Chiquita Brands International, Inc.
1999 Annual Report and Form 10-K

Executive Message

In 1999, Chiquita Brands International experienced a difficult operating year, primarily due to an unprecedented overallocation of European Union banana licenses in the second quarter that resulted in the most severe price declines in five years and adversely affected the industry for the balance of the year. Weak economies in Eastern Europe and Russia, along with larger than normal summer fruit harvests in Europe, further contributed to pricing declines during 1999. These issues overshadowed our continued improvement in delivered product costs. In 2000, we look for a more normal quarterly license allocation in the EU.

Our Processed Foods operating results improved in 1999 due to continued synergies from plant consolidations, as well as modestly higher pricing for products. Improvements due to synergies are expected to continue in 2000.

In March 2000, we announced a major business realignment that will take place over the next several months enabling us to build a platform for profitable growth. These changes focus on the consolidation of our banana and other fresh produce operations to serve customers in a single Chiquita Fresh organization for North America and Europe. The most successful food retailers are looking for a broader product range, year-round supply and expanded services through fewer points of contact. Over time, our new Chiquita Fresh organization will have a single sales force offering the complete range of quality Chiquita produce and services to our key customers, resulting in improved customer satisfaction.

The reorganization will also consolidate the Company's fresh logistics and purchasing. These actions, combined with the workforce reduction program concluded in the fourth quarter of 1999, will continue our success at lowering delivered product costs.

Bob Kistinger is leading the Chiquita Fresh organization in North America and Europe, while Dennis Doyle continues to head the Middle and Far East markets. David Ockleshaw recently joined the company as President of Chiquita Processed Foods, our vegetable canning subsidiary.

On the regulatory front, we continue to believe that the EU must bring its illegal banana import regime into compliance with laws governing international trade. The EU policy continues to be condemned around the world, and in late 1999 the Caribbean banana-producing countries—traditional allies of the EU in this dispute—sided with the United States in promoting a WTO consistent settlement plan. Although this positive development has yet to bring reform to the EU's banana import system, we remain hopeful that there will be a solution that is satisfactory to the United States and Latin American nations.

We thank our employees worldwide for their enormous efforts to reduce costs and improve our business in the face of trying market conditions. To our shareholders, we express our appreciation for your continued support as we position our business to overcome the challenges confronting us.

Sincerely,

Carl H. Lindner
Chairman and Chief Executive Officer

Keith E. Lindner
Vice Chairman

Steven G. Warshaw
President and Chief Operating Officer

Contents

Statement of Management Responsibility

The financial information presented in this Annual Report is the responsibility of Chiquita Brands International, Inc. management, which believes that it presents fairly the Company's consolidated financial position and results of operations in accordance with generally accepted accounting principles.

The Company's system of internal accounting controls, which is supported by formal financial and administrative policies, is designed to provide reasonable assurance that the financial records are reliable for preparation of financial statements and that assets are safeguarded against losses from unauthorized use or disposition. Management reviews, modifies and improves these systems and controls as changes occur in business conditions and operations. The Company's worldwide internal audit function reviews the adequacy and effectiveness of controls and compliance with policies.

The Audit Committee of the Board of Directors, all of whose members are independent directors, reviews the Company's financial statements, accounting policies and internal controls. In performing its reviews, the Committee meets periodically with the independent auditors, management and internal auditors to discuss these matters.

The Company engages Ernst & Young LLP, an independent auditing firm, to audit its financial statements and express an opinion thereon. The scope of the audit is set by Ernst & Young LLP, which has full and free access to all Company records and personnel in conducting its audits. Representatives of Ernst & Young LLP are free to meet with the Audit Committee, with or without members of management present, to discuss their audit work and any other matters they believe should be brought to the attention of the Committee.

Report of Ernst & Young LLP, Independent Auditors

The Board of Directors and Shareholders of Chiquita Brands International, Inc.

We have audited the accompanying consolidated balance sheets of Chiquita Brands International, Inc. as of December 31, 1999 and 1998, and the related consolidated statements of income, shareholders' equity and cash flow for each of the three years in the period ended December 31, 1999. These financial statements, appearing on pages 8 through 27, 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 auditing standards generally accepted in the 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 Chiquita Brands International, Inc. at December 31, 1999 and 1998, and the consolidated results of its operations and its cash flow for each of the three years in the period ended December31,1999, in conformity with accounting principles generally accepted in the United States.

Ernst + Young LLP

Cincinnati, Ohio
February 8, 2000

Management's Analysis of Operations and Financial Condition

Operations

This analysis of operations addresses Chiquita's operating results shown in the Consolidated Statement of Income and should be read in conjunction with the segment information presented in Note 13 to the Consolidated Financial Statements.

(In thousands)	1999	1998	1997
Net sales			
Fresh Produce	$ 2,044,788	$ 2,243,284	$ 2,198,939
Processed Foods	511,011	477,077	234,787
	$ 2,555,799	$ 2,720,361	$ 2,433,726
Operating income			
Fresh Produce	$ 14,544	$ 53,085	$ 82,562
Processed Foods	27,494	25,524	17,604
	$ 42,038	$ 78,609	$ 100,166

Net sales in 1999 decreased 6% from the prior year primarily as a result of lower banana pricing. In 1998, net sales increased 12% over the prior year primarily as a result of the expansion of Chiquita's Processed Foods business through acquisitions of vegetable canning operations in late 1997 and early 1998. (See Note 15 to the Consolidated Financial Statements for additional discussion of these acquisitions.)

Operating income in 1999 declined from 1998 in the Company's Fresh Produce business. This decrease was primarily due to weak banana pricing, particularly in Europe as a result of the overallocation of European Union banana import licenses early in the year and weakness in demand from Eastern Europe and Russia. A stronger dollar in relation to major European currencies (mitigated in part by the Company's foreign currency hedging program) also contributed to the lower earnings. These difficult industry conditions adversely affected the last three quarters of 1999. In early 2000, the dollar has continued to strengthen, especially in comparison to early 1999. Chiquita's Processed Foods business showed improved earnings in 1999 primarily as a result of higher pricing for canned vegetables compared to the prior year.

In late 1999, the Company completed a workforce reduction program that streamlined certain corporate and staff functions in the U.S., Central America and Europe. The program is expected to generate annual savings of $15 to $20 million. Operating income for 1999 includes a $9 million charge representing severance, benefits extensions and outplacement services provided by this program.

Operating income in 1998 includes write-downs and costs of $74 million, net of minimum expected insurance recoveries, as a result of significant damage in Honduras and Guatemala caused by Hurricane Mitch. This includes write-downs of banana cultivations and farm infrastructure assets, and costs for employee benefits and humanitarian aid. Excluding the effect of Hurricane Mitch, Fresh Produce operating income in 1998 improved compared to 1997 primarily as a result of lower delivered product costs for bananas as the Company realized increased farm productivity and transportation cost reductions on higher worldwide banana volume. Acquisitions of vegetable canning operations in late 1997 and early 1998 caused the increase in 1998 Processed Foods operating income as compared with 1997.

Interest income for 1999 includes $10 million related to refunds to be received as a result of audits of the Company's federal income tax returns for 1989 through 1991. Interest expense in 1999 increased $3 million from 1998 and 1997 as a result of the Company's higher debt level.

Management's Analysis of Operations and Financial Condition

The 1998 results also include write-offs of a non-operating investment and of long-term production assets which were offset by a gain from a cash settlement in excess of $10million for claims against a newspaper. The write-off of production assets is included in "Cost of sales." "Other income, net" includes the gain from the settlement of claims against the newspaper and the non-operating investment write-off.

Income taxes consist principally of foreign income taxes currently paid or payable. No tax benefit was recorded for unrealized U.S. net operating loss carryforwards or other available tax credits.

Liquidity and Capital Resources

Operating cash flow was $(6) million in 1999, $91million in 1998 and $67million in 1997. The decrease in 1999 operating cash flow resulted primarily from lower banana pricing in the Company's Fresh Produce business. The increase in 1998 operating cash flow compared to 1997 was primarily due to Fresh Produce cost reductions.

Capital expenditures were $152 million in 1999, including $74 million to rehabilitate banana farms in Honduras and Guatemala which were destroyed or damaged by Hurricane Mitch in late 1998. The Company funded its capital expenditures with insurance proceeds related to Hurricane Mitch and additional borrowings. An additional $20 million will be spent on the rehabilitation of these farms, which are expected to return to full production during the first half of 2000. Remaining insurance proceeds of $32 to $42million are expected to be received in 2000.

Capital expenditures were $118 million in 1998 and $76 million in 1997. The 1998 amount includes $40 million for expansion of Chiquita's vegetable canning operations and for farm rehabilitation in the Company's western Panama division following a two-month strike.

In June 1999, the Company issued $200 million principal amount of 10% senior notes due 2009 for net proceeds of $195million. The Company used most of these proceeds to repay debt of subsidiaries and to repay borrowings under its corporate revolving line of credit.

In September 1999, Chiquita Processed Foods, L.L.C. ("CPF"), the Company's vegetable canning subsidiary, entered into a five-year $200 million senior secured credit facility. The facility includes a $135 million revolving credit line and a $65 million facility for term loans, and replaces CPF's previous $85million revolving credit facility.

In February 2000, the Company amended its corporate senior revolving credit facility. The amendment sets the amount of the facility at $110million, amends certain covenants and pledges certain parent company assets as security for its obligations. The facility is available through January 2001.

At February 25, 2000, approximately $160 million of borrowings were available to Chiquita and its subsidiaries under committed lines of credit. At December 31, 1999, in accordance with subsidiary loan agreements, approximately $215million of subsidiary net assets cannot be distributed to the parent company in the form of dividends, loans or advances. This restriction does not affect the parent company's ability to meet its cash obligations.

In 2000, the Company expects its operating cash flow to improve compared to 1999. In addition, until industry conditions improve, the Company has suspended its common stock dividend and currently plans to reduce recurring capital expenditures to approximately one-half of annual depreciation and amortization charges.

European Union Regulatory Developments

In 1993, the European Union ("EU") implemented a regulatory system governing the importation of bananas into the EU. By restricting the volume of Latin American bananas imported into the EU, this quota system had the effect of significantly decreasing the Company's overall volume and market share in Europe. The quota regime is administered through a licensing system and grants preferred status to producers and importers within the EU and its former colonies, while imposing restrictive quotas, licenses and tariffs on bananas imported from other sources, including Latin America, Chiquita's primary source of fruit. Following imposition of the EU quota regime, prices within the EU increased and have remained at a higher level than the levels prevailing prior to the quota. Banana prices in other worldwide markets, however, declined as the displaced EU volume entered those markets, and have remained lower than in years prior to the EU quota.

The EU quota regime has been determined to be in violation of a number of international trade obligations by both the World Trade Organization ("WTO") and its predecessor, the General Agreement on Tariffs and Trade ("GATT"). The following chronology summarizes key developments:

1992, 1993	In two separate rulings, GATT panels find the EU banana policies to be illegal.
1994	Chiquita makes a filing with the Office of the U.S. Trade Representative ("USTR") under Section 301 of the U.S. Trade Act of 1974 (the "Trade Act") charging that the EU quota and licensing regime is unreasonable, discriminatory, and a burden and restriction on U.S.commerce.
1995	The USTR determines that the EU regime violates the Trade Act. Subsequently, the United States, Guatemala, Honduras and Mexico commence a challenge against the regime using the procedures of the newly created WTO.
1996	Ecuador, the world's largest exporter of bananas, joins these countries in the WTO action.
1997	A WTO panel rules that the EU banana regulation violates numerous international trade obligations to the detriment of Latin American supplying countries and U.S. marketing firms such as Chiquita. The WTO Appellate Body upholds the panel's ruling.
1998	The EU adopts a revised quota and licensing regime for implementation in January 1999. The five governments that filed the WTO complaint, joined by Panama, which became a WTO member after the initial complaint was filed, oppose the revised EU regime for not complying with the WTO rulings.
1999	In January, the United States requests WTO authorization to impose punitive duties on selected EU products exported to the United States in retaliation for the harm to the United States caused by the failure of the revised EU banana regime to be WTO consistent. In April, a WTO arbitration panel rules that the revised EU banana import regime continues the same discrimination against the United States and Latin America which previous WTO rulings found to be in violation of the EU's international trade obligations. The WTO arbitrators conclude that the United States is being harmed in the amount of approximately $190 million annually and is entitled to suspend EU trade concessions in that amount. Accordingly, the United States imposes prohibitive (100% of value) duties on selected EU products accounting for $190 million of annual exports to the United States. Shortly thereafter, the EU indicates that it will modify its banana import regime to be consistent with its international trade obligations.

The EU continues to discuss numerous proposals to reform the EU banana import regime. There can be no assurance as to the nature, extent or timing of actions that may be taken by the EU or any other affected countries, nor as to their impact on the EU banana import regulation or on the Company's business.

Management's Analysis of Operations and Financial Condition

EU Common Currency

In 1999, eleven European countries began implementation of the EU common currency (the "euro") by accepting the euro as legal tender in addition to their respective national currencies. After July 1, 2002, the euro will be the sole legal tender for these eleven countries. The Company's affected customers continue to be invoiced in their traditionally invoiced currencies. The Company is currently addressing euro-related issues and their impact on information systems, currency exchange rate risk and other areas. Although the Company is not able to predict the full implications of the euro implementation on its European operations, the implementation has not had, and the Company does not believe it will have, a material adverse effect on its financial statements.

