SMITHFIELD FOODS INC
Form 424B5
July 18, 2012
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and accompanying base prospectus are not an offer to sell these securities, and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-167781

Subject to Completion, dated July 18, 2012

PROSPECTUS SUPPLEMENT

(To Prospectus dated June 25, 2010)

$650,000,000

Smithfield Foods, Inc.

% Senior Notes due 2022

The notes will bear interest at % per year. Interest on the notes is payable on and of each year, beginning , 2012. The notes will mature on , 2022.

We may redeem some or all of the notes at any time on or after , 2017 at the prices and as described under Description of Notes Optional redemption. We may redeem up to 35% of the notes using the proceeds of certain equity offerings prior to , 2015. In addition, at any time prior to , 2017, we may redeem some or all of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest, plus a make-whole premium. If a change of control (as defined herein) occurs, we will be required to offer to purchase the notes from the holders at a price equal to 101% of the principal amount thereof together with accrued and unpaid interest, if any, to the date of purchase. If we sell certain of our assets, we must offer to purchase the notes from the holders at a price equal to 100% of the principal amount thereof together with accrued and unpaid interest, if any, to the date of purchase.

The notes will be our senior unsecured obligations, will rank equally with all our existing and future unsecured senior debt and will rank senior to all our future subordinated debt. The notes will be effectively subordinated to all our existing and future secured debt to the extent of the value of the assets securing such debt. The notes will not be guaranteed by any of our subsidiaries and, therefore, will be structurally subordinated to all liabilities (including trade payables) of our subsidiaries.

We do not plan to apply to list the notes on any securities exchange or to include them in any automated quotation system.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement, and the risks described in our Annual Report on Form 10-K for the fiscal year ended April 29, 2012, which is incorporated by reference herein.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Initial price to public[(1)]	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us	%	$

(1) Plus accrued interest, if any, from , 2012 if settlement occurs after that date.

Interest on the notes will accrue from , 2012 to the date of delivery.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company on or about , 2012.

Joint Book-Running Managers

Barclays **Goldman, Sachs & Co.**

Joint Lead Managers

Rabo Securities **J.P. Morgan** **Morgan Stanley** **BMO Capital Markets**

Co-Managers

Santander **SOCIETE GENERALE**

Prospectus Supplement dated , 2012

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the notes we are offering and certain other matters relating to us and our financial condition. The second part, the accompanying base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. To the extent the description of the notes in this prospectus supplement differs from the description of debt securities in the accompanying base prospectus, you should rely on the information in this prospectus supplement. In addition, any statement in a filing we make with the Securities and Exchange Commission (the SEC) that adds to, updates or changes information contained in an earlier filing we made with the SEC shall be deemed to modify and supersede such information in the earlier filing.

In making your investment decision, you should rely only on the information contained in or incorporated by reference in this prospectus. This prospectus supplement and the accompanying base prospectus may be used only for the purpose for which they have been prepared. We and the underwriters have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer of these notes in any state where the offer is not permitted. The information that appears in this document and which is incorporated by reference in this document may only be accurate as of the date of this document or the date of the document in which incorporated information appears. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date on the cover of this prospectus supplement. Our business, financial condition, results of operations and prospects may have changed since the date of such information.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying base prospectus and the documents incorporated or deemed to be incorporated by reference herein may contain forward-looking statements with respect to our current views and estimates of future economic circumstances, industry conditions in domestic and international markets, our performance, financial condition, liquidity and financial results. Our forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. These risks and uncertainties include the availability and prices of live hogs, raw materials, fuel and supplies, food safety, livestock disease, live hog production costs, product pricing, the competitive environment and related market conditions, risks associated with our indebtedness, including cost increases due to rising interest rates or changes in debt ratings or outlook, hedging risk, operating efficiencies, changes in foreign currency exchange rates, access to capital, the cost of compliance with and changes to regulations and laws, including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws, adverse results from on-going litigation, actions of domestic and foreign governments, labor relations issues, credit exposure to large customers, the ability to make effective acquisitions and successfully integrate newly acquired businesses into existing operations, our ability to effectively restructure portions of our operations and achieve cost savings from such restructurings. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that we make speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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The risks discussed above are not exhaustive, and additional factors could adversely affect our business and financial performance, including factors and risks discussed in other sections of this prospectus supplement, the accompanying base prospectus and the other documents that we incorporate by reference into these documents. For a detailed discussion of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements, see the factors listed under the Risk Factors section of this prospectus supplement and under the items entitled Risk Factors in the Company s Annual Report filed on Form 10-K for the fiscal year ended April 29, 2012 (incorporated by reference herein) as well as in the documents that we file from time to time with the SEC. Moreover, because we operate in a very competitive and rapidly changing environment, new risk factors are likely to emerge from time to time.

