

HILLSHIRE BRANDS CO

Filed by
TYSON FOODS INC

FORM SC TO-T/A

(Amended tender offer statement by Third Party)

Filed 07/29/14

Address	400 SOUTH JEFFERSON STREET CHICAGO, IL 60607
Telephone	3126146000
CIK	0000023666
Symbol	HSH
SIC Code	2015 - Poultry Slaughtering and Processing
Industry	Food Processing
Sector	Consumer/Non-Cyclical
Fiscal Year	06/30

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

**TENDER OFFER STATEMENT UNDER SECTION 14(D)(1)
OR 13(E)(1) OF THE SECURITIES EXCHANGE ACT OF 1934**

(Amendment No. 2)

THE HILLSHIRE BRANDS COMPANY

(Name of Subject Company (Issuer))

**HMB HOLDINGS, INC.
TYSON FOODS, INC.**

(Names of Filing Persons (Offeror))

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

432589109

(Cusip Number of Class of Securities)

David L. Van Bebber
Executive Vice President and General Counsel
Tyson Foods, Inc.
2200 Don Tyson Parkway
Springdale, Arkansas 72762-6999
(479) 290-4000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

Copies to:
George R. Bason, Jr.
Marc O. Williams
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Telephone: (212) 450-4000

CALCULATION OF FILING FEE

Transaction Valuation*

\$8,080,786,746

Amount of Filing Fee**

\$1,040,805

* Estimated solely for the purposes of calculating the filing fee. The transaction value was determined by adding (i) the product of (a) 124,491,419, the number of issued and outstanding shares of The Hillshire Brands Company ("Hillshire Brands") common stock, and (b) \$63.00, the tender offer price, (ii) the product of (a) 3,525,971, the number of shares of Hillshire Brands common stock subject to issuance pursuant to outstanding options to purchase shares of Hillshire Brands common stock with an exercise price less than the tender offer price and (b) \$37.22, the difference between the tender offer price and the average weighted exercise price of such options, (iii) the product of (a) 1,574,125, the number of shares of Hillshire Brands common stock subject to issuance upon settlement of outstanding restricted stock units granted under Hillshire Brands equity compensation plans (assuming continued employment or service, as applicable, through consummation of the transaction and achievement at specified target or, if calculable, actual performance levels immediately prior to consummation of the transaction, as applicable) and (b) \$63.00, the tender offer price and (iv) the product of (a) 117,791, the number of shares of Hillshire Brands common stock subject to issuance upon settlement of deferred compensation equity awards under the Hillshire Brands deferred compensation plans and (b) \$63.00, the tender offer price. The foregoing figures have been provided by the issuer to the offerors and are as of July 9, 2014, the most recent practicable date.

** The filing fee was calculated in accordance with Rule 0-11 under the Securities Exchange Act of 1934, as amended, and Fee Rate Advisory

No. 1 for Fiscal Year 2014, issued August 30, 2013, by multiplying the transaction value by 0.00012880.

Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$1,040,805. Filing Party: HMB Holdings, Inc.
Form or Registration No.: SC TO-T. Date Filed: July 16, 2014

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

- third-party tender offer subject to Rule 14d-1.
- issuer tender offer subject to Rule 13e-4.
- going-private transaction subject to Rule 13e-3.
- amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer.

This Amendment No. 2 (this “**Amendment**”) amends and supplements the Tender Offer Statement on Schedule TO filed by Tyson Foods, Inc., a Delaware corporation (“**Tyson**”), and HMB Holdings, Inc., a Maryland corporation and a wholly owned subsidiary of Tyson (“**Purchaser**”), with the Securities and Exchange Commission on July 16, 2014 (as previously amended and together with any subsequent amendments and supplements thereto, the “**Schedule TO**”). The Schedule TO relates to the offer by Purchaser to purchase all outstanding shares of common stock, par value \$0.01 per share, of The Hillshire Brands Company, a Maryland corporation (“**Hillshire Brands**”), for \$63.00 per share, in cash, without interest, subject to any withholding of taxes required by applicable law and upon the terms and subject to the conditions set forth in the Offer to Purchase dated July 16, 2014 (the “**Offer to Purchase**”) and the related Letter of Transmittal, copies of which are attached as Exhibits (a)(1)(i) and (a)(1)(ii), respectively, to the Schedule TO.

Except as otherwise set forth in this Amendment, the information set forth in the Schedule TO remains unchanged and is incorporated herein by reference to the extent relevant to the items in this Amendment. Capitalized terms used but not defined herein have the meanings ascribed to them in the Schedule TO.

Items 1 through 9, and Item 11 .

Items 1 through 9 and Item 11 of the Schedule TO are hereby amended and supplemented as follows:

(a) The subsection titled “Hillshire Brands Projections” in Section 8 of the Offer to Purchase (“Certain Information Concerning Hillshire Brands”) is hereby amended by adding the following information immediately following footnote (1) to the table in the fourth full paragraph on page 23:

“Set forth below is a reconciliation of Net Income – As Adjusted and EPS – As Adjusted, each a non-GAAP financial measure, for the projections to unadjusted Net Income and EPS projections reflecting significant items, the closest comparable GAAP measures:

<i>(in millions, except per share data)(1)</i>	<u>Adjusted</u>	<u>Significant Items</u>	<u>Unadjusted</u>
Net Income	\$ 33	\$ (14)	\$ 19
EPS	\$ 0.26		\$ 0.15

(1) Pursuant to applicable rules, regulations, interpretations and positions of the SEC and its staff under the Securities Exchange Act of 1934, as amended, related to the presentation of non-GAAP financial information, this reconciliation was prepared by Hillshire Brands and provided to Tyson solely for inclusion in this Offer to Purchase and was not provided to Tyson prior to execution of the Merger Agreement.”

