

# TYSON FOODS INC

## FORM 10-Q (Quarterly Report)

Filed 05/16/95 for the Period Ending 04/01/95

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

**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 April 1, 1995 OR

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

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

**Commission File Number 0-3400**

**TYSON FOODS, INC.**

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(Exact name of registrant as specified in its charter)

Delaware

71-0225165

\_\_\_\_\_  
(State or other jurisdiction of  
incorporation or organization)

\_\_\_\_\_  
(I.R.S. Employer Identification No.)

2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999

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(Address of principal executive offices and zip code)

(501) 290-4000

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(Registrant's telephone number, including area code)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding April 1, 1995
Class A Common Stock, \$.10 Par Value	Shares 75,735,869
Class B Common Stock, \$.10 Par Value	Shares 68,454,738

# TYSON FOODS, INC.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**TYSON FOODS, INC.  
CONSOLIDATED CONDENSED BALANCE SHEETS**

(In thousands)

ASSETS	(Unaudited) April 1, 1995	October 1, 1994
Current Assets:		
Cash and cash equivalents	\$ 39,701	\$ 27,020
Accounts receivable	436,962	444,216
Inventories	819,462	754,190
Other current assets	37,123	35,841
	<hr/>	<hr/>
Total Current Assets	1,333,248	1,261,267
Net Property, Plant, and Equipment	1,664,731	1,609,997
Excess of Investments over Net Assets Acquired	732,630	741,626
Investments and Other Assets	70,776	55,110
	<hr/>	<hr/>
Total Assets	\$3,801,385 =====	\$3,668,000 =====

The accompanying notes are an integral part of these financial statements.

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED BALANCE SHEETS**

(In thousands except per share data)

LIABILITIES AND SHAREHOLDERS' EQUITY	(Unaudited) April 1, 1995	October 1, 1994
Current Liabilities:		
Notes Payable	\$ 68,792	\$ 49,360
Current portion of long-term debt	30,099	24,177
Trade accounts payable	223,129	258,589
Other accrued liabilities	212,868	207,657
	534,888	539,783
Total Current Liabilities	534,888	539,783
Long-Term Debt	1,458,603	1,381,481
Deferred Income Taxes	444,253	440,546
Minority Interests in Subsidiaries	7,556	16,767
Shareholders' Equity:		
Common stock (\$.10 par value):		
Class A-Authorized 900,000,000 shares; issued 79,686,965 shares at 4-1-95 and 79,686,153 shares at 10-1-94	7,969	7,969
Class B-Authorized 900,000,000 shares; issued 68,454,738 shares at 4-1-95 and 68,455,438 shares at 10-1-94	6,846	6,846
Capital in excess of par value	389,870	391,358
Retained earnings	1,051,129	953,840
Currency translation adjustment	(4,112)	1,180
	1,451,702	1,361,193
Less treasury stock-3,951,096 shares at 4-1-95 and 2,941,151 shares at 10-1-94, at cost	92,647	68,700
Less unamortized deferred compensation	2,970	3,070
	1,356,085	1,289,423
Total Shareholders' Equity	1,356,085	1,289,423
	\$3,801,385	\$3,668,000
Total Liabilities and Shareholders' Equity	=====	=====

The accompanying notes are an integral part of these financial statements.

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF INCOME**

(In thousands except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	April 1, 1995	April 2, 1994	April 1, 1995	April 2, 1994
Sales	\$1,343,092	\$1,261,903	\$2,669,449	\$2,414,693
Cost of Sales	1,073,035	1,039,383	2,130,506	1,974,798
Gross Profit	270,057	222,520	538,943	439,895
Expenses:				
Selling	119,239	105,432	236,203	201,705
General and administrative	28,730	21,273	59,451	44,671
Amortization	6,391	8,084	12,893	16,249
Operating Income	115,697	87,731	230,396	177,270
Other Expense (Income):				
Interest	28,105	20,083	53,464	37,099
Foreign Currency Exchange Loss	14,083		19,880	
Other	1,212	(3,048)	1,846	(3,272)
Income Before Taxes on Income and Minority Interest	72,297	70,696	155,206	143,443
Provision for Income Taxes	27,404	27,575	59,436	55,943
Minority Interest in Net Loss of Consolidated Subsidiary	5,550		6,908	
Net Income	\$ 50,443	\$ 43,121	\$ 102,678	\$ 87,500
Average Shares Outstanding	145,009	148,544	145,019	148,496
Earnings Per Share	\$0.35	\$0.29	\$0.71	\$0.59
Cash Dividends Per Share:				
Class A	\$0.0200	\$0.0200	\$0.0400	\$0.0300
Class B	\$0.0167	\$0.0167	\$0.0333	\$0.0250

The accompanying notes are an integral part of these financial statements.