MARKET, RANKING AND OTHER DATA

Some of the data incorporated by reference in this prospectus supplement regarding markets and ranking, including the size of certain markets and our position and the position of our competitors within these markets, are based on internal studies, public filings or other independent published industry sources. We believe these internal data, public filings and independent sources are reliable as of the date of this prospectus supplement. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the market, ranking and other similar data incorporated by reference in this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. Neither we nor the underwriters can guarantee the accuracy or completeness of such information incorporated by reference in this prospectus supplement.

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SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying base prospectus and does not contain all the information that you should consider before investing in the notes. You should carefully read the entire prospectus supplement, including the section entitled Risk factors on page S-7, the accompanying base prospectus, and our financial statements and the related notes and the other documents incorporated into this prospectus supplement and the accompanying base prospectus by reference, before making an investment decision. When we refer to financial information on an as adjusted basis, we mean as adjusted to give effect to the Refinancing Transaction discussed below.

Unless otherwise indicated or the context otherwise requires, references in this prospectus supplement and the accompanying base prospectus to Smithfield, we, our, us and the Company are to Smithfield Foods, Inc. and its consolidated subsidiaries.

The Company

We began as a pork processing operation called The Smithfield Packing Company, founded in 1936 by Joseph W. Luter and his son, Joseph W. Luter, Jr. Through a series of acquisitions starting in 1981, we have become the largest pork processor and hog producer in the world. We are also the leader in numerous packaged meats categories with popular brands including Farmland®, Smithfield®, Eckrich®, Armour® and John Morrell®. We are committed to providing good food in a responsible way and maintaining robust animal care, community involvement, employee safety, environmental, and food safety and quality programs.

We produce and market a wide variety of fresh meat and packaged meats products both domestically and internationally. We operate in a cyclical industry and our results are significantly affected by fluctuations in commodity prices for livestock (primarily hogs) and grains. Some of the factors that we believe are critical to the success of our business are our ability to:

- maintain and expand market share, particularly in packaged meats;
- develop and maintain strong customer relationships;
- continually innovate and differentiate our products;
- manage risk in volatile commodities markets;
- access international markets for our products; and
- maintain our position as a low cost producer of live hogs, fresh pork and packaged meats.

We conduct our operations through four reportable segments: Pork, Hog Production, International and Corporate, each of which is comprised of a number of subsidiaries, joint ventures and other investments. A fifth reportable segment, the Other segment, contains the results of our former turkey production operations and our previous 49% interest in Butterball, LLC, which were sold in December 2010 (fiscal 2011), as well as our former live cattle operations, which were sold in the first quarter of fiscal 2010. The Pork segment consists mainly of our three wholly-owned U.S. fresh pork and packaged meats subsidiaries. The Hog Production segment consists of our hog production operations located in the United States. The International segment is comprised mainly of our meat processing and distribution operations in Poland, Romania and the United Kingdom, our interests in meat processing operations, mainly in Western Europe and Mexico, our hog production operations located in Poland and Romania and our interests in hog production operations in Mexico. The Corporate segment provides management and administrative services to support our other segments.

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Revised Outlook

The section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations Outlook, beginning on page 32 of the Company s Annual Report on Form 10-K for the fiscal year ended April 29, 2012, is updated as follows with respect to the Hog Production segment. The outlook for our other segments remains materially unchanged from the discussion in our Annual Report on Form 10-K for the fiscal year ended April 29, 2012.

