

Smithfield

Barclays Capital Back-To-School Consumer Conference

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Smithfield Foods, Inc.

September 10, 2009

Forward-Looking Statements

This presentation contains “forward-looking” statements within the meaning of the federal securities laws. The forward-looking statements 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 Company’s 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 the availability and prices of live hogs, raw materials, fuel and supplies, food safety, livestock disease, live hog production costs, product pricing, the competitive environment and related market conditions, hedging risk, operating efficiencies, changes in interest rate and foreign currency exchange rates, changes in our credit ratings, access to capital, the investment performance of the Company’s pension plan assets and the availability of legislative funding relief, the cost of compliance with environmental and health standards, adverse results from on-going litigation, actions of domestic and foreign governments, labor relations issues, credit exposure to large customers, the ability to make effective acquisitions and dispositions and successfully integrate newly acquired businesses into existing operations, the Company’s ability to effectively restructure portions of its operations and achieve cost savings from such restructurings and other risks and uncertainties described in the Company’s Annual Report on Form 10-K for fiscal 2009 and in its subsequent Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that the Company makes speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.



Emerging As A Global Leader In Packaged Meats

Smithfield

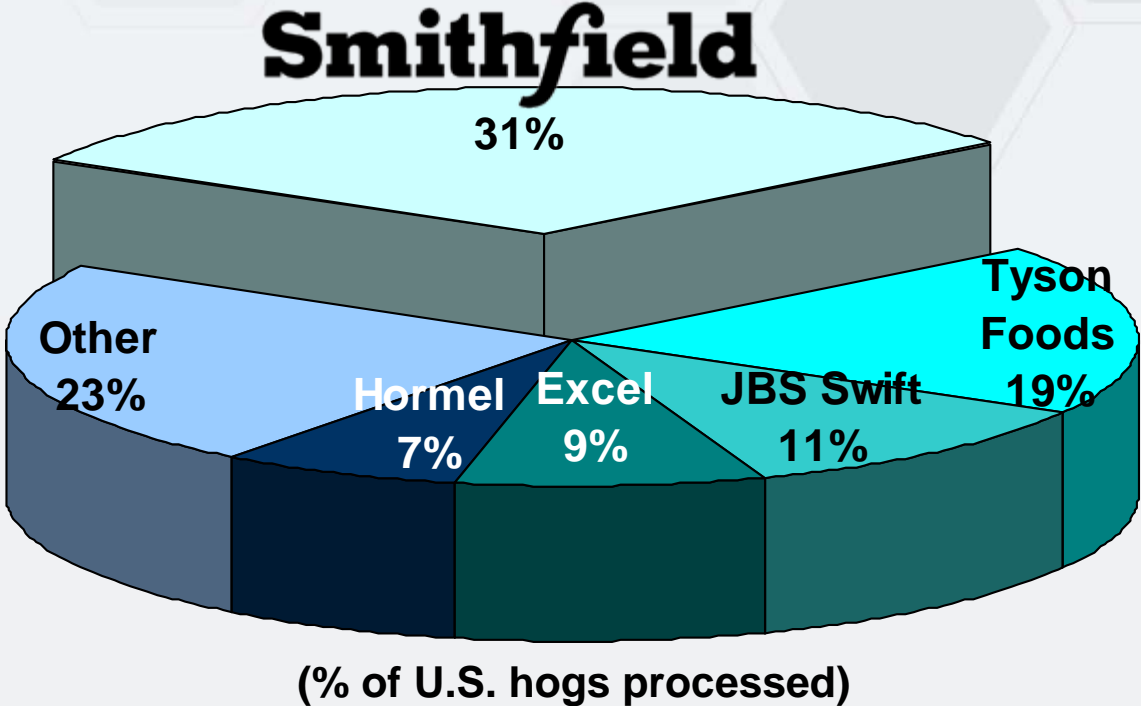
Market Leader: Pork Processing

Pork

Sales: \$10.5 billion

**Operating Profit:
\$395.2 million**

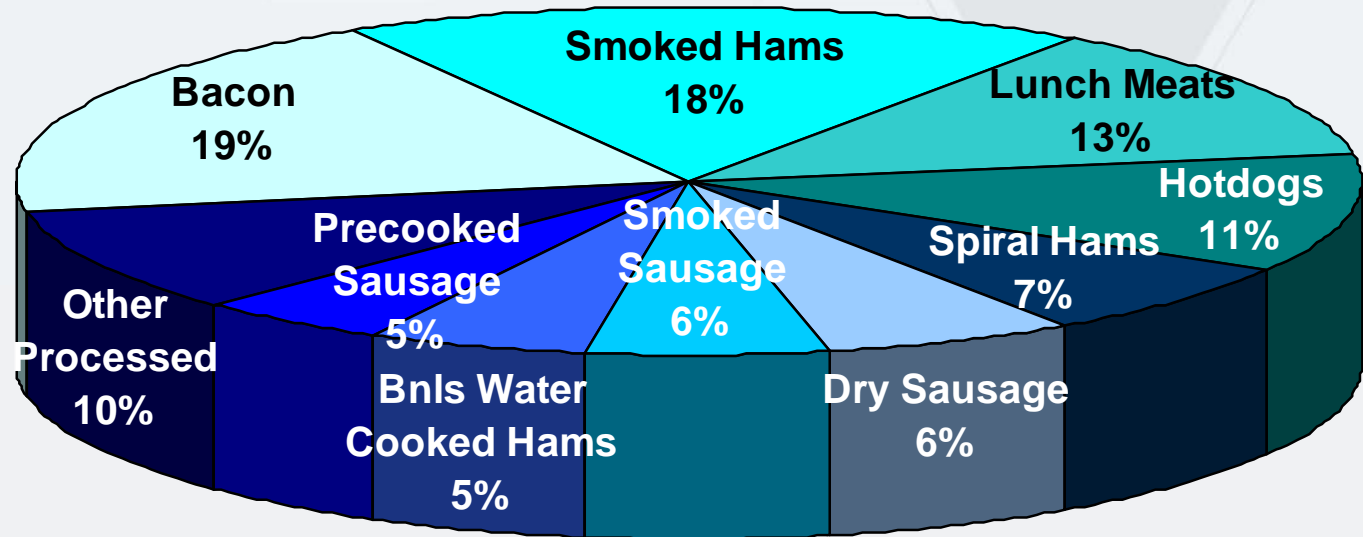
- World's largest pork processor
- Sold approximately 3.1 billion pounds of packaged meats in FY09
- Processed 33 million hogs in FY09
- Sold approximately 4.5 billion pounds of fresh pork in FY09



Note: Fiscal 2009 sales (before eliminations) and operating profit
Source: United States Industry Data Successful Farming

Market Leader: Packaged Meats

Smithfield sold approximately 3.1 billion pounds of packaged meats in fiscal 2009



(% of Smithfield U.S. packaged meats volume)

