

TYSON FOODS INC

FORM 8-K (Current report filing)

Filed 01/28/98 for the Period Ending 01/27/98

Address	2200 DON TYSON PARKWAY SPRINGDALE, AR 72762-6999
Telephone	479-290-4000
CIK	0000100493
Symbol	TSN
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported): January 26,1998

Tyson Foods, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

0-3400

71-0225165

(State or Other
Jurisdiction of
Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

2210 West Oaklawn Drive, Springdale, Arkansas 72762

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (501) 290-4000

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events

On January 26, 1998, the Registrant issued a Press Release entitled "Tyson Foods, Inc., Reports First Quarter Results," a copy of which is attached hereto as Exhibit 99.1 and made a part hereof.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits

99.1 Press Release, dated January 26, 1998, of Tyson Foods, Inc.

SIGNATURE

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

TYSON FOODS, INC.

By: /s/ Wayne Britt

Wayne Britt
Chief Financial
Officer

January 27, 1998

January 26, 1998

Mary Rush

TYSON FOODS, INC. REPORTS FIRST QUARTER RESULTS

Springdale, Arkansas--Tyson Foods, Inc. (NYSE:TSN), today announced operating results for the first quarter of fiscal year 1998 for the period ended December 27, 1997.

Earnings per share for the first quarter of fiscal 1998 were \$.21 compared to \$.20, up 5.0 percent from the same period last year. Gross profits increased 5.0 percent to \$260.7 million from last year's \$248.4 million and gross margin increased 80 basis points to 17.1 percent from last year's 16.3 percent.

Sales for the first quarter of fiscal 1998 were \$1.52 billion compared to \$1.53 billion last year, a decrease of 0.5 percent. The decrease in sales is mainly due to a 4.6% decrease in average sales prices mostly offset by a 4.3% increase in total volume. Included in general and administrative expense is a charge of \$6 million for penalties and costs associated with the January 12, 1998 settlement with the Office of Independent Counsel in connection with the former Secretary of Agriculture Michael Espy investigation.

"We are encouraged by the continued improvements on the cost side of our business, particularly with the decline in feed prices," Tollett added. "There will continue to be challenges in the marketplace, at least through our second quarter, due to an abundant supply of all meat proteins. We also anticipate continued soft pricing in the international markets in the near term, but remain optimistic about the balance of fiscal year 1998."

Tyson completed the merger with Hudson Foods on January 9, 1998, and is in the process of integrating the two companies. "The transition is progressing as expected; however, as with any acquisition, there are some areas that will need more attention than others. We expect the assimilation to command most of our attention for the remainder of the year. Our challenge and our goal is to manage this process in a manner that will allow us to quickly capitalize on the synergistic opportunities offered by the combined companies," Tollett said.

Tyson Foods, Inc. is the world's largest fully-integrated producer, processor and marketer of chicken and poultry-based food products.

The unaudited results are as follows:

Three Months Ended	(In millions except per share data)	
	December 27, 1997	December 28,1996
Sales	\$1,520.8	\$1,527.9
Cost of Sales	1,260.1	1,279.5
	-----	-----
Gross Profit	260.7	248.4
Expenses:		
Selling	125.6	125.1
General and Administrative	31.3	23.5
Amortization	5.9	6.8
	-----	-----
Operating Income	97.9	93.0
Other Expense (Income):		
Interest	27.2	28.9
Other	(0.6)	(41.5)
	-----	-----
Income Before Taxes on Income	71.3	105.6
Provision for Income Taxes	26.4	61.0
	-----	-----
Net Income	\$ 44.9	\$ 44.6
	=====	=====
Diluted Earnings Per Share	\$0.21	\$0.20
	=====	=====
Diluted Average Shares Outstanding	215.0	219.4
Dividends Per Share:		
Class A	\$0.0250	\$0.020
Class B	\$0.0225	\$0.018
	-----	-----
Sales Growth (Decline)	(0.5%)	(1.2%)
Margins: (Percent of Sales)		
Gross Profit	17.1%	16.3%
Operating Income	6.4%	6.1%
Income Before Taxes on Income	4.7%	6.9%
Net Income	3.0%	2.9%

