

CONAGRA FOODS INC /DE/
Form S-4
March 14, 2007
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As filed with the Securities and Exchange Commission on March 14, 2007

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

ConAgra Foods, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

2000
(Primary Standard Industrial
Classification Code Number)
One ConAgra Drive

47-0248710
(I.R.S. Employer
Identification Number)

Omaha, Nebraska 68102-5001

Telephone: (402) 595-4000

(Address, Including Zip Code, and Telephone Number,

Including Area Code, of Registrant's Principal Executive Offices)

Colleen Batcheler, Esq.

Vice President, Chief Securities Counsel and Corporate Secretary

ConAgra Foods, Inc.

One ConAgra Drive

Omaha, Nebraska 68102-5001

Telephone: (402) 595-4000

(Name, Address, including Zip Code, and Telephone Number,

Including Area Code, of Agent For Service)

Copy to:

Christopher M. Kelly, Esq.

Jones Day

901 Lakeside Avenue

Cleveland, Ohio 44114

Telephone: (216) 586-3939

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable following the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
5.819% Senior Notes due 2017	\$ 499,999,000	100%	\$ 499,999,000	\$ 15,350

(1) Estimated solely for the purposes of calculating the registration fee pursuant to Rule 457(f) under the Securities Act of 1933.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell or offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 14, 2007

PROSPECTUS

\$499,999,000

Offer to Exchange

All Outstanding 5.819% Senior Notes due 2017

for

5.819% Senior Notes due 2017

of

ConAgra Foods, Inc.

This Exchange Offer Will Expire at 5:00 p.m.,

New York City Time, on _____, 2007

The Exchange Notes

The terms of the 5.819% Senior Notes due 2017 to be issued, which we refer to as the exchange notes, are substantially identical to the outstanding 5.819% Senior Notes due 2017, which we refer to as the outstanding notes, that were issued on December 21, 2006, except for transfer restrictions, registration rights and additional interest provisions relating to the outstanding notes that will not apply to the exchange notes.

Interest on the exchange notes accrues at the rate of 5.819% per year, payable on June 15 and December 15 of each year, with the first payment on June 15, 2007.

The exchange notes will not be guaranteed by any of our subsidiaries.

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The exchange notes will be our senior unsecured obligations and will rank senior in right of payment to all of our existing and future senior subordinated debt and existing and future subordinated obligations and equally with any of our existing and future senior unsecured debt.

We do not intend to list the exchange notes on any securities exchange or to arrange for quotation through any automated trading system.

Material Terms of the Exchange Offer

Expires at 5:00 p.m., New York City time, on _____, 2007, unless the offer is extended. We refer to such date and time, as it may be extended, as the expiration date.

All outstanding notes that are validly tendered and not validly withdrawn will be exchanged for an equal principal amount at maturity of exchange notes that are registered under the Securities Act.

Tenders of outstanding notes may be withdrawn at any time prior to the expiration of the exchange offer.

The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered.

The exchange offer is not subject to any condition other than that it must not violate applicable law or any applicable interpretation of the Staff of the Securities and Exchange Commission.

We will not receive any cash proceeds from the exchange offer.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

Please consider carefully the **Risk Factors** beginning on page 10 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes to be distributed in the exchange offer, nor have any of these authorities determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2007.

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REFERENCES TO ADDITIONAL INFORMATION

This prospectus incorporates or refers to important business and financial information about us that is not included in or delivered with this prospectus. You may obtain documents that are filed by us without charge upon your written or oral request. You may also obtain the documents incorporated by reference into this prospectus, other than certain exhibits to those documents, by accessing the SEC's website maintained at www.sec.gov.

In addition, our SEC filings are available to the public on our website, www.conagrafoods.com. Information contained on or accessible through our website or the website of any other person is not incorporated by reference into this prospectus, and you should not consider information contained on or accessible through those websites as part of this prospectus.

We will provide you with copies of this information, without charge, if you request them in writing or by telephone from:

ConAgra Foods, Inc.