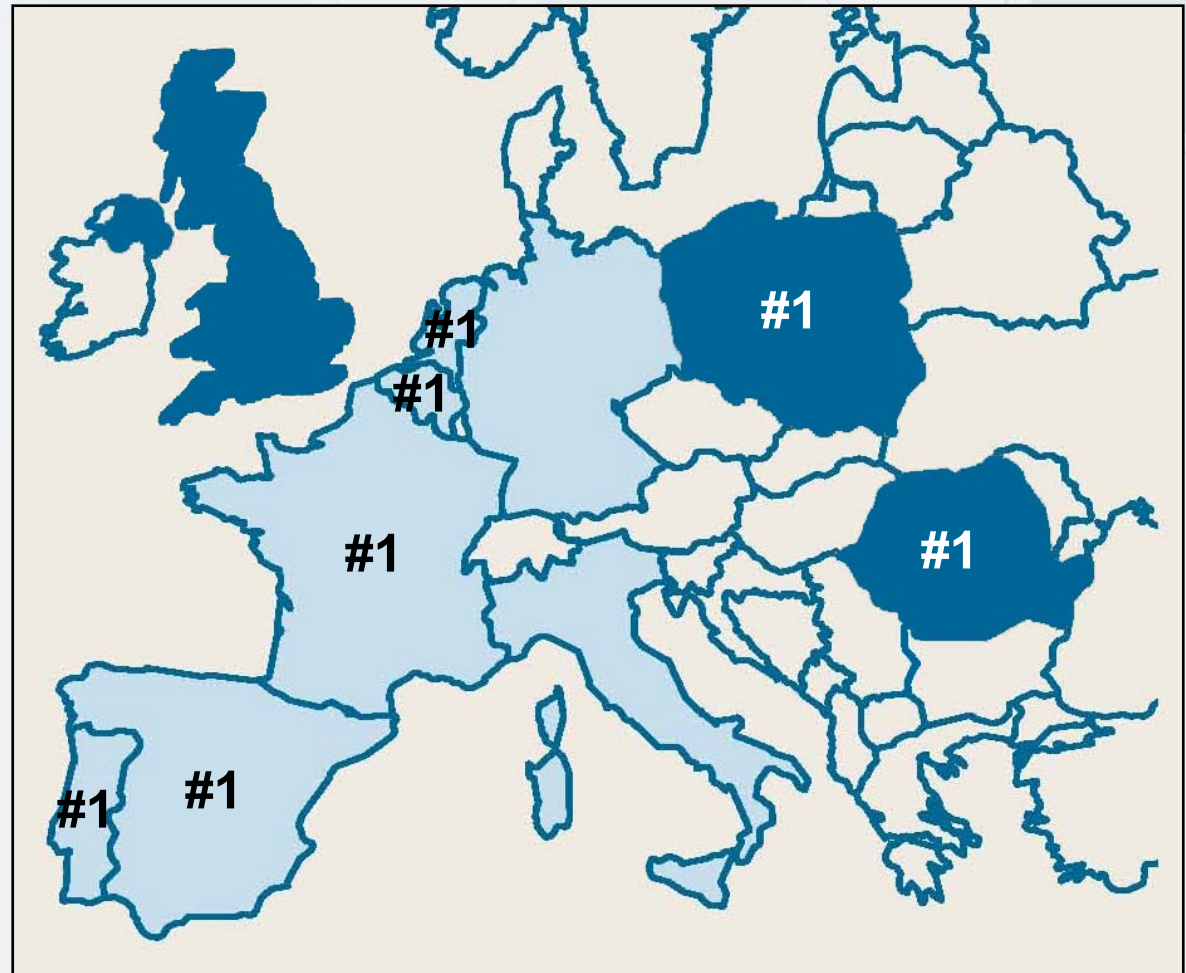
Market Leadership: International

International

Sales: \$1.4 billion

**Operating Profit:
\$34.9 million**

- Subsidiaries in Poland, Romania and the United Kingdom
- 37% ownership of Campofrío Food Group (public company) with #1 packaged meats market share in France, Spain, The Netherlands, Belgium and Portugal
- Joint ventures in Mexico and China



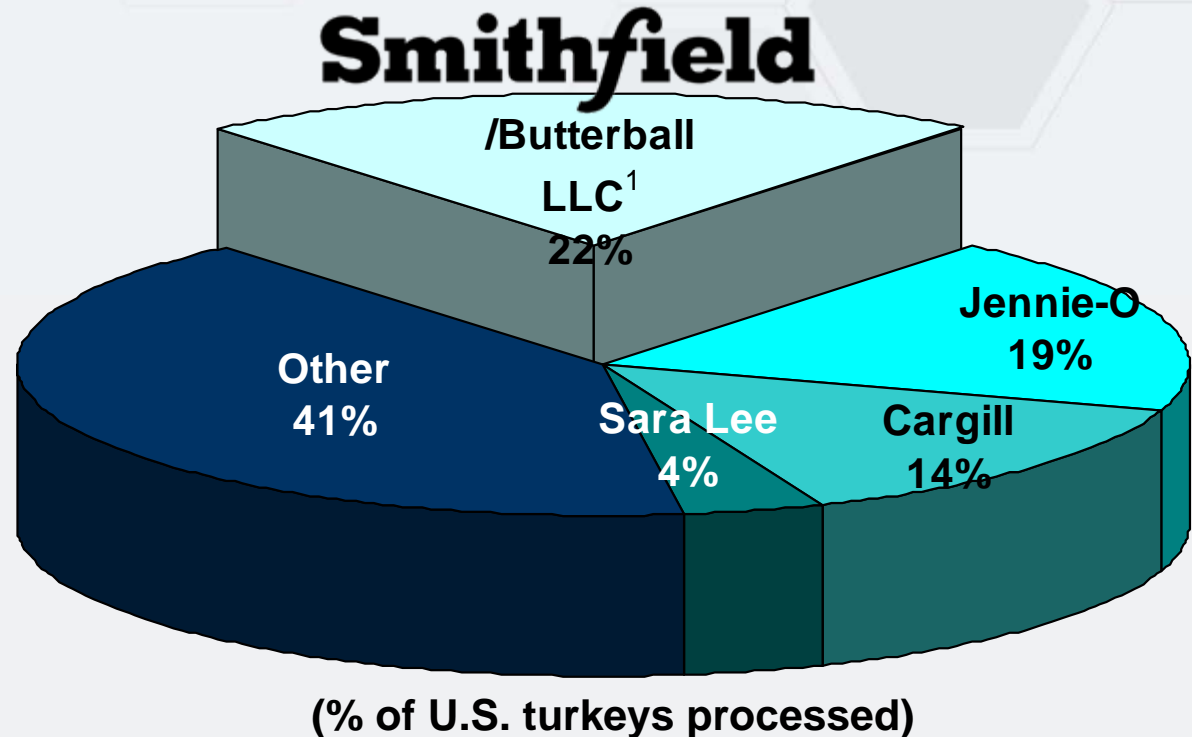
Market Leader: Turkey Processing

Other Segment

Sales: \$251 million

Operating Loss:
\$(46.6) million

- Butterball is the largest turkey processor in the U.S.
- Segment comprised of turkey production operations, 49% interest in Butterball and interest in live cattle joint venture operations



Note: Fiscal 2009 sales (before eliminations) and operating profit; includes amounts related to cattle operations

