

TYSON FOODS INC  
Form 424B5  
July 28, 2014  
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Filed Pursuant to Rule 424(b)(5)  
SEC File No. 333-197661  
333-197661-01

**The information contained in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has become effective by rule of the Securities and Exchange Commission. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, and we are not soliciting an offer to buy these securities, in any jurisdiction where the offer or sale is not permitted.**

*PROSPECTUS SUPPLEMENT (Subject to Completion)*  
*(To Prospectus dated July 28, 2014)*

*Issued July 28, 2014*

*30,000,000 Units*

*TYSON FOODS, INC.*

*% TANGIBLE EQUITY UNITS*

*We are offering 30,000,000 % tangible equity units, or Units. Each Unit has a stated amount of \$50. Each Unit is comprised of a prepaid stock purchase contract issued by us and a senior amortizing note due July 15, 2017 issued by us, which has an initial principal amount of \$ per amortizing note and a final installment payment date of July 15, 2017. Eight of our directors and officers and the Tyson Limited Partnership (of which 33.33% and 11.115% is controlled by our chairman John Tyson and director Barbara Tyson, respectively) have indicated that they intend to purchase an aggregate of approximately 758,400 Units in this offering. Such purchases will be made on the same terms and conditions as purchases by nonaffiliated investors and with a view toward investment, not resale.*

*Unless earlier redeemed by us or settled earlier at your option or at our option as described herein, on July 15, 2017 (subject to postponement in certain limited circumstances), each purchase contract will automatically settle, and we will deliver a number of shares of our Class A common stock based on the applicable market value (as defined herein) of our Class A common stock as set forth below:*

*if the applicable market value equals or exceeds the threshold appreciation price, which is approximately \$ , you will receive shares;*

*if the applicable market value is greater than \$ but less than the threshold appreciation price, you will receive a number of shares having a value, based on the applicable market value, equal to \$50; and*

*if the applicable market value is less than or equal to \$ , you will receive shares.*

*At any time prior to the third scheduled trading day immediately preceding July 15, 2017, you may settle your purchase contract early, and we will deliver shares of our Class A common stock per purchase contract (subject to adjustment). In addition, if a fundamental change (as defined herein) occurs and you elect to settle your purchase contracts early in connection with such fundamental change, you will receive a number of shares of our Class A common stock based on the fundamental change early settlement rate, as described herein. We may elect to settle all, but not less than all, outstanding purchase contracts prior to July 15, 2017 at the early mandatory settlement rate (as defined herein). If the Merger Agreement (as defined herein) has terminated, we may elect to settle all, but not less than all, outstanding purchase contracts at the merger redemption rate (as defined herein), by delivering notice during the five business day period immediately following April 1, 2015.*

*The amortizing notes will pay you equal quarterly cash installments of \$ per amortizing note, which cash payment in the aggregate will be equivalent to % per year with respect to each \$50 stated amount of Units. The amortizing notes will be our senior unsecured obligations and will rank equally with all of our other existing and future senior unsecured indebtedness, including all other senior notes issued under the indenture. The obligations under the amortizing notes will be fully and unconditionally guaranteed only by Tyson Fresh Meats, Inc., our wholly owned subsidiary. If we elect to redeem the purchase contracts or to settle the purchase contracts early, you will have the right to require us to repurchase your amortizing notes.*

*We have applied to list the Units on the New York Stock Exchange under the symbol TSNU, subject to satisfaction of its minimum listing standards with respect to the Units. If the Units are approved for listing, we expect trading on the New York Stock Exchange to begin within 30 calendar days after the Units are first issued.*

*Our Class A common stock is listed on the New York Stock Exchange under the symbol TSN. On July 25, 2014, the last reported sale price of our Class A common stock on the New York Stock Exchange was \$39.54 per share.*

*Concurrently with this offering of Units, we are offering 24,000,000 shares of our Class A common stock (or up to 27,600,000 if the underwriters for that offering exercise their option to purchase additional shares of Class A common stock to cover over-allotments, if any) pursuant to a separate prospectus supplement. The completion of this Units offering is not contingent on the completion of the Class A common stock offering, and the Class A common stock offering is not contingent on the completion of this Units offering. Neither this offering nor the Class A common stock offering is contingent on the acquisition of The Hillshire Brands Company or any additional debt financing.*

*Investing in our Units involves risks. See Risk Factors beginning on page S-24 of this prospectus supplement.*

*PRICE \$ PER UNIT*

	<i>Price to Public</i>	<i>Underwriting Discounts and Commissions</i>	<i>Proceeds to Company</i>
<i>Per Unit</i>	\$	\$	\$
<i>Total</i>	\$	\$	\$

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.*

*The underwriters do not have the option to purchase any additional Units to cover over-allotments or otherwise.*

*The underwriters expect to deliver the Units to purchasers on or about August , 2014.*

*Joint Book-Running Managers*

*MORGAN STANLEY*

*RBC CAPITAL MARKETS*

*J.P. MORGAN*

*July , 2014*

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission using a shelf registration process.

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which does not apply to this offering.

Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our Units and other information you should know before investing. You should read both this prospectus supplement and the accompanying prospectus as well as additional information described under **Where You Can Find More Information** in this prospectus supplement before investing in our Units.

Neither we nor the underwriters have authorized anyone to provide you with any information other than that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context otherwise requires, in this prospectus supplement the words **the Company**, **Tyson**, **we**, **us**, and **our** refer to Tyson Foods, Inc. and not to any of its subsidiaries.

Unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, assumes the completion of the concurrent Class A common stock offering described herein and that the underwriters for that offering do not exercise their over-allotment option to purchase additional shares of Class A common stock. In addition, unless we specifically state otherwise, the information in this prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, does not give effect to the Hillshire Brands Acquisition or the Debt Financings (each as defined below).

During the second quarter of fiscal 2014, we began reporting our International operations as a separate segment, which was previously included in our Chicken segment. All amounts in this prospectus supplement reflect this reclassification, and all references to our Annual Report on Form 10-K for the fiscal year ended September 28, 2013 and to our Quarterly Report on Form 10-Q for the fiscal quarter ended March 29, 2014 shall be deemed to include the reclassified amounts set forth in our Current Reports on Form 8-K filed with the Securities and Exchange Commission on July 28, 2014.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public from the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file at the SEC's public reference room in Washington, D.C. located at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our Class A common stock is listed and traded on the New York Stock Exchange, or NYSE. You may also inspect the information we file with the SEC at the NYSE's offices at 20 Broad Street, New York, New York 10005. Information about us, including certain SEC filings, is also available at our website at <http://ir.tyson.com>. However, the information on our website is not a part of this prospectus supplement or the accompanying prospectus.

The SEC allows us to incorporate by reference in this prospectus supplement and the accompanying prospectus the information in other documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated or deemed to be incorporated by reference is considered to be a part of this prospectus supplement and the accompanying prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus supplement and the accompanying prospectus.

We incorporate by reference in this prospectus supplement and the accompanying prospectus the documents listed below and any future filings that we may make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, prior to the termination of the offering under this prospectus supplement and the accompanying prospectus (*provided, however*, that we are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Our Annual Report on Form 10-K for the fiscal year ended September 28, 2013, including those portions of our Definitive Proxy Statement on Schedule 14A filed on December 20, 2013 that are specifically incorporated by reference into such Annual Report on Form 10-K (except for Part I, Items 1 and 2 and Part II, Items 6, 7 and 8, which were superseded by Part I, Items 1 and 2 and Part II, Items 6, 7 and 8, respectively, included in the Current Report on Form 8-K filed on July 28, 2014);

Our Quarterly Reports on Form 10-Q for the quarters ended December 28, 2013 (except for Part I, Items 1 and 2, which were superseded by Part I, Items 1 and 2, respectively, included in the Current Report on Form 8-K filed on July 28, 2014) and March 29, 2014;

Our Current Reports on Form 8-K filed with the SEC on February 4, 2014, June 4, 2014, June 10, 2014, July 1, 2014, July 2, 2014, July 17, 2014 and July 28, 2014 (except for Item 2.02 and the related Exhibit 99.1); and

Our Registration Statement on Form 8-A dated October 14, 1997.

In addition, we incorporate by reference in this prospectus supplement the risk factors disclosed in Part I, Item 1A of Hillshire Brands' Annual Report on Form 10-K for the fiscal year ended June 29, 2013.

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You may obtain a copy of any or all of the documents referred to above which may have been or may be incorporated by reference into this prospectus supplement and the accompanying prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address:

Investor Relations Department

Tyson Foods, Inc.

2200 Don Tyson Parkway

Springdale, AR 72762-6999

(479) 290-4524

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**Table of Contents****SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS**

This prospectus contains or incorporates by reference a number of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements preceded by, followed by or that include the words may, could, would, should, believe, expect, a plan, estimate, target, project, intend and similar expressions. Such forward-looking statements include, but are limited to, current views and estimates of our outlook for fiscal 2014, other future economic circumstances, industry conditions in domestic and international markets, our performance and financial results (e.g., debt levels, return on invested capital, value-added product growth, capital expenditures, tax rates, access to foreign markets and dividend policy). These forward-looking statements are subject to a number of factors and uncertainties that could cause our actual results and experiences to differ materially from anticipated results and expectations expressed in such forward-looking statements. We wish to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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: (i) the effect of, or changes in, general economic conditions; (ii) 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; (iii) 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; (iv) successful rationalization of existing facilities and operating efficiencies of the facilities; (v) risks associated with our commodity purchasing activities; (vi) access to foreign markets together with foreign economic conditions, including currency fluctuations, import/export restrictions and foreign politics; (vii) outbreak of a livestock disease (such as avian influenza (AI) 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; (viii) 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; (ix) issues related to food safety, including costs resulting from product recalls, regulatory compliance and any related claims or litigation; (x) changes in consumer preference and diets and our ability to identify and react to consumer trends; (xi) significant marketing plan changes by large customers or loss of one or more large customers; (xii) adverse results from litigation; (xiii) risks associated with leverage, including cost increases due to rising interest rates or changes in debt ratings or outlook; (xiv) 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; (xv) our ability to make effective acquisitions or joint ventures and successfully integrate newly acquired businesses into existing operations; (xvi) effectiveness of advertising and marketing programs; and (xvii) those factors listed under Item 1A. Risk Factors included in our Annual Report filed on Form 10-K for the year ended September 28, 2013 and subsequently filed Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. You should refer to the Risk Factors section of this prospectus supplement and the accompanying prospectus and to the Company's periodic and current reports filed with the SEC for specific risks which would cause actual results to be significantly different from those expressed or implied by these forward-looking statements. It is not possible to identify all of the risks, uncertainties and other factors that may affect future results. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, readers of this prospectus supplement and the accompanying prospectus are cautioned not to place undue reliance on the forward-looking statements.

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**IMPORTANT INFORMATION FOR INVESTORS AND SECURITYHOLDERS**

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](http://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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**SUMMARY**

*This summary highlights selected information contained elsewhere in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary may not contain all the information that you should consider before investing in our Units. You should carefully read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.*

**Our Company**

Founded in 1935, we are one of the world's largest meat protein companies and the second-largest food production company in the Fortune 500 with one of the most recognized brand names in the food industry. We produce, distribute and market chicken, beef, pork, prepared foods and related allied products. Our operations are conducted in five segments: Chicken, Beef, Pork, Prepared Foods and International. Some of the key factors influencing our business are customer demand for our products; the ability to maintain and grow relationships with customers and introduce new and innovative products to the marketplace; accessibility of international markets; market prices for our products; the cost and availability of live cattle and hogs, raw materials, grain and feed ingredients; and operating efficiencies of our facilities.

We operate a fully vertically integrated poultry production process. Our integrated operations consist of breeding stock, contract growers, feed production, processing, further-processing, marketing and transportation of chicken and related allied products, including animal and pet food ingredients. Through our wholly-owned subsidiary, Cobb-Vantress, Inc., we are one of the leading poultry breeding stock suppliers in the world. Investing in breeding stock research and development allows us to breed into our flocks the characteristics found to be most desirable.

