



**Swift & Company®**

**2007 Lehman High Yield Conference**  
March 26, 2007

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Executive Vice President, Chief Financial Officer

# Safe harbor – forward looking statements



**This presentation contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934.**

**These statements are based on current expectations regarding our industry and our prospects, plans, financial statements, and business strategy and are subject to uncertainty and changes in circumstances. Actual results may vary materially from the expectations contained in the forward-looking statements. Factors that may cause results to differ materially from expectations include, among others:**

- outbreaks of livestock disease or product contamination or recall issues;**
- the impact of current and future laws, governmental regulations and fiscal policies affecting our industry and operations, including environmental laws and regulations;**
- economic conditions, both generally and in our principal markets;**
- fluctuations in live cattle and hog prices, or selling prices of beef and pork products; and**
- the availability of additional capital to fund our operations, future commitments and expansion and the cost of financing.**

- **Why invest in Swift?**
- **Swift strategy**
- **Market review**
- **Financial summary**
- **Questions**



# Why invest in Swift?

## 1. Scale and scope

- Significant scale in aggregate and across multiple proteins and geographies

## 2. Barriers to entry

- Prohibitive cost to add new processing capacity

## 3. Leading market positions

- Leading share positions across multiple protein categories and geographies

## 4. Blue chip customer base

- Significant product, channel, and customer diversification

## 5. Established brand

- Internationally recognized Swift brand with potential for growth

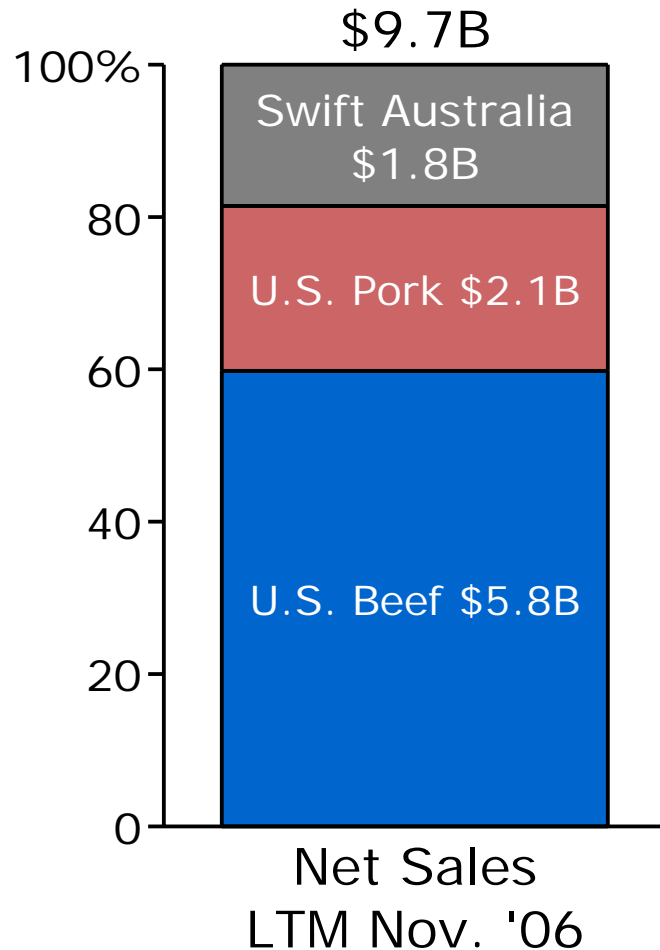
## 6. Strong & experienced management team

- Substantial upside potential from recent structural enhancements

# 1. Significant scale globally and across multiple proteins



% of Total



- **One of the world's leading beef and pork processing companies**
  - No. 3 beef processor in the U.S.
  - No. 3 pork processor in the U.S.
  - No. 1 beef processor in Australia
- **14 strategically located processing facilities and 4 Australian feedlots**
  - 4 U.S. beef plants
  - 3 U.S. pork plants
  - 1 U.S. lamb slaughter facility
  - 1 U.S. case ready facility
  - 4 Australian processing plants and 1 food processing facility
  - 4 Australian feed lots



## 2. Established player in industry with limited potential for additional greenfield capacity



### Customers

- **Time required to build base of customers** to take large, regular commitments of product
- **Time required to develop diverse channels** in order to balance sales of entire carcass

### Cost

- Estimated cost of facility **>\$200M**
- Ramp up cost (operating loss, yield loss, margin compression) **\$25M - \$50M**

### Supply

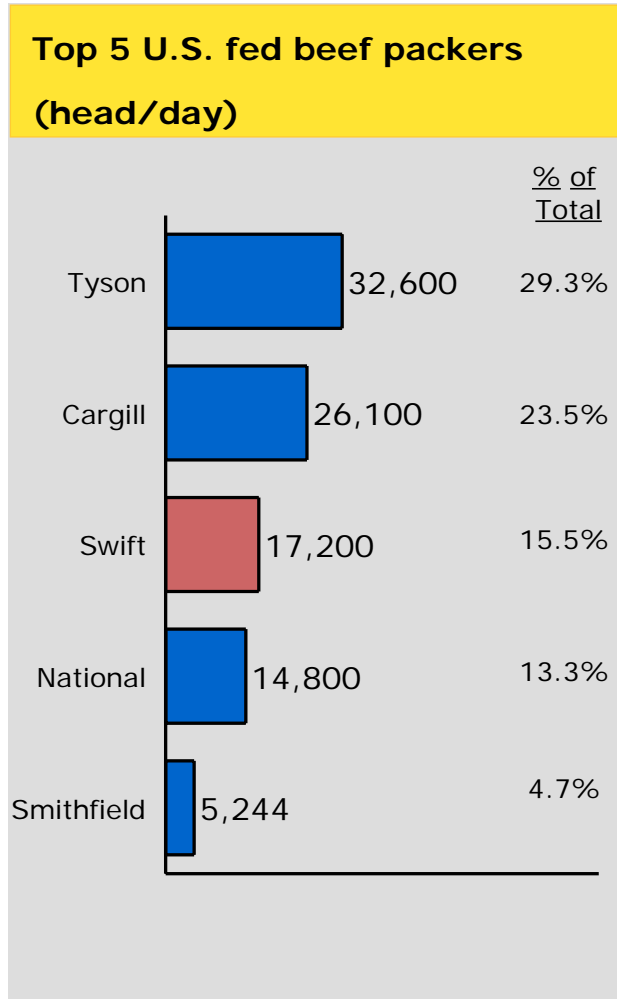
- Highly contracted / committed hog supply situation slows **ability to procure hogs** ; sensitive cattle supply as **herd is rebuilding**
- Logistical constraints limit drawing range on animals

### Timing

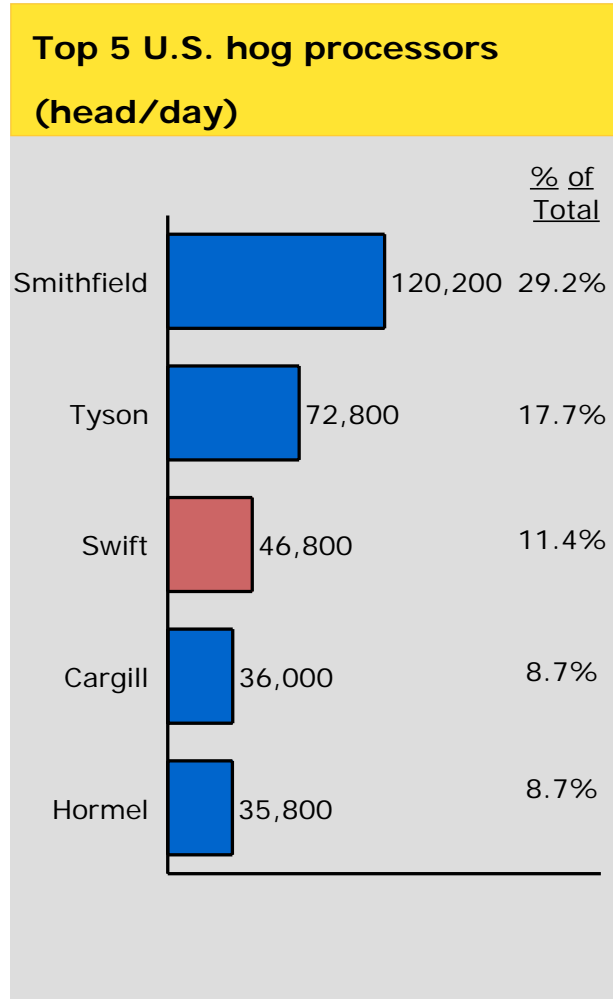
- Planning and approval **12+ months**
- Building and commissioning **18-24 months**

