

TYSON FOODS INC  
Form 10-Q  
August 09, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended July 3, 2010

OR

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

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

001-14704

(Commission File Number)

**TYSON FOODS, INC.**

(Exact name of registrant as specified in its charter)

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<b>Delaware</b> (State or other jurisdiction of incorporation or organization)	<b>71-0225165</b> (I.R.S. Employer Identification No.)
<b>2200 Don Tyson Parkway, Springdale, Arkansas</b> (Address of principal executive offices)	<b>72762-6999</b> (Zip Code)
<b>(479) 290-4000</b> (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 by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company   
 Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 3, 2010.

Class	Outstanding Shares
Class A Common Stock, \$0.10 Par Value (Class A stock)	307,431,269
Class B Common Stock, \$0.10 Par Value (Class B stock)	70,021,155

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**Table of Contents****PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****TYSON FOODS, INC.****CONSOLIDATED CONDENSED STATEMENTS OF INCOME****(In millions, except per share data)****(Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>July 3, 2010</b>	<b>June 27, 2009</b>	<b>July 3, 2010</b>	<b>June 27, 2009</b>
Sales	\$ 7,438	\$ 6,662	\$ 20,989	\$ 19,490
Cost of Sales	6,686	6,192	19,144	18,749
Gross Profit	752	470	1,845	741
Selling, General and Administrative	245	192	680	617
Other Charges	0	2	0	17
Operating Income	507	276	1,165	107
Other (Income) Expense:				
Interest income	(4)	(5)	(11)	(14)
Interest expense	102	92	282	237
Other, net	14	(3)	14	18
Total Other Expense	112	84	285	241
Income (Loss) from Continuing Operations before Income Taxes	395	192	880	(134)
Income Tax Expense (Benefit)	153	69	323	(42)
Income (Loss) from Continuing Operations	242	123	557	(92)
Income (Loss) from Discontinued Operation, net of tax	0	7	0	(1)
Net Income (Loss)	242	130	557	(93)
Less: Net Loss Attributable to Noncontrolling Interest	(6)	(1)	(10)	(3)
Net Income (Loss) Attributable to Tyson	\$ 248	\$ 131	\$ 567	\$ (90)
Weighted Average Shares Outstanding:				
Class A Basic	304	302	303	303
Class B Basic	70	70	70	70
Diluted	382	378	379	373
Earnings (Loss) Per Share from Continuing Operations Attributable to Tyson:				
Class A Basic	\$ 0.68	\$ 0.34	\$ 1.55	\$ (0.24)
Class B Basic	\$ 0.61	\$ 0.30	\$ 1.39	\$ (0.22)
Diluted	\$ 0.65	\$ 0.33	\$ 1.49	\$ (0.24)
Earnings (Loss) Per Share from Discontinued Operation Attributable to Tyson:				
Class A Basic	\$ 0.00	\$ 0.02	\$ 0.00	\$ 0.00

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Class B Basic	\$ 0.00	\$ 0.02	\$ 0.00	\$ 0.00
Diluted	\$ 0.00	\$ 0.02	\$ 0.00	\$ 0.00
Net Income (Loss) Per Share Attributable to Tyson:				
Class A Basic	\$ 0.68	\$ 0.36	\$ 1.55	\$ (0.24)
Class B Basic	\$ 0.61	\$ 0.32	\$ 1.39	\$ (0.22)
Diluted	\$ 0.65	\$ 0.35	\$ 1.49	\$ (0.24)
Cash Dividends Per Share:				
Class A	\$ 0.040	\$ 0.040	\$ 0.120	\$ 0.120
Class B	\$ 0.036	\$ 0.036	\$ 0.108	\$ 0.108

See accompanying Notes to Consolidated Condensed Financial Statements.

**Table of Contents****TYSON FOODS, INC.****CONSOLIDATED CONDENSED BALANCE SHEETS****(In millions, except share and per share data)****(Unaudited)**

	<b>July 3, 2010</b>	<b>October 3, 2009</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 834	\$ 1,004
Restricted cash	0	140
Accounts receivable, net	1,229	1,100
Inventories, net	2,132	2,009
Other current assets	169	122
Total Current Assets	4,364	4,375
Restricted Cash	0	43
Net Property, Plant and Equipment	3,631	3,576
Goodwill	1,916	1,917
Intangible Assets	168	187
Other Assets	388	497
Total Assets	\$ 10,467	\$ 10,595
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities:		
Current debt	\$ 93	\$ 219
Accounts payable	996	1,013
Other current liabilities	1,073	761
Total Current Liabilities	2,162	1,993
Long-Term Debt	2,489	3,258
Deferred Income Taxes	284	309
Other Liabilities	513	539
Redeemable Noncontrolling Interest	63	65
Shareholders' Equity:		
Common stock (\$0.10 par value):		
Class A-authorized 900 million shares, issued 322 million shares	32	32
Convertible Class B-authorized 900 million shares, issued 70 million shares	7	7
Capital in excess of par value	2,232	2,236
Retained earnings	2,916	2,399
Accumulated other comprehensive loss	(37)	(34)
Treasury stock, at cost 15 million shares at July 3, 2010, and 16 million shares at October 3, 2009	(226)	(242)
Total Tyson Shareholders' Equity	4,924	4,398
Noncontrolling Interest	32	33
Total Shareholders' Equity	4,956	4,431
Total Liabilities and Shareholders' Equity	\$ 10,467	\$ 10,595

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See accompanying Notes to Consolidated Condensed Financial Statements.

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**TYSON FOODS, INC.**

**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**

**(In millions)**

**(Unaudited)**

	<b>Nine Months Ended</b>	
	<b>July 3, 2010</b>	<b>June 27, 2009</b>
<b>Cash Flows From Operating Activities:</b>		
Net income (loss)	\$ 557	\$ (93)
Depreciation and amortization	372	383
Deferred income taxes	(4)	(26)
Other, net	116	97
Net changes in working capital	67	