We also process live fed cattle and hogs and fabricate dressed beef and pork carcasses into primal and sub-primal meat cuts, case ready beef and pork and fully-cooked meats. In addition, we derive value from allied products such as hides and variety meats sold to further processors and others.

We produce a wide range of fresh, value-added, frozen and refrigerated food products. Our products are marketed and sold primarily by our sales staff to grocery retailers, grocery wholesalers, meat distributors, warehouse club stores, military commissaries, industrial food processing companies, chain restaurants or their distributors, international export companies and domestic distributors who serve restaurants, foodservice operations such as plant and school cafeterias, convenience stores, hospitals and other vendors. Additionally, sales to the military and a portion of sales to international markets are made through independent brokers and trading companies.

On July 1, 2014, The Hillshire Brands Company, or Hillshire Brands, accepted an offer from us to be acquired at a price of \$63.00 per share, as described below under Recent Developments. Hillshire Brands is a manufacturer and marketer of high-quality, brand name food products. A leader in branded, convenient foods for the retail and foodservice markets, Hillshire Brands generated \$3,920 million of net sales in the year ended June 29, 2013 and had approximately 9,100 employees at that time. Hillshire Brands' portfolio includes iconic brands such as Jimmy Dean, Ball Park, Hillshire Farm, State Fair, Sara Lee frozen bakery and Chef Pierre pies, as well as artisanal brands Aidells, Gallo Salame, Van's Natural Foods and Golden Island premium jerky.

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We believe that the Hillshire Brands acquisition will provide us with several strategic and financial benefits, including:

*Compelling Investment Consistent with Strategic Priorities* We believe that Hillshire Brands' product portfolio will provide us with growth in higher margin, branded foods. We believe this product portfolio will complement our existing product portfolio, and provide us with added presence in the convenience and snack foods markets.

*Create Market Leading Integrated Protein Platform* We believe that the addition of Hillshire Brands' raw material platform will generate scale and profitability in our existing prepared foods business across both branded private label products and commodity products.

*Synergy Opportunity* We believe that the Hillshire Brands Acquisition presents meaningful synergy opportunities, including in the areas of purchasing, distribution, supply chain, raw material utilization and brand building.

### **Corporate Information**

Tyson Foods, Inc. commenced business in 1935, was incorporated in Arkansas in 1947, and was reincorporated in Delaware in 1986.

Our principal executive offices are located at 2200 Don Tyson Parkway, Springdale, Arkansas 72762-6999. Our telephone number is (479) 290-4000. Our website is [www.tysonfoods.com](http://www.tysonfoods.com). Information on our website is not part of this prospectus supplement.

### **Recent Developments**

#### **Proposed Hillshire Brands Acquisition**

On June 8, 2014, we submitted to Hillshire Brands a unilaterally binding offer to acquire it for \$63.00 per share in cash. The offer was accompanied by a definitive agreement and plan of merger (the "Merger Agreement") among Tyson, HMB Holdings, Inc., a Maryland corporation and a wholly-owned subsidiary of Tyson ("Merger Sub"), and Hillshire Brands, which was executed by Tyson and Merger Sub. The offer was contingent upon the termination of the merger agreement between Hillshire Brands and Pinnacle Foods, Inc., which occurred on July 1, 2014, at which time Hillshire Brands accepted the offer and executed the Merger Agreement. The Merger Agreement required that we pay to or on behalf of Hillshire Brands the termination fee of \$163.0 million due to Pinnacle upon termination of the merger agreement between Hillshire Brands and Pinnacle Foods, Inc. We refer in this prospectus supplement to our acquisition of Hillshire Brands to the extent set forth in, and pursuant to, the Merger Agreement as the "Hillshire Brands Acquisition."

On July 16, 2014, pursuant to the Merger Agreement, we commenced a tender offer to purchase all of the issued and outstanding shares of Hillshire Brands' common stock at a purchase price of \$63.00 per share in cash, without interest. The tender offer is scheduled to expire on August 12, 2014 and is subject to the condition that two-thirds of the outstanding shares of Hillshire Brands common stock shall have been validly tendered prior to the expiration of the tender offer and not withdrawn. The Merger Agreement also contains other customary conditions, including the

expiration of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Subject to certain conditions and limitations, Hillshire Brands granted Tyson an option to purchase from Hillshire Brands after the successful completion of the tender offer enough additional Hillshire Brands shares so that Tyson will own more than 90% of the outstanding shares of Hillshire Brands common stock, in order to facilitate the completion of the merger through the short-form procedures available under Maryland law. Following the consummation of the tender offer, and subject to the satisfaction or waiver of certain conditions set forth in the Merger Agreement, the Merger Agreement provides that Merger Sub will merge with and into Hillshire Brands, with Hillshire Brands surviving the merger as our wholly-owned

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subsidiary. At and following consummation of the merger, any remaining outstanding shares of Hillshire Brands common stock not owned, directly or indirectly, by us, Merger Sub or Hillshire Brands will be converted into the right to receive \$63.00 per share in cash, without interest. Appraisal rights are not available under Maryland law for the tender offer or the merger.

## **Financing Transactions**

In addition to this offering, we intend to obtain or otherwise incur additional financing for the Hillshire Brands Acquisition as follows:

*Class A Common Stock Offering.* Concurrently with this offering, we are offering 24,000,000 shares of our Class A common stock (or up to 27,600,000 if the underwriters for that offering exercise their over-allotment option in full) pursuant to a separate prospectus supplement. We intend to raise approximately \$949 million in aggregate gross proceeds from the Class A common stock offering (assuming the underwriters for that offering do not exercise their over-allotment option). However, the amount of shares of Class A common stock sold in that offering may increase or decrease based on market conditions relating to that security.

*Debt Financings.* We intend to obtain or otherwise incur up to approximately \$5,750.0 million of indebtedness to fund the Hillshire Brands Acquisition, and related fees and expenses, which we refer to in this prospectus supplement as the Debt Financings. We currently expect that the Debt Financings will include:

three-year and five-year senior unsecured term loans in an aggregate principal amount of up to approximately \$2,500.0 million, which we refer to in this prospectus supplement as the New Term Loans ; and

one or more series of senior unsecured notes in an aggregate principal amount of up to approximately \$3,250.0 million, which we refer to in this prospectus supplement as the New Notes.

On June 27, 2014, we also amended our existing revolving credit facility to, among other things, permit the Hillshire Brands Acquisition without resulting in the occurrence of a default or event of default under that facility. However, we do not expect to draw under this facility to fund any portion of the Hillshire Brands Acquisition. See Description of Indebtedness.

The completion of this tangible equity units offering is not contingent upon the completion of the Class A common stock offering, the Debt Financings or the Hillshire Brands Acquisition. Accordingly, even if the Hillshire Brands Acquisition or the other financing transactions do not occur, the shares of our Class A common stock sold in this offering will remain outstanding, and we will not have any obligation to offer to repurchase any or all of the shares of Class A common stock sold in this offering.

In addition, if the Hillshire Brands Acquisition is not consummated, we do not expect any debt under the proposed Debt Financings to be outstanding, other than the New Notes, which we expect to contain a special mandatory redemption requirement if the Hillshire Brands Acquisition is not consummated by a specified date. See Use of Proceeds.

We cannot assure you that we will complete the Hillshire Brands Acquisition or any of the other financing transactions on the terms contemplated in this prospectus supplement or at all.



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**Table of Contents****Preliminary Financial and Other Information for the Quarterly Period Ended June 28, 2014**

On July 28, 2014, we issued a press release reporting the following preliminary results:

<b>(in millions, except per share data)</b>	<b>Third Quarter</b>		<b>Nine Months</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Sales	<b>\$ 9,682</b>	\$ 8,731	<b>\$ 27,475</b>	\$ 25,480
Operating Income	<b>351</b>	419	<b>1,124</b>	959
Income from Continuing Operations	<b>258</b>	249	<b>720</b>	589
Loss from Discontinued Operation, Net of Tax		(4)		(70)
Net Income	<b>258</b>	245	<b>720</b>	519
Less: Net Income (Loss) Attributable to Noncontrolling Interests	<b>(2)</b>	(4)	<b>(7)</b>	2
Net Income Attributable to Tyson	<b>\$ 260</b>	\$ 249	<b>\$ 727</b>	\$ 517
Adjusted <sup>1</sup> Operating Income from Continuing Operations	<b>\$ 407</b>	\$ 419	<b>\$ 1,180</b>	\$ 959
Net Income Per Share from Continuing Operations Attributable to Tyson	<b>\$ 0.73</b>	\$ 0.69	<b>\$ 2.05</b>	\$ 1.61
Adjusted <sup>1</sup> Net Income Per Share from Continuing Operations Attributable to Tyson	<b>\$ 0.75</b>	\$ 0.69	<b>\$ 2.07</b>	\$ 1.56
Net Income Per Share Attributable to Tyson	<b>\$ 0.73</b>	\$ 0.68	<b>\$ 2.05</b>	\$ 1.42
Adjusted <sup>1</sup> Net Income Per Share Attributable to Tyson	<b>\$ 0.75</b>	\$ 0.68	<b>\$ 2.07</b>	\$ 1.52

<sup>1</sup> Adjusted operating income and adjusted EPS is explained and reconciled to comparable GAAP measure below.

**Third Quarter Highlights**

**Reported EPS was \$0.73; Adjusted EPS up 9% to \$0.75 compared to EPS from continuing operations of \$0.69 in third quarter of fiscal 2013**

**Quarterly sales up to \$9.7 billion resulting in 11% increase over third quarter of fiscal 2013**

**Adjusted operating margin was 4.2%**

**Acquisition of the Hillshire Brands on track for closing in fourth quarter of fiscal 2014**

**Segment Performance Review (in millions)**

**Sales**

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(for the third quarter and nine months ended June 28, 2014, and June 29, 2013)

	<b>Third Quarter</b>				<b>Nine Months</b>			
	<b>2014</b>	<b>2013</b>	<b>Volume Change</b>	<b>Avg. Price Change</b>	<b>2014</b>	<b>2013</b>	<b>Volume Change</b>	<b>Avg. Price Change</b>
<b>Chicken</b>	\$ 2,829	\$ 2,820	1.3%	(1.0)%	\$ 8,327	\$ 8,148	2.7%	(0.5)%
<b>Beef</b>	4,189	3,723	(0.9)%	13.5%	11,748	10,655	0.4%	9.8%
<b>Pork</b>	1,766	1,332	5.0%	26.3%	4,677	4,006	1.1%	15.4%
<b>Prepared Foods</b>	901	797	4.0%	8.7%	2,669	2,441	5.2%	4.0%
<b>International</b>	365	343	17.2%	(9.2)%	1,020	1,001	14.0%	(10.6)%
<b>Other</b>			n/a	n/a		47	n/a	n/a
<b>Intersegment Sales</b>	(368)	(284)	n/a	n/a	(966)	(818)	n/a	n/a
<b>Total</b>	<b>\$ 9,682</b>	<b>\$ 8,731</b>	<b>2.2%</b>	<b>8.5%</b>	<b>\$ 27,475</b>	<b>\$ 25,480</b>	<b>2.5%</b>	<b>5.4%</b>

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**Table of Contents****Operating Income (Loss)***(for the third quarter and nine months ended June 28, 2014, and June 29, 2013)*

	Third Quarter				Nine Months			
	2014		2013		2014		2013	
			Operating Margin	Operating Margin			Operating Margin	Operating Margin
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Chicken</b>	\$ 195	\$ 215	6.9%	7.6%	\$ 682	\$ 471	8.2%	5.8%
<b>Beef</b>	101	114	2.4%	3.1%	194	134	1.7%	1.3%
<b>Pork</b>	128	67	7.2%	5.0%	356	264	7.6%	6.6%
<b>Prepared Foods</b>	(50)	24	(5.5)%	3.0%	(13)	85	(0.5)%	3.5%
<b>International</b>	(15)	5	(4.1)%	1.5%	(73)		(7.2)%	%
<b>Other</b>	(8)	(6)	n/a	n/a	(22)	5	n/a	n/a
<b>Total</b>	<b>\$ 351</b>	<b>\$ 419</b>	<b>3.6%</b>	<b>4.8%</b>	<b>\$ 1,124</b>	<b>\$ 959</b>	<b>4.1%</b>	<b>3.8%</b>

Note: During the second quarter of fiscal 2014, we began reporting our International operation as a separate segment, which was previously included in our Chicken segment. The International segment includes our foreign operations related to raising and processing live chickens in Brazil, China, India and Mexico. All periods presented have been reclassified to reflect this change.

