketing and branding strategies continue to evolve to maximize our appeal to customers and compete effectively. We do not have any assurance that our marketing strategies will be successful. If our current strategy to aggressively use less discounting, new advertising, modified branding, and other marketing programs are not successful, we may not generate the level of restaurant and food products sales we expect and the expenses associated with these programs will negatively affect our financial results. Moreover, many of our competitors have successfully used national marketing strategies, including network and cable television advertising in the past, and we may not be able to successfully compete against those established programs.

The growth of our BEF Foods segment's sales and profits is dependent upon our ability to expand into existing and new markets.

The successful growth of our BEF Foods segment depends in part on our ability to add new retail customers, as well as expand the number of products sold through existing retail customers by expanding the number of our items they offer for sale and product placement within the refrigerated meat and the frozen products departments. The expansion of the BEF Foods business segment depends on our ability to obtain and retain large-account customers, such as grocery store chains and warehouse customers. Our failure to obtain and retain new large-account customers or maintain our relationships with existing large-account customers could have a material adverse effect on the BEF Foods segments' business and results of operations.

The financial performance and results of operations of the BEF Foods segment could be adversely affected by availability of and price we pay for sows and pork trimmings.

Sows are the most important raw material used to produce our pork sausage products in our BEF Foods segment. We procure live sows at prevailing market prices from terminals, local auctions, country markets and corporate and family farms in many states and Canada. The live sow market is highly volatile in terms of the number of sows available and the current market price. The live sow market is dependent upon supply and demand for pork products, as well as corn and soybean meal prices (the major food supply for sows), weather and farmers' access to capital. We also use pork trimmings and the pork trimmings market is also highly volatile in terms of availability and the current market price.

Higher sow and pork trimmings costs could adversely affect the BEF Foods segment's profitability, and we cannot guarantee that we will be able to pass along any portion of the increased costs to our consumers in a timely manner or at all.

Our BEF Foods segment's business is dependent upon a limited number of suppliers for the production of a significant number of items and relies upon a relatively small number of customers for a large percentage of its sales.

Our BEF Foods segment's business is dependent upon a limited number of suppliers, and we have not always identified secondary suppliers for food products manufactured in our plants, or secondary suppliers with sufficient capacity. Our prolonged inability to provide products to fill orders in a timely manner could have an adverse effect on both our Bob Evans Restaurants and the BEF Foods segments' businesses and our results of operations. Our BEF Foods segment's business also relies upon a relatively small number of customers for a large percentage of its sales. Our inability to maintain strong relationships with our key customers and meet their requests could result in a loss of business, which could have a material adverse effect on our BEF Foods business and our results of operations.

Our actual operating and financial results in any given period may differ from guidance we provide to the public, including our most recent public guidance.

From time to time, in press releases, SEC filings, public conference calls and other contexts, we have provided guidance to the public regarding current business conditions and our expectations for our future financial results. We expect that we will provide guidance periodically in the future. Our guidance is based upon a number of assumptions, expectations and estimates that are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In providing our guidance, we also make various assumptions with respect to our future business decisions, some of which will change. Our actual financial results, therefore, may vary from our guidance due to our inability to meet the assumptions upon which our guidance is based and the impact on our business of the various risks and uncertainties described in these risk factors and in our public filings with the SEC. Variances between our actual results and our guidance may be material. To the extent that our actual financial results do not meet or exceed our guidance, the trading prices of our securities may be materially adversely affected.

Because many of our restaurants are concentrated in certain geographic areas, there could be a material adverse effect on our operations by regional economic conditions, severe weather and other events.

The concentration of many of our existing and planned restaurants in particular regions of the United States could affect our operating results in a number of ways. For example, our results of operations may be adversely affected by economic conditions in that region, the local labor market and regional competition. Also, adverse publicity relating to our restaurants in a region in which they are concentrated could have a more pronounced adverse effect on our overall revenue than might be the case if our restaurants were more broadly dispersed.

A majority of our Bob Evans Restaurants are located in Ohio and other parts of the Midwest, which makes us particularly sensitive to economic conditions, natural disasters, severe weather and other events in this region. Our business is subject to seasonal adverse weather conditions (especially between October and March) that may at times affect regions in which our restaurants are located, regions that produce raw ingredients for our restaurants, or locations of our distribution network. As a result our quarterly and yearly results have varied in the past, and we believe that our quarterly operating results will vary in the future. In addition, adverse weather conditions could cause us to experience closures, repair and restoration costs, food spoilage, and other significant reopening costs as well as increased food costs and delayed supply shipments, any of which would adversely affect our business. Additionally, during periods of extreme temperatures (either hot or cold) or precipitation, many individuals choose to stay indoors. This impacts transaction counts in our restaurants and could adversely affect our business and results of operations.

Our ability to align our corporate culture to adapt to evolving business changes and requirements could have a material adverse effect on us.

Our results may be adversely affected if we are unable to execute on the key elements of our strategic plan to improve our sales, general and administrative cost structure, delivery execution, and resource utilization. Effecting significant reductions in cost structure, as well as changes in operational regimes and corporate culture is a significant challenge. If we are unable to change and instill within our entire organization the appropriate cost cutting and operational regimes of our corporate culture, we may not be able to gain the required cost savings and improvements and increase our profitability. If we are unable to successfully execute any or all of the initiatives of our strategic plan, our revenues, operating results and profitability may be adversely affected.

II. OPERATIONS

Our business could suffer if we are the subject of negative publicity or litigation regarding allegations of food-related contaminations or illnesses.

As a business with a restaurant segment and a food production segment, we can be adversely affected by complaints or litigation from consumers alleging illness, injury or other food quality, adverse health effects (including obesity) or operational concerns. Our reputation and business can also be adversely affected by negative publicity resulting from such complaints or litigation. Food-related contaminations and illnesses may be caused by a variety of food-borne pathogens, such as e-coli or salmonella, from a variety of illnesses transmitted by restaurant workers, such as hepatitis A, and from contamination of food by foreign substances. Contamination and food-borne illness incidents could also be caused by food suppliers and distributors. As a result, we cannot control all of the potential sources of contamination or illness that can be contained in or transmitted from food. If any person becomes injured or ill, or alleges becoming injured or ill, as a result of eating our food, we may temporarily close some restaurants or a BEF Foods segment plant, which would decrease our revenues, and we may be liable for damages, be subject to governmental regulatory action and/or receive adverse publicity, regardless of whether we are at fault, any of which could have long-lasting, negative effects on our reputation, financial position and results of operations.

Unfavorable publicity, or a failure to respond effectively to adverse publicity, could harm our reputation and adversely impact our guest counts and sales.

The good reputation of our restaurant and foods brands is a key factor in the success of our business. Actual or alleged incidents at any of our restaurants or plants could result in negative publicity that could harm our brands. Given the extensive use of the Internet and various forms of social networking websites, as well as our own website, unfavorable publicity can spread world-wide in only hours. Regardless of whether the allegations or complaints are valid, unfavorable publicity relating to a limited number of our restaurants or plants, or only to a single restaurant or plant, could adversely affect public perception of the entire brand. Negative publicity also may result from health concerns including food safety and flu outbreaks, publication of government or industry findings concerning food products, environmental disasters, crime incidents, data privacy breaches, scandals involving our employees, or operational problems at our restaurants or plants, all of which could make our brands less appealing to our guests and customers, and negatively impact our guest counts and sales.

Adverse publicity and its effect on overall consumer perceptions of our brands, or our failure to respond effectively to adverse publicity, could have a material adverse effect on our business.

Catastrophic events may disrupt our business and could adversely affect our revenues and results of operations.

We are a highly automated business and rely on our production facilities, our network infrastructure, the Internet, our website and mobile apps for our development, marketing, operational, support, hosted services and sales (including online ordering) activities. A disruption, infiltration or failure of these systems or third-party hosted services in the event of a major natural disaster, fire, power loss, telecommunications failure, cyber-attack, war, terrorist attack, or other catastrophic event could cause system interruptions, reputational harm, delays in our product development, lengthy interruptions in our services, breaches of data security and loss of critical data.

Many of our corporate systems and processes and corporate support for our restaurant operations are centralized at one Ohio location. We have disaster recovery procedures and business continuity plans in place to address most events of a crisis nature, including tornadoes and other natural disasters, and back up and off-site locations for recovery of electronic and other forms of data and information. However, if we are unable to fully implement our disaster recovery plans, we may experience delays in recovery of data, inability to perform vital corporate functions, tardiness in required reporting and compliance, failures to adequately support field operations and other breakdowns in normal communication and operating procedures that could have a material adverse effect on our financial condition, results of operation and exposure to administrative and other legal claims.

Our BEF Foods segment operates four manufacturing plants. If we were forced to close or delay production at one or more of these plants due to a natural disaster or significant labor issue, we may be unable to increase production at our other plants with our co-packers in a timely manner, which could have a material adverse effect on our results of operations.

We rely heavily on information technology and any material failure, interruption, or security breach in our systems could adversely affect our business.

We rely heavily on information technology systems across our operations, including for the order and delivery from distributors, point-of-sale processing in our restaurants, gift and loyalty cards, online business, and various other processes and transactions, including the storage of employee and customer information. Our ability to effectively manage our business and coordinate the production, distribution, and sale of our products depends significantly on the reliability and capacity of our information technology systems to process these transactions, summarize results and manage and report on our business. The failure of these systems to operate effectively, problems with transitioning to upgraded or replacement systems, or a breach in security of these systems could cause delays in product sales and reduced efficiency of our operations, which could have a material adverse effect on our results of operations, and significant capital investments could be required to remediate the problem. Additionally, if a person is able to circumvent the security measures intended to protect our employee or customer private data, he or she could destroy or steal valuable information or disrupt our operations, which could significantly harm our reputation or result in litigation against us or the imposition of penalties.

In addition, our ability to accept credit cards as payment in our restaurants and for online gift card orders depends on us remaining compliant with standards set by the PCI Security Standards Council. These standards require certain levels of system security and procedures to protect our customers' credit card and other personal information. We employ both internal resources and external consultants to conduct auditing and testing to reduce the likelihood of any security failures or breaches. However, we can provide no assurance that these security measures will be successful. If these security measures are not successful, we may become subject to litigation against us or the imposition of regulatory penalties, which could result in negative publicity and significantly harm our reputation, any of which could have a material adverse effect on our financial performance.

Our inability to improve our systems in fiscal 2016 to provide greater access for customers, increase operational capabilities, and to replace our core enterprise resource planning systems could negatively impact our results of operations.

Operational excellence and the continued improvement of our customer experience are among our highest priorities. As a result, we made increased investments during fiscal 2015 and expect to continue to make investments during fiscal 2016 in our technology infrastructure, and the labor necessary to support this technology, in areas designed to more effectively collect and process our enterprise information and data for resource planning, as well as positively impacting the way in which our customers interact with us, including through the ordering process, food production and finally through the delivery of food to the customer. Our inability to effectively implement our core enterprise resource planning systems' replacement, as well as the other changes to our technology infrastructure could negatively impact our operations and processes and could have a negative impact on our financial results.

If we lose the services of any of our key management personnel, our business could be negatively impacted.

We depend on the continued services and performance of our key management personnel. Our future performance will depend on our ability to motivate and retain these and other key officers and employees. Competition for high-quality employees is intense. The loss of the services from our key management personnel or the inability to attract additional qualified personnel as needed could harm our business.

Our restaurant and food products businesses are dependent on timely delivery of fresh ingredients by our suppliers and distributors.

Our restaurant operations and food products business are dependent on timely deliveries of fresh ingredients, including fresh produce, dairy products and meat. The cost, availability and quality of the ingredients we use to prepare our food are subject to a variety of factors, many of which are beyond our control. Fluctuations in weather, supply and demand, the economy and political conditions could adversely affect the cost, availability and quality of our ingredients. If the variety or quality of the food we offer declines due to the lack or lower quality of our ingredients or due to interruptions in the flow of fresh ingredients, customer traffic or food product orders may decline and negatively affect our sales. We have contracted with one primary and other third-party distributors for the delivery of food and other products to our restaurants. If our primary distributor or these contracts were suddenly and unexpectedly terminated, supply costs could increase and disruptions in distribution could occur during the transition to other third-party distributors which could negatively impact our results of operations.

Our inability to successfully and sufficiently raise menu and food products prices to offset increased costs could result in a decline in margins.

We utilize price increases for menu offerings and food products to help offset cost increases, including increased costs for wholesale food, raw materials, distribution, minimum wages, employee benefits, construction, fuel, utility, and other costs. During fiscal 2015, we implemented menu price increases at Bob Evans Restaurants to help offset operating and supply cost increases. Additionally we expect shell and liquid egg prices to increase in fiscal 2016, a result of the avian influenza that has significantly impacted poultry farms in the Midwest. We may not be able to pass through these additional costs to customers in the form of increased pricing.

Further federal legislation to increase the minimum wage as well as the tip credit wage we pay to certain staff members receiving guest gratuities is possible, and there may be similar increases implemented in other jurisdictions in which we operate or seek to operate. We may not be able to anticipate and react to changing costs by adjusting our purchasing practices and prices to sufficiently account for increased costs, especially further minimum wage increases at the federal and/or state level. Also, because we offer moderately priced food, we may not be able to, or we may choose not to, pass along price increases to our customers, which could have a material adverse effect on our business and results of operations.

We outsource certain business processes and product manufacturing to third-party vendors that subjects us to risks, including disruptions in business and increased costs.

Some of our business processes and the manufacturing of certain products are currently outsourced to third parties. Such processes include distribution of food and retail products to our restaurant locations, manufacturing of certain products, credit card authorization and processing, gift card tracking and authorization, health care and workers' compensation insurance claims processing and externally hosted systems and business software applications. We cannot ensure that all providers of outsourced services are observing proper internal control practices, such as redundant processing facilities, and there are no guarantees that failures will not occur. Failure of third parties to provide adequate services could have an adverse effect on our financial condition and results of operations.

III. COMPLIANCE

The restaurant and food products industries are heavily regulated, and compliance with applicable laws and regulations may be more costly than we expect.

The restaurant industry and the food products industry are subject to various federal, state and local laws and regulations relating to health, sanitation, safety and fire standards, federal and state laws governing our relationships with employees (including the Fair Labor Standards Act of 1938, the Immigration Reform and Control Act of 1986, the Patient Protection and Affordable Care Act ("PPACA"), the Health Care and Education Reconciliation Act of 2010 and applicable requirements concerning minimum wage, overtime, health care coverage, family leave, medical privacy, tip credits, working conditions, safety standards and immigration status), federal and state laws which prohibit discrimination and other laws regulating the design and operation of facilities, such as the Americans With Disabilities Act of 1990, as amended by the ADA Amendments Act of 2008. Compliance with these legal requirements may be more costly than we expect. The failure to obtain and/or retain licenses, permits or other regulatory approvals could delay or prevent the opening of a restaurant and/or the continued operation of a particular restaurant or food products manufacturing facility. Our failure to comply with applicable laws and regulations

could also result in fines or legal actions that could adversely affect our business, results of operations and financial position. Significant legal and regulatory issues affecting our business include:

- employment laws, including minimum wage requirements, overtime pay requirements and exemptions, meal and rest break requirements, paid “sick days” or other paid time off, unemployment tax rates, discrimination laws, workers’ compensation rates and citizenship and immigration requirements;
- national health care reform legislation passed by the U.S. Congress in March 2010 and its provisions will require nutritional information labeling on restaurant menus, menu boards, and drive-through displays;
- permit, licensing and other regulatory requirements for the sale of food and beverages;
- health, safety and fire regulations;
- zoning, land and environmental regulations;
- a variety of federal, state and local laws and regulations relating to the use, storage, discharge, emission and disposal of hazardous materials;
- sales tax;
- new and changing laws and regulations relating to gift cards;
- food safety regulations governing the manufacture (including composition and ingredients), labeling, packaging and safety of food in the United States and Canada; and
- laws governing public access and employment for people with disabilities.

In March 2010, the President signed the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010 (collectively, “Health Care Reform Acts”). Although we developed business processes to deal with and mitigate the costs associated with the Health Care Reform Acts, which may result in significant modifications to our employment and benefits policies and practices, we incurred significant increases in the cost and may incur further increases and are unable to predict with certainty the financial and operational impacts the new law will have on us. We do expect that our expenses will increase as a result of the Health Care Reform Acts. Any such increases could materially and adversely affect our business, financial condition and results of operations, such modifications to our business practices may be disruptive to our operations and impact our ability to attract and retain personnel.

Health concerns and government regulations relating to the consumption of trans-fats, pork, beef, chicken and other food products could affect consumer preferences and could negatively impact our results of operations.

Consumer food preferences could be affected by health concerns regarding the consumption of various types of food, such as trans-fats, pork, beef or chicken. While we have eliminated all artificial and synthetic trans-fats from our restaurant menu offerings and our food products, some foods, such as bacon, naturally contain trans-fats. Some government authorities have proposed increasing regulations regarding naturally occurring trans-fats and sodium. These regulations could, if adopted, require us to limit naturally occurring trans-fats or sodium amounts in our menu offerings and/or food products in the future. This could require us to switch to higher cost ingredients, stop offering certain products, or could hinder our ability to operate in certain markets.

Our business could be adversely impacted if we are the subject of increased litigation regarding personal injuries suffered on our premises, discrimination, harassment or other labor matters.

Employee and customer claims against us based on, among other things, personal injury, discrimination, harassment, wage and hour disputes or wrongful termination may divert our financial and management resources from operating our businesses. Restaurant companies have been the target of class actions and other lawsuits alleging, among other things, violation of federal and state law. Like many employers, we have been faced with allegations of purported class-wide labor violations in Ohio, and we have taken charges related to the settlement of these cases. An unfavorable verdict or a significant settlement in a future class-action lawsuit could have a material adverse effect on our financial position, cash flows and results of operations.

If we fail to maintain an effective system of internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.

Our management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with Generally Accepted Accounting Principles ("GAAP"). Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that we would prevent or detect a misstatement of our financial statements or fraud. Any failure to maintain an effective system of internal control over financial reporting could limit our ability to report our financial results accurately and timely or to detect and prevent fraud. The identification of a material weakness could indicate a lack of controls adequate to generate accurate financial statements that, in turn, could cause a loss of investor confidence and decline in the market price of our common stock. In the past we identified certain material weaknesses in our internal control over financial reporting, however we concluded that those material weaknesses were remediated as of April 24, 2015. We cannot assure you that we will be able to maintain all of the controls necessary in the future for continued compliance. Likewise, we cannot assure you that we will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies.

In addition, we implemented the first phase of our enterprise resource planning system ("ERP"), on April 25, 2015. Any impact from implementation issues we experience or delays in the implementation of future phases of this system could cause disruption of our internal control over financial reporting and cause delays in our ability to adequately assess our internal control over financial reporting.

If we fail to maintain effective internal control over our financial reporting or comply with the federal securities rules and regulations applicable to us, including the Sarbanes-Oxley Act and our SEC reporting obligations related to our internal control over financial reporting, our financial statements may be inaccurate, our ability to report our financial results on an accurate and timely basis may be adversely affected, we may be unable to obtain an unqualified audit opinion, and our access to the capital markets may be restricted. In addition, we may, in the future, identify material weaknesses or significant deficiencies in our internal control over financial reporting. Each of the foregoing could impact the reliability and timeliness of our financial reports and could cause investors to lose confidence in our reported financial information, which could have a negative effect on our business and the value of our securities.

Changes in accounting standards issued by the Financial Accounting Standards Board ("FASB") or other standard-setting bodies may adversely affect our results of operations and financial condition.

Our financial statements are prepared in accordance with generally accepted accounting principles. The FASB, the American Institute of Certified Public Accountants ("AICPA") and other accounting standard-setting bodies may periodically issue changes to, interpretations of or guidance with respect to GAAP. The adoption of such guidance may have an adverse effect on our results of operations and financial position.

IV. OTHER

A privacy or security breach of our Company and customer data could adversely affect our business.

The protection of customer, employee and company data is critical to us. The regulatory environment surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. Compliance with these requirements may result in cost increases due to necessary systems changes and the development of new administrative processes. In addition, customers have a high expectation that we will adequately protect their personal information. For example, in connection with credit and debit card sales, we transmit confidential credit card information. Third parties may have the technology or know-how to breach the security of this customer information, and our security measures and those of our technology vendors may not effectively prohibit others from obtaining improper access to this information. If we fail to comply with these laws and regulations or experience a significant breach of customer, employee or company data, we could be exposed to risks of data loss, fines, a loss of the ability to process credit and debit card payments, litigation and serious disruption of our operations. Additionally, any resulting negative publicity could significantly harm our reputation, which could have a material adverse effect on our financial performance.

Failure to comply with laws, regulations and third party contracts regarding the collection, maintenance, privacy and processing of information may result in adverse publicity and adversely affect the operation of our business and results of operations.

We collect, maintain and process certain information about customers and employees, much of which is considered private or confidential. Our use and protection of this information is regulated by various laws and regulations, as well as by

third party contracts. If our systems or employees fail to comply with these laws, regulations or contract terms, it could require us to notify customers, employees or other groups, resulting in adverse publicity, loss of sales and profits, increased fees payable to third parties, and penalties or remediation and other costs that could adversely affect the operation of our business and results of operations.

Our quarterly operating results may fluctuate significantly and could fall below the expectations of securities analysts and investors due to a variety of other factors, resulting in a decline in our stock price.

Our quarterly operating results may fluctuate significantly because of several factors, including:

- fluctuations in food and commodity prices, including sow costs;
- the timing of new restaurant openings and related expenses;
- costs related to the closing of existing restaurants, which may include impairment charges and lease termination expenses;
- labor availability and costs for hourly and management personnel;
- profitability of our restaurants;
- impairments of long-term assets;
- trends in same-store sales;
- adverse weather conditions, especially during peak winter holiday sales seasons;
- special items, such as property purchases or sales;
- class action or litigation settlements;
- local and national economic conditions, including gasoline and other energy costs; and
- changes in consumer preferences and competitive conditions.

Our Bob Evans Restaurants and our BEF Foods business segments are also subject to seasonal fluctuations. As a result, our quarterly and annual operating results, same-store sales and comparable food products sales may fluctuate significantly as a result of seasonality and the factors discussed above. Accordingly, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any fiscal year. If our quarterly operating results fall below the expectations of securities analysts and investors due to the factors discussed above, this could result in a decline in our stock price.

Many factors, including those over which we have no control, affect the trading price of our stock.

Factors such as reports on the economy or the price of commodities, as well as negative or positive announcements by competitors, regardless of whether the report relates directly to our business, could have an impact on the trading price of our common stock. The market price of our common stock may also be affected by stock market conditions, including price and trading fluctuations on the NASDAQ Stock Market, the New York Stock Exchange or other exchanges. In addition to investor expectations about our prospects, trading activity in our common stock can reflect the portfolio strategies and investment allocation changes of institutional holders, as well as nonoperating initiatives such as share repurchase programs. Any failure to meet market expectations for our financial performance, particularly with respect to comparable restaurant sales, revenues, operating margins and earnings per share, would likely cause our stock price to decline.

Disruptions in the financial markets may adversely impact the availability and cost of credit and consumer spending patterns.

Our ability to make scheduled payments or to refinance our debt and to obtain financing for general corporate purposes will depend on our operating and financial performance which, in turn, is subject to prevailing economic conditions and to financial, business and other factors beyond our control. There can be no assurances that we will be able to arrange credit on terms we believe are acceptable or that permit us to finance our business with historical margins. These events have also adversely affected the U.S. and world economy, and any new or continuing disruptions in the financial markets may also adversely affect the U.S. and world economy, which could negatively impact consumer spending patterns. There can be no assurances that various U.S. and world government responses to the disruptions in the financial markets in the near future will restore consumer confidence, stabilize the markets, or increase liquidity or the availability of credit. There can be no assurances as to how or when this unprecedented period of turmoil will be resolved.

Covenants in our debt instruments could restrict or prohibit our ability to engage in or enter into a variety of transactions, which could adversely affect us.

Our credit facility contains various covenants that limit, among other things, our ability to incur liens on our assets; merge or consolidate with other entities; transfer or sell a substantial part of our assets; substantially change the nature of our business; pay dividends or initiate stock repurchases under certain circumstances; and enter into transactions with affiliates, among other restrictions. The covenants contained in our credit facility could have a material adverse effect on our business by limiting our ability to take advantage of financing, merger, acquisition or other corporate opportunities, to fund our business operations or to successfully implement our current and future operating strategies. The credit facility also requires us to maintain certain financial covenants. At April 24, 2015, we were in compliance with these covenants. However, any failure to maintain these financial covenants or have sufficient liquidity to either repay or refinance the then outstanding balance upon violation of the covenants could have a material adverse effect on our financial condition if we were unable to obtain an amendment or waiver from our bank group or access alternative sources of capital.

A breach of a covenant in our debt instruments could cause acceleration of our outstanding indebtedness.

A breach of a covenant or other provision in any debt instrument governing our current or future indebtedness could result in a default under that instrument and, due to cross-default and cross-acceleration provisions, could result in a default under our other agreements. In addition, the agreements governing our credit facility require us to maintain certain financial ratios. Our ability to comply with these covenants may be affected by events beyond our control (such as uncertainties related to the current economy), and we cannot be sure that we will be able to comply with these covenants at all times in the future. Upon the occurrence of an event of default under any of our debt instruments, the lenders could elect to declare all amounts outstanding to be immediately due and payable and terminate all commitments to extend further credit. If the lenders under our current or future indebtedness accelerate the payment of the indebtedness, we cannot be sure that our assets would be sufficient to repay in full our outstanding indebtedness.

If we are unable to continue to pay dividends or repurchase our stock as expected by the market, our earnings per share (“EPS”) and stock price may be harmed.

Our dividend and stock repurchase programs require the use of a significant portion of our cash flow or may exceed our cash flow. Our ability to pay dividends and repurchase stock will depend on our ability to generate sufficient cash flows from operations and our capacity to borrow funds, which may be subject to economic, financial, competitive and other factors that are beyond our control. Any failure to pay dividends or repurchase stock after we have announced our intention to do so may negatively impact investor confidence in us, thereby negatively impacting our EPS and stock price.

Our failure or inability to enforce our trademarks or other proprietary rights could adversely affect our competitive position or the value of our brand.

We believe that our trademarks, service marks and other proprietary rights are important to our success and our competitive position. Our primary trademarks, “Bob Evans,” “Bob Evans Restaurants” and “Owens,” are key components of our operating and marketing strategies. As a result, we devote appropriate resources to the protection of our trademarks and other proprietary rights. The protective actions that we take, however, may not be sufficient to prevent unauthorized usage or imitation by others, which could harm our image, brand or competitive position and, if we commence litigation to enforce our rights, could cause us to incur significant legal costs.

In addition, third parties might claim that our trademarks or menu offerings infringe upon their proprietary rights. Any such claim, whether or not it has merit, could be time-consuming, result in costly litigation, cause delays in introducing new menu items or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material adverse effect on our business, results of operations and financial condition.

As a result of the provisions of the Membership Interest Purchase Agreement dated January 28, 2013, pursuant to which the sale of the Mimi’s Café restaurant chain was sold, we may incur expenses for liabilities we retained and indemnification we provided to the buyer, and we may not receive all or part of the purchase price evidenced by the \$30.0 million promissory note from the buyer.

As part of the terms of the Membership Interest Purchase Agreement dated January 28, 2013, pursuant to which we sold the Mimi’s Café restaurant chain, we retained certain liabilities for the presale operations of the Mimi’s Café restaurant chain, including potential claims and most existing litigation, as well as agreeing to indemnify the buyer against the costs of the same. As a result, we are likely to incur expenses for such claims and liabilities related to periods up to the date of sale.

Part of the consideration we received in the transaction was a promissory note, (the "Note") which has a principal balance of \$30.0 million, an annual interest rate of 1.5%, a term of seven years and a principal and interest payment date of February, 2020. Partial prepayments are required prior to maturity if the buyer reaches certain levels of EBITDA during specified periods. Our right to repayment under the Note is subordinated to third party lenders as well as funding that may be provided by the parent company. In the event of a sale or liquidation of Mimi's Café by its parent company, our right to repayment may be subordinated to payments owed to the parent company and potentially reduced based on the funds available for repayment. Because the Note is subordinated under certain conditions, it is possible that the principal amount of the Note may not be paid in full or at all.

Our current insurance loss estimates may not be adequate and, if claims exceed such estimates, it could have a material adverse effect on our profitability.

We are self-insured for a significant portion of our current exposures related to our workers' compensation, general, auto and property liabilities and employee health insurance programs. Although we base our loss estimates on actuarial data, as well as on our historical trends, we may not be able to accurately predict the number or value of the claims that occur. In particular, health insurance costs have increased significantly over the last 10 years. In the event that our actual liability exceeds our estimate for any given period, or if we are unable to control rapidly increasing health care costs, there could be a material adverse effect on our level of profitability.

Our Certificate of Incorporation and Bylaws, as well as Delaware law, may have anti-takeover effects.

Provisions of our Certificate of Incorporation and Bylaws may have the effect of discouraging, delaying or preventing a merger, tender offer or proxy contest, which could have an adverse effect on the market price of our common stock. In addition, certain provisions of Delaware law applicable to us could also delay or make more difficult a merger, tender offer or proxy contest involving our company, including Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any "interested shareholder" (as defined in the statute) for a period of three years unless certain conditions are met. In addition, our senior management is entitled to certain payments and rights upon a change in control of our Company, which could result in expenses that may deter a potential merger, tender offer or other acquisition of our Company.

Our business could be negatively affected as a result of a proxy fight and the actions of activist shareholders.

In 2014 Castlerigg Global Equity Special Event Master Fund, Ltd., one of our stockholders affiliated with the Sandell Asset Management Corp. (together with its affiliates, "Sandell"), conducted a proxy contest with us and elected four individuals to our board of directors at our 2014 annual meeting of shareholders. If a proxy contest or other action by Sandell or another activist shareholder would occur in the future, our business could be adversely affected because:

- responding to proxy contests and other actions by activist shareholders can disrupt our operations, be costly and time-consuming, and divert the attention of our board, management and employees;
- perceived uncertainties as to our future direction may result in the loss of potential business opportunities, and may make it more difficult to attract and retain qualified personnel and business partners; and
- if individuals are elected to our board of directors to pursue an activist shareholder's particular agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our shareholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following provides a brief summary of the location and general character of our principal plants and other physical properties as of April 24, 2015 .

In October 2013, we moved into our current corporate headquarters located at 8111 Smith's Mill Road, New Albany, Ohio. The headquarters consists of three buildings located on approximately 41-acres of property. We own the property.

We also own the Bob Evans Farm, a 937-acre farm located in Rio Grande, Ohio, and the Spring Creek Farm, a 30-acre farm located in Richardson, Texas. The Rio Grande, Ohio location supports our Bob Evans brand heritage and image through educational and tourist activities. The Richardson farm location is currently classified as held for sale, along with our Richardson, Texas, food production plant.

