

TYSON FOODS INC

FORM 8-K (Current report filing)

Filed 04/28/98 for the Period Ending 04/27/98

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): April 27, 1998

Tyson Foods, Inc.

(Exact Name of Registration as Specified in Charter)
Delaware 0-3400 71-0225165

(State or Other Jurisdiction (Commission File Number) (IRS Employer of Incorporation) 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 April 27, 1998, the Registrant issued a Press Release entitled "Tyson Foods, Inc. Reports Second Quarter and Six Months 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

Exhibits

99.1 Press Release, dated April 27, 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

April 27, 1998

TYSON FOODS, INC. REPORTS SECOND QUARTER AND SIX MONTHS RESULTS

Springdale, Arkansas--Tyson Foods, Inc. (NYSE:TSN), today announced operating results for the second quarter and first six months of fiscal year 1998 for the period ended March 28, 1998.

Diluted earnings per share for the second quarter of fiscal 1998 were \$.10 compared to \$.22, down 55 percent from the same period last year. Gross profits increased 2.5 percent to \$268.8 million from last year's \$262.2 million and gross margin decreased 230 basis points to 14.4 percent from last year's 16.7 percent.

Sales for the second quarter of fiscal 1998 were \$1.87 billion compared to \$1.57 billion last year, an increase of 18.8 percent. The increase in sales is mainly due to the acquisition of Hudson Foods on January 9, 1998, resulting in an overall increase of 27.3 percent in total volume partially offset by a 6.7 percent decrease in average sales prices. For a benchmark, the average Georgia Dock price decreased 10.85 percent over the same period last year.

Diluted earnings per share for the first six months of fiscal 1998 were \$.31 compared to \$.42, down 26.2 percent from the same period last year. Gross profits increased 3.7 percent to \$529.5 million from last year's \$510.6 million and gross margin decreased 90 basis points to 15.6 percent from last year's 16.5 percent.

Sales for the first six months of fiscal 1998 were \$3.39 billion compared to \$3.10 billion last year, an increase of 9.3 percent. The increase in sales is mainly due to the acquisition of Hudson Foods, resulting in an overall 15.9 percent increase in total volume partially offset by a 5.7 percent decrease in average sales prices. The average Georgia Dock price decreased 11.35 percent over the same period last year. Included in general and administrative expense for the first six months 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 pleased with the progress we've made in the assimilation of Hudson Foods and feel we are on track to capture the synergies we stated at the CAGNY Conference in February," said Leland Tollett, Chairman and CEO. "However, we are not pleased with the operating results for the quarter, which were impacted by the excess supply of all meat proteins, weakness in the export markets and the quality of the Hudson Foods sales mix we inherited. Nevertheless, we are encouraged by our prospects for the remainder of the year. Poultry prices are beginning to improve and there has been a significant reduction in both corn and soybean meal prices."

Tyson Foods, Inc. is the world's largest fully-integrated producer, processor and marketer of chicken and poultry-based food products. This press release contains forward-looking statements based on management's current views and assumptions. Actual events may differ. Please refer to the "Cautionary Statements Relevant to Forward-looking Information" on pages 11 and 12 of the Company's 1997 Annual Report on Form 10-K for a discussion of these matters.

The unaudited results are as follows:

(In millions except per share data)

Three Months Ended -----	March 28, 1998 -----	March 29, 1997 -----
Sales	\$1,870.8	\$1,574.3
Cost of Sales	1,602.0	1,312.1
	-----	-----
Gross Profit	268.8	262.2
Expenses:		
Selling	155.2	125.2
General and Administrative	33.6	25.3
Amortization	8.3	6.9
	-----	-----
Operating Income	71.7	104.8
Other Expense (Income):		
Interest	38.0	26.2
Other	(3.2)	2.1
	-----	-----
Income Before Taxes on Income	36.9	76.5
Provision for Income Taxes	13.6	28.3
	-----	-----
Net Income	\$ 23.3	\$ 48.2
	=====	=====
Diluted Earnings Per Share	\$0.10	\$0.22
Diluted Average Shares Outstanding	232.4	219.0
Dividends Per Share: Class A	\$0.0250	\$0.0250
Class B	\$0.0225	\$0.0225
	-----	-----
Sales Growth (Decline)	18.8%	(0.8%)
Margins: (Percent of Sales)		
Gross Profit	14.4%	16.7%
Operating Income	3.8%	6.7%
Income Before Taxes on Income	2.0%	4.9%
Net Income	1.2%	3.1%
	-----	-----

The unaudited results are as follows:

(In millions except per share data)