**TYSON FOODS, INC.**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
(In thousands)

	(Unaudited)	
	Six Months Ended	
	April 1, 1995	April 2, 1994
Cash Flows from Operating Activities:		
Net income	\$ 102,678	\$ 87,500
Adjustments to reconcile net income to cash provided by (used for) operating activities:		
Depreciation	86,313	75,999
Amortization	12,893	16,249
Deferred income taxes	3,707	6,553
Foreign currency exchange loss	19,880	
Minority interest in consolidated subsidiary	(6,908)	
Loss on dispositions of property and equipment	3,424	1,957
(Increase) decrease in accounts receivable	1,915	(289,120)
Increase in inventories	(74,030)	(72,741)
Decrease in trade accounts payable	(29,161)	(4,532)
Net change in other current assets and liabilities	1,291	(35,739)
Cash Provided by (Used for) Operating Activities	122,002	(213,874)
Cash Flows from Investing Activities:		
Net cash paid for acquisitions		(33,476)
Additions to property, plant and equipment	(181,483)	(102,370)
Proceeds from sale of property, plant and equipment	6,147	3,296
Net increase in other assets and liabilities	(15,576)	(22,469)
Cash Used for Investing Activities	(190,912)	(155,019)
Cash Flows from Financing Activities:		
Net change in notes payable	19,432	109,400
Proceeds from long-term debt	122,320	319,545
Repayments of long-term debt	(25,748)	(47,391)
Purchase of treasury shares	(26,855)	(1,173)
Dividends	(5,389)	(4,083)
Other	2,835	3,628
Cash Provided by Financing Activities	86,595	379,926
Effect of Exchange Rate Change on Cash	(5,004)	
Increase in Cash and Cash Equivalents	12,681	11,033
Cash and Cash Equivalents at Beginning of Period	27,020	21,547
Cash and Cash Equivalents at End of Period	\$ 39,701	\$ 32,580
	=====	=====
Supplemental Cash Flow Information, Cash paid during the period for:		
Interest	\$51,904	\$39,465
Income taxes	\$54,590	\$50,481

The accompanying notes are an integral part of these financial statements.

**TYSON FOODS, INC.**

**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

(Unaudited)

1. Accounting Policies

The consolidated condensed financial statements have been prepared by Tyson Foods, Inc. (the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and accounting policies and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. Although the management of the Company believes that the disclosures are adequate to make the information presented not misleading, these consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's latest annual report for the fiscal year ended October 1, 1994. In the opinion of the management of the Company, the accompanying consolidated condensed financial statements contain all adjustments, consisting of normal recurring accruals necessary to present fairly the financial position as of April 1, 1995 and October 1, 1994, the results of operations for the three months and six months ended April 1, 1995, and April 2, 1994 and cash flows for the six months ended April 1, 1995 and April 2, 1994. The results of operations for the three months and six months ended April 1, 1995 and April 2, 1994, and cash flows for the six months ended April 1, 1995 and April 2, 1994, are not necessarily indicative of the results to be expected for the full year.

The Notes to Consolidated Financial Statements for the year ended October 1, 1994, reflect the significant accounting policies, debt provisions, borrowing arrangements, dividend restrictions, contingencies and commitments of the Company. There were no material changes in such items during the six months ended April 1, 1995, except as disclosed below.