Impact of Year 2000

Chiquita's company-wide Year 2000 Project was designed to reduce the risk that the Year 2000 issue would cause significant interruptions to the Company's operations. As a result of the Project, the Company experienced no significant problems affecting its business operations related to the Year 2000 issue. The Company does not expect any future problems arising from Year 2000 issues that would have a material impact on the Company's financial statements. The total cost of the Project for systems that were not replaced or upgraded in the normal course was less than $10million.

Market Risk Management

Chiquita's products are distributed in more than 60 countries. Its international sales are made primarily in U.S. dollars and major European currencies (see "EU Common Currency"). The Company reduces currency exchange risk from sales originating in currencies other than the dollar by exchanging local currencies for dollars promptly upon receipt. The Company further reduces its exposure to exchange rate fluctuations by purchasing foreign currency option contracts (principally euro contracts) to hedge sales denominated in foreign currencies.

Chiquita's interest rate risk arises primarily from its debt. The Company reduces its exposure to interest rate fluctuations on its long-term variable rate debt by entering into interest rate swap agreements to fix the amount of interest payments.

The foreign currency option contracts and interest rate swap agreements are derivative financial instruments that change in value in the opposite direction of the underlying transactions being hedged. Chiquita uses a value at risk ("VAR") model to estimate the potential loss the Company could incur as a result of adverse changes in foreign currency exchange and interest rates, based on a 95% confidence level, over a given period of time. The VAR calculations do not consider the potential effect of favorable changes in these rates or the offsetting increase in the dollar realization of an underlying foreign currency sale. Therefore, the VAR calculations are not intended to represent actual losses the Company expects to incur.

As of December 31, 1999 and 1998 and for the year ended December 31, 1999, the Company estimates that the fair value of foreign currency option contracts would decline by less than $2 million over a one-day period due to an adverse change in foreign currency exchange rates. However, the Company expects that any decline in the fair value of these contracts would typically be offset by an increase in the dollar realization of the underlying sales denominated in foreign currencies.

As of December 31, 1999 and 1998 and for the year ended December 31, 1999, the Company estimates that the combined adverse change in fair value of its debt and interest rate swaps would be less than $3million over a one-day period due to an unfavorable change in interest rates.

(See Note 7 to the Consolidated Financial Statements for additional discussion of the Company's hedging activities.)

Management's Analysis of Operations and Financial Condition

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This Annual Report contains certain information that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. These statements reflect management's current views and estimates of future economic circumstances, industry conditions and Company performance. They are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Chiquita. The assumptions, risks and uncertainties include product pricing, cost to purchase or grow (and availability of) fresh produce and other raw materials, currency exchange rate fluctuations, natural disasters and unusual weather conditions, operating efficiencies, labor relations, access to capital, actions of governmental bodies, and other market and competitive conditions. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements.

Consolidated Statement of Income

(In thousands, except per share amounts)	1999	1998	1997
Net sales	$ 2,555,799	$ 2,720,361	$ 2,433,726
Operating expenses			
Cost of sales	2,094,406	2,206,047	1,935,870
Selling, general and administrative	328,467	343,227	311,568
Depreciation	90,888	92,478	86,122
	2,513,761	2,641,752	2,333,560
Operating income	42,038	78,609	100,166
Interest income	19,574	12,866	16,540
Interest expense	(112,033)	(108,757)	(108,913)
Other income, net	339	7,370	750
Income (loss) before income taxes	(50,082)	(9,912)	8,543
Income taxes	(8,300)	(8,500)	(8,200)
Net income (loss)	$ (58,382)	$ (18,412)	$ 343
Less dividends on preferred and preference stock	(17,102)	(17,102)	(16,949)
Net loss attributed to common shares	$ (75,484)	$ (35,514)	$ (16,606)
Net loss per common share – basic and diluted	$ (1.15)	$ (.55)	$ (.29)

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheet

(In thousands, except share amounts)	December 31, 1999	1998
Assets		
Current assets		
Cash and equivalents	$ 97,863	$ 88,906
Trade receivables, less allowances of $12,214 and $10,603, respectively	209,741	201,574
Other receivables, net	151,457	128,293
Inventories	421,806	387,293
Other current assets	22,000	34,168
Total current assets	902,867	840,234
Property, plant and equipment, net	1,177,823	1,122,847
Investments and other assets	333,257	356,228
Intangibles, net	182,180	189,824
Total assets	$ 2,596,127	$ 2,509,133
Liabilities and Shareholders' Equity		
Current liabilities		
Notes and loans payable	$ 89,519	$ 131,768
Long-term debt due within one year	40,235	37,511
Accounts payable	217,327	217,266
Accrued liabilities	141,341	144,884
Total current liabilities	488,422	531,429
Long-term debt of parent company	883,815	683,294
Long-term debt of subsidiaries	343,186	319,312
Accrued pension and other employee benefits	68,162	90,382
Other liabilities	107,256	90,736
Total liabilities	1,890,841	1,715,153
Shareholders' equity		
Preferred and preference stock	253,475	253,475
Common stock, $.01 par value (65,921,791 and 65,447,875 shares outstanding, respectively)	659	654
Capital surplus	761,079	755,660
Accumulated deficit	(303,607)	(214,967)
Accumulated other comprehensive loss	(6,320)	(842)
Total shareholders' equity	705,286	793,980
Total liabilities and shareholders' equity	$ 2,596,127	$ 2,509,133

See Notes to Consolidated Financial Statements.

Consolidated Statement of Shareholders' Equity

(In thousands)	Preferred and preference stock	Common stock	Capital surplus	Accumulated deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
December 31, 1996	$ 249,256	$ 18,614	$ 591,667	$(138,502)	$ 3,218	$ 724,253
Net income	—	—	—	343	—	343
Unrealized translation loss	—	—	—	—	(6,626)	(6,626)
Comprehensive loss						(6,283)
Share issuances						
Option exercises	—	170	6,045	—	—	6,215
Acquisitions of businesses	3,983	1,528	67,258	—	—	72,769
Other	—	77	11,382	—	—	11,459
Dividends						
Common stock	—	—	—	(11,395)	—	(11,395)
Preferred and preference stock	—	—	—	(16,932)	—	(16,932)
December 31, 1997	253,239	20,389	676,352	(166,486)	(3,408)	780,086
Net loss	—	—	—	(18,412)	—	(18,412)
Unrealized translation gain	—	—	—	—	2,566	2,566
Comprehensive loss						(15,846)
Reduction in par value of common stock	—	(19,777)	19,777	—	—	—
Share issuances						
Option exercises	—	1	1,482	—	—	1,483
Acquisitions of businesses	236	41	58,049	—	—	58,326
Dividends						
Common stock	—	—	—	(12,970)	—	(12,970)
Preferred and preference stock	—	—	—	(17,099)	—	(17,099)
December 31, 1998	253,475	654	755,660	(214,967)	(842)	793,980
Net loss	—	—	—	(58,382)	—	(58,382)
Unrealized translation loss	—	—	—	—	(5,478)	(5,478)
Comprehensive loss						(63,860)
Share issuances						
Option exercises	—	1	57	—	—	58
Other	—	4	5,362	—	—	5,366
Dividends						
Common stock	—	—	—	(13,156)	—	(13,156)
Preferred and preference stock	—	—	—	(17,102)	—	(17,102)
December 31, 1999	$ 253,475	$ 659	$ 761,079	$(303,607)	$ (6,320)	$ 705,286

See Notes to Consolidated Financial Statements.

Consolidated Statement of Cash Flow

(In thousands)	1999	1998	1997
Cash provided (used) by:			
Operations			
Net income (loss)	$ (58,382)	$ (18,412)	$ 343
Depreciation and amortization	97,304	99,138	91,588
Write-downs of banana production assets, net of expected insurance recoveries	—	43,400	—
Changes in current assets and liabilities			
Trade receivables	(4,222)	(19,089)	(10,796)
Other receivables	(6,085)	(23,052)	(2,020)
Inventories	(16,789)	3,556	4,062
Other current assets	1,877	10,408	(3,776)
Accounts payable and accrued liabilities	(15,095)	(15,359)	(22,613)
Other	(4,651)	10,620	10,155
Cash flow from operations	(6,043)	91,210	66,943
Investing			
Capital expenditures	(152,080)	(118,250)	(76,248)
Hurricane Mitch insurance proceeds	32,500	—	—
Acquisitions of businesses	(21,619)	(26,199)	(14,819)
Long-term investments	(11,531)	(4,563)	(8,475)
Proceeds from sales of property, plant and equipment	14,903	2,371	6,494
Proceeds from sale of non-core business	—	18,249	—
Refundable deposits for container equipment	9,745	(9,745)	—
Other	4,266	7,096	(7,974)
Cash flow from investing	(123,816)	(131,041)	(101,022)
Financing			
Debt transactions			
Issuances of long-term debt	284,327	78,858	12,234
Repayments of long-term debt	(68,389)	(108,627)	(98,034)
Increase (decrease) in notes and loans payable	(46,922)	61,390	(17,865)
Stock transactions			
Issuances of common stock	58	1,483	6,215
Dividends	(30,258)	(30,069)	(28,327)
Cash flow from financing	138,816	3,035	(125,777)
Increase (decrease) in cash and equivalents	8,957	(36,796)	(159,856)
Balance at beginning of year	88,906	125,702	285,558
Balance at end of year	$ 97,863	$ 88,906	$ 125,702

See Notes to Consolidated Financial Statements.

Note 1 — Summary of Significant Accounting Policies

American Financial Group, Inc. and its subsidiaries owned approximately 36% of the outstanding common stock of Chiquita Brands International, Inc. ("Chiquita" or the "Company") as of December31,1999.

Consolidation The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Intercompany balances and transactions have been eliminated. Investments representing minority interests are accounted for by the equity method when Chiquita has the ability to exercise significant influence in the investees' operations; otherwise, they are accounted for at cost.

Use of Estimates The financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which require management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes.

Cash and Equivalents Cash and equivalents include cash and highly liquid investments with a maturity when purchased of three months or less.

Inventories Inventories are valued at the lower of cost or market. Cost for growing crops and certain fresh produce inventories is determined principally on the "last-in, first-out" (LIFO) basis. Cost for other inventory categories is determined on the "first-in, first-out" (FIFO) or average cost basis.

Property, Plant and Equipment Property, plant and equipment are stated at cost and, except for land, are depreciated on a straight-line basis over their estimated useful lives.

Intangibles Intangibles consist primarily of goodwill and trademarks which are amortized over not more than 40 years. Accumulated amortization was $60 million and $54million at December31,1999 and 1998, respectively. The carrying value of intangibles is evaluated periodically in relation to the operating performance and future undiscounted cash flows of the underlying businesses.

Revenue Recognition Revenue is recognized on sales of products when the customer receives title to the goods, generally upon delivery.

Income Taxes Deferred income taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax bases of assets and liabilities. Deferred taxes are not provided on the undistributed earnings of subsidiaries operating outside the U.S. that have been or are intended to be permanently reinvested.

Foreign Exchange Chiquita generally utilizes the U.S. dollar as its functional currency. Net foreign exchange gains (losses) of $(5) million in 1999, $6 million in 1998 and $(7) million in 1997 are included in income.

The Company enters into foreign currency option contracts to hedge transactions denominated in foreign currencies. These option contracts are specifically designated as hedges and offset the losses or gains from currency risk associated with the hedged transactions. The Company does not enter into option contracts for speculative purposes. Amounts paid for options and any gains realized thereon are deferred until the hedged transaction occurs.

Earnings Per Share Basic earnings per share is calculated on the basis of the weighted average number of shares of common stock outstanding during the year reduced by nonvested restricted shares. The assumed conversions to common stock of the Company's 7% convertible subordinated debentures, preferred and preference stock, stock options and other stock awards are excluded from diluted earnings per share computations for periods in which these items, on an individual basis, have an anti-dilutive effect.

New Accounting Pronouncements In 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This standard requires the recognition of all derivatives on the balance sheet at fair value. Adoption of SFAS No. 133 is required by January 1,2001 and is currently under review by the Company.

Notes to Consolidated Financial Statements

Note 2 — Earnings Per Share

Basic and diluted earnings per share are calculated as follows:

(In thousands, except per share amounts)	1999	1998	1997
Net income (loss)	$ (58,382)	$ (18,412)	$ 343
Dividends on preferred and preference stock	(17,102)	(17,102)	(16,949)
Net loss attributed to common shares	$ (75,484)	$ (35,514)	$ (16,606)
Weighted average common shares outstanding	65,768	64,734	57,185
Nonvested restricted shares	—	(71)	(160)
Shares used to calculate basic and diluted earnings per share	65,768	64,663	57,025
Basic and diluted net loss per common share	$ (1.15)	$ (.55)	$ (.29)

The assumed conversions to common stock of the Company's preferred stock, preference stock and 7% convertible subordinated debentures and the assumed exercise of outstanding stock options and other stock awards would have an anti-dilutive effect on diluted earnings per share and, therefore, have not been included in the above calculations. For additional information regarding the 7% convertible subordinated debentures, stock options and other stock awards and preferred and preference stock, see Notes 8, 10 and 11.