Bob Evans Restaurants Segment

At the end of fiscal 2015, we owned the real estate for 483 of our Bob Evans Restaurants and leased the real estate for the remaining 84 locations. The table located in Item 1 of this Annual Report on Form 10-K shows the location of all of our Bob Evans Restaurants in operation as of the end of fiscal 2015. The initial terms for the majority of our Bob Evans Restaurants' leases are 20 years and include options to extend the terms. Additionally, we own or lease properties for 19 closed restaurants and other properties.

BEF Foods Segment

Our BEF Foods segment currently produces food products in our four manufacturing facilities. We produce fresh sausage products at our plants located in Hillsdale, Michigan, and Xenia, Ohio. Our Sulphur Springs, Texas, plant produces ready-to-eat products, such as sandwiches, soups and gravies, and our Lima, Ohio, plant produces refrigerated side dishes.

During fiscal 2011, we closed a food product manufacturing plant located in Galva, Illinois, which we sold in 2013, and closed the fresh sausage production portion of our Bidwell, Ohio, plant. In fiscal 2013, we sold the Bidwell and Springfield, Ohio, food production plants, but continued to lease and operate them through December and February of fiscal 2014, respectively.

In August 2012, we purchased Kettle Creations, which included a 100,000 square foot food production facility in Lima, Ohio. Kettle Creations previously was a co-packer for us. The Lima plant produces refrigerated mashed potatoes and other potato-based side dishes, macaroni and cheese and other pasta side dishes. During the second quarter of fiscal 2014, we completed the first phase of expansion at the Lima, Ohio, production facility, which included expanding the production facility by 57,000 square feet and constructing an additional production line, at a cost of approximately \$24 million.

During fiscal 2014, we also invested approximately \$36 million of capital to expand, modify and add production lines to our food production facility in Sulphur Springs, Texas, which increased production capacity for ready-to-eat food products, as well as added capacity for soups and gravies.

We own all of these properties. We lease various other locations throughout our BEF Foods marketing territory, which serve as regional and divisional sales offices.

We believe our facilities have adequate capacity with our recent capital additions, which will position the BEF Foods segment for growth.

ITEM 3. LEGAL PROCEEDINGS.

We are from time-to-time involved in ordinary and routine litigation, typically involving claims from customers, employees and others related to operational issues common to the restaurant and food manufacturing industries, and incidental to our business. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position, cash flows or results of operations.

In August 2012, a former Bob Evans Restaurant employee filed an action against the Company in the United States District Court for the Southern District of Ohio, styled *David Snodgrass v. Bob Evans Farms, LLC, Case No. 2:12-cvg-00768* ("Snodgrass"). The lead plaintiff alleged that the Company violated the Fair Labor Standards Act by misclassifying assistant managers as exempt employees and failing to pay overtime compensation during the period of time the employee worked as an assistant manager. The plaintiff seeks an unspecified amount of alleged back wages, liquidated damages, statutory damages and attorneys' fees. The lead plaintiff sought to maintain the suit as a collective action on behalf of other similarly situated assistant managers employed at Bob Evans Restaurants between August 2009 and present. In December 2013, the Court in Snodgrass granted conditional certification of those assistant managers that elected to opt-in to the collective action.

In May, 2014, the same plaintiffs' counsel in the Snodgrass matter filed essentially duplicative claims under the overtime laws of the State of Ohio and Commonwealth of Pennsylvania, styled *Utterback v. Bob Evans Farms, Case No. CV14826909* in the Court of Common Pleas of Cuyahoga County, Ohio ("Utterback") and *Mackin v. Bob Evans Farms, Case No. 2:14-cv-450* in the United States District Court for the Southern District of Ohio ("Mackin"), respectively. Neither the Utterback nor Mackin proceedings have been certified for class status at this time, and remain in the very early stages of litigation with significant uncertainty as to factual issues and outcome of legal proceedings (including any determination as to class certification).

We continue to believe that our assistant managers were properly classified as exempt from the respective Federal and State overtime requirements, have meritorious defenses to the claims in each of the Snodgrass, Utterback and Mackin matters, and have vigorously contested the actions.

In the fourth quarter of fiscal 2015 however, we received an unfavorable ruling related to the above mentioned Snodgrass litigation and therefore we recorded a charge of \$6 million in fiscal 2015 . This reflects the low end of the range of probable loss for the Snodgrass litigation.

While a loss of up to \$20 million is possible if all three matters are settled prospectively, we do not believe that there is an amount within the estimated range which is more likely than any other and as such, we recorded an accrual of \$6 million as of April 24, 2015 , related only to the Snodgrass litigation matter.

The expense was recorded to the Bob Evans Restaurant segment and in the S,G&A line of the Consolidated Statements of Net Income. We do not believe based on currently available information, that the outcome of these matters will have a material effect on our financial condition, although an adverse outcome could be material to our results of operations for a particular period.

ITEM 4. *MINE SAFETY DISCLOSURES.*

Not applicable.

SUPPLEMENTAL ITEM. EXECUTIVE OFFICERS OF BOB EVANS FARMS, INC.

The following table sets forth certain information for the “executive officers” of Bob Evans Farms, Inc. for the past five years as of June 10, 2015. The “executive officers” are our “Section 16 officers,” both as defined pursuant to the Securities Exchange of 1934.

Name	Age	Years of Service as Officer	Background
T. Alan Ashworth	55	3	Vice President, Corporate Development and Finance and Treasurer from June 2014; Chief Financial Officer (Interim), from May 2014 to June 2014; Vice President, Corporate Development and Finance from August 2012 to June 2014; Senior Director, Finance from December 2011 to August 2012; Vice President, Finance, Convergys Corporation from 2008 to 2011 (NYSE:CVG)
Colin M. Daly	43	3	Executive Vice President, General Counsel and Corporate Secretary since December 2014; Senior Vice President, General Counsel and Corporate Secretary since May 2012; Secretary from March 2009 to December 2014 and General Counsel since February 2008, O’Charley’s Inc.
John J. Fisher	52	1	Executive Vice President and Chief Concept Officer of Bob Evans Farms, LLC (dba Bob Evans Restaurants) since February 2015; Senior Vice President and Chief Concept Officer of Bob Evans Farms, LLC (dba Bob Evans Restaurants) from November 2013 to February 2015; Senior Vice President, Merchandising, Marketing, and Restaurant Operations of The Pantry, Inc. (dba Kangaroo Express) from March 2010 to March 2013; Executive Vice President and General Manager, The Linbeck Group, from October 2003 to March 2009.
Richard D. Hall	59	19	Executive Vice President, Supply Chain Management since September 2008
Mark E. Hood	62	1	Member, Chief Executive Officer’s Office since December 2014; Chief Financial Officer since June 2014; Consultant from July 2012 to June 2014; Senior Vice President and Chief Financial Officer, Brown Shoe Company, Inc. from 2006 to 2012 (NYSE:BWS)
Sylvester J. Johnson	55	1	Senior Vice President, Chief Accounting Officer and Controller since September 2013; Vice President, Chief Accounting Officer, Dex One Corporation from 2009-2013.
Kevin C. O’Neil	60	5	Vice President, Associate General Counsel and Assistant Secretary since May 2012; Vice President, General Counsel and Corporate Secretary, from July 2011 to May 2012; Sr. Director, Corporate Counsel from April 2010 to July 2011; Senior Counsel, Vorys, Sater, Seymour & Peas, from November 2009 to April 2010.
Scott C. Taggart	45	5	Vice President, Investor Relations since September 2011; Senior Director, Finance from January 2010 to September 2011.
J. Michael Townsley	56	12	Member, Chief Executive Officer’s Office since December 2014; President, BEF Foods, Inc. since June 2008

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER REPURCHASES OF EQUITY SECURITIES

Market Information, Holders of Common Equity and Dividends

The information required by Item 201(a) through (c) of Regulation S-K is incorporated herein by reference to *Note 12 — Quarterly Financial Data (Unaudited)*, to our consolidated financial statements which are included in Item 8 of this Annual Report on Form 10-K.

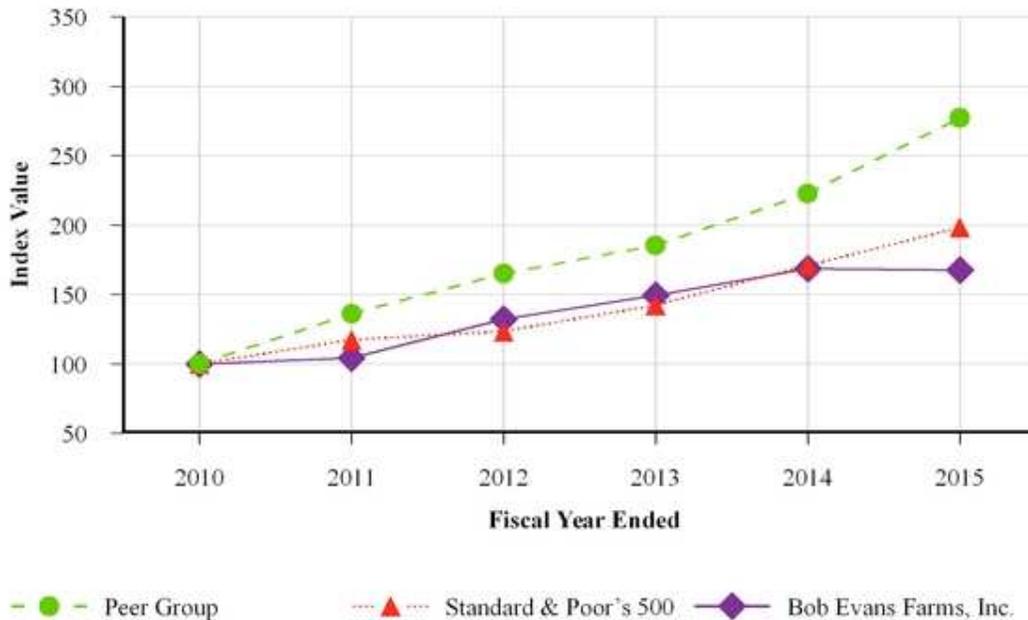
Comparison of Five-Year Cumulative Total Return

The following line graph compares the yearly percentage change in our cumulative total stockholder return on our common stock over our preceding five fiscal years against the cumulative total return of the Standard & Poor’s 500 Stock Index (“S&P 500”) and our peer group.

Our peer group is comprised of restaurant companies listed on The NASDAQ Stock Market (weighted 70 percent) and a group of meat producers listed on either The NASDAQ Stock Market or the New York Stock Exchange (weighted 30 percent) whose attributes closely align with ours. We measure cumulative stockholder return by dividing (a) the sum of (i) the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and (ii) the difference between the price of our common stock at the end and the beginning of the measurement period by (b) the price of our common stock at the beginning of the measurement period.

The subsequent performance graph is being furnished as part of this Annual Report on Form 10-K solely in accordance with the requirement under Rule 14a-3(b)(9) to furnish our stockholders with such information, and therefore, shall not be deemed to be filed or incorporated by reference into any filings by the Company under the Securities Act or the Exchange Act.

Comparison of Cumulative Total Five Year Return



CUMULATIVE VALUE OF \$100 INVESTMENT

	2010	2011	2012	2013	2014	2015
Peer Group ⁽¹⁾	\$ 100.00	\$ 136.21	\$ 165.03	\$ 185.45	\$ 222.78	\$ 277.13
Standard & Poor's 500	\$ 100.00	\$ 117.22	\$ 123.27	\$ 142.15	\$ 170.96	\$ 198.28
Bob Evans Farms, Inc.	\$ 100.00	\$ 104.10	\$ 132.24	\$ 149.51	\$ 168.58	\$ 167.46

⁽¹⁾The peer group includes the following companies: AFC Enterprises, B&G Foods Inc., Biglari Holdings Inc., BJ's Restaurants, Inc., Bloomin' Brands, Inc., Brinker International, Inc. Buffalo Wild Wings Inc., Chipotle Mexican Grill, Inc., Cracker Barrel Old Country Store, Inc., Denny's Corporation, Diamond Foods, Inc., DineEquity, Inc., Flowers Foods, Inc., Panera Bread Co., Red Robin Gourmet Burgers Inc., Ruby Tuesday, Inc., Sanderson Farms, Inc., Seneca Foods Corp., Snyder's Lance, Inc., Texas Roadhouse, Inc., The Cheesecake Factory Incorporated, The Hain Celestial Group, Inc., The Wendy's Company, Treehouse Foods, Inc.

Issuer Repurchases of Equity Securities

On February 25, 2014, the Board of Directors authorized a stock repurchase program for fiscal 2015 of up to \$100.0 million. The fiscal program authorized the Company to repurchase its outstanding common stock pursuant to plans approved by the Board under SEC Rules 10b-18 and 10b5-1, and in the open market or through privately negotiated transactions. On August 20, 2014, the Board of Directors increased the authorization of this stock repurchase program to \$150.0 million and extended the authorization period through fiscal 2016. We did not repurchase any shares of our common stock during fiscal 2015. The ability to repurchase stock and complete the repurchase program is dependent upon the Company having available funds and complying with the financial covenants and other restrictions contained within the Company's credit facility and the repurchase authorization.

From April 25, 2015, through June 1, 2015, we repurchased 1.1 million shares, or \$50,000 of Company stock. The purchases were funded through additional borrowings on our Credit Agreement.

ITEM 6. SELECTED FINANCIAL DATA

Consolidated Financial Review
Bob Evans Farms, Inc. and Subsidiaries

(in thousands, except per share amounts)

	2015	2014	2013	2012	2011
Operating Results					
Net sales from continuing operations	\$ 1,349,190	\$ 1,328,552	\$ 1,330,226	\$ 1,287,210	\$ 1,296,706
Asset impairment charges from continuing operations ⁽¹⁾	\$ 8,861	\$ 16,850	\$ 4,409	\$ 3,286	\$ 1,896
Operating income from continuing operations	\$ 17,686	\$ 33,125	\$ 87,954	\$ 106,475	\$ 92,351
Income from continuing operations before income taxes	\$ 9,037	\$ 31,111	\$ 76,469	\$ 98,591	\$ 83,484
Provision (benefit) for income taxes	\$ (7,516)	\$ 143	\$ (6,084)	\$ 28,406	\$ 27,311
Income from continuing operations	\$ 16,553	\$ 30,968	\$ 82,553	\$ 70,185	\$ 56,173
Income (loss) from discontinued operations, net of income taxes	\$ —	\$ 2,717	\$ (83,374)	\$ 2,757	\$ (2,101)
Net income (loss)	\$ 16,553	\$ 33,685	\$ (821)	\$ 72,942	\$ 54,072
Earnings Per Share - Income from Continuing Operations					
Basic	\$ 0.70	\$ 1.17	\$ 2.94	\$ 2.38	\$ 1.88
Diluted	\$ 0.70	\$ 1.16	\$ 2.90	\$ 2.35	\$ 1.85
Earnings Per Share — Income (Loss) from Discontinued Operations					
Basic	\$ —	\$ 0.10	\$ (2.97)	\$ 0.09	\$ (0.07)
Diluted	\$ —	\$ 0.10	\$ (2.93)	\$ 0.09	\$ (0.07)
Earnings per share - Net Income (Loss)					
Basic	\$ 0.70	\$ 1.27	\$ (0.03)	\$ 2.48	\$ 1.81
Diluted	\$ 0.70	\$ 1.26	\$ (0.03)	\$ 2.44	\$ 1.78
Financial Position					
Working capital	\$ (28,897)	\$ (486,499)	\$ (190,426)	\$ (92,305)	\$ (52,343)
Property, plant and equipment — net	\$ 853,721	\$ 878,482	\$ 797,272	\$ 890,589	\$ 910,402
Total assets	\$ 1,032,587	\$ 1,065,752	\$ 1,020,953	\$ 1,075,670	\$ 1,107,994
Debt:					
Short-term	\$ 409	\$ 458,898	\$ 201,433	\$ 38,571	\$ 13,571
Long-term	\$ 450,676	\$ 835	\$ 816	\$ 97,145	\$ 135,716
Stockholders' Equity	\$ 379,991	\$ 389,219	\$ 594,775	\$ 672,135	\$ 679,570
Supplemental Information for the Year					
Capital expenditures from continuing operations	\$ 74,517	\$ 190,995	\$ 118,200	\$ 81,863	\$ 38,739
Depreciation and amortization from continuing operations	\$ 80,074	\$ 79,456	\$ 69,319	\$ 60,264	\$ 60,061
Weighted-average shares outstanding:					
Basic	23,489	26,450	28,066	29,464	29,921
Diluted	23,649	26,704	28,488	29,925	30,422
Cash dividends per share	\$ 1.240	\$ 1.205	\$ 1.075	\$ 0.950	\$ 0.780
Common stock market closing prices:					
High	\$ 59.64	\$ 58.86	\$ 45.36	\$ 39.71	\$ 34.59
Low	\$ 42.70	\$ 42.60	\$ 34.45	\$ 27.41	\$ 23.18
Supplemental Information at Year-End					
Employees	32,341	34,470	34,023	33,763	34,386
Registered stockholders	16,578	17,689	18,927	19,776	20,675
Market price per share at closing	\$ 45.29	\$ 46.80	\$ 42.52	\$ 38.67	\$ 31.36
Book value per share	\$ 16.23	\$ 16.69	\$ 21.68	\$ 23.49	\$ 22.48

⁽¹⁾ See *Impairments* section of Note 1 for additional information.

In fiscal 2014 we recast our consolidated financial statements to reflect the Mimi's Café operations as a discontinued operation for that year and all prior periods presented. The selected financial data for fiscal 2014 and prior years reflect Mimi's Café as a discontinued operation.

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

General Overview

In this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), we use the terms "Bob Evans," "company," "we," "us" and "our" to collectively refer to Bob Evans Farms, Inc., a Delaware corporation, and its subsidiaries. This MD&A contains forward-looking statements that set forth our expectations and anticipated results based on management's plans and assumptions. These statements are often indicated by words such as "expects," "anticipates," "believes," "estimates," "intends" and "plans." Actual results may differ materially from those predicted by the forward-looking statements because of various factors and possible events, including the assumptions, risks and uncertainties discussed in this Annual Report on Form 10-K under the heading "Item 1A. Risk Factors." The Securities and Exchange Commission ("SEC") encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. Please refer to "Forward-Looking Statements" section of this Form 10-K for more information regarding forward-looking statements.

We operate in two segments, Bob Evans Restaurants and BEF Foods, which is reflected in management's discussion and analysis of financial condition and result of operations. Refer to Note 11 for additional reporting segment information.

As of April 24, 2015, we operated 567 full-service Bob Evans Restaurants in 19 states. Bob Evans Restaurants are primarily located in the Midwest, mid-Atlantic and Southeast regions of the United States. Revenue at Bob Evans Restaurants is recognized at the point of sale.

Effective February 15, 2013, we completed the sale of the Mimi's Café restaurant chain to Le Duff America, Inc., ("Le Duff") a U.S.-based subsidiary of Groupe Le Duff, a global bakery and restaurant company headquartered in France. Mimi's Café results are included in our Consolidated Statements of Net Income as discontinued operations in fiscal years 2014 and 2013.

We produce and distribute pork sausage and a variety of complementary home-style convenience food items under the Bob Evans, Owens and Country Creek brand names. These food products are delivered to warehouses that distribute to grocery stores throughout the United States. We also manufacture and sell similar products to foodservice accounts, including Bob Evans Restaurants and other restaurants and food sellers.

References herein to 2015, 2014 and 2013 refer to fiscal years. All years presented are 52-week years.

Results of Operations

The following table reflects data for our fiscal year ended April 24, 2015, compared to the preceding two fiscal years. The consolidated information is derived from the accompanying Consolidated Statements of Net Income. The table also includes data for two reporting segments — Bob Evans Restaurants and BEF Foods. The ratios presented reflect the underlying dollar values expressed as a percentage of the applicable net sales amount.

Consolidated Results

	Bob Evans Farms, Inc.								
	Fiscal 2015		Fiscal 2014		Fiscal 2013				
Net sales	\$	1,349,190	\$	1,328,552	\$	1,330,226			
Cost of sales		457,039	33.9%	450,953	33.9%	424,536	31.9%		
Operating wages and fringe benefit expenses		423,539	31.4%	406,307	30.6%	410,115	30.8%		
Other operating expenses		198,065	14.7%	196,827	14.8%	189,503	14.3%		
Selling, general and administrative expenses		170,129	12.6%	149,504	11.3%	148,799	11.2%		
Depreciation and amortization expense		80,074	5.9%	79,456	6.0%	69,319	5.2%		
Impairment of assets held for sale		2,658	0.2%	12,380	0.9%	—	—%		
Operating income	\$	17,686	1.3%	\$	33,125	2.5%	\$	87,954	6.6%

Segment Results

	Bob Evans Restaurants						
	Fiscal 2015		Fiscal 2014		Fiscal 2013		
Net sales	\$	969,877	\$	956,579	\$	981,418	
Cost of sales		258,677	26.7 %	244,871	25.6%	245,753	25.0%
Operating wages and fringe benefit expenses		381,874	39.4 %	365,698	38.2%	372,677	38.0%
Other operating expenses		169,018	17.4 %	164,901	17.3%	163,194	16.6%
Selling, general and administrative expenses		98,871	10.2 %	80,723	8.4%	73,650	7.5%
Depreciation and amortization expense		61,531	6.3 %	63,872	6.7%	56,827	5.8%
Impairment of assets held for sale		2,658	0.3 %	9,380	1.0%	—	—%
Operating income	\$	(2,752)	(0.3)%	\$ 27,134	2.8%	\$ 69,317	7.1%

	BEF Foods						
	Fiscal 2015		Fiscal 2014		Fiscal 2013		
Net sales	\$	379,313	\$	371,973	\$	348,808	
Cost of sales		198,362	52.3%	206,082	55.4%	178,783	51.3%
Operating wages and fringe benefit expenses		41,665	11.0%	40,609	10.9%	37,438	10.7%
Other operating expenses		29,047	7.6%	31,926	8.6%	26,309	7.6%
Selling, general and administrative expenses		71,258	18.8%	68,781	18.5%	75,149	21.5%
Depreciation and amortization expense		18,543	4.9%	15,584	4.2%	12,492	3.6%
Impairment of assets held for sale		—	—%	3,000	0.8%	—	—%
Operating income	\$	20,438	5.4%	\$ 5,991	1.6%	\$ 18,637	5.3%

Bob Evans Farms, Inc. Overview

Net sales were \$1,349.2 million in fiscal 2015, an increase of \$20.6 million compared to the prior year. Operating income was \$17.7 million for the year, a decrease of \$15.4 million as compared to fiscal 2014. Offsetting this increase in net sales were higher cost of sales of \$6.1 million, higher operating wages and fringe benefit expenses of \$17.2 million, higher other operating expenses of \$1.2 million, higher S,G&A costs of \$20.6 million and higher depreciation and amortization expenses of \$0.6 million. Impairment charges on assets held for sale were \$9.7 million lower than the prior year. Pretax net income from continuing operations for fiscal 2015 was \$9.0 million as compared to \$31.1 million in the prior year. The benefit for income taxes was \$7.5 million in fiscal 2015 as compared to a provision of \$0.1 million in the prior year. Earnings per diluted share from continuing operations were \$0.70 per share in fiscal 2015 as compared to \$1.16 per share in the prior year. Refer to the sections below for analysis on our fiscal 2015 operating results as compared to the year ago period.

Bob Evans Restaurants Segment Overview

Same-store sales for a given year are based on net sales of restaurants that are open for at least 18 months prior to the start of that year. Net sales of closed restaurants are excluded from same-store sales in the period in which the restaurants are closed. Closed restaurant days for restaurants that underwent the Farm Fresh Refresh in prior years are included in the same-store sales base.

Same store sales for Bob Evans Restaurants increased 0.9% as compared to fiscal 2014. We opened seven new restaurant locations during the year and closed one restaurant location. Operating margins were negatively impacted by higher food costs, primarily driven by commodity inflation, mix shifts due to changes in day-part sales and on/off premise sales mix, and higher discounts. Operating income was also negatively impacted by higher operating wages and fringe benefit expenses, driven primarily by employee benefit costs, management salaries and hourly wages, increased advertising and utility costs and higher S,G&A expenses. These costs were partially offset by lower depreciation costs.

BEF Foods Segment Overview

BEF Foods net sales increased \$7.3 million, or 2.0% as compared to fiscal 2014. The increase is a result of an approximate 13% increase in side dish volume combined with \$11.3 million of higher net sausage pricing, partially offset by a decrease in other product volumes, primarily driven by declines in food service, sausage and frozen product volumes. Operating income increased by \$14.4 million, the result of margin favorability driven by a mix-shift towards higher-margin retail products, lower sow costs and production yield improvements, lower operating expenses due to improved plant efficiencies and lower advertising costs and selling wages. These operating income improvements were partially offset by higher S,G&A and depreciation costs.

Fiscal Year Ended April 24, 2015 ("fiscal 2015" or "2015") as Compared to Fiscal Year Ended April 25, 2014 ("fiscal 2014" or "2014")

The following tables reflect data for the twelve months ended April 24, 2015, compared to the prior year's twelve months ended April 25, 2014. The consolidated information is derived from the accompanying Consolidated Statements of Net Income. The table also includes data for our two segments - Bob Evans Restaurants and BEF Foods. The ratios presented reflect the underlying dollar values expressed as a percentage of the applicable net sales amounts.

(in thousands)	Consolidated Results					
	2015		2014			
Net sales	\$	1,349,190	\$	1,328,552		
Cost of sales		457,039	33.9%	450,953	33.9%	
Operating wage and fringe benefit expenses		423,539	31.4%	406,307	30.6%	
Other operating expenses		198,065	14.7%	196,827	14.8%	
Selling, general and administrative expenses		170,129	12.6%	149,504	11.3%	
Depreciation and amortization expense		80,074	5.9%	79,456	6.0%	
Impairment of assets held for sale		2,658	0.2%	12,380	0.9%	
Operating income	\$	17,686	1.3%	\$	33,125	2.5%

(in thousands)	Bob Evans Restaurants				BEF Foods							
	2015		2014		2015		2014					
Net sales	\$	969,877	\$	956,579	\$	379,313	\$	371,973				
Cost of sales		258,677	26.7 %	244,871	25.6%	198,362	52.3%	206,082	55.4%			
Operating wage and fringe benefit expenses		381,874	39.4 %	365,698	38.2%	41,665	11.0%	40,609	10.9%			
Other operating expenses		169,018	17.4 %	164,901	17.3%	29,047	7.6%	31,926	8.6%			
Selling, general and administrative expenses		98,871	10.2 %	80,723	8.4%	71,258	18.8%	68,781	18.5%			
Depreciation and amortization expense		61,531	6.3 %	63,872	6.7%	18,543	4.9%	15,584	4.2%			
Impairment of assets held for sale		2,658	0.3 %	9,380	1.0%	—	—%	3,000	0.8%			
Operating income	\$	(2,752)	(0.3)%	\$	27,134	2.8%	\$	20,438	5.4%	\$	5,991	1.6%

Sales

Consolidated net sales increased 1.6%, to \$1,349.2 million, for the twelve months ended April 24, 2015, compared to \$1,328.6 million in the corresponding period a year ago. The net sales increase was comprised of an increase of \$13.3 million in Bob Evans Restaurants as well as an increase of \$7.3 million in BEF Foods.

Bob Evans Restaurants' net sales increased \$13.3 million, or 1.4%, for the twelve months ended April 24, 2015, compared to the corresponding period a year ago. The increase in net sales was the result of a 0.9% increase in same-store sales, primarily due to a 1.2% increase in average menu prices. Menu price increases were implemented to partially offset the impact of higher food costs incurred throughout fiscal 2015. We also opened seven new restaurants during the year, including four in the fourth quarter, which increased sales by approximately \$4.8 million over the comparable period.

The chart below summarizes the restaurant openings and closings during the last two fiscal years for Bob Evans Restaurants:

	Beginning	Opened	Closed	Ending
Fiscal 2015				
4th quarter	564	4	1	567
3rd quarter	562	2	—	564
2nd quarter	562	—	—	562
1st quarter	561	1	—	562
Fiscal 2014				
4th quarter	562	1	2	561
3rd quarter	562	1	1	562
2nd quarter	561	1	—	562
1st quarter	560	1	—	561

The BEF Foods segment net sales increased by \$7.3 million , or 2.0% , in the twelve months ended April 24, 2015 compared to the corresponding period a year ago. The increase in net sales was primarily due to \$11.3 million of net sausage pricing increases implemented to offset higher sow costs compared to the prior year. Side dish volumes increased by approximately 13%, but were offset by lower sausage and foodservice volumes. The decrease in sausage is related to a decline in category demand due to higher pork prices, which began last year and did not recover despite the decline in sow costs in the second half of fiscal 2015. The decline in foodservice volumes is primarily due to a shift of resources towards our growing side dish business. Refer to the table below for pounds sold by category in the year ended April 24, 2015, and corresponding period last year.

(in millions)	2015		2014	
Category				
Side Dishes	101.7	50.0%	90.1	44.2%
Sausage	49.1	24.1%	53.1	26.1%
Food Service	34.9	17.1%	42.0 ⁽¹⁾	20.6%
Frozen	9.9	4.9%	10.7	5.3%
Other	8.0	3.9%	7.8	3.8%
Total	203.6		203.7	

(1) - Excludes 4.7 million pounds sold at the Company's Irvine, California, production facility, which was sold in the second quarter of fiscal 2014.

Cost of Sales

Consolidated cost of sales (cost of materials) was \$ 457.0 million , or 33.9% of net sales, for the twelve months ended April 24, 2015 , compared to \$ 451.0 million , or 33.9% of net sales, in the corresponding period a year ago. Cost of sales were flat as a percentage of total sales, driven by an 80 bps weighted increase in Bob Evans Restaurants, offset by an 80 bps weighted decrease in BEF Foods.

Bob Evans Restaurants' cost of sales, predominately food costs, was \$ 258.7 million , or 26.7% of net sales, for the twelve months ended April 24, 2015, compared to \$ 244.9 million , or 25.6% of net sales, in the year ago period. The increase in the cost of sales ratio was primarily the result of the \$5.1 million margin impact of higher food costs, the \$4.3 million impact of a shift in menu mix towards higher cost items, a \$1.9 million impact from increased discounting and a \$1.7 million impact of increased carryout sales, partially offset by the \$2.6 million impact of menu price increases.

