



**Swift & Company**<sup>®</sup>

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

*Net Sales Up 8 Percent to \$2.6 Billion, EBITDA Up 84 Percent to \$53 Million  
On Strength of Beef Segment*

GREELEY, COLO., October 3, 2006 – Swift & Company, the world’s second-largest processor of fresh beef and pork products, today reported net sales of \$2.59 billion for its fiscal first quarter ended August 27, 2006, up 7.7 percent from net sales of \$2.40 billion in the comparable prior-year period. The Company’s net sales increase reflects an 11.6 percent net sales gain in Swift Beef, a 4.5 percent net sales increase in Swift Pork, and a 0.6 percent net sales decline in Swift Australia. Swift Australia net sales were adversely affected by a 1.2 percent decrease in the Australian dollar to US dollar exchange rate compared to the prior-year period.

The Company's first-quarter EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) was \$53 million, up 83.9 percent from \$29 million in the prior-year period. EBITDA increases in Swift Beef were somewhat offset by declines in Swift Australia and Swift Pork.

At the end of the fiscal first quarter, the Company’s borrowing capacity under its \$550 million revolving credit facility stood at \$254 million. The Company ended the first quarter with \$55 million of cash on hand and \$824 million of total debt outstanding.

“Our strategy delivered results this past quarter,” said Sam Rovit, Swift & Company’s president and chief executive officer. “The implementation of Swift’s operational excellence initiatives and improved US beef commodity market conditions combined to produce the best first quarter in Swift Beef since the enactment of export bans in December of 2003. Swift Pork performed more in line with historical profitability averages, as expected, and Swift Australia’s performance continues to be held back by livestock supply constraints driven by unfavorable finishing pasture conditions.”

Rovit added, “I am extremely proud of the efforts of our 20,000 global employees this past quarter. We worked as a team to execute against a sound strategic plan first established over a year ago. While we are encouraged by our first-quarter results, we recognize that a full US beef market recovery may take some time to play out. Looking ahead, we intend to maintain our focus on Swift Beef as we continue to identify and implement improvement initiatives in our Pork and Australia business segments.”

**Swift Beef**

Swift Beef's fiscal first quarter net sales increased 11.6 percent to \$1.57 billion compared to \$1.40 billion in the prior-year period. Selling price increases of 2.7 percent were accompanied by volume increases of 8.7 percent as both domestic product demand and cattle supplies improved over the prior-year period.

Swift Beef's fiscal first quarter EBITDA increased to \$36 million from \$4 million in the prior-year period. The EBITDA improvement reflects an 11.6 percent increase in net sales reflecting the selling price and volume increases noted above, with nominally higher raw material costs per unit partially offsetting the

increase in selling prices per unit. EBITDA in the current year was also impacted by increases in freight costs due to higher fuel surcharges from common carriers coupled with higher packaging costs, partially offset by lower utility costs. Selling, general, and administrative costs were lower year over year, principally reflecting lower professional fees, partially offset by increased incentive accruals based on improved Company performance.

### **Swift Pork**

Swift Pork's fiscal first quarter net sales increased 4.5 percent to \$546 million compared to \$523 million in the prior-year period. Average selling prices increased 0.8 percent while sales volumes increased by 3.7 percent. Increases in selling prices were attributable to stronger-than-usual seasonal demand for pork both domestically and internationally as beef continued to provide a price umbrella for pork products.

Swift Pork's fiscal first quarter EBITDA declined to \$12 million from \$16 million in the comparable prior-year period. The decline primarily reflected sales volume increases that were more than offset by increases in transportation because of higher fuel surcharges and packaging costs, coupled with certain one-time professional fees and consulting costs related to strategic initiatives incurred in the current year.

### **Swift Australia**

Swift Australia's fiscal first quarter net sales decreased 0.6 percent to \$482 million compared to \$485 million in the prior-year period. Average selling prices remained flat and sales volumes declined 0.7 percent. The decrease in net sales mainly resulted from volume declines in the grass-fed business related to tighter cattle supplies resulting from a longer time required for cattle to reach market weights. Net sales were adversely affected by a 1.2 percent decrease in the Australian dollar to US dollar exchange rate compared to the prior-year period.

Swift Australia's fiscal first quarter EBITDA declined to \$5 million from \$9 million in the comparable prior-year period. The decline primarily reflected decreased gross margin principally in the grass-fed business related to increases in livestock costs, coupled with slightly lower volumes and nominally flat sales prices. In addition, EBITDA was negatively impacted by higher hourly labor, packaging, and utility costs and certain one-time professional fees and consulting costs related to strategic initiatives incurred in the current year.

### **Conference Call**

Swift & Company will hold a conference call for investors and media to discuss its financial results for the first quarter of FY07 at 9 a.m. MT (11 a.m. ET) on Wednesday, October 4, 2006. Callers should dial 1-866-564-7444 and enter the passcode 1222914. International callers should dial +1-719-234-0008 and enter the same passcode.

A replay of the call will be available from 11:00 a.m. MT on October 4, 2006, through 11:59 p.m. MT on October 11, 2006. Callers should dial 1-888-203-1112 and enter passcode 1222914. International callers should dial +1-719-457-0820 and enter the same passcode.

### **About Swift & Company**

With more than \$9 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 October 2, 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>