Six Months Ended	March 28, 1998	March 29, 1997
-----	-----	-----
Sales	\$3,391.6	\$3,102.2
Cost of Sales	2,862.1	2,591.6
	-----	-----
Gross Profit	529.5	510.6
Expenses:		
Selling	280.8	250.3
General and Administrative	64.9	48.8
Amortization	14.2	13.7
	-----	-----
Operating Income	169.6	197.8
Other Expense (Income):		
Interest	65.2	55.1
Other	(3.8)	(39.4)
	-----	-----
Income Before Taxes on Income	108.2	182.1
Provision for Income Taxes	40.0	89.3
	-----	-----
Net Income	\$ 68.2	\$ 92.8
	=====	=====
Diluted Earnings Per Share	\$0.31	\$0.42
Diluted Average Shares Outstanding	223.4	219.2
Dividends Per Share: Class A	\$0.0500	\$0.0450
Class B	\$0.0450	\$0.0405
-----	-----	-----
Sales Growth (Decline)	9.3%	(1.0%)
Margins: (Percent of Sales)		
Gross Profit	15.6%	16.5%
Operating Income	5.0%	6.4%
Income Before Taxes on Income	3.2%	5.9%
Net Income	2.0%	3.0%
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CONSOLIDATED CONDENSED
 BALANCE SHEETS
 (In millions except per share amounts)

Assets	March 28, 1998	September 27, 1997
-----	-----	-----
Current Assets:		
Cash and cash equivalents	\$ 34.4	\$ 23.6
Accounts receivable	769.9	617.8
Inventories	1,151.6	886.1
Assets held for sale	125.2	6.2
Other current assets	53.8	38.8
	-----	-----
Total Current Assets	2,134.9	1,572.5
Net Property, Plant and Equipment	2,389.5	1,924.8
Excess of Investments over		
Net Assets Acquired	1,032.2	731.1
Investments and Other Assets	238.2	182.6
	-----	-----
Total Assets	\$5,794.8	\$4,411.0
	=====	=====
Liabilities and Shareholders' Equity		

Current Liabilities:		
Notes payable	\$ 56.3	\$ 37.3
Current portion of long-term debt	57.9	94.6
Trade accounts payable	342.6	290.3
Other accrued liabilities	467.4	298.8
	-----	-----
Total Current Liabilities	924.2	721.0
Long-Term Debt	2,249.9	1,558.2
Deferred Income Taxes	553.1	506.1
Other Liabilities	33.6	4.2
Shareholders' Equity:		
Common stock (\$.10 par value)		
Class A-authorized 900 million shares:		
Issued 137.9 million shares at 3-28-98 and		
119.5 million shares at 9-27-97	13.8	11.9
Class B-authorized 900 million shares:		
Issued 102.7 million shares at		
3-28-98 and 9-27-97	10.3	10.3
Capital in excess of par value	740.7	379.1
Retained earnings	1,448.3	1,390.8
Currency translation adjustment	(2.1)	(2.5)
	-----	-----
	2,211.0	1,789.6
Less class A treasury stock, at cost-		
9.0 million shares at 3-28-98		
and 8.8 million shares at 9-27-97	174.7	165.6
Less unamortized deferred compensation	2.3	2.5
	-----	-----
Total Shareholders' Equity	2,034.0	1,621.5
	-----	-----
Liabilities and Shareholders' Equity	\$5,794.8	\$4,411.0
	=====	=====

	March 28, 1998	March 29, 1997
	-----	-----
Cash Flows from Operating Activities:		
Net income	\$ 68.2	\$ 92.8
Adjustments to reconcile net income		
to cash provided by operating activities:		
Depreciation	114.0	101.5
Amortization	14.2	13.7
Deferred income taxes	(23.9)	(3.7)
(Gain) loss on dispositions of assets	(4.0)	(39.0)
(Increase) decrease in accounts receivable	(48.3)	39.6
(Increase) in inventories	(56.2)	(7.9)
Increase in trade accounts payable	1.6	8.2
Net change in other current assets and		
other current liabilities	88.9	47.9
	-----	-----
Cash Provided by Operating Activities	154.5	253.1
Cash Flows from Investing Activities:		
Net cash paid for acquisitions	(257.4)	
Additions to property, plant and equipment	(150.5)	(121.9)
Proceeds from the sale of property, plant		
and equipment	12.1	189.1
Net change in other assets and liabilities	(23.1)	(36.9)
	-----	-----
Cash (Used for) Provided by Investing Activities	(418.9)	30.3
Cash Flows from Financing Activities:		
Net change in notes payable	(66.0)	(38.5)
Proceeds from long-term debt	780.2	79.4
Repayments of long-term debt	(419.6)	(226.4)
Purchase of treasury shares	(9.8)	(25.8)
Other	(9.4)	(8.5)
	-----	-----
Cash Provided by (Used for) Financing Activities	275.4	(219.8)
Effect of Exchange Rate Change on Cash	(0.2)	0.2
	-----	-----
Increase in Cash and Cash Equivalents	10.8	63.8
Cash and Cash Equivalents at Beginning of Period	23.6	36.6
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 34.4	\$ 100.4
	=====	=====

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.

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