**Third quarter and nine months of fiscal 2014**

Operating income was reduced by \$49 million in the Prepared Foods segment for impairments related to the closure of three plants.

Operating income was reduced by \$7 million in Other for third party transaction fees incurred as part of the Hillshire Brands acquisition.

**Chicken** Sales volumes for the third quarter and nine months of fiscal 2014 grew as a result of stronger demand for chicken products and mix of rendered product sales. Average sales price decreased as feed ingredient costs declined, partially offset by mix changes. Operating income for the third quarter of fiscal 2014 was negatively impacted by rapidly rising costs of outside meat purchases as well as operational disruptions at two of our facilities. For the nine months of fiscal 2014, operating income increased due to higher sales volume and lower feed ingredient costs, partially offset by decreased average sales price. Feed costs decreased \$120 million and \$460 million for the third quarter and nine months of fiscal 2014, respectively.

**Beef** Sales volumes decreased for the third quarter of fiscal 2014 due to a reduction in live cattle processed. However, sales volumes were up for the nine months of fiscal 2014 due to better domestic demand for our beef products, partially offset by reduced exports. Average sales price increased due to lower domestic availability of fed cattle supplies, which additionally drove up livestock costs. Operating income decreased for the third quarter of fiscal 2014 due to higher fed cattle costs and periods of reduced demand for beef products, which made it difficult to pass along increased input costs, as well as lower sales volumes and increased operating costs. For the nine months of fiscal 2014, operating income increased due to improved

operational execution and maximizing our revenues relative to the rising live cattle markets, partially offset by increased operating costs.

Pork Sales volumes increased as a result of better domestic demand for our pork products. Average sales price increased due to lower total hog supplies, which additionally resulted in higher input costs. Operating income increased as we maximized our revenues relative to live hog markets, partially attributable to operational and mix performance.

Prepared Foods Sales volumes increased as a result of improved demand for our prepared foods products and incremental volumes from the purchase of three businesses. Average sales price increased due to better product mix and price increases associated with higher input costs. Operating income decreased as a result of higher raw material and other input costs of approximately \$95 million and

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\$160 million for the third quarter and nine months of fiscal 2014, respectively, and additional costs incurred as we invested in our growth platforms. Because many of our sales contracts are formula based or shorter-term in nature, we are typically able to offset rising input costs through pricing. However, there is a lag time for price increases to take effect. Additionally, in the third quarter of fiscal 2014, we incurred a \$49 million impairment charge related to the planned closure of three plants, which are expected to cease operation by mid-fiscal 2015.

International Sales volumes increased as we grew our businesses in Brazil and China. Average sales price decreased due to poor export market conditions in Brazil, supply imbalances associated with weak demand in China and a less favorable pricing environment in Mexico. Operating income decreased due to poor operational execution in Brazil, challenging market conditions in Brazil and China and additional costs incurred as we grew our International operation.

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**Table of Contents****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>June 28, 2014</b>	<b>June 29, 2013</b>	<b>June 28, 2014</b>	<b>June 29, 2013</b>
Sales	\$ 9,682	\$ 8,731	\$ 27,475	\$ 25,480
Cost of Sales	9,045	8,049	25,502	23,791
Gross Profit	637	682	1,973	1,689
Selling, General and Administrative	286	263	849	730
Operating Income	351	419	1,124	959
Other (Income) Expense:				
Interest income	(1)	(2)	(6)	(5)
Interest expense	25	36	78	109
Other, net	17		18	(19)
Total Other (Income) Expense	41	34	90	85
Income from Continuing Operations before Income Taxes	310	385	1,034	874
Income Tax Expense	52	136	314	285
Income from Continuing Operations	258	249	720	589
Loss from Discontinued Operation, Net of Tax		(4)		(70)
Net Income	258	245	720	519
Less: Net Income (Loss) Attributable to Noncontrolling Interests	(2)	(4)	(7)	2
Net Income Attributable to Tyson	\$ 260	\$ 249	\$ 727	\$ 517
Amounts attributable to Tyson:				
Net Income from Continuing Operations	260	253	727	587
Net Loss from Discontinued Operation		(4)		(70)
Net Income Attributable to Tyson	\$ 260	\$ 249	\$ 727	\$ 517
Weighted Average Shares Outstanding:				
Class A Basic	280	283	275	284
Class B Basic	70	70	70	70

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Diluted	356	369	355	366
Net Income Per Share from Continuing Operations				
Attributable to Tyson:				
Class A Basic	\$ 0.75	\$ 0.73	\$ 2.15	\$ 1.69
Class B Basic	\$ 0.68	\$ 0.66	\$ 1.94	\$ 1.52
Diluted	\$ 0.73	\$ 0.69	\$ 2.05	\$ 1.61
Net Loss Per Share from Discontinued Operation				
Attributable to Tyson:				
Class A Basic	\$	\$ (0.01)	\$	\$ (0.20)
Class B Basic	\$	\$ (0.02)	\$	\$ (0.18)
Diluted	\$	\$ (0.01)	\$	\$ (0.19)
Net Income Per Share Attributable to Tyson:				
Class A Basic	\$ 0.75	\$ 0.72	\$ 2.15	\$ 1.49
Class B Basic	\$ 0.68	\$ 0.64	\$ 1.94	\$ 1.34
Diluted	\$ 0.73	\$ 0.68	\$ 2.05	\$ 1.42
Dividends Declared Per Share:				
Class A	\$ 0.075	\$ 0.050	\$ 0.250	\$ 0.260
Class B	\$ 0.068	\$ 0.045	\$ 0.226	\$ 0.234
Sales Growth	10.9%		7.8%	
Margins: (Percent of Sales)				
Gross Profit	6.6%	7.8%	7.2%	6.6%
Operating Income	3.6%	4.8%	4.1%	3.8%
Income from Continuing Operations	2.7%	2.9%	2.6%	2.3%
Effective Tax Rate for Continuing Operations	16.8%	35.4%	30.4%	32.6%

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**Table of Contents****TYSON FOODS, INC.****CONSOLIDATED CONDENSED BALANCE SHEETS****(In millions)****(Unaudited)**

	<b>June 28, 2014</b>	<b>September 28, 2013</b>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 587	\$ 1,145
Accounts receivable, net	1,624	1,497
Inventories	3,061	2,817
Other current assets	241	145
<b>Total Current Assets</b>	<b>5,513</b>	<b>5,604</b>
Net Property, Plant and Equipment	3,941	4,053
Goodwill	1,925	1,902
Intangible Assets	151	138
Other Assets	525	480
<b>Total Assets</b>	<b>\$ 12,055</b>	<b>\$ 12,177</b>
<b>Liabilities and Shareholders Equity</b>		
Current Liabilities:		
Current debt	\$ 41	\$ 513
Accounts payable	1,496	1,359
Other current liabilities	1,075	1,138
<b>Total Current Liabilities</b>	<b>2,612</b>	<b>3,010</b>
Long-Term Debt	1,784	1,895
Deferred Income Taxes	404	479
Other Liabilities	545	560
<b>Total Tyson Shareholders Equity</b>	<b>6,694</b>	<b>6,201</b>
Noncontrolling Interests	16	32
<b>Total Shareholders Equity</b>	<b>6,710</b>	<b>6,233</b>
<b>Total Liabilities and Shareholders Equity</b>	<b>\$ 12,055</b>	<b>\$ 12,177</b>

**Table of Contents****TYSON FOODS, INC.****CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS****(In millions)****(Unaudited)**

	<b>Nine Months Ended</b>	
	<b>June 28, 2014</b>	<b>June 29, 2013</b>
<b>Cash Flows From Operating Activities:</b>		
Net income	\$ 720	\$ 519
Depreciation and amortization	382	387
Deferred income taxes	(64)	(21)
Convertible debt discount	(92)	
Other, net	76	80
Net changes in working capital	(479)	(193)
<b>Cash Provided by Operating Activities</b>	<b>543</b>	<b>772</b>
<b>Cash Flows From Investing Activities:</b>		
Additions to property, plant and equipment	(437)	(425)
Purchases of marketable securities	(25)	(123)
Proceeds from sale of marketable securities	24	22
Acquisitions, net of cash acquired	(56)	(106)
Other, net	44	36
<b>Cash Used for Investing Activities</b>	<b>(450)</b>	<b>(596)</b>
<b>Cash Flows From Financing Activities:</b>		
Payments on debt	(407)	(69)
Net proceeds from borrowings	28	48
Purchases of Tyson Class A common stock	(286)	(298)
Dividends	(76)	(87)
Stock options exercised	61	93
Other, net	26	13
<b>Cash Used for Financing Activities</b>	<b>(654)</b>	<b>(300)</b>
Effect of Exchange Rate Changes on Cash	3	(4)
<b>Decrease in Cash and Cash Equivalents</b>	<b>(558)</b>	<b>(128)</b>
Cash and Cash Equivalents at Beginning of Year	1,145	1,071
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$ 587</b>	<b>\$ 943</b>

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**Table of Contents****TYSON FOODS, INC.****EBITDA Reconciliations****(In millions)****(Unaudited)**

	<b>Nine Months Ended</b>		<b>Fiscal Year Ended</b>	<b>Twelve Months Ended</b>
	<b>June 28,</b>	<b>June 29,</b>	<b>September 28,</b>	<b>June 28,</b>
	<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>2014</b>
Net income	\$ 720	\$ 519	\$ 778	\$ 979
Less: Interest income	(6)	(5)	(7)	(8)
Add: Interest expense	78	109	145	114
Add: Income tax expense <sup>(a)</sup>	314	287	409	436
Add: Depreciation	362	354	474	482
Add: Amortization <sup>(b)</sup>	15	12	17	20
<b>EBITDA</b>	<b>\$ 1,483</b>	<b>\$ 1,276</b>	<b>\$ 1,816</b>	<b>\$ 2,023</b>
Total gross debt			\$ 2,408	\$ 1,825
Less: Cash and cash equivalents			(1,145)	(587)
Less: Short-term investments			(1)	(2)
<b>Total net debt</b>			<b>\$ 1,262</b>	<b>\$ 1,236</b>
Ratio Calculations:				
Gross debt/EBITDA			1.3x	0.9x
Net debt/EBITDA			0.7x	0.6x

(a) Includes income tax expense of discontinued operation.

(b) Excludes the amortization of debt discount expense of \$5 million and \$21 million for the nine months ended June 28, 2014, and June 29, 2013, respectively, and \$28 million for the fiscal year ended September 28, 2013, as it is included in Interest expense.

EBITDA represents net income, net of interest, income tax and depreciation and amortization. EBITDA is presented as a supplemental financial measurement in the evaluation of our business. We believe the presentation of this financial measure 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 measurement of EBITDA may not be comparable to those of other companies in our industry, which limits its usefulness as a comparative measure. EBITDA is not a measure required by or calculated in accordance with GAAP and should not be considered as a substitute 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. EBITDA is a useful tool for assessing, but is not a reliable indicator of, our ability to generate cash to service our debt obligations because certain of the items added to net income to determine EBITDA involve outlays of cash. As a result, actual cash available to

service our debt obligations will be different from EBITDA. Investors should rely primarily on our GAAP results, and use non-GAAP financial measures only supplementally, in making investment decisions.