**Current public estimates of costs to open a single beef plant are in excess of \$200mm**

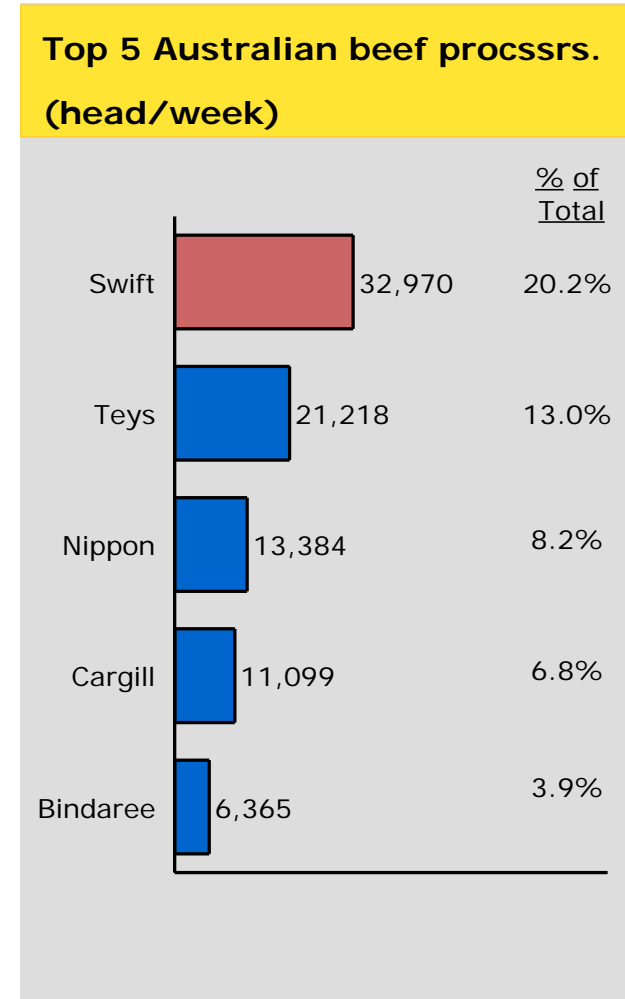
# 3. Leading market positions across multiple proteins and geographies



Source: CBW, 2006, excludes non-fed



Source: National Pork Board, 2005, excludes sows, Smithfield includes PSF capacity

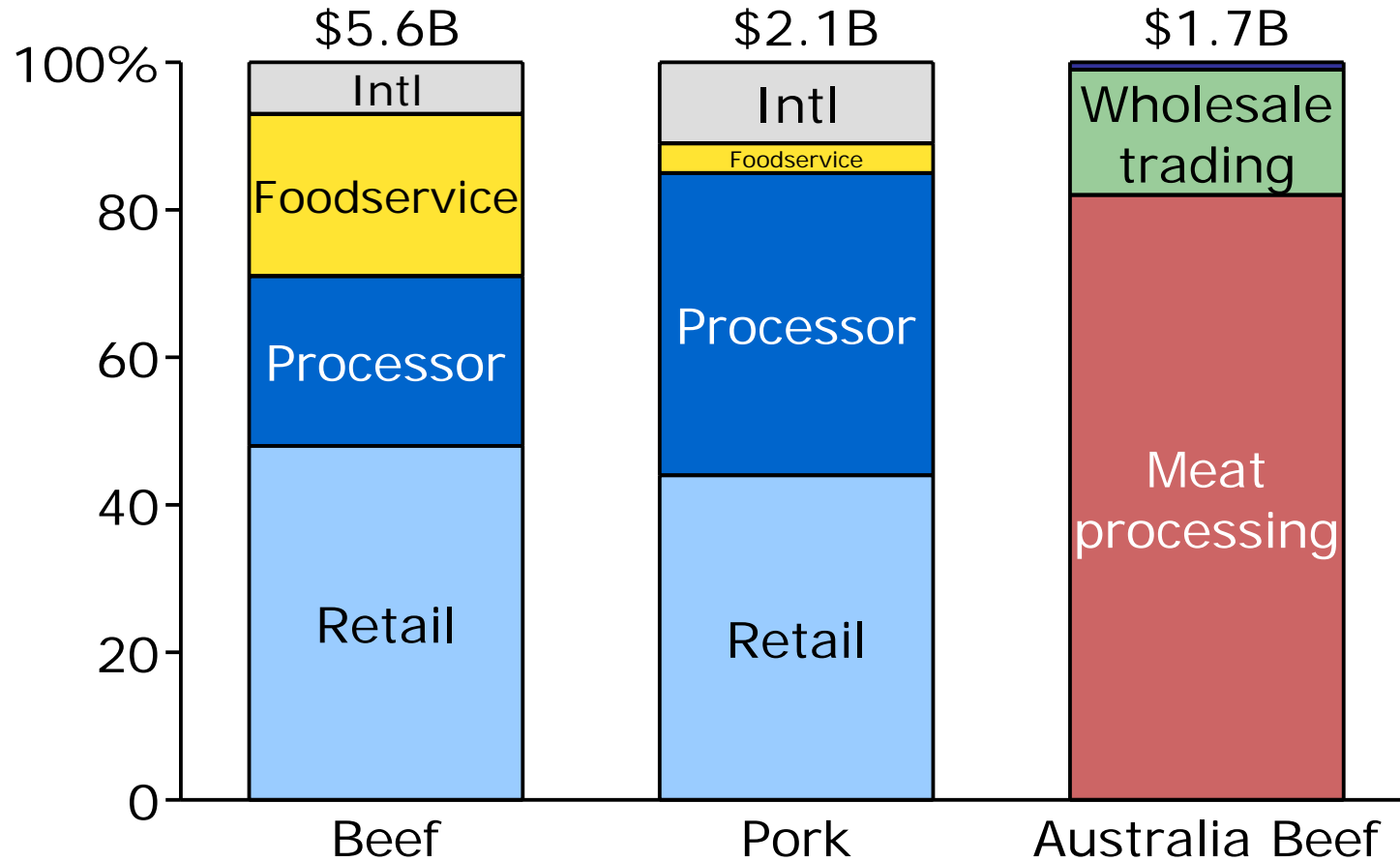


Source: MLA 2004; Swift & Company analysis

# 4. Blue chip customer base with diversified product, channel & geographic business mix



FY2006 net sales



Export %	7%	11%	74%
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# Swift & Company Vision



# Swift today – recent accomplishments



## U.S. Beef

- Reconfigured plants to improve operational efficiencies
- Increased domestic market share

## U.S. Pork

- Drove export growth by leveraging existing and new international sales assets

## Swift Australia

- Strategically realized export opportunities in Asia and the U.S.
- Reduced operational costs

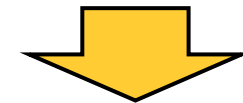
- Created customer-centric sales organization
- Improved customer order accuracy & service levels
- Increased value-added product volumes