BEF Foods cost of sales was \$ 198.4 million , or 52.3% of net sales, in the twelve months ended April 24, 2015 , compared to \$ 206.1 million , or 55.4% of net sales, in the corresponding period a year ago. Our cost of sales favorability was primarily due to price increases implemented to offset higher sow costs in the first half of fiscal 2015, lower sow costs in the second half of fiscal 2015 which contributed to a \$3.9 million overall reduction in cost of sales as compared to the prior year, improved production yields, and the effect of a higher sales mix of our side dish productions, which have higher margins. Sow costs averaged \$69.41 per hundredweight in fiscal 2015 , as compared to \$73.23 per hundredweight in fiscal 2014 , the result of significant declines in the second half of fiscal 2015.

Operating Wage and Fringe Benefit Expenses

Consolidated operating wage and fringe benefit expenses ("operating wages") were \$423.5 million , or 31.4% of net sales, in the twelve months ended April 24, 2015 , compared to \$406.3 million , or 30.6% of net sales, in the corresponding period a year ago. The 80 bps increase in the operating wages ratio was driven by an 80 bps weighted increase from Bob Evans Restaurants.

Bob Evans Restaurants' operating wages were \$381.9 million , or 39.4% of net sales, in the twelve months ended April 24, 2015 , compared to \$365.7 million , or 38.2% of net sales, in the corresponding period a year ago. The increase is primarily the result of a \$13.4 million in higher restaurant wages, driven by higher wage rates and higher staffing levels resulting from increased carryout business, higher sales volumes and extended holiday hours. Net benefit expenses also increased \$2.8 million as compared to the year ago period.

BEF Foods' operating wages were \$41.7 million , or 11.0% of net sales, for the twelve months ended April 24, 2015 , compared to \$40.6 million , or 10.9% of net sales, in the corresponding period a year ago. The increase is primarily due to \$1.1 million of higher health insurance costs. Operating wages were flat to the prior year as headcount reductions related to the closing of our Richardson, Texas and Springfield and Bidwell, Ohio, production plants last year were offset by expanded production activities at our Sulphur Springs, Texas, and Lima, Ohio, production facilities.

Other Operating Expenses

Consolidated other operating expenses were \$198.1 million , or 14.7% of net sales, in the twelve months ended April 24, 2015 , compared to \$196.8 million , or 14.8% of net sales, in the corresponding period a year ago. The 10 bps decrease in the other operating expenses ratio was driven by a 10 bps weighted increase from Bob Evans Restaurants, offset by a 20 bps weighted decrease from BEF Foods. Approximately 85% of other operating expenses occur in Bob Evans Restaurants. The most significant components of other operating expenses are utilities, restaurant advertising, repairs and maintenance, restaurant supplies, non-income based taxes, and credit/debit/gift card processing fees.

Bob Evans Restaurants' other operating expenses were \$169.0 million , or 17.4% of net sales, for the twelve months ended April 24, 2015 , compared to \$164.9 million , or 17.3% of net sales, in the corresponding period a year ago. The increase in other operating expenses in fiscal 2015 was primarily a result of \$4.6 million in additional advertising costs, \$1.0 million of higher utilities costs driven by the impact of closed restaurant days in the prior year due to severe winter weather and our Farm Fresh Refresh remodel initiative, \$0.8 million of higher credit card processing fees driven by higher sales and \$0.8 million of other higher costs including rent and real estate taxes. These increases were partially offset by a \$3.1 million reduction in preopening expenses, primarily related to costs associated with the Farm Fresh Refresh remodeling initiative that was completed in fiscal 2014.

BEF Foods' other operating expenses were \$29.0 million , or 7.6% of net sales, for the twelve months ended April 24, 2015 , compared to \$31.9 million , or 8.6% of net sales, in the corresponding period a year ago. The \$2.9 million decrease in other operating expenses is due to \$1.1 million of incremental production and repairs and maintenance costs incurred in the prior year related to the expansion at our Sulphur Springs, Texas, facility, \$0.6 million of lower freight costs, and a \$1.2 million decrease of other expenses, including insurance costs.

Selling, General and Administrative Expenses

S,G&A expenses incurred by Bob Evans Restaurants include legal and professional fees, losses (or gains) on the disposal of long-lived assets and impairment charges recorded on restaurant assets to be held and used. S,G&A expenses incurred by BEF Foods include costs related to the Bob Evans Transportation Company which primarily delivers finished goods to our BEF Foods' customers, selling costs including broker commissions, selling wages and advertising and other promotion costs, impairment charges on long-lived assets other than assets classified as held for sale and losses (or gains) on the disposal of long-lived assets. Corporate functions and other corporate overhead costs are also recorded to S,G&A and are allocated to our reporting segments based on the time and resources used to support them. This includes functions such as information technology, finance, legal, human resources, supply chain and other corporate functions. Corporate overhead costs include legal and professional fees, ongoing IT infrastructure costs including certain costs related to our new ERP system, costs related to the separation of our former CEO, costs related to the use of our former ownership interest in a jointly owned aircraft including the loss on sale and other overhead costs.

Consolidated S,G&A expenses were \$170.1 million , or 12.6% of net sales, for the twelve months ended April 24, 2015 , compared to \$149.5 million , or 11.3% of net sales, in the corresponding period a year ago. The 130 bps increase in the S,G&A ratio was driven by a weighted 130 bps increase from Bob Evans Restaurants.

The increase in S,G&A was due primarily to an \$8.8 million increase in professional fees, which includes legal fees, costs related to shareholder activism, strengthening the Company's internal processes and controls over financial reporting, and our review of strategic alternatives; a \$6.0 million reserve for legal settlements; \$3.7 million of separation compensation costs related to our former chief executive officer; \$1.9 million of higher impairment charges as compared to last year (excluding those classified as impairment on held for sale assets); a \$1.7 million loss on the sale of our interest in a jointly owned aircraft and \$1.1 million of higher employee benefit costs including health care costs. These costs were partially offset by a \$1.7 million reduction in BEF Foods selling wages and a \$0.9 million reduction in other costs, including BEF Foods advertising expenses. The net impact of these items was an \$18.1 million increase in S,G&A for Bob Evans Restaurants, and a net \$2.5 million increase in S,G&A for BEF Foods.

Depreciation and Amortization

Consolidated depreciation and amortization expenses ("D&A") were \$80.1 million, or 5.9% of net sales, for the twelve months ended April 24, 2015, compared to \$79.5 million, or 6.0% of net sales, in the corresponding period a year ago. The 10 bps decrease in the D&A ratio was driven by a 30 bps weighted decrease from Bob Evans Restaurants, partially offset by a 20 bps weighted increase from BEF Foods.

Bob Evans Restaurants' D&A expenses were \$61.5 million, or 6.3% of net sales, for the twelve months ended April 24, 2015, compared to \$63.9 million, or 6.7% of net sales, in the corresponding period a year ago. The primary drivers of the decrease in depreciation expenses were the \$3.2 million impact of the fiscal 2015 change in useful lives of Farm Fresh Refresh assets and \$0.8 million of higher depreciation in the prior year related to assets on accelerated depreciation methods. These declines in depreciation expenses were partially offset by \$1.6 million of additional depreciation recorded this year on new stores opened in fiscal 2015, allocated depreciation on our corporate office, and other asset additions.

BEF Foods D&A expenses were \$18.5 million, or 4.9% of net sales, for the twelve months ended April 24, 2015, compared to \$15.6 million, or 4.2% of net sales, in the corresponding period a year ago. The increase in D&A ratio is primarily the result of an increase in depreciable assets related to our Lima, Ohio, and Sulphur Springs, Texas, plant expansions, which were completed in the prior year, as well as allocated depreciation on our corporate office.

Impairment of Assets Held for Sale

Impairment on assets held for sale were \$ 2.7 million for the twelve months ended April 24, 2015, compared to \$12.4 million in the corresponding period a year ago. In the current year, we recorded impairment charges on nine restaurant properties classified as held for sale as of April 24, 2015. In the prior year we recorded \$ 9.4 million of impairment charges on 29 restaurant properties, of which 28 were sold prior to April 25, 2014. In the prior year we also recorded a \$ 3.0 million impairment charge on BEF Foods related to our Richardson, Texas, plant, which is classified as held for sale on the April 24, 2015, and April 25, 2014, Consolidated Balance Sheets.

Interest

Net interest expense was \$8.6 million for the twelve months ended April 24, 2015, as compared to \$2.0 million in the year ago period. The increase in net interest expense in fiscal 2015 was the result of higher average interest rates on our borrowings as compared to the prior year as well as higher average outstanding borrowings on our Credit Agreement as compared to last year.

We record interest income related to the accretion on the \$30,000 note receivable we obtained from the sale of Mimi's Café to Le Duff. The note has an annual interest rate of 1.5% and a term of seven years. The note was discounted to its fair value at the inception of the agreement, and is recorded at carrying value, which as of April 24, 2015, was \$17.3 million, and is reflected as a long-term asset on the Consolidated Balance Sheet along with accrued interest.

As of April 24, 2015, we had \$447.6 million outstanding on our credit facility, \$2.6 million outstanding on a Research and Development Loan from the state of Ohio and a \$0.9 million interest-free loan (\$1.0 million nominal).

Provision (Benefit) for Income Taxes

The effective tax rate for fiscal 2015 was (83.2%) compared to 0.5% for fiscal 2014. The effective income tax rate in fiscal 2015 was substantially different than the statutory rate due to the Company's domestic production activities deduction and the utilization of tax credits. The effective income tax rate in fiscal 2014 was substantially different than the statutory rate due to the utilization of tax credits, the Company's domestic production activities deduction, and favorable state settlements. In 2013, 2014 and 2015, the effective tax rate was significantly impacted by the effect of permanent items on low levels of pretax earnings.

Income (Loss) From Discontinued Operations

We sold Mimi's Café, previously disclosed as a reporting segment, to Le Duff in the fourth quarter of fiscal 2013. As part of the sale, we entered into a transition services agreement with Le Duff whereby we provided corporate support services and a supply agreement whereby we provided food products. In the first quarter of fiscal 2014, the Company received a notice from SWH Mimi's Café, LLC that it was terminating its supply agreement with BEF Foods, Inc. The transition services agreement timing did not change significantly and expired in January 2014. As a result of this termination notice, the Company determined it no longer had significant cash flows from Mimi's Café operations, thus Mimi's Café was presented within discontinued operations in fiscal 2014 and comparative prior years. Discontinued operations only include the revenues and expenses that are specifically identified with Mimi's Café. There were no such revenues and expenses in fiscal 2015. The prior year loss from discontinued operations, net of tax, was \$2.7 million.

Fiscal Year Ended April 25, 2014 ("fiscal 2014" or "2014") as Compared to Fiscal Year Ended April 26, 2013 ("fiscal 2013" or "2013")

The following tables reflect data for the twelve months ended April 25, 2014, compared to the prior year's twelve months ended April 26, 2013. The consolidated information is derived from the accompanying Consolidated Statements of Net Income. The table also includes data for our two segments - Bob Evans Restaurants and BEF Foods. The ratios presented reflect the underlying dollar values expressed as a percentage of the applicable net sales amounts.

(in thousands)	Consolidated Results				
	2014		2013		
Net sales	\$	1,328,552		\$	1,330,226
Cost of sales		450,953	33.9%		424,536 31.9%
Operating wage and fringe benefit expenses		406,307	30.6%		410,115 30.8%
Other operating expenses		196,827	14.8%		189,503 14.3%
Selling, general and administrative expenses		149,504	11.3%		148,799 11.2%
Depreciation and amortization expense		79,456	6.0%		69,319 5.2%
Impairment of assets held for sale		12,380	0.9%		— —%
Operating income	\$	33,125	2.5%	\$	87,954 6.6%

(in thousands)	Bob Evans Restaurants				BEF Foods			
	2014		2013		2014		2013	
Net sales	\$	956,579	\$	981,418	\$	371,973	\$	348,808
Cost of sales		244,871 25.6%		245,753 25.0%		206,082 55.4%		178,783 51.3%
Operating wage and fringe benefit expenses		365,698 38.2%		372,677 38.0%		40,609 10.9%		37,438 10.7%
Other operating expenses		164,901 17.3%		163,194 16.6%		31,926 8.6%		26,309 7.6%
Selling, general and administrative expenses		80,723 8.4%		73,650 7.5%		68,781 18.5%		75,149 21.5%
Depreciation and amortization expense		63,872 6.7%		56,827 5.8%		15,584 4.2%		12,492 3.6%
Impairment of assets held for sale		9,380 1.0%		— —%		3,000 0.8%		— —%
Operating income	\$	27,134 2.8%	\$	69,317 7.1%	\$	5,991 1.6%	\$	18,637 5.3%

Sales

Consolidated net sales decreased 0.1%, to \$1,328.6 million, for the twelve months ended April 25, 2014, as compared to \$1,330.2 million in the corresponding period the year before. The net sales comprised of a decrease of \$24.8 million in Bob Evans Restaurants partially offset by an increase of \$23.2 million in BEF Foods.

Bob Evans Restaurants' net sales decreased \$24.8 million, or 2.5%, in the twelve months ended April 25, 2014, as compared to the corresponding period the year before. Same-store sales at Bob Evans Restaurants decreased 2.1% in fiscal 2014. Bob Evans Restaurants experienced negative same-store sales in each fiscal quarter of 2014 as compared to fiscal 2013. We also opened four new restaurants, remodeled 229 existing locations, and closed three underperforming restaurants.

The negative same-store sales in fiscal 2014 were primarily due to the impact of severe and sustained winter weather, which had a (1.6%) impact on same-store sales. We also lost more than 1,400 sales days, which includes 108 incremental lost sales days for the Farm Fresh Refresh remodeling initiative. Bob Evans Restaurants which received a Farm Fresh Refresh remodel were closed an average of five to seven days.

BEF Foods' net sales increased by \$23.2 million, or 6.6%, in the twelve months ended April 25, 2014, compared to the corresponding period the year before. The increase in net sales is a result of pricing and mix, offset by a decrease in total pounds sold of 2.4 percent in fiscal 2014 as compared to fiscal 2013. Sales volumes were adversely impacted by a supplier dispute related to BEF Foods' refrigerated side dish business and the sale of the SWH facility in California that had been supporting Mimi's Café. Excluding sales at our Irvine, California, production facility, volumes increased by 9.9 million pounds, or 5.1%.

(in millions)	2014		2013	
Category				
Side Dishes	90.1	44.2%	87.1	44.9%
Sausage	53.1	26.1%	53.5	27.6%
Food Service	42.0 ⁽¹⁾	20.6%	34.3 ⁽²⁾	17.7%
Frozen	10.7	5.3%	11.4	5.9%
Other	7.8	3.8%	7.5	3.9%
Total	203.7		193.8	

(1) - Excludes 4.7 million pounds sold at the Company's Irvine, California, production facility.

(2) - Excludes 18.4 million pounds sold at the Company's Irvine, California, production facility.

Cost of Sales

Consolidated cost of sales was \$451.0 million , or 33.9% of net sales, in the twelve months ended April 25, 2014 , compared to \$424.5 million , or 31.9% of net sales, in the corresponding period the year before. The 200 bps increase in the cost of sales ratio was driven by a 40 bps weighted increase in Bob Evans Restaurants and a 160 bps weighted increase in BEF Foods.

Bob Evans Restaurants' cost of sales, predominately food costs, were \$244.9 million , or 25.6% of net sales, in the twelve months ended April 25, 2014 , compared to \$245.8 million , or 25.0% of net sales, in the corresponding period the year before. The increase in the cost of sales ratio was due to commodity cost increases, primarily driven by sausage and other pork-related items and beef. We responded to these commodity cost increases in fiscal 2014 by designing an updated menu that focused on higher margin items, such as beverages, breakfasts and less costly proteins, mainly poultry. We also increased average menu prices by 2.6 percent to partially offset these higher costs.

BEF Foods' cost of sales was \$206.1 million , or 55.4% of net sales, in the twelve months ended April 25, 2014 , compared to \$178.8 million , or 51.3% of net sales, in the period the year before . The increase in the cost of sales ratio in fiscal 2014 was due primarily to higher sow costs, which resulted in an increase in cost of sales of \$21.1 million, partially offset by a reduction of sausage trade spending, increased pricing and the effect of the Lima, Ohio, plant acquisition in fiscal 2013. Prior to the acquisition of the Lima, Ohio, plant, substantially all costs related to acquiring product from the Lima, Ohio, plant were included in inventories upon receipt of goods, then expensed to cost of sales upon shipment to customers, as BEF Foods was buying a finished product. Subsequent to the acquisition, as an owned facility, rather than as a co-packer, labor costs are included in operating wages; and utilities, freight, and hauling costs are included in other operating expenses. Sow costs averaged \$73.23 per hundredweight in fiscal 2014, an increase of 35.9% as compared to \$53.87 per hundredweight in fiscal 2013.

Operating Wage and Fringe Benefit Expenses

Consolidated operating wage and fringe benefit expenses ("operating wages") was \$406.3 million , or 30.6% of net sales, in the twelve months ended April 25, 2014 , compared to \$410.1 million , or 30.8% of net sales, in the corresponding period the year before. The 20 bps decrease in the operating wage and fringe benefit expenses ratio was driven by a 10 bps increase in Bob Evans Restaurants offset by a 30 bps weighted decrease in BEF Foods.

Bob Evans Restaurants' operating wages were \$365.7 million , or 38.2% of net sales, in the twelve months ended April 25, 2014 , compared to \$372.7 million , or 38.0% of net sales, in the corresponding period the year before. The fiscal increase in the operating wages ratio as a percentage of sales was due to sales deleverage from same-store sales declines and implementation costs for the new workforce management program, partially offset by bonus favorability as Company results did not meet the performance-based incentive compensation requirements.

BEF Foods' operating wages were \$40.6 million , or 10.9% of net sales, in the twelve months ended April 25, 2014 , compared to \$37.4 million , or 10.7% of net sales, in the corresponding period the year before. The increase in operating wages in fiscal 2014 is due primarily to an increase in labor hours and to additional wages and fringe benefits associated with our acquisition of the Lima, Ohio, plant during the second quarter of fiscal 2013.

Other Operating Expenses

Consolidated other operating expenses were \$196.8 million , or 14.8% of net sales, in the twelve months ended April 25, 2014 , compared to \$189.5 million , or 14.3% of net sales, in the corresponding period the year before. The 60 bps increase in the operating wages ratio was driven by a 50 bps weighted increase in Bob Evans Restaurants and 10 bps weighted increase in BEF Foods.

Bob Evans Restaurants' other operating expenses were \$164.9 million , or 17.3% of net sales, in the twelve months ended April 25, 2014 , compared to \$163.2 million , or 16.6% of net sales, in the corresponding period the year before. The increase in the other operating expenses ratio in fiscal 2014 was primarily a result of sales deleverage, increases in service contracts due to additional snow removal required in fiscal 2014, utilities and preopening expenses related to our Farm Fresh Refresh remodeling initiative and our new restaurants.

BEF Foods' other operating expenses were \$31.9 million , or 8.6% of net sales, in the twelve months ended April 25, 2014 , compared to \$26.3 million , or 7.6% of net sales, in the corresponding period the year before . The fiscal 2014 increase in other operating expenses was due primarily to increased utilities, start-up costs related to the expansion of our Sulphur Springs facility and increased repair and maintenance expenses which were also driven by plant expansions.

Selling, General and Administrative Expenses

Consolidated S,G&A expenses were \$149.5 million , or 11.3% of net sales, in the twelve months ended April 25, 2014 , compared to \$148.8 million , or 11.2% of net sales, in the corresponding period the year before. The 10 bps increase in the S,G&A ratio was driven by a 60 bps weighted increase from Bob Evans Farms, partially offset by a 50 bps weighted decrease from BEF Foods.

The increase in S,G&A expenses were driven by a \$6.0 million increase in allocated professional fees, which includes costs related to shareholder activism and strengthening the Company's internal processes and controls over financial reporting and a \$3.0 million increase of other S,G&A expenses including an increase of allocated corporate overhead as a result of providing transition services to Mimi's Café at less than cost. These increases were partially offset by a \$5.5 million reduction in BEF Foods advertising expenses and a \$2.8 million reduction in BEF Foods severance and restructuring charges incurred in fiscal 2013, primarily related to the decision to close our Bidwell and Springfield, Ohio, production plants. The net impact was a \$7.1 million increase in Bob Evans Restaurants' fiscal 2014 S,G&A as compared to fiscal 2013, and a \$6.4 million reduction in BEF Foods S,G&A.

Depreciation and Amortization

Consolidated depreciation and amortization expenses ("D&A") was \$79.5 million , or 6.0% of net sales, in the twelve months ended April 25, 2014 , compared to \$69.3 million , or 5.2% of net sales, in the corresponding period the year before. The 80 bps increase in the D&A ratio was driven by a 60 bps weighted increase from Bob Evans Restaurants and a 20 bps weighted increase from BEF Foods.

Bob Evans Restaurants' D&A expenses were \$63.9 million , or 6.7% of net sales, in the twelve months ended April 25, 2014 , compared to \$56.8 million , or 5.8% of net sales, in the corresponding period the year before. The D&A ratio increased in fiscal 2014, primarily as a result of property, plant and equipment additions from remodeling 424 existing restaurants as part of our Farm Fresh Refresh initiative in the last two years, and opening four new restaurants in fiscal 2014.

BEF Foods' D&A expenses were \$15.6 million , or 4.2% of net sales, in the twelve months ended April 25, 2014 , compared to \$12.5 million , or 3.6% of net sales, in the corresponding period the year before. The fiscal 2014 D&A ratio increase was due primarily to additional depreciation expense associated with the Lima, Ohio, and Sulphur Springs, Texas, plant expansions and with our acquisition of the Lima, Ohio, plant early in the second quarter of fiscal 2013.

Impairment of Assets Held for Sale

We recorded consolidated impairment charges on assets classified as held for sale of \$12.4 million in the twelve months ended April 25, 2014 . Bob Evans Restaurants incurred an impairment charges on assets held for sale of \$9.4 million while BEF Foods incurred impairment charges on assets held for sale of \$3.0 million.

Interest

Net interest expense was \$2.0 million for the twelve months ended April 25, 2014 as compared to \$11.5 million in the comparable period the year before.

The decrease in net interest expense in fiscal 2014 was the result of lower average interest rates on our borrowings as compared to the prior year. During fiscal 2013, we prepaid our outstanding Note Purchase Agreements dated July 28, 2004, as amended, and July 28, 2008, as amended, ("Private Placement Notes") and \$1.9 million of interest income from the accretion on our long-term note receivable in fiscal 2014. This was partially offset by an increase in variable-rate debt as our average borrowings on our credit facility increased in fiscal 2014 as well as interest income from the accretion on our long-term note receivable in fiscal 2014.

Provision (Benefit) for Income Taxes

The effective tax rate for continuing operations for fiscal 2014 was 0.5% compared to an 8.0% benefit for fiscal 2013. The effective income tax rate in fiscal 2014 was substantially different than the statutory rate due to the Company's domestic production activities deduction, and favorable state settlements. The effective income tax rate in fiscal 2013 was different than the statutory rate primarily due to the impact of the loss on the sale of Mimi's Café, the impairment of assets held for sale and the conversion of SWH Corporation to a limited liability company ("LLC") implemented during the fiscal year, as discussed in the General Overview above. In both 2014 and 2013 the effective tax rate was significantly impacted by the effect of permanent items on low levels of pretax earnings.

Income (Loss) From Discontinued Operations

We sold Mimi's Café, previously disclosed as a reporting segment, to Le Duff in the fourth quarter of fiscal 2013. As part of the sale, we entered into a transition services agreement with Le Duff whereby we provided corporate support services and a supply agreement whereby we provided food products. On July 23, 2013, the Company received a notice from SWH Mimi's Café, LLC that it was terminating its supply agreement with BEF Foods, Inc. The transition services agreement timing did not change significantly and expired in January 2014. As a result of this termination notice, the Company determined it no longer had significant cash flows from Mimi's Café operations, thus Mimi's Café should be presented within discontinued operations for all years presented in the financial statements, effective with the Form 10-Q filed for the three months ended July 26, 2013.

As of April 25, 2014, our recasted and adjusted Consolidated Statements of Net Income present income, net of tax, from discontinued operations, of \$2.7 million. The prior year loss from discontinued operations, net of tax, was \$83.4 million. The prior year loss was primarily the result of an impairment recorded on Mimi's long-lived assets.

Liquidity and Capital Resources

Our primary sources of liquidity are cash generated from operating activities and the borrowing capacity under our \$750.0 million revolving credit facility with a consortium of banks, with a maturity date of January 1, 2019.

Historically, our working capital requirements have been minimal; overall, our current liabilities have generally exceeded our current assets (excluding cash, cash equivalents and Credit Agreement borrowings). This favorable working capital position results from transacting substantially all of our Bob Evans Restaurants segment sales for cash or third-party credit or debit cards, the relatively short trade credit terms with our BEF Foods customers as well as most of our major suppliers and distributors and the quick turnover of our inventories in both of our reporting segments.

Capital expenditures were and \$ 74.5 million and \$ 191.0 million in fiscal years 2015 and 2014, respectively. In fiscal 2015 capital expenditures primarily related to our new Enterprise Resource Planning ("ERP") system, new restaurant construction and restaurant equipment. In fiscal 2014 capital expenditures primarily related to completion of our accelerated Farm Fresh Refresh remodeling initiative for Bob Evans Restaurants, plant expansions for BEF Foods, completion of our new corporate headquarters, the development of an ERP system, and the opening of four new Bob Evans Restaurants. In fiscal 2016, capital expenditures are expected to approximate \$80.0 million to \$85.0 million and include expenditures for a new restaurant point-of-sale system and improvements, adding an additional side-dish production line at our Lima, Ohio, plant and other production facility upgrades, the next phases of our Enterprise Resource Planning system and other IT infrastructure.

During fiscal 2015, we paid an annual cash dividend of \$1.240 per share, compared to \$1.205 for fiscal 2014. While we expect to continue paying regular quarterly cash dividends, the declaration, amount and timing of future dividends will be at the discretion of our Board of Directors.

On February 25, 2014, the Board of Directors authorized a stock repurchase program for fiscal 2015 of up to \$100.0 million. The fiscal program authorized the Company to repurchase its outstanding common stock pursuant to plans approved by the Board under SEC Rules 10b-18 and 10b5-1, and in the open market or through privately negotiated transactions. The ability to repurchase stock and complete the fiscal 2015 repurchase program is dependent upon the Company's having available funds and complying with the financial covenants and other restrictions contained within the Company's credit facility and the

repurchase authorization. On August 20, 2014, the Board of Directors increased the authorization of this stock repurchase program to \$150.0 million and extended the authorization period through fiscal 2016. We did not repurchase any shares of our common stock during fiscal 2015.

On January 2, 2014, we entered into a \$750 million Revolving Credit Facility Amended and Restated Credit Agreement ("credit facility"). The credit facility represents a syndicated secured revolving credit facility under which up to \$750 million will be available with a letter of credit sub-facility of \$50 million, and an accordion option to increase the revolving credit commitment to \$1.05 billion. It is secured by the stock pledges of certain material subsidiaries. Borrowings under the credit facility bear interest, at our option, at a rate based on LIBOR or the Base Rate, plus a margin based on the Leverage Ratio, ranging from 1.00% to 2.75% per annum for LIBOR, and ranging from 0.00% to 1.75% per annum for Base Rate. The Base Rate means for any day, a fluctuating per annum rate of interest equal to the highest of (i) the Federal Funds Open Rate, plus 0.5%, (ii) the Prime Rate, or (iii) the Daily LIBOR Rate, plus 1.0%. We are also required to pay a commitment fee of 0.15% per annum to 0.25% per annum of the average unused portion of the total lender commitments then in effect. Our effective interest rate for the credit facility was 2.09% during the year ended April 24, 2015. As of April 24, 2015, we had outstanding borrowings of \$447.6 million under our credit facility and \$12.4 million was reserved for certain standby letters of credit.

On May 11, 2015, we entered into a Second Amendment to the Credit Agreement. The amendment has an effective date of April 24, 2015. The terms of the Credit Agreement were amended related to: (a) an increase to the Maximum Leverage Ratio for the period starting April 24, 2015, through the remaining term of the agreement, (b) a change in the restrictions related to payments for share repurchases and (c) a change in the definition of the LIBOR and Daily LIBOR rates that are used to calculate interest on outstanding borrowings.

Our Credit Agreement contains financial and other various affirmative and negative covenants that are typical for financings of this type. Our Credit Agreement contains financial covenants that require us to maintain a specified minimum coverage ratio and maximum leverage ratio at April 24, 2015, of (1) a minimum coverage ratio of not less than 3.00 to 1.00; and (2) a maximum leverage ratio that may not exceed 4.50 to 1.00. As of April 24, 2015, our coverage ratio was 11.89, and our leverage ratio was 3.37, as defined in our credit facility. Our credit facility also limits repurchases of our common stock and the amount of dividends that we pay to holders of our common stock in certain circumstances. The Credit Agreement also allows for the incurrence of additional indebtedness of up to \$300 million, a sale leaseback of our real estate of up to \$100 million and mortgage indebtedness on our corporate headquarters of up to \$50 million. A breach of any of these covenants could result in a default under our Credit Agreement, in which all amounts under our Credit Agreement may become immediately due and payable, and all commitments under our Credit Agreement to extend further credit may be terminated. We were in compliance with the financial covenant requirements of our Credit Agreement as of April 24, 2015.

During the last six months of fiscal 2015, the Company has worked closely with the Board of Directors and its strategic advisers to assess various alternatives to increase shareholder value. In particular, the Company has determined it will pursue several transactions with respect to its real estate assets.

In May 2015, the Company retained CBRE to pursue monetization of its New Albany, Ohio, headquarters and BEF Foods' Lima, Ohio, and Sulphur Springs, Texas, manufacturing facilities through one or more sale and leaseback transactions. The completion of any transaction must be approved by the Board and the Company cannot guarantee that a transaction will occur. The Company expects to use the net proceeds from these transactions to manage leverage under its credit agreement and as a result to repurchase shares of the Company's stock as permitted under the credit agreement.

In June 2015, the Board authorized the Company to pursue a strategic transaction for a select portion of its restaurant properties. The transaction may take the form of either a sale-leaseback or a tax free REIT conversion and spin off. The decision as to which path to pursue will depend on a number of factors including, but not limited to: the performance of the Bob Evans' business segments, and in particular the restaurant segment, market values for restaurant real estate, trading performance of publicly traded real estate companies, interest rates and general U.S economic conditions. The ultimate size of any transaction will depend on the factors we have noted, but is expected to range from thirty to sixty percent of currently owned restaurant real estate. Although the Company expects to conclude the assessment of alternative paths over the next several months, the timing of a transaction remains subject to the Board's continued evaluation of these factors, and the Company cannot guarantee if and when a transaction will be undertaken. Either form of a transaction is expected to reduce the Company's investment in lower return assets, and in structuring such a transaction the Company would expect to maintain flexibility to pursue a separation of the foods and restaurant segments in the future if advisable at that time. Combined with the potential sale-leaseback of the Company's headquarters and select industrial properties, the Company believes such a transaction will enable the Company to further enhance shareholder value through its capital deployment strategies as it continues to execute the turnaround of its businesses. The execution of either a sale-leaseback transaction or REIT conversion and spin-off of restaurant real estate will require the Company either to obtain permission from its credit facility lenders or put in place alternative financing arrangements.