2. Inventories

	(In thousands)	
	April 1, 1995	October 1, 1994
Inventories, valued at the lower of cost (first-in, first-out) or market consist of the following:		
Finished and work-in-process	\$387,161	\$346,846
Live poultry and hogs	260,854	255,904
Seafood related products	52,664	36,494
Hatchery eggs and feed	45,031	44,048
Supplies	73,752	70,898
Total	\$819,462	\$754,190
	=====	=====

**TYSON FOODS, INC.**  
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**

3. Contingencies

The Company is involved in two matters relating to Arctic Alaska Fisheries Corporation (Arctic). In April 1994, after investigations beginning as early as 1990, a Federal Grand Jury in Seattle, Washington indicted former officers, directors and employees of Arctic as well as Arctic on criminal charges stemming from the sinking of the fishing vessel Aleutian Enterprise in 1990 and other matters relating to the overall operation of Arctic. In September 1994, the Federal Grand Jury issued superseding indictments against the former officers, directors and employees as well as Arctic on substantially identical criminal charges with two prior indictees being dismissed. In December 1994, the Federal Grand Jury issued a second superseding indictment against the former officers, directors and employees as well as Arctic on substantially identical criminal charges with three prior indictees being charged with misdemeanors rather than felonies. The factual allegations giving rise to the multiple indictments in the United States District Court, Western District of Washington at Seattle, occurred prior to the Company's acquisition of Arctic on October 5, 1992. Arctic reached a settlement with the U.S. Attorney's office in Seattle, Washington whereby Arctic plead guilty on May 2, 1995, to two felony charges: one count of conspiracy to defraud the federal government (18 USC 1001) and one count of negligently causing a death at sea (18 USC 1115), resulting in an aggregate fine not to exceed \$1 million. All other charges against Arctic have been dismissed. Accordingly, Management believes that the final resolution of this matter will not have a material adverse effect on the Company's financial position or results of operations.

Also, on September 8, 1993, the State of Alaska, after conducting investigations, filed a Complaint for Forfeiture and Damages alleging that certain Arctic vessels participated in the use of certain fishing gear during 1990, 1991, and 1992. While management is not able at the present time to determine the outcome of this matter, based upon information currently available, the Company believes that the probability is remote that its resolution will have a material adverse effect on the Company's financial position or results of operations.

# TYSON FOODS, INC.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### FINANCIAL CONDITION

For the six months ended April 1, 1995, net cash of \$122.0 million was provided by all operating activities, consisting of \$222.0 million provided by operations and \$100.0 million used for net changes in receivables, inventories, payables and other items. Finished inventories have increased from 1994 fiscal year-end due to seasonal inventory fluctuations, as well as more volume from expansion and competitive pressures from increased supplies of poultry and alternative red meats in the market place. Financing activities provided net cash of \$86.6 million, mainly due to debt borrowings during the first six months of fiscal 1995. The Company primarily used funds generated from operating and financing activities to fund \$181.5 million of property, plant and equipment additions. The expenditures for property, plant and equipment were related to expansion of processing capabilities, acquiring new equipment and upgrading facilities to take advantage of market opportunities. Additionally, the Company makes a continuing effort to increase efficiencies, reduce overall cost and meet or exceed environmental standards.

At April 1, 1995, working capital was \$798.4 million compared to \$721.5 million at 1994 fiscal year-end, an increase of \$76.9 million. The current ratio at April 1, 1995 was 2.49 to 1 compared to 2.34 to 1 at October 1, 1994. Working capital and the current ratio have increased since year-end primarily due to increases in inventories. The Company's foreseeable cash needs for operations and capital expenditures will continue to be met through cash flows from operations and borrowings supported by existing credit facilities and additional credit facilities which the Company believes are available. On March 22, 1995, the Company filed a shelf registration statement with the Securities and Exchange Commission covering the sale from time to time of up to \$500,000,000 of debt securities (the "Debt Securities"). Upon the effectiveness of the Registration Statement, the Debt Securities may be offered to the public on terms determined by market conditions at the time of sale. The net proceeds from the sale of the Debt Securities, will be used by the Company to refinance existing indebtedness, to finance acquisitions, as opportunities may arise, and for other general corporate purposes.

Long-term debt has increased \$77.1 million since October 1, 1994. At April 1, 1995, long-term debt was 51.8% of total capitalization compared to 51.7% at October 1, 1994. The Company's two unsecured revolving credit agreements provide up to \$1.5 billion of financing which supports the Company's commercial paper program. At April 1, 1995, \$982.4 million was outstanding under, or supported by, the \$1.5 billion financing facilities consisting of \$937.4 million of commercial paper and \$45.0 million drawn under the revolving credit facilities. Additional outstanding long-term debt at April 1, 1995, consisted of \$348.7 million of institutional notes, \$55.0 million of bank notes and \$72.5 million of other indebtedness.