**Revitalized beef operations**



**Industry leading pork processing capabilities**



**Best in class assets in Australia**

# In-process and future opportunities



## U.S. Beef

## U.S. Pork

## Swift Australia

### In-process

- Cost reduction
  - Labor
  - Overhead
  - Margin
  - Throughput

- Cost reduction
  - Labor
  - Overhead
  - Throughput

- Grass-fed operations improvement
- Optimize grain-fed business
  - Buy
  - Make
  - Sell

### Opportunities

- Greeley 2<sup>nd</sup> shift
- Carcass and yield optimization
- Value-added expansion

- Value-added expansion
- Improved processing technology
- Industry consolidation

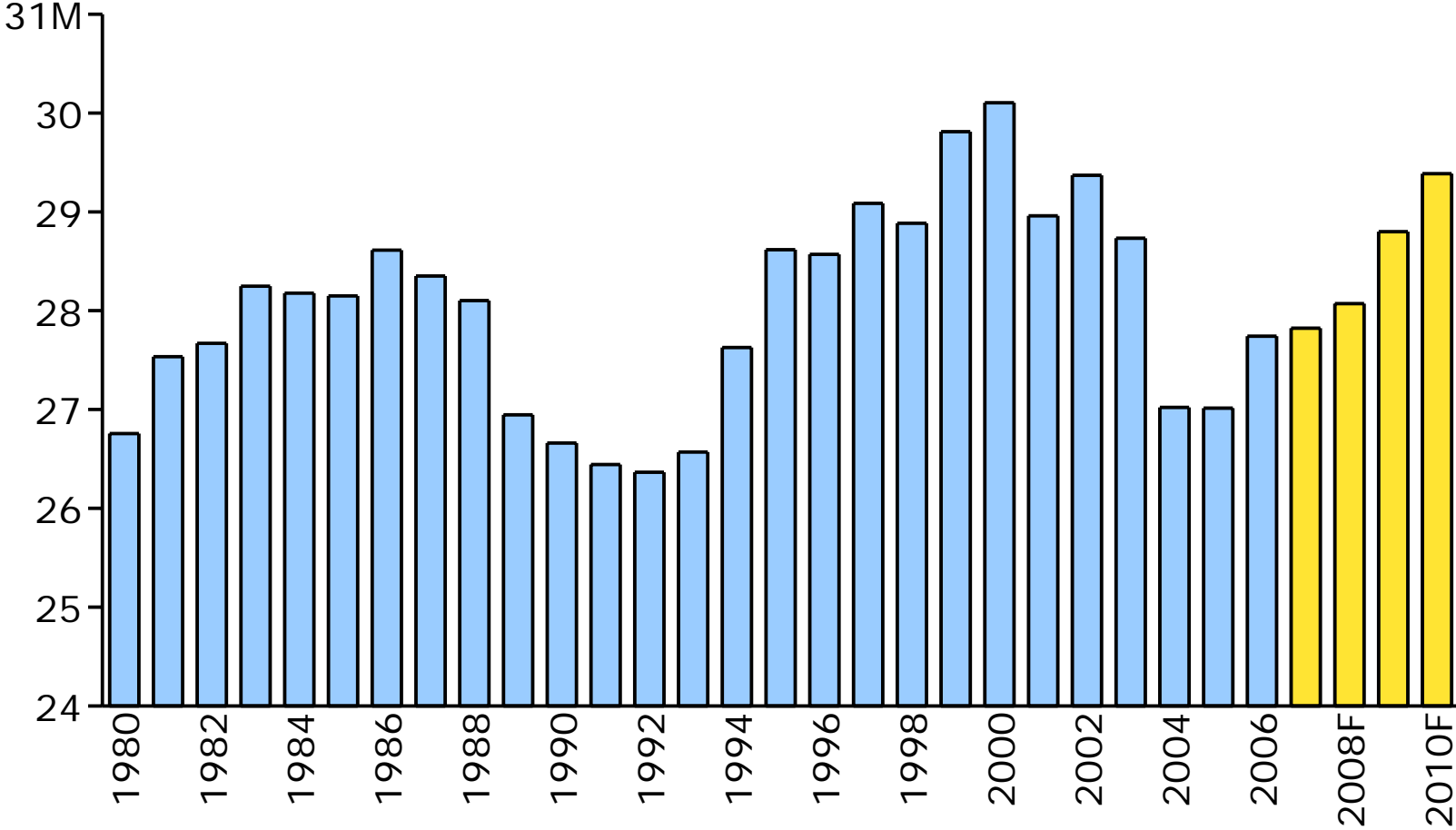
- Feedlot expansion
- Throughput improvement
- Offal processing and sales

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# US beef industry emerging from a cyclical low



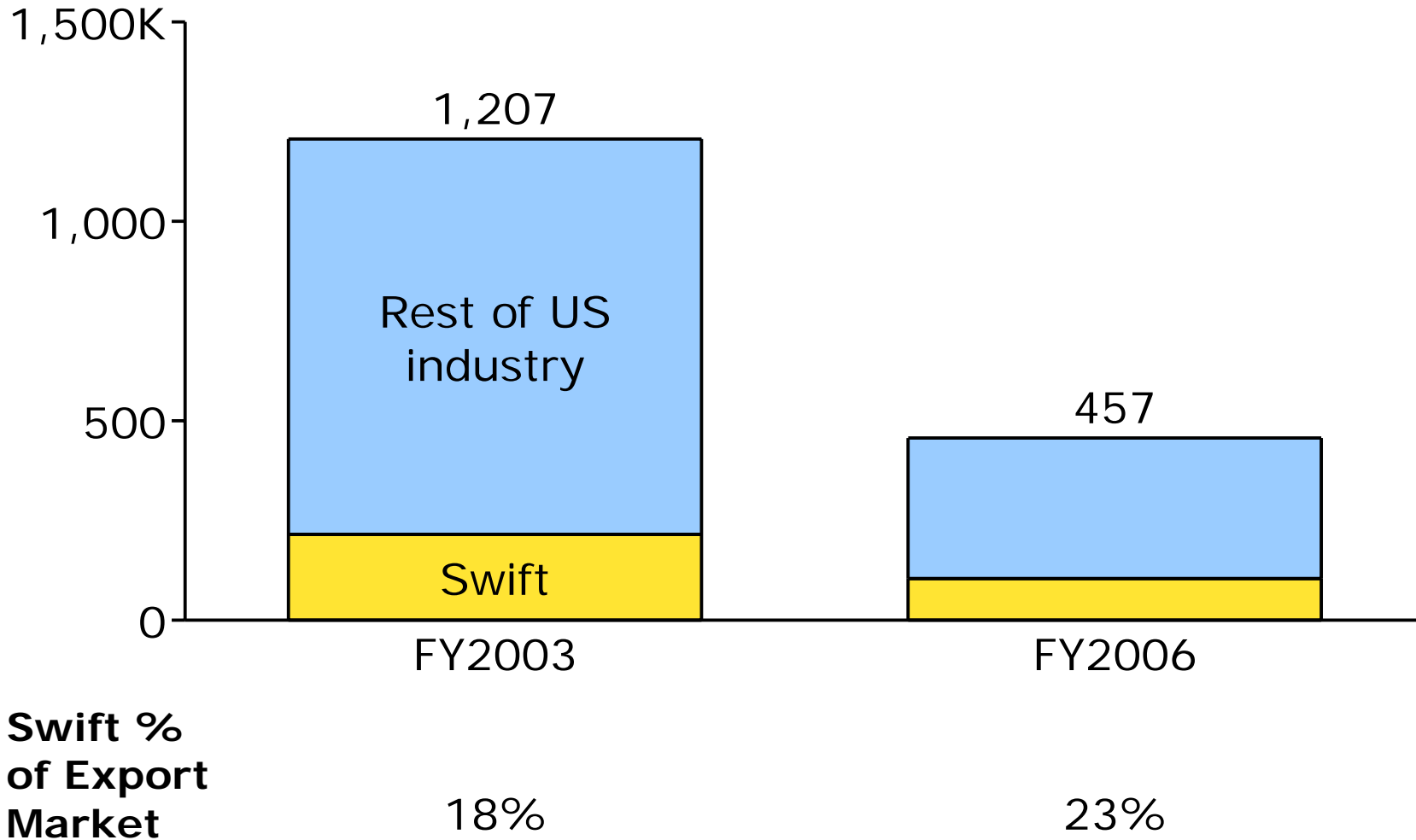
## U.S. Steer and Heifer Annual Slaughter



