SMITHFIELD FOODS INC
Form S-4
August 22, 2003
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As Filed with the Securities and Exchange Commission on August 22, 2003

File No.

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

SMITHFIELD FOODS, INC.

(Exact name of registrant as specified in its charter)

Virginia	2011	52-0845861
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Michael H. Cole, Esq.

Vice President, Secretary and Deputy General Counsel

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3030

(Name, address, including zip code, and telephone number,

including area code, of agent for service)

Copies to:

Jane Whitt Sellers, Esq.

McGuireWoods LLP

Bank of America Corporate Center

100 North Tryon Street, Suite 2900

Charlotte, North Carolina 28202-4011

(704) 373-8999

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G check the following box: ¨

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨ ____________

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: ¨ ____________

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box: ¨

CALCULATION OF REGISTRATION FEE (1)

Title of each class of Securities to be registered	Amount to be Registered	Proposed maximum offering, price per share to be registered (1)	Proposed maximum aggregate offering price	Amount of Registration fee
7 3/4% Senior Notes, Series B, due 2013	$ 350,000,000	100%	$ 350,000,000	$ 28,315

(1) Estimated in accordance with Rule 457(f) solely for the purpose of calculating the registration fee.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SEC, ACTING PURSUANT TO SAID SECTION 8(a) MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. We may not complete this exchange offer and issue securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion. Dated August 22, 2003

Prospectus

Smithfield Foods, Inc.

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

We are offering to exchange up to $350,000,000 of our 7 3/4% Senior Notes, Series B, Due 2013 for any and all of our outstanding 7 3/4% Senior Notes, Series A, Due 2013.

The Exchange Offer

We will exchange all senior notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.

You may withdraw tenders of senior notes at any time prior to the expiration of the exchange offer.

The exchange offer expires at 5:00 p.m., New York City time, on , 2003.

The Exchange Notes

The terms of the exchange notes to be issued in the exchange offer are substantially identical to those of the senior notes, except that the exchange notes will be freely tradable.

The exchange notes will mature on May 15, 2013.

Interest on the exchange notes will be payable semi-annually on May 15 and November 15 of each year, commencing on November 15, 2002.

You should consider carefully the Risk-Factors beginning on page 10 of this prospectus before participating in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is , 2003

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Note on forward-looking statements

This prospectus contains forward-looking statements within the meaning of the federal securities laws. The forward-looking information includes statements concerning our outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. Forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. These risks and uncertainties include the availability and prices of live hogs and cattle, raw materials and supplies, food safety, livestock disease, live hog production costs, product pricing, the competitive environment and related market conditions, hedging risk, operating efficiencies, changes in interest rate and foreign currency exchange rates, access to capital, the cost of compliance with environmental and health standards, adverse results from on-going litigation and actions of domestic and foreign governments, the ability to make effective acquisitions and successfully integrate newly acquired businesses into existing operations and other risks and uncertainties described under Risk factors or in other documents we file with the Securities and Exchange Commission and incorporate by reference into this prospectus.

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Where you can find more information; incorporation of certain documents by reference

We are subject to the informational reporting requirements of the Securities Exchange Act of 1934, which requires us to file annual, quarterly and special reports, proxy statements and of the information with the Securities and Exchange Commission. You may read and copy any document that we file at the Public Reference Room of the Securities and Exchange Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 1-800-SEC-0330. You may also inspect our filings at the regional offices of the Securities and Exchange Commission or over the Internet at the Securities and Exchange Commission s website at *http://www.sec.gov*. Our common shares are listed on the New York Stock Exchange under the symbol SFD. Our reports, proxy statements and other information may also be read and copied at the New York Stock Exchange at 20 Broad Street, New York, NY 10005.

The Securities and Exchange Commission allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the Securities and Exchange Commission will automatically update and supercede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 until we complete the exchange offer:

Annual Report on Form 10-K for the year ended April 27, 2003;

Current Reports on Form 8-K filed on May 12, 2003 and May 13, 2003.

You may request a copy of these filings at no cost, by writing or telephoning us at the following address:

Corporate Secretary

Smithfield Foods, Inc.

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

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Summary

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in, or incorporated by reference into, this prospectus. All references to fiscal year in this prospectus refer to the fiscal year ending on the Sunday closest to April 30 of each year (e.g., fiscal year 2003 is the fiscal year ending on April 27, 2003).

The Company

General

We are the largest hog producer and pork processor in the world. We conduct our business through four reporting segments: pork, beef, international and the hog production group, each comprised of a number of subsidiaries.