One ConAgra Drive

Omaha, Nebraska 68102

Attention: Corporate Secretary

Telephone: (402) 595-4000

If you would like to request copies of these documents, please do so by _____, 2007 in order to receive them before the expiration of the exchange offer. For additional information, see Where You Can Find More Information and Documents Incorporated by Reference.

You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or, in the case of information incorporated by reference, its date.

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In making an investment decision, you must rely on your own examination of us and the terms of the exchange offer, including the merits and risks involved. You should not construe anything in this prospectus as legal, business or tax advice. You should consult your own advisors as needed to make your investment decision and to determine whether you are legally permitted to participate in the exchange offer under applicable laws and regulations.

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None of ConAgra Foods, the exchange agent or any affiliate of any of them makes any recommendation as to whether or not holders of outstanding notes should exchange their outstanding notes for exchange notes in response to the exchange offer.

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SUMMARY

The following summary highlights selected information included or incorporated by reference in this prospectus and may not contain all of the information that is important to you. This prospectus includes the basic terms of the exchange offer and the exchange notes we are offering, as well as information regarding our business and detailed financial data. We encourage you to read this prospectus in its entirety, including the documents incorporated by reference. Unless the context otherwise requires, references in this prospectus to ConAgra Foods, we, our, ours and us refer to ConAgra Foods, Inc. and its consolidated subsidiaries.

We are a leading packaged food company serving a wide variety of food customers, including consumer grocery retailers, restaurants and other foodservice establishments. We report our operations in four reporting segments: Consumer Foods; Food and Ingredients; Trading and Merchandising; and International Foods.

Our Consumer Foods segment includes branded, private label and customized food products that are sold in various retail and foodservice channels. Our Consumer Foods segment's products include a variety of categories (meals, entrees, condiments, sides, snacks and desserts) across frozen, refrigerated and shelf-stable temperature classes. Major brands include Chef Boyardee®, Marie Callender®, Healthy Choice®, Orville Redenbacher®, Slim Jim®, Hebrew National®, Kid Cuisine®, Reddi-Wip®, VanCamp®, Libby®, LaChoy®, The Max®, Manwich®, David®, Ro*Tel®, Angela Mia®, Hunt®, Wesson®, Act II®, Snack Pack®, Swiss Miss®, Pam®, Egg Beaters®, Blue Bonnet®, Parkay®, and Rosarita®.

Our Food and Ingredients segment includes commercially branded foods and ingredients that are sold principally to foodservice, food manufacturing and industrial customers. Our Food and Ingredients segment's primary products include specialty potato products, milled grain ingredients, dehydrated vegetables and seasonings, blends and flavors which are sold under names such as ConAgra Mills®, Lamb Weston®, Gilroy Foods®, and Spicetec® to food processors.

Our Trading and Merchandising segment includes the sourcing, merchandising, trading, marketing and distribution of agricultural and energy commodities.

Our International Foods segment includes branded food products that are sold principally in retail channels in North America, Europe and Asia. Our International Foods segment's products include a variety of categories (meals, entrees, condiments, sides, snacks and desserts) across frozen, refrigerated and shelf-stable temperature classes. Major brands include Orville Redenbacher®, Act II®, Snack Pack®, Chef Boyardee®, Hunt®, and Pam®.

We are in the process of implementing operational improvement initiatives that are intended to generate profitable sales growth, improve profit margins, and expand returns on capital over time. Various improvement initiatives focused on marketing, operating efficiency, and business processes have been underway for several years. Senior leadership changes during fiscal 2006 resulted in new priorities and increased focus on execution. Our strategies currently include: reducing costs throughout the supply chain and the general and administrative functions; increased and more focused marketing and innovation investments; and sales improvement initiatives focused on penetrating the fastest growing channels, better return on customer trade arrangements, and optimal shelf placement for our most profitable products. Also, over the last several quarters, we have refocused our portfolio by divesting several operations we deemed non-core, including packaged meats, ham, seafood, and cheese. Our ongoing cost-savings programs are partly intended to reduce overhead costs previously associated with divested businesses.

* * * *

We were incorporated as a Delaware corporation in 1919. Our principal executive offices are located at One ConAgra Drive, Omaha, NE 68102-5094, and our main telephone number is (402) 595-4000.