# The export market is a key piece of the long term value of the U.S. beef industry



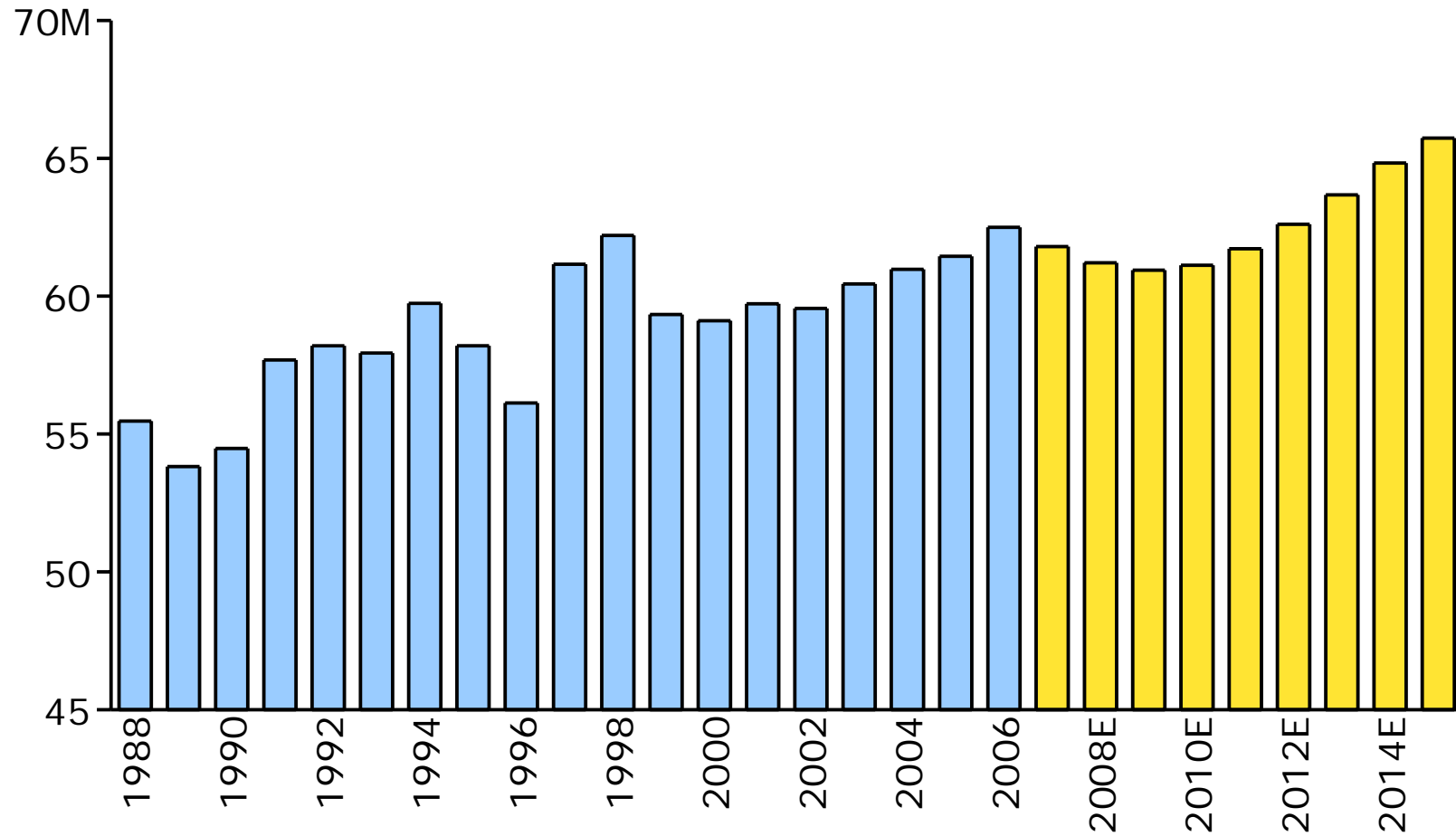
## US beef exports (1,000 tons)



# U.S. hog & pig inventories expected to grow



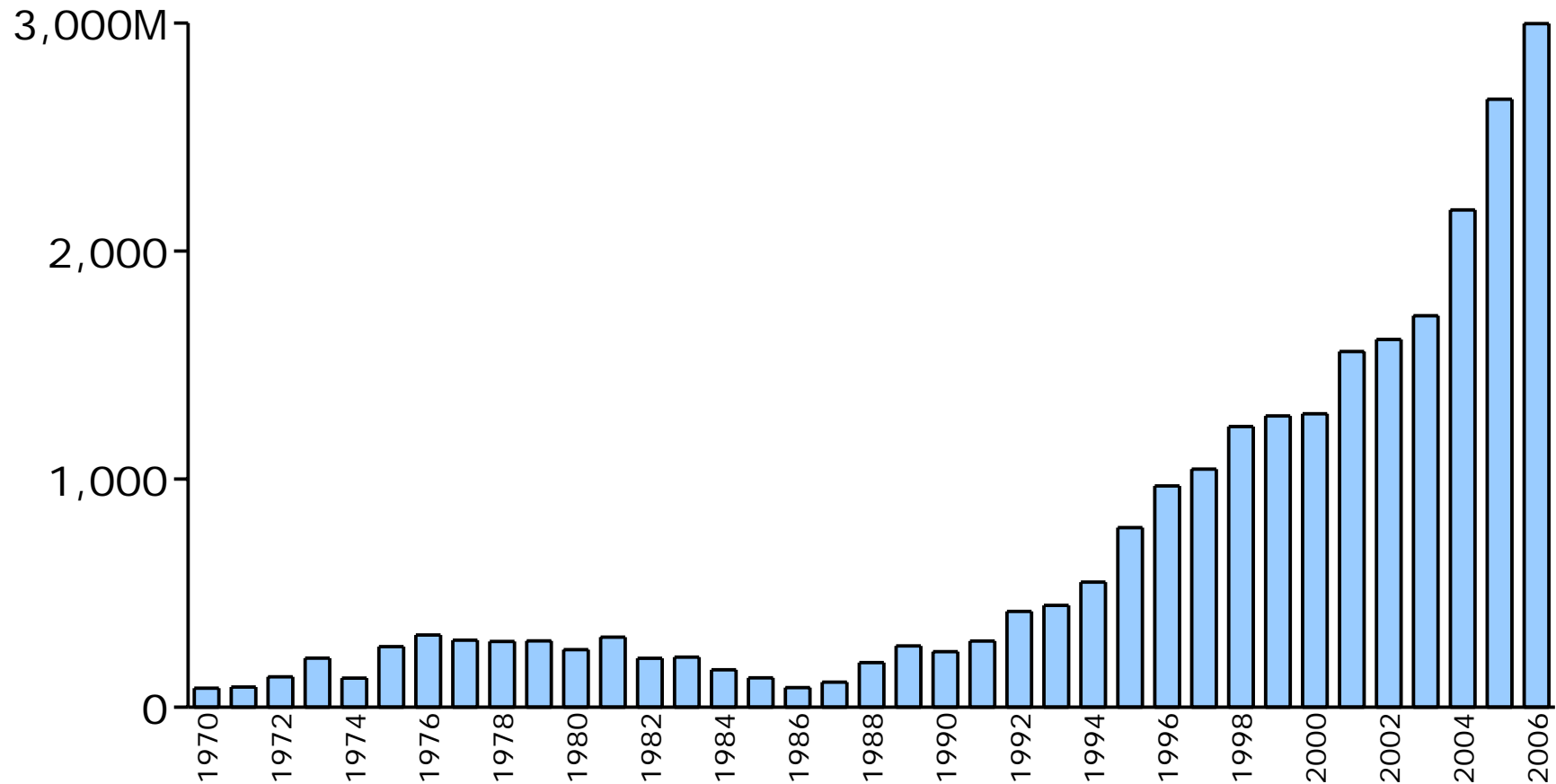
## U.S. Hog and Pig Inventories (Dec. estimate)



