

TYSON FOODS INC  
Form 10-Q  
August 10, 2006  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended July 1, 2006

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**001-14704**

(Commission File Number)

\_\_\_\_\_

**TYSON FOODS, INC.**

(Exact name of registrant as specified in its charter)

\_\_\_\_\_

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**71-0225165**  
(I.R.S Employer Identification No.)

**2210 West Oaklawn Drive, Springdale, Arkansas**  
(Address of principal executive offices)

**72762-6999**  
(Zip Code)

**(479) 290-4000**  
(Registrant's telephone number, including area code)

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

The number of shares outstanding of each of the issuer's classes of common stock as of July 1, 2006, is set forth below:

<u>Class</u>	<u>Outstanding Shares</u>
Class A common stock, \$0.10 Par Value	266,001,929
Class B common stock, \$0.10 Par Value	88,872,048

**TYSON FOODS, INC.**

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****TYSON FOODS, INC.****CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS**

(In millions, except per share data)

(Unaudited)

	Three Months Ended July 1, 2006	July 2, 2005	Nine Months Ended July 1, 2006	July 2, 2005
Sales	\$ 6,383	\$ 6,708	\$ 19,088	\$ 19,519
Cost of Sales	6,180	6,189	18,388	18,226
	203	519	700	1,293
Selling, General and Administrative	230	220	700	688
Other Charges	(2 )	43	57	48
Operating Income (Loss)	(25 )	256	(57 )	557
Other (Income) Expense:				
Interest Income	(11 )	(2 )	(17 )	(7 )
Interest Expense	74	58	189	179
Other	(12 )	(1 )	(13 )	(12 )
	51	55	159	160
Income (Loss) Before Income Taxes	(76 )	201	(216 )	397
Income Tax Expense (Benefit)	(24 )	70	(76 )	142
Net Income (Loss)	\$ (52 )	\$ 131	\$ (140 )	\$ 255
Weighted Average Shares Outstanding:				
Class A Basic	249	243	246	243
Class B Basic	96	102	99	102
Diluted	345	358	345	357
Earnings (Loss) Per Share:				
Class A Basic	\$ (0.15 )	\$ 0.39	\$ (0.41 )	\$ 0.76
Class B Basic	\$ (0.14 )	\$ 0.35	\$ (0.38 )	\$ 0.68
Diluted	\$ (0.15 )	\$ 0.36	\$ (0.41 )	\$ 0.71
Cash Dividends Per Share:				
Class A	\$ 0.040	\$ 0.040	\$ 0.120	\$ 0.120
Class B	\$ 0.036	\$ 0.036	\$ 0.108	\$ 0.108

See accompanying Notes to Consolidated Condensed Financial Statements.



## TYSON FOODS, INC.

## CONSOLIDATED CONDENSED BALANCE SHEETS

(In millions, except per share data)

	(Unaudited)	
	July 1, 2006	October 1, 2005
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 44	\$ 40
Short-term investment	760	-
Accounts receivable, net	1,209	1,214
Inventories	2,095	2,062
Other current assets	113	169
Total Current Assets	4,221	3,485
Net Property, Plant and Equipment	4,040	4,007
Goodwill	2,500	2,502
Net Intangible Assets	139	142
Other Assets	346	368
Total Assets	\$ 11,246	\$ 10,504
<b>Liabilities and Shareholders Equity</b>		
Current Liabilities:		
Current debt	\$ 1,049	\$ 126
Trade accounts payable	954	961
Other current liabilities	914	1,070
Total Current Liabilities	2,917	2,157
Long-Term Debt	3,063	2,869
Deferred Income Taxes	589	638
Other Liabilities	167	169
Shareholders Equity:		
Common stock (\$0.10 par value):		
Class A-authorized 900 million shares:		
issued 281 million shares at July 1, 2006, and 268 million shares at October 1, 2005	28	27
Class B-authorized 900 million shares:		
issued 89 million shares at July 1, 2006, and 102 million shares at October 1, 2005	9	10
Capital in excess of par value	1,824	1,867
Retained earnings	2,851	3,032
Accumulated other comprehensive income	28	28
	4,740	4,964
Less treasury stock, at cost-		
15 million shares at July 1, 2006, and October 1, 2005	230	238
Less unamortized deferred compensation	-	55
Total Shareholders Equity	4,510	4,671
Total Liabilities and Shareholders Equity	\$ 11,246	\$ 10,504

See accompanying Notes to Consolidated Condensed Financial Statements.





**TYSON FOODS, INC.**

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

(In millions)

(Unaudited)

Three Months Ended  
July 1,

Nine Months Ended