

Smithfield

NEWS RELEASE

Smithfield Foods Completes Acquisition Of The Smithfield Companies, Inc.

Smithfield, Virginia, July 31, 2001– Smithfield Foods, Inc. (NYSE:SFD) today completed the acquisition of The Smithfield Companies, Inc. (OTC:HAMS). Smithfield Foods acquired all of the outstanding common stock of Smithfield Companies for \$18.0 million, or \$8.50 per share. The merger agreement was announced April 30.

With annual sales of \$20 million, Smithfield Companies is a producer of hams and other specialty food products. The company markets its products to the retail grocery, food service and gourmet food industries, as well as its own retail outlets and direct mall. Smithfield Foods said that the announced acquisition would provide new marketing resources and outlets for the sale of its products and additional plant capacity for pre-cooked barbecue meat products and sauces. The acquisition would also allow Smithfield Foods to exert greater control over the Smithfield brand name.

Based in Portsmouth, Virginia, Smithfield Companies' operating units include The Smithfield Ham and Products Co., V. W. Joyner & Co., Pruden Packing Co., E. M. Todd Co. and Williamsburg Foods.

Smithfield Foods has delivered a 28 percent average annual compounded rate of return to investors since 1975. In the last 15 years, the company's share price has outperformed the S&P 500 Index by more than 350 percent. With annual sales of \$6 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.

FORWARD LOOKING INFORMATION

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 live hogs, raw materials and supplies, live hog production 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.

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7/3/2003