Source: United States Industry Data Successful Farming

¹ 49% owned joint venture

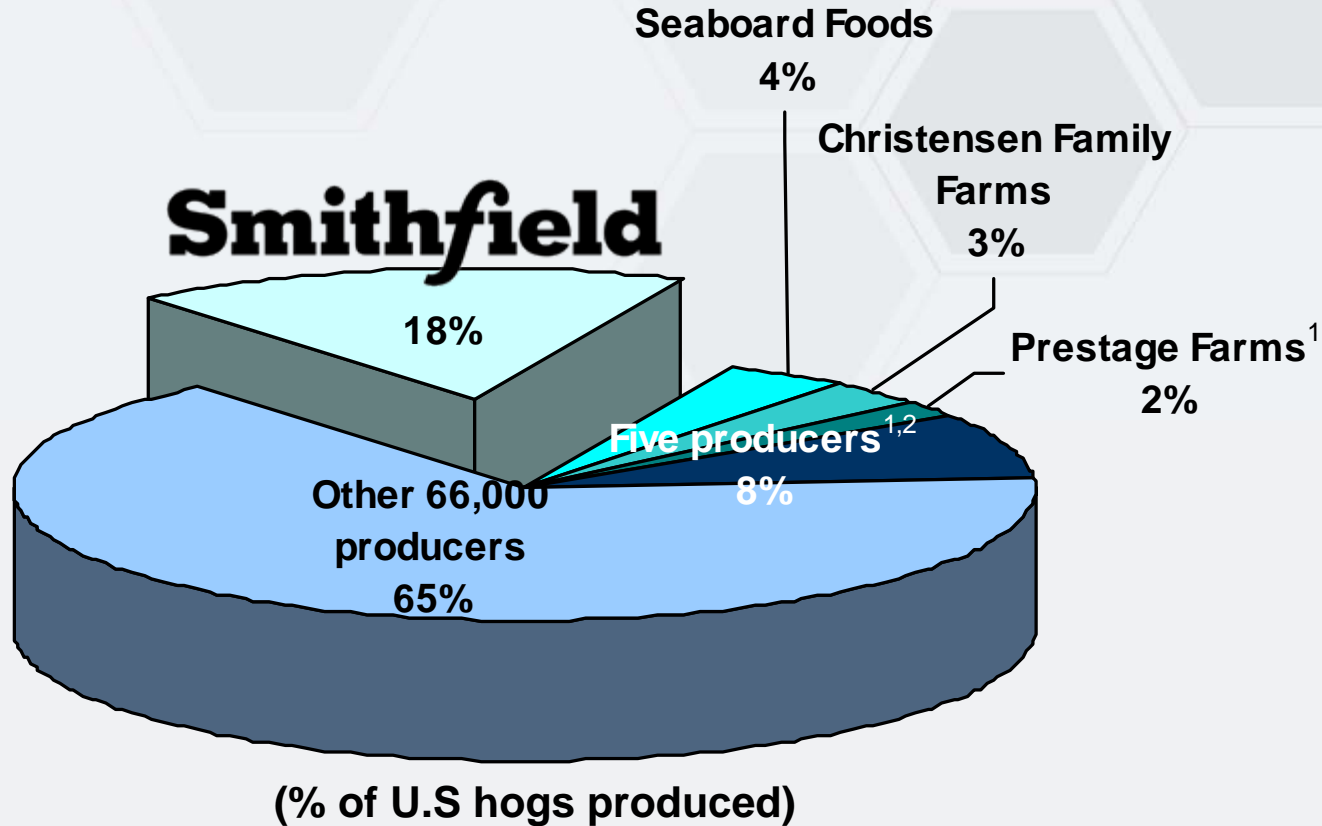
Market Leader: Hog Production

Hog Production

Sales: \$2.8 billion

**Operating Loss:
\$(521.2) million**

- World's largest hog producer
- Produced 18.7 million hogs in U.S. in FY09
- Produced 1.7 million hogs in Poland and Romania and 1.7 million hogs at Mexican joint ventures in FY09



Note: Fiscal 2009 sales (before eliminations) and operating loss

Source: United States Industry Data Successful Farming

¹ The majority of hogs from Prestage Farms and Goldsboro Hog Farm are sold to Smithfield Foods under long-term contract

² Approximate market shares of Five Producers: Cargill=2%; Iowa Select Farms=2%; The Pipestone System=1%; Goldsboro Hog Farm=1%; The Hanor Company=1%; Total=8%



The New Era of Smithfield

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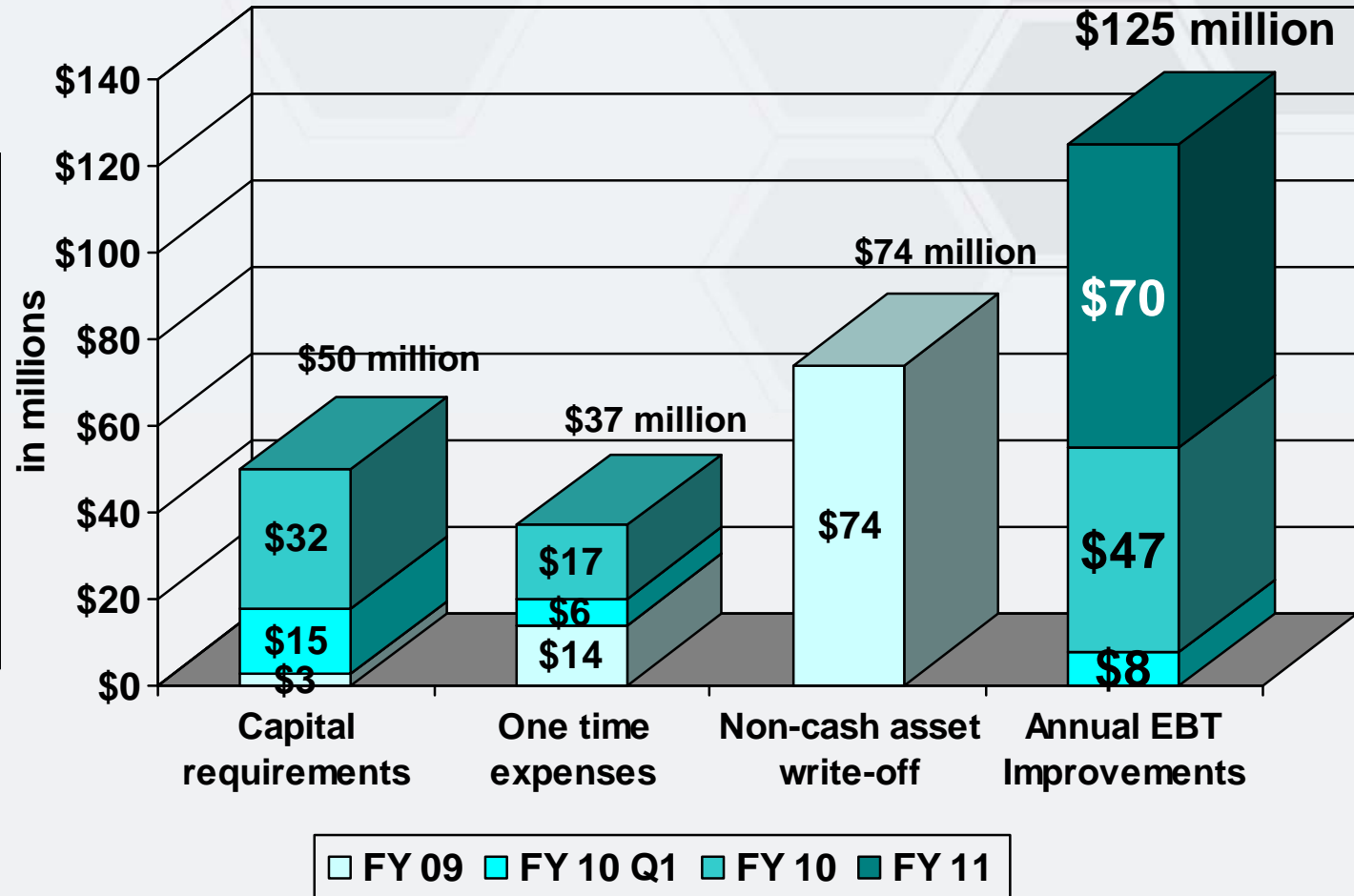
- Restructured Pork Group primed for higher performance and stability of earnings
- Focus on synergies, efficiency, ROIC and margins
- Increased financial management with focus on deleveraging the balance sheet and maintaining strong liquidity
- Business focus on maximizing core assets
- Create better balance of earnings between hog production and pork processing

Pork Group Restructuring Update

- Streamlined Pork Group structure by reorganizing management team – DONE
- Consolidated seven IOC's into three and closed five processing plants to date; sixth to close in third quarter – DONE
- Merged three fresh pork sales organizations into two and consolidated three overseas export teams into one – DONE
- Consolidated manufacturing platform to improve margins, lower operating costs and increase plant utilization – DONE
- Improved Pork Group base profitability – IN PROCESS

Pork Group Restructuring Costs/Benefits

As a result of the Pork Group restructuring, Smithfield expects annual EBT improvements of \$125 million by fiscal 2011