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Table of Contents**TYSON FOODS, INC.****EPS Reconciliations****(Unaudited)**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>June 28, 2014</b>	<b>June 29, 2013</b>	<b>June 28, 2014</b>	<b>June 29, 2013</b>
Reported net income from continuing operations per share attributable to Tyson	\$ 0.73	\$ 0.69	\$ 2.05	\$ 1.61
Less: \$19 million recognized currency translation adjustment gain				(0.05)
Less: \$40 million gain on unrecognized tax benefit	(0.11)		(0.11)	
Add: \$29 million Hillshire Brands Acquisition fees paid to third parties	0.05		0.05	
Add: \$49 million impairment due to closure of three facilities	0.08		0.08	
Adjusted net income from continuing operations per share attributable to Tyson	\$ 0.75	\$ 0.69	\$ 2.07	\$ 1.56

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>June 28, 2014</b>	<b>June 29, 2013</b>	<b>June 28, 2014</b>	<b>June 29, 2013</b>
Reported net income per share attributable to Tyson	\$ 0.73	\$ 0.68	\$ 2.05	\$ 1.42
Less: \$19 million recognized currency translation adjustment gain				(0.05)
Add: \$56 million impairment of non-core assets in China				0.15
Less: \$40 million gain on unrecognized tax benefit	(0.11)		(0.11)	
Add: \$29 million Hillshire Brands Acquisition fees paid to third parties	0.05		0.05	
Add: \$49 million impairment due to closure of three facilities	0.08		0.08	
Adjusted net income per share attributable to Tyson	\$ 0.75	\$ 0.68	\$ 2.07	\$ 1.52

Adjusted net income per share attributable to Tyson (adjusted EPS) and adjusted net income from continuing operations per share attributable to Tyson (adjusted continuing EPS) are presented as supplementary financial measurements in the evaluation of our business. We believe the presentation of adjusted EPS and adjusted continuing EPS helps investors to assess our financial performance from period to period and enhances understanding of our financial performance. However, adjusted EPS and adjusted continuing EPS may not be comparable to those of other companies in our industry, which limits the usefulness as comparative measures. Adjusted EPS and adjusted continuing EPS are not measures required by or calculated in accordance with GAAP and should not be considered as substitutes for any measure of financial performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results, and use non-GAAP financial measures only supplementally, in making investment

decisions.

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## TYSON FOODS, INC.

## Operating Income Reconciliation

(Unaudited)

	Three Months Ended		Nine Months Ended	
	June 28, 2014	June 29, 2013	June 28, 2014	June 29, 2013
Reported from continuing operations	\$ 351	\$ 419	\$ 1,124	\$ 959
Add: Hillshire Brands Acquisition fees paid to third parties	7		7	
Add: Impairment due to closure of three facilities	49		49	
Adjusted from continuing operations	\$ 407	\$ 419	\$ 1,180	\$ 959

Adjusted operating income from continuing operations is presented as supplementary financial measurements in the evaluation of our business. We believe the presentation of adjusted operating income helps investors assess our financial performance from period to period and enhance understanding of our financial performance. However, adjusted operating income may not be comparable to those of other companies in our industry, which limits the usefulness as comparative measures. Adjusted operating income is not a measure required by or calculated in accordance with GAAP and should not be considered as a substitute for any measures of financial performance reported in accordance with GAAP. Investors should rely primarily on our GAAP results, and use non-GAAP financial measures only supplementally in making investment decisions.

The preliminary financial data included in this prospectus supplement has been prepared by and is the responsibility of our management. PricewaterhouseCoopers LLP has not audited, reviewed, or compiled the accompanying preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.



**Table of Contents****THE OFFERING**

*The summary below describes the principal terms of the Units, the purchase contracts and the amortizing notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of the Units, Description of the Purchase Contracts and Description of the Amortizing Notes sections of this prospectus supplement contain a more detailed description of the terms and conditions of the Units, the purchase contracts and the amortizing notes. As used in this section, the term the Company means Tyson Foods, Inc. and does not include any subsidiary of Tyson Foods, Inc.*

**The Units**

Issuer	Tyson Foods, Inc., a Delaware corporation.
Number of Units offered	30,000,000 Units. The underwriters do not have the option to purchase additional Units to cover over-allotments or otherwise.
Stated amount of each Unit	\$50 for each Unit.
Components of each Unit	Each Unit is comprised of two parts: <ul style="list-style-type: none"> <li>a prepaid stock purchase contract issued by the Company (a purchase contract ); and</li> <li>a senior amortizing note issued by the Company (an amortizing note ).</li> </ul> <p>Unless earlier redeemed by us in connection with a merger termination redemption or settled earlier at the holder's option or at our option, each purchase contract will, subject to postponement in certain limited circumstances, automatically settle on July 15, 2017 (such date, as so postponed (if applicable), the mandatory settlement date ), and we will deliver not more than shares and not less than shares of our Class A common stock per purchase contract, subject to adjustment, based upon the applicable settlement rate and applicable market value of our Class A common stock, as described below under Description of the Purchase Contracts Delivery of Class A Common Stock.</p> <p>No fractional shares of our Class A common stock will be issued to holders upon settlement of purchase contracts. In lieu of fractional shares, holders will be entitled to receive a cash payment of equivalent value calculated as described herein. Other than cash payments in lieu of fractional shares or, under certain</p>

circumstances, in the event of a merger termination redemption, the purchase contract holders will not receive any cash distributions under the purchase contracts.

Each amortizing note will have an initial principal amount of \$ , will bear interest at the rate of % per annum and will have a final installment payment date of July 15, 2017. On each January 15, April 15,

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July 15 and October 15 commencing on October 15, 2014, the Company will pay equal quarterly cash installments of \$ per amortizing note (except for the October 15, 2014 installment payment, which will be \$ per amortizing note), which cash payment in the aggregate per year will be equivalent to % per year with respect to each \$50 stated amount of Units. Each installment will constitute a payment of interest and a partial repayment of principal, allocated as set forth on the amortization schedule set forth under

Description of the Amortizing Notes Amortization Schedule.

The return to an investor on a Unit will depend upon the return provided by each component. The overall return will consist of the value of the shares of our Class A common stock delivered upon settlement of the purchase contracts and the cash installments paid on the amortizing notes.

Each Unit may be separated into its components

Each Unit may be separated by a holder into its constituent purchase contract and amortizing note on any business day during the period beginning on, and including, the business day immediately following the date of initial issuance of the Units to, but excluding, the third scheduled trading day immediately preceding July 15, 2017 or any early mandatory settlement date or merger redemption settlement date. Prior to separation, the purchase contracts and amortizing notes may only be purchased and transferred together as Units. See Description of the Units Separating and Recreating Units.

A Unit may be recreated from its components

If you hold a separate purchase contract and a separate amortizing note, you may combine the two components to recreate a Unit. See Description of the Units Separating and Recreating Units.

Trading

We have applied to list the Units on the New York Stock Exchange under the symbol TSNU, subject to satisfaction of its minimum listing standards with respect to the Units. If approved for listing, we expect trading on the New York Stock Exchange to begin within 30 calendar days after the Units are first issued. However, we will not initially apply to list the separate purchase contracts or the separate amortizing notes on any securities exchange or automated inter-dealer quotation system, but we may apply to list such separate purchase contracts and separate amortizing notes in the future as described under Description of

the Units Listing of Securities. Prior to this offering, there has been no public market for the Units.

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Use of Proceeds

Our Class A common stock is listed on The New York Stock Exchange under the symbol TSN.

We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and before estimated offering expenses, will be approximately \$ million. We intend to use the net proceeds from this offering, together with the net proceeds of the concurrent Class A common stock offering, the Debt Financings and cash on hand to finance the Hillshire Brands Acquisition and to pay related fees and expenses. If for any reason the Hillshire Brands Acquisition is not consummated, then we intend to use the net proceeds from this offering for general corporate purposes. See Recent Developments above.

U.S. federal income tax considerations

As required by the Merger Agreement, the net proceeds of this offering and the concurrent Class A common stock offering (net of our good faith estimate of offering fees and expenses) will be placed into an escrow account, pending release upon consummation of, and to partially fund, the Hillshire Brands Acquisition (or, if earlier, upon termination of the Merger Agreement).

Although there is no authority directly on point and therefore the issue is not entirely free from doubt, each Unit will be treated as an investment unit composed of two separate instruments for U.S. federal income tax purposes, including amortizing notes which will be treated as indebtedness for U.S. federal income tax purposes. Under this treatment, a holder of Units will be treated as if it held each component of the Units for U.S. federal income tax purposes. By acquiring a Unit, you will agree to treat (i) a Unit as an investment unit composed of two separate instruments in accordance with its form and (ii) the amortizing notes as indebtedness of the Company for U.S. federal income tax purposes. If, however, the components of a Unit were treated as a single instrument, the U.S. federal income tax consequences could differ from the consequences described herein.

Prospective investors should consult their tax advisors regarding the tax treatment of an investment in Units and whether a purchase of a Unit is advisable in light of the investor's particular tax situation and the tax

treatment described under **Material United States Federal Income Tax Consequences**.

Risk Factors

See **Risk Factors** beginning on page S-24 of this prospectus supplement and other information

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included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of the factors you should carefully consider before deciding to invest in the Units.

**The Purchase Contracts**

The Purchase Contracts Mandatory settlement date

July 15, 2017, subject to postponement in limited circumstances.

Mandatory settlement

On the mandatory settlement date, unless such purchase contract has been earlier redeemed by us in connection with a merger termination redemption or earlier settled at the holder's option or at our option, each purchase contract will automatically settle, and we will deliver a number of shares of our Class A common stock, based on the applicable settlement rate.

Settlement rate for the mandatory settlement date

The settlement rate for each purchase contract will be not more than \_\_\_\_\_ shares and not less than \_\_\_\_\_ shares of our Class A common stock (each subject to adjustment as described herein) depending on the applicable market value of our Class A common stock, calculated as described below.

If the applicable market value is equal to or greater than the threshold appreciation price (as defined below), you will receive \_\_\_\_\_ shares of Class A common stock per purchase contract (the minimum settlement rate).

If the applicable market value is greater than \$ \_\_\_\_\_ (the reference price) but less than the threshold appreciation price, you will receive a number of shares per purchase contract equal to \$50, *divided by* the applicable market value.

If the applicable market value is less than or equal to the reference price, you will receive \_\_\_\_\_ shares of Class A common stock per purchase contract (the maximum settlement rate).

Each of the maximum settlement rate and the minimum settlement rate is subject to adjustment as described below under Description of the Purchase Contracts Adjustments to the Fixed Settlement Rates.

The applicable market value means the average of the closing prices (as defined below) of our Class A common stock on each of the 20 consecutive trading days beginning on, and including, the 23rd scheduled trading day immediately preceding July 15, 2017.

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The reference price is the public offering price of our Class A common stock in the concurrent common stock offering described above.

The threshold appreciation price shall be equal to \$50 divided by the minimum settlement rate (rounded to the nearest \$0.0001). The threshold appreciation price, which is initially approximately \$ , represents an approximately % appreciation over the reference price.

No fractional shares of our Class A common stock will be issued to holders upon settlement of purchase contracts. In lieu of fractional shares, holders will be entitled to receive a cash payment of equivalent value calculated as described herein. Other than cash payments in lieu of fractional shares or, under certain circumstances, in the event of a merger termination redemption, the purchase contract holders will not receive any cash distributions.

The following table illustrates the settlement rate per purchase contract and the value of our Class A common stock issuable upon settlement on the mandatory settlement date, determined using the applicable market value shown, subject to adjustment.