We believe that our cash flow from operations as well as the borrowing under our credit facility, will be sufficient to fund anticipated capital expenditures, working capital requirements and dividend payments during fiscal 2016.

From April 25, 2015, through June 1, 2015, we repurchased 1.1 million shares, or \$50.0 million of Company stock. The purchases were funded through additional borrowings on our Credit Agreement.

Operating activities

Net cash provided by operating activities was \$103.1 million and \$165.3 million for fiscal 2015 and fiscal 2014, respectively. The decrease in net cash provided by continuing operations was primarily driven by a decrease in income from operations (including the impact of noncash items), the impact of cash received from tax credits in the prior year and other working capital changes.

Investing activities

Cash used in investing activities was \$64.6 million and \$178.1 million for fiscal 2015 and fiscal 2014, respectively. Capital expenditures were significantly higher in the prior year, primarily a result of our Farm Fresh Refresh remodeling initiative which was completed last year, plant expansion projects at our Lima, Ohio, and Sulphur Springs, Texas, facilities and the completion of our new corporate headquarters.

Financing activities

Cash used in financing activities was \$40.0 million for fiscal 2015, while cash provided by financing activities was \$9.0 million for fiscal 2014. In fiscal 2015, cash used in financing activities primarily related to \$29.1 million of dividends paid and a reduction in borrowings under our Credit Agreement. In fiscal 2014, cash provided by financing activities were primarily the result of \$257.5 million of incremental borrowings under our Credit Agreement, partially offset by \$225.0 million of cash used to repurchase common stock and \$31.7 million of dividends paid.

On May 21, 2015, the Board of Directors approved a quarterly cash dividend of \$0.31 per share. The quarterly cash dividend was paid on June 15, 2015, to shareholders of record at the close of business on June 1, 2015.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements through the date of this Annual Report on Form 10-K.

Contractual Obligations

Future payments of our contractual obligations and outstanding indebtedness as of April 24, 2015, are as follows (in thousands):

(in thousands)	2016	2017	2018	2019	2020	Thereafter	Total
Operating leases ⁽¹⁾	\$ 4,461	\$ 4,409	\$ 4,459	\$ 4,494	\$ 4,481	\$ 39,380	\$ 61,684
Short-term debt ⁽²⁾	409	—	—	—	—	—	409
Long-term debt ⁽³⁾	—	419	428	448,035	445	1,492	450,819
Purchase obligations ⁽⁴⁾	45,766	—	—	—	—	—	45,766
Deferred compensation ⁽⁵⁾	8,255	2,895	1,830	1,580	1,370	14,806	30,736
Other ⁽⁶⁾	2,406	—	—	—	—	—	2,406
Totals	\$ 61,297	\$ 7,723	\$ 6,717	\$ 454,109	\$ 6,296	\$ 55,678	\$ 591,820

(1) Obligations for operating leases include payments through the end of current lease terms and do not include the impact of any available renewal periods.

(2) The balance represents the current portion of our Research and Development Investment Loan.

(3) The balances represent principle payments on our Research and Development Investment Loan, the outstanding borrowings on our Credit Agreement, which matures in Fiscal 2019 and an interest free loan which matures in 2022. The amounts exclude expected interest payments on our Credit Agreement, which can fluctuate based on the amount outstanding borrowings in any given period.

(4) Purchase obligations are comprised of \$17.5 million of food purchase commitments for Bob Evans Restaurants and \$28.3 million of raw material purchase commitments for BEF Foods, all of which are expected to be satisfied in the next 12 months. Many of these agreements do not obligate us to purchase any specific volumes and include provisions that would allow us to cancel such agreements with appropriate notice. For such agreements, amounts included in the table above represent our estimate of expected purchases prior to any cancellation of these contracts with appropriate notice.

- (5) Deferred compensation obligations in future years may change due to additional participant deferrals and returns on participant investments, and include share based obligations, see Note 7 for more details.
- (6) The balance relates to unrecognized tax benefits related to state exposures that may be necessary in the coming year due to settlements with taxing authorities or lapses of statutes of limitations, new restaurant construction commitments and operating leases for IT equipment.

Business Outlook

Our outlook for fiscal 2016 relies on a number of assumptions, as well as the risk factors included in our SEC filings. Fiscal 2016 will be a 53 week year, with the fourth quarter being 14 weeks. The information in this section is inclusive of the impact of the 53rd week on our business operations.

We anticipate consolidated net sales to approximate \$1.34 billion to \$1.41 billion in fiscal 2016 . We are projecting 25% to 35% increase in operating income, which is reflective of approximately \$14.0 million of anticipated savings from our corporate S,G&A reduction initiative. We are projecting net interest expense of approximately \$12.5 million to \$14.0 million for fiscal 2016 . We estimate that our effective tax rate will approximate 27.5% to 28.5% for all of fiscal 2016 . We project weighted-average diluted shares outstanding to be approximately 22.0 million shares for fiscal year 2016 , and expect diluted EPS to be \$1.75 to \$1.95.

In fiscal 2016 , we expect capital expenditures to approximate \$80 million to \$85 million . Depreciation and amortization expense for fiscal 2016 should approximate \$83 million to \$88 million .

We expect Bob Evans Restaurants to experience a full-year same-store sales increase between 1.5 percent and 2.5 percent as we balance reduced guest discounting, benefits from further menu development, commodity cost increases and other operational efficiencies.

In the BEF Foods segment, we expect overall net sales of \$380 million to \$ 400 million for the full fiscal year, driven by higher volumes and partially offset by increased trade spend. We anticipate that sow costs will approximate \$54 per hundredweight for the full year of fiscal 2016 .

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles ("US GAAP"). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience, current trends and conditions and various other facts and conditions that we believe to be reasonable under the circumstances.

Our significant accounting policies are described in Note 1 to our consolidated financial statements. Certain significant accounting policies require complex and subjective judgment as a result of estimates surrounding uncertain outcomes. While we believe that our historical experience and other factors considered provide a meaningful basis for the accounting policies applied in the preparation of the consolidated financial statements, the judgments surrounding these critical accounting policies may result in materially different amounts under different financial conditions or by using different assumptions. We consider the following policies to be the most critical in understanding the judgments that are involved in preparing our consolidated financial statements.

Gift Card Revenue

Revenue is recognized for Bob Evans Restaurants at the point of sale, other than revenue from the sale of gift cards, which is deferred and recognized upon redemption. We issue gift cards, which do not have expiration dates or inactivity fees. We recognize revenue from gift cards when they are redeemed by the customer. In addition, we recognize income on unredeemed gift cards ("gift card breakage") based on historical sales and redemption patterns, referred to as the redemption recognition method. Gift card breakage is recognized proportionately over the period of redemption in net sales of our Bob Evans Restaurants segment in the Consolidated Statements of Net Income. The liability for unredeemed gift cards is included in deferred revenue on the Consolidated Balance Sheets.

We review our gift card breakage rates and rate of redemption periodically to ensure our estimates are reasonable. If actual redemption patterns differ from our estimates, actual gift card breakage amounts may vary from the amounts recorded. A reasonable change in our gift card breakage estimates would not result in a material change to net sales.

BEF Foods Sales Promotions (Trade Spend)

We engage in promotional (sales incentive) programs in the form of "off-invoice" deductions, billbacks, cooperative advertising and coupons, collectively referred to as trade spend programs, with our customers. Costs associated with these

programs are classified as a reduction of net sales in the period in which the sale occurs. Our sales promotional program may fluctuate based on sow costs trends and during peak holiday periods. As a result, we enter into promotion agreements with our customers during distinct time periods where we expect to maximize the impact of promotions on net sales through increased volume when sow costs trends are expected to be favorable. A change in actual sales volume and sow costs from our estimates will impact sales, and ultimately, profitability of the BEF Foods segment.

Long-Lived Asset Impairment

We evaluate the carrying amount of long-lived assets held and used in the business semi-annually and when events and circumstances indicate that the carrying value of the assets may not be recoverable. Recoverability of long-lived assets is measured by comparing the carrying value of the asset, or asset group, to the undiscounted future cash flows expected to be generated by the asset. A long-lived asset or asset group is considered impaired when the carrying value of the asset or asset group exceeds its fair value. The impairment loss recognized is the excess of carrying value of the asset or asset group above its fair value. To estimate fair value for restaurant locations where we own the land and building, we obtain appraisals from third party real estate valuation firms. The appraised values are based on recent sales of similar assets in the areas where the restaurant is located. To estimate fair value for leased locations we estimate discounted future cash flows. The assumptions used to estimate the recoverability and fair value of long-lived assets require a high degree of judgment and may be affected by many factors, including changes in economic conditions and changes in operating performance. If these assumptions change in the future we may be required to record additional impairment charges on these assets.

Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized and are tested for impairment during the fourth quarter each year or on a more frequent basis when indicators of impairment exist. We have \$19.6 million in goodwill in our BEF Foods segment.

Other intangible assets, also recorded in our BEF Foods segment, represent a non-compete agreement related to the Kettle Creations acquisition initially valued at \$0.4 million. The non-compete agreement is a definite lived intangible asset and is amortized over the term of the agreement.

Goodwill impairment testing involves a comparison of the estimated fair value of reporting units to the respective carrying amount. If the estimated fair value exceeds the carrying amount, then no impairment exists. If the carrying amount exceeds the estimated fair value, then a second step is performed to determine the amount of impairment, if any. We perform our impairment test using a combination of income based and market based approaches. The income based approach indicates the fair value of an asset or business based on the estimated future discounted cash flows expected to be generated by the BEF Food segment. Significant assumptions used to determine the fair value of our BEF Foods segment includes forecasted trends in sales, operating and allocated expenses, capital expenditures and an appropriate discount rate. Under the market-based approach, fair value is determined by using earnings multiples to compare the value of the BEF Foods segment to similar businesses or guideline companies whose securities are actively traded in public markets. If the BEF Foods segment's future operating performance is materially different from the forecast we may be required to record impairment related to goodwill, however in fiscal 2015 there was significant headroom between the fair value and carrying value of the BEF Foods segment.

Self-insurance Reserves

We record estimates for certain health, workers' compensation and general insurance costs that are self-insured programs. Self-insurance reserves include actuarial estimates of both claims filed, carried at their expected ultimate settlement value, and claims incurred but not yet reported. Our liability represents an estimate of the ultimate cost of claims incurred as of the balance sheet date. We utilize stop loss insurance to limit our exposure to any significant exposure on a per person basis for health insurance and on a per claim basis for workers' compensation and general insurance. Estimates for health, workers' compensation and general liability are calculated utilizing claims development estimates based on historical experience and other factors. Future changes from the actuarial estimates regarding the frequency and severity of claims or settlement practices may result in insurance reserves that are materially different than what is recorded today.

Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying Consolidated Statement of Net Income. Accrued interest and penalties are included within the related tax liability line in the Consolidated Balance Sheets.

We generally file our income tax returns several months after our fiscal year end. The major jurisdiction in which the Company files income tax returns includes the U.S. federal jurisdiction, and approximately 30 states in the U.S.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We do not currently use derivative financial instruments for speculative or hedging purposes. We maintain our cash and cash equivalents in financial instruments with maturities of three months or less when purchased.

Interest Rate Risk

At April 24, 2015, our outstanding debt included \$ 447.6 million outstanding on the credit facility, and \$3.5 million of other outstanding long-term notes. A change in market interest rates will impact our credit facility when there is an outstanding balance. For example, a one percent increase in the benchmark rate used for our credit facility would increase our annual interest expense by approximately \$4.5 million, assuming the \$447.6 million outstanding at the end of fiscal 2015 was outstanding for the entire year.

Commodities Prices

We purchase certain commodities such as beef, pork, poultry, seafood, produce and dairy products. These commodities are generally purchased based upon market prices established with suppliers. These purchase arrangements may contain contractual features that fix the price paid for certain commodities. We do not use financial instruments to hedge commodity prices because these purchase arrangements help control the ultimate cost paid and most commodity price aberrations are generally short-term in nature. Long term fluctuations in commodity prices could significantly impact the profitability of both our Bob Evans Restaurants and BEF Foods segments.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

**BOB EVANS FARMS, INC.
CONSOLIDATED BALANCE SHEETS**

(in thousands, except par value amounts)

Assets	April 24, 2015	April 25, 2014
Current Assets		
Cash and equivalents	\$ 6,358	\$ 7,826
Accounts receivable, net	26,100	30,688
Inventories	24,620	25,243
Deferred income taxes	16,117	18,656
Federal and state income taxes receivable	23,722	25,824
Prepaid expenses and other current assets	5,035	4,472
Current assets held for sale	22,243	3,308
Total Current Assets	124,195	116,017
Property, Plant and Equipment		
Land	227,432	226,440
Buildings and improvements	866,848	853,032
Machinery and Equipment	456,332	453,576
Construction in Progress	38,354	19,700
Total Property, Plant, and Equipment	1,588,966	1,552,748
Less accumulated depreciation	757,488	699,878
Net Property, Plant and Equipment	831,478	852,870
Other Assets		
Deposits and other	3,756	3,442
Notes receivable	18,544	16,243
Rabbi trust assets	32,302	31,972
Goodwill	19,634	19,634
Other intangible assets	352	3,270
Non-current deferred tax assets	2,326	—
Non-current assets held for sale	—	22,304
Total Other Assets	76,914	96,865
Total Assets	\$ 1,032,587	\$ 1,065,752
Liabilities and Stockholders' Equity		
Current Liabilities		
Credit facility borrowings	\$ —	\$ 458,898
Current portion of long-term debt	409	—
Accounts payable	30,019	29,064
Accrued property, plant and equipment purchases	4,820	5,841
Accrued non-income taxes	14,951	17,843
Accrued wages and related liabilities	34,529	23,524
Self-insurance reserves	18,900	19,874
Deferred gift card revenue	13,714	12,967
Current reserve for uncertain tax provision	1,594	1,481
Other accrued expenses	34,156	33,024
Total Current Liabilities	153,092	602,516
Long-Term Liabilities		
Deferred compensation	22,481	30,341
Reserve for uncertain tax positions	2,767	3,478
Deferred income taxes	17,825	32,829
Deferred rent and other	5,755	6,534
Credit facility borrowings and other long term debt	450,676	835
Total Long-Term Liabilities	499,504	74,017
Stockholders' Equity		
Common stock, \$.01 par value; authorized 100,000 shares; issued 42,638 shares at April 24, 2015, and April 25, 2014	426	426
Capital in excess of par value	235,958	231,933

Retained earnings	836,362	849,235
Treasury stock, 19,231 shares at April 24, 2015, and 19,319 shares at April 25, 2014, at cost	(692,755)	(692,375)
Total Stockholders' Equity	<u>379,991</u>	<u>389,219</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,032,587</u>	<u>\$ 1,065,752</u>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

BOB EVANS FARMS, INC.
CONSOLIDATED STATEMENTS OF NET INCOME
(in thousands, except per share amounts)

	2015	2014	2013
Net Sales	\$ 1,349,190	\$ 1,328,552	\$ 1,330,226
Cost of sales	457,039	450,953	424,536
Operating wage and fringe benefit expenses	423,539	406,307	410,115
Other operating expenses	198,065	196,827	189,503
Selling, general and administrative expenses	170,129	149,504	148,799
Depreciation and amortization expense	80,074	79,456	69,319
Impairment of assets held for sale	2,658	12,380	—
Operating Income	17,686	33,125	87,954
Net interest expense	8,649	2,014	11,485
Income (Loss) From Continuing Operations Before Income Taxes	9,037	31,111	76,469
(Benefit) Provision for income taxes	(7,516)	143	(6,084)
Income From Continuing Operations	16,553	30,968	82,553
Income (Loss) from Discontinued Operations, Net of Income Taxes	—	2,717	(83,374)
Net Income (Loss)	\$ 16,553	\$ 33,685	\$ (821)
Earnings Per Share - Income from Continuing Operations			
Basic	\$ 0.70	\$ 1.17	\$ 2.94
Diluted	\$ 0.70	\$ 1.16	\$ 2.90
Earnings Per Share — Income (Loss) from Discontinued Operations			
Basic	\$ —	\$ 0.10	\$ (2.97)
Diluted	\$ —	\$ 0.10	\$ (2.93)
Earnings per share - Net Income (Loss)			
Basic	\$ 0.70	\$ 1.27	\$ (0.03)
Diluted	\$ 0.70	\$ 1.26	\$ (0.03)
Cash Dividends Paid Per Share	\$ 1.240	\$ 1.205	\$ 1.075
Weighted Average Shares Outstanding			
Basic	23,489	26,450	28,066
Dilutive Shares	160	254	422
Diluted	23,649	26,704	28,488

The accompanying Notes are an integral part of these Consolidated Financial Statements.

BOB EVANS FARMS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Treasury Stock	Total
Stockholders' Equity at April 27, 2012	28,611	\$ 426	\$ 202,209	\$ 878,854	\$ (409,354)	\$ 672,135
Net loss	—	—	—	(821)	—	(821)
Dividends (\$1.075 per share)	—	—	—	(30,214)	—	(30,214)
Treasury stock repurchased	(1,560)	—	—	—	(63,052)	(63,052)
Treasury stock reissued under compensation plans	367	—	2,232	—	3,795	6,027
Share-Based Compensation Expense	—	—	8,606	—	—	8,606
Tax benefit — stock plans	—	—	2,094	—	—	2,094
Stockholders' Equity at April 26, 2013	27,418	\$ 426	\$ 215,141	\$ 847,819	\$ (468,611)	\$ 594,775
Net income	—	—	—	33,685	—	33,685
Dividends (\$1.205 per share)	—	—	—	(32,269)	—	(32,269)
Treasury stock repurchased	(4,393)	—	—	—	(224,994)	(224,994)
Treasury stock reissued under compensation plans	294	—	7,931	—	1,230	9,161
Share-Based Compensation Expense	—	—	7,105	—	—	7,105
Tax benefit — stock plans	—	—	1,756	—	—	1,756
Stockholders' Equity at April 25, 2014	23,319	\$ 426	\$ 231,933 ⁽²⁾	\$ 849,235	\$ (692,375) ⁽¹⁾	\$ 389,219
Net income	—	—	—	16,553	—	16,553
Dividends (\$1.24 per share)	—	—	—	(29,426)	—	(29,426)
Treasury stock repurchased	—	—	—	—	—	—
Treasury stock reissued under compensation plans	88	—	830	—	(380)	450
Share-Based Compensation Expense	—	—	2,967	—	—	2,967
Tax benefit — stock plans	—	—	228	—	—	228
Stockholders' Equity at April 24, 2015	23,407	\$ 426	\$ 235,958 ⁽²⁾	\$ 836,362	\$ (692,755) ⁽¹⁾	\$ 379,991

(1) Treasury stock includes 237 and 144 shares held by Rabbi Trust as of April 24, 2015 and April 25, 2014, respectively, that will be used to satisfy share-based deferred compensation obligations. Refer to Note 7 for additional information.

(2) Capital in Excess of Par Value includes \$10,141 and \$8,753 of share based obligations owed to participants in our deferred compensation plans as of April 24, 2015 and April 25, 2014, respectively. Refer to Note 7 for more information.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

BOB EVANS FARMS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	2015	2014	2013
Operating activities:			
Net income (loss)	\$ 16,553	\$ 33,685	\$ (821)
Income (loss) from discontinued operations	—	2,717	(83,374)
Income from continuing operations	16,553	30,968	82,553
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	80,074	79,456	69,319
Impairment of assets held for sale	2,658	12,380	—
Loss on disposal and impairment of held and used fixed assets	5,646	4,842	8,265
Impairment of Intangible Assets	2,761	—	—
Gain on long-term investments	(742)	(2,249)	(1,277)
Deferred compensation	2,013	2,920	3,025
Share based compensation	2,967	7,105	8,606
Accretion on long term note receivable	(1,859)	(1,918)	—
Deferred income taxes	(14,791)	(6,355)	(7,254)
Amortization of deferred financing costs	1,099	364	341
Cash provided by (used for) assets and liabilities:			
Accounts receivable	4,588	515	(6,344)
Inventories	623	(2,752)	(1,571)
Prepaid expenses and other current assets	(563)	951	(2,879)
Accounts payable	955	6,005	(3,601)
Federal and state income taxes	1,504	33,701	(28,055)
Accrued wages and related liabilities	11,005	(8,645)	2,508
Self-insurance	(974)	(1,198)	28
Accrued non-income taxes	(2,892)	1,497	608
Deferred revenue	747	52	590
Other assets and liabilities	(8,267)	7,702	13,207
Net cash provided by continuing operating activities	103,105	165,341	138,069
Investing activities:			
Purchase of property, plant and equipment	(74,517)	(190,995)	(118,200)
Acquisition of business	—	—	(52,285)
Proceeds from sale of property, plant and equipment	10,036	8,026	15,512
Purchase of long-term investments	—	—	(314)
Deposits and other	(135)	4,902	(350)
Net cash used in continuing investing activities	(64,616)	(178,067)	(155,637)
Financing activities:			
Cash dividends paid	(29,056)	(31,694)	(30,214)
Gross proceeds from credit facility borrowings and other long-term debt	579,895	1,042,595	686,630
Gross repayments of credit facility borrowings and other long-term debt	(588,541)	(785,130)	(619,913)
Payments of debt issuance costs	(1,279)	(2,064)	—
Prepayment penalty on debt	—	—	(6,150)
Purchase of treasury stock	—	(224,994)	(63,052)
Proceeds from issuance of stock awards and treasury stock	534	13,432	8,642
Cash paid for taxes on employee stock option exercises	(1,738)	(4,858)	(2,615)
Excess tax benefits from stock-based compensation	228	1,756	2,094
Net cash provided by (used in) financing activities	(39,957)	9,043	(24,578)
Net cash (used in) operations	(1,468)	(3,683)	(42,146)
Net cash provided by (used in) operating activities of discontinued operations	—	2,499	6,394
Net cash provided by (used in) investing activities of discontinued operations	—	—	8,816
Net cash provided by (used in) discontinued operations	—	2,499	15,210
Cash and equivalents at the beginning of the period	7,826	9,010	35,946
Cash and equivalents at the end of the period	\$ 6,358	\$ 7,826	\$ 9,010

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Note 1 — Summary of Significant Accounting Policies

Description of Business: As of April 24, 2015, Bob Evans Farms, Inc. (“Bob Evans”) and its subsidiaries (collectively, Bob Evans and its subsidiaries are referred to as the “company,” “we,” “us” and “our”) owned and operated 567 full-service Bob Evans Restaurants in 19 states. Bob Evans Restaurants are primarily located in the Midwest, mid-Atlantic and Southeast regions of the United States. We also produce and distribute pork sausage products and a variety of complementary home-style refrigerated side dishes and frozen food items primarily under the Bob Evans, Owens and Country Creek brand names. These food products are sold primarily to customers throughout the United States through our BEF Foods segment. Additionally, we manufacture and sell similar products to foodservice accounts, including Bob Evans Restaurants and other restaurants and food sellers.

Effective January 28, 2013, we entered into a definitive agreement to sell our Mimi’s Café restaurant chain to Le Duff America, Inc. (“Le Duff”). Le Duff is a U.S.-based subsidiary of Groupe Le Duff, a global bakery and restaurant company headquartered in France. Effective February 15, 2013, we completed the sale of Mimi’s Café to Le Duff. Activity related to Mimi’s Café is classified as discontinued operations in the Fiscal 2014 and 2013 Statements of Net Income.

Principles of Consolidation: The consolidated financial statements include the accounts of Bob Evans and its subsidiaries. Intercompany accounts and transactions have been eliminated. Dollars are in thousands, except share and per share amounts.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

Segment Information: During fiscal 2015, we had two reporting segments: Bob Evans Restaurants and BEF Foods. See Note 11 for detailed segment information. The revenues from these two segments include both net sales to unaffiliated customers and intersegment net sales, which are accounted for on a basis consistent with net sales to unaffiliated customers. Intersegment net sales and other intersegment transactions have been eliminated in the consolidated financial statements. Operating income represents earnings before interest and income taxes. Identifiable assets by segment are those assets that are used in our operations in each segment. General corporate assets consist of corporate property, plant and equipment, long-term investments, note receivables, federal and state income tax receivables and deferred income tax assets.

Fiscal Year: Our fiscal year ends on the last Friday in April. References herein to fiscal 2015, fiscal 2014 and fiscal 2013 refer to fiscal years ended April 24, 2015; April 25, 2014; and April 26, 2013, respectively. All years presented were comprised of 52 weeks.

Revenue Recognition: Revenue in the Bob Evans Restaurants segment is recognized at the point of sale, other than revenue from the sale of gift cards, which is deferred and recognized upon redemption. Revenue in the BEF Foods segment is recognized when products are received by our customers. All revenue is presented net of sales tax collections.

We issue gift cards, which do not have expiration dates or inactivity fees. We recognize revenue from gift cards when they are redeemed by the customer. In addition, we recognize income on unredeemed gift cards (“gift card breakage”) based on historical redemption patterns, referred to as the redemption recognition method. Gift card breakage is recognized proportionately over the period of redemption in net sales in the Consolidated Statements of Net Income. The liability for unredeemed gift cards is included in deferred revenue on the Consolidated Balance Sheets, and was \$13,714 and \$12,967 at April 24, 2015, and April 25, 2014, respectively.

Revenue in the BEF Foods segment is generally recognized when products are received by our customers. We engage in promotional (sales incentive / trade spend) programs in the form of “off-invoice” deductions, billbacks, cooperative advertising and coupons with our customers. Costs associated with these programs are classified as a reduction of net sales in the period in which the sale occurs.

Promotional (Trade) Spending: We engage in promotional (sales incentive) programs in the form of promotional discounts and coupons at Bob Evans Restaurants, and “off-invoice” deductions, billbacks, and cooperative advertising at BEF Foods. Costs associated with these programs are classified as a reduction of gross sales in the period in which the sale occurs. Promotional spending at Bob Evans Restaurants, primarily comprised of discounts taken on dine in sales, was \$53,636, \$46,452, and \$32,747 for fiscal years 2015, 2014, and 2013, respectively. Promotional spending at BEF Foods, primarily comprised of off invoice deductions and bill backs, was \$56,618, \$49,130, and \$54,499 for fiscal years 2015, 2014, and 2013, respectively.

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Shipping and Handling costs: Expenditures related to shipping our BEF Foods products to our customers are expensed when incurred. Shipping and handling costs were \$19,308 , \$18,841 and \$16,428 in fiscal 2015 , fiscal 2014 and fiscal 2013 , respectively, and recorded in the S,G&A line of the Consolidated Statements of Net Income.

Cash Equivalents: We consider all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents. We did not own any cash equivalents as of April 24, 2015 , or April 25, 2014 .

Accounts Receivable: Accounts receivable represents amounts owed to us through our operating activities and are presented net of allowance for doubtful accounts. Accounts receivable for Bob Evans Restaurants consist primarily of credit card receivables, while accounts receivable for BEF Foods consist primarily of trade receivables from customer sales. We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. In addition, we recognize allowances for bad debts based on the length of time receivables are past due with allowance percentages, based on our historical experiences, applied on a graduated scale relative to the age of the receivable amounts. If circumstances such as higher than expected bad debt experience or an unexpected material adverse change in a major customer's ability to meet its financial obligations to us were to occur, we estimate the recoverability of amounts due to us could change by a material amount. We had allowance for doubtful accounts of \$542 , and \$71 as of April 24, 2015, and April 25, 2014, respectively. Accounts receivable was reduced by \$3,671 and \$2,755 as of April 24, 2015, and April 25, 2014, respectively, related to promotional incentives that reduce what is owed to the Company from certain BEF Foods customers.

Concentration of Credit Risk: We maintain cash depository accounts with major banks. Accounts receivable can be potentially exposed to a concentration of credit risk with customers or in particular industries. Such credit risk is considered by management to be limited due to our many retail customers, none of which are considered principal in our total operations. We have two individual customers that in total represent approximately 30% of net sales in our BEF Foods reporting segment, or approximately 10% of net company sales. In addition, we maintain reserves for credit losses and such losses have historically been within our expectations.

Notes Receivable: As a result of the sale of Mimi's Café to Le Duff, we received a promissory note for \$30,000 . The Note has an annual interest rate of 1.5% , a term of seven years and a principal and interest payment date of February 2020. Partial prepayments are required prior to maturity if the buyer reaches certain levels of EBITDA during specified periods. Our right to repayment under the Note is subordinated to third party lenders as well as other funding that may be provided by the parent company. In the event of a sale or liquidation of Mimi's Café by its parent company, our right to repayment may be subordinated to payments owed to the parent company and potentially reduced based on the funds available for repayment. The note was originally valued using a discounted cash flow model. The Company recognized accretion income on the Note of \$1,859 and \$1,918 in fiscal 2015 and 2014, respectively. This accretion income is reflected within the Net Interest Expense caption of the Consolidated Statements of Net Income.

Inventories: We value our Bob Evans Restaurants inventories at the lower of first-in, first-out cost ("FIFO") or market and our BEF Foods inventories are determined on an average cost method which approximates a FIFO basis due to the perishable nature of our inventory. Inventory includes raw materials and supplies (\$12,898 in fiscal 2015 and \$16,163 in fiscal 2014) and finished goods (\$11,722 in fiscal 2015 and \$9,080 in fiscal 2014).

Property, Plant and Equipment: Property, plant and equipment are recorded at cost less accumulated depreciation. The straight-line depreciation method is used for nearly all capitalized assets, although some assets purchased prior to fiscal 1995 continue to be depreciated using accelerated methods. Depreciation is calculated at rates adequate to amortize costs over the estimated useful lives of buildings and improvements (5 to 50 years) and machinery and equipment (3 to 10 years). Improvements to leased properties are depreciated over the shorter of their useful lives or the initial lease terms. Total depreciation expense from continuing operations was \$79,917 ; \$79,299 ; and \$69,201 in fiscal 2015 , fiscal 2014 and fiscal 2013 , respectively.

In the first quarter we reassessed our overall long-range capital plan and revised the anticipated timing for future store remodel initiatives. It is now anticipated that assets capitalized under the Farm Fresh Refresh remodeling program will have an estimated total life of ten years , rather than seven years , and accordingly useful lives for those affected assets were modified in the first quarter of fiscal year 2015. The change in useful life estimate for these assets resulted in a \$1,999 increase to income, net of tax in fiscal 2015, and had a \$0.08 impact on diluted earnings per share ("EPS").