Pork. The pork segment, which had fiscal 2003 sales of $4.3 billion, produces domestically a wide variety of fresh pork and processed meat products and markets them nationwide and to numerous foreign markets, including Canada, Japan and Mexico.

Beef. The beef segment, which had fiscal 2003 sales of $2.2 billion, primarily produces boxed beef and ground beef (both chub and case-ready) and markets these products nationwide and to over 25 foreign markets, including Japan, South Korea, Mexico, Canada and China.

International. The international segment, which had fiscal 2003 sales of $1.3 billion, produces internationally a wide variety of fresh and processed meats products and markets them in numerous foreign markets.

The hog production group. To complement our processing operations, we have vertically integrated into hog production through our hog production group, which currently provides the pork and international segments with approximately 43% of their live hog requirements.

Business strategy

Value-added products. We continue to focus on increasing the proportion of our product volume that is sold into the further processed pork and other value-added products markets because these products have higher margins than those of commodity fresh meats. We increased our revenues from processed meats as a percentage of total pork revenues from 52% in 2001 to 55% in 2002 to 59% in 2003. From fiscal 1999 to fiscal 2003, processed meats revenues have grown by 76%. We are currently the largest producer of retailed branded bacon in the United States and a major producer of spiral hams, pre-cooked bacon, hot dogs and sliced lunchmeat. To take advantage of our expanded product offerings, we formed the Smithfield Deli Group in February 2002. Through the Smithfield Deli Group, we are leveraging our processed meats product lines across our operating companies to supply major retail deli customers.

Increase brand awareness. We are targeting specific geographic markets, including New York, Philadelphia and Chicago, for focused marketing efforts designed to increase public awareness of the Smithfield and Smithfield Lean Generation Pork brands. These marketing efforts have allowed us to increase our penetration with several key retailers in these markets, to enhance our position as a leading fresh pork brand and to position us to capture a more significant share of the growing processed meats product categories.

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Channel development. We are placing increased emphasis on coordinated sales and marketing strategies directed at the deli market and foodservice channels to capture greater market share of the product sales to these two channels. We have an estimated 6% market share of the $14 billion deli market, as measured by retail prices. By coordinating our sales, marketing and product offerings in one organization, we have the opportunity to increase our sales of processed meats through the foodservice channel. In July 2003, we acquired Global Culinary Solutions, Inc. and formed the Smithfield Innovation Group to develop new products for customers in retail, club store and food service channels. Global Culinary Solutions is an integrated food product development, manufacturing and marketing company headed by Michael J. Brando, a certified master chef with over 30 years of experience in culinary arts.

Product diversification into beef. In fiscal 2002, we made two acquisitions of U.S. beef processors, which now represent approximately 25% of our sales. As a result of the Packerland Holdings and Moyer Packing acquisitions, we are the fifth largest beef processor in the United States, processing approximately 2.0 million cattle a year, which is approximately 6% of the U.S. slaughter. With annual sales of approximately $2.2 billion in fiscal 2003, our beef segment diversifies our product portfolio, and the financial results of our beef segment lessen the impact of fresh pork and hog production market cycles on our business. Our beef segment has continued to record operating income despite operating in a challenging market environment.

Improve international profitability. In fiscal 2003, sales of our international segment were approximately $1.3 billion. The international segment s operating profit improved from $18.4 million in fiscal 2001 to $24.2 million in fiscal 2002 to $38.7 million in fiscal 2003. We believe that further profitability improvements are achievable from these operations.

Vertical integration and premium genetics. We believe that our vertical integration and premium genetics are competitive advantages. Today we are approximately 62% vertically integrated, processing approximately 20.9 million hogs annually and raising approximately 13.1 million hogs annually. Vertical integration provides substantial economies of scale from high volume hog production, increased control over raw material quality, consistency and food safety and operational, logistical and transportation efficiencies due to the close proximity of our hog production operations to our processing facilities. As food safety becomes increasingly important to the consumer, our vertically integrated system provides traceability from conception of livestock to consumption of the pork product.

Recent developments

Results of operations and financial condition

Our earnings for the first quarter of fiscal 2004 were $22.1 million, or $.20 per diluted share, versus $11.8 million, or $.11 per diluted share, a year ago.