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Background

On December 21, 2006, we consummated our offer to exchange up to \$500,000,000 aggregate principal amount of our 9.75% Notes due 2021 and our 6.75% Notes due 2011, which we refer to collectively as the old notes, for new 5.819% Senior Notes due 2017, which we refer to as the outstanding notes. We sometimes refer to the offer to exchange the old notes for outstanding notes as the previous exchange offer. Pursuant to the previous exchange offer, we issued \$499,999,000 aggregate principal amount of outstanding notes. In connection with the previous exchange offer, we entered into a registration rights agreement with the dealer managers of the previous exchange offer. Under the registration rights agreement, we agreed, for the benefit of the holders of the outstanding notes, at our cost to use our commercially reasonable efforts to, among other things:

file, no later than 90 days after the settlement date of the previous exchange offer, a registration statement with the SEC, with respect to a registered offer, which we refer to as the exchange offer, to exchange the outstanding notes for exchange notes, which will have terms identical in all material respects to the outstanding notes, except that the exchange notes will not contain transfer restrictions or be subject to registration rights or additional interest provisions;

cause the registration statement to be declared effective within 225 days after the settlement date of the previous exchange offer; and

complete the exchange offer within 270 days after the settlement date of the previous exchange offer.

A copy of the registration rights agreement is filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part.

Summary of the Exchange Offer

Securities Offered

5.819% Senior Notes due June 15, 2017.

The Exchange Offer

We are offering to exchange up to \$499,999,000 aggregate principal amount of our exchange notes, which have been registered under the Securities Act, in exchange for up to \$499,999,000 aggregate principal amount of our outstanding notes. You have the right to exchange your outstanding notes for exchange notes with substantially identical terms.

In order for your outstanding notes to be exchanged, you must properly tender them before the expiration of the exchange offer. All outstanding notes that are validly tendered and not validly withdrawn will be exchanged. We will issue the exchange notes promptly after the expiration of the exchange offer. You may tender your outstanding notes for exchange by following the procedures described under the heading **The Exchange Offer Procedures for Tendering Outstanding Notes**.

Purpose of the Exchange Offer

The purpose of the exchange offer is to satisfy our obligations under the registration rights agreement. After the exchange offer is complete, you will not have any further rights under the registration rights agreement, including any right to require us to register any outstanding notes that you do not exchange or to pay you the additional interest we agreed to pay to holders of outstanding notes if we failed to timely commence and complete the exchange offer.

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Conditions of the Exchange Offer

The exchange offer is subject to specified conditions described under the caption "The Exchange Offer" Conditions, some of which we may waive in our sole discretion. The exchange offer is not conditioned upon any minimum principal amount of outstanding notes being tendered.

Extensions; Amendments

We reserve the right, subject to applicable law, at any time and from time to time, but before the expiration of the exchange offer:

to extend the expiration date of the exchange offer and retain all outstanding notes tendered pursuant to the exchange offer subject to the right of tendering holders to withdraw their tender of outstanding notes;

to terminate the exchange offer and to refuse to accept outstanding notes not previously accepted, if one or more specified conditions occur; and/or

to waive any condition or amend the terms of the exchange offer in any manner.

See "The Exchange Offer" Expiration Date; Extensions; Amendments for more information.

Denomination on New Notes

Exchange notes will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000.

Tenders; Expiration Date

The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2007, unless we extend the exchange offer. We will extend the exchange offer as required by applicable law, and may choose to extend the exchange offer in our sole discretion. If we decide for any reason not to accept any outstanding notes you have tendered for exchange, those outstanding notes will be returned to you without cost promptly after the expiration or termination of the exchange offer. See "The Exchange Offer" Procedures for Tendering Outstanding Notes for a more complete description of the tender provisions.

Withdrawal Rights

You may withdraw tenders of outstanding notes at any time prior to the expiration date by delivering a written notice of withdrawal to the exchange agent in conformity with the procedures discussed under "The Exchange Offer" Withdrawal of Tenders.

Settlement Date

The settlement date of the exchange offer will be promptly after the expiration date, which is expected to be the third business day following the expiration date.