As of April 24, 2015, and April 25, 2014, we have capitalized \$31,387 and \$11,349 , respectively related to our new Enterprise Resource Planning system ("ERP"). These costs are included in the construction in progress line of the

Consolidated Balance Sheets. During the year ended April 24, 2015, we capitalized internal labor costs of \$4,498. This includes \$3,242 of capitalized costs for ERP and \$1,256 for restaurant construction. During the year ended April 25, 2014, we capitalized internal labor costs of \$4,031. This includes \$2,264 of capitalized costs for ERP and \$1,767 for restaurant construction. The first phase of our ERP system was put in service on April 25, 2015, and has an expected useful life of ten years.

We evaluate property, plant and equipment held and used in the business for impairment whenever events or changes in circumstances indicate that the carrying amount of a long-lived asset may not be recoverable. Impairment is determined by comparing the estimated fair value for the asset group to the carrying amount of its assets. If impairment exists, the amount of impairment is measured as the excess of the carrying amount over the estimated fair values of the assets. See Note 5 for further information. Assets for 19 Bob Evans Restaurants' locations, as well as our Richardson, Texas, location totaling \$22,243 are classified as Current assets held for sale in the Consolidated Balance Sheet as of April 24, 2015. To be consistent with current period presentation, we have reclassified the assets for the 19 Bob Evans Restaurants' locations to the long-term assets held for sale line in the Consolidated Balance Sheets as of April 25, 2014.

Rabbi Trust Assets: The rabbi trust assets line on the Consolidated Balance Sheets is comprised entirely of assets held under certain deferred compensation arrangements and represent the cash surrender value of company-owned life insurance policies. These life insurance policies are intended to be used as a source of funds to match respective funding obligations in our non-qualified deferred compensation plans. The cash surrender value of company owned life insurance policies totaled \$32,302 and \$31,972 as of April 24, 2015, and April 25, 2014, respectively, and are restricted to their use as noted above. The cash receipts and payments related to these company owned life insurance proceeds are included in cash flows from operating activities on the Consolidated Statements of Cash Flows and in Selling, general and administrative expenses ("S,G&A") in the Consolidated Statements of Net Income. Changes in the cash surrender value for these assets are reflected within the S,G&A line in the Consolidated Statements of Net Income, and resulted in gains, net of fees, of \$742 and \$2,249 in fiscal 2015 and 2014, respectively.

Goodwill and Other Intangible Assets: Goodwill, which represents the cost in excess of fair market value of net assets acquired, was \$19,634 as of April 24, 2015, and April 25, 2014. The goodwill and intangible assets are related to the BEF Foods segment. In fiscal 2013, we recognized goodwill related to the purchase of the Kettle Creations® brand ("Kettle Creations") for \$18,067. In addition as part of the purchase of Kettle Creations, we obtained a non-compete agreement with certain executives of the former company. The Kettle Creations non-compete agreement is amortized on a straight-line basis over its estimated economic life of five years. In fiscal 2015 we recorded a \$2,761 impairment charge to write off the value of the Kettle Creations trade name. The charge was recorded in the S,G&A line of the Consolidated Statements of Net Income. See Note 10 for further information.

Goodwill and intangible assets with indefinite lives are not amortized, but rather are tested for impairment during the fourth quarter each year or on a more frequent basis when indicators of impairment exist. Goodwill and indefinite lived intangible asset impairment testing involves a comparison of the estimated fair value of reporting units to the respective carrying amount. If the estimated fair value exceeds the carrying amount, then no impairment exists. If the carrying amount exceeds the estimated fair value, then a second step is performed to determine the amount of impairment, if any. We perform our impairment test using a combination of income based and market based approaches. The income based approach indicates the fair value of an asset or business based on the cash flows it can be expected to generate over its remaining useful life. Under the market-based approach, fair value is determined by comparing our reporting units to similar businesses or guideline companies whose securities are actively traded in public markets.

Financial Instruments: The fair values of our financial instrument approximate their carrying values at April 24, 2015, and April 25, 2014. We do not use derivative financial instruments for speculative purposes. See Note 2 for more information.

Accrued Non-Income Taxes: Accrued non-income taxes primarily represent obligations for real estate and personal property taxes, as well as sales and use taxes for Bob Evans Restaurants. Accrued non-income taxes were \$14,951 and \$17,843 at April 24, 2015, and April 25, 2014, respectively.

Self-Insurance Reserves: We record estimates for certain health, workers' compensation and general insurance costs that are self-insured programs. Self-insurance reserves include actuarial estimates of both claims filed, carried at their expected ultimate settlement value, and claims incurred but not yet reported. Our liability represents an estimate of the ultimate cost of claims incurred as of the balance sheet date. Self-insurance reserves were \$18,900 and \$19,874 at April 24, 2015, and April 25, 2014, respectively.

Preopening Expenses: Expenditures related to the opening of new restaurants and the Farm Fresh Refresh remodel initiative, which was completed in fiscal 2014, are expensed when incurred. Preopening expenses were \$1,272, \$4,378 and

\$3,899 in fiscal 2015 , fiscal 2014 and fiscal 2013 , respectively, and recorded in the other operating expenses line of the Consolidated Statements of Net Income.

Advertising Costs: Media advertising is expensed at the time the media first airs. We expense all other advertising costs as incurred. Advertising expense from continuing operations was \$38,080 , \$36,673 , and \$43,819 in fiscal 2015 , fiscal 2014 and fiscal 2013 , respectively. Approximately 80% of advertising costs are incurred in the Bob Evans Restaurant segment. Advertising costs are classified in other operating expenses and S,G&A expenses in our restaurant segment and BEF Foods segment, respectively, in the Consolidated Statements of Net Income.

Cost of Sales: Cost of sales represents primarily food cost for Bob Evans Restaurants and cost of materials in the BEF Foods segment. Cost of sales also include carryout supplies for Bob Evans Restaurants. Cash rebates that we receive from suppliers are recorded as a reduction of cost of sales in the periods in which they are earned. The amount of each rebate is directly related to the quantity of product purchased from the supplier. Cost of sales excludes depreciation expense, which is recorded in the depreciation and amortization expense line on the Consolidated Statements of Net Income.

Impairments: Impairment charges on property, plant and equipment and intangible assets are recorded to the S,G&A line of the Consolidated Statements of Net Income with the exception of impairments on assets classified as held-for-sale, which are recorded on a separate line. Asset impairment charges in fiscal 2015 were \$8,861 and included impairments of \$3,442 recorded to S,G&A for 15 restaurant properties, \$2,761 recorded to S,G&A for the write off of a trade name owned by BEF Foods and \$2,658 recorded to the Impairments of assets held for sale line for nine restaurant properties. Asset impairment charges in fiscal 2014 were \$16,850 and related to \$4,470 recorded to S,G&A for seven restaurant properties and certain commercial vehicles and \$12,380 recorded to the Impairments of assets held for sale line for 29 restaurant properties and one former BEF Foods production facility. Impairment charges in fiscal 2013 were \$4,409 , were recorded to S,G&A and related to 13 restaurant properties. See Note 5 and Note 10 for additional information.

Comprehensive Income: Comprehensive income is the same as reported net income as we have no other comprehensive income.

Earnings Per Share: Basic earnings-per-share computations are based on the weighted-average number of shares of common stock outstanding during the period presented. Diluted earnings-per-share calculations reflect the assumed vesting of restricted shares, the exercise and conversion of outstanding employee stock options and the settlement of share-based obligations recorded as liabilities on the Consolidated Balance Sheet (see Note 7 for more information), net of the impact of antidilutive shares.

The numerator in calculating both basic and diluted EPS for each year is reported net income. The denominator is based on the following weighted-average number of common shares outstanding (in thousands):

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Basic	23,489	26,450	28,066
Dilutive shares	160	254	422
Diluted	<u>23,649</u>	<u>26,704</u>	<u>28,488</u>

In fiscal 2015 , fiscal 2014 , and fiscal 2013 , 124,766 , 127,201 and 451,842 shares of common stock, respectively, were excluded from the diluted earnings-per-share calculations because they were antidilutive.

Dividends: In Fiscal 2015, we paid four quarterly dividends equal to \$0.31 per share on our outstanding common stock. Participants in our deferred compensation plans earn share based dividend equivalents, equal to the per-share cash dividends paid on restricted stock units that have been deferred into those plans. Share based dividend equivalents are recorded as a reduction to retained earnings, with an offsetting increase to capital in excess of par value. Refer to table below (in thousands):

	<u>2015</u>	<u>2014</u>
Cash dividends paid to common stock holders	\$ 29,056	\$ 31,694
Dividend equivalent rights earned on deferred restricted stock units	370	575
Total dividends	<u>\$ 29,426</u>	<u>\$ 32,269</u>

Stock-based Employee Compensation: The Stock Compensation Topic of the FASB ASC 718 ("ASC 718") requires that we measure the cost of employee services received in exchange for an equity award, such as stock options, restricted stock awards and restricted stock units, based on the estimated fair value of the award on the grant date. The cost is recognized in the

income statement over the vesting period of the award on a straight-line basis with the exception of compensation cost related to awards for retirement eligible employees, which are recognized immediately upon grant. Compensation cost recognized is based on the grant date fair value estimated in accordance with ASC 718. See Note 6 for more information.

Leases: We rent certain restaurant facilities under operating leases having initial terms that primarily expire approximately 20 years from inception. The leases typically contain renewal clauses of 5 to 30 years exercisable at our option. Most leases contain either fixed or inflation-adjusted escalation clauses. Rent expense for our operating leases is recorded on a straight-line basis over the lease term. Our straight-line rent calculations do not include an assumption of lease renewal periods. We record the difference between the amount charged to expense and the rent paid as deferred rent in the Consolidated Balance Sheets. We commence lease expense upon delivery of the leased location by the lessor. Rent expense for Bob Evans Restaurants was \$5,460, \$5,153 and \$4,641 in fiscal 2015, fiscal 2014 and fiscal 2013, respectively, and is recorded in the other operating expenses line in the Consolidated Statements of Net Income. Future minimum lease payments, excluding the impact of any available renewal periods, are expected to be \$4,461, \$4,409, \$4,459, \$4,494, \$4,481, and \$39,380 for fiscal years 2016, 2017, 2018, 2019, 2020, and thereafter, respectively.

Income Taxes: We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

We recognize deferred tax assets to the extent that we believe these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with the Income Taxes Topic of the FASB ASC 740 on the basis of a two-step process whereby (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying Consolidated Statement of Net Income. Accrued interest and penalties are included within the related tax liability line in the Consolidated Balance Sheets.

Commitments and Contingencies: We occasionally use purchase commitment contracts to stabilize the potentially volatile pricing associated with certain commodity items.

We are self-insured for most casualty losses and employee health-care claims up to certain stop-loss limits per claim. We have accounted for liabilities for casualty losses, including both reported claims and incurred but not reported claims, based on information provided by independent actuaries. We have accounted for our employee health-care claims liability through a review of incurred and paid claims history. We do not believe that our calculation of casualty losses and employee health-care claims liabilities would change materially under different conditions and/or different methods. However, due to the inherent volatility of actuarially determined casualty losses and employee health-care claims, it is reasonably possible that we could experience changes in estimated losses, which could be material to net income.

We are from time-to-time involved in ordinary and routine litigation, typically involving claims from customers, employees and others related to operational issues common to the restaurant and food manufacturing industries. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on our financial position, cash flows or results of operations. See Note 9 for further information.

Reclassifications: Certain prior period amounts have been reclassified or adjusted to conform to the current presentation. We reclassified \$5,052 and \$5,001 of Bob Evans Restaurants wages expense related to our store management training program incurred in fiscal 2014 and 2013, respectively, from the S,G&A expenses line to the operating wage and fringe benefit expenses line on the Consolidated Statements of Net Income. We believe these costs are better classified as wage expense rather than S,G&A expense. We also reclassified \$1,884 and \$1,688 of freight charges related to the transportation of materials between BEF Foods production facilities incurred in fiscal 2014 and 2013, respectively, from the other operating expenses line to the cost of sales line on the Consolidated Statements of Net Income. We believe these costs are better classified as cost of sales as they are incurred as part of the production process. These reclassifications had no impact on reported net income.

Corrections of Prior Period Errors: In fiscal 2015 we corrected immaterial prior period errors related to the accounting for our deferred compensation plans. We recorded adjustments to reflect obligations related to deferred stock compensation as equity instruments, to consolidate common stock and other assets held by our Rabbi Trust and to record share-based dividend equivalent payments earned by deferred compensation plan participants in accordance with the provisions of ASC 710 - Compensation and ASC 718 - Stock Compensation.

The effect of these adjustments to our fiscal 2014 Consolidated Balance Sheet was an increase of capital in excess of par value of \$6,371 , a reduction of the deferred compensation liability of \$3,440 , an increase to treasury stock of \$2,356 , a reduction to retained earnings of \$384 and an increase to prepaid expenses and other current assets of \$191 . While the adjustments are immaterial, the April 25, 2014, Consolidated Balance Sheet, Statement of Stockholders Equity, Statement of Cash Flows and applicable footnote disclosures have been adjusted to reflect these corrections. These adjustments had no effect on the reported amounts of income from continuing operations or net income for fiscal 2014.

We have corrected \$1,950 of cash related deferred compensation obligations for the year ended April 25, 2014, from the deferred compensation line within long-term liabilities to the accrued wages and related liabilities line within current liabilities on the Consolidated Balance Sheet as of April 25, 2014 . This reclassification was made to reflect as a current liability the amount of deferred compensation obligations scheduled to be satisfied in the subsequent 12 months based on the distribution elections of our plan participants.

We have corrected \$2,755 of accrued promotional incentives sales deductions for the year ended April 25, 2014, from the other accrued expenses line to the accounts receivable line on the Consolidated Balance Sheets. These deductions are now classified in accounts receivable as they are reductions in what is owed to the Company from its customers.

We have corrected \$1,481 of reserves for uncertain tax positions for the year ended April 25, 2014, from long-term to current liabilities on the Consolidated Balance Sheets. These reserves are related to uncertain tax positions we expected to resolve in fiscal 2015.

New Accounting Pronouncements: In the normal course of business, management evaluates all new accounting pronouncements issued by the FASB, the Securities and Exchange Commission ("SEC"), the Emerging Issues Task Force, the American Institute of Certified Public Accountants or any other authoritative accounting body to determine the potential impact they may have on the Company's consolidated financial statements.

In May 2014, the FASB and the International Accounting Standards Board (IASB) issued new joint guidance surrounding revenue recognition. Under U.S. generally accepted accounting principles ("US GAAP"), this guidance is being introduced to the ASC as Topic 606, Revenue from Contracts with Customers ("Topic 606"), by Accounting Standards Update No. 2014-09 ("ASU 2014-09"). The new standard supersedes a majority of existing revenue recognition guidance under US GAAP, and requires companies to recognize revenue when it transfers goods or services to a customer in an amount that reflects the consideration to which a company expects to be entitled. Companies may need to use more judgment and make more estimates while recognizing revenue, which could result in additional disclosures to the financial statements. Topic 606 allows for either a "full retrospective" adoption or a "modified retrospective" adoption. We are currently evaluating which adoption method we will use. The standard is effective for us in fiscal 2018. We are currently evaluating the revenue recognition impact this guidance will have once implemented.

In April 2014, the FASB issued Accounting Standards Update No. 2014-08, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity ("ASU 2014-08"), which is an update to existing guidance related to reporting discontinued operations. The updated guidance states that only those disposals of components of an entity which would represent a strategic shift in operations and has or will have a major impact on operations and financial results will be presented as discontinued operations. This update also requires the assets and liabilities of a discontinued operation to be presented separately in the statement of financial position for all prior periods presented. We adopted ASU 2014-08 in the first quarter of fiscal 2015. This update did not have an impact on the consolidated financial statements.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, Presentation of Financial Statements - Going Concern ("ASU 2014-15") to provide guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern. The guidance requires management to assess whether there are conditions or events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued. When management identifies such conditions or events, a footnote disclosure is required to disclose their nature, as well as management's plans to alleviate the substantial doubt to continue as a going concern. We do not expect this update to have an impact on the consolidated financial statements.

Note 2 — Long-Term Debt and Credit Arrangements

As of April 24, 2015, long-term debt was comprised of the outstanding balance on our Revolving Credit Facility Amended and Restated Credit Agreement ("Credit Agreement") of \$447,599, the long term portion of a \$3,000 Research and Development Investment Loan ("R&D Loan") with the State of Ohio totaling \$2,222 and an interest-free loan of \$1,000, due ten years from the date of borrowing, with imputed interest, which as a result is discounted to \$855. Refer to the table below:

(in thousands)	April 24, 2015	April 25, 2014
Credit Agreement borrowings (1)	\$ 447,599	\$ 458,898
R&D Loan (1)	2,631	—
Interest-free loan (1)	855	835
Total borrowings	451,085	459,733
Less current portion	(409)	(458,898)
Long term debt	\$ 450,676	\$ 835

(1) The Credit Agreement, R&D Loan and Interest-free loan mature in fiscal 2019, 2021 and 2022, respectively.

On January 2, 2014, we entered into a \$750,000 long-term Credit Agreement which replaced the previous credit facility. The Credit Agreement represents a syndicated secured revolving credit facility under which up to \$750,000 will be available, with a letter of credit sub-facility of \$50,000, and an accordion option to increase the revolving credit commitment to \$1,050,000. It is secured by the stock pledges of certain material subsidiaries. This agreement replaced our existing variable-rate revolving credit facility. Borrowings under the Credit Agreement bear interest, at Borrower's option, at a rate based on LIBOR or the Base Rate, plus a margin based on the Leverage Ratio, ranging from 1.00% to 2.75% per annum for LIBOR, and ranging from 0.00% to 1.75% per annum for Base Rate. The Base Rate means for any day, a fluctuating per annum rate of interest equal to the highest of (i) the Federal Funds Open Rate, plus 0.5%, (ii) the Prime Rate, or (iii) the Daily LIBOR Rate, plus 1.0%. We are also required to pay a commitment fee of 0.15% per annum to 0.25% per annum of the average unused portion of the total lender commitments then in effect. We incurred financing costs of \$2,064 associated with this refinancing, which along with previous unamortized debt financing costs of \$760 are being amortized over five years. The Credit Agreement has a maturity date of January 1, 2019.

In the first quarter of fiscal 2015, we entered into a First Amendment to the Credit Agreement. The terms of the Credit Agreement that were amended related to: (a) an increase to the Maximum Leverage Ratio for the period starting July 25, 2014, through July 22, 2016, (b) certain restricted payment requirements related to share repurchases and (c) an update to the Pricing Grid, which determines variable pricing and fees, to reflect changes in the allowable maximum leverage ratio. We incurred financing costs of \$1,279 associated with this amendment, which are being amortized using the straight line method, which approximates the effective interest method.

On May 11 2015, we entered into a Second Amendment to the Credit Agreement. The amendment has an effective date of April 24, 2015. The terms of the Credit Agreement were amended related to: (a) an increase to the Maximum Leverage Ratio for the period starting April 24, 2015, through the remaining term of the agreement, (b) a change in the restrictions related to payments for share repurchases, and (c) a change in the definition of the LIBOR and Daily LIBOR rates that are used to calculate interest on outstanding borrowings. We incurred fees of \$1,705 associated with this amendment, which will be paid in the first quarter of fiscal 2016 and amortized over the remaining term of the Credit Agreement using the straight line method, which approximates the effective interest method.

Our Credit Agreement contains financial and other various affirmative and negative covenants that are typical for financings of this type. Our Credit Agreement contains financial covenants that require us to maintain a specified minimum coverage ratio and maximum leverage ratio at April 24, 2015, of (1) a minimum coverage ratio of not less than 3.00 to 1.00; and (2) a maximum leverage ratio that may not exceed 4.50 to 1.00. As of April 24, 2015, our coverage ratio was 11.89, and our leverage ratio was 3.37, as defined in our credit facility. Our credit facility also limits repurchases of our common stock and the amount of dividends that we pay to holders of our common stock in certain circumstances. A breach of any of these covenants could result in a default under our credit facility, in which all amounts under our credit facility may become immediately due and payable, and all commitments under our credit facility extend further credit may be terminated. We are in compliance with the financial covenant requirements of our credit facility as of April 24, 2015.

As of April 24, 2015, we had \$447,599 outstanding on the Credit Agreement. The primary purposes of the Credit Agreement are for trade and stand-by letters of credit in the ordinary course of business as well as working capital, refinancing of existing indebtedness, if any, capital expenditures, joint ventures and acquisitions, stock repurchases and other general corporate purposes. A one percent increase in the benchmark rate used for our credit facility would increase our annual interest

expense by approximately \$4,538 assuming the \$447,599 outstanding at the end of fiscal 2015 was outstanding for the entire year.

Outstanding borrowings on the Credit Agreement are classified as a noncurrent liability as of April 24, 2015, and were classified as a current liability as of April 25, 2014. At the end of fiscal 2014 our Credit Agreement borrowings were classified as current based on our assessment of the Company's inability to meet its leverage ratio covenant, as defined at that time, during fiscal 2015. The change in classification was made in the first quarter of fiscal 2015 as the Company amended the Credit Agreement to increase the leverage ratio requirement.

At April 24, 2015, we had outstanding letters of credit that totaled approximately \$12,424, of which \$12,123 is utilized as part of the total amount available under our Credit Agreement. If certain conditions are met under these arrangements, we would be required to satisfy the obligations in cash. Due to the nature of these arrangements and based on historical experience and future expectations, we do not expect to make any significant payment outside of the terms set forth in these arrangements.

Our effective interest rate for the Credit Agreement was 2.09% during the year ended April 24, 2015. Interest costs of \$471, \$611 and \$835 incurred in fiscal 2015, fiscal 2014 and fiscal 2013, respectively, were capitalized in connection with our ERP and construction activities. Interest paid in fiscal 2015, fiscal 2014 and fiscal 2013 was \$10,399, \$4,544 and \$12,442, respectively. Net interest expense in fiscal 2015, 2014 and 2013 was comprised of the following:

(in thousands)	2015	2014	2013
Interest Expense:			
Variable-rate debt ⁽¹⁾	\$ 10,373	\$ 4,885	\$ 1,672
Fixed-rate debt ⁽²⁾	1,177	391	10,844
Capitalized interest	(471)	(611)	(835)
Total Interest Expense on outstanding borrowings	11,079	4,665	11,681
Interest income:			
Accretion on note receivable	(1,859)	(1,918)	—
Other ⁽³⁾	(571)	(733)	(196)
Total Interest Income	(2,430)	(2,651)	(196)
Net Interest Expense	\$ 8,649	\$ 2,014	\$ 11,485

(1) Primarily interest expense on our Credit Agreement Borrowings

(2) Primarily the amortization of debt issuance costs in fiscal 2015 and 2014, respectively. Fiscal 2013 includes a \$6.2 million "make-whole" payment related to the prepayment of our outstanding note purchase agreements, as well as interest previously incurred on those notes.

(3) Primarily interest income on our \$30,000 note receivable, obtained as part of the sale of Mimi's Café to Le Duff.

On November 30, 2012, we provided the agents for the Note Purchase Agreement, dated July 28, 2004, as amended ("2004 Notes"), and the Note Purchase Agreement, dated July 28, 2008, as amended ("2008 Notes"), with a prepayment notice. The interest rates under the 2004 Notes was Series 5.12% and 5.67%, and under the 2008 Notes was 6.39% and 6.39%. Per the terms of the 2004 Notes and the 2008 Notes (collectively, "Private Placement Notes"), notice of prepayment was required at least 30 days, but not more than 60 days, prior to payment. On December 31, 2012, we prepaid the Private Placement Notes in full, consisting of \$97,145 in current aggregate principal amount, plus a make-whole amount of \$6,150 determined in accordance with the provisions of the Private Placement Notes. Absent their early termination and prepayment, the maturity date of the 2004 Notes and the 2008 Notes would have been July 28, 2016, and July 28, 2014, respectively. We used cash on hand and borrowings from the credit facility to prepay the Private Placement Notes.

Note 3 — Income Taxes

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The amount of the deferred tax assets considered realizable could be adjusted if estimates of future taxable income during the carryforward periods are reduced or increased, or if objective negative evidence in the form of cumulative losses is no longer present and additional weight may be given to subjective evidence, such as the Company's projections for growth. Significant components of our deferred tax liabilities and assets as of April 24, 2015, and April 25, 2014, were as follows:

(in thousands)	April 24, 2015	April 25, 2014
<i>Deferred tax assets:</i>		
Self-insurance	\$ 6,357	\$ 6,222
Stock and deferred compensation plans	16,857	15,405
Deferred proceeds on Mimi's Café sale	4,263	4,874
State net operating loss carry forward	2,586	3,983
Credit carryforwards	13	3,620
Legal Reserve	2,791	248
Inventory	2,582	2,690
Other	6,772	5,994
Total deferred tax assets before valuation allowances	\$ 42,221	\$ 43,036
Valuation allowance	(241)	(771)
<i>Net deferred tax assets</i>	\$ 41,980	\$ 42,265
<i>Deferred tax liabilities:</i>		
Property, plant and equipment	\$ 40,054	\$ 54,331
Other	1,307	2,107
Total deferred tax liabilities	\$ 41,361	\$ 56,438
<i>Net deferred tax assets (liabilities)</i>	\$ 619	\$ (14,173)

There are \$2,586 of state net operating loss carry forwards that will expire at various times through 2034.

As of April 24, 2015, and April 25, 2014, the valuation allowance for net operating loss carryovers totaled \$241 and \$771, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and taxable income in carryback years, and tax-planning strategies when making this assessment. No other valuation allowances have been provided for deferred tax assets because management believes that it is more-likely-than-not that the full amount of the net deferred tax assets will be realized in the future.

Significant components of the provision (benefit) for income taxes are as follows:

(in thousands)	2015	2014	2013
<i>Current:</i>			
Federal	\$ 8,021	\$ 7,734	\$ (2,602)
State	(746)	(1,236)	3,772
Total current	\$ 7,275	\$ 6,498	\$ 1,170
<i>Deferred:</i>			
Federal	\$ (15,243)	\$ (6,769)	\$ 583
State	452	414	(7,837)
Total deferred	\$ (14,791)	\$ (6,355)	\$ (7,254)
<i>Total tax provision (benefit)</i>	\$ (7,516)	\$ 143	\$ (6,084)

Our provision (benefit) for income taxes differs from the amounts computed by applying the federal statutory rate due to the following:

	2015	2014	2013
Statutory Federal Tax Rate	35.0 %	35.0 %	35.0 %
State income tax (benefit) — net	0.5	1.5	(2.5)
Federal tax credits	(72.4)	(17.0)	(6.0)
Domestic Production Activity Deduction	(29.2)	(8.7)	—
Worthless stock	—	(1.9)	(30.1)
Officers life insurance	(6.9)	(2.6)	(1.4)
Charitable Contributions	(4.5)	(1.0)	(0.4)
Settlements with state taxing authorities	—	(4.0)	—
State and Local Tax Reserves	(5.8)	(0.3)	(1.3)
Other	0.1	(0.5)	(1.3)
<i>Provision (benefit) for income taxes</i>	<u>(83.2)%</u>	<u>0.5 %</u>	<u>(8.0)%</u>

Taxes paid during fiscal 2015 , fiscal 2014 and fiscal 2013 were \$10,543 , \$16,332 , and \$34,458 , respectively.

Uncertain Tax Positions

The following table summarizes activity of the total amounts of unrecognized tax benefits:

(in thousands)	2015	2014	2013
Balance at beginning of fiscal year	\$ 5,952	\$ 9,554	\$ 11,045
Additions based on tax positions related to the current year	63	31	366
Additions for tax positions of prior years	551	1,004	123
Reductions for tax positions of prior years	(284)	(25)	(271)
Reductions due to settlements with taxing authorities	(672)	(1,423)	(799)
Reductions due to statute of limitations expiration	(408)	(3,189)	(910)
Balance at end of fiscal year	<u>\$ 5,202</u>	<u>\$ 5,952</u>	<u>\$ 9,554</u>

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate as of April 24, 2015 , April 25, 2014 , and April 26, 2013 , was \$4,939 , \$5,652 and \$6,885 , respectively. The remaining unrecognized tax benefits relate to tax positions for which ultimate deductibility is highly certain, but for which there is uncertainty as to the timing of such deductibility. Recognition of these tax benefits would not affect our effective tax rate.

The Company believes that it is reasonable that a decrease of approximately \$447 to \$2,041 in unrecognized tax benefits related to state exposures may be necessary in the coming year due to settlements with taxing authorities or lapses of statutes of limitations.

We recognize interest and penalties related to unrecognized tax benefits as a component of income tax expense in the Consolidated Statements of Net Income. During fiscal 2015 , fiscal 2014 and fiscal 2013 , we recognized approximately \$(166) , \$204 and \$394 , respectively, of interest and penalties in tax expense (benefit). As of April 24, 2015 , and April 25, 2014 , we had accrued approximately \$839 and \$1,005 , respectively, in interest and penalties related to unrecognized tax benefits.

We file United States federal and various state and local income tax returns. Tax returns are generally subject to examination for a period of three to five years after the filing of the respective return. The federal statute of limitations has been extended to April 30, 2016, for the fiscal years ended April 29, 2011, and April 27, 2012.

Note 4 — Restructuring and Severance Charges

In fiscal 2013 we began a strategic organizational realignment including a closure of production facilities and a reduction of personnel at Bob Evans Restaurants, BEF Foods and at our corporate headquarters, as part of our comprehensive plan to reduce S,G&A expenses. In the third quarter of fiscal 2014, we closed our BEF Foods production plants in Springfield and Bidwell, Ohio. The action to close the food production facilities was intended to increase efficiency by consolidating

production to our high capacity food production facility in Sulphur Springs, Texas. In the fourth quarter of fiscal 2014 we recorded charges related to a reduction of personnel at our corporate headquarters. In the fourth quarter of fiscal 2015 management approved a plan to further reduce headcount as part of the overall S,G&A cost reduction initiative.

As part of these organizational realignment and S,G&A cost reduction activities, we recorded pretax restructuring and severance charges in continuing operations totaling \$3,234 , \$6,151 and \$9,256 in fiscal 2015, 2014 and 2013 respectively. Restructuring costs related to personnel at our corporate headquarters are allocated to the Bob Evans Restaurants and BEF Foods business segments, and were primarily recorded in the S,G&A line of the consolidated statements of net income.

In the fourth quarter of fiscal 2015 the Board of Directors approved, and management committed to a plan to close 16 owned, and four leased, underperforming restaurants in fiscal 2016. We believe these closures will strengthen our restaurant portfolio by improving overall returns and freeing up resources for other uses. Associated with this plan we incurred severance costs of \$549 that will be paid to both salaried and hourly employees at the closing restaurants. We also incurred lease termination charges of \$557 related to three of the leased stores that are closing, while the fourth will terminate through natural lease expiration. These charges were recorded in the S,G&A line on the consolidated statement of net income. We closed eighteen of these restaurants in the first quarter of fiscal 2016, while the remaining two are expected to close by the end of the fiscal 2016.