Note 3 — Inventories

Inventories consist of the following:

	December 31,	
(In thousands)	1999	1998
Fresh produce	$ 39,762	$ 43,052
Processed food products	215,365	184,438
Growing crops	104,699	109,891
Materials, supplies and other	61,980	49,912
	$ 421,806	$ 387,293

The carrying value of inventories valued by the LIFO method was $112million at December31,1999 and $115 million at December31,1998. If these inventories were stated at current costs, total inventories would have been approximately $30million and $33million higher than reported at December31,1999 and 1998, respectively.

Note 4 — Property, Plant and Equipment

Property, plant and equipment consist of the following:

(In thousands)	December 31, 1999	1998	Weighted average depreciable lives
Land	$ 102,935	$ 104,212	
Buildings and improvements	257,204	240,016	25 years
Machinery and equipment	473,335	439,600	10 years
Ships and containers	680,224	678,861	24 years
Cultivations	304,232	235,500	29 years
Other	74,799	70,672	19 years
	1,892,729	1,768,861	
Accumulated depreciation	(714,906)	(646,014)	
	$ 1,177,823	$ 1,122,847	

Note 5 — Leases

Total rental expense consists of the following:

(In thousands)	1999	1998	1997
Gross rentals			
Ships and containers	$ 96,101	$ 94,047	$ 79,746
Other	36,937	36,854	35,509
	133,038	130,901	115,255
Less sublease rentals	(16,095)	(21,269)	(14,359)
	$ 116,943	$ 109,632	$ 100,896

Future minimum rental payments required under operating leases having initial or remaining non-cancelable lease terms in excess of one year at December31, 1999 are as follows:

(In thousands)	Ships and containers	Other	Total
2000	$ 35,779	$ 20,507	$ 56,286
2001	21,933	16,862	38,795
2002	22,096	14,849	36,945
2003	17,382	13,034	30,416
2004	16,469	8,444	24,913
Later years	24,113	16,125	40,238

Portions of the minimum rental payments for ships constitute reimbursement for ship operating costs paid by the lessor.

Note 6 — Equity Method Investments

The Company has investments in a number of affiliates which are accounted for by the equity method. These affiliates are primarily engaged in the distribution of fresh produce. Chiquita's share of the earnings of these affiliates was $5 million in 1999, $8 million in 1998 and $1 million in 1997, and its investment in these companies totaled $121 million at December 31, 1999 and $103 million at December 31, 1998. The Company's share of undistributed earnings of these affiliates totaled $28 million at December 31, 1999 and $23million at December 31, 1998. The excess of the carrying value of Chiquita's investment over its share of the fair value of the investees' net assets at the date of acquisition is being amortized over periods ranging from 10 to 40 years ($34 million and $31 million, net of accumulated amortization, at December 31, 1999 and 1998, respectively).

Summarized unaudited financial information of these affiliates follows:

(In thousands)	1999	1998	1997
Revenue	$ 978,180	$ 707,358	$ 510,282
Gross profit	109,608	104,836	78,225
Net earnings	16,016	22,289	6,909
Current assets	205,270	174,110	
Total assets	382,815	345,119	
Current liabilities	164,596	116,773	
Total liabilities	205,226	175,061	

Note 7 — Hedging

Chiquita has interest rate swap agreements maturing in 2000 and 2001 which fix the rate of interest on approximately $14 million of its variable rate ship loans. At December 31, 1999, the Company had euro-denominated option contracts which ensure conversion of approximately €200million of sales in 2000 at rates not lower than 1.04dollars per euro or higher than 1.18dollars per euro.

The carrying values and estimated fair values of the Company's debt, associated interest rate swap agreements and foreign currency option contracts are summarized below:

	December 31, 1999		December 31, 1998	
(In thousands)	Carrying value	Estimated fair value	Carrying value	Estimated fair value
Debt	$(1,356,755)	$(1,120,000)	$(1,171,885)	$(1,186,000)
Interest rate swap agreements	—	(100)	—	(800)
Foreign currency option contracts	2,980	8,400	5,890	(800)

Fair values for the Company's publicly traded debt and foreign currency option contracts are based on quoted market prices. Fair value for other debt is estimated based on the current rates offered to the Company for debt of similar maturities. The fair values of interest rate swap agreements are estimated based on the cost to terminate the agreements.

The Company is exposed to credit risk in the event of nonperformance by counterparties on interest rate swap agreements. However, because the Company's hedging activities are transacted only with highly rated institutions, Chiquita does not anticipate nonperformance by any of these counterparties. The amount of any credit exposure is limited to unrealized gains on these agreements.

Note 8 — Debt

Long-term debt consists of the following:

(In thousands)	December 31, 1999	1998
Parent Company		
9 1/8% senior notes, due 2004	$ 175,000	$ 175,000
9 5/8% senior notes, due 2004	247,771	247,341
10% senior notes, due 2009	200,000	—
101/4% senior notes, due 2006	149,034	148,943
7% subordinated debentures, due 2001	112,010	112,010
Long-term debt of parent company	$ 883,815	$ 683,294
Subsidiaries		
Loans secured by ships and containers, due in installments from 2000 to 2009 – average effective interest rate of 8.6% (8.5% in 1998)	$ 193,954	$ 221,546
Loan to Costa Rican farm subsidiaries, due 2001 – variable interest rate of 9.2% (7.8% in 1998)	55,000	55,000
Loan secured by vegetable canning assets, due in installments from 2000 to 2004 – variable interest rate of 7.9%	50,000	—
Long-term portion of revolving credit facility secured by vegetable canning assets, due 2004 – variable interest rate of 7.7%	35,000	—
Foreign currency loans maturing through 2008 – average interest rate of 6% (7% in 1998)	10,774	18,666
Other loans maturing through 2012 – average interest rate of 8% (9% in 1998)	38,693	61,611
Less current maturities	(40,235)	(37,511)
Long-term debt of subsidiaries	$ 343,186	$ 319,312

In June 1999, the Company issued $200 million principal amount of 10% senior notes due 2009 for net proceeds of $195 million. The unsecured notes rank equally with existing and future senior unsecured indebtedness of the Company. The Company used most of these proceeds to repay borrowings under its corporate revolving line of credit and to repay debt of subsidiaries.

The 10% senior notes are callable beginning in 2004 at a price of 105% of face value declining to face value in 2007. The 10 1/4% senior notes are callable beginning in 2001 at a price of 105 1/8% of face value declining to face value in 2004. The 7% subordinated debentures are callable at face value and convertible into common stock at $43 per share.

At December31,1999, $75 million of loans secured by ships, including $35million of fixed rate ship debt denominated in pounds sterling, had interest rates fixed at an average of 8.3% by the terms of the loans or by the operation of interest rate swap agreements (see Note7).

Maturities on long-term debt during the next five years are as follows:

(In thousands)	Parent Company	Subsidiaries	Total
2000	$ —	$ 40,235	$ 40,235
2001	112,010	105,151	217,161
2002	—	41,377	41,377
2003	—	32,374	32,374
2004	425,000	85,664	510,664

In 1999, Chiquita Processed Foods, L.L.C. ("CPF"), the Company's vegetable canning subsidiary, entered into a five-year $200 million senior secured credit facility. The facility includes a $135 million revolving credit line and a $65million facility for term loans, and replaces CPF's previous $85million revolving credit facility. At December 31, 1999, $103 million of borrowings were outstanding under the revolving credit line, of which $35 million is classified as long-term debt, and a $50 million term loan was outstanding. Borrowings under this facility are collateralized by a security interest in CPF's receivables, finished goods inventory and certain machinery and equipment. Interest under the facility is based on, at the Company's option, either the bank corporate base rate or prevailing interbank Eurodollar offering rates. An annual fee of up to 1/2% is payable on the unused portion of the commitment. This facility contains covenants that limit capital expenditures and the payment of dividends by CPF and require CPF to maintain certain financial ratios related to net worth and debt coverage.

In February 2000, the Company amended its corporate senior revolving credit facility. The amendment sets the amount of the facility at $110million, amends certain covenants and provides for the pledge of certain assets, primarily the equity of CPF and parent company cash, as security for the borrowings. The facility is available through January 2001. Interest on borrowings under the facility is based on, at the Company's option, the bank corporate base rate, the federal funds effective rate or prevailing interbank Eurodollar offering rates. An annual fee of up to 3/4% is payable on the unused portion of the facility. The credit facility contains covenants which limit capital expenditures in 2000 to $75 million and require the Company to satisfy certain ratios related to net worth, senior debt-to-total capitalization and interest coverage. At December31,1999, no amounts were outstanding under the facility.

Certain of Chiquita's borrowing agreements restrict the payment of cash dividends. Under Chiquita's amended corporate senior revolving credit facility, dividend payments are limited to $30 million in 2000. At December 31, 1999, under the most restrictive covenants of the Company's long-term debt agreements, approximately $300 million was available for dividend payments.

The Company maintains various other lines of credit with domestic and foreign banks for borrowing funds on a short-term basis. The average interest rates for all short-term notes and loans payable outstanding were 7.5% and 7.9% at December 31,1999 and 1998, respectively.

At December 31, 1999, in accordance with subsidiary loan agreements, approximately $215 million of subsidiary net assets cannot be distributed to the parent company in the form of dividends, loans or advances.

Cash payments relating to interest expense were $105 million in 1999 and 1998 and $104 million in 1997.

Note 9 — Pension and Severance Benefits

The Company and its subsidiaries have several defined benefit and contribution pension plans covering approximately 5,500 domestic and foreign employees. Approximately 21,000 employees are covered by Central and South American severance plans. Pension plans covering eligible salaried employees and Central and South American severance plans for all employees call for benefits to be based upon years of service and compensation rates.

Pension and severance expense consists of the following:

	Foreign Plans			Domestic Plans		
(In thousands)	1999	1998	1997	1999	1998	1997
Defined benefit and severance plans:						
Service cost	$ 3,768	$ 5,070	$ 4,795	$ 1,084	$ 1,057	$ 593
Interest on projected benefit obligation	5,122	6,070	5,835	3,034	2,838	2,561
Expected return on plan assets	(139)	(136)	(89)	(3,424)	(2,697)	(2,441)
Recognized actuarial loss	368	757	299	317	365	501
Amortization of prior service cost and transition obligation	525	1,556	1,239	109	91	62
	9,644	13,317	12,079	1,120	1,654	1,276
Curtailment loss	—	14,061	—	—	—	—
Settlement loss	—	4,666	—	—	—	—
	9,644	32,044	12,079	1,120	1,654	1,276
Defined contribution plans	604	768	654	4,786	3,726	3,234
Total pension and severance expense	$ 10,248	$ 32,812	$ 12,733	$ 5,906	$ 5,380	$ 4,510

As a result of Hurricane Mitch, the Company recognized curtailment and settlement losses in 1998 related to Central American employee benefit plans.

The Company's pension and severance benefit obligations relate primarily to Central and South American benefits which, in accordance with local government regulations, are generally not funded until benefits are paid. Domestic pension plans are funded in accordance with the requirements of the Employee Retirement Income Security Act. Plan assets consist primarily of corporate debt securities, U.S. Government and agency obligations and collective trust funds.

Financial information with respect to the Company's foreign and domestic defined benefit pension and severance plans is as follows:

	Foreign Plans		Domestic Plans	
(In thousands)	1999	1998	1999	1998
Fair value of plan assets at beginning of year	$ 3,028	$ 2,803	$ 41,653	$ 35,912
Actual return on plan assets	111	40	3,756	5,650
Employer contributions	21,596	28,080	2,679	2,374
Benefits paid	(21,137)	(27,895)	(2,794)	(2,451)
Other	—	—	154	168
Fair value of plan assets at end of year	$ 3,598	$ 3,028	$ 45,448	$ 41,653
Projected benefit obligation at beginning of year	$ 64,856	$ 67,188	$ 43,414	$ 39,904
Service and interest cost	8,890	11,140	4,118	3,895
Actuarial (gain) loss	(4,585)	409	(1,624)	1,456
Benefits paid	(21,137)	(27,895)	(2,794)	(2,451)
Curtailment	—	12,515	—	—
Settlement	—	1,499	—	—
Other	—	—	134	610
Projected benefit obligation at end of year	$ 48,024	$ 64,856	$ 43,248	$ 43,414
Plan assets in excess of (less than) projected benefit obligation	$ (44,426)	$ (61,828)	$ 2,200	$ (1,761)
Unrecognized actuarial loss	4,925	10,401	3,334	5,682
Unrecognized prior service cost	1,077	1,229	285	494
Unrecognized transition obligation	172	543	436	518
Adjustment required to recognize minimum pension liability	—	—	(826)	(3,099)
	(38,252)	(49,655)	5,429	1,834
Prepaid pension asset	—	—	6,423	5,064
Accrued pension liability	$ (38,252)	$ (49,655)	$ (994)	$ (3,230)

Included in the table above are plans whose benefit obligation exceeds plan assets. These plans are primarily foreign pension and severance plans that are generally not required to be funded until benefits are paid. The accumulated benefit obligation, projected benefit obligation and fair value of assets of plans for which benefits exceed assets were $59 million, $70 million and $21 million, respectively, as of December 31, 1999 and $72million, $88million and $19million, respectively, as of December31,1998.