(b) The subsection titled “Hillshire Brands Estimated Financial Information” in Section 8 of the Offer to Purchase (“Certain Information Concerning Hillshire Brands”) is hereby amended and supplemented as follows:

The table in the third paragraph on page 24 is amended and restated in its entirety as follows:

<i>(in millions, except per share data)</i>	<u>4Q 2014</u>	<u>FY 2014</u>
Net Sales	\$1,064.7	\$4,085.4
Gross Profit	\$ 280.5	\$1,158.3
Operating Income – As Adjusted (1)	\$ 76.7	\$ 388.5
EPS – As Adjusted (1)	\$ 0.35	\$ 1.81

Immediately following footnote (1) to the table in the third paragraph on page 24, the following is added:

“Set forth below is a reconciliation of Operating Income – As Adjusted and EPS – As Adjusted, each a non-GAAP financial measure, for the estimated financial information provided by Hillshire Brands management for 4Q 2014 and the fiscal year 2014 to Tyson to unadjusted Operating Income and EPS estimates reflecting significant items, the closest comparable GAAP measures:

<i>(in millions, except per share data)(1)</i>	<u>Adjusted</u>	<u>Significant Items</u>	<u>Unadjusted</u>
Q4 2014			
Operating Income	\$ 76.7	\$ (16.0)	\$ 60.7
EPS	\$ 0.35		\$ 0.23
FY 2014			
Operating Income	\$ 388.5	\$ (80.8)	\$ 307.7
EPS	\$ 1.81		\$ 1.72

(1) Pursuant to applicable rules, regulations, interpretations and positions of the SEC and its staff under the Securities Exchange Act of 1934, as amended, related to the presentation of non-GAAP financial information, this reconciliation was prepared by Hillshire Brands and provided to Tyson solely for inclusion in this Offer to Purchase and was not provided to Tyson as part of the preliminary, estimated “flash” financial information for the fourth quarter of Hillshire Brands’ fiscal year 2014 and for the full fiscal year 2014 provided by Hillshire Brands to Tyson on July 10, 2014, subsequent to entry into the Merger Agreement.”

(c) Section 10 of the Offer to Purchase (“Source and Amount of Funds”) is hereby amended by adding the following paragraphs immediately after the last paragraph of the subsection titled “The Term Loan Facility—Other Terms”:

“ *Public Offerings* . On July 28, 2014, Tyson commenced concurrent public offerings of 24,000,000 shares of its Class A common stock and 30,000,000 tangible equity units, with each tangible equity unit having a stated amount of \$50 and comprised of a prepaid stock purchase contract and a senior amortizing note due July 15, 2017, each issued by Tyson. These offerings are separate public offerings made by means of separate prospectus supplements under Tyson’s effective shelf registration statement and are not contingent on each other or upon the consummation of the Merger.

Tyson intends to use the net proceeds from these offerings, together with additional debt financing and cash on hand, to finance the Offer and the Merger and to pay related fees and expenses. If for any reason the Merger is not consummated, then Tyson intends to use the net proceeds from these offerings for general corporate purposes.”

(d) The subsection titled “Litigation Related to the Merger” of Section 16 of the Offer to Purchase (“Certain Legal Matters; Regulatory Approvals”) is hereby deleted in its entirety and restated to read as follows:

“ *Litigation Related to the Merger* . Beginning on or around July 3, 2014, four putative stockholder class action complaints challenging the Merger and the Merger Agreement were filed in the Circuit Court for Baltimore City, Maryland. The complaints are captioned: *Cohen v. The Hillshire Brands Company, et al.* , No. 24-C-14-004060 (the “ **Cohen Action** ”); *Kennedy v. The Hillshire Brands Company, et al.* , No. 24-C-14-004106 (the “ **Kennedy Action** ”); *Jeweltex Manufacturing Inc. Retirement Plan v. The Hillshire Brands Company, et al.* , No. 24-C-14-004145 (the “ **Jeweltex Action** ”); and *Wegner v. The Hillshire Brands Company, et al.* , No. 24-C-14-004300 (the “ **Wegner Action** ”). These four actions alleged, among other things, that the individual members of the Hillshire Brands’ board of directors breached their fiduciary duties by entering into the Merger Agreement.

On July 23, 2014, the Court issued an order (the “ **Order** ”) consolidating the *Bucks County Action*, the *Cohen Action* , the *Kennedy Action* , the *Jeweltex Action* and the *Wegner Action* under the caption, *Bucks County Employees Retirement Fund, et al. v. The Hillshire Brands Company, et al.* , No. 24-C-14-3492 (the “ **Consolidated Action** ”).

On July 24, 2014, plaintiffs in the Consolidated Action (the “ **Plaintiffs** ”) filed a consolidated putative stockholder class action complaint (the “ **Consolidated Complaint** ”), naming as defendants the individual members of the Hillshire Brands’ board of directors (the “ **Director Defendants** ”), Hillshire Brands, and Tyson and Purchaser (together, the “ **Tyson Defendants** ” and, collectively with the Director Defendants and Hillshire Brands, the “ **Defendants** ”) and alleging, among other things, that the Director Defendants breached their fiduciary duties by entering into the Merger Agreement. The Consolidated Complaint alleges that the consideration in the Merger undervalues Hillshire Brands and that the deal protection provisions in the Merger Agreement unduly favor Tyson and preclude or impede other bidders from making competing offers for Hillshire Brands. The Consolidated Complaint also alleges that the Director Defendants breached their fiduciary duties by pursuing a transaction with Pinnacle, and agreeing to payment of a \$163 million termination fee upon the termination of the Pinnacle Agreement. The Consolidated Complaint also alleges that the Schedule 14D-9, as filed by Hillshire Brands with the SEC on July 16, 2014, omits certain material information about the Offer and the events leading up to the Offer. The Consolidated Complaint alleges that the Tyson Defendants aided and abetted the Director Defendants’ breach of their fiduciary duties.

The Consolidated Complaint seeks declaratory relief, and recovery of the termination fee that Tyson, on Hillshire Brands’ behalf, paid to Pinnacle. The Consolidated Complaint also seeks to enjoin the Offer or, in the event that the Offer is consummated, recover damages.

