



**Investor Contact:**

Danny Herron, CFO, Swift & Company  
(970) 506-7575  
Sean McHugh, VP Investor Relations  
(970) 506-7490

**Media Contact:**

Jim Herlihy, VP Communications  
(970) 506-8052

## **SWIFT & COMPANY REPORTS FY05 RESULTS**

Greeley, Colorado, Aug. 23, 2005 – Swift & Company, the world’s second-largest processor of fresh beef and pork products, today reported net sales of \$9.7 billion for its fiscal year 2005 ended May 29, 2005, up 2 percent over fiscal year 2004<sup>1</sup>. Continued strong net sales increases in its Australian beef and U.S. pork segments more than offset a net sales decline in its U.S. beef segment. The lingering effects of BSE (Bovine Spongiform Encephalopathy), including the continued closure of key Asian markets to U.S. beef exports, as well as the inability to import live Canadian cattle, contributed to a sluggish performance by Swift Beef.

FY05 Company EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was \$163 million, representing a 26 percent decline compared to FY04. Outstanding performance by Swift Australia was more than offset by a decline in Swift Beef, and to a lesser extent Swift Pork. FY05 results include 52 weeks of activity (as compared to 53 weeks of activity in FY04) and also include \$5 million in expenses related to the departure of the Company’s former CEO.

Despite continued effects of BSE on the U.S. beef industry, Swift & Company ended FY05 with an improved liquidity position compared to the prior period. The Company ended the fourth quarter with \$79 million of cash on hand. Based on a recently amended and restated \$550 million credit agreement, Swift & Company closed the year with \$316 million in borrowing availability, increased financial flexibility and a greater borrowing base.

Swift & Company President and CEO Sam Rovit, who joined the Company July 1, noted that the balanced approach provided by the company’s “three-legged stool” business model – built around beef, pork and Australia – continues to give the company resiliency in the face of formidable market conditions.

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<sup>1</sup> Amounts exclude the April 2005 sale of the FJ Walker Food division, which has been reflected as discontinued operations for all periods presented. Financial statements include 52 weeks of activity for FY05 and 53 weeks of activity for FY04.

“The trend during the year of higher cattle prices and lower boxed beef selling prices added to the obstacles facing the entire U.S. beef industry, such as lack of access both to export markets and live cattle from Canada,” said Rovit. “An outstanding year from Swift Australia and the second best year in history from Swift Pork helped to significantly offset the U.S. beef segment in a market that continues to prove to be challenging.”

### **Swift Australia**<sup>2</sup>

Swift Australia FY05 net sales increased 26 percent to \$1.9 billion compared to \$1.5 billion in the prior period. Net sales benefited from a 22 percent increase in average selling prices and nominally higher sales volumes. Included in the sales increase is the favorable impact of the Australian dollar to U.S. dollar exchange rate, which increased 5 percent in FY05 as compared to FY04. FY05 results contain one fewer operating week compared to FY04.

Swift Australia FY05 EBITDA increased 147 percent to \$106 million compared to \$43 million in FY04. The increase resulted from higher meat margins primarily due to the continued inability of the United States and Canada to export beef products due to trade restrictions caused by the discovery of BSE in those countries.

### **Swift Pork**

Swift Pork FY05 net sales increased 13 percent to \$2.2 billion compared to \$2.0 billion in the prior period. Average selling prices per pound increased 10 percent while sales volumes declined by 4 percent. Higher average selling prices were driven largely by competing prices for alternate proteins, and approximately half of the sales volume decline can be attributed to the inclusion of 52 operating weeks of production in FY05 compared to 53 weeks in FY04.

Swift Pork FY05 EBITDA decreased 8 percent to \$122 million compared to \$133 million in FY04. The decline was driven primarily by a slight decrease in sales volume, increased livestock costs, and higher transportation and utility costs due to record-high energy prices.

### **Swift Beef**

Swift Beef FY05 net sales decreased 7 percent to \$5.6 billion compared to \$6.0 billion in the prior period. Substantially higher prices for boxed beef were more than offset by continued depressed prices for beef by-products caused by the closure of foreign borders to U.S. exports and a 13 percent decline in total sales volume. Comparative sales volumes were negatively impacted by the continued closure of key Asian markets to U.S. beef exports, the inability to import live Canadian cattle, and one additional operating week in the FY04 results.

Swift Beef FY05 EBITDA decreased to (\$65) million compared to \$45 million in FY04. The decline was driven primarily by the continued closure of key Asian markets to U.S.

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<sup>2</sup> Amounts exclude the April 2005 sale of the FJ Walker Food division, which has been reflected as discontinued operations for all periods presented.

beef exports and the inability to import live Canadian cattle. The decline was compounded by a reduced spread between selling price and live cattle price, substantially higher transportation costs, increased diesel costs for Company owned tractor trailers and increased utility costs due to record high energy prices.

### **Fourth Quarter FY05 Results**<sup>3</sup>

Net sales for the fourth quarter ended May 29, 2005 were down 4 percent from the same quarter in FY04 – to \$2.4 billion in the final quarter of FY05 from \$2.5 billion last year. In the fourth quarter of FY05, Swift Australia reported a 15 percent increase in net sales, while Swift Pork and Swift Beef were down 9 percent and 6 percent, respectively, compared to the fourth quarter of FY04. Fourth quarter FY05 results include 13 weeks of activity compared to 14 weeks of activity in the fourth quarter of FY04.

Fourth quarter FY05 EBITDA decreased to \$43.7 million compared to \$95.6 million in the fourth quarter of FY04. EBITDA declines in Swift Beef and Swift Pork contributed to the overall decrease.

### **Conference Call**

Swift & Company will hold a conference call for investors and media to report financial results for the fourth quarter of FY05 at 11 a.m. MDT (1 p.m. EDT) on Wednesday, Aug. 24, 2005. Callers should dial (800) 289-0529 and enter the confirmation code 1943203. International callers should dial (913) 981-5523 and enter the same pass code.

A replay of the call will be available from 2:00 pm MDT on Aug. 24, 2005, through 11:59 p.m. MDT on Aug. 31, 2005. Callers should dial (888) 203-1112 and enter pass code 1943203. International callers should dial (719) 457-0820 and enter the same code number.

### **About Swift & Company**

Swift & Company is one of the world's leading beef and pork companies – processing, preparing, packaging, marketing and delivering fresh, further processed and value-added beef and pork products to customers in the United States and international markets. For more information, please visit [www.swiftbrands.com](http://www.swiftbrands.com).

### **Information Concerning Forward-Looking Statements**

This press release contains certain statements, projections and forecasts regarding Swift & Company's future business plans, financial results, products and performance that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of such words as "may," "will," "should," "expects," "plans," "anticipates" and "believes." There are a number of risks and uncertainties that could cause the actual results to differ materially. Some of these risks and uncertainties include product liability claims and recalls, livestock disease, fluctuating raw material costs and selling prices, changes in consumer preferences, compliance with environmental regulations and labor

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<sup>3</sup> Financial statements include 13 weeks of activity for the fourth quarter FY05 and 14 weeks of activity for the fourth quarter FY04.

relations, operating in a competitive environment, and other general economic conditions and other risks described in the company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission and available on the SEC's website. Statements in this press release are based on the information available to the company as of the date of the release. The company undertakes no obligation to update the information contained in the press release.

Swift & Company's Form 10-K, filed with the Securities and Exchange Commission on August 19, 2005, is filed under the parent's name of S&C Holdco 3, Inc., and may be seen at:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001199114&owner=include>