Hog Production

Recent concerns about drought conditions in the United States have caused sharp increases in feed grain prices. However, we expect hedge positions placed prior to the run-up in grain prices will mitigate, to a meaningful extent, the negative impact on our raising costs. In fiscal 2013, we now expect raising costs to average in the mid $60s per hundredweight throughout the fiscal year, as the blended effect of hedge gains and higher spot corn prices are averaged into cost over the course of the year.

Notwithstanding concerns about U.S. drought conditions, we believe a balance domestically, between restrained supply of pork and other proteins, coupled with healthy exports, is supportive of modest hog production profitability going forward. We expect marginal profitability in the Hog Production segment for the full fiscal year, with operating margins for fiscal 2013 below our normalized range of $10-$15 per head. While the current futures strip does not yet support these profitability levels, the relative health of U.S. pork fundamentals, existing risk management positions, and relatively high hog prices provide the basis for our outlook for the full fiscal year.

Tender Offer

Concurrently with this offering, we intend to commence a tender offer to repurchase any and all of our outstanding 10% Senior Secured Notes due 2014 (the 2014 Senior Secured Notes) and any and all of our outstanding 7.75% Senior Notes due 2013 (the 2013 Senior Notes and, together with the 2014 Senior Secured Notes, the Tender Offer Notes) for an aggregate purchase price of up to $869.4 million, including the payment of all accrued and unpaid interest payable and any applicable premiums on the purchased Tender Offer Notes (the Tender Offer). This offering, together with the Tender Offer, is a means to extend the average maturity and reduce the average weighted interest rate of our outstanding consolidated indebtedness. The Tender Offer is expected to remain open for twenty business days, but holders who tender at or prior to the tenth business day after commencement of the Tender Offer (the Early Participation Deadline) will be entitled to an early participation payment of $30 for each $1,000 principal amount of notes validly tendered (and not validly withdrawn) at or before the Early Participation Deadline and accepted by us pursuant to the Tender Offer. As of the date of this prospectus supplement, there was $589.4 million aggregate principal amount of 2014 Senior Secured Notes outstanding and $160.0 million aggregate principal amount of 2013 Senior Notes outstanding.

We intend to use all of the net proceeds of this offering, together with available cash and borrowings under our Securitization Facility (as defined herein), to finance the Tender Offer, including the payment of all accrued and unpaid interest payable and any applicable early participation premium with respect to the Tender Offer Notes purchased thereunder, as well as any related fees and expenses. Completion of the Tender Offer will be subject to the closing of this offering and customary tender offer conditions. However, this offering is not subject to the completion of the Tender Offer or any minimum amount of Tender Offer Notes being tendered in the Tender Offer. If any of the 2014 Senior Secured Notes are not tendered by the Early Participation Deadline, we intend to redeem any such notes at 100% of their principal amount, plus a make-whole premium and accrued and unpaid interest to the date of redemption (the Redemption).

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In this prospectus supplement, we refer to this offering (including the application of the net proceeds from this offering), together with the use of available cash and borrowings under our Securitization Facility to finance the Tender Offer and, if necessary, the Redemption, as the Refinancing Transaction, and references to the Refinancing Transaction assume that all of the outstanding 2014 Senior Secured Notes and $80.0 million of the outstanding 2013 Senior Notes are tendered prior to the Early Participation Deadline.

This prospectus supplement does not constitute an offer to purchase any of the 2014 Senior Secured Notes or any of the 2013 Senior Notes. Any such offer is being made exclusively pursuant to the terms of, and subject to the conditions set forth in, the offer to purchase and the related letter of transmittal for the Tender Offer.