On July 25, 2014, the Plaintiffs filed motions to expedite discovery and to shorten the Defendants’ time to respond to the motion for expedited discovery. The Plaintiffs commenced expedited discovery, and therefore, on July 28, 2014, the Plaintiffs withdrew their motions.

The Defendants believe that the allegations and claims in the litigation are without merit and intend to defend them vigorously.”

Item 12. Exhibits .

Item 12 of the Schedule TO is hereby amended and supplemented by adding the following exhibits:

- (a)(5)(xiv) Preliminary Prospectus Supplement, dated July 28, 2014, offering Common Shares of the Class A Common Stock of Tyson Foods, Inc. (incorporated herein by reference to the Preliminary Prospectus Supplement filed by Tyson Foods, Inc. pursuant to Rule 424(b)(5) on July 28, 2014).
- (a)(5)(xv) Preliminary Prospectus Supplement, dated July 28, 2014, offering Tangible Equity Units of Tyson Foods, Inc. (incorporated herein by reference to the Preliminary Prospectus Supplement filed by Tyson Foods, Inc. pursuant to Rule 424(b)(5) on July 28, 2014).
- (a)(5)(xvi) Investor Presentation of Tyson Foods, Inc. dated July 28, 2014.
- (a)(5)(xvii) Press Release issued by Tyson Foods, Inc. dated July 28, 2014.

SIGNATURES

After due inquiry and to the best knowledge and belief of the undersigned, each of the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: July 29, 2014

HMB Holdings, Inc.

By: /s/ R. Read Hudson

Name: R. Read Hudson

Title: Vice President and Secretary

Tyson Foods, Inc.

By: /s/ R. Read Hudson

Name: R. Read Hudson

Title: Vice President, Associate General Counsel
and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
(a)(1)(i)	Offer to Purchase dated July 16, 2014.*
(a)(1)(ii)	Letter of Transmittal (including IRS Form W-9).*
(a)(1)(iii)	Notice of Guaranteed Delivery.*
(a)(1)(iv)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(1)(v)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*
(a)(1)(vi)	Summary Advertisement dated July 16, 2014.*
(a)(5)(i)	Press Release issued by Tyson Foods, Inc. dated June 9, 2014.*
(a)(5)(ii)	Investor Presentation of Tyson Foods, Inc. dated June 9, 2014.*
(a)(5)(iii)	Internal Announcement of Tyson Foods, Inc. dated June 9, 2014.*
(a)(5)(iv)	Transcript of Investor Conference Call of Tyson Foods, Inc. held on June 9, 2014.*
(a)(5)(v)	Press Release issued by Tyson Foods, Inc. dated June 16, 2014.*
(a)(5)(vi)	Internal Announcement of Tyson Foods, Inc. dated June 30, 2014.*
(a)(5)(vii)	Joint Press Release issued by Tyson Foods, Inc. and The Hillshire Brands Company dated July 2, 2014.*
(a)(5)(viii)	Internal Announcement of Tyson Foods, Inc. dated July 2, 2014.*
(a)(5)(ix)	Letter to Hillshire Brands Employees issued by Tyson Foods, Inc. dated July 2, 2014.*
(a)(5)(x)	Notice of Merger issued by HMB Holdings, Inc. on July 12, 2014.*
(a)(5)(xi)	Press Release issued by Tyson Foods, Inc. dated July 16, 2014.*
(a)(5)(xii)	Letter to Tyson employees from Donnie Smith, President and CEO of Tyson, dated July 16, 2014.*
(a)(5)(xiii)	The information set forth in Item 1.01 of Tyson's Current Report on Form 8-K filed on July 17, 2014.*
(a)(5)(xiv)	Preliminary Prospectus Supplement, dated July 28, 2014, offering Common Shares of the Class A Common Stock of Tyson Foods, Inc. (incorporated herein by reference to the Preliminary Prospectus Supplement filed by Tyson Foods, Inc. pursuant to Rule 424(b)(5) on July 28, 2014).
(a)(5)(xv)	Preliminary Prospectus Supplement, dated July 28, 2014, offering Tangible Equity Units of Tyson Foods, Inc. (incorporated herein by reference to the Preliminary Prospectus Supplement filed by Tyson Foods, Inc. pursuant to Rule 424(b)(5) on July 28, 2014).
(a)(5)(xvi)	Investor Presentation of Tyson Foods, Inc. dated July 28, 2014.
(a)(5)(xvii)	Press Release issued by Tyson Foods, Inc. dated July 28, 2014.
(b)(1)	Second amended and restated commitment letter entered into as of June 9, 2014, among Tyson Foods, Inc., Morgan Stanley Senior Funding, Inc. and JPMorgan Chase Bank, N.A.*
(b)(2)	Amendment No. 1 to Credit Agreement, dated as of June 27, 2014, among Tyson Foods, Inc., the lenders thereto and JPMorgan Chase Bank, N.A.*
(b)(3)	Commitment Letter entered into as of June 17, 2014 among Tyson Foods, Inc., Morgan Stanley Senior Funding, Inc., J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A.*
(b)(4)	364-Day Bridge Term Loan Agreement, dated as of July 15, 2014, among Tyson Foods, Inc., the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.*
(b)(5)	Term Loan Agreement, dated as of July 15, 2014, among Tyson Foods, Inc., the lenders party thereto and Morgan Stanley Senior Funding, Inc., as administrative agent.*

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- (c) Not applicable.
 - (d)(1) Agreement and Plan of Merger, dated as of July 1, 2014, among Tyson Foods, Inc., HMB Holdings, Inc. and The Hillshire Brands Company.*
 - (e) Not applicable.
 - (f) Not applicable.
 - (g) Not applicable.
 - (h) Not applicable.

* Previously filed.

Tyson Foods, Inc.