The projected benefit obligations of Central and South American pension and severance plans in 1999 and 1998 were determined using discount rates of approximately 9 1/4%. The assumed long-term rate of compensation increase was 6% for both years. The projected benefit obligations of the Company's domestic pension plans were determined using a discount rate of approximately 7 1/2% in 1999 and 7 1/4% in 1998. The assumed long-term rate of compensation increase was 5 1/2% in 1999 and 1998 and the assumed long-term rate of return on plan assets was approximately 8% for both years.

Note 10 — Stock Options

Under its non-qualified stock option and incentive plans, the Company may grant up to an aggregate of 25 million shares of common stock in the form of stock options, stock appreciation rights and stock awards. Under these plans, options have been granted to directors, officers and other key employees to purchase shares of the Company's common stock at the fair market value at the date of grant. The options generally vest over ten years and may be exercised over a period not in excess of 20years.

A summary of the Company's stock option activity and related information follows:

(In thousands, except per share amounts)	1999 Shares	1999 Weighted average exercise price	1998 Shares	1998 Weighted average exercise price	1997 Shares	1997 Weighted average exercise price
Under option at beginning of year	9,479	$ 13.32	8,403	$ 13.44	6,893	$ 13.09
Options granted	2,875	8.90	1,858	12.92	2,539	14.08
Options exercised	(6)	10.31	(123)	12.06	(509)	12.21
Options canceled or expired	(1,351)	11.92	(659)	13.86	(520)	13.15
Under option at end of year	10,997	$ 12.34	9,479	$ 13.32	8,403	$ 13.44
Options exercisable at end of year	4,926	$ 12.71	3,705	$ 13.30	2,943	$ 13.45
Shares available for future grants	9,482		11,041		2,536	

Options outstanding as of December 31, 1999 have exercise prices ranging from $4.25 to $34.44 and a weighted average remaining contractual life of 16 years. More than 90% of these options have exercise prices in the range of $9.34 to $15.69.

Under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," because the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant, no compensation expense is recognized. SFAS No. 123, "Accounting for Stock-Based Compensation," requires disclosure of the estimated fair value of stock options granted after 1994 and pro forma financial information assuming compensation expense was recorded using these fair values.

The estimated weighted average fair value per option share granted is $3.66 for 1999, $5.24 for 1998 and $6.34 for 1997 using a Black-Scholes option pricing model with the following assumptions: weighted average risk-free interest rates of 5.0% for 1999, 5.6% for 1998 and 6.5% for 1997; dividend yield of 1.5%; volatility factor for the Company's common stock price of approximately 37%; and a weighted average expected life of eight years for options not forfeited. The estimated pro forma compensation expense based on these option fair values would be approximately $5 million ($.07 per share) in 1999, $4 million ($.06 per share) in 1998 and $3million ($.05 per share) in 1997. Because SFAS No.123 applies only to options granted after 1994, the effect of applying this standard to current year pro forma information is not necessarily indicative of the effect in future years.

Note 11 — Shareholders' Equity

At December 31, 1999, 200 million shares of common stock were authorized, including unissued shares reserved for the following purposes:

Issuance under stock option and employee benefit plans	24 million
Conversion of 7% subordinated debentures	3 million
Conversion of preferred and preference stock	26 million

In 1998, the Company's shareholders approved a change of title and par value of the Company's Capital Stock, $.33par value, to Common Stock, $.01par value.

In 1997, Chiquita issued 4,585,210 shares of common stock and 79,659 shares of $2.50 Convertible Preference Stock, Series C to the former owners of acquired canning companies. In 1998, Chiquita issued 182,735commonshares and 4,712 shares of Series C preference stock as final payment for the 1997 acquisitions and issued 2,966,533 common shares in connection with the 1998 acquisition of another canning company. In 1998, Chiquita also issued 873,710commonshares to acquire a fresh mushroom business. (See Note 15.)

At December 31, 1999, three series of preferred and preference stock are outstanding, each share of which has a liquidation preference of $50.00, and has an annual dividend rate and is convertible at the holder's option into a number of shares of Chiquita common stock as follows:

	Shares outstanding	Annual dividend rate	Holders' conversion rate
$2.875 Non-Voting Cumulative Preferred Stock, Series A	2,875,000	$ 2.875	2.6316
$3.75 Convertible Preferred Stock, Series B	2,300,000	3.750	3.3333
$2.50 Convertible Preference Stock, Series C	84,371	2.500	2.9220

Through February 14, 2001, each SeriesA share is convertible at the Company's option into 2.6316shares of common stock provided the market value of Chiquita common stock exceeds $24.70per share. Thereafter, each Series A share is convertible at the Company's option into a number of shares of common stock (not exceeding 10 shares) having a total market value of $50.00.

Through September 9, 2000, each Series B share is convertible at the Company's option into a number of shares of common stock (not exceeding 10 shares) having a total market value of $51.50 ($50.75 if converted on or after September 10, 2000 and $50.00 if converted on or after September 10, 2001). However, this conversion is permitted only if the market value of Chiquita common stock exceeds $7.00 per share when notice of the conversion is given.

Beginning on June 30, 2000, each Series C share is convertible at the Company's option into a number of shares of common stock (not exceeding 10 shares) having a total market value of $51.50($50.75 if converted on or after June 30, 2001 and $50.00 if converted on or after June 30, 2002).

The Series A and SeriesB shares are non-voting. The SeriesC shares have one vote per share, voting with the common stock. In certain circumstances if the Company fails to pay quarterly dividends on Series A, B and C shares, the holders of such shares, voting as a class, have the right to elect two directors in addition to the regular directors. The Board of Directors has the authority to fix the terms of 4,825,000 additional shares of Non-Voting Cumulative Preferred Stock and 3,915,629 additional shares of Cumulative Preference Stock.

Note 12 — Income Taxes

Income taxes consist of the following:

(In thousands)	U.S. Federal	U.S. State	Foreign	Total
1999				
Current tax expense	$ 235	$ 1,161	$ 6,144	$ 7,540
Deferred tax expense	—	—	760	760
	$ 235	$ 1,161	$ 6,904	$ 8,300
1998				
Current tax expense	$ 369	$ 1,100	$ 8,006	$ 9,475
Deferred tax benefit	—	—	(975)	(975)
	$ 369	$ 1,100	$ 7,031	$ 8,500
1997				
Current tax expense	$ 375	$ 1,125	$ 6,076	$ 7,576
Deferred tax expense	—	—	624	624
	$ 375	$ 1,125	$ 6,700	$ 8,200

Income tax expense differs from income taxes computed at the U.S. federal statutory rate for the following reasons:

(In thousands)	1999	1998	1997
Income tax expense (benefit) computed at U.S. federal statutory rate	$ (17,529)	$ (3,469)	$ 2,990
State income taxes, net of federal benefit	755	715	731
U.S. losses for which no tax benefit has been recognized	—	20,734	13,723
Foreign tax differential	25,056	(8,816)	(12,728)
Goodwill amortization	1,651	1,850	1,148
Other	(1,633)	(2,514)	2,336
Income tax expense	$ 8,300	$ 8,500	$ 8,200

Income (loss) from operations before income taxes consists of the following:

(In thousands)	1999	1998	1997
Subject to tax in:			
United States	$ 6,230	$ (51,326)	$ (39,211)
Foreign jurisdictions	(56,312)	41,414	47,754
	$ (50,082)	$ (9,912)	$ 8,543

The components of deferred income taxes included on the balance sheet are as follows:

	December 31,	
(In thousands)	1999	1998
Deferred tax benefits		
Employee benefits	$ 26,434	$ 31,726
Accrued expenses	27,055	25,143
Other	20,651	24,631
	74,140	81,500
Deferred tax liabilities		
Depreciation and amortization	(32,470)	(25,452)
Growing crops	(18,983)	(19,601)
Long-term debt	(2,525)	(6,167)
Other	(14,385)	(7,227)
	(68,363)	(58,447)
	5,777	23,053
Valuation allowance	(8,142)	(23,795)
Net deferred tax liability	$ (2,365)	$ (742)

Net deferred taxes do not reflect the benefit that would be available to the Company from the use of its U.S. operating loss carryforwards of $303 million, capital loss carryforwards of $43 million and alternative minimum tax credits of $6 million. The operating loss carryforwards expire from 2007 through 2019 and the capital loss carryforwards expire from 2000 through 2002. Undistributed earnings of foreign subsidiaries which have been, or are intended to be, permanently reinvested in operating assets, if remitted, are expected to result in little or no tax by operation of relevant statutes and the carryforward attributes described above. Cash payments for income taxes, net of refunds, were $9 million in 1999, $7 million in 1998 and $5 million in 1997.

Note 13 — Segment Information

The Company conducts business in two business segments, organized primarily on a product line basis, with each segment offering a variety of different but related products. The Fresh Produce segment includes the production, transportation, distribution and marketing of Chiquita bananas and a wide variety of other fresh fruits and vegetables. The Processed Foods segment consists of the production, distribution and marketing of the Company's private-label and branded canned vegetables, branded fruit and vegetable juices and beverages, processed bananas and edible oil based consumer products. The Company evaluates the performance of its business segments based on operating income before unusual items. Intercompany transactions between segments are eliminated. Financial information for each segment follows:

(In thousands)	Fresh Produce	Processed Foods	Consolidated
1999			
Net sales	$ 2,044,788	$ 511,011	$ 2,555,799
Operating income before unusual items (1)	23,129	27,909	51,038
Depreciation and amortization	78,363	18,941	97,304
Income from equity investments	4,161	1,246	5,407
Total assets	2,079,903	516,224	2,596,127
Net operating assets (2)	1,533,397	430,781	1,964,178
Investment in equity affiliates	103,527	17,306	120,833
Expenditures for long-lived assets	148,490	42,207	190,697
1998			
Net sales	$ 2,243,284	$ 477,077	$ 2,720,361
Operating income before unusual items (1)	126,685	25,524	152,209
Depreciation and amortization	82,722	16,416	99,138
Income from equity investments	6,515	1,221	7,736
Total assets	2,055,854	453,279	2,509,133
Net operating assets (2)	1,512,185	364,774	1,876,959
Investment in equity affiliates	91,170	11,910	103,080
Expenditures for long-lived assets	116,042	36,018	152,060
1997			
Net sales	$ 2,198,939	$ 234,787	$ 2,433,726
Operating income	82,562	17,604	100,166
Depreciation and amortization	84,562	7,026	91,588
Income from equity investments	(245)	1,263	1,018
Total assets	2,083,080	318,533	2,401,613
Net operating assets (2)	1,517,076	251,844	1,768,920
Investment in equity affiliates	57,135	9,223	66,358
Expenditures for long-lived assets	88,000	29,224	117,224

(1) Operating income before unusual items excludes the following: in 1999, $9 million of charges resulting from a workforce reduction program; in 1998, write-downs and costs totaling $74 million, net of the minimum of the range of expected insurance recoveries of $60to $75million, resulting from significant damage in Honduras and Guatemala caused by Hurricane Mitch.

(2) Net operating assets consist of total assets less (i) cash and equivalents and (ii) total liabilities other than debt.

Financial information by geographic area is as follows:

(In thousands)	1999	1998	1997
Net sales			
United States	$ 1,552,320	$ 1,558,973	$ 1,277,513
Central and South America	8,124	47,336	54,946
Europe and other international	995,355	1,114,052	1,101,267
	$ 2,555,799	$ 2,720,361	$ 2,433,726
Long-lived assets			
United States	$ 427,542	$ 410,068	$ 341,815
Central and South America	532,504	507,641	534,836
Europe and other international	285,082	278,527	243,154
Shipping operations	448,132	472,663	498,342
	$ 1,693,260	$ 1,668,899	$ 1,618,147

The Company's products are sold throughout the world and its principal production and processing operations are conducted in Central and South America and the United States. Chiquita's earnings are heavily dependent upon products grown and purchased in Central and South America. These activities, a significant factor in the economies of the countries where Chiquita produces bananas and related products, are subject to the risks that are inherent in operating in such foreign countries, including government regulation, currency restrictions and other restraints, risk of expropriation and burdensome taxes. Certain of these operations are substantially dependent upon leases and other agreements with these governments.

The Company is also subject to a variety of government regulations in certain countries where it markets bananas and other products, including import quotas and tariffs, currency exchange controls and taxes.

Note 14 — Litigation

A number of legal actions are pending against the Company. Based on information currently available to the Company and advice of counsel, management does not believe such litigation will, individually or in the aggregate, have a material adverse effect on the financial statements of the Company.

Note 15 — Acquisitions and Divestitures

In April 1999, CPF acquired certain canning assets of Agripac, Inc. The purchase price of approximately $20million was funded with borrowings under CPF's revolving credit facility.

In early 1998, Chiquita acquired Stokely USA, Inc., previously a publicly-owned vegetable canning business. In connection with the acquisition, Chiquita issued $11million of common stock (.8million shares) in exchange for all outstanding Stokely shares, and issued $33 million of common stock (2.2 million shares) and paid $18 million of cash to retire corresponding amounts of Stokely debt.

Also during 1998, the Company acquired Campbell Soup Company's Australian fresh mushroom business. In connection with this acquisition, Chiquita issued $12 million (.9 million shares) of common stock and paid $5million of cash in exchange for all of the outstanding capital stock of this business.