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The Offering

Issuer	Smithfield Foods, Inc.
Notes offered	$650,000,000 aggregate principal amount of % Senior Notes due 2022 to be issued under our Indenture Senior Debt Securities dated as of June 1, 2007 (the Senior Indenture), to be supplemented by the Third Supplemental Indenture (the Supplemental Indenture , and collectively with the Senior Indenture, the Indenture).
Maturity	, 2022.
Interest	Annual rate: %.
Interest payment dates	and of each year, beginning on , 2012.
Optional Redemption	We may redeem some or all of the notes at any time on or after , 2017 at the prices and as described under Description of Notes Optional redemption. We may redeem up to 35% of the notes using the proceeds of certain equity offerings prior to , 2015. In addition, at any time prior to , 2017, we may redeem some or all of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest, plus a make-whole premium.
Mandatory offers to purchase	The occurrence of a change of control (as defined herein), will be a triggering event requiring us to offer to purchase the notes at a price equal to 101% of the principal amount together with accrued and unpaid interest, if any, to the date of purchase.
	Certain asset dispositions will be triggering events that may require us to use the proceeds from those asset dispositions to make an offer to purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase if such proceeds are not otherwise used within 365 days to repay indebtedness (with a corresponding reduction in commitment) or to invest in assets related to our business.
Ranking	The Notes will: be our senior, unsecured obligations; rank senior in right of payment to all of our future subordinated indebtedness;

rank equally in right of payment with all of our existing and future senior indebtedness (including the 2013 Notes, our 4% Convertible Senior Notes due 2013 (the 2013 Convertible Senior Notes), and our 7.75% Senior Notes due 2017 (the 2017 Senior Notes) and, to the extent that no 2014 Senior Secured Notes (the 2014 Senior Secured Notes, 2013 Senior Notes, the 2013 Convertible Senior Notes and the 2017 Senior Notes are collectively referred to herein as the Existing Senior Notes) remain outstanding following completion of the Tender Offer, the Rabobank Term Loan (as defined herein);

- be effectively subordinated to all of our existing and future secured indebtedness (including the obligations under the Inventory Revolver, the Securitization Facility and, to the extent such notes remain outstanding following the completion of the Tender Offer, the 2014 Senior Secured Notes and the Rabobank Term Loan) to the extent of the value of the assets securing such indebtedness (upon repayment of the 2014 Senior Secured Notes in full, by means of the Tender Offer or the Redemption, any collateral currently securing the Rabobank Term Loan will be released);
- not be guaranteed by any of our subsidiaries and, as a result, will be structurally subordinated to any existing and future obligations of our subsidiaries, including the obligations under the Inventory Revolver, the Rabobank Term Loan, the Securitization Facility and, to the extent such notes remain outstanding following the completion of the Tender Offer, the 2014 Senior Secured Notes.

As of April 29, 2012, on an as adjusted basis after giving effect to the Refinancing Transaction, our aggregate principal amount of indebtedness, including capital lease obligations, was $2,047.6 million, of which $243.7 million was secured debt, consisting of $100 million outstanding under the Securitization Facility, $64.9 million of other credit facility borrowings, $51.7 million of subsidiary debt and $27.1 million of capital leases.

The notes will not be guaranteed by any of our subsidiaries and will be subordinated to all of the obligations and liabilities of our subsidiaries.

Covenants

We will issue the notes under an Indenture with U.S. Bank National Association (U.S. Bank), as trustee. The Indenture, among other things, limits our ability and the ability of our restricted subsidiaries to:

- incur additional debt;
- issue redeemable stock and preferred stock;
- repurchase capital stock;
- make other restricted payments including, without limitation, paying dividends and making investments;
- create liens;
- redeem debt that is junior in right of payment to the notes;
- sell or otherwise dispose of assets;

- enter into agreements that restrict dividends from subsidiaries;
- enter into mergers or consolidations;
- enter into transactions with affiliates;
- guarantee indebtedness; and
- enter into sale and leaseback transactions.