Liabilities as of April 24, 2015, include \$2,261 relating to corporate severance charges primarily recorded in the fourth quarter of fiscal 2015, \$549 and \$557 recorded to Bob Evans Restaurants for severance and lease termination charges related to restaurant closures and \$259 recorded to BEF Foods for remaining payments related to our plant consolidation activities. We expect the majority of these liabilities, classified primarily in the accrued wages and related liabilities line of the Consolidated Balance Sheets, to be paid in fiscal 2016.

(in thousands)	Bob Evans Restaurants	BEF Foods	Total
April 27, 2012	\$ —	\$ —	—
Restructuring and related severance charges incurred	2,774	6,482	9,256
Amounts Paid	(1,514)	(3,922)	(5,436)
Balance April 26, 2013	\$ 1,260	\$ 2,560	\$ 3,820
Restructuring and severance charges incurred	2,473	3,678	6,151
Adjustments	(131)	—	(131)
Amounts paid	(3,116)	(5,497)	(8,613)
Balance April 25, 2014	\$ 486	\$ 741	\$ 1,227
Restructuring and severance charges incurred	2,931	1,409	4,340
Adjustments	(43)	(49)	(92)
Amounts paid	(681)	(1,168)	(1,849)
Balance April 24, 2015	\$ 2,693	\$ 933	\$ 3,626

Note 5 — Impairments and Loss on Sale of Assets

We measure certain assets and liabilities at fair value on a nonrecurring basis, including, long-lived assets that have been reduced to fair value when they are held for sale and long-lived assets that are written down to fair value when they are impaired.

We evaluate the carrying amount of long-lived assets held and used in the business periodically and when events and circumstances warrant such a review to ascertain if any assets have been impaired. The carrying amount of a long-lived asset group is considered impaired when the carrying value of the asset group exceeds the expected future cash flows from the asset group. The impairment loss recognized is the excess of carrying value above its fair value. The estimation of fair value requires significant estimates of factors in future restaurant performance and market-based real estate appraisals. To estimate fair value for locations where we own the land and building, we obtain appraisals from third party real estate valuation firms based on sales of comparable properties in the same area as our restaurant location, which approximates fair value. We use discounted future cash flows to estimate fair value for long-lived assets for our leased locations. Our weighted average cost of capital is used as the discount rate in our fair value measurements for leased locations, which is considered a Level 3 measurement. A reasonable change in this discount rate would not have a significant impact on these fair value measurements.

In the fourth quarter of fiscal 2015 we incurred pretax impairment charges of \$2,851 in the Bob Evans Restaurant segment related to our decision to close 20 underperforming restaurants in the following year. Eighteen of these stores were closed in the first quarter of fiscal 2016 and we plan to close the remaining two stores by the end of fiscal 2016. We believe these closures strengthened our restaurant portfolio by improving overall returns and freeing up resources for other uses.

The impairment charges related to eight owned locations classified as held for sale on the Consolidated Balance Sheets, and four leased locations. We also recorded impairment charges of \$3,249 in the first and third quarters of the year as a result of adverse performance and a reassessment of expected future cash flows at ten current and former restaurant locations, one of which is classified as held for sale on the Consolidated Balance Sheets. In total for fiscal 2015, Bob Evans Restaurant impairment charges of \$3,442 and \$2,658 are recorded in the S,G&A line and the Impairment of assets held for sale line of the Consolidated Statements of Net Income, respectively. As of April 24, 2015, the net book value of restaurant assets remeasured during fiscal 2015 was \$15,048.

In the first quarter of fiscal 2014, we reached an agreement to sell 29 locations, resulting in pretax impairment charges in the Bob Evans Restaurants segment of \$8,609. In the second quarter of the prior year, we closed on the sale of 27 of the 29 properties and recorded an additional impairment charge of \$771 related to the two remaining properties. We closed on the sale of 28 of the 29 nonoperating properties at the end of the prior year. The remaining property was reclassified out of held for sale assets during the fourth quarter of fiscal 2014 and we resumed depreciation for this location. We recorded an additional pretax impairment charges in the Bob Evans Restaurants reporting segment of \$4,133 on seven restaurant locations in fiscal 2014. The charges were recorded in the S,G&A line in the Consolidated Statements of Net Income.

In the second quarter of fiscal 2014, we announced our plans to close our food production plant in Richardson, Texas. Based on the estimated value of the facility, we recorded a pretax impairment charge in the BEF Foods segment of \$3,000 in the second quarter of fiscal 2014. The long-lived asset group related to this plant is included at its fair value, less costs to sell, in the "Current assets held for sale" line in the Consolidated Balance Sheet. Upon being classified as held for sale, depreciation ceased for these assets.

To be consistent with current period presentation, we have reclassified the assets for nineteen restaurants and the Richardson plant to the "Long-term assets held for sale" line in the Consolidated Balance Sheets as of April 25, 2014.

The following table represents impairments for those assets remeasured to fair value on a nonrecurring basis during the fiscal year:

(in thousands)	2015	2014	2013
Bob Evans Restaurants			
Assets held for use	\$ 3,442 ⁽¹⁾	\$ 4,470 ⁽³⁾	\$ 4,409 ⁽⁶⁾
Assets held for sale	2,658 ⁽²⁾	9,380 ⁽⁴⁾	—
BEF Foods			
Assets held for sale	—	3,000 ⁽⁵⁾	—

(1) Relates to eleven operating and two nonoperating locations

(2) Relates to eight operating and one nonoperating location

(3) \$4,133 and \$337 relates to impairment of seven operating locations and certain commercial vehicles, respectively

(4) \$9,380 relates to impairment of 29 nonoperating locations, of which \$714 relates to the impairment of one location no longer classified as held for sale

(5) \$3,000 relates to impairment of one nonoperating location

(6) \$1,717 and \$2,692 relates to impairment of three operating and ten nonoperating locations, respectively

Additionally in the third quarter of fiscal 2015 we recognized a loss of \$1,728 on the sale of our ownership interest in an aircraft that was jointly owned. The loss was recorded in the S,G&A line in the Consolidated Statements of Net Income.

Note 6 — Stock-Based Compensation Plans

On September 13, 2010, our stockholders approved the Bob Evans Farms, Inc. 2010 Equity and Cash Incentive Plan (the "2010 Plan"). Upon approval, the 2010 Plan became our primary plan under which new stock-based compensation can be granted. At April 24, 2015, there were awards outstanding under the 2010 Plan, as well as previous equity plans adopted in 2006, 1998 and 1992.

The types of awards that may be granted under the 2010 Plan include: stock options, stock appreciation rights, restricted stock, restricted stock units, cash incentive awards, performance shares, performance units, and other awards. The Compensation Committee of the Board of Directors administers the 2010 Plan, including establishing the terms and conditions

of the awards. The 2010 Plan allows the Compensation Committee to make awards to any of our employees, consultants, or nonemployee directors. The 2010 Plan imposes various restrictions on awards, including a maximum life of 10 years for stock options and stock appreciation rights and a minimum exercise price equal to the grant date stock price for stock options and stock appreciation rights. The remaining shares available for issue under the 2006 Equity and Cash Incentive Plan (the "2006 Plan") became available for issuance under the 2010 Plan effective September 13, 2010.

In 2006, we adopted a performance incentive plan ("PIP") designed to align the compensation of executive officers and senior management with our financial and operational performance. The PIP provides for awards of cash, whole shares, restricted shares and stock options, generally vesting over three years. All stock-based awards made under the PIP prior to September 11, 2006, were awarded out of, and in accordance with, the 1998 plan. All PIP stock-based awards made from the period September 12, 2006, to June 22, 2010, were awarded out of, and in accordance with, the 2006 Plan. All PIP stock-based awards made subsequent to that date have been awarded out of, and in accordance with, the 2010 Plan.

The 1998 plan provided that the option price for: (1) incentive stock options may not be less than the fair market value of the stock at the grant date and (2) nonqualified stock options shall be determined by the Compensation Committee of the Board of Directors.

The 1992 plan was adopted in connection with our supplemental executive retirement plan ("SERP"), which provides retirement benefits to certain key management employees. In the past, SERP participants could elect to have their awards allocated to their accounts in cash or, when permitted by the Compensation Committee, they could receive an equivalent value of nonqualified stock options. The 1992 plan provided that the option price could not be less than 50 percent of the fair market value of the stock at the date of grant. The last grant of stock options under the 1992 plan was in fiscal 2003. Since fiscal 2003, all SERP awards have been allocated to participants' accounts in cash.

In fiscal 2015, we granted restricted stock awards ("RSAs") and restricted stock units ("RSUs"). Total stock-based compensation expense from continuing operations in fiscal 2015, fiscal 2014 and fiscal 2013 was \$2,967, \$7,105 and \$8,606 respectively. The related tax benefit recognized was \$1,127, \$2,700 and \$2,642 in fiscal 2015, fiscal 2014 and fiscal 2013, respectively. Expense associated with stock-based compensation is primarily reflected in S,G&A expense.

We issued RSAs and RSUs in fiscal 2015, fiscal 2014 and fiscal 2013. RSAs and RSUs are valued based on the stock closing price on the grant date. RSAs and RSUs typically vest ratably over three years with the exception of awards granted to our non-employee directors, which generally vest in one year. During fiscal 2015, fiscal 2014 and fiscal 2013, we issued treasury shares to satisfy the vesting of restricted awards and stock option exercises.

Stock Options

The following table summarizes option-related activity for fiscal 2015:

Options	Shares Subject to Options	Weighted-Average Exercise Price
Outstanding, Beginning of Year	77,159	\$ 29.95
Granted	—	—
Exercised	(22,488)	26.49
Forfeited or expired	(6,639)	28.35
Outstanding, End of Year	48,032	\$ 31.79

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Options outstanding	48,032	\$ 31.79	2.98	\$ 648
Options exercisable	48,032	\$ 31.79	2.98	\$ 648

As of April 24, 2015, there was no remaining unrecognized compensation cost related to non-vested stock options. The total intrinsic value of options exercised during fiscal 2015, fiscal 2014 and fiscal 2013 was \$567, \$8,124 and \$2,921, respectively. Cash received from the exercise of options was \$534, \$13,432 and \$8,642 for fiscal 2015, fiscal 2014 and fiscal 2013, respectively.

Cash flows resulting from the tax benefits of tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) are classified as financing cash flows. In fiscal 2015, fiscal 2014 and fiscal 2013, excess tax

benefits of \$228 ; \$1,756 ; and \$2,094 , respectively, were classified as financing cash flows in the Consolidated Statements of Cash Flows.

Restricted Stock

A summary of the status of our non-vested restricted stock awards and restricted stock units as of April 24, 2015 , and changes during fiscal 2015 is presented below:

Restricted Stock Awards	Shares	Weighted-Average Grant Date Fair Value
Non-vested, Beginning of Year	181,961	\$ 37.53
Granted	64,901	48.77
Vested	(55,875)	37.99
Forfeited	(35,038)	40.47
Non-vested, End of Year	155,949	\$ 41.39

Restricted Stock Units	Shares	Weighted-Average Grant Date Fair Value
Non-vested, Beginning of Year	255,909	\$ 42.55
Granted	31,564	47.00
Vested	(191,823)	41.78
Forfeited	(6,783)	47.79
Non-vested, End of Year	88,867	\$ 45.40

At April 24, 2015 , there was \$4,571 of unrecognized compensation cost related to non-vested restricted stock awards and restricted stock units. This cost is expected to be recognized over a weighted-average period of 2.31 and 2.25 years for non-vested RSAs and RSUs, respectively. The total fair value of awards granted during fiscal 2015, fiscal 2014 and fiscal 2013 was \$4,649 , \$9,340 and \$7,245 , respectively. The total fair value of awards that vested during fiscal 2015 , fiscal 2014 and fiscal 2013 was \$10,136 , \$7,813 , and \$8,268 , respectively.

In addition to the shares subject to outstanding options and unvested restricted stock units, approximately 1,450,000 shares were available for grant under the 2010 Plan at April 24, 2015 .

Note 7 — Other Compensation Plans

Defined Contribution Plan: We have a defined contribution plan (401(k)) that is available to substantially all employees who have at least 1,000 hours of service. Annual matching contributions to the 401(k) plan are at the discretion of our Board of Directors, and are based on calendar-year contributions of plan participants. Expenses related to matching contributions to these plans for continuing operations in fiscal 2015 , fiscal 2014 and fiscal 2013 were \$1,418 , \$452 and \$3,885 respectively, and are primarily recorded within S,G&A.

Nonqualified Deferred Compensation Plans: We have three nonqualified deferred compensation plans, the Bob Evans Executive Deferral Plans I and II (collectively referred to as "BEEDP") and Bob Evans Directors' Deferral Plan ("BEDDP"), which provides certain executives and Board of Directors members, respectively, the opportunity to defer a portion of their current year salary or stock compensation to future years. A third party manages the investments of employee deferrals. Expenses related to investment results of these deferrals are based on the change in quoted market prices of the underlying investments elected by plan participants, and totaled \$1,351 , \$1,942 , and \$1,788 in fiscal 2015 , 2014 , and 2013 respectively, and are recorded within S,G&A.

Obligations to participants who defer stock compensation through our deferral plans are satisfied only in company stock. There is no change in the vesting term for stock awards that are deferred into these plans. Obligations related to these deferred stock awards are treated as "Plan A" instruments, as defined by ASC 710. These obligations are classified as equity instruments within the Capital in excess of par value line of the Consolidated Balance Sheets. No subsequent changes in fair value are recognized in the Consolidated Financial Statements for these instruments. Participants earn share-based dividend equivalents in an amount equal to the value of per-share dividends paid to common shareholders. These dividends accumulate into additional shares of common stock, and are recorded through retained earnings in the period in which dividends are paid.

Vested, deferred shares are included in the denominator of basic and diluted EPS in accordance with ASC 260 - Earnings per Share. The dilutive impact of unvested, deferred stock awards is included in the denominator of our diluted EPS calculation. Refer to Note 6 for additional information on stock-based compensation.

Participants who defer cash compensation into our deferral plans have a range of investment options, one of which is company stock. Obligations for participants who choose this investment election are satisfied only in shares of company stock, while all other obligations are satisfied in cash. These share-based obligations are treated as "Plan B" instruments, as defined by ASC 710. These deferred compensation obligations are recorded as liabilities on the Consolidated Balance Sheets, in the Deferred compensation line. We record compensation cost for subsequent changes in fair value of these obligations. Participants earn share-based dividend equivalents in an amount equal to the value of per-share dividends paid to common shareholders. These dividends accumulate into additional shares of common stock, and are recorded as compensation cost in the period in which the dividends are paid. At April 24, 2015, our deferred compensation obligation included \$2,676 of share based obligations, which represents approximately 59,000 shares. The dilutive impact of these shares are included in the denominator of our EPS calculation. Compensation cost (benefit) recognized on the adjustment of fair value for deferred awards was immaterial in the current and prior year. Also refer to the "Corrections of a Prior Period Error" section of Note 1 for information on adjustments related to these deferred compensation obligations made in fiscal 2015.

Supplemental Executive Retirement Plan: The Supplemental Executive Retirement Plan ("SERP") provides awards to a limited number of executives in the form of nonqualified deferred cash compensation. Gains and losses related to these benefits and the related investment results are recorded within the S,G&A caption in the consolidated statements of net income. Our expense related to cash contributions to the SERP was \$526 ; \$580 ; and \$542 in fiscal 2015, fiscal 2014 and fiscal 2013, respectively and are recorded within S,G&A.

Deferred compensation liabilities expected to be satisfied in the next 12 months are classified as current liabilities in the Accrued wages and other liabilities line of the Consolidated Balance Sheets. Our deferred compensation liabilities as April 24, 2015, and April 25, 2014, consisted of the following:

(in thousands)	April 24, 2015	April 25, 2014
Deferred cash obligations in BEEDP and BEDDP plans	\$ 17,904	\$ 18,789
Deferred cash obligations in SERP plan	9,198	9,704
Deferred liability for share-based obligations in BEEDP and BEDDP plans	2,676	2,475
Other noncurrent compensation arrangements (1)	958	1,323
Total deferred compensation liabilities	\$ 30,736	\$ 32,291
Less current portion	(8,255)	(1,950)
Noncurrent deferred compensation liabilities	\$ 22,481	\$ 30,341

(1) The April 24, 2015, balance primarily related to the noncurrent portion of severance owed to our former Chief Executive Officer, see Note 8 for more details. The April 25, 2014, balance primarily related to the noncurrent portion of deferred payments to former employees of Kettle Creations, which was acquired by the Company in fiscal 2013.

Vacation Benefits: Effective January 1, 2015, we made modifications to our vacation benefit policy for salaried employees, which resulted in a reduction to our accrued vacation liability of \$3,636 during the year. Vacation benefits for salaried employees are now earned ratably throughout the year. The benefit was recorded primarily in the Operating wages and fringe benefit expenses line in the Consolidated Statements of Net Income.

Note 8 — CEO Separation Costs

Effective December 14, 2014, Steven A. Davis resigned as the Chief Executive Officer and from the Company's board of directors by mutual agreement with the Company's Board of Directors. Effective January 2, 2015, Mr. Davis separated from the Company. Pursuant to his employment agreement, Mr. Davis is entitled to certain post-employment compensation and benefits subsequent to separation from the Company, which occurred as a termination without cause as defined in the contract. As a result, in the year ended April 24, 2015, the Company recognized charges of \$3,688 , primarily related to salary continuation to be paid over the next two years , a payout of unvested stock awards that vested immediately upon termination and other post-employment benefits. These charges are recorded within the S,G&A line in the Consolidated Statements of Net Income. As of April 24, 2015, we had remaining compensation obligations of \$3,160 , recorded in the accrued wages and related liabilities line of the Consolidated Balance Sheets.

Note 9 — Commitments and Contingencies

We are subject to various claims and contingencies related to lawsuits and other matters arising out of the normal course of business. We are of the opinion that there are no matters pending or threatened that are expected to have a material adverse effect, individually or in the aggregate, on our consolidated financial condition or results of operations.

In August 2012, a former Bob Evans Restaurant employee filed an action against the Company in the United States District Court for the Southern District of Ohio, styled *David Snodgrass v. Bob Evans Farms, LLC, Case No. 2:12-cvg-00768* (“Snodgrass”). The lead plaintiff alleged that the Company violated the Fair Labor Standards Act by misclassifying assistant managers as exempt employees and failing to pay overtime compensation during the period of time the employee worked as an assistant manager. The plaintiff seeks an unspecified amount of alleged back wages, liquidated damages, statutory damages and attorneys’ fees. The lead plaintiff sought to maintain the suit as a collective action on behalf of other similarly situated assistant managers employed at Bob Evans Restaurants between August 2009 and present. In December 2013, the Court in Snodgrass granted conditional certification of those assistant managers that elected to opt-in to the collective action.

In May, 2014, the same plaintiffs’ counsel in the Snodgrass matter filed essentially duplicative claims under the overtime laws of the State of Ohio and Commonwealth of Pennsylvania, styled *Utterback v. Bob Evans Farms, Case No. CV14826909* in the Court of Common Pleas of Cuyahoga County, Ohio (“Utterback”) and *Mackin v. Bob Evans Farms, Case No. 2:14-cv-450* in the United States District Court for the Southern District of Ohio (“Mackin”), respectively. Neither the Utterback nor Mackin proceedings have been certified for class status at this time, and remain in the very early stages of litigation with significant uncertainty as to factual issues and outcome of legal proceedings (including any determination as to class certification).

We continue to believe that our assistant managers were properly classified as exempt from the respective Federal and State overtime requirements, have meritorious defenses to the claims in each of the Snodgrass, Utterback and Mackin matters, and have vigorously contested the actions.

In the fourth quarter of fiscal 2015 however, we received an unfavorable ruling related to the above mentioned Snodgrass litigation and therefore we recorded a charge of \$6,000 in fiscal 2015 . This reflects the low end of the range of probable loss for the Snodgrass litigation.

While a loss of up to \$20,000 is possible if all three matters are settled prospectively, we do not believe that there is an amount within the estimated range which is more likely than any other and as such, we recorded an accrual of \$6,000 as of April 24, 2015 , related only to the Snodgrass litigation matter.

The expense was recorded to the Bob Evans Restaurant segment and in the S,G&A line of the Consolidated Statements of Net Income. We do not believe based on currently available information, that the outcome of these matters will have a material effect on our financial condition, although an adverse outcome could be material to our results of operations for a particular period.

Note 10 — Goodwill and Other Intangible Assets

In the fourth quarter, we completed our annual impairment test required under the provisions of ASC 350. In addition, we assess the carrying value of our goodwill and other indefinite lived intangible assets annually or whenever circumstances indicate that a decline in the carrying value may have occurred. The carrying value of goodwill as of the end of fiscal 2015 and fiscal 2014 is \$19,634 and \$19,634 , respectively, and is included within the BEF Foods segment.

As part of our fiscal 2013 acquisition of Kettle Creations, we also recorded an indefinite life intangible asset related to the Kettle Creations trade name. In the fourth quarter of fiscal 2015 we completed a long-range strategic plan of the BEF Foods business and determined that the Kettle Creations trade name would no longer be used in our efforts to operate and grow the business. We considered this an indication that the trade name may be impaired and performed a fair value assessment in accordance with the provisions of ASC 360. Based on this analysis, we determined the Kettle Creations trade name no longer had any fair value and recorded a charge of \$2,761 to fully write off the asset. The charge was recorded in the S,G&A line on the Consolidated Statements of Net Income.

Definite-lived intangible assets recorded on the Consolidated Balance Sheets consist of noncompetition agreements that are amortized over a 5 - year life and are recorded to the BEF Foods segment.

Intangible assets are summarized below:

(in thousands)	Business Trade Name	Noncompetition Agreements	Total
April 26, 2013, net intangible carrying amount	\$ 2,761	\$ 666	\$ 3,427
Amortization expense	—	(157)	\$ (157)
April 25, 2014, net intangible carrying amount	\$ 2,761	\$ 509	\$ 3,270
Amortization expense	\$ —	\$ (157)	\$ (157)
Impairment of trade name	\$ (2,761)	\$ —	\$ (2,761)
April 24, 2015, net intangible carrying amount	\$ —	\$ 352	\$ 352

We expect to record \$157 of amortization expense in each fiscal year until our definite lived intangible assets are fully depreciated.

Note 11 — Reporting Segments

During fiscal 2015, we had two reporting segments: Bob Evans Restaurants and BEF Foods. We determine our segments on the same basis we use to allocate resources and assess performance.

Our operations include restaurant operations and the processing and sale of food products. The revenues from our two segments, Bob Evans Restaurants and BEF Foods, include both net sales to unaffiliated customers and intersegment net sales, which are accounted for on a basis consistent with net sales to unaffiliated customers. Intersegment net sales and other intersegment transactions have been eliminated in the consolidated financial statements. Corporate functions and other corporate overhead costs are allocated to our reporting segments based on the time and resources used to support them. This includes functions such as information technology, finance, legal, human resources, supply chain and other corporate functions. Corporate overhead costs allocated to our segments include legal and professional fees, ongoing IT infrastructure costs including certain costs related to our new ERP system, costs related to the separation of our former CEO, costs related to the use of our former ownership interest in a jointly owned aircraft including the loss on sale and other overhead costs. Allocated corporate costs are included in the S,G&A line of the Consolidated Statements of Net Income.

Operating income represents earnings before interest and income taxes. Identifiable assets by segment are those assets that are used in our operations in each segment. General corporate assets include current and deferred tax assets, assets held by our Rabbi Trust, property, plant and equipment related to our corporate headquarters and IT infrastructure and our note receivable obtained from the sale of Mimi's Café.

Information on our reporting segments is summarized as follows:

(in thousands)	2015	2014	2013
<i>Net Sales</i>			
Bob Evans Restaurants	\$ 969,877	\$ 956,579	\$ 981,418
BEF Foods	398,617	386,806	376,885
Total	\$ 1,368,494	\$ 1,343,385	\$ 1,358,303
Inter-segment net sales of food products (1)	(19,304)	(14,833)	(28,077)
	<u>1,349,190</u>	<u>1,328,552</u>	<u>1,330,226</u>
<i>Operating Income</i>			
Bob Evans Restaurants	\$ (2,752)	\$ 27,134	\$ 69,317
BEF Foods	20,438	5,991	18,637
Total	\$ 17,686	\$ 33,125	\$ 87,954
<i>Depreciation and Amortization Expense</i>			
Bob Evans Restaurants	\$ 61,531	\$ 63,872	\$ 56,827
BEF Foods	18,543	15,584	12,492
Total	\$ 80,074	\$ 79,456	\$ 69,319
<i>Capital Expenditures</i>			
Bob Evans Restaurants	\$ 60,115	\$ 119,097	\$ 67,662
BEF Foods	14,402	71,898	50,538
Total	\$ 74,517	\$ 190,995	\$ 118,200
<i>Identifiable Assets</i>			
Bob Evans Restaurants	\$ 665,910	\$ 693,543	\$ 714,221
BEF Foods	179,137	193,634	155,424
	845,047	887,177	869,645
General corporate assets	187,540	178,575	151,308
Total	\$ 1,032,587	\$ 1,065,752	\$ 1,020,953

(1) Inter-segment net sales of food products includes \$12,491 in fiscal 2013 of sales to discontinued operations.

Note 12 — Quarterly Financial Data (Unaudited)

Summarized unaudited quarterly financial results for Fiscal 2015 and Fiscal 2014 follows (in thousands, except per share amounts):

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
	2015	2014	2015	2014	2015	2014	2015	2014
Net sales from continuing operations	\$ 326,341	\$ 329,449	\$ 333,279	\$ 332,600	\$ 357,177	\$ 340,132	\$ 332,393	\$ 326,371
Operating income from continuing operations	\$ 64	\$ 11,999	\$ 9,012	\$ 8,895	\$ 7,673	\$ 7,954	\$ 937	\$ 4,277
(Loss) income from discontinued operations, net of income taxes	\$ —	\$ —	\$ —	\$ (134)	\$ —	\$ (354)	\$ —	\$ 3,205
Net income (loss)	\$ (1,016)	\$ 8,376	\$ 6,039	\$ 6,119	\$ 5,920	\$ 6,181	\$ 5,610	\$ 13,009
Earnings per share - income from continuing operations								
Basic	\$ (0.04)	\$ 0.30	\$ 0.26	\$ 0.23	\$ 0.25	\$ 0.25	\$ 0.24	\$ 0.40
Diluted	\$ (0.04)	\$ 0.30	\$ 0.25	\$ 0.23	\$ 0.25	\$ 0.24	\$ 0.24	\$ 0.40
Earnings per share - (loss) income from discontinued operations								
Basic	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.01)	\$ —	\$ 0.13
Diluted	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.01)	\$ —	\$ 0.13
Earnings per share - net income (loss)								
Basic	\$ (0.04)	\$ 0.30	\$ 0.26	\$ 0.22	\$ 0.25	\$ 0.23	\$ 0.24	\$ 0.53
Diluted	\$ (0.04)	\$ 0.30	\$ 0.25	\$ 0.22	\$ 0.25	\$ 0.23	\$ 0.24	\$ 0.53
Common stock sale prices								
High	\$ 51.11	\$ 51.70	\$ 49.10	\$ 58.86	\$ 56.34	\$ 58.25	\$ 59.64	\$ 51.82
Low	\$ 44.67	\$ 42.60	\$ 42.70	\$ 47.57	\$ 47.91	\$ 47.15	\$ 43.72	\$ 43.46
Cash dividends paid	\$ 0.310	\$ 0.275	\$ 0.310	\$ 0.310	\$ 0.310	\$ 0.310	\$ 0.310	\$ 0.310

- Fiscal quarters represent 13-week periods.
- Total quarterly EPS may not equal the annual amount because EPS is calculated independently for each quarter.
- Stock prices are high and low sale prices for our common stock as reported on the NASDAQ Stock Market (trading symbol — BOBE), which is the principal market for our common stock.
- The number of registered stockholders of our common stock at June 1, 2015, was 16,539 .

Note 13 — Subsequent Events

On April 24, 2015, the Board of Directors approved and management committed to a plan to close 20 underperforming restaurants in fiscal 2016. We closed 18 of those restaurants in the first quarter and the remaining two are expected to close before the end of fiscal 2016. See Notes 4 and 5 for additional information.

On May 21, 2015 , the Board of Directors approved a quarterly cash dividend of \$0.31 per share. The quarterly cash dividend was paid on June 15, 2015 , to shareholders of record at the close of business on June 1, 2015 .

On May 11, 2015, we entered into a Second Amendment to the Credit Agreement. The amendment has an effective date of April 24, 2015 . See Note 2 for additional information.

From April 25, 2015, through June 1, 2015, we repurchased 1.1 million shares, or \$50,000 of Company stock. The purchases were funded through additional borrowings on our Credit Agreement.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Bob Evans Farms, Inc.:

We have audited the accompanying consolidated balance sheets of Bob Evans Farms, Inc. as of April 24, 2015, and April 25, 2014, and the related consolidated statements of net income, stockholders' equity and cash flows for each of the three years in the period ended April 24, 2015. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 Bob Evans Farms, Inc. at April 24, 2015, and April 25, 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended April 24, 2015, are in conformity with U.S. generally accepted accounting principles.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Bob Evans Farms, Inc.'s internal control over financial reporting as of April 24, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated June 19, 2015, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Columbus, Ohio
June 19, 2015

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Bob Evans Farms, Inc.:

We have audited Bob Evans Farms, Inc.'s internal control over financial reporting as of April 24, 2015, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Bob Evans Farms, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Bob Evans Farms, Inc. maintained, in all material respects, effective internal control over financial reporting as of April 24, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Bob Evans Farms, Inc. as of April 24, 2015 and April 25, 2014, and the related consolidated statements of net income, stockholders' equity and cash flows for each of the three years in the period ended April 24, 2015, of Bob Evans Farms, Inc. and our report dated June 19, 2015, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Columbus, Ohio

June 19, 2015

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Changes in Internal Control Over Financial Reporting

As previously disclosed in Item 9A of our Form 10-K for the fiscal year ended April 25, 2014, management concluded that there was a material weakness in internal control over financial reporting related to our current and deferred income tax accounting. During fiscal year 2015, we believe there was significant progress made in remediating this material weakness, including adherence to existing control procedures and the implementation of enhanced controls related to review and oversight of our current and deferred income tax accounting process. Based upon the actions taken and our testing and evaluation of the design and effectiveness of these internal controls, we have concluded the material weakness in internal control over financial reporting related to our current and deferred income tax accounting no longer existed as of April 24, 2015.