<b>Applicable Market Value of Our Class A Common Stock</b>	<b>Settlement Rate</b>	<b>Value of Class A Common Stock Delivered (Based on the Applicable Market Value Thereof)</b>
Less than or equal to \$	shares of our Class A common stock	Less than or equal to \$50
Greater than \$ but less than the threshold appreciation price	A number of shares of our Class A common stock equal to \$50 divided by the applicable market value	\$50
Equal to or greater than the threshold appreciation price	shares of our Class A common stock	Greater than or equal to \$50

Early settlement at your election

At any time prior to 5:00 p.m., New York City time, on the third scheduled trading day immediately preceding July 15, 2017, you may settle any or all of your purchase contracts early, in which case we will deliver a number of shares of our Class A common stock per purchase contract equal to the minimum settlement rate, which is subject to adjustment as described below under Description of the Purchase

Contracts Adjustments to the Fixed Settlement Rates. That is, the market value of our Class A common stock on the early settlement date will not affect the early settlement rate. Your right to settle your purchase contract prior to the third scheduled trading day immediately preceding July 15, 2017 is subject to the delivery of your purchase contract.

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<p>Early settlement at your election upon a fundamental change</p>	<p>Upon early settlement at your election of a purchase contract that is a component of a Unit, the corresponding amortizing note will remain outstanding and beneficially owned by or registered in the name of, as the case may be, the holder who elected to settle the related purchase contract early.</p>
<p>Early mandatory settlement at our election</p>	<p>At any time prior to the third scheduled trading day immediately preceding July 15, 2017, if a fundamental change (as defined herein) occurs, you may settle any or all of your purchase contracts early. If you elect to settle your purchase contracts early in connection with such fundamental change, you will receive a number of shares of our Class A common stock based on the fundamental change early settlement rate as described under Description of the Purchase Contracts Early Settlement Upon a Fundamental Change.</p> <p>Upon early settlement at your election in connection with a fundamental change of a purchase contract that is a component of a Unit, the corresponding amortizing note will remain outstanding and beneficially owned by or registered in the name of, as the case may be, the holder who elected to settle the related purchase contract early upon such fundamental change.</p> <p>We may elect to settle all, but not less than all, outstanding purchase contracts early at the early mandatory settlement rate (as described under Description of the Purchase Contracts Early Settlement at Our Election ) upon a date fixed by us upon not less than five business days notice (the early mandatory settlement date ).</p> <p>The early mandatory settlement rate will be the maximum settlement rate, unless the closing price of our Class A common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the trading day immediately preceding the notice date (as defined under Early Settlement at Our Election below) exceeds 140% of the threshold appreciation price in effect on each such trading day, in which case the early mandatory settlement rate will be the minimum settlement rate.</p>

If we elect to settle all the purchase contracts early, you will have the right to require us to repurchase your amortizing notes, except in certain circumstances, on the repurchase date and at the repurchase price as described under Description of the Amortizing Notes Repurchase of Amortizing Notes at the Option of the Holder.

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Merger termination redemption

If the Merger Agreement has terminated, we may elect to redeem all, but not less than all, of the outstanding purchase contracts (a merger termination redemption ), for the applicable redemption amount, as described below under Description of the Purchase Contracts Merger Termination Redemption, by delivering notice during the five business day period immediately following April 1, 2015.

If the merger termination stock price is equal to or less than the reference price, the redemption amount will be an amount of cash as described under Description of the Purchase Contracts Merger Termination Redemption. Otherwise, the redemption amount will be a number of shares of our Class A common stock equal to the merger redemption rate, calculated in the manner described under Description of the Purchase Contracts Merger Termination Redemption, ; *provided, however,* that we may elect to pay cash in lieu of any or all of such shares in an amount equal to the redemption market value thereof.

The redemption market value means the average of the closing prices of our Class A common stock for 20 consecutive trading days beginning on, and including, the 23rd scheduled trading day immediately preceding the scheduled merger redemption settlement date.

In the event of a merger termination redemption, you will have the right to require us to repurchase your amortizing notes, as described under Description of the Amortizing Notes Repurchase of Amortizing Notes at the Option of the Holder.

**The Amortizing Notes**

Issuer

Tyson Foods, Inc., a Delaware corporation

Initial principal amount of each amortizing note

\$

Installment payments

Each installment payment of \$ per amortizing note (except for the October 15, 2014 installment payment, which will be \$ per amortizing note) will be paid in cash and will constitute a partial repayment of

principal and a payment of interest, computed at an annual rate of %. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Payments will be applied first to the interest due and payable and then to the reduction of the unpaid principal amount, allocated as set forth on the amortization schedule set forth under Description of the Amortizing Notes Amortization Schedule.

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Installment payment dates

Each January 15, April 15, July 15 and October 15, commencing on October 15, 2014, with a final installment payment date of July 15, 2017.

Senior Guarantee

Tyson Fresh Meats, Inc., a wholly owned subsidiary of the Company (the Guarantor ), will unconditionally guarantee on a senior basis all of the Company's obligations under the amortizing notes. If the Company cannot make payments on the amortizing notes when they are due, the Guarantor must make the payments instead.

Ranking of the amortizing notes and subsidiary guarantee

The amortizing notes are senior obligations of the Company and will not be secured by any collateral. Your right to payment under the amortizing notes will be:

junior to the rights of secured creditors to the extent of their security in the Company's assets;

equal with the rights of creditors under other existing and future unsecured senior debt of the Company;

senior to the rights of creditors under existing and future debt that is expressly subordinated to the amortizing notes, if any; and

structurally junior to all indebtedness and other liabilities (including trade payables) of our subsidiaries (other than the Guarantor).

The senior guarantee of the amortizing notes is the senior obligation of the Guarantor and will not be secured by any collateral. Your right to payment under the senior guarantee will be:

junior to the rights of secured creditors of the relevant Guarantor to the extent of their security in the relevant Guarantor's assets;

equal with the rights of creditors under the Guarantor's existing and future senior unsecured indebtedness;

senior to the rights of creditors under the Guarantor's existing and future debt that is expressly subordinated to such senior guarantee, if any; and

structurally junior to all indebtedness and other liabilities (including trade payables) of the Guarantor's subsidiaries.





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See Description of the Amortizing Notes Ranking below.

As of March 29, 2014, after giving pro forma effect to the Hillshire Brands Acquisition and the related financing transactions as described under Unaudited Pro Forma Condensed Consolidated Financial Information, Tyson and its consolidated subsidiaries would have had outstanding, on a consolidated basis, \$8,881 million of total debt, including:

\$1,940 million of total debt of Tyson and the Guarantor outstanding as of such date (none of which would have been secured indebtedness);

\$942 million of assumed debt from Hillshire Brands;

\$2,500.0 million under the New Term Loans; and

\$3,250.0 million under the New Notes.

In addition, as of such date but prior to giving pro forma effect to the Hillshire Brands Acquisition and such related financing transactions, Tyson's subsidiaries other than the Guarantor would have had \$227 million of total debt (including \$59.0 million of intercompany indebtedness), none of which would have been secured indebtedness. See Unaudited Pro Forma Condensed Consolidated Financial Information and our Quarterly Report on Form 10-Q for the quarterly period ended March 29, 2014 under Part I, Item 1, Notes to Consolidated Condensed Financial Statements, Note 7: Debt and Note 16: Condensed Consolidating Financial Statements.

Repurchase of amortizing notes at the option of the holder

If we elect to settle the purchase contracts early or in the event of a merger termination redemption, holders will have the right to require us to repurchase their amortizing notes for cash at the repurchase price as described under Description of the Amortizing Notes Repurchase of Amortizing Notes at the Option of the Holder.

**Table of Contents****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF TYSON**

The following table presents our summary historical consolidated financial data. The summary historical consolidated financial information is derived from the financial statements we have incorporated by reference into this prospectus supplement and the accompanying prospectus.

You should read the summary historical consolidated financial data together with Management's Discussion and Analysis of Financial Condition and Results of Operations and our historical consolidated financial statements and the related notes incorporated by reference into this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement.

	<b>Fiscal Year Ended</b>			<b>Six Months Ended</b>	
	<b>September 28, 2013</b>	<b>September 29, 2012</b>	<b>October 1, 2011</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
	<b>(in millions, except per share data)</b>				
<b>Summary of Operations:</b>					
Sales	\$ 34,374	\$ 33,055	\$ 32,032	\$ 17,793	\$ 16,749
Cost of sales	32,016	30,865	29,837	16,457	15,742
Gross profit	2,358	2,190	2,195	1,336	1,007
Operating income (loss)	1,375	1,286	1,289	773	540
Other (income) expense:					
Interest income	(7)	(12)	(11)	(5)	(3)
Interest expense	145	356	242	53	73
Other, net	(20)	(23)	(20)	1	(19)
Total other (income) expense	118	321	211	49	51
Income from continuing operations before income taxes	1,257	965	1,078	724	489
Income tax expense	409	351	340	262	149
Income from continuing operations	848	614	738	462	340
Loss from discontinued operation, net of tax	(70)	(38)	(5)		(66)
Net income	778	576	733	462	274
Less: Net income (loss) attributable to noncontrolling interests		(7)	(17)	(5)	6
Net income (loss) attributable to Tyson	\$ 778	\$ 583	\$ 750	\$ 467	\$ 268
<b>Diluted earnings (loss) per share:</b>					
Income from continuing operations	\$ 2.31	\$ 1.68	\$ 1.98	\$ 1.32	\$ 0.92

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Income (loss) from discontinued operation	(0.19)	(0.10)	(0.01)		(0.18)
Net income	\$ 2.12	\$ 1.58	\$ 1.97	\$ 1.32	\$ 0.74

**Balance Sheet Data (at end of period):**

Cash and cash equivalents	\$ 1,145	\$ 1,071	\$ 716	\$ 438	\$ 762
Total assets	12,177	11,896	11,071	11,886	11,789
Net property, plant and equipment	4,053	4,022	3,823	4,105	4,002
Total debt	2,408	2,432	2,182	1,940	2,416
Total shareholders equity	6,233	6,042	5,685	6,464	6,114

**Other Financial Data:**

Cash flow from operations	\$ 1,314	\$ 1,187	\$ 1,046	\$ 265	\$ 230
Depreciation and amortization	519	499	506	254	259
Capital expenditures	558	690	643	293	290

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**Table of Contents****SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF HILLSHIRE BRANDS**

The following table presents Hillshire Brands' summary historical consolidated financial data, which is derived from the Hillshire Brands financial statements that we have incorporated by reference into this prospectus supplement and the accompanying prospectus. You should read the summary historical consolidated financial data together with Hillshire Brands' historical consolidated financial statements and the related notes incorporated by reference into this prospectus supplement and the accompanying prospectus. See "Where You Can Find More Information" in this prospectus supplement.