**RESULTS OF OPERATIONS**

Sales for the second quarter of fiscal 1995 increased 6.4% over the same quarter of fiscal 1994. This increase was largely due to an increase in consumer poultry sales which increased fiscal 1995 second quarter total sales by 5.3%. The increase in consumer poultry sales is attributable to an 11.5% increase in tonnage offset somewhat by a 3.9% decrease in average sales prices. Trasgo S.A. de C.V. (Trasgo), the Company's 50.1% owned Mexican subsidiary, which was acquired in the third quarter of fiscal 1994, accounted for 30% of the increase in consumer poultry sales. Lower average sales prices for consumer poultry primarily resulted from an increased supply of poultry and alternative red meats in the market. Until consumer demand increases or poultry and alternative protein supplies subside, consumer poultry sales prices may remain pressured. These price pressures are expected to adversely affect third quarter consumer poultry operations. Further, Management is unable to predict when market corrections in demand or supply will occur. Beef and pork sales decreased fiscal 1995 second quarter total sales by 1.6% compared to the same quarter of fiscal 1994. The decrease in beef and pork sales was due to a 4.5% decrease in tonnage and a 9.9% decrease in average sales prices. Sales of Mexican food and prepared foods as a group increased fiscal 1995 second quarter total sales by 1.9%. Culinary Foods, Inc., acquired by the Company in the fourth quarter of fiscal 1994, accounted for 80.6% of the increase in this group. Seafood sales decreased fiscal 1995 second quarter total sales 0.1% due to an 11.3% decrease in tonnage offset by an 11.9% increase in average sales prices. Second quarter sales of animal foods, by-products, live swine and other sales as a group increased fiscal 1995 second quarter total sales by 0.9% compared to the same quarter of last year due to an 8.3% increase in tonnage and a 13.4% increase in average sales prices.

Low market prices, which were below the Company's rearing costs, adversely affected both sales and profit margins for live swine during the second quarter and first six months of fiscal 1995. As a result, the Company's integrated pork processing operations suffered a cost disadvantage against non-integrated pork processors, who were able to source their raw materials at lower costs. While the impact of lower market prices for live swine improved during the second quarter as compared to the first quarter, the Company's live swine and integrated pork processing operations continue to be affected by this market condition as well as from an excess supply of processed pork in the market place. The Company's live swine and pork operations reported an after-tax loss for the second quarter and first six months of fiscal 1995 of \$4.6 million and \$9.0 million, respectively. These losses were partially offset by contributions from other lines in the beef and pork division.

Until demand increases beyond supply, or pork and alternative protein supplies subside, market prices will remain low and future operating results of the Company's live swine and pork processing operations are expected to be adversely impacted. However, management continues to believe that its strategy of pursuing fully integrated swine operations, which provide relatively consistent raw material costs, will result in improved long-term performance as market conditions change over time. However, it is impossible to predict when market changes will result in positive operating results in the Company's pork operations.

## TYSON FOODS, INC.

Sales for the first six months of fiscal 1995 increased 10.6% over the same period of fiscal 1994. This increase was mainly due to an increase in consumer poultry sales which increased fiscal 1995 first six months total sales by 7.7%. The increase in consumer poultry sales is attributable to a 13.6% increase in tonnage offset somewhat by a 2.9% decrease in average sales prices. Trasgo accounted for 29.1% of the increase in consumer poultry sales. Beef and pork sales decreased fiscal 1995 first six months total sales by 0.5% compared to the same period of fiscal 1994. The decrease in beef and pork sales was due to a 10.0% decrease in average sales prices offset somewhat by a 6.2% increase in tonnage. The increase in beef and pork tonnage is mainly due to the acquisition of Gorges Foodservice, Inc. in the second quarter of fiscal 1994. Sales of Mexican food and prepared foods as a group increased fiscal 1995 first six months total sales by 2.4%. Culinary Foods, Inc. accounted for 71.9% of the increase in prepared foods. Seafood sales increased fiscal 1995 first six months total sales 0.2% due to a 7.5% increase in average sales prices offset somewhat by a 2.4% decrease in tonnage. First six months sales of animal foods, by-products, live swine and other sales as a group increased fiscal 1995 first six months total sales by 0.8% compared to the same period of last year due to a 10.8% increase in tonnage and an 8.5% increase in average sales prices.