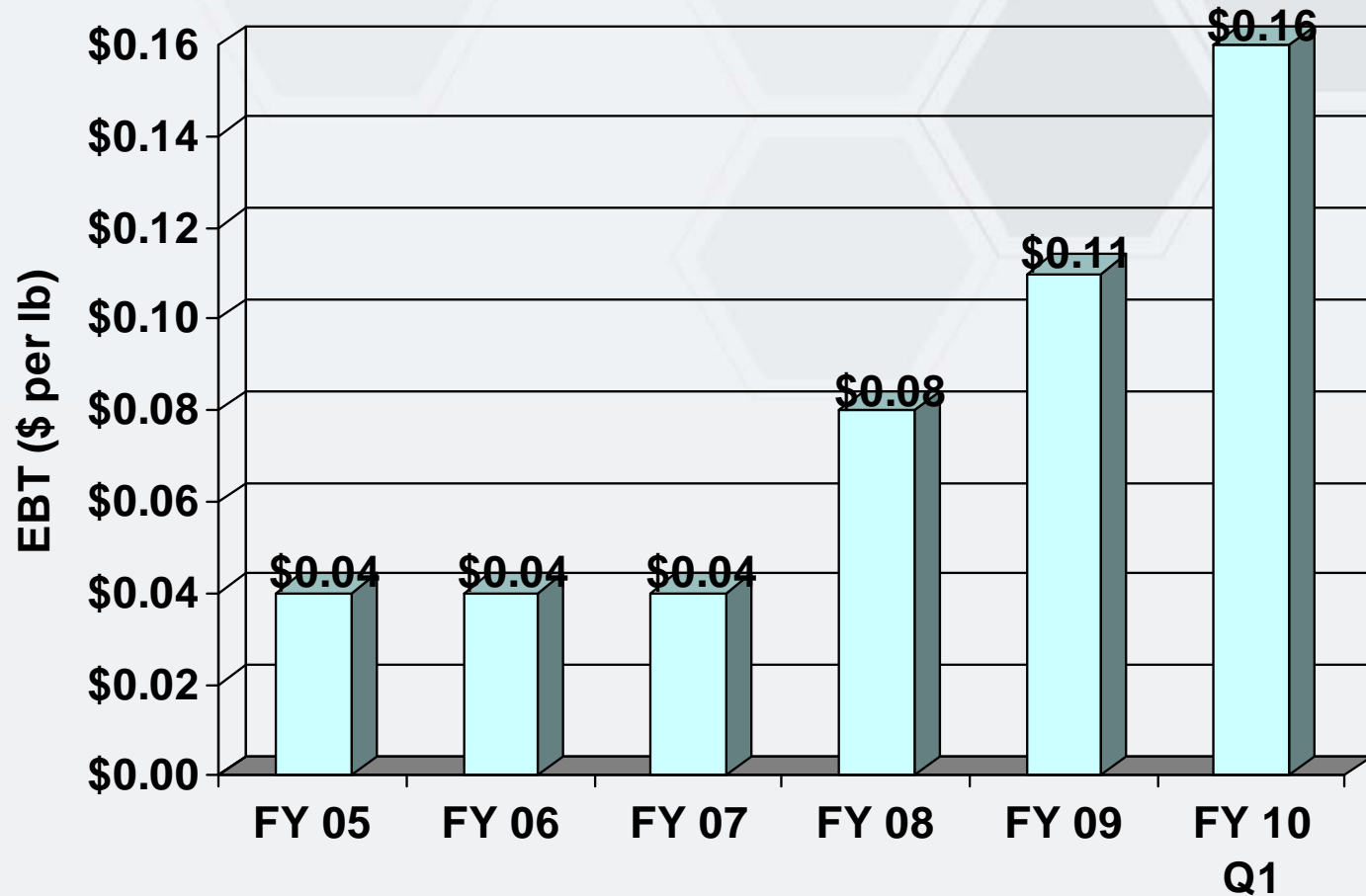
Pork Group Restructuring Costs/Benefits

	Capital requirements	One time expenses	Non-cash asset write-off	Annual EBT Improvements
Total	\$50 million	\$37 million	\$74 million	\$125 million
Amount previously incurred/achieved	\$18 million	\$20 million	\$74 million	\$8 million
Amount remaining after FY 10 Q1	\$32 million	\$17 million	-	\$117 million

Packaged Meats Margin Growth

EBT from packaged meats rose by nearly \$0.03 per pound in fiscal 2009

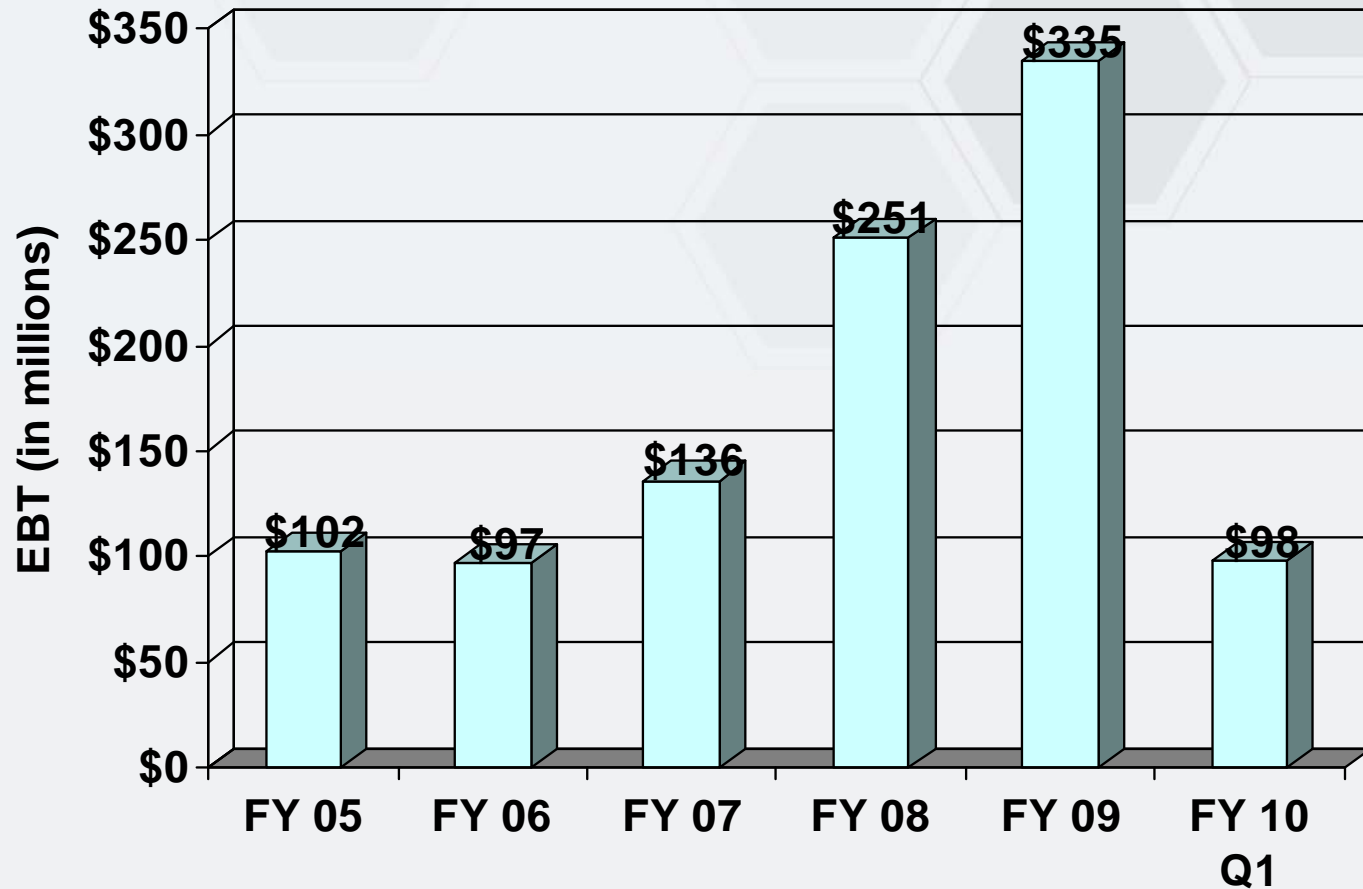
As a result of the Pork Group restructuring, Smithfield expects annual EBT improvements from packaged meats of \$0.02 per pound by fiscal 2011



