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CONAGRA FOODS INC /DE/
Form 8-K
June 09, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

June 7, 2003
Date of Report (Date of earliest event reported)

ConAgra Foods, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction of
incorporation)

1-7275
(Commission
File Number)

47-0248710
(IRS Employer
Identification No.)

One ConAgra Drive, Omaha, Nebraska
(Address of principal executive offices)

68102-5001
(Zip Code)

Registrant's telephone number, including area code
(402) 595-4000

Item 5. Other Events.

ConAgra Foods, Inc. signed an agreement on June 7, 2003 to sell its chicken business to Pilgrim's Pride Corporation. The press release announcing the transaction, and a related Q&A posted on ConAgra Foods' website, are attached as exhibits and incorporated by reference.

The purchase price to be paid by Pilgrim's Pride to ConAgra Foods is approximately \$590 million. As payment for this business, ConAgra Foods expects to receive:

- o \$100 million in cash,
- o \$235 million in shares of Pilgrim's Pride Class A stock, and
- o \$255 million in subordinated notes, payable by Pilgrim's Pride to ConAgra Foods

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The number of Class A shares issued by Pilgrim's Pride to ConAgra Foods as part of the payment for this business will be the lesser of 39.4 million shares or the number of shares determined by taking 45% of the estimated purchase price, divided by the greater of (1) the volume weighted average trading price for the period June 10, 2003 through 5 trading days prior to closing, or (2) \$5.35. Pilgrim's Pride is not required to issue more than 39.4 million Class A shares in total. The remaining balance of the purchase price will be paid with the subordinated notes.

If the average closing price for the Class A shares is less than \$5.35 for the period measured prior to closing, Pilgrim's Pride is expected to provide additional cash, notes, and/or stock to make up the difference between \$5.35 and the average share price for the period measured. If Pilgrim's Pride does not provide additional cash, notes, and/or stock to make up that difference, ConAgra Foods has the right to terminate the agreement.

After the transaction, ConAgra Foods' fresh chicken requirements will be supplied at market terms by Pilgrim's Pride for use in ConAgra Foods' branded products. The closing of the transaction is subject to closing conditions, and shareholders representing a majority of Pilgrim's Pride current shareholder votes have agreed to vote in favor of the issuance of the Class A shares in the transaction.

Item 7(c). Exhibits

99.1 Press release dated June 9, 2003.

99.2 Questions and Answers

Item 9. Regulation FD Disclosure

The following information, intended to be furnished under "Item 12. Disclosure of Results of Operations and Financial Condition" of Form 8-K, is instead being furnished under this "Item 9. Regulation FD Disclosure" in accordance with SEC Release No. 33-8216.

As described in the press release and related Q&A, the transaction will result in a pretax charge of approximately \$112 million, or \$.14 per share after tax, in ConAgra Foods' quarter ended May 25, 2003. The press release announcing the transaction and the related Q&A, attached as exhibits, also provide other financial information about the business being sold.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CONAGRA FOODS, INC.

Date: June 9, 2003

By: /s/ J.P. O'Donnell

Name: J.P. O'Donnell
Title: Executive Vice President,
Chief Financial Officer and
Corporate Secretary

EXHIBIT INDEX

| Exhibit | Description |
|---------|---------------------------------------|
| 99.1 | Press release dated June 9, 2003..... |
| 99.2 | Questions and Answers..... |