The increase in cost of goods sold of 3.2% for the second quarter of fiscal 1995 compared to the same quarter of fiscal 1994 was mainly the result of the increase in sales offset by a decrease of approximately 18.2% in cost of feed for live poultry and swine. As a percent of sales, cost of sales was 79.9% for the second quarter of fiscal 1995 compared to 82.4% in the second quarter of fiscal 1994. The Company monitors and compares costs for labor, raw material purchases, utilities and other expenses to companies within the industry as part of its cost control measures and believes such costs are at least within industry averages.

The increase in cost of goods sold of 7.9% for the first six months of fiscal 1995 compared to the same period of fiscal 1994 was mainly the result of the increase in sales offset by a decrease of approximately 15.0% in the cost of feed for live poultry and swine. As a percent of sales, cost of sales was 79.8% for the first six months of fiscal 1995 compared to 81.8% in the first six months of fiscal 1994.

Operating expenses increased 14.5% for the second quarter of fiscal 1995 over the same quarter of fiscal 1994. Acquisitions during the last six months of fiscal 1994 accounted for 38.2% of the increase in operating expenses. Selling expense, as a percent of sales, in the second quarter of fiscal 1995 was 8.9% compared to 8.4% in the same quarter of fiscal 1994. Increased storage and distribution costs, a portion of which is related to increases in international sales, have contributed to increased selling expenses. General and administrative expense, as a percent of sales, was 2.1% in the second quarter of fiscal 1995 compared to 1.7% in the same period of fiscal 1994. Increases in legal costs continue to have an impact on general and administrative expenses. Amortization expense was 0.5% of sales in the second quarter of fiscal 1995 compared to 0.6% in fiscal 1994.

## TYSON FOODS, INC.

Operating expenses increased 17.5% for the first six months of fiscal 1995 over the same period of fiscal 1994. Acquisitions during the last six months of fiscal 1994 accounted for 39.2% of the increase in operating expenses. Selling expense, as a percent of sales, in the first six months of fiscal 1995 was 8.9% compared to 8.4% in the same period of fiscal 1994. Increased storage and distribution costs, a portion of which is related to increases in international sales, have contributed to increased selling expenses. General and administrative expense, as a percent of sales, was 2.2% in the first six months of fiscal 1995 compared to 1.8% in the same period of fiscal 1994. Amortization expense was 0.5% of sales in the first six months of fiscal 1995 compared to 0.7% in fiscal 1994.

The devaluation of the Mexican peso adversely affected Trasgo's fiscal 1995 second quarter and first six months operating results. The Company's share of Trasgo's net loss reduced the Company's consolidated net income by \$5.7 million (\$0.4 per share) and \$7.0 million (\$0.5 per share), respectively. Management will continue to evaluate the effect of exchange rates on Trasgo's operating results to determine its impact, if any, on the Company's future operating results.

Interest expense increased 39.9% in the second quarter of fiscal 1995 compared to the same quarter of fiscal 1994. Trasgo accounted for 24.7% of the increase in interest expense. The Company's short-term interest rates were approximately 90% higher than the same period last year, which raised the weighted average interest rate of all Company debt to 7.9% compared to 6.1% for the same period last year. In addition, the Company had a higher level of borrowing as a result of acquisitions and the consolidation of Trasgo's debt which increased the Company's average indebtedness by 8.8% over the same period last year.

Interest expense increased 44.1% in the first six months of fiscal 1995 compared to the same period of fiscal 1994. Trasgo accounted for 24.8% of the increase in interest expense. The Company's short-term interest rates were approximately 70% higher than the same period last year, which raised the weighted average interest rate of all Company debt to 7.5% compared to 6.1% for the same period last year. In addition, the Company had a higher level of borrowing as a result of acquisitions and the consolidation of Trasgo's debt which increased the Company's average indebtedness by 18.5% over the same period last year.

The effective income tax rate for the second quarter and first six months of fiscal 1995 was 37.9% and 38.3%, respectively, compared to 39% in the same periods of fiscal 1994. The decrease in the effective tax rate is due to reduced state income taxes and the reduced impact of the non-deductibility of amortization of excess of investments over net assets acquired as income before income taxes increases plus an increase in items deductible for income tax purposes that are not deductible for financial statement purposes.