During 1997, the Company acquired separately the Owatonna Canning group of companies and American Fine Foods, Inc., privately-owned companies engaged primarily in the vegetable canning business. Chiquita issued $72 million (4.8 million shares) of common stock, including $3 million (.2 million shares) issued in 1998, and preference stock valued at $4 million (.1 million shares) to acquire these companies, and paid $19million to retire debt of the acquired businesses.

Each of these transactions was accounted for as a purchase. The assets acquired and liabilities assumed in the 1999 acquisition of the canning assets of Agripac, Inc. and the 1998 acquisitions of Stokely and the Australian fresh mushroom business are summarized below:

(In thousands)	1999	1998
Trade receivables	$ —	$ 13,728
Inventories	18,524	62,020
Property, plant and equipment	7,426	49,936
Intangibles	—	44,479
Accounts payable and accrued liabilities	(4,429)	(48,101)
Debt	(1,110)	(36,414)
Other, net	(917)	(2,351)
Net assets acquired	$ 19,494	$ 83,297

In December 1998, the Company sold its Central American plastic products operations for $18million in cash, which approximated carrying value.

Note 16 — Quarterly Financial Data (Unaudited)

The following quarterly financial data are unaudited, but in the opinion of management include all necessary adjustments for a fair presentation of the interim results, which are subject to significant seasonal variations.

1999

(In thousands, except per share amounts)	March 31	June 30	Sep. 30	Dec. 31
Net sales	$ 693,002	$ 676,857	$ 567,238	$ 618,702
Cost of sales	(514,775)	(536,049)	(483,922)	(559,660)
Operating income (loss)	77,224	36,171	(20,306)	(51,051)
Net income (loss)	48,708	7,324	(36,654)	(77,760)
Basic earnings (loss) per share	.68	.05	(.62)	(1.25)
Diluted earnings (loss) per share	.60	.05	(.62)	(1.25)
Dividends per common share	.05	.05	.05	.05
Common stock market price				
High	11.75	10.81	8.50	6.00
Low	8.31	7.69	5.50	3.38

1998

(In thousands, except per share amounts)	March 31	June 30	Sep. 30	Dec. 31
Net sales	$ 717,217	$ 744,191	$ 632,126	$ 626,827
Cost of sales	(540,587)	(561,900)	(509,973)	(593,587)
Operating income (loss)	69,770	74,216	12,548	(77,925)
Net income (loss)	41,078	52,842	(10,756)	(101,576)
Basic earnings (loss) per share	.58	.75	(.23)	(1.62)
Diluted earnings (loss) per share	.52	.66	(.23)	(1.62)
Dividends per common share	.05	.05	.05	.05
Common stock market price				
High	16.00	14.44	14.25	12.44
Low	12.63	13.06	10.25	9.50

The operating losses in the third and fourth quarters of 1999 include charges of $6 million and $3 million, respectively, from a workforce reduction program.

The 1998 Cost of sales includes $74 million of fourth quarter write-downs and costs, net of minimum expected insurance recoveries, resulting from significant damage in Honduras and Guatemala caused by Hurricane Mitch.

Per share results include the dilutive effect of assumed conversion of preferred and preference stock, convertible debentures and options into common stock during the period presented. The effects of assumed conversions are determined independently for each respective quarter and year and may not be dilutive during every period due to variations in operating results. Therefore, the sum of quarterly per share results will not necessarily equal the per share results for the full year.

Selected Financial Data

(In thousands, except per share amounts)	1999	1998	1997	1996	1995
Financial Condition					
Working capital	$ 414,445	$ 308,805	$ 300,348	$ 379,977	$ 366,893
Capital expenditures	152,080	118,250	76,248	74,641	64,640
Total assets	2,596,127	2,509,133	2,401,613	2,466,934	2,623,533
Capitalization					
Short-term debt	129,754	169,279	152,564	135,089	172,333
Long-term debt	1,227,001	1,002,606	961,972	1,079,251	1,242,046
Shareholders' equity	705,286	793,980	780,086	724,253	672,207
Operations					
Net sales	$ 2,555,799	$ 2,720,361	$ 2,433,726	$ 2,435,248	$ 2,565,992
Operating income*	42,038	78,609	100,166	84,336	175,770
Income (loss) from continuing operations	(58,382)	(18,412)	343	(27,728)	27,969
Discontinued operations	—	—	—	—	(11,197)
Extraordinary loss from debt refinancing	—	—	—	(22,838)	(7,560)
Net income (loss)*	(58,382)	(18,412)	343	(50,566)	9,212
Share Data					
Shares used to calculate diluted earnings (loss) per common share	65,768	64,663	57,025	55,195	53,650
Diluted earnings (loss) per common share:					
– Continuing operations	$ (1.15)	$ (.55)	$ (.29)	$ (.72)	$ .37
– Discontinued operations	—	—	—	—	(.21)
– Extraordinary items	—	—	—	(.41)	(.14)
– Net income (loss)	(1.15)	(.55)	(.29)	(1.13)	.02
Dividends per common share	.20	.20	.20	.20	.20
Market price per common share:					
High	11.75	16.00	18.00	16.38	18.00
Low	3.38	9.50	12.75	11.50	12.25
End of year	4.75	9.56	16.31	12.75	13.75

* See Management's Analysis of Operations and Financial Condition and Notes to Consolidated Financial Statements for a discussion of significant items included in operating income in 1999 and 1998.

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 December 31, 1999	Commission File Number 1-1550

CHIQUITA BRANDS INTERNATIONAL,INC.

Incorporated under the Laws of New Jersey	I.R.S. Employer I.D. No. 04-1923360

250 East Fifth Street,Cincinnati,Ohio 45202
(513) 784-8000

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

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock ($.01 par value)	New York, Pacific, Boston
$2.875 Non-Voting Cumulative Preferred Stock, Series A	New York
$3.75 Convertible Preferred Stock, Series B	New York

Securities registered pursuant to Section 12(g) of the Act: None

Other securities for which reports are submitted pursuant to Section 15(d) of the Act:

9-1/8% Senior Notes due March 1, 2004
9-5/8% Senior Notes due January 15, 2004
10% Senior Notes due June 15, 2009
10-1/4% Senior Notes due November 1, 2006

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ 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. [ ]

As of March 15, 2000, there were 66,431,497 shares of Common Stock outstanding. The aggregate market value of Common Stock held by non-affiliates at March 15, 2000 was approximately $163 million.

Documents Incorporated by Reference

Portions of the Chiquita Brands International, Inc. 1999 Annual Report to Shareholders are incorporated by reference in Parts I and II. Portions of the Chiquita Brands International, Inc. Proxy Statement for the 2000 Annual Meeting of Shareholders are incorporated by reference in Part III.

CHIQUITA BRANDS INTERNATIONAL, INC.

TABLE OF CONTENTS

This Annual Report on Form 10-K includes, in Items 1, 3, 7, 7A and elsewhere, statements that may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included in this report, in future filings with the Securities and Exchange Commission ("SEC") and in written and verbal statements by the Company and its representatives that address events, developments or financial results that the Company expects, believes or estimates will or may occur in the future are forward-looking statements that are intended to be covered by the safe harbor provisions of that Act. These statements are based on the Company's assumptions and estimates made in light of its experience and analysis of historical trends, current conditions, expected future developments and other factors it believes are appropriate under the circumstances. They are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Chiquita, including the prices at which Chiquita can sell its products, the costs at which it can purchase or grow (and availability of) fresh produce and other raw materials, currency exchange rate fluctuations, natural disasters and unusual weather conditions, operating efficiencies, labor relations, access to capital, actions of governmental bodies, and other market and competitive conditions. Investors are cautioned that the forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements.

PART I

ITEM 1 - BUSINESS

GENERAL

Chiquita Brands International, Inc. ("Chiquita" or the "Company") is a leading international marketer, producer and distributor of quality fresh fruits and vegetables and processed foods sold under the "Chiquita" and other brand names. The Company has capitalized on its "Chiquita" and other premium brand names by building on its reputation for quality and worldwide leadership position in the marketing, distribution and sourcing of bananas and other fresh produce. In addition, in recent years, the Company has expanded its processed fruit and vegetable operations, primarily through acquisitions of vegetable canning companies.

The Company conducts business in two segments, organized primarily on a product line basis, with each segment offering a variety of different but related products. The Fresh Produce segment includes the production, transportation, distribution and marketing of Chiquita bananas and a wide variety of other fresh fruits and vegetables. The Processed Foods segment consists of the production, distribution and marketing of the Company's private-label and branded canned vegetables, branded fruit and vegetable juices and beverages, processed bananas and edible oil based consumer products. No individual customer accounted for more than 10% of the Company's consolidated net sales during any of the last three years. Financial information by business segment and geographic area for the last three years is set forth in Note 13 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders.

In 1993, the European Union ("EU") implemented a banana quota regime which restricts the importation into the EU of bananas from Latin America, Chiquita's primary source of fruit. The quota regime has significantly affected the worldwide banana industry and severely burdened Chiquita's operations. Since 1993, the Company has reduced operating costs and taken other measures to adjust to the quota regime. For a discussion of the EU quota and other factors affecting Chiquita's results of operations, liquidity and financial condition, see "Management's Analysis of Operations and Financial Condition" included in the Company's 1999 Annual Report to Shareholders. Factors that may cause fluctuations in operating results are also discussed below.

Fresh Produce

The Company markets an extensive line of fresh fruits and vegetables sold under the "Chiquita" and other brand names. Chiquita's fresh fruits and vegetables include bananas, berries, citrus, mangoes, melons, tomatoes, lettuce, mushrooms and a wide variety of other fresh produce. Fresh Produce sales, as a percent of consolidated net sales, amounted to 80% in 1999, 82% in 1998 and 90% in 1997. In 1999, approximately half of Fresh Produce sales were in North America and the remainder were in European and other international markets. The core of Chiquita's Fresh Produce operations is the marketing, distribution and sourcing of bananas. Sales of bananas accounted for approximately two-thirds of Fresh Produce net sales in each of the last three years.

Chiquita believes it derives competitive benefits in the marketing, distribution and sourcing of fresh produce through:

- recognized brand names and a reputation for quality;
- strong market positions in North America and Europe, its principal markets;

- a modern, cost-efficient fresh fruit transportation system;
- an industry leading position in terms of number and geographic diversity of major sources of bananas;
- state-of-the-art banana ripening techniques; and
- best-demonstrated agricultural practices.

These characteristics enhance Chiquita's ability to provide customers with premium quality products on a consistent basis.

Distribution and Marketing. Chiquita sells and distributes a variety of quality fruit and vegetable products through a network of fresh produce operations in North America, Europe and the Pacific Rim. Some of these operations involve the production, distribution and marketing of fresh fruits and vegetables while others involve only distribution and marketing. The Company has regional sales organizations and utilizes commissioned agents to sell to retail customers and wholesalers. The retail customers include large chain stores with which Chiquita enters into supply contracts, typically for a one year term.

Bananas are sold under the "Chiquita," "Chiquita Jr.," "Consul" and "Amigo" brand names. Other fresh fruits are also sold under the "Chiquita" and other brand names and include apples, apricots, berries, cherries, grapes, peaches, pears, plums and tomatoes. Fresh vegetables, such as asparagus, beans, broccoli, carrots, celery, cucumbers, lettuce, mushrooms, onions, peppers and potatoes, are sold under the "Premium" and other brand names.

Fresh produce is highly perishable and must be brought to market and sold generally within 30 to 60days after harvest. Some items, such as lettuce and berries, must be sold more quickly, while other items, such as apples and pears, can be held in cold storage for longer periods of time.

The selling price received for each type of fruit or vegetable depends on several factors, including:

- the availability and quality of the produce item in the market; and
- the availability and quality of competing types of produce.

For example, although banana production tends to be relatively stable throughout the year, banana pricing is seasonal. This is because bananas compete against other fresh fruit which generally comes to market beginning in the summer. As a result, banana prices are typically higher during the first half of the year.

Adverse weather may restrict the availability of fresh produce and result in increased prices. However, competing producers and distributors may be affected differently, depending upon their ability and the cost to obtain alternate supplies.

Bananas are distributed and marketed internationally in a highly competitive environment. While smaller companies, including growers' cooperatives, are a competitive factor, Chiquita's primary competitors are a limited number of other international banana importers and exporters. To compete successfully, Chiquita must be able to source bananas of uniformly high quality and, on a timely basis, transport and distribute them to worldwide markets. Chiquita sells approximately one-fourth of all bananas imported into each of North America and Europe, its principal markets.

Chiquita sources fresh fruit from Central and South America for international distribution in order to increase the year-round availability of certain types of seasonal produce. In other instances, the sourcing and distribution of fresh produce is more regionalized. Typically in these regional markets, no single competitor has a dominant market share.

To control quality, bananas are normally ripened under controlled conditions. Most other types of fresh produce are already ripe when shipped or ripen naturally. The Company sells some bananas ripened in its own facilities or under contractual ripening arrangements. Chiquita also provides advice and technical assistance to customers who purchase unripened bananas. Chiquita generally obtains a premium price for its bananas due to its reputation for quality and its innovative ripening and marketing techniques, which include providing retail marketing support services to its customers.