Investor Presentation

July 2014



Bringing families together.™

CAUTIONARY INFORMATION



Cautionary Statement Regarding Forward Looking Statements

This presentation contains certain forward-looking statements, including with respect to certain plans and objectives of Tyson Foods and Hillshire Brands with respect to the proposed tender offer and related transactions, including the timing of the completion of the merger. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aim", "continue", "will", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Among the factors that may cause actual results and experiences to differ from anticipated results and expectations expressed in such forward-looking statements are the following: the effect of, or changes in, general economic conditions; fluctuations in the cost and availability of inputs and raw materials, such as live cattle, live swine, feed grains (including corn and soybean meal) and energy; market conditions for finished products, including competition from other global and domestic food processors, supply and pricing of competing products and alternative proteins and demand for alternative proteins; successful rationalization of existing facilities and operating efficiencies of the facilities; risks associated with our commodity purchasing activities; access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; outbreak of a livestock disease (such as avian influenza (A) or bovine spongiform encephalopathy (BSE)), which could have an adverse effect on livestock we own, the availability of livestock we purchase, consumer perception of certain protein products or our ability to access certain domestic and foreign markets; changes in availability and relative costs of labor and contract growers and our ability to maintain good relationships with employees, labor unions, contract growers and independent producers providing us livestock; issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; changes in consumer preference and diets and our ability to identify and react to consumer trends; significant marketing plan changes by large customers or loss of one or more large customers; adverse results from litigation; risks associated with leverage, including cost increases due to rising interest rates or changes in debt covenants or outlook; compliance with and changes to regulations and laws (both domestic and foreign), including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational, health and safety laws, our ability to make effective acquisitions or joint ventures and successfully integrate newly acquired businesses into existing operations; effectiveness of advertising and marketing programs; the risk that the recently announced binding offer to acquire The Hillshire Brands Company ("Hillshire") and any related tender offer and merger may not be consummated, or may not be consummated in a timely manner; the risk that a regulatory approval that may be required for the transaction is not obtained, or could only be obtained subject to conditions that are not anticipated; the risk that Hillshire will not be integrated successfully into Tyson following the consummation of any transaction; and the risk that revenue opportunities, cost savings, synergies and other anticipated benefits from the transaction may not be fully realized or may take longer to realize than expected, and those other factors listed under "Risk Factors" in the prospectuses referred to below under "Additional Information and Where to Find It".

Non-GAAP Financial Information

This presentation includes certain non-GAAP financial measures as defined by SEC rules. Such non-GAAP financial measures are presented as a supplemental financial measurements in the evaluation of our business. We believe the presentation of these financial measures helps investors to assess our operating performance from period to period and enhances understanding of our financial performance and highlights operational trends. This measure is widely used by investors and rating agencies in the valuation, comparison, rating and investment recommendations of companies. However, the such measurements may not be comparable to those of other companies in our industry, which limits their usefulness as a comparative measures. Such measures are not required by or calculated in accordance with GAAP and should not be considered as a substitutes for net income or any other measure of financial performance reported in accordance with GAAP or as a measure of operating cash flow or liquidity.

CAUTIONARY INFORMATION



Non-GAAP Financial Information (cont'd)

Such measures are useful tools for assessing, but is not a reliable indicator of financial performance. As a result, investors should rely primarily on our GAAP results, and use non-GAAP financial measures only supplementally, in making investment decisions. As required by Regulation G, we have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the Appendix.

Additional Information and Where to Find It

Tyson has filed a registration statement (including a base prospectus and prospectus supplements) with the SEC for the offerings to which this communication relates. Each offering is being made pursuant to a separate prospectus. Before you invest, you should read the prospectuses in the registration statement and other documents Tyson has filed with the SEC for more complete information about Tyson and these offerings. You may get these documents for free by visiting EDGAR on the SEC web site at <http://www.sec.gov>.

Important Information for Investors and Security Holders

This communication is not an offer to buy or the solicitation of an offer to sell any securities of Hillshire Brands. A solicitation and an offer to buy shares of Hillshire Brands common stock is being made pursuant to a Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) that HMB Holdings, Inc., a wholly owned subsidiary of Tyson Foods, Inc., has filed with the U.S. Securities and Exchange Commission (the "SEC"). Hillshire Brands has also filed a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Investors and Stockholders are urged to read the Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Solicitation/Recommendation Statement on Schedule 14D-9, as well as other documents filed with the SEC, because they contain important information. The Tender Offer Statement and Solicitation/Recommendation Statement on Schedule 14D-9 have been sent free of charge to Hillshire Brands stockholders and these and other materials filed with the SEC may also be obtained from Hillshire Brands upon written request to the Investor Relations Department, 400 South Jefferson Street, Chicago, Illinois 60607, telephone number (312) 614-8100 or from Hillshire Brands' website, <http://investors.hillshirebrands.com>. In addition, all of these materials (and all other documents filed with the SEC) will be available at no charge from the SEC through its website at www.sec.gov, or by directing requests for such materials to MacKenzie Partners, Inc., the Information Agent for the offer, at (800) 322-2885 (please call (212) 929-5500 (collect) if you are located outside the U.S.).

OFFERING SUMMARY OF TERMS



	Shares of Class A Common Stock (100% Primary)	Tangible Equity Units (100% Primary)
Issuer	Tyson Foods, Inc.	
Ticker / Exchange	TSN / NYSE	
Offering Size	24,000,000 Shares	30,000,000 Units
Greenshoe	15% (100% Primary)	N/A
Use of Proceeds	To finance the acquisition of Hillshire Brands, together with cash on hand and debt financing	
Lockup Period	60 Days for Employees ⁽¹⁾ / 90 Days for the Issuer	
Mandatory Conversion Date / Stated Amount	N/A	3 Years / \$50
Joint Bookrunners	Morgan Stanley (active), J.P. Morgan (active) and RBC Capital Markets	

Note: (1) Includes Directors, Executive Officers, and the Tyson Limited Partnership. With certain exceptions as summarized in the Preliminary Prospectus Supplements.

