

SMITHFIELD FOODS INC
Form 10-Q
September 05, 2008
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended July 27, 2008
COMMISSION FILE NUMBER 1-15321

SMITHFIELD FOODS, INC.

200 Commerce Street

Smithfield, Virginia 23430

(757) 365-3000

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Virginia
(State of Incorporation)

52-0845861
(I.R.S. Employer Identification Number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At August 29, 2008, 141,410,175 shares of the registrant's Common Stock (\$.50 par value per share) were outstanding.

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	13 Weeks Ended	
	July 27, 2008	July 29, 2007
	(unaudited)	
Sales	\$ 3,141.8	\$ 2,616.7
Cost of sales	2,944.9	2,335.9
Gross profit	196.9	280.8
Selling, general and administrative expenses	190.6	165.0
Equity in (income) loss of affiliates	2.1	(13.8)
Minority interests	1.7	1.6
Operating profit	2.5	128.0
Interest expense	44.5	41.4
Income (loss) from continuing operations before income taxes	(42.0)	86.6
Income tax expense (benefit)	(13.5)	30.0
Income (loss) from continuing operations	(28.5)	56.6
Income (loss) from discontinued operations, net of tax of \$9.1 and \$(1.0)	15.9	(2.0)
Net income (loss)	\$ (12.6)	\$ 54.6
Income (loss) per share:		
Basic:		
Continuing operations	\$ (.21)	\$.43
Discontinuing operations	.12	(.02)
Net income (loss) per common share	\$ (.09)	\$.41
Diluted:		
Continuing operations	\$ (.21)	\$.43
Discontinued operations	.12	(.02)
Net income (loss) per diluted common share	\$ (.09)	\$.41
Weighted average shares:		
Weighted average basic shares	135.5	132.7
Effect of dilutive stock options		0.3
Weighted average diluted shares	135.5	133.0

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See Notes to Consolidated Condensed Financial Statements

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SMITHFIELD FOODS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

(in millions, except share data)

	July 27, 2008 (Unaudited)	April 27, 2008
ASSETS		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 59.8	\$ 57.3
Accounts receivable, net	782.7	738.1
Inventories	2,261.7	2,278.4
Prepaid expenses and other current assets	238.9	119.7
Assets of discontinued operations held for sale	654.8	656.5
 Total current assets	 3,997.9	 3,850.0
 Property, plant and equipment	 4,425.0	 4,332.8
Accumulated depreciation	(1,549.6)	(1,482.8)
 Property, plant and equipment, net	 2,875.4	 2,850.0
 Goodwill	 873.2	 864.6
Investments	717.6	694.6
Intangible assets, net	396.2	396.5
Other assets	220.4	212.2
 Total assets	 \$ 9,080.7	 \$ 8,867.9