Logistics. Transportation costs are significant in Chiquita's Fresh Produce business. Oil is an important component of transportation costs. Fresh produce distributed internationally is transported primarily by ocean-going vessels. Chiquita ships its tropical fruit in refrigerated vessels owned or chartered by the Company. All of Chiquita's tropical fruit shipments into the North American market are delivered using pallets or containers. This minimizes damage to the product by eliminating the need to handle individual boxes. Chiquita owns or controls under long-term lease approximately 75% of its aggregate shipping capacity. The remaining capacity is operated under contractual arrangements having terms of approximately one year. (See also ITEM 2 - PROPERTIES and Notes 4 and 5 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders.)

Chiquita operates loading and unloading facilities which it owns or leases in Central and South America and various ports of destination. Chiquita generally uses common carriers and trucks owned or leased by the Company to transport fresh produce to and from these ports as well as fresh produce grown near its intended market.

Sourcing. Chiquita has a greater number and geographic diversity of major sources of bananas than any of its competitors. During 1999, approximately one-fourth of all bananas sold by Chiquita were sourced from each of Costa Rica and Panama. Bananas are also sourced from numerous other countries. Colombia, Ecuador, Guatemala and the Philippines each produced between 7% and 15% (depending on the country) of the bananas sold by Chiquita during 1999. As described below, Chiquita's banana production for 1999 was significantly reduced in Guatemala and virtually eliminated in Honduras as a result of Hurricane Mitch. The Company met its banana volume requirements in 1999 through improved productivity in its other farm divisions and through purchases of fruit from other growers. Rehabilitated farms in Guatemala and Honduras are expected to return to full production in the first half of 2000.

In 1999, approximately 45% of bananas sourced by Chiquita were produced by subsidiaries and the remainder were purchased under fruit supply arrangements from other growers. Generally, these arrangements require less initial capital investment by the Company than owned production facilities. Under some of these fruit supply arrangements, Chiquita furnishes financial and technical assistance to its suppliers to support the production and preparation of bananas for shipment. Approximately 14% of the bananas sold by Chiquita in 1999 were purchased from one supplier in Ecuador. No other single supplier provided more than 10% of Chiquita's bananas.

The most significant cost in the production of bananas is labor, which varies depending on the country of origin. Since bananas are packed in cardboard boxes for shipment, paper cost is also significant.

In addition to its extensive production of bananas, Chiquita produces mushrooms and berries in Australia, grapefruit in Florida and apples and grapes in Chile. However, the majority of other fresh produce marketed by Chiquita is purchased from numerous geographically diverse producers and importers. Some of these production operations and purchase arrangements involve joint ventures. Other arrangements involve formal long-term purchase contracts or informal market trading with unrelated suppliers. Under these arrangements, Chiquita may provide financial assistance. None of these arrangements accounts for more than 5% of the Company's consolidated net sales.

Fresh produce is vulnerable to adverse weather conditions including windstorms, floods, drought and temperature extremes, which are quite common but difficult to predict. Fresh produce is also vulnerable to crop disease and pests. These factors may result in lower sales volume and increased costs, but may also restrict supplies and lead to an increase in prices for fresh produce. In addition, production may be affected by political changes in countries where fruits and vegetables are grown. However, competitors may be affected differently, depending upon their ability and the cost to obtain adequate supplies from sources in other geographic areas. Chiquita's overall risk from these factors is reduced by the geographic diversity of its producing locations.

In late October and early November of 1998, Chiquita sustained significant damage to its operations in Honduras and Guatemala as a result of widespread flooding caused by Hurricane Mitch. Nearly all of the banana plantings on the Company's 17,000 acres of cultivations in Honduras were destroyed; approximately two-thirds of the plantings on the Company's 8,000 acres of cultivations in Guatemala were destroyed or severely damaged. The Company has rehabilitated approximately half of the affected acreage in Honduras and substantially all affected acreage in Guatemala.

Processed Foods

Chiquita's Processed Foods include:

- private-label and branded canned vegetables sold in North America and abroad;
- fruit and vegetable juices and beverages sold in North America and Europe;
- processed bananas sold primarily in North America, Europe and the Far East under the "Chiquita" brand; and
- other consumer products (primarily edible oils) sold in Honduras under the "Numar" and other brand names.

Processed Foods sales, as a percent of consolidated net sales, amounted to 20% in 1999, 18% in 1998 and 10% in 1997. This business has expanded since 1996 through acquisitions of vegetable canning companies. Sales of canned vegetables accounted for 80% of Processed Foods net sales in 1999, 81% in 1998 and 63% in 1997.

Chiquita's vegetable canning operations are conducted by its subsidiary, Chiquita Processed Foods, L.L.C. ("CPF"). CPF operates 20 processing facilities in the upper Midwest and Northwest and markets a full line of over 25 types of processed vegetables, including corn, green beans, peas, pumpkin, root vegetables and other related products, to retail and food service customers throughout the U.S. and in over 40 other countries. Corn is CPF's leading canned vegetable product, accounting for approximately 30% of Processed Foods net sales. CPF enjoys the largest share of the U.S. private-label canned vegetable business. It also sells branded products under the "Stokely's," "Read" and other labels. CPF competes directly with a few major producers of both branded and private-label canned vegetables, as well as indirectly with numerous marketers of frozen and fresh vegetable products.

Operating results for CPF are dependent on product availability and market prices. Market prices tend to decrease as more product is available and increase when product is scarce. The availability of vegetables for canning is a direct result of planting acreage, weather and growing conditions and crop yields. Favorable growing conditions increase both crop size and crop quality.

Prior to each growing season, CPF enters into fixed-price supply agreements with growers to purchase the vegetables to be processed in its canning facilities. These supply agreements are typically for one year. To ensure the quality and freshness of the vegetables used in its products, CPF:

- selects growers located near its canning facilities;
- requires growers to use seed selected by CPF; and
- controls the harvest process and its timing.

CPF's products are shipped to customers primarily via truck or rail. CPF ships to its customers both directly from its plants and from regional storage and distribution centers. This maximizes customer service and efficiency.

Sales of canned vegetables are not highly seasonal, although some products, such as canned pumpkin, have higher sales volume in certain months. Since the availability of vegetables for canning is predominantly seasonal, the production of canned vegetables is also seasonal. As a result, CPF requires a higher level of working capital to meet production requirements during these periods.

The Company sells "Chiquita" branded fruit juices and beverages in North America and Europe. These include a full line of tropical blends which are manufactured by others to Chiquita's specifications and sold in shelf-stable servings through club stores and mass merchandisers. In addition, a national fruit juice producer produces and sells refrigerated and frozen juice products in the United States using the "Chiquita" brand name and pays Chiquita a license fee. In the western United States, the Company also produces and markets natural fresh fruit and vegetable juices sold under the "Ferraro's Earth Juice" and "Naked Juice" brand names; the Company has recently signed an agreement to sell this business. The Company's juice products compete with a wide variety of beverages in the highly competitive commercial beverages industry, which includes other regional and national producers of juice and juice drink products.

Chiquita's processed banana products include banana puree, frozen banana pieces, sliced bananas and other specialty products. These products are sold to producers of baby food, fruit beverages, baked goods and fruit-based products, to wholesalers of bakery and dairy food products, and to selected licensees including Beech-Nut and General Mills. Chiquita produces these products in processing facilities in Costa Rica and through an Ecuadorian joint venture formed in late 1999. The joint venture replaces the Company's processed banana facility in Honduras, which had suffered significant damage caused by Hurricane Mitch. This joint venture will produce a broader range of processed fruit products, including pineapples and mangoes. Although Chiquita enjoys the largest share of the worldwide processed banana market, this industry remains highly competitive due to the existence of numerous other producers with available processing capacity, including other banana growers, fruit ingredients companies and large, international food companies.

The Company's consumer products operations in Honduras are conducted through a 50%-owned joint venture. The joint venture produces and sells its edible oil and other products under the "Numar," "Clover" and other brand names. It competes principally with a number of small local firms and subsidiaries of multinational corporations.

RISKS OF INTERNATIONAL OPERATIONS

The Company conducts operations in many foreign countries. Information about the Company's operations by geographic area is in Note 13 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders and is incorporated herein by reference. These operations are subject to a variety of risks inherent in doing business in those countries.

In 1993, the European Union implemented a regulatory system governing the importation of bananas into the EU. By restricting the volume of Latin American bananas imported into the EU, this quota system had the effect of significantly decreasing the Company's overall volume and market share in Europe. The quota regime is administered through a licensing system and grants preferred status to producers and importers within the EU and its former colonies, while imposing restrictive quotas, licenses and tariffs on bananas imported from other sources, including Latin America, Chiquita's primary source of fruit. Following imposition of the EU quota regime, prices within the EU increased and have remained at a higher level than the levels prevailing prior to the quota. Banana prices in other worldwide markets, however, declined as the displaced EU volume entered those markets, and have remained lower than in years prior to the EU quota.

The EU quota regime has been determined to be in violation of a number of international trade obligations by both the World Trade Organization ("WTO") and its predecessor, the General Agreement on Tariffs and Trade ("GATT"). See "Management's Analysis of Operations and Financial Condition" included in the Company's 1999 Annual Report to Shareholders for a chronology summarizing key developments since the quota regime was implemented.

The EU continues to discuss numerous proposals to reform the EU banana import regime. There can be no assurance as to the nature, extent or timing of actions that may be taken by the EU or any other affected countries, nor as to their impact on the EU banana import regulation or on the Company's business.

The Company's operations are heavily dependent upon products grown and purchased in Central and South American countries; at the same time, Chiquita's operations are a significant factor in the economies of many of these countries. These activities are subject to risks that are inherent in operating in these countries, including government regulation, currency restrictions and other restraints, risks of expropriation and burdensome taxes. There is also a risk that legal or regulatory requirements will be changed or that administrative policies will change.

The Company's operations in some Central and South American countries are dependent upon leases and other agreements with the governments of these countries. Chiquita leases all the land it uses in Panama from the Republic of Panama. There are two leases, one for land on the Caribbean coast and the other for land on the Pacific coast. The leases each have an initial term of 20 years expiring at the end of 2017, with consecutive 12-year extension periods. Either lease can be canceled by Chiquita at any time on three years' prior notice; the Republic of Panama has the right not to renew either lease at the end of the initial term or any extension period, provided that it gives four years' prior notice.

The Company's worldwide operations and products are subject to numerous governmental regulations and inspections by environmental, food safety and health authorities, including those relating to the use and disposal of agrichemicals. These regulations directly affect day-to-day operations. The Company believes it is substantially in compliance with applicable regulations. However, actions by regulators in the past have required, and in the future may require, operational modifications or capital improvements at various locations. In addition, if violations occur, regulators can impose fines, penalties and other sanctions, and the Company may be subject to private lawsuits alleging personal injury or property damage.

The Company's operations involve transactions in a variety of currencies. Accordingly, its operating results may be significantly affected by fluctuations in currency exchange rates. These fluctuations affect Chiquita's operations because many of its costs are incurred in currencies different from those received from the sale of its products. In addition, there is normally a time lag between the incurrence of production costs and collection of the related sales proceeds. The Company's policy is to exchange local currencies for dollars immediately upon receipt, thus reducing exchange risk. The Company also engages in various hedging activities to further reduce potential losses on cash flows originating in currencies other than the U.S. dollar. For information with respect to currency exchange, see Notes 1 and 7 to the Consolidated Financial Statements and "Management's Analysis of Operations and Financial Condition" included in the Company's 1999 Annual Report to Shareholders.

LABOR RELATIONS

The Company employs approximately 36,000 associates. Approximately 26,000 of these associates are employed in Central and South America, including 20,000 workers covered by 51 labor contracts. Contracts covering approximately 7,000 employees are currently being renegotiated or expire in 2000. The number of employees at the Company's vegetable canning subsidiary increases from approximately 2,300 to 4,600 during peak production times. Approximately 600 of these employees are covered by labor contracts. Strikes or other labor-related actions are sometimes encountered upon expiration of labor contracts or during the term of the contracts.

ITEM 2 - PROPERTIES

The Company owns approximately 85,000 acres and leases approximately 45,000 acres of improved land, principally in Colombia, Costa Rica, Honduras and Panama. This land is primarily used for the cultivation of bananas and support activities, including the maintenance of floodways. The Company also owns warehouses, power plants, packing stations, irrigation systems and loading and unloading facilities used in connection with its Fresh Produce operations.

The Company owns or controls under long-term bareboat charters 16 refrigerated vessels and has 6 additional vessels under time charters, primarily for transporting tropical fruit sold by Chiquita. From time to time, excess capacity may be utilized by transporting cargo for third parties or by chartering or subchartering vessels to other shippers. In addition, the Company enters into spot charters and contracts of affreightment as necessary to supplement its transportation resources. Chiquita also owns or leases other related equipment, including refrigerated container units, used to transport fresh produce. The owned ships are pledged as collateral for related financings.

Properties used by the Company's Processed Foods operations include a total of 20 vegetable canning facilities in Idaho, Illinois, Iowa, Michigan, Minnesota, Oregon, Washington and Wisconsin, fruit processing facilities in Costa Rica and Ecuador, and edible oil processing facilities in Honduras. All of these facilities are owned, with the exception of the facilities in Ecuador and Honduras which are owned and operated by joint ventures. In addition, certain machinery and equipment owned by the Company's vegetable canning subsidiary is pledged as collateral for its credit facility.