Packaged Meats EBT Growth

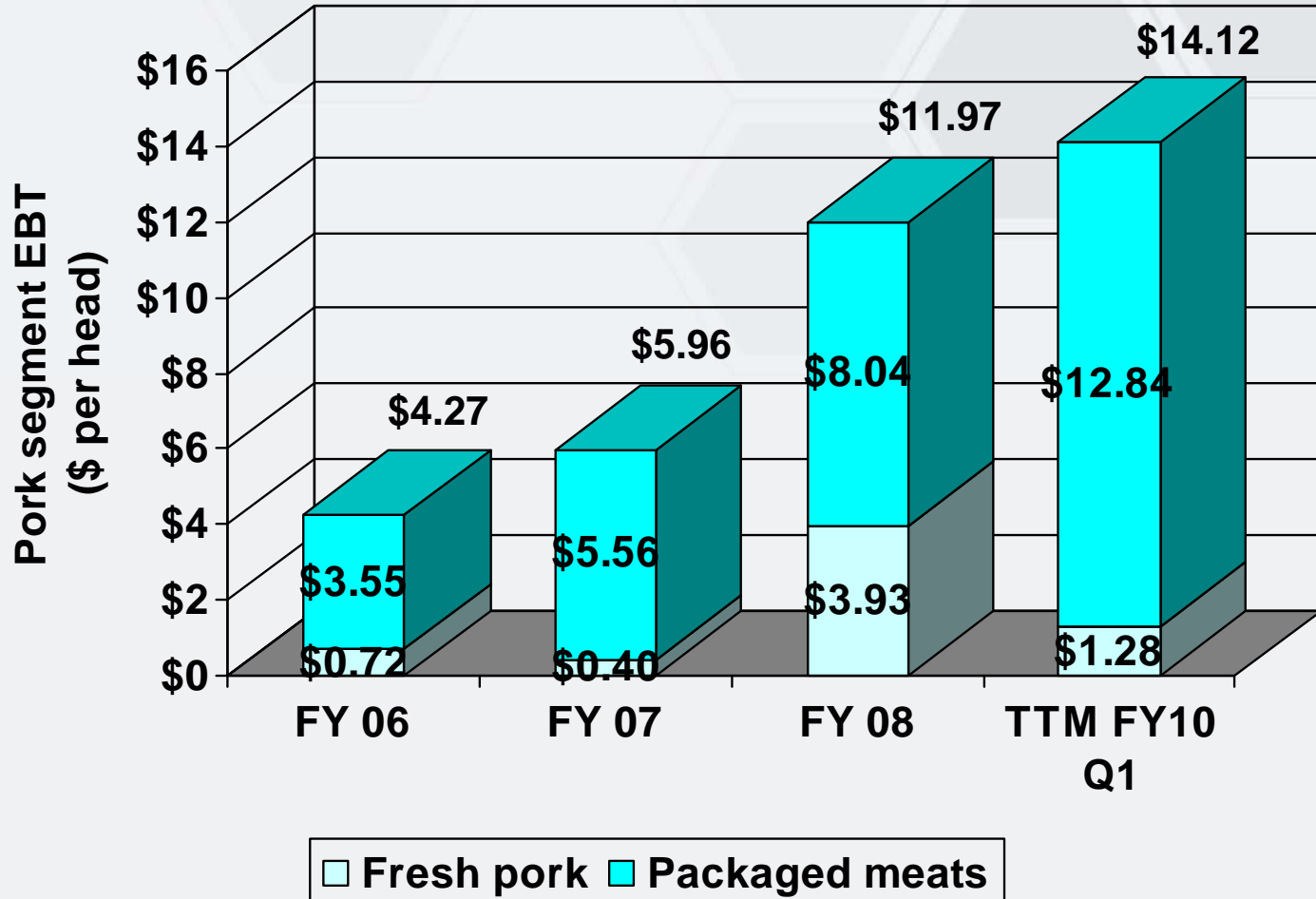
EBT from packaged meats rose by nearly \$85 million in fiscal 2009

As a result of the Pork Group restructuring, Smithfield expects annual EBT improvements from packaged meats of \$80 million by fiscal 2011