As previously disclosed in Item 9A of our Form 10-K for the fiscal year ended April 25, 2014, management concluded that there was a material weakness in internal controls over financial reporting related to property, plant and equipment accounting, more specifically timely capitalization and the recording of depreciation expense. During fiscal year 2015, we believe there was significant progress made in remediating this material weakness, including adherence to existing control procedures and the implementation of enhanced controls related to review and oversight over financial reporting related to property, plant and equipment accounting, more specifically timely capitalization and the recording of depreciation expense. Based upon the actions taken and our testing and evaluation of the design and effectiveness of these internal controls, we have concluded the material weakness in internal control over financial reporting related to property, plant and equipment accounting no longer existed as of April 24, 2015.

As previously disclosed in Item 4 of our Quarterly Report on Form 10-Q for the fiscal quarter ended October 24, 2014, management concluded that there was a material weakness in internal controls over financial reporting related to the review of the balance sheet classification of our Credit Agreement. Subsequently, in fiscal year 2015, we remediated this material weakness, including adherence to new control procedures and the implementation of enhanced controls related to review and oversight associated with the balance sheet classification of our Credit Agreement. Based upon the actions taken and our testing and evaluation of the design and effectiveness of these internal controls, we have concluded the material weakness in internal control over financial reporting related to the review of the balance sheet classification of our Credit Agreement no longer existed as of April 24, 2015.

Except as has been described above, there has been no material change in our internal control over financial reporting (as defined in Rules 13a-15 (f) under the Exchange Act) during the quarter ended April 24, 2015, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our co-interim chief executive officers (principal executive officers) and chief financial officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by the Annual Report on Form 10-K. Based upon that evaluation, our Chairman of the Board and Co-Interim Chief Executive Officers and Chief Financial Officer, have concluded that:

- information required to be disclosed by us in this Annual Report on Form 10-K and other reports that we file or submit under the Exchange Act would be accumulated and communicated to our management, including our principal executive officers and principal financial officer, as appropriate to allow timely decisions regarding required disclosure;
- information required to be disclosed by us in this Annual Report on Form 10-K and the other reports that we file or submit under the Exchange Act would be recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and
- our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Stockholders of Bob Evans Farms, Inc.:

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Accordingly, even an effective system of internal control over financial reporting will provide only reasonable assurance with respect to the reliability of financial reporting and financial statement preparation.

Management assessed our internal control over financial reporting as of April 24, 2015, the end of our fiscal year. Management based its assessment on criteria established in Internal Control -Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management's assessment included the evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies and our overall control environment. This assessment is supported by testing and monitoring performed by our internal audit function.

Based on its assessment, management concluded that our internal control over financial reporting was effective as of the end of the fiscal year ended April 24, 2015, the period covered by this Annual Report on Form 10-K, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States.

We reviewed the results of management's assessment with the Audit Committee of our Board of Directors. Additionally, our independent registered public accounting firm, Ernst & Young LLP, independently assessed our internal control over financial reporting. Ernst & Young has issued a report on our internal control over financial reporting, which is included in this annual report.

/s/ J. Michael Townsley

J. Michael Townsley
Office of the Chief Executive Officer

June 19, 2015

/s/ Mark E. Hood

Mark E. Hood
Office of the Chief Executive Officer, Chief Financial Officer

ITEM 9B. OTHER INFORMATION

None.

PART III

The information required by Items 10, 11, 12, 13 and 14 will be furnished pursuant to a definitive proxy statement involving the election of directors pursuant to Regulation 14A that will contain such information. Notwithstanding the foregoing, information appearing in the sections “Compensation Committee Report” and “Audit Committee Report” shall not be deemed to be incorporated by reference in this Form 10-K.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information contained in our definitive proxy statement relating to the 2015 annual meeting of stockholders (the “2015 Proxy Statement”), under “SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE,” “PROPOSAL 1: ELECTION OF DIRECTORS,” and “CORPORATE GOVERNANCE” under the sub-caption “Directors Serving on Boards of Other Public Companies” is incorporated herein by reference.

The information regarding our executive officers required by Item 401 of Regulation S-K is included in Part I of this Form 10-K under the caption “Supplemental Item. Executive Officers of Bob Evans Farms, Inc.”

Information concerning our Audit Committee and the determination by our Board of Directors that at least one member of the Audit Committee qualifies as an “audit committee financial expert” is incorporated herein by reference to the information contained in our 2015 Proxy Statement under “CORPORATE GOVERNANCE” under the sub-captions “Board Committees and Charters” and “Board Committees and Charters — Audit Committee.”

Information regarding the procedures by which our stockholders may recommend nominees to our Board of Directors is incorporated by reference to the information contained in our 2015 Proxy Statement under “CORPORATE GOVERNANCE” under the sub-caption “Board Committees and Charters — Nominating and Corporate Governance Committee.”

Our Board of Directors has adopted a Code of Conduct that applies to all directors, officers and employees, including our principal executive officer, principal financial officer and controller. The Code of Conduct is available at our website www.bobevans.com in the “Investors” section under “Corporate Governance.” To receive a copy of the Code of Conduct at no cost, contact our Human Resources Department at (877) 789-2623 or (800) 272-7675. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to, or waivers from, certain provisions of the Code of Conduct that apply to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, by posting such information on our website.

Set forth below is a list of our directors, and their principal occupations, as of June 1, 2015:

<u>Name</u>	<u>Principal Occupation</u>
Douglas N. Benham	President and Chief Executive Officer of DNB Advisors, LLC, a restaurant industry consulting firm since 2006
Charles M. Elson	Edgar S. Woolard, Jr. Chair in Corporate Governance and Director of the John L. Weinberg Center for Corporate Governance at the University of Delaware since 2000
Michael J. Gasser	Executive Chairman of the Board of Greif, Inc., a manufacturer of shipping containers and containerboard, Delaware, Ohio
Mary Kay Haben	Retired; President of North America for the Wm. Wrigley Jr. Company, a leading confectionery company Chicago, Illinois
David W. Head	President and Chief Executive Officer and Board Member of Primanti, Inc., a private equity-owned restaurant chain since 2013
Kathleen S. Lane	Former Executive Vice President and Chief Information Officer of TJX Companies, Inc., a specialty apparel retailer, Framingham, Massachusetts
Eileen A. Mallesch	Retired; Senior Vice President, Chief Financial Officer of Nationwide Property & Casualty Insurance, Nationwide Insurance, Columbus, Ohio
Larry S. McWilliams	Co-CEO of Compass Marketing, a marketing consulting firm serving a broad range of leading brands and consumer products
Kevin M. Sheehan	Professor at the School of Business at Adelphi University in New York
Michael F. Weinstein	Chairman and co-founder of INOV8 Beverage Consulting Group, LLC, a beverage consulting firm since 2012
Paul S. Williams	Partner of Major, Lindsey and Africa, a legal executive search firm, Chicago, Illinois

ITEM 11. EXECUTIVE COMPENSATION

Information regarding the compensation of our Board of Directors is incorporated by reference to the information contained in our 2015 Proxy Statement under “CORPORATE GOVERNANCE” under the sub-caption “Director Compensation for Fiscal 2015.”

Information regarding the compensation of our executive officers is incorporated by reference to the information contained in our 2015 Proxy Statement under “COMPENSATION DISCUSSION AND ANALYSIS,” “COMPENSATION COMMITTEE REPORT” and “EXECUTIVE COMPENSATION” (including the information appearing under the sub-captions “Summary Compensation Table for Fiscal 2015, 2014 and 2013,” “All Other Compensation Table for Fiscal 2015,” “Grants of Plan-Based Awards in Fiscal 2015,” “Outstanding Equity Awards at 2015 Fiscal Year-End,” “Option Exercises and Stock Vested in Fiscal 2015,” “Nonqualified Deferred Compensation,” “Nonqualified Deferred Compensation Table for Fiscal 2015,” “Change in Control and Severance Program,” “Employment Agreement — Steven Davis” and “Potential Payouts upon Termination or Change-in-Control”).

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Stock Ownership of Certain Beneficial Owners and Management

The information required by Item 403 of Regulation S-K regarding the security ownership of certain beneficial owners and management is incorporated herein by reference to the information contained in the 2015 Proxy Statement under “STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.”

Equity Compensation Plan Information

In September 2010, our stockholders approved the Bob Evans Farms, Inc. 2010 Equity and Cash Incentive Plan (the “2010 Plan”). Our stockholders further amended the 2010 Plan in August 2013 to add 2.6 million shares to the 2010 Plan for future grants. Including these approved, but unregistered shares as of April 24, 2015, there are approximately 4.1 million shares available for grant under the 2010 Plan. Currently, the 2010 Plan is the only plan under which we may issue equity securities to our directors, officers and employees. As of April 24, 2015, a number of awards were outstanding under the 2010 Plan and our previous equity plans, including:

- the Bob Evans Farms, Inc. Second Amended and Restated 1992 Nonqualified Stock Option Plan (the “1992 Stock Option Plan”);
- the Bob Evans Farms, Inc. Second Amended and Restated 1998 Stock Option and Incentive Plan (the “1998 Stock Option Plan”); and
- the Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan (the “2006 Plan”).

Our stockholders approved all of our previous equity plans. These plans were terminated as to new awards when our stockholders adopted the 2010 Plan. Any shares that were available for issuance under our previous equity plans at the time they were terminated became available for issuance under the 2010 Plan.

The following table shows, as of April 24, 2015, the number of shares of common stock issuable upon exercise of outstanding options, the weighted-average exercise price of those options and the number of shares of common stock remaining for future issuance under the 2010 Plan, excluding shares issuable upon exercise of outstanding options.

	(a)	(b)	(c)
	Number of Securities to be Issued Upon Exercise of Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	369,239 ⁽¹⁾	\$ 31.79 ⁽²⁾	3,921,241 ⁽³⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	369,239	\$ 31.79	3,921,241

(1) Includes 4,674 and 43,358 common shares issuable upon exercise of stock options granted under the 1998 and 2006 Stock Option Plans, respectively. Also includes 232,340 vested restricted stock units deferred in our Nonqualified Deferred Compensation Plans, and 88,867 unvested restricted stock units granted under the 2010 Plan.

(2) The restricted stock units included in column (a) are not taken into account in calculating the weighted average exercise price of outstanding options

(3) Represents shares available for issuance under the 2010 Plan, including 940,495 shares that were made available for issuance under the 2010 Plan when the 1992 Stock Option Plan, 1993 LTIP, the 1998 Stock Option Plan, and the 2006 Plan were terminated, as well as shares that became available for issuance under the 2010 Plan when outstanding awards under the 1992 Stock Option Plan, 1993 LTIP, the 1998 Stock Option Plan and the 2006 Plan expired or were otherwise forfeited. This also includes the 2.6 million approved, but unregistered shares available for grant. Shares available for future issuance under the 2010 Plan may be granted in the form of incentive stock options, nonqualified stock options, performance shares, performance units, restricted stock, restricted stock units, stock appreciation rights or whole shares. The Company’s practice for at least the past four years is to issue only restricted stock and restricted stock units. For fungible “full” value awards, such as the grant of a share of restricted stock, 2.63 shares will be deducted from the total number of authorized shares for the Equity and Cash Incentive Plan. In the case of a grant of a stock option or SAR, the share ratio is 1-to-1, so one share will be deducted from the total number of authorized shares for the Equity and Cash Incentive Plan. This reflects the different values of these types of grants.

In addition, as of April 24, 2015, there were 244,816 shares of unvested restricted stock awards and restricted stock units outstanding, consisting of 7,933 shares granted under the 1993 LTIP, 47,756 shares granted under the 2006 Plan, and 189,127 shares granted under the 2010 Plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information contained in the 2015 Proxy Statement under the captions “TRANSACTIONS WITH RELATED PERSONS” and “CORPORATE GOVERNANCE” under the sub-caption “Director Independence” is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information contained in the 2015 Proxy Statement under “PROPOSAL [4]: RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM” under the captions “Preapproval of Services Performed by the Independent Registered Public Accounting Firm” and “Fees of the Independent Registered Public Accounting Firm” is incorporated herein by reference.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The following consolidated financial statements of Bob Evans Farms, Inc. and subsidiaries are filed as part of this Annual Report on Form 10-K under Item 8 hereof:

- Management's Report on Internal Control Over Financial Reporting
- Report of Independent Registered Public Accounting
- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets at April 24, 2015 , and April 25, 2014
- Consolidated Statements of Net Income for the fiscal years ended April 24, 2015 , April 25, 2014 , and April 26, 2013
- Consolidated Statements of Stockholders' Equity for the fiscal years ended April 24, 2015 , April 25, 2014 , and April 26, 2013
- Consolidated Statements of Cash Flows for the fiscal years ended April 24, 2015 , April 25, 2014 , and April 26, 2013
- Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules

Financial statement schedules have been omitted because they are not required or are not applicable or because the information required to be set forth therein either is not material or is included in the financial statements or notes thereto.

(a)(3) Exhibits

The accompanying Index to Exhibits is filed as part of this Annual Report on Form 10-K. Management contracts or compensatory plans or arrangements required to be filed as exhibits to this Annual Report on Form 10-K are denoted by asterisk in the Index to Exhibits.

(b) Exhibits

The accompanying Index to Exhibits is filed as part of this Annual Report on Form 10-K.

(c) Financial Statement Schedules

Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOB EVANS FARMS, INC.

Date: June 19, 2015

By: /s/ Mark E. Hood

Mark E. Hood
Office of the Chief Executive Officer, Chief Financial
Officer

Date: June 19, 2015

By: /s/ Sylvester J. Johnson

Sylvester J. Johnson
Senior Vice President, Chief Accounting Officer and
Controller

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

Signature	Title	Date
/s/ Mark E. Hood Mark E. Hood	Office of the Chief Executive Officer, Chief Financial Officer (Principal Financial Officer)	June 19, 2015
/s/ J. Michael Townsley J. Michael Townsley	Office of the Chief Executive Officer	June 19, 2015
/s/ Sylvester J. Johnson Sylvester J. Johnson	Senior Vice President, Chief Accounting Officer and Controller (Principal Financial Officer)	June 19, 2015
*		
Douglas N. Benham	Director	June 19, 2015
*		
Charles M. Elson	Director	June 19, 2015
*		
Michael J. Gasser	Director	June 19, 2015
*		
Mary Kay Haben	Director	June 19, 2015
*		
David W. Head	Director	June 19, 2015
*		
Kathleen S. Lane	Director	June 19, 2015
*		
Eileen A. Mallesch	Director	June 19, 2015
*		
Larry S. McWilliams	Director	June 19, 2015
*		
Kevin M. Sheehan	Director	June 19, 2015
*		
Michael F. Weinstein	Director	June 19, 2015
*		
Paul S. Williams	Director	June 19, 2015

* By Kevin C. O'Neil pursuant to Powers of Attorney executed by the directors and executive officers listed above, which Powers of Attorney have been filed with the Securities and Exchange Commission.

/s/ Kevin C. O'Neil

Kevin C. O'Neil
Vice President, Assoc. General Counsel and Asst. Corporate Secretary

EXHIBIT INDEX

Exhibit Number	Description	Location
Certificate and By-Laws		
3.1	Amended and Restated Certificate of Incorporation of company reflecting amendments through Aug. 20, 2014. <i>[This document represents the Company's Certificate of Incorporation in restated format incorporating all amendments. This compiled document has not been filed with the Delaware Secretary of State.]</i>	Incorporated herein by reference to Exhibit 3.1 to Bob Evans Farms, Inc.'s Annual Report on Form 8-K filed September 3, 2014 (File No. 0-1667)
3.2	Amended and Restated By-Laws of Bob Evans Farms, Inc. (Effective August 20, 2014)	Incorporated herein by reference to Exhibit 3.2 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed September 3, 2014 (File No. 0-1667)
Revolving Credit Facility		
4.1	\$750,000,000 Revolving Credit Facility Amended and Restated Credit Agreement effective January 2, 2014 among Bob Evans Farms, LLC, as borrower; Bob Evans Farms, Inc. and its wholly-owned subsidiary, BEF Foods, Inc., as guarantors; PNC Bank, National Association, as administrative agent, and the other Lends party thereto	Incorporated herein by reference to Exhibit 4.1 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended January 24, 2014 filed March 4, 2014 (File No. 0-1667)
4.2	First Amendment to Amended and Restated Credit Agreement dated as of July 23, 2014 among Bob Evans Farms, LLC, as borrower; Bob Evans Farms, Inc. and its wholly-owned subsidiary, BEF Foods, Inc., as guarantors; PNC Bank, National Association, as administrative agent, and the other Lends party thereto	Incorporated herein by reference to Exhibit 4.2 to Bob Evans Farms, Inc.'s Form 8-K filed July 24, 2014 (File No. 0-1667)
4.3	Second Amendment to Amended and Restated Credit Agreement dated as of May 11, 2015 among Bob Evans Farms, LLC, as borrower; Bob Evans Farms, Inc. and its wholly-owned subsidiary, BEF Foods, Inc., as guarantors; PNC Bank, National Association, as administrative agent, and the other Lends party thereto	Filed herewith
Amended and Restated Employment Agreement		
*10.1	Third Amended and Restated Employment Agreement dated July 9, 2013, with Steven A. Davis	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Form 8-K filed July 15, 2013 (File No. 0-1667)
Offer Letter		
*10.2	Offer Letter dated June 20, 2014 with Mark E. Hood	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Form 8-K filed June 23, 2014 (File No. 0-1667)
Director and Officer Indemnification Agreement		
*10.3	Bob Evans Farms, Inc. Form of Director and Officer Indemnification Agreement	Incorporated herein by reference to Exhibit 10.5 to Bob Evans Farms, Inc.'s Annual Report on Form 10-K for its fiscal year ended April 26, 2013 (File No. 0-1667)
Officer Confidentiality and Non-Compete Plan		
*10.4	Amended and Restated Bob Evans Farms, Inc. Form of Executive Officer Confidentiality and Non-Compete Plan	Filed herewith
Executive Deferral Program		
*10.5	Bob Evans Farms, Inc. and Affiliates Fourth Amended and Restated Executive Deferral Program	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed June 2, 2010 (File No. 0-1667)
Third Amended and Restated Supplemental Executive Retirement Plan		

Exhibit Number	Description	Location
*10.6	Bob Evans Farms, Inc. and Affiliates Third Amended and Restated Supplemental Executive Retirement Plan (effective as of January 1, 2008)	Incorporated herein by reference to Exhibit 10.5 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended October 26, 2007 (File No. 0-1667)
*10.7	First Amendment to the Bob Evans Farms, Inc. and Affiliates Third Amended and Restated Supplemental Executive Retirement Plan	Incorporated herein by reference to Exhibit 10 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended July 24, 2009 (File No. 0-1667)
*10.8	Second Amendment to the Bob Evans Farms, Inc. and Affiliates Third Amended and Restated Supplemental Executive Retirement Plan (effective as of August 24, 2010)	Incorporated herein by reference to Exhibit 10.2 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended July 30, 2010 (File No. 0-1667)
Director Medical Reimbursement Program		
*10.9	Bob Evans Farms, Inc. Director Medical Reimbursement Program effective as of January 1, 2008	Incorporated herein by reference to Exhibit 10.15 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended January 23, 2009 (File No. 0-1667)
Executive Compensation Recoupment Policy		
*10.10	Bob Evans Farms, Inc. Amended and Restated Executive Compensation Recoupment Policy	Filed herewith
2010 Director Deferral Program		
*10.11	Bob Evans Farms, Inc. 2010 Director Deferral Program effective May 26, 2010	Incorporated herein by reference to Exhibit 10.2 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed June 2, 2010 (File No. 0-1667)
2006 Equity and Cash Incentive Plan		
*10.12	Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan	Incorporated herein by reference to Exhibit 10 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed September 14, 2006 (File No. 0-1667)
*10.13	Bob Evans Farms, Inc. Amended and Restated 2006 Equity and Cash Incentive Plan (effective as of January 1, 2008)	Incorporated herein by reference to Exhibit 10.7 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended October 26, 2007 (File No. 0-1667)
*10.14	First Amendment to the Bob Evans Farms, Inc. Amended and Restated 2006 Equity and Cash Incentive Plan effective November 18, 2008	Incorporated herein by reference to Exhibit 10.13 to Bob Evans Farms, Inc.'s Quarterly Report on Form 10-Q for its fiscal quarter ended January 23, 2009 (File No. 0-1667)
*10.15	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Incentive Stock Option Award Agreement (For Employees -Performance Incentive Plan Award)	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed April 25, 2007 (File No. 0-1667)
*10.16	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Nonqualified Stock Option Award Agreement (For Employees -Performance Incentive Plan Award)	Incorporated herein by reference to Exhibit 10.2 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed April 25, 2007 (File No. 0-1667)
*10.17	Form of Bob Evans Farms, Inc. 2006 Annual Bonus Award Agreement (For Employees)	Incorporated herein by reference to Exhibit 10.7 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed April 25, 2007 (File No. 0-1667)
*10.18	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Whole Share Award Agreement (For Employees - Performance Incentive Plan Award)	Incorporated herein by reference to Exhibit 10.4 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed April 25, 2007 (File No. 0-1667)
*10.19	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Restricted Stock Award Agreement (For Employees - Performance Incentive Plan Award)	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed May 17, 2007 (File No. 0-1667)

Exhibit Number	Description	Location
*10.20	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Whole Share Award Agreement (For Employees - General)	Incorporated herein by reference to Exhibit 10.3 to Bob Evans Farms, Inc.'s Current Report on Form 8-K filed May 17, 2007 (File No. 0-1667)
*10.21	Form of Bob Evans Farms, Inc. 2006 Equity and Cash Incentive Plan Cash Based Award Agreement (For Employees - Performance Incentive Plan Award)	Incorporated herein by reference to Exhibit 10.5 to Bob Evans Farms, Inc.'s Current Report on Form 8-K/A dated June 15, 2007 (File No. 0-1667)
2010 Equity and Cash Incentive Plan		
*10.22	Bob Evans Farms, Inc. Amended and Restated 2010 Equity And Cash Incentive Plan, Amended and Restated Effective August 21, 2013	Incorporated herein by reference to Exhibit 10.1 to Bob Evans Farms, Inc.'s Form 8-K filed August 23, 2013 (File No. 0-1667)
*10.23	Bob Evans Farms, Inc. 2010 Equity and Cash Incentive Plan Restricted Stock Award Agreement (For Directors)	Incorporated herein by reference to Exhibit 10.3 to Bob Evans Farms, Inc.'s Form S-8 Registration Statement filed September 13, 2010 (333-169350) (File No. 0-1667)
*10.24	Form of Bob Evans Farms, Inc. 2010 Equity and Cash Incentive Plan Restricted Stock and Restricted Stock Unit Award Agreement (For Employees)	Incorporated herein by reference to Exhibit 10.70 to Bob Evans Farms, Inc.'s Annual Report on Form 10-K for its fiscal year ended April 29, 2011 (File No. 0-1667)
Severance Agreement and General Release		
*10.25	Severance Agreement and General Release dated January 27, 2015 with Steven A. Davis	Filed herewith
Other Items		
21	Subsidiaries of Bob Evans Farms, Inc.	Filed herewith
23	Consent of Independent Registered Public Accounting Firm	Filed herewith
24	Power of Attorney	Filed herewith
31.1	Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)	Filed herewith
31.3	Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer)	Filed herewith
32.1	Section 1350 Certification (Principal Executive Officer)	Filed herewith
32.2	Section 1350 Certification (Principal Executive Officer)	Filed herewith
32.3	Section 1350 Certification (Principal Financial Officer)	Filed herewith
101.INS	XBRL Instance Document	**
101.SCH	XBRL Taxonomy Extension Schema Document	**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	**
101.PRE	XBRL Taxonomy Presentation Linkbase Document	**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	**
*	Denotes management contract or compensatory plan or agreement.	

**Exhibit
Number**

Description

Location

**

In accordance with Regulation S-T, the XBRL-related information in Exhibit 101 to this Annual Report on Form 10-K shall be deemed to be furnished and not filed herewith.

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "**Amendment**") is effective as of April 24, 2015 (the "**Effective Date**") and is made by and among BOB EVANS FARMS, LLC, an Ohio limited liability company (the "**Borrower**"), the Guarantors party hereto, the Lenders (as defined in the Credit Agreement, defined herein), and PNC BANK, NATIONAL ASSOCIATION, a national banking association, in its capacity as administrative agent (the "**Administrative Agent**").

WITNESSETH:

WHEREAS, the Borrower, the Guarantors, the Lenders and the Administrative Agent are parties to that certain Amended and Restated Credit Agreement dated as of January 2, 2014, as amended by the First Amendment to Amended and Restated Credit Agreement dated as of July 23, 2014 (as further amended, restated, modified or supplemented from time to time, the "**Credit Agreement**");

WHEREAS, the Borrower, the Guarantors, the Lenders and the Administrative Agent wish to amend the Credit Agreement, as hereinafter provided.

NOW, THEREFORE, the parties hereto, in consideration of their mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, covenant and agree as follows:

1. Recitals. The foregoing recitals are incorporated herein by reference.
2. Defined Terms. All terms used in this Amendment and not otherwise defined herein shall have the meaning given to them in the Credit Agreement, as amended hereby.
3. Amendments to Credit Agreement.
 - (a) Definitions. The definitions of "Daily LIBOR Rate" and "LIBOR Rate" in Section 1.1 [Definitions] of the Credit Agreement are hereby amended and restated in their entirety as follows:

Daily LIBOR Rate shall mean, for any day, the rate per annum determined by the Administrative Agent by dividing (x) the Published Rate by (y) a number equal to 1.00 *minus* the LIBOR Reserve Percentage on such day. Notwithstanding the foregoing, if the Daily LIBOR Rate as determined above would be less than zero (0.00), such rate shall be deemed to be zero (0.00) for purposes of this Agreement.

LIBOR Rate shall mean, with respect to the Loans comprising any Borrowing Tranche to which the LIBOR Rate Option applies for any Interest Period, the interest rate per annum determined by the Administrative Agent by dividing (the resulting quotient rounded upwards, if necessary, to the nearest 1/100th of 1% per annum) (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Administrative Agent as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (for purposes of this definition, an "**Alternate Source**"), at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period as the London interbank offered rate for U.S. Dollars for an amount comparable to such Borrowing Tranche and having a borrowing date and a maturity

comparable to such Interest Period (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a comparable replacement rate determined by the Administrative Agent at such time (which determination shall be conclusive absent manifest error)), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage. Notwithstanding the foregoing, if the LIBOR Rate as determined under any method above would be less than zero (0.00), such rate shall be deemed to be zero (0.00) for purposes of this Agreement.

The LIBOR Rate shall be adjusted with respect to any Loan to which the LIBOR Rate Option applies that is outstanding on the effective date of any change in the LIBOR Reserve Percentage as of such effective date. The Administrative Agent shall give prompt notice to the Borrower of the LIBOR Rate as determined or adjusted in accordance herewith, which determination shall be conclusive absent manifest error.

(b) Clause (v) of Section 8.2.5 [Restricted Payments] of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

(v) so long as no Potential Default or Event of Default has occurred and is continuing, the Parent may (i) repurchase fractional shares of common stock of the Parent and (ii) repurchase shares of common stock of the Parent for cash, so long as the Parent would be in pro forma compliance, and shall demonstrate such pro forma compliance, with the financial covenants set forth in Section 8.2.15 [Financial Covenants] after giving effect thereto and, in addition, for any share repurchases completed prior to January 27, 2017, the Parent must demonstrate that on a pro forma basis after giving effect to such repurchase, the Leverage Ratio does not exceed 4.00 to 1.00; provided, in no event shall any Loan Party make payments on account of the repurchase of shares of the Parent in excess of \$150,000,000 in the aggregate during the fiscal year ending April 22, 2016.

(c) Section 8.2.15.2 [Maximum Leverage Ratio] of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

8.2.15.2 Maximum Leverage Ratio. The Loan Parties shall not at any time permit the Leverage Ratio, calculated as of the end of each fiscal quarter for the four (4) quarters then ended, to exceed the ratio set forth below for the fiscal quarter set forth below; provided, however, on or after January 27, 2017, the Borrower may request, no more than two (2) times during the term of this Agreement, an increase in the Leverage Ratio set forth below of .25 for three (3) fiscal quarters following delivery of written notification from the Borrower of a Permitted Acquisition involving total cash or non-cash consideration in excess of \$50,000,000 and subject to the consummation of such Permitted Acquisition, together with a revised forecast evidencing pro forma compliance with this Section (both during and after the expiration of such three (3) fiscal quarters). The revised forecast shall provide in reasonable detail an income statement, balance sheet, and cash flow statement and outline the impact on the revised forecast resulting from this request. For example, if the Borrower has requested an increase in the Leverage Ratio in connection with a Permitted Acquisition which closes in the first fiscal quarter, the Borrower shall have until the end of the fourth fiscal quarter to bring the Leverage Ratio back to the level otherwise required as set forth below.

Fiscal Quarter Ending	Leverage Ratio
April 24, 2015 - April 22, 2016	4.50 to 1.00
July 22, 2016 - October 28, 2016	4.25 to 1.00
January 27, 2017 and thereafter	4.00 to 1.00

(d) Exhibit 8.3.3 [Quarterly Compliance Certificate] to the Credit Agreement is hereby amended and restated in its entirety in the form attached hereto.

4. Conditions Precedent. The effectiveness of this Amendment is subject to the receipt by the Administrative Agent on behalf of the Lenders of the following, in form and substance satisfactory to the Administrative Agent on or before the Execution Date (as herein defined); provided, that, subject to the foregoing, this Amendment shall be effective as of the Effective Date set forth above.

(a) Counterparts. The Administrative Agent shall have received from the Borrower, the Guarantors and the Required Lenders an executed counterpart original of this Amendment.

(b) Legal Details. All legal details and proceedings in connection with the transactions contemplated by this Amendment shall be in form and substance satisfactory to the Administrative Agent.

(c) Payment of Fees.

(i) The Borrower unconditionally agrees to pay to (A) the Administrative Agent, for the benefit of the Lenders which have executed and delivered this Amendment to the Administrative Agent on or before 5:00 pm (Pittsburgh, PA time) on May 11, 2015 (the "**Execution Date**") in accordance with their Ratable Shares, an amendment fee in the amount of 20.0 basis points of each such Lender's Revolving Credit Commitment as in effect on the Execution Date and (B) PNC Capital Markets LLC the structuring and arrangement fee set forth in the Engagement and Fee Letter dated April 16, 2015 among PNC Capital Markets, the Administrative Agent and the Borrower.

(ii) The Borrower unconditionally agrees to pay and reimburse the Administrative Agent and hold the Administrative Agent harmless against liability for the payment of all reasonable out-of-pocket costs, expenses and disbursements, including, without limitation, reasonable expenses of counsel, incurred by the Administrative Agent in connection with the development, preparation and execution of this Amendment and all other documents or instruments to be delivered in connection herewith.