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	If the notes are assigned an investment grade rating from Standard & Poor s Ratings Service (at least BBB-) and Moody s Investors Service, Inc. (at least Baa3), so long as no default or event of default has occurred and is continuing, our obligation to comply with these covenants will fall away, even if the notes are subsequently downgraded. The fall away, however, will not affect our obligation to comply with the covenants relating to liens, sale and leaseback transactions, and mergers and consolidations.
Use of proceeds	Upon the pricing of the notes in this offering, we intend to commence the Tender Offer. We intend to use all of the net proceeds of this offering, together with available cash and borrowings under our Securitization Facility, to finance the Tender Offer and, if necessary, the Redemption, including the payment of all accrued and unpaid interest payable and any applicable early participation premium with respect to the Tender Offer Notes purchased thereunder and, if necessary, the payment of any redemption premium and accrued and unpaid interest with respect to the Redemption, as well as any related fees and expenses. See Use of Proceeds.
Listing	We do not plan to list the notes on any securities exchange or to include them in any automated quotation system.
Risk factors	See Risk Factors beginning on page S-7 of this prospectus supplement and the risks described in our Annual Report on Form 10-K for the fiscal year ended April 29, 2012, which is incorporated by reference herein, for a discussion of factors you should carefully consider before making an investment in the notes.

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RISK FACTORS

You should carefully consider the risks described in our Annual Report on Form 10-K for the fiscal year ended April 29, 2012, as supplemented by the discussion below, and all of the information contained or incorporated by reference into this prospectus supplement and the accompanying base prospectus, before making an investment decision. The risks and uncertainties described below and in such incorporated documents are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See Forward-Looking Statements in this prospectus supplement.

Risk Factors Relating to the Notes

Our level of indebtedness and the terms of our indebtedness could adversely affect our business and liquidity position.

As of April 29, 2012, on an as adjusted basis after giving effect to the Refinancing Transaction, we had:

- $2,047.6 million of indebtedness;
- guarantees of up to $101.8 million for the financial obligations of certain unconsolidated joint ventures and leases related to a divested subsidiary; and
- aggregate unused capacity under the Inventory Revolver, the Securitization Facility and our other credit facilities totaling $1,044.6 million, taking into account outstanding borrowings of $164.9 million and $96.1 million of outstanding letters of credit under the Securitization Facility.

Because the borrowing capacity under the Inventory Revolver and Securitization Facility depend, in part, on inventory and/or accounts receivable levels, respectively, that fluctuate from time to time, such amounts may not reflect actual borrowing capacity.

Our indebtedness may increase from time to time for various reasons, including fluctuations in operating results, working capital needs, capital expenditures and potential acquisitions or joint ventures. In addition, due to the volatile nature of the commodities markets, we may have to borrow significant amounts to cover any margin calls under our risk management and hedging programs. During fiscal 2012, margin deposits posted by us ranged from $(32.9) million to $115.0 million (negative amounts represent margin deposits we have received from our brokers). Our consolidated indebtedness level could significantly affect our business because:

- it may, together with the financial and other restrictive covenants in the agreements governing our indebtedness, limit or impair our ability in the future to obtain financing, refinance any of our indebtedness, sell assets or raise equity on commercially reasonable terms or at all, which could cause us to default on our obligations and materially impair our liquidity;
- a downgrade in our credit rating could restrict or impede our ability to access capital markets at attractive rates and increase the cost of future borrowings;
- it may reduce our flexibility to respond to changing business and economic conditions or to take advantage of business opportunities that may arise;
- a portion of our cash flow from operations must be dedicated to interest payments on our indebtedness and is not available for other purposes, which amount would increase if prevailing interest rates rise;

substantially all of our assets in the United States secure the Inventory Revolver, which is an inventory-based revolving credit facility totaling $925.0 million, with an option to expand up to $1.2 billion, the Securitization Facility, which is an accounts receivable securitization facility totaling $275.0 million,

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our $200.0 million term loan due June 9, 2016 (the Rabobank Term Loan) and our 2014 Senior Secured Notes, all of which could limit our ability to dispose of such assets or utilize the proceeds of such dispositions and, upon an event of default under any such secured indebtedness, the lenders thereunder could foreclose upon our pledged assets; and

it could make us more vulnerable to downturns in general economic or industry conditions or in our business.