	Fiscal Year Ended			Nine Months Ended	
	June 29, 2013	June 30, 2012	July 2, 2011	March 29, 2014	March 30, 2013
(in millions, except per share data)					
<b>Continuing Operations:</b>					
Net sales	\$ 3,920	\$ 3,958	\$ 3,884	\$ 3,021	\$ 2,958
Cost of sales	2,758	2,857	2,721	2,150	2,060
Selling, general and administrative expenses	855	930	883	609	642
Net charges for exit activities, asset and business dispositions	9	81	38	15	7
Impairment charges	1	14	15		1
Operating income	297	76	227	247	248
Interest expense	48	77	92	37	35
Interest income	(7)	(5)	(5)	(7)	(5)
Debt extinguishment costs		39	55		
Income (loss) from continuing operations before taxes	256	(35)	85	217	218
Income tax expense (benefit)	72	(15)	27	32	69
Income (loss) from continuing operations	184	(20)	58	185	149
<b>Discontinued Operations:</b>					
Income from continuing operations net of tax expense <sup>(1)</sup>	15	463	483	1	13
Gain on sale of discontinued operations, net of tax expense <sup>(2)</sup>	53	405	731		49
Net income from discontinued operations	68	868	1,214	1	62
Net income	252	848	1,272	186	211
<b>Diluted earnings (loss) per share:</b>					
Income (loss) from continuing operations:	\$ 1.49	\$ (0.16)	\$ 0.46	\$ 1.49	\$ 1.21
Net income	\$ 2.04	\$ 7.13	\$ 10.11	\$ 1.50	\$ 1.72

**Balance Sheet Data (at end of period):**

Cash and equivalents	\$ 400	\$ 235	\$ 74	\$ 219	\$ 416
Total assets	2,434	2,450	9,482	2,531	2,486
Property, net of accumulated depreciation	818	847	858	814	824
Total debt	951	944	1,911	942	949

- (1) Tax expense (benefit) was \$(8), \$(603) and \$82 in the fiscal years ended June 29, 2013, June 30, 2012 and July 2, 2011, respectively, and was \$1 and \$(7) in the nine months ended March 29, 2014 and March 30, 2013, respectively.
- (2) Tax expense was \$15, \$367 and \$573 in the fiscal years ended June 29, 2013, June 30, 2012 and July 2, 2011, respectively, and was nil and \$14 in the nine months ended March 29, 2014 and March 30, 2013, respectively.

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**Table of Contents****RISK FACTORS**

*Any investment in our Units involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus before deciding whether to purchase our Units. In addition, you should carefully consider, among other things, the matters discussed (i) under **Risk Factors** in our Annual Report on Form 10-K for the fiscal year ended September 28, 2013, (ii) under **Risk Factors** in Hillshire Brands Annual Report on Form 10-K for the fiscal year ended June 29, 2013 and (iii) in other documents that we subsequently file with the Securities and Exchange Commission, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described in such incorporated documents and described below are not the only risks and uncertainties we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of those risks actually occurs, our business, financial condition and results of operations would suffer. In that event, the trading price of our Units could decline, and you may lose all or part of your investment in our Units. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See **Special Note on Forward-Looking Statements**.*

**Risks Related to the Proposed Hillshire Brands Acquisition**

***If the Hillshire Brands Acquisition is consummated, we may be unable to successfully integrate Hillshire Brands operations or to realize targeted cost savings, revenues and other benefits of the Hillshire Brands Acquisition.***

We entered into the Merger Agreement because we believe that the Hillshire Brands Acquisition will be beneficial to us and our stockholders. Achieving the targeted benefits of the Hillshire Brands Acquisition will depend in part upon whether we can integrate Hillshire Brands businesses in an efficient and effective manner. We may not be able to accomplish this integration process smoothly or successfully. The necessity of coordinating geographically separated organizations, systems and facilities and addressing possible differences in business backgrounds, corporate cultures and management philosophies may increase the difficulties of integration. We and Hillshire Brands operate numerous systems, including those involving management information, purchasing, accounting and finance, sales, billing, employee benefits, payroll and regulatory compliance. Moreover, the integration of our respective operations will require the dedication of significant management resources, which is likely to distract management's attention from day-to-day operations. Employee uncertainty and lack of focus during the integration process may also disrupt our business and result in undesired employee attrition. An inability of management to successfully integrate the operations of the two companies could have a material adverse effect on the business, results of operations and financial condition of the combined businesses.

In addition, we continue to evaluate our estimates of synergies to be realized from the Hillshire Brands Acquisition and refine them, so that our actual cost-savings could differ materially from our current estimates. Actual cost-savings, the costs required to realize the cost-savings and the source of the cost-savings could differ materially from our estimates, and we cannot assure you that we will achieve the full amount of cost-savings on the schedule anticipated or at all or that these cost-savings programs will not have other adverse effects on our business. In light of these uncertainties, you should not place undue reliance on our estimated cost-savings.

Finally, we may not be able to achieve the targeted operating or long-term strategic benefits of the Hillshire Brands Acquisition or could incur higher transition costs. An inability to realize the full extent of, or any of, the anticipated benefits of the Hillshire Brands Acquisition, as well as any delays encountered in the integration process, could have an adverse effect on our business, results of operations and financial condition.

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***We will incur significant transaction and acquisition-related costs in connection with the Hillshire Brands Acquisition.***

We expect to incur significant costs associated with the Hillshire Brands Acquisition and combining the operations of the two companies, including costs to achieve targeted cost-savings. The substantial majority of the expenses resulting from the Hillshire Brands Acquisition will be composed of transaction costs related to the Hillshire Brands Acquisition, systems consolidation costs, and business integration and employment-related costs, including costs for severance, retention and other restructuring. We may also incur transaction fees and costs related to formulating integration plans. Additional unanticipated costs may be incurred in the integration of the two companies' businesses. Although we expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, should allow us to offset incremental transaction and acquisition-related costs over time, this net benefit may not be achieved in the near term, or at all.

***The announcement and pendency of the Hillshire Brands Acquisition could impact or cause disruptions in our and Hillshire Brands' businesses.***

Specifically:

our and Hillshire Brands' current and prospective customers and suppliers may experience uncertainty associated with the Hillshire Brands Acquisition, including with respect to current or future business relationships with us, Hillshire Brands or the combined business and may attempt to negotiate changes in existing business;

our and Hillshire Brands' employees may experience uncertainty about their future roles with us, which may adversely affect our and Hillshire Brands' ability to retain and hire key employees;

the Hillshire Brands Acquisition may give rise to potential liabilities, including as a result of pending and future Hillshire Brands shareholder lawsuits relating to the Hillshire Brands Acquisition;

if the Hillshire Brands Acquisition is completed, the accelerated vesting of equity-based awards and payment of change in control benefits to some members of Hillshire Brands' management on completion of the Hillshire Brands Acquisition could result in increased difficulty or cost in retaining Hillshire Brands' officers and employees; and

the attention of our management and that of Hillshire Brands may be directed toward the completion and implementation of the Hillshire Brands Acquisition and transaction-related considerations and may be diverted from the day-to-day business operations of the respective companies.

In connection with the Hillshire Brands Acquisition, we could also encounter additional transaction and integration-related costs or other factors such as the failure to realize all of the benefits anticipated in the Hillshire Brands Acquisition, as described in more detail above.

***The Hillshire Brands Acquisition may not be successful.***



We recently announced our entry into the Merger Agreement to acquire Hillshire Brands. Risks associated with the Hillshire Brands Acquisition include the risk that the transaction may not be consummated, the risk that regulatory approval that may be required for the transaction is not obtained or is obtained subject to certain conditions that are not anticipated, litigation risk associated with claims or potential claims brought by shareholders of Hillshire Brands to enjoin the transaction or seek monetary damages, and risks associated with our ability to issue debt to fund a portion of the purchase price. In addition, if the Hillshire Brands Acquisition does not close, we will have significant discretion to allocate the proceeds from this offering and our concurrent Class A common stock offering to other uses. We have no assurances that we will have opportunities to allocate the proceeds from our concurrent Class A common stock offering for other productive uses or that other uses of the proceeds from this offering and our concurrent Class A common stock offering will result in a favorable return to investors.

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**Risks Related to the Units, Separate Purchase Contracts, Separate Amortizing Notes and Class A Common Stock**

*If we fail to consummate the Hillshire Brands Acquisition, we may redeem the purchase contracts for an amount of cash and/or a number of shares of Class A common stock (depending on the price of Class A common stock at the time of redemption) with a value that may not adequately compensate you for any lost option value.*

If the Hillshire Brands Acquisition is not consummated for any reason, we may redeem all, but not less than all, of the outstanding purchase contracts by delivering notice within the five business days immediately following April 1, 2015. We will pay a redemption amount to be determined based on the Class A common stock price at that time in cash or in shares of Class A common stock in accordance with the terms of the purchase contracts (as described under Description of the Purchase Contracts Merger Termination Redemption ). If we elect to redeem the purchase contracts, we may be required by the holders thereof to repurchase the amortizing notes at the repurchase price set forth under Description of the Amortizing Notes Repurchase of Amortizing Notes at the Option of the Holder. The redemption amount that you receive upon a merger termination redemption may not adequately compensate you for any lost option value of the purchase contracts. In addition, if the Hillshire Brands Acquisition terminates for any reason, the net proceeds of this offering and of the concurrent Class A Common Stock Offering, if completed, will not be used to consummate such acquisition. Instead, we intend to use the net proceeds from this offering and concurrent Class A Common Stock Offering, if completed, after payment of any cash redemption amount and/or repurchase price, as described above, for general corporate purposes.

Upon redemption of the purchase contracts included in Units or separate purchase contracts in connection with a merger termination redemption, Class A common stock may incur immediate net tangible book value dilution on a per share basis.

*You will bear the risk that the market value of our Class A common stock may decline.*

The market price of our Class A common stock may be volatile. The market price of our Class A common stock has experienced, and may continue to experience, significant volatility. Between October 2, 2011 (the first day of our fiscal year 2012) and July 25, 2014, the closing sale price of our Class A common stock on the New York Stock Exchange has ranged from a low of \$14.17 per share to a high of \$44.01 per share. Numerous factors, including many over which we have no control, may have a significant impact on the market price of our Class A common stock. These risks include those described or referred to in this Risk Factors section and in the other documents incorporated herein by reference as well as, among other things:

our operating and financial performance and prospects that vary from expectations of management, securities analysts and investors;

our ability to repay our debt or adverse market reaction to any additional debt that we may incur;

developments in our business or in sectors in which we operate generally;

the operating and securities price performance of companies that investors consider to be comparable to us;

investor perceptions of us and the industry and markets in which we operate;

announcements of strategic developments, acquisitions and other material events by us or our competitors;

failure to complete the Hillshire Brands Acquisition, if completed, failure to realize the anticipated benefits of such acquisition;

our dividend policy;

future sales of equity or equity-related securities;

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changes in earnings estimates or buy/sell recommendations by analysts; and

general financial, domestic, international, economic and other market conditions.

In addition, the stock market in recent years has experienced extreme price and trading volume fluctuations that often have been unrelated or disproportionate to the operating performance of individual companies. These broad market fluctuations may adversely affect the price of our Class A common stock, regardless of our operating performance. Furthermore, stockholders may initiate securities class action lawsuits if the market price of our stock drops significantly, which may cause us to incur substantial costs and could divert the time and attention of our management. As a result of these factors, among others, the value of your investment may decline because a decrease in the market price of our Class A common stock would likely adversely impact the trading price of the amortizing notes.

The purchase contracts, pursuant to which we will deliver to you shares of our Class A common stock, are components of the Units. The number of shares of Class A common stock that you will receive upon settlement of a purchase contract on the mandatory settlement date, whether as a component of a Unit or a separate purchase contract, will depend upon the applicable market value, which is equal to the average of the daily closing prices of our Class A common stock on each of the 20 consecutive trading days beginning on, and including, the 23rd scheduled trading day immediately preceding July 15, 2017. There can be no assurance that the market value of the Class A common stock received by you will be equal to or greater than the reference price of \$ . If the applicable market value of our Class A common stock is less than the reference price, then the market value of the Class A common stock issued to you on the mandatory settlement date (assuming that the market value is the same as the applicable market value of the Class A common stock) will be less than the effective price per share paid by you for such Class A common stock on the date of issuance of the Units. Furthermore, because we will in no event deliver more than shares (subject to adjustment as described herein) upon settlement of a purchase contract, the market value of the Class A common stock delivered to you upon any early settlement may be less than the effective price per share paid to you for such Class A common stock on the date of the issuance of the Units. Therefore, you assume the entire risk that the market value of our Class A common stock may decline before the mandatory settlement date, early settlement date, fundamental change early settlement date, merger redemption settlement date or early mandatory settlement date, as applicable. Any decline in the market value of our Class A common stock may be substantial.

