



**Swift & Company**<sup>®</sup>

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**SWIFT & COMPANY REPORTS THIRD-QUARTER FINANCIAL RESULTS**

*Pricing Pressure in US Pork and Continued Challenges in US Beef Limit Overall Results*

*Liquidity Position Remains Strong Despite Adverse Market Conditions*

GREELEY, COLO., April 12, 2006 – Swift & Company, the world’s second-largest processor of fresh beef and pork products, today reported net sales of \$2.256 billion for its fiscal third quarter ended February 26, 2006, level with net sales of \$2.265 billion in the Company’s fiscal third quarter of 2005. A net sales increase at Swift Beef in the 2006 quarter was offset by net sales declines at Swift Pork and Swift Australia. Swift Australia net sales were adversely affected by a 3.5 percent decrease in the Australian dollar to US dollar exchange rate compared to the prior-year period.

The Company's third-quarter EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was negative \$30 million, versus \$4 million in the prior-year period. EBITDA declines at Swift Pork and Swift Beef accounted for most of the year-to-year change.

Swift & Company’s liquidity position remains strong despite continuing adverse market conditions. At the end of the fiscal third quarter, the Company’s borrowing capacity under its \$550 million revolving credit facility stood at \$270 million. The Company ended the third quarter with \$50 million of cash on hand and \$796 million of total debt outstanding.

“Global protein sector challenges continued during the past quarter,” said Sam Rovit, Swift & Company’s president and chief executive officer. “High poultry inventories depressed retail poultry prices and contributed to declines in pork pricing in the US, although US pork industry volumes increased over last year. At the same time, extraordinarily high US live cattle costs in relation to finished box beef prices, combined with a continued lack of access to major Asian export markets, limited our beef operating results.”

Rovit added, “These market conditions were not unexpected, and we continue to make good progress on our strategic initiatives, particularly in our US beef segment. We believe that our ongoing customer-centricity and operational-excellence programs will improve our standing in the marketplace and position us to benefit fully from a return of more favorable market conditions. Until then, our solid liquidity position provides us with adequate financial flexibility to properly manage the business through this exceptionally difficult beef cycle.”

**Swift Beef**

Swift Beef's fiscal third quarter net sales increased 3 percent to \$1.383 billion compared to \$1.344 billion in the prior-year period. Selling price increases of 5 percent were accompanied by volume declines of 2 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 third quarter EBITDA declined to a loss of \$53 million from a loss of \$40 million in the prior-year period. The decrease reflects a 3 percent net sales increase more than offset by a 5 percent increase in livestock prices and higher professional fees, freight, and labor expenses. In addition, US 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 third quarter net sales declined 7 percent to \$497 million from \$532 million in the prior-year period. Average selling prices declined 12 percent while sales volumes increased by 6 percent. Decreases in selling prices were attributable to continued price pressure from alternate proteins, primarily poultry in the retail channel.

Swift Pork's fiscal third quarter EBITDA was \$16 million, versus \$31 million in the comparable prior-year period. The decline primarily reflects higher volumes offset by lower selling prices and higher variable costs including freight and utility expenses.

### **Swift Australia**

Swift Australia's fiscal third quarter net sales decreased 4 percent to \$386 million compared to \$402 million in the prior-year period. Average selling prices declined 4 percent and sales volumes declined nominally. The grain-fed business volume increase was more than offset by the grass-fed business volume decline. Local producers continued to hold back cattle from the market, although at a lower rate compared to prior periods in the current fiscal year. Net sales were adversely affected by a 3.5 percent decrease in the Australian dollar to US dollar exchange rate compared to the prior-year period.

Swift Australia's fiscal third quarter EBITDA was \$6 million, versus \$13 million in the comparable prior-year period. The decline primarily reflects a decreased gross margin in the grain-fed business caused by increased live cattle prices in addition to higher variable plant costs.

### **Conference Call**

Swift & Company will hold a conference call for investors and media to discuss its financial results for the third quarter of FY06 at 9 a.m. MDT (11 a.m. EDT) on Thursday, April 13, 2006. Callers should dial 1-800-289-0572 and enter the passcode 4497753. International callers should dial +1-913-981-5543 and enter the same passcode.

A replay of the call will be available from 11:00 a.m. MDT on April 13, 2006, through 11:59 p.m. MDT on April 20, 2006. Callers should dial 1-888-203-1112 and enter passcode 4497753. 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 the world's second-largest processor of fresh beef and pork. Founded in 1855 and headquartered in Greeley, Colorado, 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 April 7, 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>