Certain U.S. Federal Tax Consequences

The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable disposition of outstanding notes for U.S. federal income tax purposes. For additional information, see "Certain U.S. Federal Tax Consequences."

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Use of Proceeds

We will not receive any cash proceeds from the exchange offer.

Procedures for Tendering Outstanding Notes

If you wish to participate in the exchange offer and your outstanding notes are held by a custodial entity, such as a bank, broker, dealer, trust company or other nominee through The Depository Trust Company, which we refer to as DTC, you may do so through DTC's automated tender offer program, or ATOP. By participating through ATOP in the exchange offer, you will agree to be bound by the letter of transmittal that we are providing with this prospectus as though you had signed the letter of transmittal.

If your outstanding notes are registered in your name, you must deliver the certificates representing your outstanding notes, together with a completed letter of transmittal and any other documents required by the letter of transmittal, to the exchange agent, before the expiration of the exchange offer. See *The Exchange Offer Procedures for Tendering Outstanding Notes*. In the alternative, you may comply with the guaranteed delivery procedures described under *The Exchange Offer Guaranteed Delivery Procedures*.

Please do not send your letter of transmittal or certificates representing your outstanding notes to us. Those documents should be sent only to the exchange agent. Questions regarding how to tender and requests for information with respect to exchange offer procedures should be directed to the exchange agent. For additional information, see *The Exchange Offer Exchange Agent*.

Special Procedures for Beneficial Owners

If your outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, we urge you to contact that person promptly if you wish to tender your outstanding notes pursuant to the exchange offer. For additional information, see *The Exchange Offer Procedures for Tendering Outstanding Notes*.

Consequences of Failure to Exchange

If you do not exchange your outstanding notes for exchange notes, your outstanding notes will continue to be subject to the restrictions on transfer described in the outstanding notes. In general, outstanding notes may not be offered or sold unless registered or exempt from registration under the Securities Act, or in a transaction not subject to the registration requirements of the federal securities laws and applicable state securities laws. See *Risk Factors Risks Related to the Failure to Exchange*. Following the completion of the exchange offer, we will have no obligation to exchange outstanding notes for exchange notes.

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Resales of Exchange Notes

We believe that you will be able to offer for resale, resell or otherwise transfer exchange notes issued in the exchange offer without further compliance with the registration and prospectus delivery provisions of the federal securities laws, provided that:

you are not an affiliate of ours within the meaning of Rule 405 under the Securities Act;

you are not a broker-dealer who exchanged old notes acquired directly from us for your own account for outstanding notes in the previous exchange offer;

the exchange notes to be received by you will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person to participate in the distribution, within the meaning of the Securities Act, of the exchange notes;

you are not engaged in, and do not intend to engage in, a distribution, within the meaning of the Securities Act, of the exchange notes; and

you are not prohibited by law or any policy of the SEC from participating in the exchange offer.

Our belief is based on interpretations by the Staff of the SEC, as set forth in no-action letters issued to third parties unrelated to us. The Staff has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the Staff would make a similar determination with respect to this exchange offer.

If our belief is not accurate and you transfer an exchange note without delivering a prospectus meeting the requirements of the federal securities laws without an exemption from these laws, you may incur liability under the federal securities laws. We do not and will not assume, or indemnify you against, this liability.

In addition, in connection with any resales of the exchange notes, any broker-dealer that acquired exchange notes for its own account as a result of market-making or other trading activities must acknowledge that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange notes. See *The Exchange Offer Resale of the Exchange Notes* and *Plan of Distribution*.

Dissenters' Rights of Appraisal

Holders of the outstanding notes do not have any appraisal or dissenters' rights in connection with the exchange offer.

Exchange Agent

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The exchange agent for the exchange offer is The Bank of New York. The address, telephone number and facsimile number of the exchange agent are set forth in the The Exchange Offer Exchange Agent and in the letter of transmittal.

For additional information, see The Exchange Offer, which includes more detailed information concerning the exchange offer.

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The Exchange Notes

Exchange Notes

The terms of the outstanding notes and the exchange notes are identical in all material respects, except the exchange notes offered in the exchange offer:

will have been registered under the Securities Act;

will not have transfer restrictions and registration rights that relate to the outstanding notes; and

will not have rights relating to the payment of additional interest to holders of outstanding notes if we fail to timely commence and complete the exchange offer.