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Following are our sales and operating profit by segment:

(in millions)	13 Weeks Ended July 27, 2003	13 Weeks Ended July 28, 2002
Sales		
Pork	$ 1,158.5	$ 1,054.9
Beef	605.4	559.0
International	373.8	322.8
Hog Production	335.8	273.8
	2,473.4	2,210.5
Intersegment	(267.2)	(209.8)
Total Sales	$ 2,206.2	$ 2,000.7
Operating Profit		
Pork	$ (20.1)	$ 3.6
Beef	32.0	21.9
International	7.6	13.7
Hog Production	58.1	18.9
Corporate	(14.8)	(14.9)
Total Operating Profit	$ 62.6	$ 43.2

The improved results were due to sharply higher earnings in hog production as a result of a 22 percent increase in domestic average live hog market prices, partially offset by increased grain costs, compared to the same quarter last year.

The increase in live hog prices moderated significantly during the quarter primarily due to higher shipments of live hogs from Canada into the United States. Prior to the first quarter, live hog prices had been depressed in the United States and generally below break-even, for nearly a year. During the quarter, higher shipments of live hogs from Canada resulted from lower Canadian live cattle prices following the report of a single case of bovine spongiform encephalopathy in that country in May. The U.S. Department of Agriculture imposed a ban on the importation of ruminants and ruminant products from Canada, including beef, cattle and animal feed in response to the report. This sharply lower cattle market in Canada triggered a decline in demand for pork and an increase in live hog and fresh pork exports to the United States, where prices were higher.

The environment for fresh pork continued to remain very poor throughout the first quarter. The summer months and our first fiscal quarter are historically the weakest period for fresh pork. The impact of rising hog costs, combined with an influx of Canadian fresh pork, further pressured fresh pork margins and contributed to the disappointing results. Average unit selling prices for fresh pork and processed meats rose only about one-half as much as the increase in the cost of hogs. Fresh pork volume declined five percent compared to the same quarter a year ago.

Processed meats volume grew more than five percent, although at lower margins than last year s first quarter. Hot dogs, dry and pre-cooked sausage, pre-cooked meat entrees and pre-cooked ribs volumes grew at double-digit rates.

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Beef operations continued to experience strong margins in spite of higher cattle costs. Beef demand remained at high levels in the face of record high prices. International results were below those of last year as a result of lower earnings in Canada and Poland.

Farmland transaction

On July 14, 2003, we entered into a definitive asset purchase agreement with Farmland Industries, Inc. and its subsidiary, Farmland Foods, Inc. (together, Farmland), to acquire substantially all of the assets, and certain liabilities, of Farmland s pork production and processing business for approximately $363.5 million in cash, subject to certain adjustments as described below and subject to certain exclusions detailed in the definitive agreement. Farmland Industries and Farmland Foods each filed for protection under Chapter 11 of the federal Bankruptcy Code in May 2002. Farmland Industries files periodic reports with the SEC in which it has provided information regarding the pork production and processing business of Farmland.

The purchase price is subject to certain adjustments, including provisions for increase or decrease, as the case may be, for the amount by which changes in Farmland s working capital as of the closing date exceeds or is less than $161.4 million and provisions for reduction by the balance of certain industrial development bond indebtedness and capitalized leases at the closing date. In addition, we have agreed that, at Farmland s request, we will acquire the assets of and assume the liabilities of the portion of the Farmland pension plan associated with the current and former employees of Farmland s pork business, which pension plan is currently under-funded on a termination basis, in return for a $25 million reduction in the purchase price, which reduction will be subject to further adjustment based on the value of those transferred assets.

The definitive agreement contemplates that we will serve as the stalking horse bidder in a competitive auction process for Farmland s pork assets, and that we may be compensated with a breakup fee of $10.0 million under certain circumstances in the event we elect not to match a qualified higher and better bid for the pork assets.

The transaction is subject to Bankruptcy Court approval, regulatory approvals, including the expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the HSR Act), and other closing conditions. On July 23, 2003, we received from the U.S. Department of Justice a Request for Additional Information (commonly called a Second Request) under the HSR Act pertaining to the Farmland acquisition. We intend to respond to the Second Request in the near future.

We currently expect to complete the transaction during the fourth calendar quarter of 2003. However, we cannot assure you that the transaction will be completed. We are not obligated to match any higher bids that may be made for Farmland s pork assets if a competitive auction is held, and we will not do so if we determine that matching any such bid would not be in our best interest. Moreover, we cannot assure you that all required Bankruptcy Court and regulatory approvals will be obtained or that the other closing conditions will be satisfied. In the event the transaction is not consummated because required anti-competition law approvals are not obtained or because the transaction is otherwise prohibited on anti-competition law grounds, we will forfeit $15.0 million of our $35.0 million earnest money deposit to Farmland.