Should market conditions deteriorate, or our operating results be depressed in the future, we may have to request amendments to our covenants and restrictions. There can be no assurance that we will be able to obtain such relief should it be needed in the future. A breach of any of these covenants or restrictions could result in a default that would permit our senior lenders, including lenders under the Inventory Revolver, the Securitization Facility, the Rabobank Term Loan, and the holders of our Existing Senior Notes, as the case may be, to declare all amounts outstanding under the Inventory Revolver, the Securitization Facility, the Rabobank Term Loan, and the Existing Senior Notes to be due and payable, together with accrued and unpaid interest, and the commitments of the relevant lenders to make further extensions of credit under the Inventory Revolver and the Securitization Facility could be terminated. If we were unable to repay our secured indebtedness to our lenders, these lenders could proceed against the collateral securing that indebtedness, which could include substantially all of our assets. Our future ability to comply with financial covenants and other conditions, make scheduled payments of principal and interest, or refinance existing borrowings depends on future business performance that is subject to economic, financial, competitive and other factors, including the other risks described in this prospectus supplement and the documents incorporated by reference herein.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreements governing the Inventory Revolver, the Securitization Facility and the Rabobank Term Loan and the indentures governing the notes and the Existing Senior Notes restrict our ability to dispose of assets and use the proceeds from any such dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See Description of Other Indebtedness and Description of Notes.

In addition, we conduct our operations through our subsidiaries, none of which will guarantee the notes on the issue date. Accordingly, repayment of our indebtedness, including the notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture governing the notes and the agreements governing certain of our other existing indebtedness will limit the ability of certain of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and, as a result, holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under our credit facilities could terminate their commitments to loan money, our secured lenders, including the lenders under the Inventory Revolver, the Securitization Facility and, to the extent such notes remain outstanding following the completion of the Tender Offer, the holders of the 2014 Senior Secured Notes and the lenders under the Rabobank Term Loan (upon repayment in full of the 2014 Senior Secured Notes, by means of the Tender Offer or the Redemption, any collateral currently securing the Rabobank Term Loan will be released), could foreclose against the assets securing such indebtedness and we could be forced into bankruptcy or liquidation, in each case, which could result in your losing your investment in the notes.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. As of April 29, 2012, on an as adjusted basis after giving effect to the Refinancing Transaction, we would have had $164.9 million of borrowings under our credit facilities and $51.1 million of outstanding term loan borrowings at variable interest rates. A 1/8% increase or decrease in the interest rates on our credit facilities and our outstanding, variable rate term loan borrowings would result in a $0.3 million increase or decrease in annual interest expense. We may enter into interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes will be effectively subordinated to our secured debt.

Because the notes will be unsecured, they will effectively be subordinated to our secured debt (including the obligations under the Inventory Revolver, the Securitization Facility and, to the extent such notes remain outstanding following the completion of the Tender Offer, the 2014 Senior Secured Notes and the Rabobank Term Loan (upon repayment in full of the 2014 Senior Secured Notes, by means of the Tender Offer or the Redemption, any collateral currently securing the Rabobank Term Loan will be released)) to the extent of the value of the assets securing our secured debt. As of April 29, 2012, on an as adjusted basis after giving effect to the Refinancing Transaction, we would have had $243.7 million of secured debt, consisting of $100 million outstanding under the Securitization Facility, $64.9 million of other credit facility borrowings, $51.7 million of subsidiary debt and $27.1 million of capital leases.

We may incur additional secured debt in the future. The effect of this subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of our company, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes only after all indebtedness under the senior

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secured credit facilities and that other secured debt has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of our bankruptcy, insolvency, liquidation, dissolution or reorganization.

If we receive an investment grade rating you will no longer have the benefit of many of the covenants.

If at any time the notes receive an investment grade rating from Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., and Moody s Investors Service, Inc., then, subject to additional conditions, we will no longer be subject to most of the covenants set forth in the Indenture relating to the notes and the 2017 Senior Notes. If most of the covenants have ceased to apply to us as a result of achieving those ratings, those covenants will not be restored, even if the notes are later rated below investment grade by either or both of the rating agencies.

Covenants in our various debt agreements restrict our business in many ways and failure to comply with them may result in adverse action by our lenders.