RATIONALE



Structure and Consideration

- \$8.7 billion transaction
- Includes Hillshire Brands outstanding net debt
- Tyson financing through a combination of debt and equity
- Prepared Foods related synergies of \$225 million in the first fiscal year and exceeding \$500 million by the end of year three

Compelling Investment Consistent with Strategic Priorities

- Propels growth in higher margin, branded prepared foods
- Incremental growth with very little overlap
- Complements existing business; adds presence in convenience and snack foods
- Combines iconic brands across numerous retail protein categories

Creates Market Leading Integrated Protein Platform

- Combines the protein industry's best marketing and operations talent into one team
- Creates competitive advantage through raw material utilization
- Generates significant scale and profitability opportunities in existing prepared foods business across branded, private label and commodity products

Significant Synergy Opportunity

- Identified Prepared Foods synergies in excess of \$500 million
- Expect to realize \$225 million of Prepared Foods synergies in first year
- Purchasing, distribution, supply chain efficiencies, raw material utilization, brand building

Financing Plan

- Permanent financing plan expected to include:
 - \$2.5Bn of unsecured term loans across 3 and 5 year tranches
 - \$0.9Bn of common equity
 - \$1.5Bn of tangible equity units
 - Balance of permanent financing to be raised in the bond market
- Sale of Mexico and Brazil operations to JBS for \$575MM will enable quicker delevering
- Tyson is committed to maintaining investment grade ratings

OUR PRINCIPLES

"What We Believe"

Core Values

Who We Are

We are a company of people engaged in the production of food, seeking to pursue truth and integrity, and committed to creating value for our shareholders, our customers, our Team Members, and our communities.

What We Do

- We feed our families, the nation, and the world with trusted food products.
- We serve as stewards of the animals, land, and environment entrusted to us.
- We strive to provide a safe work environment for our Team Members.

How We Do It

- We strive to earn consistent and satisfactory profits for our shareholders and to invest in our people, products, and processes.
- We strive to operate with integrity and trust in all we do.
- We strive to honor God and be respectful of each other, our customers, and other stakeholders.

"What We Do"

Purpose

**Making Great Food.
Making A Difference.™**

Strategy



Recipe For Success

- Be our customers' go-to supplier.
- Grow our business.
- Run commodity plants full.
- Engage the fruit.
- Always value up.
- Totally drive out inefficiencies.

"How We Behave"

Cultural Tenets

- We care about each other.
- We do what we say we are going to do.
- We say it in the room.
- We know our business and deliver results.
- We are passionate about taking care of our customers and consumers.
- We anticipate, embrace, and thrive on change.
- We run it like we own it.
- We work hard and have fun as a TEAM.



THERE IS VALUE IN DIVERSITY



- **Multi-Protein** Chicken, Beef, Pork
- **Multi-Channel** Retail, Food Service, Exports
- **Multi-National** United States, China, India

• **Broad Product Portfolio**

- | | | |
|--|--|---|
| <ul style="list-style-type: none">• Value-added Chicken• Value-added Beef & Pork• Pepperoni• Beef & Pork Pizza Toppings• Pizza Crusts• Tortillas• Bread Sticks• Handheld Foods• Sausage• Snacks• Fully-cooked Dinner Meats | <ul style="list-style-type: none">• Bacon• Deli Meats• Hams• Franks• Ethnic Foods• Soups & Sides• Sauces• Appetizers• Breakfast Items• Prepared Meals• Meal Kits | <ul style="list-style-type: none">• Commodity Chicken• Commodity Beef & Pork• Breakfast Sausage• Frozen Protein Breakfast• Smoked Sausage• Lunchmeat• Hot Dogs• Corn Dogs• Cocktail Links |
|--|--|---|

The Hillshire acquisition further diversifies our business into higher margin, retail branded prepared foods

OUR GROWTH STRATEGY



Accelerate

Grow domestic value-added chicken sales

- ✓ Grow prepared foods sales

Grow international chicken production



Innovate

- ✓ Products and services

- ✓ Consumer insights



Cultivate

- ✓ Develop talent to support Tyson's long-term growth and future

The Hillshire acquisition supports several elements of our growth strategy

WHY HILLSHIRE?



- ✓ Combines the protein industry's best operations and marketing talents to create a ~\$40 billion best-in-class food company
- ✓ Brings a strong portfolio of iconic, market-leading retail prepared foods brands
- ✓ Transforms Tyson's private label prepared foods offerings with a higher margin, branded portfolio
- ✓ Complements Tyson's strong food service prepared foods business
- ✓ Creates Prepared Foods synergy opportunities in excess of \$500 million by year three
- ✓ Avoids costs associated with building retail brands from the ground up
- ✓ Produces compelling financial opportunities – accretion and return on invested capital

Hillshire moves Tyson Foods forward faster



COMBINES STRENGTHS OF TYSON AND HILLSHIRE



- ✓ Strong operational acumen
- ✓ Low cost producer
- ✓ One of the largest refrigerated trucking fleets in the U.S.
- ✓ Excellence in commodity purchasing and processing



- ✓ Iconic brands with leading share in the most important value-add protein categories
- ✓ Expertise in new product development and innovation
- ✓ Thought leader in marketing and brand development

Combines the protein industry's best marketing and operations talent into one team



HILLSHIRE: A CONSUMER-CENTRIC, MARKETING-DRIVEN FOOD COMPANY

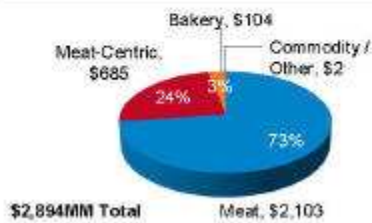


Strong Brand Positioning Based on Consumer Insights

 "Farm House Quality Meats"	 "Hearty Comfort Food"	 "Better Guy Food for Better Guy Times"
 "Smart & Sensible Family Choices"	 "Authentic Ingredients, Exceptional Tastes"	 "Artisanal Italian Meats"