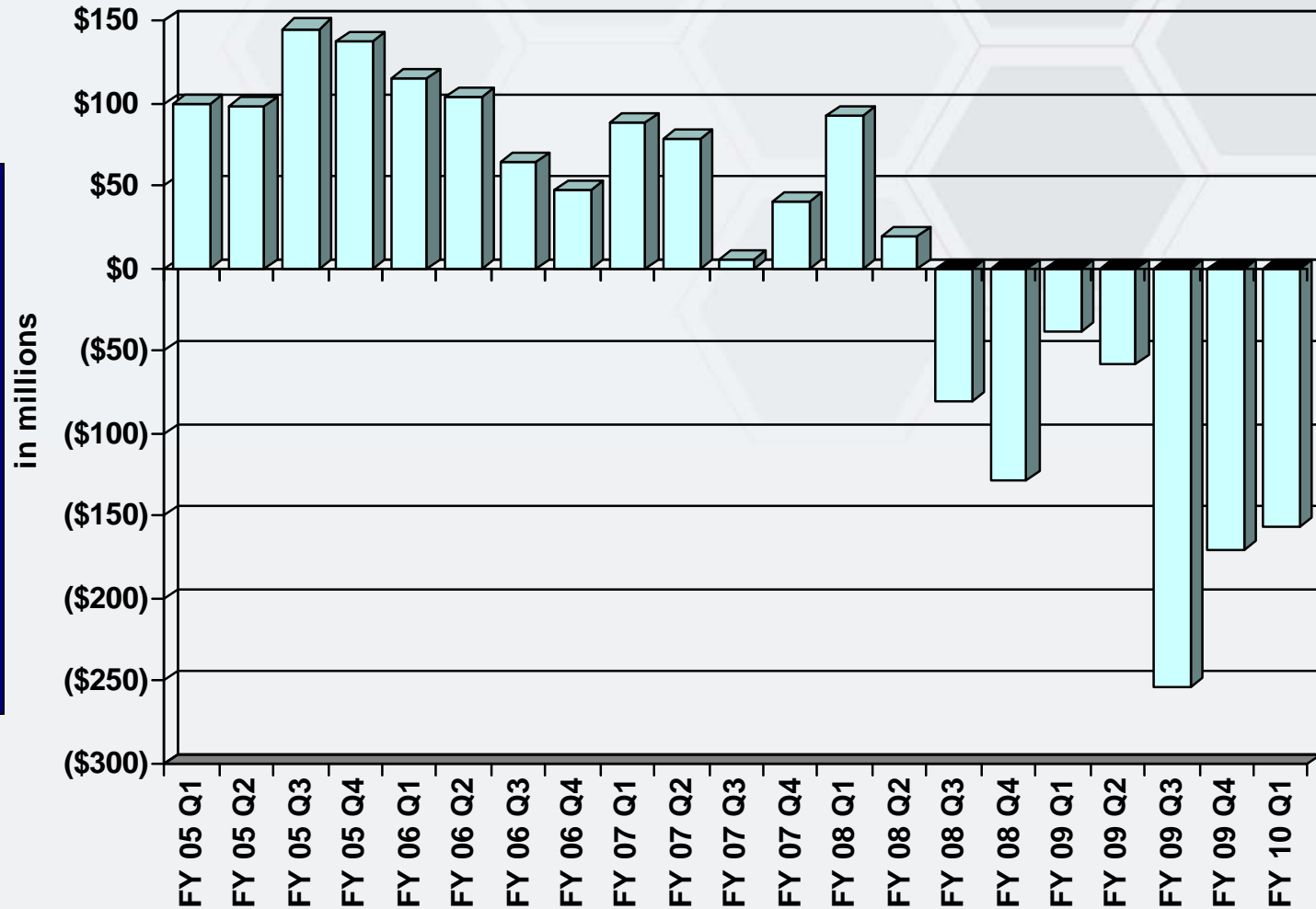
Packaged Meats Contribution

Packaged meats will continue to drive pork segment earnings contribution



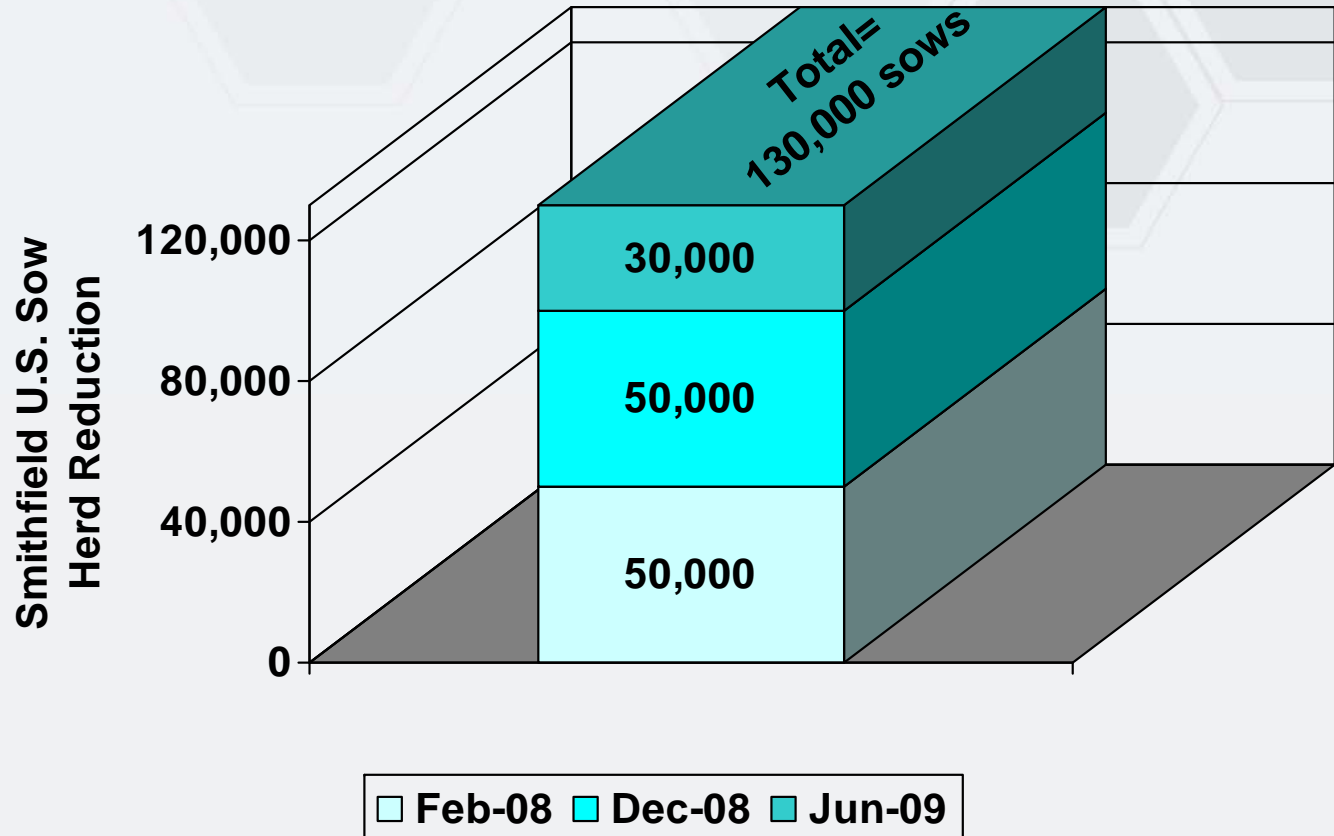
Hog Production Operating Profit (Loss)

Smithfield has proactively reduced the size of its sow herd by 13% in an effort to return hog production to normalized levels of profitability



U.S. Sow Herd Reduction

Smithfield will produce approximately 1.4 million fewer market hogs in fiscal 2010 and approximately 2.2 million fewer market hogs annually thereafter





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Financial Management

Restructuring the Balance Sheet

- Reduced total debt
- Removed risk
 - Covenant
 - Liquidity
 - Maturities

Restructured \$2 Billion In Debt

New credit facility contains no currently applicable maintenance covenants

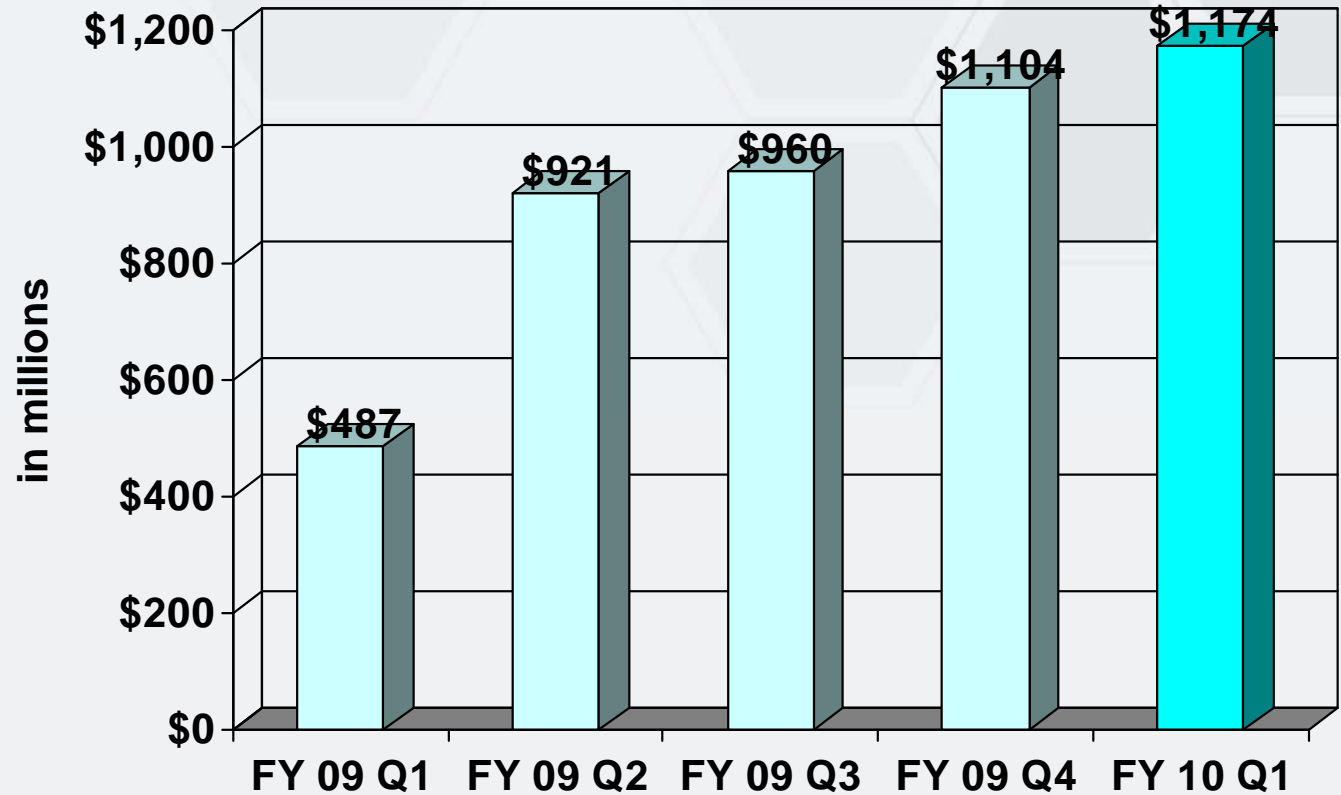
Estimated quarterly interest expense is \$65-70 million

	<u>Size</u>	<u>Maturity</u>
Asset-Based Revolving Credit Facility	\$1.0 billion	July 2012
Senior Secured Notes	\$625 million	July 2014
Senior Secured Notes	\$225 million	July 2014
Term Loan Maturity Extension	\$200 million	October 2013

Note: New credit facility requires that fixed charge coverage ratio must be at least 1.1 to 1.0 if availability is less than \$120 million. The Company does not expect that availability will be below that threshold through fiscal year 2010.