# Pork export demand remains robust



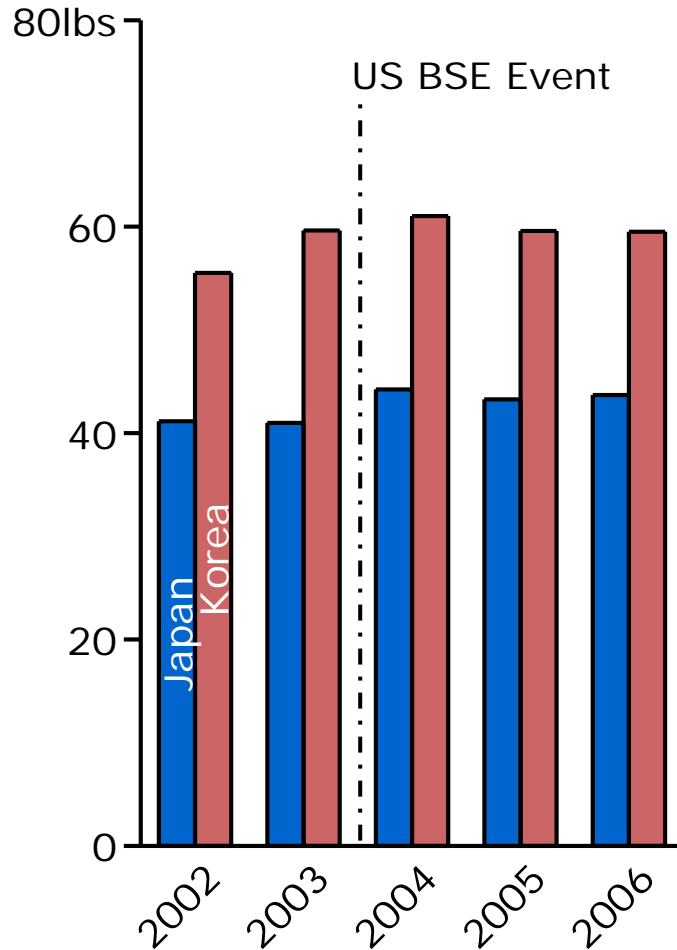
## US Pork Exports (million pounds carcass weight)



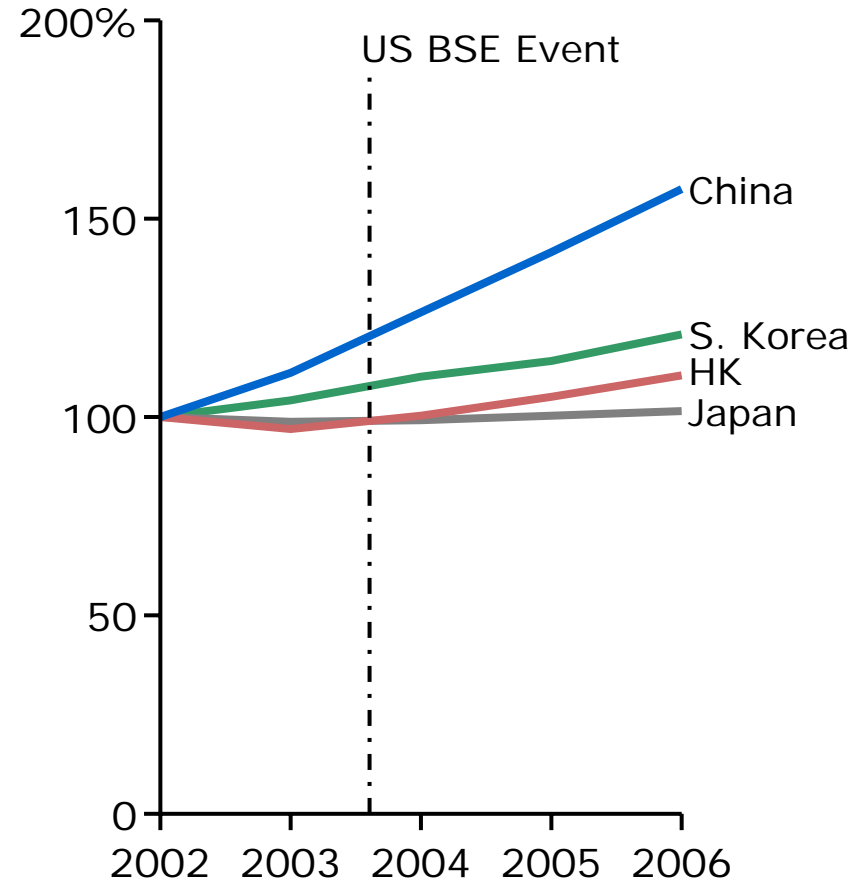
# INTL markets hold significant potential for beef reentry, without detriment to the pork business