A brief description of the exchange notes is set forth below. For additional information regarding the exchange notes, see Description of Notes.

Maturity

June 15, 2017.

Interest Rate

The exchange notes will bear interest at a rate of 5.819% per annum. Interest on each exchange note will accrue from the last interest payment date on which interest was paid on the outstanding notes surrendered in exchange therefor or, if no interest has been paid on the outstanding notes, from the date of their original issuance, which was December 21, 2006.

Interest Payment Dates

Interest will be payable semi-annually on June 15 and December 15, beginning on June 15, 2007.

Ranking

The exchange notes will be senior unsecured obligations of ConAgra Foods, Inc. and will rank *pari passu* with all existing and future unsecured and unsubordinated indebtedness of ConAgra Foods, Inc. The exchange notes will be effectively subordinated to any indebtedness of our subsidiaries and will be junior to our secured debt.

Optional Redemption

We may redeem the exchange notes prior to maturity, in whole or in part, as described in this prospectus. See Description of Notes.

Covenants

The indenture governing the exchange notes provides for certain limitations on our ability and the ability of certain of our subsidiaries to (a) incur indebtedness secured by a lien on any principal property or on the capital stock of any principal subsidiaries and (b) enter into sale and leaseback transactions. For more information, see Description of Notes Certain Covenants.

Delivery and Form

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The exchange notes will be issued only in the form of one or more global notes. See Description of Notes Book-Entry; Delivery and Form. The global note will be deposited with DTC for credit to the account of a direct or indirect participant of DTC. Investors in the global note who are participants in DTC may hold their interests in

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the global note directly through DTC. Investors in the global note who are not participants in DTC may hold their interests indirectly through organizations that are participants in DTC. Interests in the global note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear and Clearstream.

Except as set forth under *Description of Notes* *Book-Entry; Delivery and Form*, holders of the exchange notes will not be entitled to receive physical delivery of definitive exchange notes or to have exchange notes issued and registered in their names and will not be considered the record owners or holders of the exchange notes under the indenture governing the exchange notes. Interests in the global note will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000.

Listing

We do not intend to list the exchange notes on any securities exchange or to arrange for quotation through any automated trading system.

Risk Factors

See *Risk Factors* beginning on page 10 for a discussion of factors that should be considered by holders of outstanding notes before tendering their outstanding notes in the exchange offer.

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The following tables set forth our summary historical consolidated financial and other data as of the dates and for the periods indicated. The summary historical consolidated financial and other data as of and for the year ended May 28, 2006 are derived from our consolidated financial statements for such period, which have been audited by KPMG LLP, an independent registered public accounting firm. The summary historical consolidated financial statements and other data as of May 29, 2005 and for each of the fiscal years ended May 29, 2005 and May 30, 2004 are derived from our consolidated financial statements for such periods, which have been audited by Deloitte & Touche LLP, an independent registered public accounting firm. The historical unaudited consolidated financial data as of the twenty-six week periods ended November 26, 2006 and November 27, 2005 were derived from our unaudited consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal and recurring adjustments, necessary to present fairly our financial position, results of operations and cash flows at such dates and for such periods. The historical consolidated financial data are presented for informational purposes only and do not purport to project our financial position as of any future date or our results of operations for any future period. You should read the following summary historical consolidated financial information in conjunction with our consolidated financial statements and related notes and the information contained elsewhere or incorporated by reference in this prospectus.

