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## **Landec Subsidiary, Apio, Announces Exclusive License Agreement with Windset Farms Inc.**

MENLO PARK, Calif., Jul 13, 2010 (BUSINESS WIRE) --

Landec Corporation (Nasdaq:LNDC), a polymer science company that develops and markets patented polymer products for food, agricultural, medical device and licensed partner applications, announced today that its subsidiary, Apio Inc., has signed an exclusive license agreement with Greenhouse Grown Foods Inc. (d/b/a Windset Farms), a privately held produce company headquartered in Vancouver, Canada. Apio Inc., a wholly owned food subsidiary of Landec Corporation, has granted an exclusive license to Windset for Windset to utilize Landec's proprietary breathable packaging to extend the shelf life of specific greenhouse grown vegetables, initially covering cucumbers and, following further successful trials, to include peppers and tomatoes, specifically, grape, roma and cherry type tomatoes.

Under the agreement, Apio will receive a one-time upfront research and development fee of \$100,000 and ongoing license fees equal to 3% of net revenue of the exclusive products utilizing the proprietary breathable packaging technology, with or without the BreatheWay® trademark. The ongoing license fees are subject to annual minimums of \$150,000 for each of the three types of exclusive product as each is added to the exclusive agreement.

Windset will have the exclusive use of the Landec technology and BreatheWay trademark for use in the production, marketing, distribution and sale of the exclusive products in the United States and Canada within the exclusive licensed field. For its part, Apio will provide Windset with all necessary technical services and support regarding any future development of the technology. The initial term of the agreement for each exclusive product is for four years with automatic renewal of four year terms for each exclusive product, unless specific products are terminated.

"This agreement is the culmination of over one year of effort by Apio to expand the application of Landec's proprietary and patented technology for specific vegetable products," said Ron Midyett, Apio's Chief Executive Officer. "We are pleased that Windset recognizes the unique properties of our packaging technology. Windset has a recognized history of producing, marketing and distributing high quality greenhouse grown vegetables and we look forward to working with them."

"We are excited about utilizing Landec's technology to differentiate, and enhance, the quality of our vegetables for our customers and for their customers," commented Steve Newell, Windset's Chief Executive Officer. "This long-term exclusive license is part of our strategy to develop and expand our existing line of products and customer base. We believe that the combination of our production, marketing and distribution capabilities, along with the Landec technology and any further developments of the technology, will result in a profitable collaboration for both Windset and Landec/Apio."

### **About Windset Farms**

Founded in 1996, Windset Farms has grown to be one of the most advanced greenhouse operators in Canada and the largest vertically integrated operation in Western Canada. Windset Farms is a privately held company. The Company has properties in Delta, British Columbia ("BC"), Abbotsford, BC, and North Las Vegas, Nevada. Windset Farms produces, grades, packages and distributes vegetables to customers around North America and is one of only two greenhouses in western North America with its own storage and distribution facility. Today Windset Farms has the exclusive right to market 284 acres of greenhouse crops and has developed a tier one customer list. To ensure its competitive advantage, Windset Farms has spent a significant amount of time researching the most advanced technologies for greenhouse growing, grading, packaging and distribution.

### **About Landec Corporation**

Landec is a materials science company, leveraging its capability in polymer science and bio-application development in order to commercialize new products within a variety of life science fields, including food, agricultural, personal care and medical device applications. With its Intelimer® polymers, Landec is able to customize its proprietary polymer materials for each application through the manipulation of their unique controlled release, temperature activation and/or biocompatibility properties. Landec's subsidiary, *Apio Inc.*, has leveraged Landec's BreatheWay® membrane to become the leader in US fresh-cut specialty vegetables. *Landec Ag* offers a full solution of seed coatings and enhancements that work with the latest genetic technologies to drive continuous improvements in crop yield. Landec has also commercialized dozens of personal care and adhesive products through its long-standing partner relationships. With its recent acquisition of *Lifecore Biomedical*, Landec is now a leading supplier of premium hyaluronan-based biomaterials for the medical and veterinary markets, as well as the

leading supplier to ophthalmology companies. For more information about the Company visit Landec's website at [www.landec.com](http://www.landec.com).

Except for the historical information contained herein, the matters discussed in this news release are forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially, including such factors among others, as the timing and expenses associated with expanding operations, the ability to achieve acceptance of the Company's new products in the market place, the severity of the current economic slowdown, weather conditions that can affect the supply and price of produce, the amount and timing of research and development funding and license fees from the Company's collaborative partners, the timing of regulatory approvals, new product introductions, the mix between domestic and international sales, and the risk factors listed in the Company's Form 10-K for the fiscal year ended May 31, 2009 (See item 1A: Risk Factors). As a result of these and other factors, the Company expects to continue to experience significant fluctuations in quarterly operating results and there can be no assurance that the Company will remain consistently profitable. The Company undertakes no obligation to update or revise any forward-looking statements whether as a result of new developments or otherwise.

SOURCE: Landec Corporation

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