***The opportunity for equity appreciation provided by an investment in the Units is less than that provided by a direct investment in our Class A common stock.***

The aggregate market value of our Class A common stock delivered to you upon settlement of a purchase contract on the mandatory settlement date generally will exceed the \$50 stated amount of each Unit only if the applicable market value of our Class A common stock exceeds the threshold appreciation price. Therefore, during the period prior to the mandatory settlement date, an investment in a Unit affords less opportunity for equity appreciation than a direct investment in our Class A common stock. If the applicable market value exceeds the reference price but is less than the threshold appreciation price, you will realize no equity appreciation on our Class A common stock above the reference price. Furthermore, if the applicable market value exceeds the threshold appreciation price, you would receive only a portion of the appreciation in the market value of the shares of our Class A common stock you would have received had you purchased shares of Class A common stock with \$50 at the public offering price in the concurrent common stock offering. See Description of the Purchase Contracts Delivery of Class A Common Stock for a table showing the number of shares of Class A common stock that you would receive at various applicable market values.

***We may not be able to settle or redeem your purchase contracts and deliver shares of our Class A common stock, or make payments on the amortizing notes or repurchase the amortizing notes, in the event that we file for bankruptcy.***

Pursuant to the terms of the purchase contract agreement, your purchase contracts will automatically accelerate upon the occurrence of specified events of bankruptcy, insolvency or reorganization with respect to us.

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A bankruptcy court may prevent us from delivering our Class A common stock to you in settlement or redemption of your purchase contracts. In such circumstances or if for any other reason the accelerated purchase contracts are not settled by the delivery of Class A common stock, your resulting claim for damages against us following such acceleration will rank *pari passu* with the claims of holders of our Class A common stock in the relevant bankruptcy proceeding. As such, to the extent we fail to deliver Class A common stock to you upon such an acceleration, you will only be able to recover damages to the extent holders of our Class A common stock receive any recovery. See

Description of the Purchase Contracts Consequences of Bankruptcy.

In addition, with respect to the amortizing notes, bankruptcy law and bankruptcy related court orders generally prohibit the payment of pre-bankruptcy debt by a company that has commenced a bankruptcy case while the case is pending. If we become a debtor in a bankruptcy case, so long as the case was pending, you would likely not receive timely installment payments under, or, if you exercised your right to require repurchase following a merger termination redemption or early mandatory settlement, receive any repurchase price on, the amortizing notes.

***The amortizing notes are obligations of Tyson Foods, Inc. only and our operations are conducted through, and substantially all of our consolidated assets are held by, our subsidiaries.***

The amortizing notes are obligations exclusively of Tyson Foods, Inc. The amortizing notes will initially be guaranteed only by Tyson Fresh Meats, Inc. and not any of our other operating subsidiaries. A substantial portion of our consolidated assets are held by our subsidiaries other than Tyson Fresh Meats, Inc. Accordingly, our ability to service our debt, including the amortizing notes, depends on the results of operations of our subsidiaries other than Tyson Fresh Meats, Inc. and upon the ability of such subsidiaries to provide us with cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the amortizing notes. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to make payments on the amortizing notes or to make any funds available for that purpose, other than Tyson Fresh Meats, Inc. pursuant to the senior guarantee. In addition, dividends, loans or other distributions to us from such subsidiaries may be subject to contractual and other restrictions and are subject to other business considerations.

***Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.***

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the amortizing notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

***Future sales of substantial amounts of our Class A common stock could affect the market price of our Class A common stock.***

Future sales of substantial numbers of our Class A common stock, or securities convertible or exchangeable into shares of our Class A common stock, into the public market, future issuances of substantial numbers of additional shares of Class A common stock in connection with any future acquisitions or pursuant to employee benefit plans and future issuances of shares of Class A common stock upon exercise of options or warrants, conversion of Class B

common stock upon sale thereof or settlement of the purchase contracts, or perceptions that those sales, issuances and/or exercises, conversions or settlements could occur, could adversely affect the prevailing market price of our Class A common stock and our ability to raise capital in the future.

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***This offering, the concurrent offering of Class A common stock and the issuance of additional stock in connection with acquisitions or otherwise will dilute all other shareholdings.***

Upon the issuance of the Units in this offering and the concurrent offering of shares of Class A common stock, holders of our Class A common stock will incur immediate and substantial net tangible book value dilution on a per share basis. After this offering and the concurrent offering of Class A common stock, we will have an aggregate of approximately 524.0 million authorized but unissued shares of Class A common stock (excluding shares reserved for issuance under our option and compensation plans and under the Units being offered in this offering). Subject to certain volume limitations imposed by the New York Stock Exchange, we may issue all of these shares without any action or approval by our stockholders, including, without limitation, in connection with certain acquisitions. Any shares issued in connection with these activities, the exercise of stock options or otherwise would dilute the percentage ownership held by our Class A common stockholders.

***The trading prices for the Units, the purchase contracts and the amortizing notes will be directly affected by the trading prices for our Class A common stock, the general level of interest rates and our credit quality, each of which is impossible to predict.***

It is impossible to predict whether the prices of our Class A common stock, interest rates or our credit quality will rise or fall. Trading prices of the Class A common stock will be influenced by general stock market conditions and our operating results and business prospects and other factors described elsewhere in these Risk Factors.

The market for our Class A common stock likely will influence, and be influenced by, any market that develops for the Units or the separate purchase contracts. For example, investors' anticipation of the distribution into the market of the additional shares of Class A common stock issuable upon settlement of the purchase contracts could depress the price of our Class A common stock and increase the volatility of the Class A common stock price, which could in turn depress the price of the Units or the separate purchase contracts. The price of our Class A common stock also could be affected by possible sales of such Class A common stock by investors who view the Units as a more attractive means of equity participation in the Company and by hedging or arbitrage trading activity that is likely to develop involving the Units, separate purchase contracts and the Class A common stock. Such hedging or arbitrage activity could, in turn, affect the trading prices of the Units, the separate purchase contracts and the Class A common stock.

***Tyson Limited Partnership can exercise significant control.***

As of March 29, 2014, Tyson Limited Partnership (the TLP) owned 99.981% of the outstanding shares of the Company's Class B Common Stock, \$0.10 par value (Class B stock) and the TLP and members of the Tyson family owned, in the aggregate, 2.09% of the outstanding shares of the Company's Class A Common Stock, \$0.10 par value (Class A stock), giving them, collectively, control of approximately 72.46% of the total voting power of the Company's outstanding voting stock. At this time, the TLP did not have a managing general partner, as such, the management rights of the managing general partner may be exercised by a majority of the percentage interests of the general partners. As of September 28, 2013, Mr. John Tyson, Chairman of the Board of Directors, had 33.33% of the general partner percentage interests, and Ms. Barbara Tyson, a director of the Company, had 11.115% general partner percentage interests (the remaining general partnership interests were held by the Tyson Partnership Interest Trust (44.44%) and Harry C. Erwin, III (11.115%)). As a result of these holdings, positions and directorships, the partners in the TLP have the ability to exert substantial influence or actual control over our management and affairs and over substantially all matters requiring action by our stockholders, including amendments to our restated certificate of incorporation and by-laws, the election and removal of directors, any proposed merger, consolidation or sale of all or substantially all of our assets and other corporate transactions. This concentration of ownership may also delay or prevent a change in control otherwise favored by our other stockholders and could depress our stock price.



Additionally, as a result of the TLP's significant ownership of our outstanding voting stock, we are eligible for controlled company exemptions from certain corporate governance requirements of the New York Stock Exchange.

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**Table of Contents*****Recent and future regulatory actions and other events may adversely affect the trading price and liquidity of the Units.***

We expect that many investors in, and potential purchasers of, the Units will employ, or seek to employ, an equity-linked arbitrage strategy with respect to the Units. Investors would typically implement such a strategy by selling short the Class A common stock underlying the Units and dynamically adjusting their short position while continuing to hold the Units. Investors may also implement this type of strategy by entering into swaps on our Class A common stock in lieu of or in addition to short selling the Class A common stock. The SEC and other regulatory and self-regulatory authorities have implemented rules and may adopt additional rules or take other actions (including as a result of the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010) that may impact those engaging in short selling activity involving equity securities (including our Class A common stock). In particular, current Rule 201 of SEC Regulation SHO generally restricts the price at which a short sale may be effected when the price of a covered security (including our Class A common stock) triggers a circuit breaker by falling 10% or more from the security's closing price as of the end of regular trading hours on the prior day. If this circuit breaker is triggered, then for the remainder of the day and the following day, short sale orders can be displayed or executed only if the order price is above the current national best bid, subject to certain limited exceptions. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, the Units to effect short sales of our Class A common stock or enter into swaps on our Class A common stock could adversely affect the trading price and the liquidity of the Units.

In addition, if investors and potential purchasers seeking to employ an equity-linked arbitrage strategy are unable to borrow or enter into swaps on our Class A common stock, in each case, on commercially reasonable terms, the trading price and liquidity of the Units may be adversely affected.

***You may receive shares of Class A common stock upon settlement of the purchase contracts that are lower in value than the price of the Class A common stock just prior to the mandatory settlement date or merger redemption settlement date, as the case may be.***

Because the applicable market value of the Class A common stock is determined over the 20 consecutive trading days beginning on, and including, the 23rd scheduled trading day immediately preceding July 15, 2017 or the scheduled merger redemption settlement date, as the case may be, the number of shares of Class A common stock delivered for each purchase contract may, on the mandatory settlement date or the merger redemption settlement date, as the case may be, be greater than or less than the number that would have been delivered based on the closing price of the Class A common stock on the last trading day in such 20 trading day period. In addition, you will bear the risk of fluctuations in the market price of the shares of Class A common stock deliverable upon settlement of the purchase contracts between the end of such period and the date such shares are delivered.

***If you elect to settle your purchase contracts early, you may not receive the same return on your investment as purchasers whose purchase contracts are settled on the mandatory settlement date.***

Holders of the Units or separate purchase contracts have the option to settle their purchase contracts early at any time beginning on, and including, the business day immediately following the date of initial issuance of the Units until the third scheduled trading day immediately preceding July 15, 2017. However, if you settle your purchase contracts prior to the third scheduled trading day immediately preceding July 15, 2017, you will receive for each purchase contract a number of shares of Class A common stock equal to the minimum settlement rate, regardless of the current market value of our Class A common stock, unless you elect to settle your purchase contracts early in connection with a fundamental change, in which case you will be entitled to settle your purchase contracts at the fundamental change early settlement rate, which may be greater than the minimum settlement rate. In either case, you may not receive the

same return on your investment as purchasers whose purchase contracts are settled on the mandatory settlement date.

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***Upon issuance of the Units, our Class A common stock will incur immediate dilution.***

Upon issuance of the Units, which includes a purchase contract component, our Class A common stock will incur immediate and substantial net tangible book value dilution on a per share basis.

***We may issue additional shares of our Class A common stock, which may dilute the value of our Class A common stock but may not trigger an anti-dilution adjustment under the terms of the purchase contracts.***

The trading price of our Class A common stock may be adversely affected if we issue additional shares of our Class A common stock. The number of shares of Class A common stock issuable upon settlement of the purchase contracts is subject to adjustment only for certain events, including, but not limited to, the issuance of stock dividends on our Class A common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, certain cash dividends and certain issuer tender or exchange offers. The number of shares of Class A common stock deliverable upon settlement is not subject to adjustment for other events that may adversely affect the value of our Class A common stock, such as third party tender offers or exchange offers, employee stock options grants, offerings of our Class A common stock for cash (including under the concurrent common stock offering), certain exchanges of our Class A common stock for the Company's other securities or in connection with acquisitions and other transactions. The terms of the Units do not restrict our ability to offer our Class A common stock in the future or to engage in other transactions that could dilute our Class A common stock, which may adversely affect the value of the Units and separate purchase contracts.