(tabular \$ in millions, except per share data)	Fiscal Years Ended					Twenty-Six Weeks Ended ²	
	2002	2003 ¹	2004	2005	2006	November 27, 2005	November 26, 2006
Net sales ³	\$ 18,457.4	\$ 13,253.6	\$ 10,794.3	\$ 11,383.8	\$ 11,482.0	\$ 5,675.8	\$ 5,777.3
Income from continuing operations before cumulative effect of changes in accounting ³	\$ 481.5	\$ 545.8	\$ 520.8	\$ 558.7	\$ 589.3	\$ 435.4	\$ 309.8
Net income	\$ 771.7	\$ 763.8	\$ 811.3	\$ 641.5	\$ 533.8	\$ 499.8	\$ 380.0
Basic earnings per share:							
Income from continuing operations before cumulative effect of changes in accounting ³	\$ 0.92	\$ 1.03	\$ 0.99	\$ 1.08	\$ 1.14	\$ 0.84	\$ 0.61
Net income	\$ 1.45	\$ 1.44	\$ 1.54	\$ 1.24	\$ 1.03	\$ 0.96	\$ 0.75
Diluted earnings per share							
Income from continuing operations before cumulative effect of changes in accounting ³	\$ 0.91	\$ 1.03	\$ 0.98	\$ 1.07	\$ 1.13	\$ 0.84	\$ 0.61
Net income	\$ 1.45	\$ 1.44	\$ 1.53	\$ 1.23	\$ 1.03	\$ 0.96	\$ 0.74
Cash dividends declared per share of common stock	\$ 0.9300	\$ 0.9775	\$ 1.0275	\$ 1.0775	\$ 0.9975	\$ 0.5450	\$ 0.3600
At end of period							
Total assets	\$ 15,705.1	\$ 15,185.6	\$ 14,310.5	\$ 13,042.8	\$ 11,970.4	\$ 13,304.9	\$ 12,356.5
Senior long-term debt (noncurrent) ^{3,4}	\$ 4,973.7	\$ 4,632.2	\$ 4,878.4	\$ 3,949.1	\$ 2,754.8	\$ 3,036.8	\$ 3,131.7
Subordinated long-term debt (noncurrent) ^{3,4}	\$ 752.1	\$ 763.0	\$ 402.3	\$ 400.0	\$ 400.0	\$ 400.0	\$ 400.0
Preferred securities of subsidiary company ⁴	\$ 175.0	\$ 175.0	\$	\$	\$	\$	\$

¹ During fiscal 2003, we divested our fresh beef and pork business (see Note 2 to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended May 28, 2006, as updated by our Current Report on Form 8-K filed with the SEC on November 20, 2006, which are incorporated by reference into this prospectus).

² Amounts for the twenty-six weeks ending November 26, 2006 and November 27, 2005 reflect our change in method of accounting for advertising expense for interim periods such that all advertising expense is recognized as incurred rather than based on sales for the interim period as a proportion of estimated annual sales. The impact of the change in accounting methods was to increase advertising and promotion expense by approximately \$24 million (\$15 million after tax), or \$0.03 per diluted share for the first half of fiscal 2007. The impact on the first half of fiscal 2006 was to increase advertising expense by approximately \$25.1 million (\$15.4 million after tax), or \$0.03 per diluted share. There will be no impact on annual reporting periods.

³ Amounts exclude the impact of discontinued operations of the former Agricultural Products segment, the chicken business, the feed business in Spain, the poultry business in Portugal and the specialty meats foodservice business, the packaged meats and cheese businesses, the seafood business and the Cook & Ham business.

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- ⁴ 2004 amounts reflect the adoption of FIN 46R, *Consolidation of Variable Interest Entities*, which resulted in increasing long-term debt by \$419 million, increasing other noncurrent liabilities by \$25 million, increasing property, plant and equipment by \$221 million, increasing other assets by \$46 million and decreasing preferred securities of subsidiary company by \$175 million.

Ratio of Earnings to Fixed Charges

Our ratio of earnings to fixed charges for each of the last five fiscal years and for the twenty-six weeks ended November 26, 2006 are set forth below.

	Fiscal Years Ended					Twenty-Six Weeks Ended November 26, 2006
	2002	2003	2004	2005	2006	
Ratio of earnings to fixed charges	2.4	2.9	3.0	3.5	3.6	4.0

Recent Developments

On February 14, 2007, we announced the recall of all varieties of peanut butter manufactured at our Sylvester, Georgia plant as a result of statistical information received from the U.S. Centers for Disease Control and Prevention that these products might be linked to the foodborne illness Salmonella. On February 22, 2007, we announced that testing by some states had detected the presence of Salmonella within samples of peanut butter manufactured at the Sylvester, Georgia plant. Alt