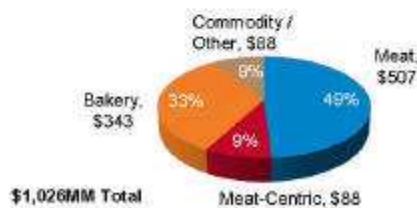
Retail (74% of Total)

2013 Retail Sales Breakout



Foodservice (26% of total)

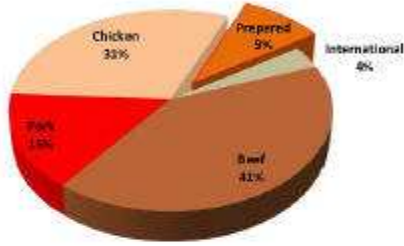
2013 Foodservice Sales Breakout



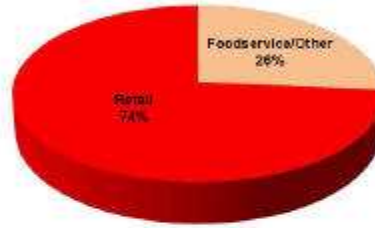
HILLSHIRE'S 100% VALUE-ADDED PROTEIN PORTFOLIO PROPELS TYSON'S PREPARED FOODS BUSINESS



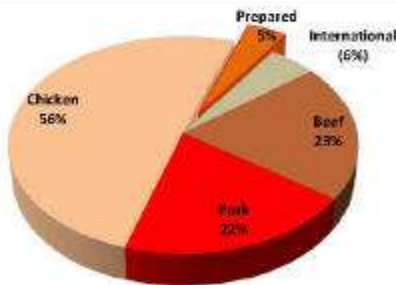
Tyson LTM 3/29/14 Revenue Contribution
Tyson (\$35.4Bn)



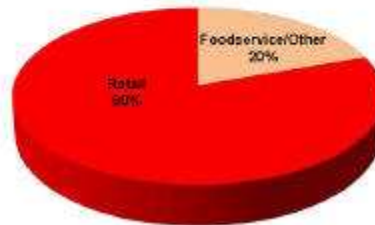
Hillshire LTM 3/29/14 Revenue Contribution
Hillshire (\$4.0Bn)



Tyson LTM 3/29/14 Op Income Contribution
Tyson (\$1,608MM) (Op Income Margin = 4.5%)



Hillshire LTM 3/29/14 Adj. Op Income Contribution
Hillshire (\$375MM) (Adj. Op Income Margin = 9.4%)⁽¹⁾



Note: Excludes intersegment sales of \$1.25b for segment contribution breakdown.

Note: (1) Represents adjusted operating income (see Appendix for details); pie chart percentages based on reported figures.

EXPANDS BRANDED PORTFOLIO

- INCLUDING FOUR \$1BN+ BRANDS



Tyson Brands



Hillshire Brands



ICONIC BRANDS WITH LEADING SHARE IN CORE CATEGORIES



Tyson Brands

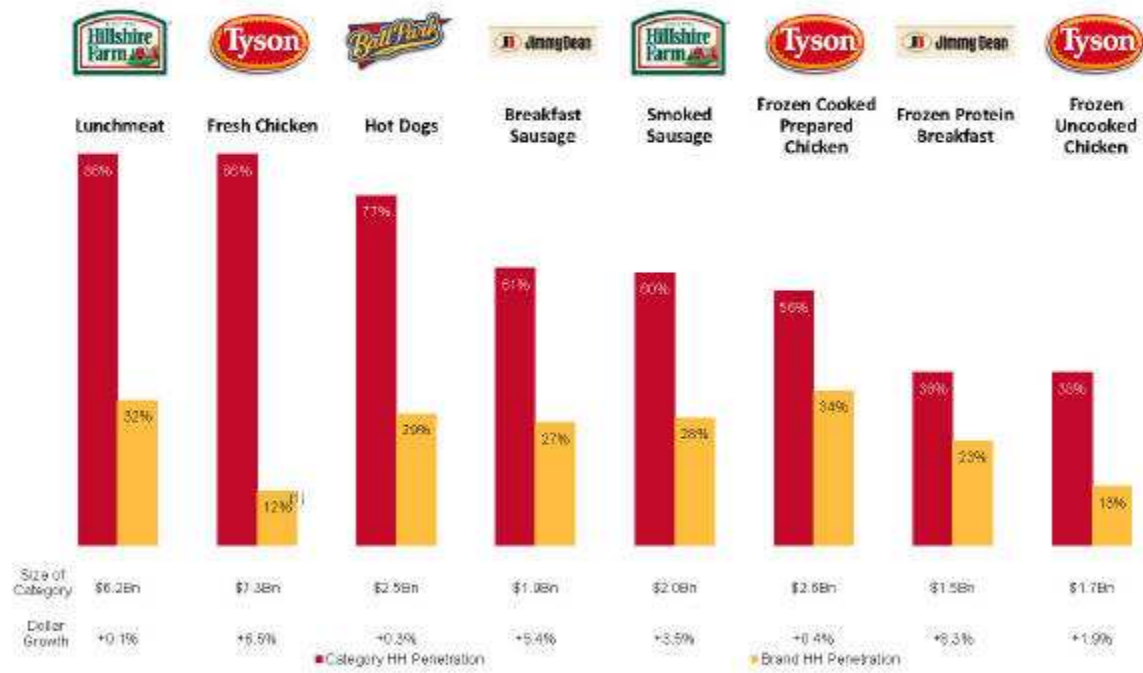
Market Share in Leading Categories		
Brand	Category	TSN Share Position
	Fresh Chicken	#1
	Frozen Cooked Prepared Chicken	#1
	Frozen Uncooked Chicken	#1
	Frozen Uncooked Cornish Chicken	#1
	Recipe Meals (Refrigerated Grilled & Ready Strips)	#2
	Black Peck Bacon	#1
	Bacon	#3

Hillshire Brands

Market Share in Leading Categories		
Brand	Category	HSB Share Position
	Breakfast Sausage	#1
	Frozen Protein Breakfast	#1
	Smoked Sausage	#1
	Branded Lunchmeat	#2
	Hot Dogs	#1
	Corn Dogs	#1
	Super Premium Sausage	#1

Source: Symphony IR Group, Total US Multi-Outlet, 52 weeks ending 5/18/14.