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Other events

In addition to the acquisition of the assets of Farmland Foods, on August 13, 2003, we announced that we had entered into a definitive purchase agreement for the acquisition of a 90% interest in Cumberland Gap Provision Company, a privately-held processor of a full line of premium branded hickory smoked hams, sausages and other specialty processed pork products, for approximately $56 million before working capital and other closing adjustments. That company has annual sales of approximately $70.0 million.

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The exchange offer

On May 21, 2003, we completed the private offering of the senior notes. References to notes in this prospectus are references to both the senior notes and the exchange notes.

We entered into a registration rights agreement with the initial purchasers in the private offering in which we agreed to deliver to you this prospectus and we agreed to complete the exchange offer by December 2, 2003 or to pay an increased rate of interest on the senior notes from that date until they become freely tradeable. In the exchange offer, you are entitled to exchange your senior notes for exchange notes which are identical in all material respects to the senior notes except that:

- the exchange notes have been registered under the Securities Act of 1993, as amended;
- the exchange notes are not entitled to registration rights under the registration rights agreement; and
- certain contingent interest rate provisions are no longer applicable.

The exchange offer	We are offering to exchange up to $350,000,000 aggregate principal amount of our 7 3/4% Senior Notes, Series B, due 2013 (which we refer to as the exchange notes) for a like aggregate principal amount of our outstanding 7 3/4% Senior Notes, Series A, due 2013 (which we refer to as the senior notes). Senior notes may only be exchanged in integral multiples of $1,000.
Resales	Based on an interpretation by the staff of the Securities and Exchange Commission set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offer in exchange for senior notes may be offered for resale, resold and otherwise transferred by you (unless you are an affiliate of ours within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you are acquiring the exchange notes in the ordinary course of your business and that you have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person to participate in, a distribution of the exchange notes. Each participating broker-dealer that receives exchange notes for its own account pursuant to the exchange offer in exchange for senior notes that were acquired as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See Plan of distribution.

Any holder of senior notes who:

is an affiliate of ours;

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does not acquire exchange notes in the ordinary course of its business; or

tenders in the exchange offer with the intention to participate, or for the purpose of participating, in a distribution of exchange notes

cannot rely on the position of the staff of the Securities and Exchange Commission enunciated in the no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

Expiration date; withdrawal of tenders	The exchange offer will expire at 5:00 p.m., New York City time, on , 2003, or such later date and time to which we extend the expiration date. A tender of senior notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date. Any senior notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offer.
Procedures for tendering senior notes	If you wish to accept the exchange offer, you must complete, sign and date the accompanying letter of transmittal, or a facsimile of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or a facsimile of the letter of transmittal, together with the senior notes and any other required documents, to the exchange agent at the address set forth on the cover page of the letter of transmittal. If you hold senior notes through The Depository Trust Company, DTC, and wish to participate in the exchange offer, you must comply with the Automated Tender Offer Program procedures of DTC, by the letter of transmittal. By signing, or agreeing to be bound by, the letter of transmittal, you will represent to us that, among other things:

any exchange notes that you receive will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person or entity to participate in a distribution of the exchange notes;

if you are a broker-dealer that will receive exchange notes for your own account in exchange for senior notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with exchange notes; and you are not an affiliate as defined in Rule 405 of the Securities Act, of ours or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Special procedures for beneficial owners If you are a beneficial owner of senior notes that are not registered in your name, and you wish to tender your senior notes in the exchange offer, you should contact the registered holder promptly and instruct such registered holder to tender on your behalf. If you wish to tender on you own behalf, you must, prior to completing and executing the letter of transmittal and delivering your senior notes, either make appropriate arrangements to register ownership of the senior notes in your name or obtain a properly completed bond power from the registered holder.

Guaranteed delivery procedures If you wish to tender your senior notes and they are not immediately available or you cannot deliver your senior notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC s Automated Tender Offer Program prior to the expiration date, you must tender your senior notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange offer Guaranteed delivery procedures.

Conditions of exchange offer The exchange offer is subject to customary conditions, which we may waive. Please read the section captioned The Exchange offer Conditions to the exchange offer of this prospectus for more information regarding the conditions to the exchange offer.

Effect on holders of senior notes As a result of the making and completion of the exchange offer, we will have fulfilled covenant contained in the registration rights agreement, and accordingly, there will be no increase in the interest rate on the senior notes under the circumstances described in the registration rights agreement. If you are a holder of senior notes and you do not tender your senior notes in the exchange offer, you will continue to be entitled to all the rights and subject to all the limitations applicable to the senior notes under the indenture, except as noted above.

To the extent that the senior notes are tendered and accepted in the exchange offer, the trading market for any senior notes that remain outstanding could be adversely affected.

