



## **Smithfield Foods and Justice Department Settle Civil Suit**

Smithfield, Virginia (November 10, 2004) - Smithfield Foods, Inc. (NYSE: SFD) today announced that it has reached a settlement with the U.S. Department of Justice (DOJ) with regard to the DOJ's civil suit, filed on February 28, 2003, related to the company's 1998 and 1999-2001 acquisitions of shares of IBP, Inc. in which the DOJ was seeking \$5,478,000 in civil penalties. As part of the settlement, which includes no admission of wrongdoing by Smithfield, the company has agreed to a payment to the government of \$2,000,000.

Documents describing the settlement have been filed with the United States District Court for the Eastern District of Virginia, Norfolk Division. Settlement will be final upon entry of a judgment order by the district court.

The DOJ suit related to whether the company was required to make a filing under the Hart-Scott-Rodino Act (the "HSR Act") in connection with its purchase of IBP stock during the relevant periods. Smithfield believed that it was eligible for an exemption from such filing, because its purchases during such periods were solely for investment. Smithfield in fact made a filing under the HSR Act in connection with later purchases of IBP stock, because at that time the company had determined that it might have an interest in acquiring IBP. From time to time Smithfield invests in securities of companies in its industry that it believes are undervalued.

"Although we remain convinced that Smithfield complied fully with the law, we agreed to settle the matter to avoid the risk and expense of further litigation," stated Richard J. M. Poulson, the company's executive vice president and senior advisor to the chairman. "The cost to defend ourselves against the federal government in this matter was expected to far exceed the amount we agreed to pay in settlement. Smithfield is pleased to have this matter resolved and to be able to maintain its focus on delivering value to Smithfield's customers and shareholders."

With annualized sales of \$10 billion, Smithfield Foods is the leading processor and marketer of fresh pork and processed meats in the United States, as well as the largest producer of hogs. For more information, please visit [www.smithfieldfoods.com](http://www.smithfieldfoods.com).

This news release may contain "forward-looking" information within the meaning of the federal securities laws. The forward-looking information may include statements concerning the company's outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. The forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. These risks and uncertainties include availability and prices of livestock, raw materials and supplies, livestock costs, product pricing, the competitive environment and related market conditions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, adverse results from ongoing litigation and actions of domestic and foreign governments.