CONSOLIDATED CONDENSED
 BALANCE SHEETS
 (In millions except per share amounts)

Assets	December 27, 1997	September 27, 1997
Current Assets:		
Cash and cash equivalents	\$ 24.2	\$ 23.6
Accounts receivable	589.7	617.8
Inventories	914.5	886.1
Assets held for sale	6.2	6.2
Other current assets	30.7	38.8
	-----	-----
Total Current Assets	1,565.3	1,572.5
Net Property, Plant and Equipment	1,920.5	1,924.8
Excess of Investments over Net		
Assets Acquired	725.3	731.1
Investments and Other Assets	193.1	182.6
	-----	-----
Total Assets	\$4,404.2	\$4,411.0
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Notes payable	\$ 138.8	\$ 37.3
Current portion of long-term debt	60.3	94.6
Trade accounts payable	269.0	290.3
Other accrued liabilities	280.8	298.8
	-----	-----
Total Current Liabilities	748.9	721.0
Long-Term Debt	1,491.7	1,558.2
Deferred Income Taxes	502.7	506.1
Other Liabilities	4.2	4.2
Shareholders' Equity:		
Common stock (\$.10 par value)		
Class A-authorized 900 million shares:		
Issued 119.5 million shares at		
12-27-97 and 9-27-97	11.9	11.9
Class B-authorized 900 million shares:		
Issued 102.7 million shares at		
12-27-97 and 9-27-97	10.3	10.3
Capital in excess of par value	379.1	379.1
Retained earnings	1,430.6	1,390.8
Currency translation adjustment	(2.2)	(2.5)
	-----	-----
	1,829.7	1,789.6
Less class A treasury stock, at cost-		
9.0 million shares at 12-27-97		
and 8.8 million shares at 9-27-97	170.6	165.6
Less unamortized deferred compensation	2.4	2.5
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Total Shareholders' Equity	1,656.7	1,621.5
	-----	-----
Total Liabilities and Shareholders' Equity	\$4,404.2	\$4,411.0
	=====	=====

CONSOLIDATED CONDENSED
 STATEMENTS OF CASH FLOWS
 For the Three Months Ended
 (In millions)

	December 27, 1997	December 28, 1996
Cash Flows from Operating Activities:		
Net Income	\$ 44.9	\$ 44.6
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:		
Depreciation	51.7	51.1
Amortization	5.9	6.8
Deferred Income Taxes	(3.4)	(0.1)
(Gain) Loss on Dispositions of Assets	0.6	(41.4)
Decrease in accounts receivable	28.1	52.0
(Increase) decrease in inventories	(28.4)	38.9
(Decrease) in trade accounts payable	(21.3)	(33.1)
Net change in other current assets and other current liabilities	(9.9)	63.8
	-----	-----
Cash Provided by Operating Activities	68.2	182.6
Cash Flows from Investing Activities:		
Additions to Property, Plant and Equipment	(50.3)	(44.6)
Proceeds from the sale of property, plant and equipment	2.4	186.5
Net change in other assets and liabilities	(10.6)	(5.5)
	-----	-----
Cash Used for Investing Activities	(58.5)	136.4
Cash Flows from Financing Activities:		
Net change in notes payable	101.5	(34.3)
Proceeds from long-term debt	20.4	19.4
Repayments of long-term debt	(121.2)	(221.1)
Purchase of treasury shares	(5.5)	
Other	(4.2)	(2.9)
	-----	-----
Cash (Used for) Provided by Financing Activities	(9.0)	(238.9)
Effect of Exchange Rate Change on Cash	(0.1)	(0.3)
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(Decrease) Increase in Cash and Cash Equivalents	0.6	79.8
Cash and Cash Equivalents at Beginning of Period	23.6	36.6
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Cash and Cash Equivalents at End of Period	\$ 24.2	\$ 116.4
	=====	=====

Financial information, such as this news release, as well as other historical data and current Company information can now be accessed from the Company's web site on the internet at <http://www.tyson.com>.

For a copy of this release, call fax-on-demand at (800) 758-5804, ext.113769.

End of Filing



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