Pork Consumption per Capita



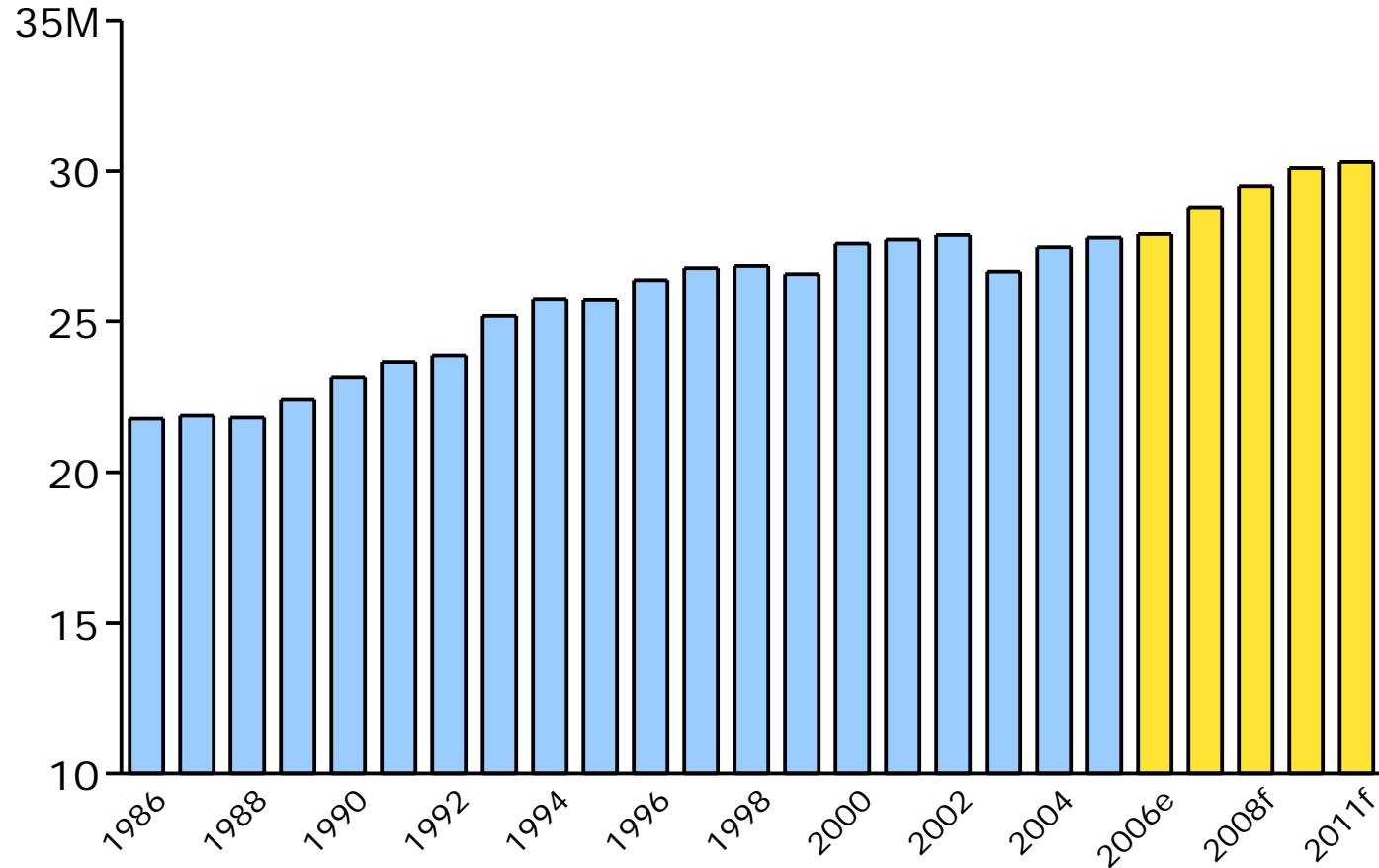
Disposable Income - Indexed to 2002



# Australian herd has grown over past 20 years; growth forecasted to continue



Australian Cattle Herd (M head)



Note: Calendar year totals

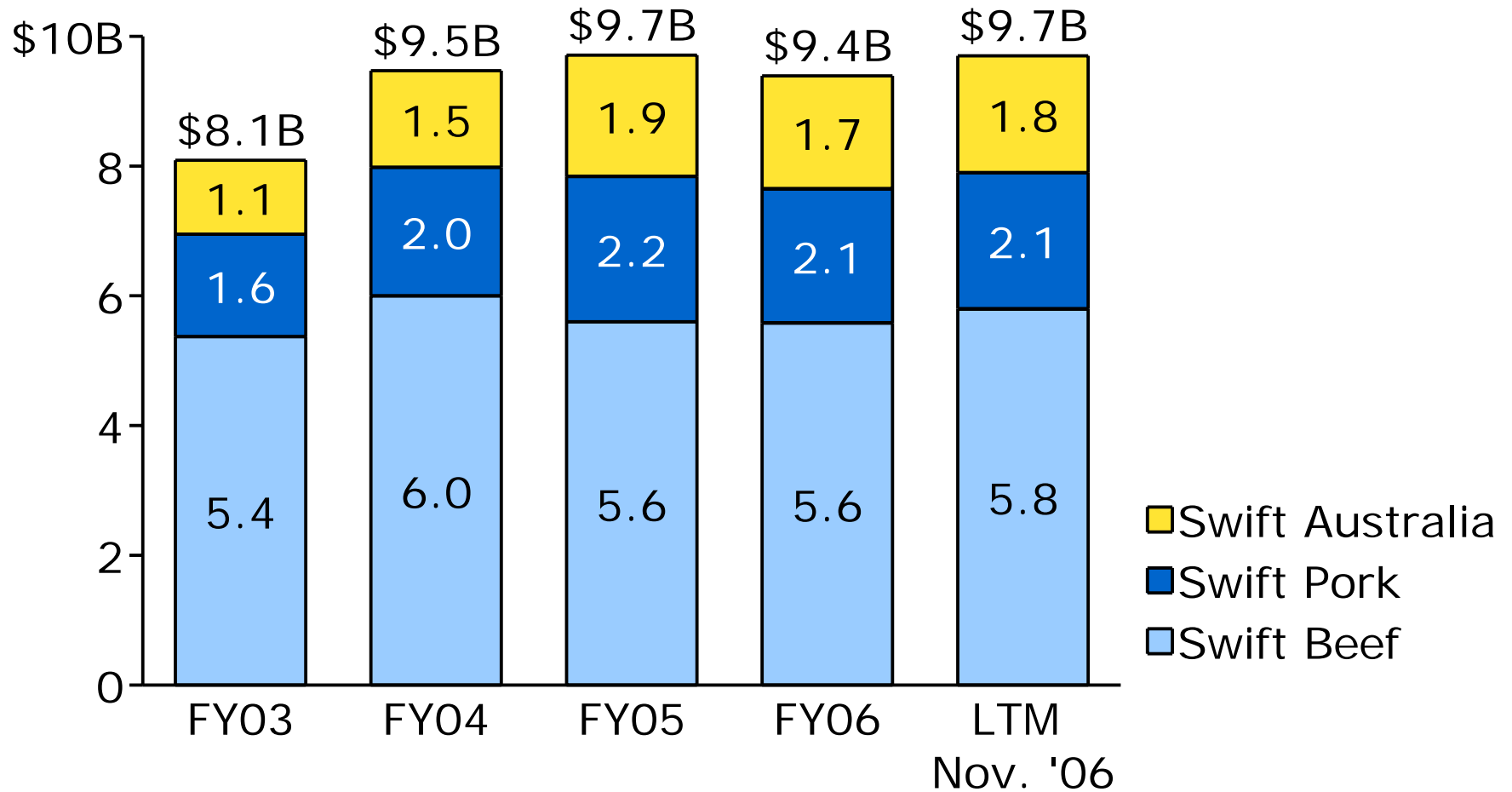
Source: MLA statistics database and 2007 industry projections

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# Stable recent net sales across segments