Other operating units of the Company own, lease and operate properties, principally in the United States, Europe, Central and South America, and Australia. The Company leases the space for its headquarters in Cincinnati, Ohio.

The Company believes its property and equipment are generally well maintained, in good operating condition and adequate for its present needs. The Company typically insures its assets against standard risks with third party insurers, with the exception of banana cultivations in Central and South America. The Company self-insures its banana cultivations because of the high total cost of insurance from third parties and the geographic diversity of its banana sources.

For further information with respect to the Company's physical properties, see the descriptions under ITEM 1 - BUSINESS - GENERAL above, and Notes 4 and 5 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders.

ITEM 3 - LEGAL PROCEEDINGS

A number of legal actions are pending against the Company. Based on information currently available to the Company and on advice of counsel, management does not believe this litigation will, individually or in the aggregate, have a material adverse effect on the financial statements of the Company.

On May 3, 1998, a Cincinnati, Ohio newspaper published accounts describing alleged improper environmental and business practices by the Company in certain of its operations in Central and South America. The newspaper reported that one of its sources had previously provided to the SEC information furnished to the newspaper. In late June 1998, the newspaper renounced the series of articles as containing untrue accusations and conclusions and creating a false and misleading impression of Chiquita's business practices.

In April 1998, the Company was notified that it is the subject of a confidential investigation by the SEC seeking to determine whether the Company has complied with certain provisions of the Securities Exchange Act of 1934 (the "Exchange Act"), including provisions of the Foreign Corrupt Practices Act (the "FCPA"). The investigation seeks to determine whether the Company, with respect to certain operations in Central and South America, has complied with FCPA provisions relating to the making or offering of illegal payments to foreign officials and the maintenance of fair and accurate books, records and accounts and an appropriate system of internal accounting controls or has complied with Exchange Act provisions relating to the making, or filing with the SEC of reports containing, untrue statements of material fact or omissions of material fact. Although it is not in a position to predict the outcome of this investigation, the Company believes that it has not violated the Exchange Act or the FCPA and is cooperating with the investigation.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

EXECUTIVE OFFICERS OF THE REGISTRANT

Carl H. Lindner (age 80) - Mr. Lindner has been Chairman of the Board and Chief Executive Officer of the Company since 1984. He is also Chairman of the Board and Chief Executive Officer of American Financial Group, Inc. ("AFG") which, through its subsidiaries, is engaged primarily in property and casualty insurance businesses and in the sale of annuities and life insurance. For more than 40 years, Mr. Lindner has been Chairman of the Board and Chief Executive Officer of American Financial Corporation ("AFC"), which became an AFG subsidiary in 1995.

Keith E. Lindner (age 40) - Mr. Lindner has been Vice Chairman of the Board since 1997 and was President and Chief Operating Officer of the Company from 1989 to 1997. He has served the Company in various executive capacities since 1984. Mr. Lindner is also Co-President and a Director of AFG and AFC.

Steven G. Warshaw (age 46) - Mr. Warshaw has been President and Chief Operating Officer and a Director of the Company since 1997. He served as Chief Financial Officer from 1994 to 1998, and as Executive Vice President and Chief Administrative Officer of the Company from 1990 to 1997. Mr. Warshaw has served the Company in various capacities since 1986.

Peter A. Horekens (age 51) - Mr. Horekens was appointed President and Chief Operating Officer of the Company's Chiquita Fresh Group - Europe in March 2000. He was President and Chief Operating Officer ofthe Company's Chiquita Banana Group - Europe from 1997 to 2000. Mr. Horekens had previously been employed by Kellogg Company, a multi-national food company, for over five years, most recently as Vice President and Director of Asian Operations.

Robert F. Kistinger (age 47) - Mr. Kistinger was appointed President and Chief Operating Officer of the Company's Chiquita Fresh Group in March 2000. He was President and Chief Operating Officer of the Company's Chiquita Banana Group from 1997 to 2000 and Senior Executive Vice President of the Chiquita Banana Group from 1994 to 1997. He has served the Company in various capacities since 1980.

Warren J. Ligan (age 46) - Mr. Ligan has been Senior Vice President and Chief Financial Officer since1998. Mr. Ligan has served the Company in various capacities since 1993, most recently as Vice President, Taxation.

Robert W. Olson (age 54) - Mr. Olson has been Senior Vice President, General Counsel and Secretary of the Company since 1996. From 1995 to 1996, he was the Company's Vice President, General Counsel and Secretary. From 1987 to 1995, he served as Senior Vice President, General Counsel and Secretary of American Premier Underwriters, Inc. (formerly named The Penn Central Corporation), an affiliate of AFG. He was Senior Vice President and Secretary of AFG from April 1995 until he joined the Company.

William A. Tsacalis (age 56) - Mr. Tsacalis has been Vice President and Controller of the Company since 1987. He was Controller from 1984 to 1987 and has served the Company in various capacities since1980.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's common stock is listed for trading on the New York, Boston and Pacific Stock Exchanges under the symbol "CQB." At March 15, 2000, there were 5,501 common shareholders of record. Price and dividend information for the Company's common stock is in Note 16 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders. Restrictions on the Company's ability to declare and pay dividends, and the suspension of its common stock dividend beginning in the first quarter of 2000, are described in "Management's Analysis of Operations and Financial Condition" and Note 8 to the Consolidated Financial Statements included in the Company's 1999 Annual Report to Shareholders. The information in Notes 8 and 16 described above is incorporated herein by reference.

ITEM 6 - SELECTED FINANCIAL DATA

This information is included in the table entitled "Selected Financial Data" on page 28 of the Company's 1999 Annual Report to Shareholders and is incorporated herein by reference.

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

This information is included under the caption "Management's Analysis of Operations and Financial Condition" included on pages 3 through 7 of the Company's 1999 Annual Report to Shareholders and is incorporated herein by reference.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information is included under the caption "Management's Analysis of Operations and Financial Condition - Market Risk Management" included on page 6 of the Company's 1999 Annual Report to Shareholders and is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of Chiquita Brands International, Inc. on pages 8 through 27 of the Company's 1999 Annual Report to Shareholders, including "Quarterly Financial Data" in Note 16 to the Consolidated Financial Statements, are incorporated herein by reference.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Except for information relating to the Company's executive officers included in Part I of this report, the information required by the following Items will be included in Chiquita's definitive Proxy Statement which will be filed with the Securities and Exchange Commission in connection with the 2000 Annual Meeting of Shareholders and is incorporated herein by reference.

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

ITEM 11 - EXECUTIVE COMPENSATION

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

PART IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements. The following consolidated financial statements of the Company and the Report of Independent Auditors are included in the Company's 1999 Annual Report to Shareholders and are incorporated by reference in Part II, Item 8:

	Page of Annual Report
Report of Independent Auditors	2
Consolidated Statement of Income for 1999, 1998 and 1997	8
Consolidated Balance Sheet at December 31, 1999 and 1998	9
Consolidated Statement of Shareholders' Equity for 1999, 1998 and 1997	10
Consolidated Statement of Cash Flow for 1999, 1998 and 1997	11
Notes to Consolidated Financial Statements	12

2. Financial Statement Schedules. Financial Statement Schedules I - Condensed Financial Information of Registrant and II - Allowance for Doubtful Accounts Receivable are included on pages K-14 and K-15 and page K-16, respectively, of this Annual Report on Form 10-K. All other schedules are not required under the related instructions or are not applicable.

3. Exhibits. See Index of Exhibits (pages K-18 and K-19) for a listing of all exhibits to this Annual Report on Form 10-K.

(b) The Company has filed the following report on Form 8-K since September 30, 1999:

February 7, 2000 - to file Amendment No. 4 and related agreements to the Company's Credit Agreement dated December 31, 1996.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on March 27, 2000.

CHIQUITA BRANDS INTERNATIONAL, INC.

By /s/ Carl H. Lindner
Carl H. Lindner
Chairman of the Board and Chief Executive Officer

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 indicated below on March 27, 2000:

/s/ Carl H. Lindner Carl H. Lindner	Chairman of the Board and Chief Executive Officer
/s/ Keith E. Lindner Keith E. Lindner	Vice Chairman of the Board
/s/ Steven G. Warshaw Steven G. Warshaw	Director, President and Chief Operating Officer
/s/ Fred J. Runk Fred J. Runk	Director
Jean Head Sisco* Jean Head Sisco	Director
William W. Verity* William W. Verity	Director
Oliver W. Waddell* Oliver W. Waddell	Director

/s/ Warren J. Ligan Warren J. Ligan	Senior Vice President and Chief Financial Officer
/s/ William A. Tsacalis William A. Tsacalis	Vice President and Controller (Chief Accounting Officer)

* By /s/ William A. Tsacalis
Attorney-in-Fact**

** By authority of powers of attorney filed with this Annual Report on Form 10-K.

CHIQUITA BRANDS INTERNATIONAL, INC. - PARENT COMPANY ONLY

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

(In thousands)

Condensed Balance Sheet

	December 31, 1999	December 31, 1998
ASSETS		
Current assets		
Cash and equivalents	$ 23,458	$ 24,967
Trade receivables, net	22,513	17,377
Other receivables, net	30,955	1,262
Total current assets	76,926	43,606
Investments in and accounts with subsidiaries	1,551,987	1,508,849
Other assets	31,046	46,586
Total assets	$1,659,959	$1,599,041
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes and loans payable	$ —	$ 49,000
Accounts payable and accrued liabilities	50,470	43,504
Total current liabilities	50,470	92,504
Long-term debt	883,815	683,294
Accrued pension and other employee benefits	20,388	29,263
Total liabilities	954,673	805,061
Shareholders' equity	705,286	793,980
Total liabilities and shareholders' equity	$1,659,959	$1,599,041

Condensed Statement of Income

	1999	1998	1997
Net sales	$ 507,254	$ 503,753	$ 500,713
Cost of sales	(431,722)	(438,222)	(436,624)
Selling, general and administrative	(113,981)	(97,600)	(91,362)
Equity in earnings of subsidiaries	57,256	85,338	102,454
Operating income	18,807	53,269	75,181
Interest income	13,446	1,553	3,951
Interest expense	(82,335)	(71,614)	(70,589)
Other income, net	—	6,880	—
Income (loss) before income taxes	(50,082)	(9,912)	8,543
Income taxes	(8,300)	(8,500)	(8,200)
Net income (loss)	$ (58,382)	$ (18,412)	$ 343

CHIQUITA BRANDS INTERNATIONAL, INC. - PARENT COMPANY ONLY

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

(In thousands)

Condensed Statement of Cash Flow

	1999	1998	1997
Cash flow from operations	$ (69,546)	$ (4,378)	$ (47,341)
Investing			
Capital contributions to subsidiaries	(41,865)	—	(434)
Acquisitions of businesses	—	(18,907)	(21,600)
Other	(5,261)	5,016	1,284
Cash flow from investing	(47,126)	(13,891)	(20,750)
Financing			
Debt transactions			
Issuances of long-term debt	194,363	—	—
Repayments of long-term debt	—	(4,909)	(15,366)
Increase (decrease) in notes and loans payable	(49,000)	49,000	—
Stock transactions			
Issuances of common stock	58	1,483	6,215
Dividends	(30,258)	(30,069)	(28,327)
Cash flow from financing	115,163	15,505	(37,478)
Decrease in cash and equivalents	(1,509)	(2,764)	(105,569)
Balance at beginning of year	24,967	27,731	133,300
Balance at end of year	$ 23,458	$ 24,967	$ 27,731

Notes to Condensed Financial Information

1. These condensed financial statements present the accounts of the Chiquita Brands International, Inc. Parent Company only (“CBII”). For purposes of these condensed financial statements, CBII’s investments in its subsidiaries are accounted for by the equity method.

2. For additional information regarding long-term debt and equity, see Notes 8 and 11 to the Consolidated Financial Statements included in the Company’s 1999 Annual Report to Shareholders.

CHIQUITA BRANDS INTERNATIONAL, INC.

SCHEDULE II - ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE

(In thousands)

	Year Ended December 31,		
	1999	1998	1997
Balance at beginning of period	$10,603	$10,683	$ 9,832
Additions:			
Charged to costs and expenses	3,418	2,401	3,049
Deductions:			
Write-offs	1,382	3,011	1,441
Other, net	425	(530)	757
	1,807	2,481	2,198
Balance at end of period	$ 12,214	$10,603	$10,683

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CHIQUITA BRANDS INTERNATIONAL, INC.

