

SMITHFIELD FOODS INC
Form 10-Q
March 08, 2013

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 January 27, 2013

COMMISSION FILE NUMBER 1-15321

SMITHFIELD FOODS, INC.

200 Commerce Street
Smithfield, Virginia 23430
(757) 365-3000

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 March 1, 2013, 138,763,415 shares of the registrant's Common Stock (\$.50 par value per share) were outstanding.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SMITHFIELD FOODS, INC.

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

(in millions, except per share data)

	Three Months Ended		Nine Months Ended	
	January 27, 2013	January 29, 2012	January 27, 2013	January 29, 2012
	(unaudited)		(unaudited)	
Sales	\$3,583.3	\$3,478.3	\$9,900.4	\$9,885.1
Cost of sales	3,254.5	3,098.5	8,862.1	8,678.6
Gross profit	328.8	379.8	1,038.3	1,206.5
Selling, general and administrative expenses	198.9	187.3	605.7	626.8
(Income) loss from equity method investments	(6.4) 22.0	(13.8) 11.3
Operating profit	136.3	170.5	446.4	568.4
Interest expense	40.6	42.3	124.6	134.6
Loss on debt extinguishment	—	4.6	120.7	12.2
Income before income taxes	95.7	123.6	201.1	421.6
Income tax expense	14.2	44.6	47.0	139.8
Net income	\$81.5	\$79.0	\$154.1	\$281.8
Net income per share:				
Basic	\$.58	\$.49	\$1.04	\$1.73
Diluted	\$.58	\$.49	\$1.03	\$1.72
Weighted average shares outstanding:				
Basic	140.3	161.0	147.7	163.1
Effect of dilutive shares	1.2	1.8	1.3	1.1
Diluted	141.5	162.8	149.0	164.2

See Notes to Consolidated Condensed Financial Statements

SMITHFIELD FOODS, INC.

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

(in millions)

	Three Months Ended		Nine Months Ended	
	January 27,	January 29,	January 27,	January 29,
	2013	2012	2013	2012
	(unaudited)		(unaudited)	
Net income	\$81.5	\$79.0		