



Swift & Company

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SWIFT & COMPANY REPORTS THIRD QUARTER RESULTS

– Senior Debt Reduced; Value-Added Products' Sales Up Sharply –

Greeley, Colorado, May 8, 2003 – Swift & Company today reported its third quarter financial results which include net sales in the 13 weeks ended February 23, 2003, of \$ 2.024 billion and net income of \$ 3.5 million. The Company also reported its year-to-date earnings for the 158 days ended February 23, 2003, which include net sales of \$ 3.556 billion and net income of \$ 20.8 million. The Company also reported that year-to-date pro forma EBITDA for the 39 weeks ended Feb. 23, 2003, was up 6.8 percent over the same period a year ago despite a slight drop-off in sales. EBITDA performance in the third quarter jumped 11.7 percent over the prior year, spurred by a 10.7 percent increase in net sales. The results were reported in a conference call held today to discuss earnings and company performance reported in the Swift & Company Registration Form S-4 filed with the Securities and Exchange Commission on April 23, 2003.

The company's year-to-date pro forma EBITDA for the first three quarters of the current fiscal year, which ends May 25, 2003, was \$182.2 million versus \$170.6 million on a predecessor entity basis for the same period in the prior year. In the third quarter, which is traditionally a slower quarter for sales, EBITDA increased \$4.6 million from \$39.4 million last year to \$44.0 million.

Pro forma net sales for the first 39 weeks of the current fiscal year were \$6.197 billion versus \$6.329 billion in the corresponding 2002 period on a predecessor company basis– a decline of 2.1 percent. However, net sales in the third quarter grew to \$2.024 billion compared to \$1.824 billion a year ago on a predecessor entity basis based on stronger volume and overall price increases driven by higher cattle prices, which resulted in higher beef cutout values.

Senior Debt Reduced

Senior debt, which was \$270 million at Sept. 19, 2002, the date on which the transaction creating Swift & Company was completed, was paid down to \$ 199.5 million in the third quarter with cash flow from operations.

Capital spending has totaled \$32.6 million for the year to date, with full-year spending projected in the range of \$55 million to \$60 million, including \$7 million for stand-alone, one-time transition costs related to information systems. Major growth capital committed for FY04 includes expansion projects at Worthington, Minnesota; Marshalltown, Iowa; Hyrum, Utah; Greeley, Colo., and Dinsmore, Australia. Each of these projects meets the company's criteria for a two-year or faster payback for growth capital.

“Our business model has continued to perform well this fiscal year and our financial performance is in line with our expectations,” said John Simons, president and CEO of Swift & Company. “We are continuing to focus on the business model we publicly described last fall –

one of a non-vertically integrated, diversified protein processing business that operates in all U.S. distribution channels and has a significant focus on the international and foodservice market segments. Additionally, our industry-leading Australian beef business provides us with global diversification and a strong platform for continued growth in the Pacific Rim marketplace.”

Sales Up for Value-Added, Consumer-Ready Products

“We are continuing to focus on growing volume in specific products and channels,” Simons continued. “I am pleased to report a last-twelve-months (LTM) increase of 27.1 percent in value-added products. Equally important is a 32.8 percent increase in consumer-ready products, such as pork tenderloins and seasoned marinated pork.”

In the international channel, Simons reported a 6.8 percent volume increase on an LTM basis, driven by growth in Korea, Mexico and Japan

The company also reported the successful integration of the foodservice sales force from ConAgra's Signature Meats into Swift & Company, giving the company a fully integrated sales force across all channels in the red meat category. At the same time, LTM volume in food service rose 1.5 percent.

Simons also stated that Swift & Company continues to take a leadership role in food safety. “Last summer, Swift & Company was the first major processor to implement testing for E. coli 0157:H7 on 100 percent of lots of beef trimmings used to make ground beef,” he said. “And Swift was the first major processor to implement a ‘test and hold’ protocol so product is kept under the company’s control until it is cleared for shipment. We also introduced irradiated beef products at the retail level to provide customers additional choice, and we continue to make physical improvements to our meat processing plants that are designed to enhance both food and employee safety.”

Swift & Company is proceeding on plan with its migration from ConAgra systems to its own in-house back office systems, Simons said. “We expect to be off of ConAgra systems by the Sept. 19 anniversary date of the transaction.”

“It has been eight months since we began as Swift & Company,” Simons said. “In that short time frame, we have successfully established our processes as a stand-alone company, repaid in excess of \$ 70 million of senior debt, and reorganized our domestic business into a North American red meats company. We are on track to meet our internal plans for year one, and we continue to focus on growing our business in support of our diversified business model.”

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Comments related to EBITDA or Proforma EBITDA in this press release refer to amounts disclosed in our recently filed Amendment # 4 to Form S-4 and the following table reproduced from that filing:

	<u>Fiscal Year Ended</u> May 26, 2002 Predecessor	115 Days From May 27, 2002 Through September 18, 2002 Predecessor	158 Days From September 19, 2002 Through February 23, 2003 Successor
Operating Data (in thousands):			
Cattle processed — Swift Beef.....	5,193	1,757	2,473
Hogs processed — Swift Pork.....	10,684	3,313	4,881
Cattle processed — Swift Australia.....	1,240	495	548

	<u>Fiscal Year Ended</u> May 26, 2002 Predecessor	Thirty-Nine Weeks Ended February 24, 2002 Predecessor	115 Days From May 27, 2002 Through September 18, 2002 Predecessor	158 Days From September 19, 2002 Through February 23, 2003 Successor
	(Dollars in thousands)			
Income before income taxes	\$ 117,953	\$ 82,323	\$ 28,018	\$ 31,753
Interest expense(i).....	—	—	—	30,872
Depreciation and amortization.....	68,342	50,628	21,572	35,768
EBITDA.....	186,295	132,951	49,590	98,393
Elimination of Businesses Not Acquired(ii)	(17,203)	(846)	21,289	—
Elimination of existing corporate financing allocations(iii)	55,240	40,130	13,604	—
Monitoring and Oversight Agreement fee(iv)	(2,312)	(1,656)	(630)	—
Pro forma EBITDA of Acquired Business(v).....	<u>\$ 222,020</u>	<u>\$ 170,579</u>	<u>\$ 83,853</u>	<u>\$ 98,393</u>

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- (i) Includes amortization of deferred financing costs and accretion of bond discount of \$2,559 and \$1,081, respectively.
- (ii) Represents the elimination of Businesses Not Acquired in connection with the Transaction. The specific items adjusted for include the domestic cattle feeding business, the capital stock of Weld Insurance Company, other assets and insignificant businesses not acquired and liabilities not assumed.
- (iii) Represents the elimination of historical allocated corporate financing costs. We believe eliminating these allocated corporate costs is appropriate because we will not incur these costs after the Transaction.
- (iv) Represents amounts payable pursuant to the Monitoring and Oversight Agreement.
- (v) The Pro forma EBITDA may not be indicative of the operations of, and does not reflect all costs resulting from operating, the Acquired Business as a stand-alone company such as insurance, treasury, internal audit, external reporting and information technology costs or costs resulting from compliance with the recent USDA directive requiring the testing of ground beef trimmings.