Index of Exhibits

Exhibit Number	Description
*3(i)	Second Restated Certificate of Incorporation, filed as Exhibit 3(a) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, as amended by: (1) the Certificate of Amendment establishing the terms of the Series B Preferred Stock, filed as Exhibit 3(a) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1996; (2) the Second Certificate of Amendment establishing the terms of the Series C Preference Stock, filed as Exhibit 3.1 to Current Report on Form 8-K dated September 15, 1997; (3) the Third Certificate of Amendment increasing the number of authorized shares and changing the title and par value of the common stock, filed as Exhibit 4 to Amendment No. 1 to Form 8-A dated June 18, 1998; and (4) the Fourth Certificate of Amendment reducing the number of shares designated as Series C Preference Stock, filed as Exhibit 5 to Amendment No. 1 to Form 8-A dated June 18, 1998
*3(ii)	By-Laws, filed as Exhibit 3-b to Annual Report on Form 10-K for the year ended December31,1992
*4	Indenture dated as of February 15, 1994 between the Company and The Fifth Third Bank, Trustee, relating to the issuance of Senior Debt Securities, filed as Exhibit 4(c) of Registration Statement 333-00789, as amended by: (1) the First Supplemental Indenture dated as of June 15, 1994, filed as Exhibit 6(a)99(c) to Quarterly Report on Form 10-Q for the quarter ended June 30, 1994; (2) the Second Supplemental Indenture dated as of July 15, 1996, filed as Exhibit 4 to Quarterly Report on Form 10-Q for the quarter ended June 30, 1996; and (3) the Third Supplemental Indenture dated as of June 15, 1999, filed as Exhibit 4.2 to Amendment No. 1 to Form 8-A dated June 23, 1999. The Indenture has been further supplemented by the terms of the following Senior Debt Securities issued to date: (A) the Certificate of the Vice President and Controller of the Company establishing the terms of the 9 1/8% Senior Notes due 2004, filed as Exhibit 7(c)(3) to Current Report on Form 8-K dated February 8, 1994; (B) the Terms of the 10 1/4% Senior Notes due 2006 approved by the Executive Committee of the Board of Directors of the Company, filed as Exhibit 7(c)99.6 to Current Report on Form 8-K dated July 22, 1996; and (C) the Certificate of Actions taken by the President of the Company establishing the terms of the 10% Senior Notes due 2009, filed as Exhibit 4.3 to Amendment No. 1 to Form 8-A dated June 23, 1999. The Company has no other outstanding debt issues exceeding 10% of its consolidated total assets. The Company will furnish to the Securities and Exchange Commission, upon request, copies of all agreements and instruments defining the rights of security holders for debt issues not exceeding 10% of consolidated total assets.
*10-a	Operating contracts dated February 18, 1998 between the Republic of Panama and Chiriqui Land Company consisting of Contract of Operations (Bocas del Toro), Contract of Operations (Armuelles), Amendment and Extension of the Lease Land Contract, and related documents as published in the Republic of Panama Official Gazette No. 23,485, filed as Exhibit 10-b to Annual Report on Form 10-K for the year ended December 31, 1997

*10-b Credit Agreement dated December 31, 1996 among Chiquita Brands International, Inc., The First National Bank of Boston, as administrative agent, and the financial institutions which are lenders relating to the Company's $125 million revolving credit facility, filed as Exhibit 10-d to Annual Report on Form 10-K for the year ended December 31, 1996, as amended by: (1) Amendment No.1 dated as of December 8, 1997, filed as Exhibit 10-c to Annual Report on Form 10-K for the year ended December 31, 1997; (2) Amendment No. 2 dated as of May 19, 1999 and Amendment No. 3 dated as of July 23, 1999, filed as Exhibit 10 to Quarterly Report on Form 10-Q for the quarter ended June 30, 1999; and (3) Amendment No. 4, and related pledge and security agreements, dated as of February 7, 2000, filed as Exhibits 10.1, 10.2 and 10.3 to Current Report on Form 8-K dated February 7, 2000

*10-c Credit Agreement dated as of September 22, 1999 among Chiquita Processed Foods, L.L.C., First Union National Bank, as administrative agent, and the financial institutions which are lenders, relating to CPF's $200 million senior secured credit facility, filed as Exhibit 10 to Quarterly Report on Form 10-Q for the quarter ended September 30, 1999

<u>Executive Compensation Plans</u>

*10-d 1986 Stock Option and Incentive Plan, as Amended and Restated effective May 13, 1998, filed as Exhibit 10-d to Annual Report on Form 10-K for the year ended December 31, 1998

*10-e 1998 Stock Option and Incentive Plan, included as Appendix A to the Company's definitive Proxy Statement filed on Schedule 14A dated April 8, 1998

*10-f 1997 Amended and Restated Deferred Compensation Plan (conformed to include amendments effective January 1, 1998), filed as Exhibit 10-f to Annual Report on Form 10-K for the year ended December 31, 1998

*10-g 1997 Deferred Compensation Plan for the Board of Directors (conformed to include amendments effective January 1, 1998), filed as Exhibit 10-g to Annual Report on Form 10-K for the year ended December 31, 1998

**13 Chiquita Brands International, Inc. 1999 Annual Report to Shareholders (pages 2 through 28)

21 Subsidiaries of Registrant

23 Consent of Independent Auditors

**24 Powers of Attorney

**27 Financial Data Schedule

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* Incorporated by reference.

** Copy attached to report filed with the Securities and Exchange Commission.

EXHIBIT 21

CHIQUITA BRANDS INTERNATIONAL, INC.

SUBSIDIARIES

As of March 27, 2000, the major subsidiaries of the Company, the jurisdiction in which organized and the percent of voting securities owned by the immediate parent corporation were as follows:

	Organized Under Laws of	Percent of Voting Securities Owned by Immediate Parent
Chiquita Brands, Inc.	Delaware	100%
American Produce Company	Delaware	100%
California Day-Fresh Foods, Inc.	California	100%
Caribbean Enterprises, Inc.	Delaware	100%
Great White Fleet Ltd.	Bermuda	100%
BVS Ltd.	Bermuda	100%
CDV Ltd.	Bermuda	100%
CDY Ltd.	Bermuda	100%
CRH Shipping Ltd.	Bermuda	100%
Danfund Ltd.	Bermuda	100%
Danop Ltd.	Bermuda	100%
DSF Ltd.	Bermuda	100%
GPH Ltd.	Bermuda	100%
Great White Fleet (US) Ltd.	Bermuda	100%
NCV Ltd.	Bermuda	100%
Norvel Ltd.	Bermuda	100%
Chiquita Brands Company, North America	Delaware	100%
CB Containers, Inc.	Delaware	100%
OV Containers, Inc.	Delaware	100%
Chiquita Citrus Packers, Inc.	Delaware	80%
Chiquita Banana Company B.V.	Netherlands	100%
Chiquita Italia, S.p.A.	Italy	100%
Chiquita Finland Oy	Finland	100%
Chiquita Tropical Fruit Company B.V.	Netherlands	100%
Chiquita Frupac Inc.	Delaware	100%

(Continued)

CHIQUITA BRANDS INTERNATIONAL, INC.

SUBSIDIARIES

	Organized Under Laws of	Percent of Voting Securities Owned by Immediate Parent
Chiquita Gulf Citrus, Inc.	Delaware	100%
Chiquita International Trading Company	Delaware	100%
Chiquita Far East Holdings B.V.	Netherlands	100%
Chiquita Brands South Pacific Limited	Australia	49%
CBSP Pty. Ltd.	Australia	100%
Chiquita Mushrooms Holdings Pty Ltd	Australia	100%
Chiquita International Limited	Bermuda	100%
Tela Railroad Company Ltd.	Bermuda	100%
M.M. Holding Ltd.	Bermuda	100%
Chiquita Tropical Products Company	Delaware	100%
Chiriqui Land Company	Delaware	100%
Compania Agricola del Guayas	Delaware	100%
Compania Agricola de Rio Tinto	Delaware	100%
Compania Bananera Atlantica Limitada	Costa Rica	100%
Dunand et Compagnie des Bananes, S.A.	France	100%
Maritrop Trading Corporation	Delaware	100%
Progressive Produce Corporation	Ohio	100%
Compania Mundimar, S.A.	Costa Rica	100%
Friday Holdings, L.L.C.	Delaware	100%
Chiquita Processed Foods, L.L.C.	Delaware	100%

The names of approximately 200 subsidiaries have been omitted. In the aggregate these subsidiaries, after excluding approximately 100 foreign subsidiaries whose immediate parents are listed above and which are involved in fresh foods operations, do not constitute a significant subsidiary. The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries.

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report on Form 10-K of Chiquita Brands International, Inc. of our report dated February 8, 2000, included in the 1999 Annual Report to Shareholders of Chiquita Brands International, Inc.

Our audits also included the financial statement schedules of Chiquita Brands International, Inc. listed in Item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the following Registration Statements and related prospectuses of Chiquita Brands International, Inc. of our report dated February 8, 2000, with respect to the consolidated financial statements and schedules of Chiquita Brands International, Inc. incorporated by reference in the Annual Report on Form 10-K for the year ended December 31, 1999.

Form	Registration No.	Description
S-3	33-58424	Dividend Reinvestment Plan
S-3	33-41057	Common Stock issuable upon conversion of Convertible Subordinated Debentures
S-3	333-00789	Debt Securities, Preferred Stock, Preference Stock, Depositary Shares, Common Stock and Securities Warrants
S-8	33-2241	Chiquita Savings and Investment Plan
	33-16801	
	33-42733	
	33-56572	
	333-39671	
	333-93517	
S-8	33-14254	1986 Stock Option and Incentive Plan
	33-38284	
	33-41069	
	33-53993	
S-8	333-59085	1998 Stock Option and Incentive Plan
S-8	33-38147	Associate Stock Purchase Plan
S-8	333-59063	1997 Amended and Restated Deferred Compensation Plan

Cincinnati, Ohio
March 27, 2000

ERNST & YOUNG LLP

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Directors, Officers and Senior Operating Management

Board of Directors

Carl H. Lindner[1]*
Chairman of the Board,
Chief Executive Officer
and Chairman of the
Executive Committee

Keith E. Lindner[1]*
Vice Chairman of the Board

Steven G. Warshaw[1]
President and
Chief Operating Officer

Fred J. Runk*
Senior Vice President
and Treasurer,
American Financial Group, Inc.

Jean Head Sisco[2,3]
Partner in Sisco Associates
(management consultants)

William W. Verity[2,3]
Chairman and Chief
Executive Officer,
ENCOR Holdings, Inc.
(developer and manufacturer of
plastic molded components)

Oliver W. Waddell[2,3]
Retired Chairman, President
and Chief Executive Officer,
Star Banc Corporation

[1]Member of Executive Committee
[2]Member of Audit Committee
[3]Member of Compensation Committee

*Associated as a director or officer of American Financial Group, Inc. (engaged in property and casualty insurance and the sale of annuities) which owned approximately 36% of the voting stock of Chiquita Brands International, Inc. as of March 15,2000.

Officers

Carl H. Lindner[1]*
Chairman of the Board,
Chief Executive Officer
and Chairman of the
Executive Committee

Keith E. Lindner[1]*
Vice Chairman of the Board

Steven G. Warshaw[1]
President and
Chief Operating Officer

Carla A. Byron
Vice President,
Corporate Planning

Joseph W. Hagin II
Vice President, Corporate Affairs

Jeffrey T. Klare
Vice President,
Information Systems

Gerald R. Kondritzer
Vice President and Treasurer

Warren J. Ligan
Senior Vice President and
Chief Financial Officer

Robert W. Olson
Senior Vice President,
General Counsel and Secretary

William A. Tsacalis
Vice President and Controller

Bryan M. Valentine
Vice President, Human Resources

Senior Operating Management

Robert F. Kistinger
President and
Chief Operating Officer
Chiquita Fresh Group and
Chiquita Fresh Group-North America

Peter A. Horekens
President
Chiquita Fresh Group-Europe

Dennis M. Doyle
President – Far and Middle East,
Austral/Asia Region

Investor Information

Stock Exchange Listings

New York, Boston and Pacific

Stock Symbol

CQB

Shareholders of Record

At March 15, 2000, there were 5,501
common shareholders of record.

Transfer Agent and Registrar – Preferred, Preference and Common Stock

Chiquita Brands International, Inc.
c/o Securities Transfer Company
One East Fourth Street
Cincinnati, Ohio 45202
(513) 579-2414
(800) 368-3417

Dividend Reinvestment

Shareholders who hold at least 100 common shares may increase their investment in Chiquita shares through the Dividend Reinvestment Plan without payment of any brokerage commission or service charge. Full details concerning the Plan may be obtained from Investor Relations or the Transfer Agent.

Annual Meeting

May 10, 2000
10 a.m. Eastern Daylight Time
Omni Netherland Plaza Hotel
35 West Fifth Street
Cincinnati, Ohio 45202

Investor Inquiries

For other questions concerning your investment in Chiquita, contact Investor Relations at (513) 784-6366.

Trustees and Transfer Agents – Debentures/Notes

7% Convertible Subordinated Debentures due March 28, 2001
Trustee –
The Chase Manhattan Bank
450 West 33rd Street
New York, New York 10001

Transfer, Paying and Conversion Agents –
The Chase Manhattan Bank – New York, New York
The Chase Manhattan Bank – London, England
Banque Paribas Luxembourg S.A. – Luxembourg
Banque Bruxelles Lambert S.A. – Brussels, Belgium
Bank Leu, Ltd. – Zurich, Switzerland

9 1/8% Senior Notes due March 1, 2004*
9 5/8% Senior Notes due January 15, 2004*
10% Senior Notes due June 15, 2009*
10 1/4% Senior Notes due November 1, 2006*
Trustee –
The Fifth Third Bank
38 Fountain Square Plaza
Cincinnati, Ohio 45263

* Chiquita Brands International, Inc., c/o Securities Transfer Company, is transfer agent for these Notes.

Chiquita
Brands
International

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Cincinnati, Ohio 45202
(513) 784 - 8000
(513) 784 - 8030 fax
http://www.chiquita.com