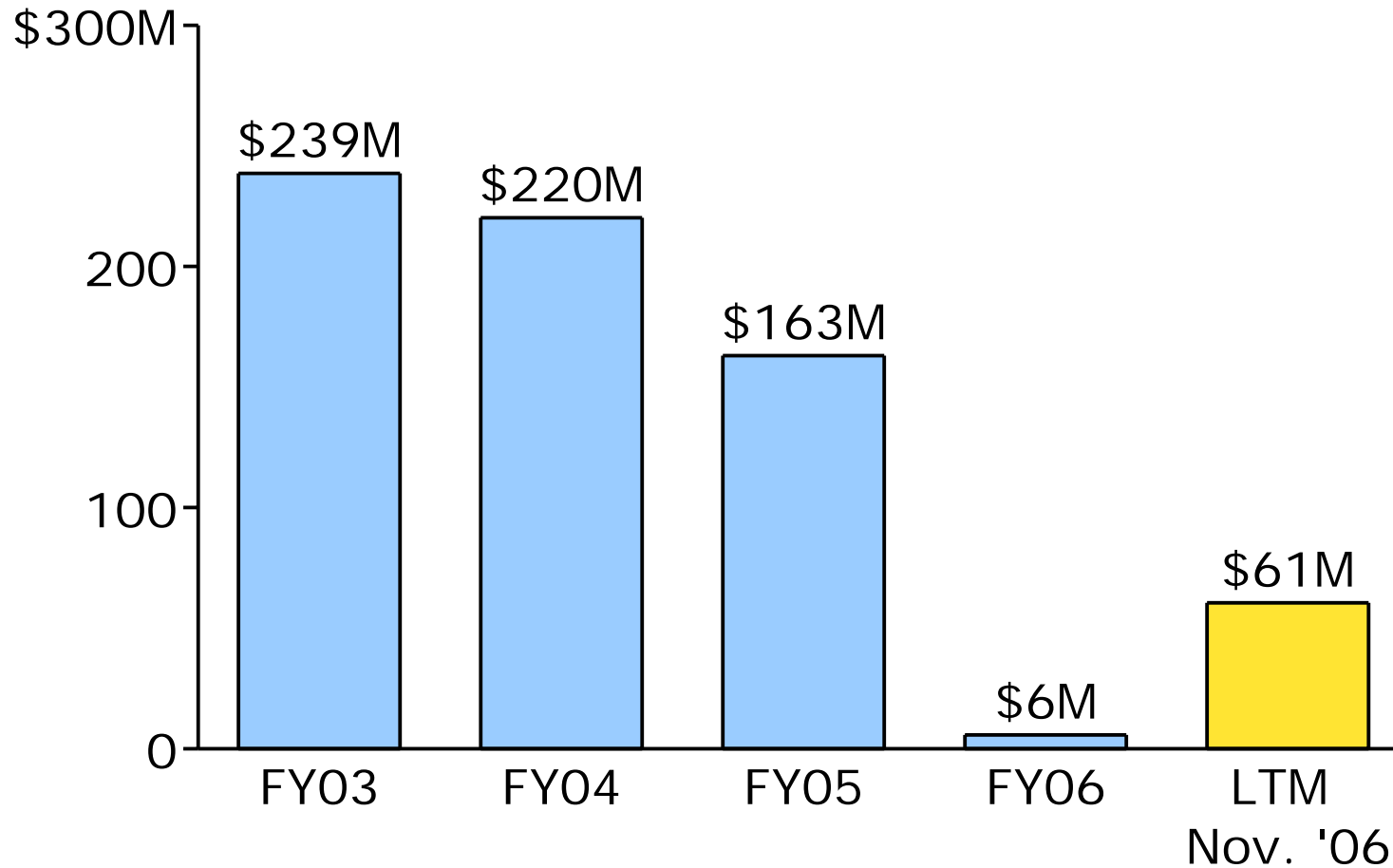
Net Sales



# Improved U.S. Beef results drive LTM EBITDA improvement



EBITDA

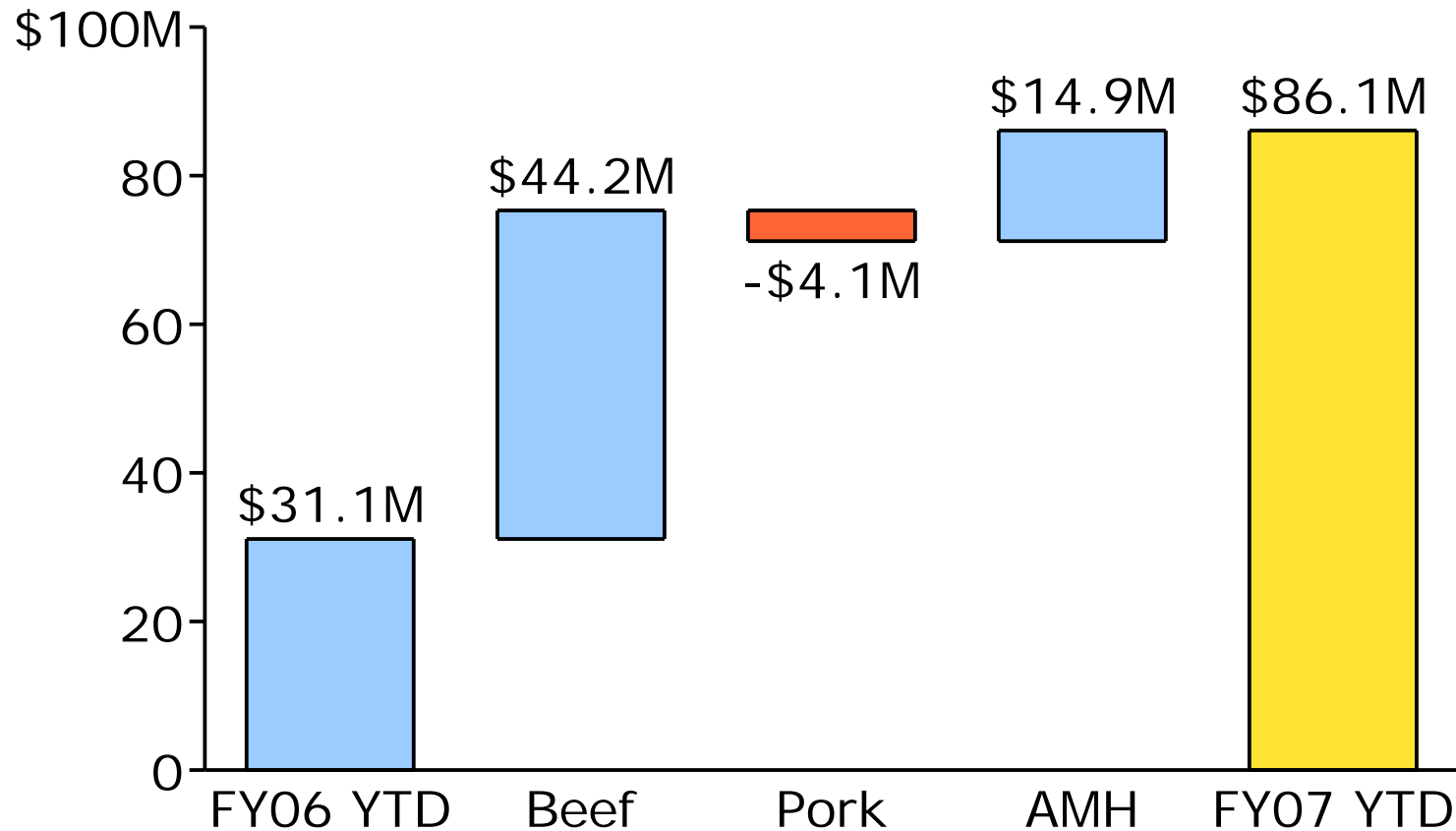


Note: EBITDA -- Earnings Before Interest, Taxes, Depreciation and Amortization

# YTD EBITDA improvement primarily due to Beef meat margin recovery & internal ops initiatives



## EBITDA change - 6 mos. FY06 vs. FY07



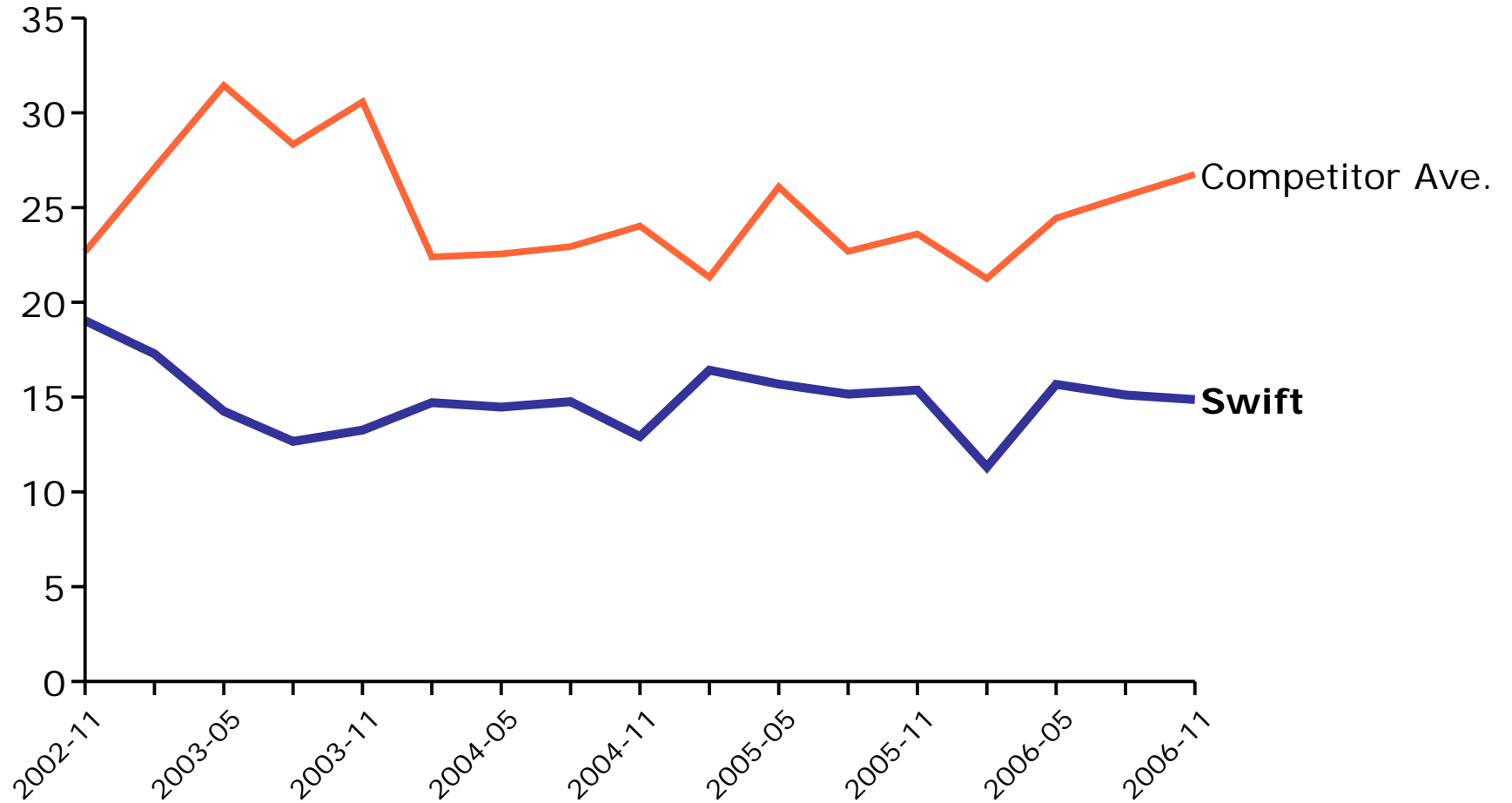
*Results through 6 months*

- **\$225 million -- \$275 million**
  
- **Asset earning potential based on**
  - Return of US beef export markets
  - Beef, Pork and Australia otherwise performing at normal levels
    - Mid-cycle meat margins
    - Current value added volumes
    - Current operating capabilities and cost structure

# Superior working capital performance



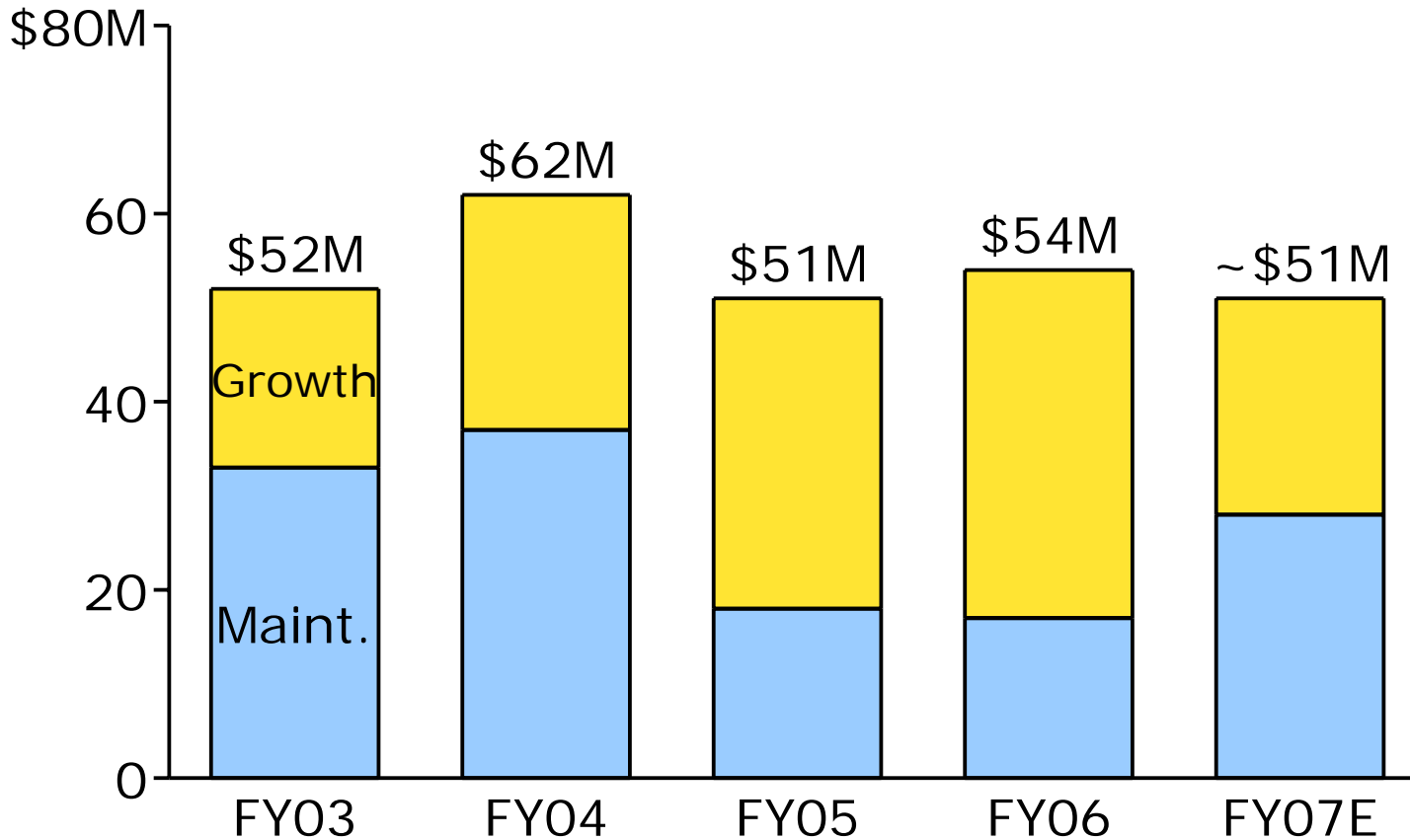
## Days Working Capital



# Capital investment relatively consistent; rigorously managed for growth and maintenance



## CAPEX



# Current revolving credit agreement provides financial flexibility



- Structure
  - \$550 million, all revolver
  - 5 year (expires May 2010)
- Increased flexibility when availability > \$75 million
  - **No financial covenants** (only Fixed Charge Coverage Ratio if availability < \$75 m)
- **\$266 million** borrowing availability at end of Q2

# 12/12/2006 ICE event – recap & update



- Production suspended at 6 plants during interviews
  - ~1,300 employees arrested and detained by ICE
  - Restarted production in all facilities **the same day**
- **No accusations or charges of wrongdoing against Swift** or any current / former member of management
- Full recovery anticipated by summer
  - Pork at normal levels
  - Beef back for summer peak season
- Total estimated impact -- **\$30 million**



# Summary – why Swift?

- **Significant scale and scope**
- Established player in **industry with limited potential for additional greenfield capacity**
- **Leading share positions** across multiple protein categories and geographies
- **Significant product, channel, and customer diversification**
- **Established and internationally recognized Swift brand**
- **Structural enhancements** put in place by current management team carry **upside potential w/additional market improvement opportunity**
- **Flexible capital structure with adequate liquidity**

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