Our various debt agreements, including the indentures relating to the notes and the Existing Senior Notes, the Rabobank Term Loan, the Inventory Revolver, the Securitization Facility and our other credit facilities, contain certain covenants that, among other things, limit our ability and the ability of our subsidiaries to:

- incur additional debt;
- issue redeemable stock and preferred stock;
- repurchase capital stock;
- make other restricted payments, including paying dividends and making investments;
- create liens;
- sell or otherwise dispose of assets;
- enter into agreements that restrict dividends from subsidiaries;
- enter into mergers and consolidations;
- enter into transactions with affiliates;
- guarantee indebtedness; and
- enter into sales and leaseback transactions.

In addition, the agreements governing our credit facilities include restrictive covenants that require us to maintain certain financial ratios. Our ability to meet these financial ratios can be affected by events beyond our control.

Should market conditions or our operating results become depressed in the future, we may have to request, as we have in the past, amendments to our covenants and restrictions and there can be no assurance that we will be able to obtain such relief. The breach of any of these covenants or restrictions could result in a default that would permit our senior lenders, including the lenders under the Rabobank Term Loan, the Inventory Revolver, the Securitization Facility and our other credit facilities, or the holders of the notes or our Existing Senior Notes, as the case may be, to declare all amounts borrowed under such credit facilities, the notes or our Existing Senior Notes to be due and payable, together with accrued and unpaid interest, and the commitments of the relevant senior lenders to make further extensions of credit under our credit facilities could be terminated. If we were unable to repay our indebtedness to our senior secured lenders, these lenders could proceed against the collateral securing that indebtedness, which could include substantially all of our assets.

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We may not be able to satisfy our obligations to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding Existing Senior Notes (other than the 2013 Convertible Senior Notes) and loans under the Rabobank Term Loan at 101% of their principal amount and the 2013 Convertible Senior Notes at 100% of their principal amount, in each case plus accrued and unpaid interest to the purchase date. Additionally, under the Inventory Revolver and the Securitization Facility, a change of control (as defined therein) constitutes an event of default that permits the lenders to accelerate the maturity of borrowings under the respective agreements and the commitments to lend would terminate. The source of funds for any purchase of our debt securities, including the notes, and repayment of our other credit facilities will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we cannot assure you that we would be able to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and our other debt securities and events of default and potential breaches of the credit agreements governing the Inventory Revolver and the Securitization Facility, we may have to avoid certain change of control transactions that would otherwise be beneficial to the Company.

In addition, certain important corporate events, such as leveraged recapitalizations, would not, under the indenture governing the notes, constitute a change of control that would require us to repurchase the notes, notwithstanding the fact that such corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of Notes Change of control.

In addition, recent case law suggests that, in the event that incumbent directors are replaced as a result of a contested election, issuers may nevertheless avoid triggering a change of control under a clause similar to clause (iii) of the definition of Change of Control under the caption Description of Notes Change of control , if the outgoing directors were to approve the new directors for the purpose of such change of control clause.

Holders of the notes may not be able to determine when a change of control giving rise to their right to have the Notes repurchased has occurred following a sale of substantially all of our assets.

The definition of change of control in the indenture governing the notes includes a phrase relating to the sale of all or substantially all of our assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to require us to repurchase its notes as a result of a sale of less than all our assets to another person may be uncertain.

In addition to our current indebtedness, we may be able to incur substantially more debt, which could further increase the risks described above.

We may be able to incur substantial additional indebtedness in the future. The terms of the Indenture do not fully prohibit us from doing so. If we incur any additional indebtedness that ranks equally with the notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of us. This may have the effect of reducing the amount of proceeds paid to you. As of April 29, 2012, on as adjusted basis after giving effect to the Refinancing Transaction, we would have been permitted to borrow up to $1,044.6 million of additional borrowings under our credit facilities, after giving effect to outstanding borrowings of $164.9 million and $96.1 million of outstanding letters of credit, subject to compliance with the covenants and conditions to borrowing under the credit facilities. Our Inventory Revolver includes an incremental facility option that permits the commitments under the Inventory Revolver to be increased to $1.2 billion, subject to certain conditions. If new

debt is added to our current debt levels, the related risks that we now face could intensify. See Description of Notes and Description of Other Indebtedness.