Improving Liquidity

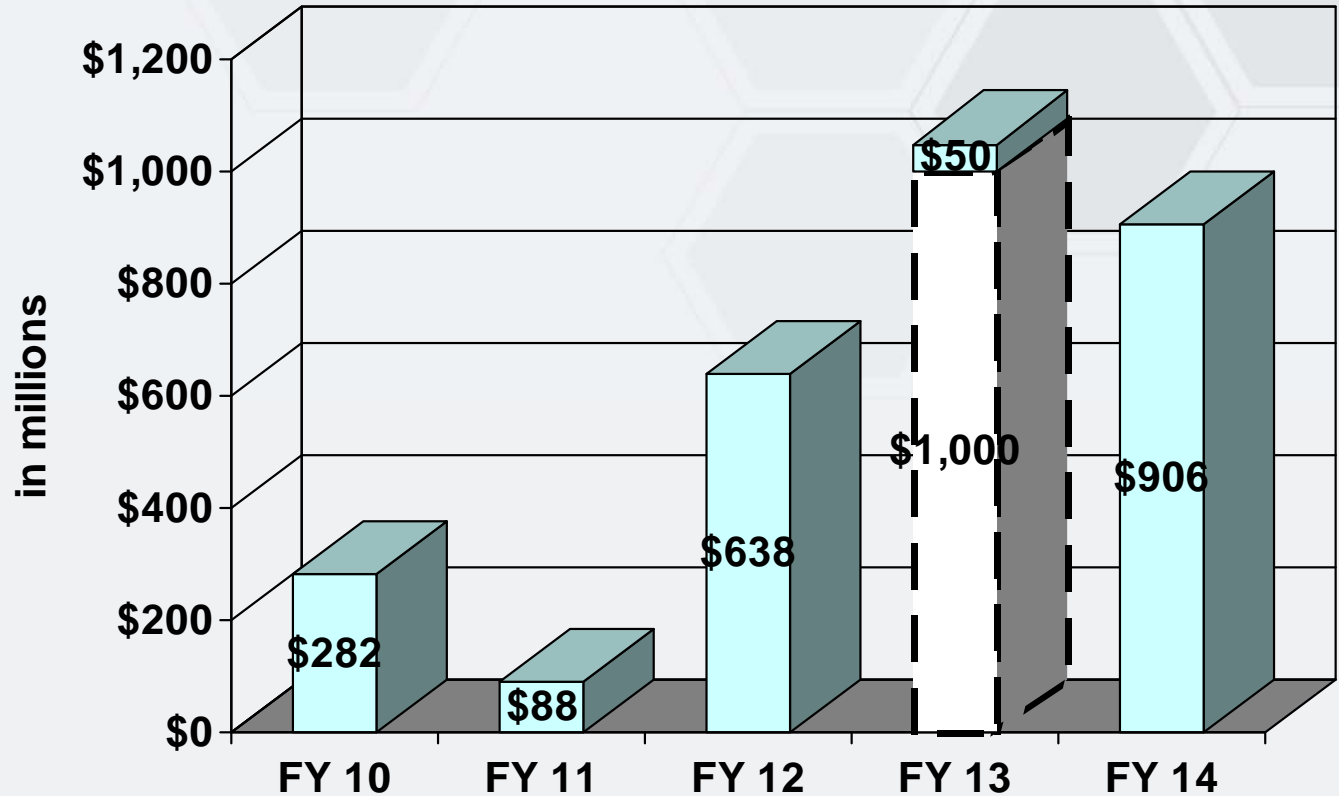
Smithfield continues to improve liquidity and has reduced net debt by over \$1.1 billion from the previous fiscal year¹



Note: Amounts reflect unused borrowing capacity under U.S. credit facility at quarter end plus invested and liquid cash
¹ FY 09 Q1 versus FY 10 Q1