LEADERSHIP IN LARGE CATEGORIES WITH SIGNIFICANT GROWTH POTENTIAL



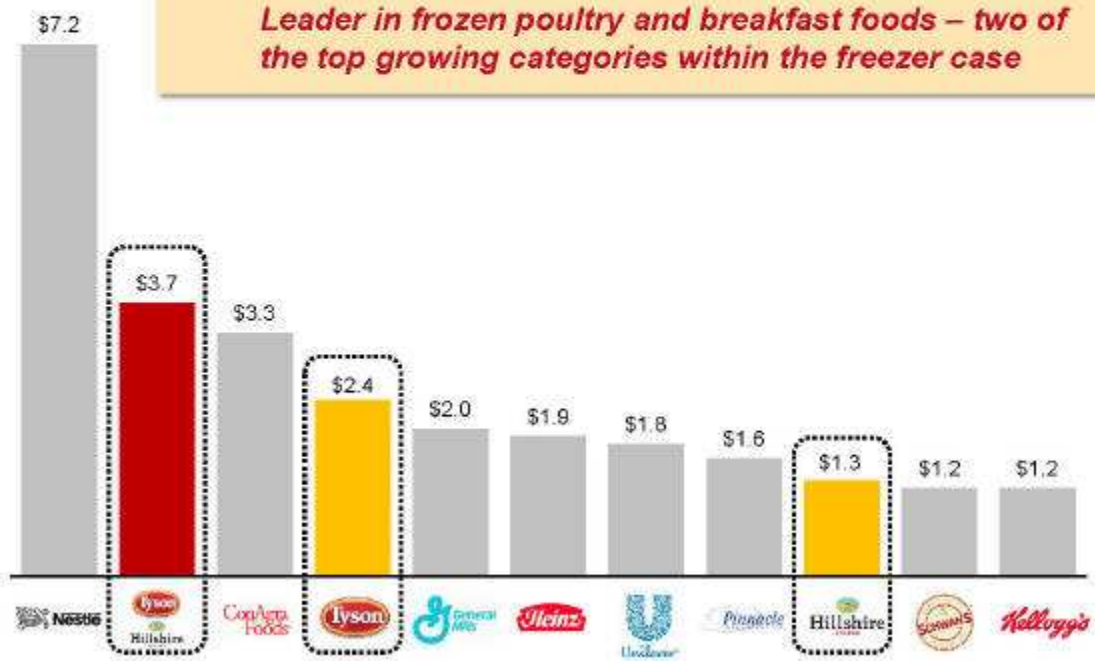
Source: Nielsen and Symphony IR Group National Consumer Panel for 52 weeks ending 5/18/14 and Total U.S. Multi-Outlet for 52 weeks ending 5/18/14, growth rates are 3-year CAGR

Note: (1) Represents dollar share for fresh chicken

TYSON IS NOW #2 IN FROZEN FOOD



Leader in frozen poultry and breakfast foods – two of the top growing categories within the freezer case

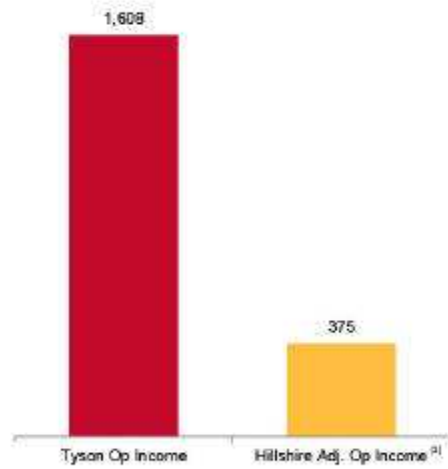


Source: IRI U.S. Multi-Outlet frozen category sales data for 52 weeks ending May 28, 2014 (figures in billions)

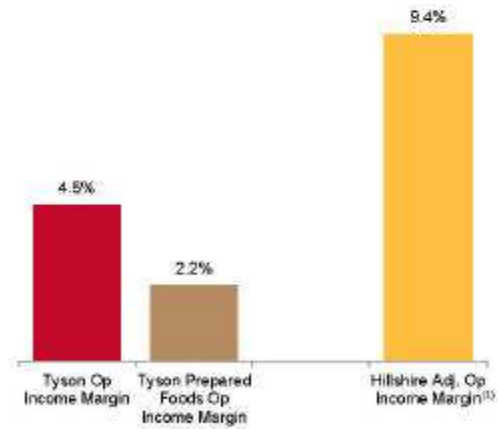
TRANSACTION IS ACCRETIVE TO TYSON AND THE PREPARED FOODS SEGMENT MARGINS



LTM 3/29/14 Operating Income Analysis
(\$MM)



LTM 3/29/14 Operating Income Margin Analysis
(%)



Note: (1) Represents adjusted operating income (see Appendix for details)

FINANCIAL RATIONALE



- **Strong Financial Returns**

- Targeted to be accretive in fiscal 2015 and substantially accretive thereafter
- Estimated Prepared Foods synergy opportunity in excess of \$500 million
 - Targeted to generate more than \$225 million of synergies in the first fiscal year with total synergies to exceed \$500 million by the end of year 3
 - Synergies primarily driven by operational efficiencies, supply chain optimization and prepared foods strategy execution

- **Transaction Financing**

- \$5.75Bn of debt financing, \$0.9Bn of Common Equity and \$1.5Bn of Tangible Equity Units
- Long-term capital structure designed to maintain investment grade ratings
- Combined company is expected to generate strong combined cash flows to enable deleveraging



APPENDIX

OPERATING INCOME AND MARGIN RECONCILIATION



(In millions)
(Unaudited)

