

LANDEC CORP \CA\
Form 4
April 07, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
STEELE GARY T

(Last) (First) (Middle)

C/O LANDEC CORPORATION, 3603 HAVEN AVENUE

(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
LANDEC CORP \CA\ [LNDC]

3. Date of Earliest Transaction (Month/Day/Year)
04/07/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
CEO and President

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Common Stock	04/07/2006		S	(A) or (D) Code V Amount Price S 15,000 (1) D \$ 8.069	73,214	I	By Trust
Common Stock					832	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STEELE GARY T C/O LANDEC CORPORATION 3603 HAVEN AVENUE MENLO PARK, CA 94025	X		CEO and President	

Signatures

/s/ Stacia Leigh Skinner by Power of Attorney
 Date: 04/07/2006

Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) All shares reported sold on this form 4 were sold pursuant to a 10b5-1 trading program.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. 3F3; padding:0in 0in 0in 0in'

Retail subscribers

8,179

2,026

1,513

	231
	79
	4,330
Corporate subscribers	
	7,915
	828
	715
	133
	318
	5,921
Foreign administrations	
	5,371
	2,689
	902
	316
	417
	1,047
Dealers, agents and others	
	2,151
	1,298
	30
	4
	162
	657
Domestic carriers	
	1,884
Explanation of Responses:	3

Held-for-trading:

Short-term investments

2,049

2,049

Forward foreign exchange contracts

193

193

Long-term foreign currency options

59

59

Explanation of Responses:

5

Bifurcated embedded derivatives

34

34

Derivatives used for hedging:

Forward foreign exchange contracts

670

670

59,583

41,054

Explanation of Responses:

6

3,248

787

2,158

12,336

December 31, 2006

Loans and receivables:

Advances and refundable deposits

Explanation of Responses:

647

647

Cash and cash equivalents

16,870

16,870

Short-term investments

5,520

5,520

Corporate subscribers

8,160

1,473

139

38

34

Explanation of Responses:

8

	6,476
Retail subscribers	
	7,874
	901
	945
	118
	69
	5,841
Foreign administrations	
	6,342
	2,425
	694
	267
	450
	2,506
Dealers, agents and others	
	2,587
	1,229
	25
	10
	54
	1,269
Domestic carriers	
	1,965
	402
	96
Explanation of Responses:	9

Bifurcated embedded derivatives

44

44

Forward foreign exchange contracts

3

3

53,369

32,871

1,899

510

1,494

16,595

Explanation of Responses:

11

Impairment assessments

The main consideration for the impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. Our impairment assessments are classified into two areas: individually assessed allowance and collectively assessed allowance.

Individually assessed allowance

We determine the allowance appropriate for each individually significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected dividend payout should bankruptcy ensue, the availability of other financial support, the realizable value of collateral, if any, and the timing of the expected cash flows. The impairment losses are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

Collectively assessed allowances

Allowances are assessed collectively for losses on loans and advances that are not individually significant and for individually significant loans and advances where there is no objective evidence of individual impairment. Allowances are evaluated on each reporting date with each portfolio receiving a separate review.

The collective assessment takes account of impairment that is likely to be present in the portfolio even though there is no objective evidence of the impairment in an individual assessment. Impairment losses are estimated by taking into consideration the following information; historical losses on the portfolio, current economic conditions, the approximate delay between the time a loss is likely to have been incurred and the time it will be identified as requiring an individually assessed impairment allowance, and expected receipts and recoveries once impaired. The impairment allowance is then reviewed by credit management to ensure alignment with our policy.

Capital Management

We aim to achieve an optimal capital structure in pursuit of our business objectives, which include maintaining healthy capital ratios and strong credit ratings, and maximizing shareholder value.

In recent years, our cashflow from operations has allowed us to substantially reduce debts and, in 2005, resume payment of common dividends to shareholders. Since then, our strong cashflows have enabled us to make investments in new areas and pay higher dividends.

Our approach to capital management focuses on balancing the allocation of cash and the incurrence of debt as we seek new investment opportunities for new businesses and growth areas. Our current dividend policy is to pay out 70% of our core earnings to our shareholders. Further, in the event no investment opportunities arise, we may consider the option of returning additional cash to our shareholders in the form of special dividends or share buybacks. Philippine corporate regulations prescribe, however, that we can only pay out dividends or make capital distribution up to the amount of our unrestricted retained earnings.

As part of our aim to maximize returns to our shareholders, we obtained approval from our board of directors on January 29, 2008 for a buyback program of up to two million PLDT common shares. See *Note 17 Equity*.

Some of our debt instruments contain covenants that impose maximum leverage ratios. In addition, our credit ratings from the international credit ratings agencies are based on our ability to remain within certain leverage ratios.

We monitor capital using several financial leverage measurements calculated in conformity with Philippine Financial Reporting Standards, such as net debt to equity ratio. Net debt is derived by deducting cash and cash equivalents and short-term investments from total debt (notes payable and long-term debt). Our objective is to maintain our net debt to equity ratio below 100%.

	2007	2006
	(in million pesos)	
Long-term debt, including current portion	60,147	79,953
Notes payable	493	201
Total debt	60,640	80,154
Cash and cash equivalents	(17,447)	(16,870)
Short-term investments	(13,415)	(8,327)
Net debt	29,778	54,957
Equity attributable to equity holders of PLDT	111,113	102,521
Net debt to equity ratio	27%	54%

27. Supplemental Cash Flow Information

	2007	2006	2005
	(in million pesos)		
Supplemental information for noncash investing activity:			
Fair value of future earn-out payments	1,048		
Supplemental information for noncash financing activities:			
Conversion of preferred stock subject to mandatory redemption (Note 18)	313	11,020	2,591
Recognition of asset retirement obligations (Note 8)	48	45	63