



**Swift & Company**<sup>®</sup>

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**SWIFT & COMPANY REPORTS SECOND QUARTER FY2006 RESULTS**

*Stable US Pork Segment Performance Offset By Declines in Australian and US Beef Segments*

*Recent Opening of Multiple Asian Markets Positive Long Term Catalyst for US Beef Industry*

GREELEY, COLO., January 9, 2006 – Swift & Company, the world’s second-largest processor of fresh beef and pork products, today reported net sales of \$2.33 billion for its fiscal second quarter ended November 27, 2005, down 6 percent from fiscal second quarter 2005. Net sales declined in all three business segments. Selling price improvements in Swift Australia and Swift Beef and a volume increase in Swift Pork were more than offset by volume declines in Swift Australia and Swift Beef and a selling price decline in Swift Pork. Swift Australia net sales benefited from a 2.7 percent increase in the Australian dollar to U.S. dollar exchange rate compared to the prior year period.

The Company’s second quarter EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was \$2 million, versus \$44 million in the prior year period. EBITDA declines at Swift Beef and Swift Australia accounted for nearly all of the year-over-year change as Swift Pork EBITDA remained relatively flat.

Swift & Company’s liquidity position remained strong despite difficult market conditions. At the end of the fiscal second quarter, the Company’s borrowing capacity under its \$550 million revolving credit facility stood at \$291 million. The Company ended the second quarter with \$67 million of cash on hand and \$772 million of total debt outstanding.

“Challenging market conditions prevailed again this past quarter,” said Sam Rovit, Swift & Company’s president and chief executive officer. “Swift Australia’s profitability continued to suffer because of limited local cattle supplies. Swift Beef’s pricing improvements were unable to offset continued high cattle costs and rising energy prices. In contrast, Swift Pork’s profitability held relatively steady despite a 5 percent net sales decline.”

Rovit continued, “The recent opening of several important Asian markets, including Japan, Hong Kong and Thailand, is a positive long term catalyst for the US beef industry. Over the next several years, we hope to return to historical export sales and volume levels. In the meantime, our solid financial liquidity position affords us the opportunity to remain focused on executing our strategy as we await the return of more favorable beef market conditions both domestically and abroad.”

**Swift Beef**

Swift Beef’s fiscal second quarter net sales decreased 4 percent to \$1.342 billion compared to \$1.394 billion in the prior year period. Selling price increases of 4 percent were accompanied by volume declines of 8 percent as sustained high prices for finished box beef products allowed customers to look to relatively lower priced proteins such as pork and poultry.

Swift Beef's fiscal second quarter EBITDA declined to a loss of \$30 million from a loss of \$8 million in the prior year period. The decrease reflects a 4 percent net sales decline in addition to higher labor, freight and warehousing, utility and professional fee costs, partially offset by lower raw material costs due to decreased production levels. In addition, U.S. live cattle prices continued at levels that do not reflect the reduction in sales value of the offal and variety meat items formerly sold into export markets.

### **Swift Pork**

Swift Pork's fiscal second quarter net sales declined 5 percent to \$541 million from \$572 million in the prior year period. Average selling prices declined 10 percent and sales volumes increased by 6 percent. Decreases in selling prices were partially attributable to deterioration in demand caused in part by a return to normal seasonal consumer buying patterns.

Swift Pork's fiscal second quarter EBITDA was \$26 million, versus \$27 million in the comparable prior year period. The decline reflects lower selling prices and increased labor, freight and warehousing, and utility costs, partially offset by lower raw material costs.

### **Swift Australia**

Swift Australia's fiscal second quarter net sales decreased 13 percent to \$458 million compared to \$526 million in the prior year period. Average selling prices increased 2 percent and sales volumes declined by 15 percent, principally in the Company's grass-fed business. Australian agricultural regions continue to experience unusual patterns of frequent rain. These patterns have adversely impacted the beef packing industry as abundant grass on the plains has enticed producers to hold back cattle for additional weight gain at low incremental cost prior to slaughter. Net sales benefited from a 2.7 percent increase in the Australian dollar to U.S. dollar exchange rate compared to the prior year period.

Swift Australia's fiscal second quarter EBITDA was \$6 million, versus \$25 million in the comparable prior year period. Slightly higher sales prices were more than offset by volume declines and higher cattle and labor costs.

### **Conference Call**

Swift & Company will hold a conference call for investors and media to discuss its financial results for the second quarter of FY06 at 11 a.m. MST (1 p.m. EST) on Tuesday, January 10, 2006. Callers should dial 1-800-289-0572 and enter the passcode 7084544. International callers should dial +1-913-981-5543 and enter the same passcode.

A replay of the call will be available from 1:00 pm MST on January 10, 2006, through 11:59 p.m. MST on January 17, 2006. Callers should dial 1-888-203-1112 and enter passcode 7084544. International callers should dial +1-719-457-0820 and enter the same passcode.

### **About Swift & Company**

With nearly \$10 billion in annual sales, Swift & Company is one of the world's leading fresh beef and pork companies. Swift processes, prepares, packages, markets and delivers 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 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-Q, filed with the Securities and Exchange Commission on January 9, 2006, 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>