5. Representations and Warranties of the Loan Parties. Each Loan Party covenants and agrees with and represents and warrants to the Administrative Agent and the Lenders as follows:

(a) such Loan Party possesses all of the powers requisite for it to enter into and carry out the transactions of such Loan Party referred to herein and to execute, enter into and perform the terms and conditions of this Amendment and any other documents contemplated herein that are to be performed by such Loan Party; and that any and all actions required or necessary pursuant to such Loan Party's organizational documents or otherwise have been taken to authorize the due execution, delivery and performance by such Loan Party of the terms and conditions of this Amendment and said other documents, and that such execution, delivery and performance will not conflict with, constitute a default under or result in a breach of any applicable Law or any agreement, instrument, order, writ, judgment, injunction or decree to which such Loan Party is a party or by which such Loan Party or any of its properties are bound, and that all consents, authorizations and/or approvals required or necessary from any third parties in connection with the entry into, delivery and performance by such Loan Party of the terms and conditions of this Amendment, the said other documents and the transactions contemplated hereby have been obtained by such Loan Party and are in full force and effect;

(b) this Amendment and any other documents contemplated herein constitute the valid and legally binding obligations of such Loan Party, enforceable against such Loan Party in accordance with their respective terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and by general equitable principles, whether enforcement is sought by proceedings at law or in equity;

(c) all representations and warranties made by such Loan Party in the Loan Documents are true and correct in all respects as of the date hereof (except to the extent any representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on such earlier date), with the same force and effect as if all such representations and warranties were fully set forth herein and made as of the date hereof and such Loan Party has complied with all covenants and undertakings in the Loan Documents; and

(d) (i) no Event of Default has occurred and is continuing under the Loan Documents; and (ii) and there exist no defenses, offsets, counterclaims or other claims with respect to the obligations and liabilities of such Loan Party under the Credit Agreement or any of the other Loan Documents.

6. Reaffirmation; References to Credit Agreement. Each Loan Party reconfirms, restates and ratifies the Credit Agreement, the Guaranty Agreement and all other Loan Documents executed by such Loan Party in connection therewith, except to the extent the Credit Agreement, the Guaranty Agreement and any such Loan Document are expressly modified by this Amendment, and the Loan Parties confirm that the Credit Agreement, the Guaranty Agreement and all other Loan Documents have remained in full force and effect since the date of their execution. The parties hereby agree the execution and delivery of this Amendment is not intended to and shall not cause or result in a novation with regard to the existing indebtedness of the Borrower to the Administrative Agent or any Lender, which indebtedness shall continue without interruption and has not been discharged.

7. Successors and Assigns. This Amendment shall apply to and be binding upon, and shall inure to the benefit of, each of the other parties hereto and their respective successors and assigns permitted under the Credit Agreement. Nothing expressed or referred to in this Amendment is intended or shall be construed to give any person or entity other than the parties hereto a legal or equitable right, remedy or claim under or with respect to this Amendment or any Loan Documents, it being the intention of the parties hereto that this Amendment and all of its provisions and conditions are for the sole and exclusive benefit of the parties hereto.

8. Severability. If any one or more of the provisions contained in this Amendment or the Loan Documents shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Amendment or the Loan Documents shall not in any way be affected or impaired thereby, and this Amendment shall otherwise remain in full force and effect.

9. Governing Law. This Amendment shall be deemed to be a contract under the Laws of the State of Ohio and shall, for all purposes be governed by and construed in accordance with the Laws of the State of Ohio.

10. Counterparts; Facsimile or Electronic Signatures. This Amendment may be executed in any number of counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Delivery of executed signature pages hereof by facsimile or other electronic method of transmission (such as "pdf") from one party to another shall constitute effective and binding execution and delivery thereof by such party. Any party that delivers its original counterpart signature to this Amendment by facsimile or other electronic method of transmission hereby covenants to personally deliver its original counterpart signature promptly thereafter to the Administrative Agent.

[SIGNATURE PAGES FOLLOW]



IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed this Second Amendment to Amended and Restated Credit Agreement as of the day and year first above written.

BOB EVANS FARMS, LLC , an Ohio limited liability company

By: /s/ Mark E. Hood .

Mark E. Hood, Manager and Chief Financial Officer

GUARANTORS:

BOB EVANS FARMS, INC. , a Delaware corporation

By: /s/ Mark E. Hood .

Mark E. Hood, Office of the Chief Executive Officer and Chief Financial Officer

BEF FOODS, INC. , an Ohio corporation

By: /s/ J. Michael Townsley .

J. Michael Townsley, President [SIGNATURE PAGE TO SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT]

PNC BANK, NATIONAL ASSOCIATION , individually and as Administrative Agent

By: /s/ George M. Gevas .

Name: George M. Gevas

Title: Senior Vice President

BOB EVANS FARMS, INC.
NON-COMPETITION AND CONFIDENTIALITY POLICY
Amended and Restated June 19, 2015

This Non-Competition and Confidentiality Policy (the “Policy”) is amended and restated as of June 19, 2015, and continues to effective as to officers of Bob Evans Farms, Inc., a Delaware corporation, or an officer of a subsidiary (collectively the “Company”).

WHEREAS, an officer subject to this Policy (“Employee”) is in a position with respect to which Employee has or will have access to confidential and proprietary information of the Company;

WHEREAS, the Company believes that the confidential and proprietary information of the Company is extremely important to the success of the Company, and Employee understands and agrees that the Company is willing for Employee to have access or continued access to such information, subject to and in consideration of the agreements of Employee set forth in this Policy regarding confidentiality, non-competition, non-solicitation and related matters.

WHEREAS, Employee has been informed that the Company requires, as a condition of employment or continued employment, that the Employee be bound by the terms of this Policy in order to protect the Company’s business interests;

NOW THEREFORE, in consideration of (i) Employee’s employment or continued employment with the Company, (ii) the payment of Employee’s base salary and the granting of incentive compensation to Employee; (iii) the receipt by Employee of Confidential Information of the Company, as well as (iv) other good and valuable consideration provided by the Company to Employee, Employee are bound by the terms of this Policy.

1. **Confidential Information**. Except as otherwise required by applicable law, Employee expressly agrees to keep and maintain Confidential Information confidential and not, at any time during or subsequent to the Employee’s employment with the Company or any subsidiary or affiliate of the Company, to use any Confidential Information for the Employee’s own benefit or to divulge, disclose or communicate any Confidential Information to any person or entity in any manner except (a) to employees or agents of the Company or any subsidiary or affiliate of the Company that need the Confidential Information to perform their duties on behalf of the Company or any subsidiary or affiliate of the Company or (b) in the performance of the Employee’s duties to the Company. Employee also agrees to notify the Company promptly of any circumstance Employee believes may legally compel the disclosure of Confidential Information and to give said notice to the Company before disclosing any Confidential Information.

Non-Competition. Employee covenants and agrees that during his or her employment and for a period listed on Exhibit A following the Employee’s termination from employment (the “Restricted Period”), the Employee shall not, without the prior written consent of the Company, directly or indirectly, as an employee, employer, consultant, agent, principal, partner, shareholder, officer, director, member, manager or through any other kind of ownership (other than ownership of securities of publicly held corporations of which the Employee owns less than three percent of any class of outstanding securities), membership, affiliation, association, or in any other representative or individual capacity, engage in or render, or agree to engage in or render, any services to any Competing Business. For purposes of this Policy, “Competing Business” shall mean any business in North America that (a) is engaged in the (i) family dining restaurant industry or (ii) casual dining restaurant industry; but each of (i) and (ii) shall only be considered to be a “Competing Business” to the extent that the Company is actively engaged in the respective restaurant industry, or the Company has taken substantial steps towards being actively engaged in the respective restaurant industry, at the time of

Employee's termination of employment; (b) offers products that compete with products offered by the Company or any of its affiliates; (c) offers products that compete with products the Company or its affiliates have taken substantial steps toward launching during the Employee's employment with the Company; or (d) is engaged in a line of business that competes with any line of business that the Company or its affiliates are operating in, or have taken substantial steps to begin operating in, determined at the time of Employee's termination of employment. During the Restricted Period following the Employee's separation from employment with the Company, the Employee may request, in writing, the approval of the Company to provide services to a Competing Business in a capacity that is unrelated to the business and products of the Company or any subsidiary or affiliate of the Company and that will not result in the unauthorized use or disclosure of Confidential Information to which the Employee had access by virtue of his or her employment with the Company. The Employee agrees to provide any information the Company deems necessary to make this determination, and the Company shall not unreasonably withhold its approval.

2. Non-Solicitation. The Employee agrees that during his employment and during the one-year period following his or her Termination, he or she shall not, either directly or indirectly, on his or her own behalf or in the service or on behalf of others: (i) solicit or divert, or attempt to solicit or divert any person then employed by the Company or any subsidiary or affiliate of the Company; or (ii) hire or attempt to hire any person then employed by the Company or any subsidiary or affiliate of the Company as an officer, Region Coach, Head Coach, Area Coach, or Market Coach, or similar positions.

3. Non-Disparagement. The Employee agrees that he or she shall not make or publish any statement (orally or in writing) that becomes or reasonably could be expected to become publicly known or otherwise impact the Company's business, or instigate, assist or participate in the making or publication of any such statement, which would libel, slander or disparage (whether or not such disparagement legally constitutes libel or slander) the Company, any subsidiary or affiliate of the Company or their officers, directors and employees, or any person affiliated with the Company, or the reputations of any of its past or present shareholders, officers, directors, agents, representatives and employees, unless compelled to do so by valid subpoena or other court order, and in such case only after first notifying the Company in advance of such subpoena or court order.

4. Certain Remedies. In recognition of the fact that a breach by Employee of any of the provisions of this Agreement will cause irreparable and continuing damage to the Company for which monetary damages alone will not constitute an adequate remedy, the Company shall be entitled as a matter of right (without being required to prove damages or furnish any bond or other security) to obtain a restraining order, an injunction, an order of specific performance, or other equitable or extraordinary relief from any court of competent jurisdiction restraining any further violation of such provisions by Employee or requiring Employee to perform his or her obligations hereunder. Such right to equitable or extraordinary relief shall not be exclusive but shall be in addition to all other rights and remedies to which the Company may be entitled at law or in equity, including without limitation the right to recover monetary damages for the breach of any of the provisions of this Policy.

5. Legitimate Business Interests. Employee further agrees, acknowledges and understands that there are significant business reasons for entering into this Policy and that this Policy is necessary to protect legitimate business interests of the Company.

6. Reformation. If any provision of this Policy should ever be adjudicated to exceed the time, geographic limitations or other scope of restriction permitted by applicable law, then such provision shall be deemed reformed to the maximum time, geographic limitations or other scope of restriction permitted by applicable law. In the event any provision of this Policy is held to be unenforceable for any reason, the remaining provisions of this Policy shall not be affected thereby. The amendment and restatement of this

Policy from time to time by the Company shall not impact the enforceability of these or prior provisions contained in prior versions of the Policy.

7. Choice of Law. The validity, construction and interpretation of this Policy and the rights and duties of the parties hereto shall be governed by the laws of Ohio.

8. Choice of Forum. Any actions or proceedings instituted under this Policy with respect to any matters arising under or related to this Policy, shall be brought and tried only in courts located in the State of Ohio and by entering into this Policy, Employee consents to the jurisdiction of both the federal and state court systems in Ohio. Employee expressly waives his right to cause any such actions or proceedings to be brought or tried elsewhere.

9. Successors and Assigns. This Policy shall inure to the benefit of and be binding upon the Company, its successors and assigns, including, but not limited to, any entity which may acquire all or substantially all of the Company's assets and business or into which the Company may be consolidated or merged. The rights of the Employee may not be assigned or otherwise transferred nor may the obligations of the Employee be delegated.

10. Waiver. In the event any obligation, agreement or covenant contained in this Policy should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach whatsoever.

11. NO EMPLOYMENT AGREEMENT. THIS POLICY IS NOT, AND SHALL NOT BE DEEMED TO BE, AN EMPLOYMENT AGREEMENT THAT OBLIGATES THE COMPANY TO EMPLOY EMPLOYEE, OR OBLIGATES EMPLOYEE TO CONTINUE IN THE COMPANY'S EMPLOYMENT, FOR ANY TERM WHATSOEVER. UNLESS THERE IS A SEPARATE, WRITTEN EMPLOYMENT CONTRACT BETWEEN EMPLOYEE AND THE COMPANY, EMPLOYEE IS AN "AT WILL" EMPLOYEE OF THE COMPANY AND THE CONTINUATION OF EMPLOYEE'S EMPLOYMENT BY THE COMPANY IS SUBJECT TO THE RIGHT OF THE COMPANY TO TERMINATE SUCH EMPLOYMENT AT ANY TIME, WITH OR WITHOUT CAUSE.

12. No Reliance. Employee represents and warrants to the Company that no promise or inducement for this Policy has been made to Employee expect as set forth herein; and this Policy is executed by Employee freely and voluntarily, and without reliance upon any statement or representation by the Company, or any of the Company's attorneys, employees or agents except as expressly set forth herein.

13. Other Agreements. This Policy, and the restrictions on Employee contained herein, are in addition to any other agreements, covenants and restrictions between the parties relating to the subject matter hereof. Employees who are licensed to practice law and are employed by the Company to practice law on behalf of the Company ("Legal Personnel") are prohibited by the State of Ohio's constitution, ethical canons and the disciplinary rules from entering into restrictive covenants limiting them from competition. The Company requires Legal Personnel who are officers to sign confidentiality agreements instead of non-compete agreements. No Legal Personnel shall be deemed to be in breach of any Company rule or policy for not having signed an non-compete agreement.

14. Definition. Whenever used herein, the following term shall have the following meaning unless a different meaning is clearly intended:

14.1 "Confidential Information" means any and all confidential or proprietary information of the Company or any subsidiary or affiliate of the Company, including without limitation: trade secrets (as defined by the laws of the State of Ohio); business plans; financial information; accounting data; employment or employee-related information; marketing plans and information; sales information (including sales records, plans and projections); pricing information; supplier and customer (current and prospective) information; product information (including new products,

recipes, formulas and samples); information related to the siting of new or existing restaurants; information related to the design or construction of the Company's restaurants or plants; manufacturing processes; hiring and recruitment information; all information relating to the Company's goods and services; research and development information; legal information (including legal issues, cases and strategies) or other information, technology, data and materials, disclosed verbally or in writing by the Company or any subsidiary or affiliate of the Company to an Employee. "Confidential Information" does not include information that is or becomes generally available to the public, other than through disclosure by an Employee.

15. Notification. Employee agrees that the Company may notify any person or entity employing Employee or evidencing an intention to employ Employee of the existence and provisions of this Policy.

16. Acknowledgement. Employee understands and agrees that his or her acknowledgement and agreeing to be bound by the terms of the Policy may be completed by: (a) the Employee either in a written acknowledgement signed by the Employee to this Plan; (b) or through the receipt of base salary or a grant or award of bonus or incentive compensation referencing this Plan, or (c) by Employee's acknowledgement and agreeing to be bound with a digital, electronic, or "click to agree" method pursuant to a computer terminal and software. Employee agrees that acknowledging by means of a digital, electronic, or "click to agree" signature, that Employee is bound by the terms of the Policy the same as if Employee signed the acknowledgement in writing, and that the Company has the right to rely upon Employee's a digital, electronic, or "click to agree" signature.

EXHIBIT A

**BOB EVANS FARMS, INC.
NON-COMPETITION AND CONFIDENTIALITY POLICY**

Class A: Restricted Period: 18 Months

Bob Evans Farms, Inc.

- Chief Financial Officer
- Chief Accounting Officer
- Executive Vice President
- Senior Vice President
- Chief Information Officer
- Treasurer

Bob Evans Farms, LLC

- President
- Executive Vice President
- Senior Vice President

BEF Foods, Inc.

- President
- Executive Vice President
- Senior Vice President

Class B: Restricted Period: 12 Months

Bob Evans Farms, Inc.

- Vice President

BEF Management, Inc.

- Vice President

Bob Evans Farms, LLC

- Vice President

BEF Foods, Inc.

- Vice President

Bob Evans Farms, Inc.
Executive Compensation Recoupment Policy

Amended and Restated February 24, 2014

1. **Policy** . This Executive Compensation Recoupment Policy (“ Policy ”) of Bob Evans Farms, Inc., a Delaware corporation, and its subsidiaries (collectively, the “ Company ”) provides for the recoupment by the Company under certain circumstances of annual cash bonuses, stock-based awards, performance-based compensation, and any other forms of cash or equity compensation other than salary (“ Award ” or “ Awards ”). This Policy applies to the Company’s “ Executive Officers,” both current and former, as defined by Rule 3b-7 of the Securities and Exchange Act of 1934, as amended (see, Appendix A).

2. **Executive Compensation Recoupment** .

(a) **Executive Officer Recoupment** . In the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Company will recover from any current or former Executive Officer of the Company who received incentive based compensation during the three year period preceding the date on which the Company is required to prepare an accounting restatement, based on the erroneous data, in excess of what would have been paid to the Executive Officer under the accounting restatement.

Recoupment under this Policy may include, but is not limited to, reimbursement by the executive officer of the amount of cash bonuses received, cancellation or forfeiture of outstanding stock-based compensation and the payment to the Company of stock sale proceeds. In the event that a recoupment payment under this Plan involves incentive compensation that is deferred and subject to Code Section 409A of the Internal Revenue Code, to the extent possible, such amount will be deemed forfeited rather than being subject to repayment.

To the extent this Policy or any policy adopted by the Company in order to comply with the implementing regulations of the SEC and The NASDAQ Stock Market (“ Regulations ”) when issued pursuant to Section 10D of the Securities and Exchange Act of 1934 (“ Exchange Act ”), as required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“ Section 954 ”), requires any plan participant to forfeit any Award, or repay any amount paid with respect to any Award, this Policy and any such policy shall be deemed incorporated into all outstanding Awards and award agreements to the extent required by such Regulations, and all plan participants subject to such Regulations, by accepting any Award, shall be deemed to have consented to the inclusion of provisions in their Award as determined by the Compensation Committee of the Company to be necessary or appropriate to comply with Section 954 and such Regulations.

(b) **Chief Executive Officer and Chief Financial Officer Additional Policy** . If a plan participant is the chief executive officer or chief financial officer, and the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, the participant shall, to the extent required by the Securities and Exchange Commission (“ SEC ”) pursuant to Section 304 of the Sarbanes-Oxley Act of 2002, reimburse the Company for: (1) any bonus or other incentive-based or equity-based compensation received by that person from the Company during the 12-month period following the first public issuance or filing with the Commission (whichever first occurs) of the financial document embodying such financial reporting requirement; and (2) any profits realized from the sale of securities of the Company during that 12-month period.

(c) **Make-up Award** . If under Section 2(a) or 2(b) any Award(s) would have been paid, granted or vested; or a higher payment, Award value or vesting would have occurred based upon the restated financial results; the Company will not be obligated to pay the executive officer any additional compensation.

3. **Additional Recoupment for Fraud or Misconduct** . In any instance in which, in the view of the Compensation Committee, an officer engaged in an act of fraud or misconduct that contributed to the need for a financial restatement, the Compensation Committee may, in its discretion, recover and the officer shall forfeit or repay, all of the officer's Awards for the relevant period, plus a reasonable rate of interest, in addition to any other employment action deemed appropriate, including termination of employment.

4. **Not Exclusive Remedy** . The recoupment of Awards pursuant to this Policy shall not in any way limit or affect the Company's right to pursue disciplinary action or dismissal, take legal action or pursue any other available remedies.

5. **Incorporation of Policy** . Each officer of the Company shall execute an agreement providing that any Awards granted to such officer on or after the original effective date of this Policy, being February 17, 2009, shall be subject to this Policy. Additionally, the Company, in its discretion, may incorporate the requirements of this Policy into any applicable company incentive plan, award statement, award agreement or terms and conditions of any Awards made by the Company. The Company may amend Appendix A from time to time as necessary to reflect the then current Executive Officers, but no such amendment will release any former officer from being subject to this Policy.

History: Adopted February 17, 2009; Amended and Restated June 18, 2013; Amended and Restated February 24, 2014.

Release

THIS RELEASE (the "Release") is entered into between Steven A. Davis ("Executive") and Bob Evans Farms, Inc., a Delaware corporation (the "Company"), for the benefit of the Company. The entering into and non-revocation of this Release is a condition to Executive's right to receive certain payments and benefits under Sections 14(d)(iv)-(viii) of the Third Amended and Restated Employment Agreement entered into by and between Executive and the Company, dated as of July 9, 2013 (the "Employment Agreement"). Capitalized terms used and not defined herein shall have the meaning provided in the Employment Agreement.

Accordingly, Executive and the Company agree as follows.

1. In consideration for the payments and other benefits provided to Executive by the Employment Agreement, to which Executive is not otherwise entitled, and the sufficiency of which Executive acknowledges, Executive represents and agrees, as follows:

(a) Executive, for himself, his heirs, administrators, representatives, executors, successors and assigns (collectively "Releasers"), hereby irrevocably and unconditionally releases, acquits and forever discharges and agrees not to sue the Company or any of its parents, subsidiaries, divisions, affiliates and related entities and their current and former directors, officers, shareholders, trustees, employees, consultants, independent contractors, representatives, agents, servants, successors and assigns and all persons acting by, through or under or in concert with any of them (collectively "Releasees"), from all claims, rights and liabilities up to and including the date of this Release arising from or relating to Executive's employment with, or termination of employment from, the Company, and from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of actions, suits, rights, demands, costs, losses, debts and expenses of any nature whatsoever, known or unknown, suspected or unsuspected and any claims of wrongful discharge, breach of contract, implied contract, promissory estoppel, defamation, slander, libel, tortious conduct, employment discrimination or claims under any federal, state or local employment statute, law, order or ordinance, including any rights or claims arising under Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § 621 et seq. ("ADEA"), Ohio Revised Code Sections 4101.17 and 4112.02 et seq., or any other federal, state or municipal ordinance relating to discrimination in employment. Nothing contained herein shall restrict the parties' rights to enforce the terms of this Release.

(b) To the maximum extent permitted by law, Executive agrees that he has not filed, nor will he ever file, a lawsuit asserting any claims which are released by this Release, or to accept any benefit from any lawsuit which might be filed by another person or government entity based in whole or in part on any event, act, or omission which is the subject of this Release.

(c) This Release specifically excludes (i) Executive's rights and the Company's obligations under Section 14(d) of the Employment Agreement. Nothing contained in this Release shall release Executive from his obligations, including any obligations under Sections 8-13 of the Employment Agreement.

(d) The parties agree that this Release shall not affect the rights and responsibilities of the US Equal Employment Opportunity Commission (hereinafter "EEOC") to enforce ADEA and other laws. In addition, the parties agree that this Release shall not be used to justify interfering with Executive's protected right to file a charge or participate in an investigation or proceeding conducted by the EEOC. The parties further agree that Executive knowingly and voluntarily waives all rights or claims (that arose

prior to Executive's execution of this Release) the Releasers may have against the Releasees, or any of them , to receive any benefit or remedial relief (including , but not limited to , reinstatement , back pay , front pay , damages , attorneys ' fees, experts' fees) as a consequence of any investigation or proceeding conducted by the EEOC .

2. Executive acknowledges that the Company has specifically advised him of the right to seek the advice of an attorney concerning the terms and conditions of this Release. Executive further acknowledges that he has been furnished with a copy of this Release , and he has been afforded twenty-one (21) days in which to consider the terms and conditions set forth above prior to this Release. By executing this Release, Executive affirmatively states that he has had sufficient and reasonable time to review this Release and to consult with an attorney concerning his legal rights prior to the final execution of this Release. Executive further agrees that he has carefully read this Release and fully understands its terms. Executive understands that he may revoke this Release within seven (7) days after signing this Release. Revocation of this Release must be made in writing and must be received by the General Counsel at the Company , 8111 Smith's Mill Road, New Albany, Ohio, within the time period set forth above.

3 . This Release will be governed by and construed in accordance with the laws of the state of Ohio , without giving effect to any choice of law or conflicting provision or rule (whether of the state of Ohio or any other jurisdiction) that would cause the laws of any jurisdiction other than the state of Ohio to be applied . In furtherance of the foregoing , the internal law of the state o f Ohio will control the interpretation and construction of this agreement , even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply. The provisions of this Release are severable , and if any part or portion of it is found to be unenforceable , the other paragraphs shall remain fully valid and enforceable .

4. This Release shall become effective and enforceable on the eighth day following its execution by Executive, provided he does not exercise his right of revocation as described above. If Executive fails to sign and deliver this Release or revokes his signature , this Release will be without force or effect, and Executive shall not be entitled to the payments and benefits of Sections 14(d)(iv)-(viii) of the E mployment Agreement.

Date: 1/27/15

By: /s/ Steven A . Davis

Direct and Indirect Subsidiaries of
Bob Evans Farms, Inc.
As of April 24, 2015

Name of Entity and Ownership Structure	Jurisdiction
Bob Evans Farms, Inc.	Delaware
- Bob Evans Farms, LLC	Ohio
- BEF Foods, Inc.	Ohio
- Kettle Creations, LLC	Ohio
- Bob Evans Holdings, Inc.	Ohio
- BEF Management, Inc.	Ohio
- Bob Evans Transportation Company, LLC	Ohio
- Bob Evans Express, LLC	
- MCafe Holding, LLC	Delaware

The registrant has listed all of its direct and indirect subsidiaries and the inclusion of any entity does not necessarily signify that it is a "significant subsidiary" of the registrant.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- Form S-8	No. 33-34149	401(k) Retirement Plan
- Form S-8	No. 33-53166	First Amended and Restated 1992 Nonqualified Stock Option Plan (formerly known as the Bob Evans Farms, Inc. Nonqualified Stock Option Plan)
- Form S-8	No. 33-69022	First Amended and Restated 1993 Long Term Incentive Plan for Managers (formerly known as the Bob Evans Farms, Inc. Long Term Incentive Plan for Managers)
- Form S-8	No. 33-55269	First Amended and Restated 1994 Long Term Incentive Plan (formerly known as the Bob Evans Farms, Inc. 1994 Long Term Incentive Plan)
- Form S-8	No. 333-74829	First Amended and Restated 1998 Stock Option and Incentive Plan (formerly known as the Bob Evans Farms, Inc. 1998 Stock Option and Incentive Plan)
- Form S-8	No. 333-106016	401(k) Retirement Plan
- Form S-8	No. 333-141139	2006 Equity and Cash Incentive Plan
- Form S-8	No. 333-169349	Bob Evans Farms, Inc. and Affiliates Fourth Amended and Restated Executive Deferral Program and the Bob Evans Farms, Inc. 2010 Director Deferral Program
- Form S-8	No. 333-169350	Bob Evans Farms, Inc. 2010 Equity and Cash Incentive Plan

of our reports dated June 19, 2015, with respect to the consolidated financial statements of Bob Evans Farms, Inc. and the effectiveness of internal control over financial reporting of Bob Evans Farms, Inc. included in this Annual Report (Form 10-K) of Bob Evans Farms, Inc. for the year ended April 24, 2015.

/s/ Ernst & Young LLP

Columbus, Ohio
June 19, 2015

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS , that the undersigned officer and/or director of Bob Evans Farms, Inc., a Delaware corporation (the “Company”), which is about to file with the Securities and Exchange Commission, Washington, D.C., under the provisions of the Securities Exchange Act of 1934, as amended, the Annual Report of the Company on Form 10-K for the fiscal year ended April 24, 2015 , hereby constitutes and appoints Colin M. Daly and Kevin C. O’Neil as his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign both the Annual Report on Form 10-K and any and all amendments and documents related thereto, and to file the same, and any and all exhibits, financial statements and schedules related thereto, and other documents in connection therewith, with the Securities and Exchange Commission and The NASDAQ Stock Market, granting unto each of said attorneys-in-fact and agents, and substitute or substitutes, 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 to all intents and purposes as he might or could do in person, and hereby ratifies and confirms all things that each of said attorneys-in-fact and agents, or either of them or his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF , the undersigned has hereunto set his or her hand the day and year written to the right of his or her signature

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Douglas N. Benham</u> Douglas N. Benham	Director	June 19, 2015
<u>/s/ Charles M. Elson</u> Charles M. Elson	Director	June 19, 2015
<u>/s/ Michael J. Gasser</u> Michael J. Gasser	Director	June 19, 2015
<u>/s/ Mary Kay Haben</u> Mary Kay Haben	Director	June 19, 2015
<u>/s/ David W. Head</u> David W. Head	Director	June 19, 2015
<u>/s/ Kathleen S. Lane</u> Kathleen S. Lane	Director	June 19, 2015
<u>/s/ Eileen A. Mallesch</u> Eileen A. Mallesch	Director	June 19, 2015
<u>/s/ Larry S. McWilliams</u> Larry S. McWilliams	Director	June 19, 2015
<u>/s/ Kevin M. Sheehan</u> Kevin M. Sheehan	Director	June 19, 2015
<u>/s/ Michael F. Weinstein</u> Michael F. Weinstein	Director	June 19, 2015
<u>/s/ Paul S. Williams</u> Paul S. Williams	Director	June 19, 2015

Rule 13a-14(a)/15d-14(a) CERTIFICATION

I, Mark E. Hood, certify that:

1. I have reviewed this Form 10-K of Bob Evans Farms, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 19, 2015

/s/ Mark E. Hood

Mark E. Hood

Office of the Chief Executive Officer
(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) CERTIFICATION

I, J. Michael Townsley, certify that:

1. I have reviewed this Form 10-K of Bob Evans Farms, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 19, 2015

/s/ J. Michael Townsley

J. Michael Townsley

Office of the Chief Executive Officer
(Principal Executive Officer)

Rule 13a-14(a)/15d-14(a) CERTIFICATION

I, Mark E. Hood, certify that:

1. I have reviewed this Form 10-K of Bob Evans Farms, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 19, 2015

/s/ Mark E. Hood

Mark E. Hood
Chief Financial Officer
(Principal Financial Officer)

SECTION 1350 CERTIFICATION*

I, Mark E. Hood, Office of the Chief Executive Officer of Bob Evans Farms, Inc. (the "Company") certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Annual Report on Form 10-K of the Company for the annual period ended April 24, 2015 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 19, 2015

/s/ Mark E. Hood

Mark E. Hood

Office of the Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906 had been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SECTION 1350 CERTIFICATION*

I, J. Michael Townsley, Office of the Chief Executive Officer of Bob Evans Farms, Inc. (the "Company") certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Annual Report on Form 10-K of the Company for the annual period ended April 24, 2015 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 19, 2015

/s/ J. Michael Townsley

J. Michael Townsley

Office of the Chief Executive Officer

(Principal Executive Officer)

A signed original of this written statement required by Section 906 had been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

SECTION 1350 CERTIFICATION*

I, Mark E. Hood, Chief Financial Officer of Bob Evans Farms, Inc. (the "Company") certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 that:

1. The Annual Report on Form 10-K of the Company for the annual period ended April 24, 2015 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 19, 2015

/s/ Mark E. Hood

Mark E. Hood

Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 had been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.