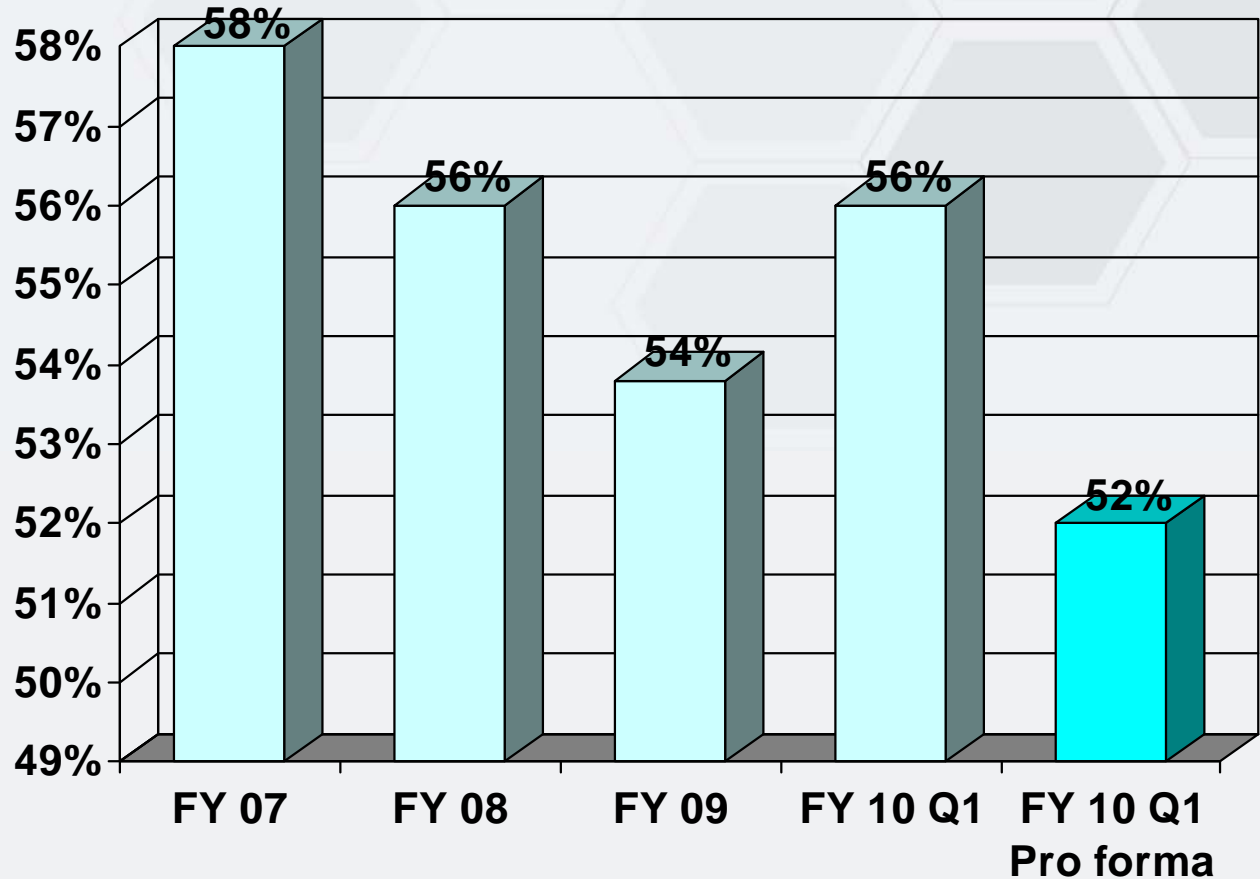
Long-Term Debt Maturities

Smithfield has no significant debt maturities until fiscal 2012



Total Debt to Total Capitalization

Goal is to reduce debt to total capitalization to below 50% in next 24 months





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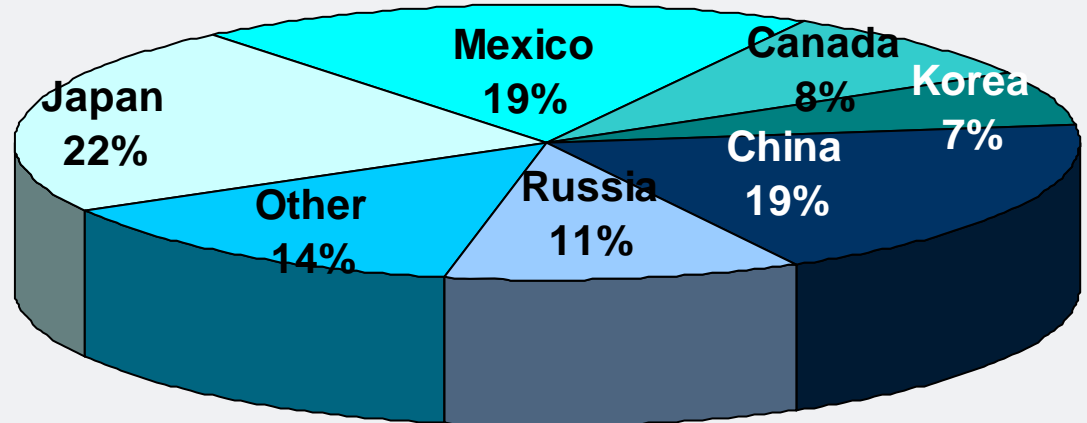
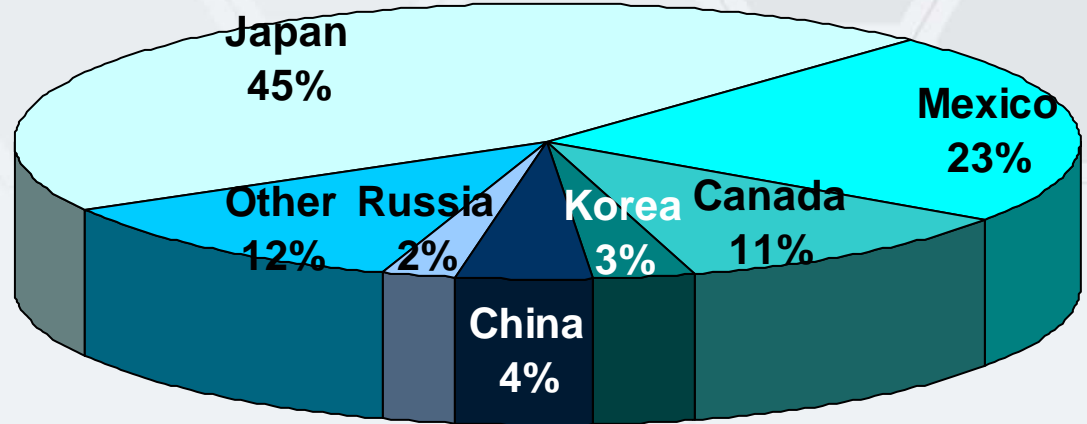
Exports

U.S. Pork Exports 2000 vs. 2008

U.S. pork export volume has increased 263% since 2000

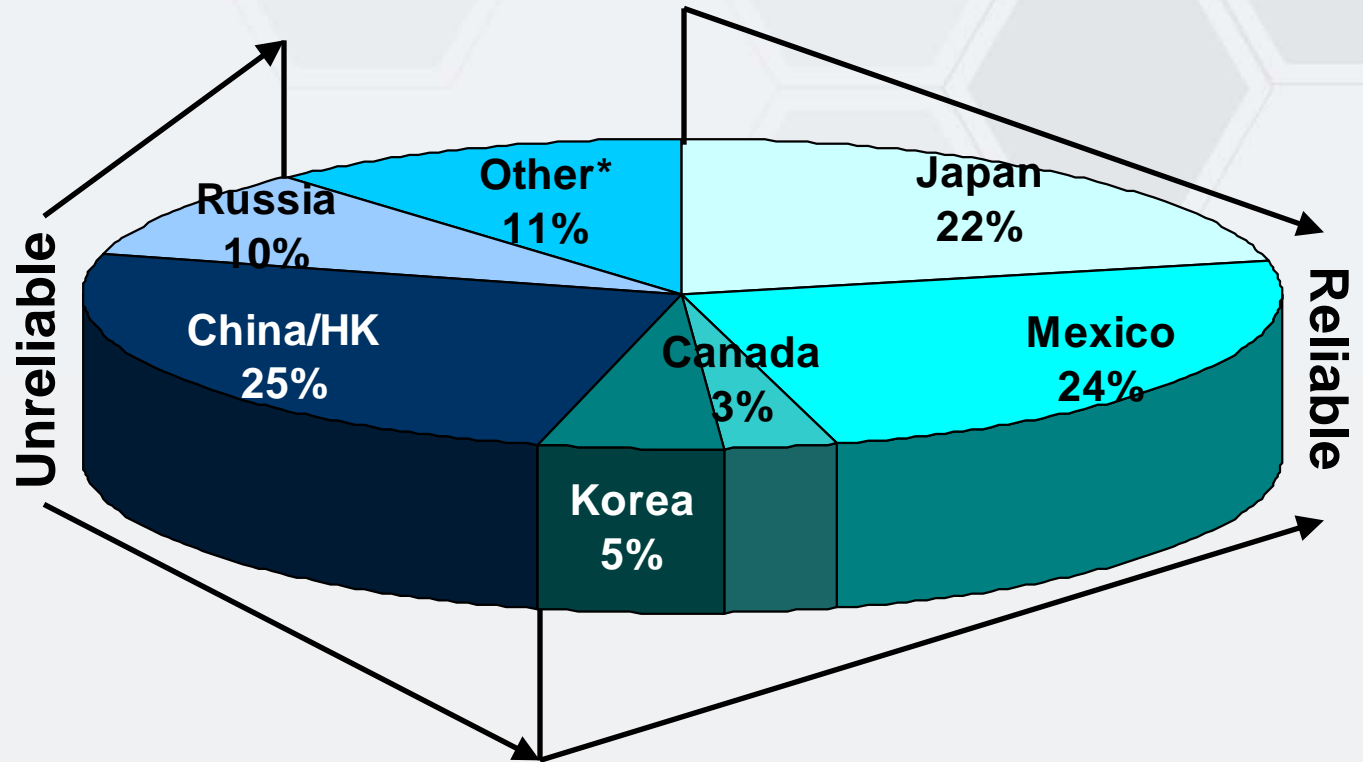
2000
1.3 billion pounds; 7 million hogs; 7% of U.S. production

2008
4.7 billion pounds; 23 million hogs; 20% of U.S. production



Export Customer Reliability

Smithfield's
export
markets vary
in terms of
their level of
reliability



*Other Category consists of sales to the following countries: Taiwan, EU, Australia, Bahamas, Bermuda, Brazil, Bulgaria, Caribbean, Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Malaysia, New Zealand, Panama, Philippines, Poland, Singapore, Cuba, and Vietnam



Conclusion

Conclusion

- Pork Group profitability is already benefitting from restructuring plan and will increase in fiscal 2010 and 2011
- Packaged meats business performing at record levels
- Continuing to maintain very strong liquidity position, reduce debt and strengthen the balance sheet
- Hog production results will improve as herd reductions accelerate and supply is reduced
- Company continues to position the overall business for much stronger earnings

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