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**Swift & Company®**

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**SWIFT & COMPANY REBOUNDS TO ACHIEVE RECORD QUARTER**

**– Pork Strength and Robust Recovery by Swift Australia Fuel Strong Close to FY04 –**

Greeley, Colorado, August 31, 2004 – Fueled by continued outstanding pork sales and a strong finish to the year by its Australian beef segment, Swift & Company, Inc., today reported record net income of \$35.2 million on sales of \$2.6 billion in the fourth quarter of its fiscal year ending May 30, 2004.

In a year of contrasts, Swift & Company reported record highs in net income for both the first and fourth quarters of the fiscal year. Those two record quarters sandwiched quarters that were substantially affected by the opening of the U.S. market to boxed Canadian beef while live cattle were kept out (second quarter) and the identification of BSE (Bovine Spongiform Encephalopathy) in Washington state (third quarter).

While those conditions persisted through the fourth quarter, Swift & Company President and CEO John N. Simons credits the fourth-quarter rebound to Swift's "three-legged stool" business model – built around beef, pork and Australia – which positioned the company to succeed even while BSE-related challenges to international commerce continue to affect the entire U.S. beef industry.

"Our three-legged stool model worked in the fourth quarter the way it was designed," said Simons. "Swift Australia and Swift Pork continue to grow and capitalize on opportunities that develop in the marketplace. In fact, each of the three business segments (beef, pork and Australia) experienced growth in EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) of roughly 100 percent or more compared to the fourth quarter of last year. When we factor in the growth we are anticipating from our new fourth leg – our processed foods division – the outlook for the future looks very bright."

**Swift Pork**

"Our pork segment had an outstanding year," said Simons. "With \$132.6 million in EBITDA on sales of \$2.0 billion, Swift Pork finished 66.7 percent ahead of last year as a whole for EBITDA, nearly doubling (93.3 percent increase) the fourth quarter of last year."

While much of the gain in the pork business is attributable to international sales opportunities created through border closures related to BSE concerns, as well as to the effects of avian influenza on the poultry industry, Simons credits continued development of value-added products for some of the growth. He also believes that BSE has created opportunities for pork to gain a stronger foothold in overseas markets, including Japan, helping develop sales for some new products like pork tongue.

For the fiscal year, Swift Pork reported sales of \$2.0 billion, an increase of 25.2 percent over last year's total of \$1.6 billion (pro forma).

### **Swift Australia**

After a slow start to the fiscal year caused by severe nationwide drought conditions, Swift Australia also rebounded to close the fourth quarter with EBITDA of US\$29.2 million, a jump of 314.6 percent over the fourth-quarter EBITDA of last year. While Swift Australia closed the fiscal year down in EBITDA over the full year, Simons noted that the strong fourth quarter is one of several positive signs for the coming year.

“With at least a temporary end to the drought in Australia, the stage is set for continued growth,” Simons said. “We are ahead of schedule for completion of an expansion of our grain-fed cattle plant at Beef City by Labor Day, which will substantially enhance our position as the leading grain-fed processor in Australia. This will enable Swift Australia to better serve overseas markets that prefer the higher-margin grain-fed beef to the grass-fed type that currently accounts for about 85 percent of that country's production.”

For the fiscal year, Swift Australia recorded US\$1.9 billion in sales versus US\$1.5 billion in the prior year (pro forma). Higher raw material costs primarily offset sales increases over the course of the year.

### **Swift Beef**

Swift Beef also showed resurgence at the end of the fiscal year, even though lingering BSE concerns continue to keep most international trade borders closed and the continued closure of the border with Canada to live cattle has kept domestic cattle prices unseasonably high. Swift Beef realized a 132.7 percent EBITDA gain in the final quarter of FY04 with \$23.0 million in EBITDA compared to \$9.9 million a year ago, with the largest gains coming as the quarter came to a close.

Overall, sales for Swift Beef were \$1.2 billion for the quarter, a \$52.0 million (4.5 percent) increase over the same period last year. For the year, sales were \$6.0 billion versus \$5.4 billion last fiscal year (pro forma).

“The U.S. beef industry continues to experience volatility, and that will continue as long as the Canadian border remains closed to live cattle and key trading partners keep their borders closed to U.S. beef exports,” Simons said. “However, there are several reasons for optimism, including improvements in our sales margins even though volume was down in the quarter; new opportunities in the Mexican market; and Swift's continued leadership in food safety processes

and technology. As recent reports by the Centers for Disease Control & Prevention have documented, food safety in the U.S. continues to reach new heights. Swift & Company is proud to play an active and leading role in that effort.”

Simons also said that Swift & Company has adapted its approach to the beef marketplace to account for the continuing volatility. The results of those changes were manifested in the end-of-year surge by Swift Beef.

The combined beef and pork segments of Swift & Company both are benefiting from expansion of value-added product offerings, including the introduction of the new La Herencia line of beef and pork products targeted at Latino consumers. In addition, distribution of Swift & Company products has been expanded in Latin America through a licensing agreement signed with Specialty Foods Group (SFG).

### **Consolidated Results**

For the year, Swift & Company reported net income of \$44.5 million on sales of \$9.9 billion. Sales increased 17.9 percent over the previous year (pro forma). EBITDA generated by sales – \$228.3 million in FY04 – were up 2.3 percent versus FY03 (\$223.1 million). The final FY03 EBITDA figure (\$244.3 million) included a one-time occurrence: a \$21.2 million insurance payout related to a fire at the company’s beef processing plant in Garden City, Kansas, in 2000.

The company’s FY04 fourth-quarter results were affected by an incremental increase in the accrual for incentive compensation. Incentive accruals were reversed following the discovery of BSE in Washington state in December 2003, but were reestablished in the fourth quarter based on the company’s record results in that quarter.

The company also maintained a strong financial position, with substantial cash cushions for each of its debt covenants.

### **Conference Call**

Swift & Company will conduct a conference call for investors and media to review its FY04 fourth-quarter financial results on Aug. 31, 2004, at 9 a.m. Mountain Time (11 a.m. ET). Callers should dial 1-800-289-0468 and give confirmation code 884936. International callers please dial 1+913-981-5517 and give the same confirmation code.

A replay of the call will be available starting 12 p.m. MT on Aug. 31, 2004, through 11:59 pm MT on Friday, Sept. 3, 2004. Callers should dial 1-888-203-1112 and enter pass code 884936. International callers please dial 1+719-457-0820 and enter the same pass code.

### **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) or call Danny Herron, CFO, Swift & Company, at (970) 506-7575.

### **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-K, filed with the Securities and Exchange Commission on Aug. 27, 2004, 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>

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