### **ENVIRONMENTAL MATTERS**

The Company has a strong financial commitment to environmental matters. During the first six months of fiscal 1995 the Company invested approximately \$19.0 million in water quality facilities, including capital outlays to build and upgrade facilities, and \$17.1 million for day-to-day operations of waste- water facilities.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

On April 13, 1995, a purported shareholder's derivative action (the "Action") was filed by a single shareholder on the Company's behalf in the Court of Chancery of Delaware against the directors and principal shareholders of the Company. The Action alleges that such persons breached their fiduciary duties to the Company as a result of their approval and/or participation in certain transactions in fiscal year 1994 between the Company and various officers and directors or their affiliates, including certain lease, poultry supply, poultry grow-out, wastewater treatment and research and development service arrangements (such transactions being more fully described under the caption "Certain Transactions" in the Company's Proxy Statement for its 1995 Annual Meeting). Additionally, the Action alleges that the compensation and expense reimbursements paid to the Company's Senior Chairman in fiscal year 1994, and the expense reimbursements paid to him in fiscal year 1993, were excessive. The Action seeks various remedies, including (i) voiding of the challenged transactions and an accounting of profits derived therefrom, (ii) damages resulting from the challenged transactions and (iii) costs, expenses and attorney fees. The Company is named as a nominal defendant in the Action, but no claim has been asserted against it.

On May 10, 1995, the defendants filed a Motion to Dismiss the Action claiming failure by the plaintiff to (i) make a pre-suit demand for action by the directors of the Company, (ii) obtain personal jurisdiction over certain shareholder defendants and (iii) state a claim upon which relief can be granted. The motion is currently pending before the Court of Chancery.

Since the Action purports to be a shareholder's derivative suit, any recovery (except attorneys fees or other costs and expenses, if allowed) would not be paid to the plaintiff, but rather would be paid directly to the Company. The Company has undertaken to advance certain expenses of the director defendants and, if applicable, may be required to satisfy certain indemnification obligations with respect to such individuals. However, Management does not believe that the Action or such indemnification obligations will have a material adverse effect on the Company's financial position or results of operations.

See Note 3 of Notes to Consolidated Condensed Financial Statements with respect to certain contingencies related to Arctic.

# TYSON FOODS, INC.

## Item 4. Submission of Matters to a Vote of Security Holders

The following directors were elected at the annual shareholders' meeting held January 13, 1995:

DIRECTORS	VOTES FOR	VOTES WITHHELD
Neely Cassady	745,139,649	675,993
Lloyd V. Hackley	745,129,210	686,432
Shelby Massey	745,139,992	675,650
Joe F. Starr	745,126,731	688,911
Leland Tollett	745,145,866	669,776
Barbara Tyson	745,140,905	674,737
Don Tyson	745,135,555	680,087
John H. Tyson	745,138,611	677,031
Fred S. Vorsanger	745,132,638	683,004
Donald E. Wray	745,151,802	663,840

Additionally, Don Tyson, Chairman of the Board of Directors of the Company, announced that effective April 21, 1995, he would step down as Chairman of the Board of Directors and serve as Senior Chairman of the Board of Directors. Don Tyson was elected Senior Chairman of the Board of Directors at its meeting prior to the annual shareholders meeting. The Board of Directors also elected Leland Tollett, currently President and Chief Executive Officer, to succeed Don Tyson as Chairman of the Board of Directors effective April 21, 1995.

Shareholders also approved (1) the adoption of the Senior Executive Performance Bonus Plan with 737,233,361 votes for approval, 4,300,727 votes against, 933,582 votes abstaining and 3,347,972 nonvotes and (2) Amendments to the Amended and Restated Nonstatutory Stock Option Plan with 728,678,413 votes for approval, 2,785,174 votes against, 1,061,483 votes abstaining and 13,290,572 nonvotes.

No other items were voted upon at the annual shareholders' meeting or during the quarter ended April 1, 1995.

## Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

The exhibits filed with this report are listed in the exhibit index at the end of this Item 6.

(b) Reports on Form 8-K:

None.

# TYSON FOODS, INC.

## EXHIBIT INDEX

The following exhibits are filed with this report.

Exhibit No.		Page
<hr/>		
3(a)	Certificate of Incorporation of the Company as amended (previously filed as Exhibit 3(a) to the Company's Registration Statement on Form S-4 filed with the Commission on July 8, 1992, Commission file No. 33-49368, and incorporated herein by reference).	
3(b)	Amended and Restated Bylaws of the Company (previously filed as Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended October 1, 1994, Commission file No. 0-3400, and incorporated herein by reference).	
11	Statement Regarding Computation of Per Share Earnings	17-18
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**TYSON FOODS, INC.**

**SIGNATURES**

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 thereunto duly authorized.