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An active trading market for the notes may not develop or be sustained.

The notes will be a new issue of securities for which there is no established trading market. We do not intend to list the notes on any national securities exchange or include the notes in any automated quotation system. The underwriters have advised us that they intend to make a market in the notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to make a market in the notes and, if commenced, they may discontinue their market-making activities at any time without notice.

Therefore, an active market for the notes may not develop or be maintained, which would adversely affect the market price and liquidity of the notes. In such case, the holders of the notes may not be able to sell their notes at a particular time or at a favorable price.

Even if an active trading market for the notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the notes. The market, if any, for the notes may experience similar disruptions and any such disruptions may adversely affect the liquidity in such market and/or the prices at which you may sell your notes. In addition, subsequent to their initial issuance, the notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our performance and other factors.

A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and there can be no assurances that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency s judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Any downgrade by rating agencies would increase the interest rate under certain of our current and future floating rate debt instruments, decrease earnings and may result in higher borrowing costs.

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USE OF PROCEEDS

We estimate that the net proceeds of this offering will be approximately $638.5 million, after deducting the underwriting discount and expenses related to this offering. We intend to use all of the net proceeds of this offering, together with available cash and borrowings under our Securitization Facility, to finance the Tender Offer, including the payment of all accrued and unpaid interest payable and any applicable early participation premium with respect to the Tender Offer Notes purchased thereunder and, if necessary, the payment of any redemption premium and accrued and unpaid interest with respect to the Redemption, as well as any related fees and expenses. As of the date of this prospectus supplement, there was $589.4 million aggregate principal amount of 2014 Senior Secured Notes outstanding and $160.0 million aggregate principal amount of 2013 Senior Notes outstanding.

Assuming all of our outstanding 2014 Senior Secured Notes and $80.0 million of our outstanding 2013 Senior Notes are tendered at or prior to the Early Participation Deadline, and purchased in connection with, the Tender Offer (and assuming that we do not amend the pricing terms prior to the expiration of the Tender Offer), the aggregate cost of purchasing the Tender Offer Notes, including payment of the early participation premium, all accrued and unpaid interest payable and related fees and expenses, will be $784.6 million.

Completion of the Tender Offer will be subject to the closing of this offering and customary tender offer conditions. If the Tender Offer is not consummated, or if there are proceeds from this offering remaining after consummation of the Tender Offer (which will depend on the principal amount of our 2014 Senior Secured Notes and our 2013 Senior Notes tendered and purchased in the Tender Offer), we intend to use the remaining net proceeds from this offering to redeem, repurchase or repay certain outstanding debt of us or our subsidiaries, to be determined by management, through open market purchases, additional tenders, redemptions or otherwise. Our management will determine the allocation and timing of the application of such remaining net proceeds in light of market conditions and other relevant factors. If circumstances warrant, we may engage in additional debt tenders, redemptions or other transactions intended to refinance or reduce our existing indebtedness.

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CAPITALIZATION

The following table sets forth our actual capitalization as of April 29, 2012 on (i) an actual basis and (ii) an as adjusted basis to give effect to the Refinancing Transaction, including the offering of the notes and the application of the net proceeds of this offering in the manner described under Use of Proceeds. The as adjusted column in the table below assumes the following:

- the receipt and application of the net proceeds of this offering of approximately $638.5 million, together with $46.1 million of available cash and $100 million of borrowings under our Securitization Facility, to finance the Tender Offer, including the payment of all accrued and unpaid interest payable and any applicable early participation premium on the Tender Offer Notes purchased thereunder, as well as any related fees and expenses; and

- all outstanding 2014 Senior Secured Notes and $80.0 million of our outstanding 2013 Senior Notes that are expected to be repurchased in the Tender Offer are tendered prior to the Early Participation Deadline and the holders thereof receive the early participation premium.

This table should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended April 29, 2012 and our audited financial statements and related notes for the fiscal year ended April 29, 2012 included therein.

	As of April 29, 2012