	Twelve Months Ended March 29, 2014		
	Sales	Operating Income	Operating Margin
Tyson Foods	\$ 35,418	\$ 1,608	4.5%
Tyson Foods - Prepared Foods	\$ 3,445	\$ 77	2.2%
Hillshire Brands	\$ 3,983	\$ 296	
Adjustments:			
Total restructuring actions excluding accelerated depreciation		69	
Accelerated depreciation		17	
Other significant items		3	
Reimbursed claim proceeds		(2)	
Acquisition advisory & other costs		1	
Pension settlement/withdrawal/other		1	
Tax indemnification accrual adjustment		(10)	
Hillshire Brands Adjusted Operating Income		\$ 375	9.4%

Note: Last twelve months ended March 29, 2014 is derived (i) in the case of Tyson Foods, by adding the results for the six months ended March 29, 2014 to the results for the year ended September 28, 2013 and subtracting the results for the six months ended March 30, 2013 and (ii) in the case of Hillshire Brands, by adding the results for the nine months ended March 28, 2014 to the results for the year ended June 29, 2013 and subtracting the results for the nine months ended March 30, 2013.

Tyson Foods, Inc. Announces Proposed Public Offerings of Class A Common Stock and Tangible Equity Units

SPRINGDALE, Arkansas, July 28, 2014 – Tyson Foods, Inc. (NYSE: TSN) announced today that it has commenced concurrent public offerings of 24,000,000 shares of its Class A common stock and 30,000,000 tangible equity units, with each tangible equity unit having a stated amount of \$50 and comprised of a prepaid stock purchase contract and a senior amortizing note due July 15, 2017, each issued by the company. These offerings are separate public offerings made by means of separate prospectus supplements under Tyson Foods' effective shelf registration statement and are not contingent on each other or upon the consummation of the Hillshire Brands Acquisition discussed below.

The company intends to grant the underwriters in the Class A common stock offering a 30-day option to purchase up to an additional 3,600,000 shares of its Class A common, solely to cover over-allotments, if any. The company does not intend to grant the underwriters in the tangible equity units offering an option to purchase any additional tangible equity units to cover over-allotments.

The company intends to use the net proceeds from these offerings, together with additional debt financing and cash on hand, to finance the previously announced acquisition of The Hillshire Brands Company (the "Hillshire Brands Acquisition") and to pay related fees and expenses. If for any reason the Hillshire Brands Acquisition is not consummated, then the company intends to use the net proceeds from these offerings for general corporate purposes.

Morgan Stanley and J.P. Morgan are acting as lead joint book-running managers and RBC Capital Markets is acting as joint book-running manager for the Class A common stock offering and the tangible equity units offering.

The offerings of Class A common stock and tangible equity units, including the component stock purchase contracts and senior amortizing notes, are being made under an effective shelf registration statement on file with the U.S. Securities and Exchange Commission (the "SEC"). Each offering may be made only by means of a prospectus supplement relating to such offering and the accompanying prospectus. Copies of the preliminary prospectus supplement for each offering and the accompanying prospectus may be obtained from Morgan Stanley & Co. LLC, 180 Varick Street, 2nd Floor, New York, New York 10014, Attention: Prospectus Department, or J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, NY 11717, Attention Prospectus Department, or by calling 866-803-9204. You may also get these documents for free by visiting EDGAR on the SEC website at www.sec.gov.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities, in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Tyson Foods

Tyson Foods, Inc., with headquarters in Springdale, Arkansas, is one of the world's largest processors and marketers of chicken, beef and pork, the second-largest food production company in the Fortune 500 and a member of the S&P 500. The company was founded in 1935 by John W. Tyson, whose family has continued to be involved with son Don Tyson leading the company for many years and grandson, John H. Tyson, serving as the current chairman of the board of directors. Tyson Foods, Inc. produces a wide variety of protein-based and prepared food products and is the recognized market leader in the retail and foodservice markets it serves. The company provides products and services to customers throughout the United States and approximately 130 countries. It has approximately 115,000 Team Members employed at more than 400 facilities and offices in the United States and around the world. Through its Core Values, Code of Conduct and Team Member Bill of Rights, the company strives to operate with integrity and trust and is committed to creating value for its shareholders, customers and Team Members. The company also strives to be faith-friendly, provide a safe work environment and serve as stewards of the animals, land and environment entrusted to it.

Forward-Looking Statements

This press release contains forward-looking statements that are based on the company's management's current expectations. Such statements include plans, projections and estimates regarding the use of proceeds from the proposed offerings. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, including prevailing market conditions and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. More information about potential risk factors that could affect the company and its results is included in the company's filings with the SEC. The term "including," and any variation thereof, means "including, without limitation."

Important Information for Investors and Security Holders

This communication is not an offer to buy or the solicitation of an offer to sell any securities of The Hillshire Brands Company. A solicitation and an offer to buy shares of Hillshire Brands common stock is being made pursuant to a Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) that HMB Holdings, Inc., a wholly owned subsidiary of Tyson Foods, Inc., has filed with the SEC. Hillshire Brands has also filed a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the tender offer. Investors and Stockholders are urged to read the Tender Offer Statement (including an offer to purchase, a related letter of transmittal and other offer documents) and the Solicitation/Recommendation Statement on Schedule 14D-9, as well as other documents filed with the SEC, because they contain important information. The Tender Offer Statement and Solicitation/Recommendation Statement on Schedule 14D-9 have been sent free of charge to Hillshire Brands stockholders and these and other materials filed with the SEC may also be obtained from Hillshire Brands upon written request to the Investor Relations Department, 400 South Jefferson Street, Chicago, Illinois 60607, telephone number (312) 614-8100 or from

Hillshire Brands' website, <http://investors.hillshirebrands.com>. In addition, all of these materials (and all other documents filed with the SEC) will be available at no charge from the SEC through its website at www.sec.gov, or by directing requests for such materials to MacKenzie Partners, Inc., the Information Agent for the offer, at (800) 322-2885 (please call (212) 929-5500 (collect) if you are located outside the U.S.).

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