**TYSON FOODS, INC.**

*Date: May 15, 1995*

\_\_\_\_\_

*/s/ Gerald Johnston*

\_\_\_\_\_

*Gerald Johnston  
Executive Vice President,  
Finance*

*Date: May 15, 1995*

\_\_\_\_\_

*/s/ Gary Johnson*

\_\_\_\_\_

*Gary Johnson  
Corporate Controller*

## TYSON FOODS, INC.

**COMPUTATION OF EARNINGS PER SHARE**  
(In thousands except per share data)

	Quarter Ended	
	April 1, 1995	April 2, 1994
Primary:		
Average common shares outstanding during the period	144,191	147,598
Net effect of dilutive stock options based on the treasury stock method using average market price	818	946
Total common and common equivalent shares outstanding	145,009	148,544
Net income	\$50,443	\$43,121
Earnings per share	\$.35	\$.29
	=====	=====
Fully Diluted:		
Average common shares outstanding during the period	144,190	147,598
Net effect of dilutive stock options based on the treasury stock method using the quarter-end market price, if higher than average market price	913	946
Total common and common equivalent shares outstanding	145,103	148,544
Net income	\$50,443	\$43,121
Earnings per share	\$.35	\$.29
	=====	=====

**TYSON FOODS, INC.**  
**COMPUTATION OF EARNINGS PER SHARE**  
(In thousands except per share data)

	Six Months Ended	
	April 1, 1995	April 2, 1994
Primary:		
Average common shares outstanding during the period	144,201	147,550
Net effect of dilutive stock options based on the treasury stock method using average market price	818	946
Total common and common equivalent shares outstanding	145,019	148,496
Net income	\$102,678	\$87,500
Earnings per share	\$.71	\$.59
Fully Diluted:		
Average common shares outstanding during the period	144,200	147,550
Net effect of dilutive stock options based on the treasury stock method using the quarter-end market price, if higher than average market price	913	946
Total common and common equivalent shares outstanding	145,113	148,496
Net income	\$102,678	\$87,500
Earnings per share	\$.71	\$.59

**Exhibit 12**

This computation is being included for incorporation by reference to the Company's Form S-3 Registration Statement File No. 33-58177 for the shelf registration of up to \$500,000,000 of debt securities.

**TYSON FOODS, INC.**  
**STATEMENT SETTING FORTH COMPUTATION OF RATIOS OF**  
**EARNINGS TO FIXED CHARGES**  
(Dollars in Thousands)

	Six Months Ended
	April 1, 1995
	-----
Net income for the period	\$ 102,678
Add:	
Provision for income taxes	59,436
Fixed charges	62,314
Less capitalized interest	(1,621)
	-----
Income before taxes on income and fixed charges	\$222,807
Fixed charges:	
Interest	\$ 53,464
Capitalized interest	1,621
Rentals at computed interest factor (1)	5,299
Amortization of debt discount expense	1,930
	-----
Total fixed charges	\$ 62,314
Ratio of earnings to fixed charges	3.58

(1) Amounts represent those portions of rent expense (one-third) that are reasonable approximations of interest costs.

## ARTICLE 5

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE QUARTERLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED APRIL 1, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000100493

NAME: TYSON FOODS, INC.

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	SEP 30 1995
PERIOD END	APR 1 1995
CASH	39,701
SECURITIES	0
RECEIVABLES	440,232
ALLOWANCES	3,270
INVENTORY	819,462
CURRENT ASSETS	1,333,248
PP&E	2,632,795
DEPRECIATION	968,064
TOTAL ASSETS	3,801,385
CURRENT LIABILITIES	534,888
BONDS	1,458,603
COMMON	14,815
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	1,341,270
TOTAL LIABILITY AND EQUITY	3,801,385
SALES	2,669,449
TOTAL REVENUES	2,669,449
CGS	2,130,506
TOTAL COSTS	2,130,506
OTHER EXPENSES	330,273
LOSS PROVISION	0
INTEREST EXPENSE	53,464
INCOME PRETAX	155,206
INCOME TAX	59,436
INCOME CONTINUING	95,770
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	102,678
EPS PRIMARY	.71
EPS DILUTED	.71

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