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Consequences of failure to exchange	All untendered senior notes will continue to be subject to the restrictions on transfer provided for in the senior notes and in the indenture. In general, the senior notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offer, we do not currently anticipate that we will register the senior notes under the Securities Act.
Exchange agent	Suntrust Bank is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth in the section captioned Exchange offer Exchange agent of this prospectus.
Use of proceeds	We will not receive any cash proceeds from the exchange offer.

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Terms of the exchange notes

The exchange offer applies to $350,000,000 aggregate principal amount of the exchange notes. The form and terms of the exchange notes are the same as the form and terms of the senior notes except that the exchange notes have been registered under the Securities Act and, therefore, will not bear legends restricting their transfer. The exchange notes will evidence the same debt as the senior notes and will be entitled to the benefits of the indenture. See Description of exchange notes.

Issuer	Smithfield Foods, Inc.
Notes offered	$350,000 aggregate principal of 7 3/4% Senior Notes, Series B, due 2013.
Maturity	May 15, 2013.
Interest	Annual rate: 7 3/4%.
Interest payment dates	May 15 and November 15 of each year, commencing on November 15, 2003.
Change of control	Upon the occurrence of a change of control, you will have the right to require us to purchase all or a portion of your exchange notes at a price equal to 101% of the principal amount together with accrued and unpaid interest, if any, to the date of purchase.
Ranking	The exchange notes will be senior unsecured obligation and will rank equally in right of payment to all of our existing and future unsecured and unsubordinated indebtedness, including our existing $300 million aggregate principal amount of 8% Senior Notes due 2009 (which we refer to as the 2001 Senior Notes) and senior to our existing and future subordinated indebtedness, including our existing $182.1 million aggregate principal amount of 7 5/8% Senior Subordinated Notes due 2008 (which we refer to as the Senior Subordinated Notes). The exchange notes will be effectively subordinated to all of our existing and future senior secured indebtedness to the extent of the value of the assets securing that indebtedness.

As of April 27, 2003, our aggregate principal amount of indebtedness, including capital lease obligations, was approximately $1,733.0 million, of which $435.7 million was senior secured indebtedness.

The exchange notes will not be guaranteed by any of our subsidiaries and will be subordinated to all of the obligations and liabilities of our subsidiaries.

As of April 27, 2003, the aggregate principal amount of indebtedness of our subsidiaries was approximately $245.7 million, excluding capital lease obligations and guarantees of the senior secured notes and our $900 million revolving credit facility (which we refer to as the U.S. Revolver).

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Summary consolidated condensed financial information

The following table sets forth our summary consolidated condensed historical financial data which should be read in conjunction with and is qualified in its entirety by reference to the audited consolidated financial statements and the related notes included elsewhere in, and incorporated by reference into, this offering memorandum. The summary consolidated condensed financial data for the fiscal year ended April 29, 2001 has been derived from our financial statements audited by Arthur Andersen LLP. See Risk Factors Our former use of Arthur Andersen LLP as our independent auditor may pose risks to us and will limit your ability to seek potential recoveries from them related to their work. The summary consolidated condensed financial data for the fiscal years ended April 28, 2002 and April 27, 2003 have been derived from our financial statements audited by Ernst & Young LLP.

	Fiscal year ended		
(in millions)	**April 29, 2001**	**April 28, 2002**	**April 27, 2003**
Income Statement Data:			
Sales	$ 5,899.9	$ 7,356.1	$ 7,904.5
Gross profit	830.3	963.1	701.1
Selling, general and administrative expenses	463.0	558.0	567.9
Interest expense	89.0	94.3	94.0
Gain on sale of IBP, inc. common stock	(79.0)	(7.0)	
Income before income taxes	357.3	317.8	39.2
Net income (1)	223.5	196.9	26.3
Statements of Cash Flow Data:			
Net cash provided by operating activities	$ 218.3	$ 298.6	$ 82.8
Net cash used in investing activities	(59.8)	(277.3)	(288.8)
Net cash provided by (used in) financing activities	(152.4)	(7.7)	199.5
Other Data:			
Capital expenditures	$ 144.1	$ 171.0	$ 180.3
Ratio of earnings to fixed charges (2)	4.4x	3.8x	1.2x
Amortization expense	$ 15.2	$ 8.1	$ 7.5
Balance Sheet Data (end of period):			
Cash	$ 56.5	$ 71.1	$ 66.0
Working capital	635.4	798.4	833.0
Total debt (including capital lease obligations)	1,261.3	1,480.0	1,733.0
Shareholders equity	1,053.1	1,362.8	