***The fundamental change early settlement rate or the amount of cash and/or number of shares of our Class A common stock paid or delivered, as the case may be, upon a merger termination redemption, may not adequately compensate you.***

If a fundamental change occurs and you elect to exercise your fundamental change early settlement right, you will be entitled to settle your purchase contracts at the fundamental change early settlement rate. In addition, in connection with any merger termination redemption, upon redemption of the purchase contracts, you will be paid an amount of cash equal to the redemption amount (or, in certain circumstances, a number of shares of our Class A common stock or any combination of cash and shares of our Class A common stock). Although the fundamental change early settlement rate or the redemption amount, as the case may be, is designed to compensate you for the lost option value of your purchase contracts as a result of the early settlement of the purchase contracts, this feature may not adequately compensate you for such loss. In addition, if the stock price in the fundamental change is greater than \$ per share (subject to adjustment), this feature of the purchase contracts will not compensate you for any additional loss suffered in connection with a fundamental change. See Description of the Purchase Contracts Early Settlement Upon a Fundamental Change and Description of the Purchase Contracts Merger Termination Redemption.

Our obligation to settle the purchase contracts at the fundamental change early settlement rate or to redeem the purchase contracts pursuant to a merger termination redemption could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***The minimum settlement rate, maximum settlement rate, reference price and threshold appreciation price of the purchase contracts may not be adjusted for all dilutive events.***

The minimum settlement rate, maximum settlement rate, reference price and threshold appreciation price of the purchase contracts are subject to adjustment for certain events, including, but not limited to, certain dividends on our common stock, the issuance of certain rights, options or warrants to holders of our common stock, subdivisions or combinations of our common stock, certain distributions of assets, debt securities, capital stock or cash to holders of

our common stock and certain tender offers or exchange offers, as described under Description of the Purchase Contracts Adjustments to the Fixed Settlement Rates in this prospectus supplement. The minimum settlement rate, maximum settlement rate, reference price and threshold appreciation

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price will not be adjusted for other events, such as an issuance of our common stock for cash, that may adversely affect the trading price of the purchase contracts or the Units and the market price of our common stock. There can be no assurance that an event will not occur that is adverse to the interests of the holders of the purchase contracts or the Units and their value, but that does not result in an adjustment to the minimum settlement rate, maximum settlement rate, reference price and threshold appreciation price.

***Despite our current debt levels, we may still incur substantially more debt or take other actions which would intensify the risks discussed above.***

Despite our current consolidated debt levels, we and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We will not be restricted under the terms of the base indenture governing the amortizing notes (the "base indenture"), as supplemented by the supplemental indenture (the "supplemental indenture") to be entered into in connection with this offering (collectively, the "indenture"), from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture that could have the effect of diminishing our ability to make payments on the amortizing notes when due.

***The Units are not protected by restrictive covenants.***

Neither the purchase contracts nor the indenture contains any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries. Neither the purchase contracts nor the indenture contains any covenants or other provisions to afford protection to holders of the purchase contracts or the amortizing notes in the event of a fundamental change involving Tyson Foods, Inc. except, with respect to the purchase contracts, to the extent described under "Description of the Units" Early Settlement Upon A Fundamental Change.

***Unlike the terms of our other debt securities, the amortizing notes will not provide holders with the right to require the Company to repurchase them upon a fundamental change.***

The terms of our existing debt securities, provide that upon the occurrence of certain corporate events, including certain events that would constitute a "fundamental change" as defined under "Description of the Purchase Contracts", holders will have the right to require us to repurchase their debt securities. The terms of the indenture governing the amortizing notes do not provide holders of amortizing notes with any such repurchase right. Accordingly, holders of our amortizing notes will bear the risk that any such fundamental change occurs and adversely affects our capital structure, credit ratings or the value of the amortizing notes.

***Until the purchase contracts are settled with, or redeemed for, Class A common stock, you are not entitled to any rights with respect to our Class A common stock, but you are subject to all changes made with respect to our Class A common stock.***

Until the date on which you are treated as the record holder of Class A common stock on account of a redemption or settlement of the purchase contracts for or with, as the case may be, Class A common stock, you are not entitled to any rights with respect to our Class A common stock, including voting rights and rights to receive any dividends or other distributions on our Class A common stock, but you are subject to all changes affecting the Class A common stock. You will become the record holder of any shares of our Class A common stock issuable upon settlement or redemption of the purchase contracts only as follows:

in the case of (x) settlement of purchase contracts on the mandatory settlement date or (y) a merger termination redemption if the merger termination stock price is greater than the reference price and we elect to pay cash in lieu of a portion, but not all, of any shares of Class A common stock that would otherwise be included in the redemption amount, as of 5:00 p.m., New York City time, on the last trading day of the 20 consecutive trading day period during which the applicable market value or redemption market value, as the case may be, is determined;

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in the case of settlement of purchase contracts in connection with any early settlement at the holder's option, as of 5:00 p.m., New York City time, on the early settlement date;

in the case of settlement of purchase contracts following exercise of a holder's fundamental change early settlement right, as of 5:00 p.m., New York City time, on the date such right is exercised;

in the case of settlement of purchase contracts following exercise by us of our early mandatory settlement right, as of 5:00 p.m., New York City time, on the notice date; and

in the case of a merger termination redemption where we elect (or are deemed to have elected) to settle the redemption amount solely by delivering shares of Class A common stock, as of 5:00 p.m., New York City time, on the date of the merger redemption notice.

For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the date specified above on which you are treated as the record holder of the shares of our Class A common stock, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our Class A common stock once you become a stockholder.

***Some significant restructuring transactions may not constitute fundamental changes, in which case we would not be obligated to early settle the purchase contracts.***

Upon the occurrence of specified fundamental changes, you will have the right to require us to settle the purchase contracts. However, the definition of "fundamental change" herein is limited to specified corporate events and may not include other events that might adversely affect our financial condition or the value of the purchase contracts. For example, events such as leveraged recapitalizations, refinancings, restructurings or acquisitions initiated by us may not constitute a fundamental change requiring us to settle the purchase contracts at the applicable fundamental change early settlement rate. In the event of any such events, the holders of the purchase contracts would not have the right to require us to settle the purchase contracts at the applicable fundamental change early settlement rate, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the trading price of the purchase contracts.

***We may not have the ability to raise the funds necessary to repurchase the amortizing notes following the exercise of our early mandatory settlement right or in connection with a merger termination redemption, and our debt outstanding at that time may contain limitations on our ability to repurchase the amortizing notes.***

If we elect to exercise our early mandatory settlement right or effect a merger termination redemption, holders of the amortizing notes will have the right to require us to repurchase the amortizing notes on the repurchase date at the repurchase price described under "Description of the Amortizing Notes—Repurchase of Amortizing Notes at the Option of the Holder." However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of amortizing notes surrendered for repurchase. In addition, our ability to pay the repurchase price for the amortizing notes may be limited by agreements governing our current and future indebtedness. Our failure to repurchase amortizing notes at a time when the repurchase is required by the indenture would constitute a default under the indenture. A default under the indenture could also lead to a default under agreements governing our indebtedness outstanding at that time. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness.



and the repurchase price for the amortizing notes.

***The secondary market for the Units, the purchase contracts and the amortizing notes may be illiquid.***

We will apply to list the Units on the New York Stock Exchange, subject to satisfaction of its minimum listing standards with respect to the Units. However, even if we do so apply to list the Units, we cannot assure

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you that the Units will be approved for listing. If the Units are approved for listing, we expect that the Units will begin trading on the New York Stock Exchange within 30 calendar days after the Units are first issued. In addition, the underwriters have advised us that they intend to make a market in the Units, but the underwriters are not obligated to do so. However, listing on the New York Stock Exchange does not guarantee that a trading market will develop, and the underwriters may discontinue market making at any time in their sole discretion without prior notice to Unit holders. Accordingly we cannot assure you that a liquid trading market will develop for the Units (or, if developed, that a liquid trading market will be maintained), that you will be able to sell Units at a particular time or that the prices you receive when you sell will be favorable.

Beginning on the business day immediately succeeding the date of initial issuance of the Units, purchasers of Units will be able to separate each Unit into a purchase contract and an amortizing note. We are unable to predict how the separate purchase contracts or the separate amortizing notes will trade in the secondary market, or whether that market will be liquid or illiquid. We will not initially apply to list the separate purchase contracts or the separate amortizing notes on any securities exchange or automated inter-dealer quotation system, but we may apply to list such separate purchase contracts and separate amortizing notes in the future as described herein. If (i) a sufficient number of Units are separated into separate purchase contracts and separate amortizing notes and traded separately such that applicable listing requirements are met and (ii) a sufficient number of holders of such separate purchase contracts and separate amortizing notes request that we list such separate purchase contracts and separate amortizing notes, we may endeavor to list such separate purchase contracts and separate amortizing notes on an exchange of our choosing (which may or may not be the New York Stock Exchange) subject to applicable listing requirements. However, even if we do so apply to list such separate purchase contracts or separate amortizing notes, we cannot assure you that such securities will be approved for listing.

***The purchase contract agreement will not be qualified under the Trust Indenture Act, and the obligations of the purchase contract agent are limited.***

The purchase contract agreement between us and the purchase contract agent will not be qualified as an indenture under the Trust Indenture Act of 1939, and the purchase contract agent will not be required to qualify as a trustee under the Trust Indenture Act. Thus, you will not have the benefit of the protection of the Trust Indenture Act with respect to the purchase contract agreement or the purchase contract agent. The amortizing notes constituting a part of the Units will be issued pursuant to an indenture, which has been qualified under the Trust Indenture Act. Accordingly, if you hold Units, you will have the benefit of the protections of the Trust Indenture Act only to the extent applicable to the amortizing notes. The protections generally afforded the holder of a security issued under an indenture that has been qualified under the Trust Indenture Act include:

disqualification of the indenture trustee for conflicting interests, as defined under the Trust Indenture Act;

provisions preventing a trustee that is also a creditor of the issuer from improving its own credit position at the expense of the security holders immediately prior to or after a default under such indenture; and

the requirement that the indenture trustee deliver reports at least annually with respect to certain matters concerning the indenture trustee and the securities.

***The amortizing notes and the senior guarantee are unsecured obligations and will be junior to all of our existing and future secured indebtedness to the extent of the collateral securing such indebtedness.***

The amortizing notes and the senior guarantee will not be secured by any of our assets and will be junior to any of our existing and future secured indebtedness. Accordingly, in the event of our bankruptcy, liquidation or any similar proceeding, our assets which serve as collateral under our secured indebtedness would be made available to satisfy our obligations under any secured indebtedness we may have before any payments are made on the amortizing notes and the senior guarantee. As of March 29, 2014, after giving pro forma effect to the Hillshire Brands Acquisition and the related financing transactions as described under Unaudited Pro Forma

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Condensed Consolidated Financial Information, Tyson and its consolidated subsidiaries would have had outstanding, on a consolidated basis, \$8,881 million of total debt, which would have included \$1,940 million of total debt of Tyson and the Guarantor outstanding as of such date (none of which would have been secured indebtedness); \$942 million of assumed debt from Hillshire Brands; \$2,500.0 million under the New Term Loans; and \$3,250.0 million under the New Notes. In addition, as of such date but prior to giving pro forma effect to the Hillshire Brands Acquisition and such related financing transactions, Tyson's subsidiaries other than the Guarantor would have had \$227 million of total debt (including \$59.0 million of intercompany indebtedness), none of which would have been secured indebtedness. See Unaudited Pro Forma Condensed Consolidated Financial Information and our Quarterly Report on Form 10-Q for the quarterly period ended March 29, 2014 under Part I, Item 1, Notes to Consolidated Condensed Financial Statements, Note 7: Debt and Note 16: Condensed Consolidating Financial Statements. Subject to the limits in the indenture under which the amortizing notes will be issued and our other existing debt instruments, we will be able to incur additional secured obligations. See Description of the Amortizing Notes.

***The amortizing notes and the senior guarantee will be structurally subordinated to indebtedness of our non-Guarantor subsidiaries.***

The amortizing notes and the senior guarantee will be structurally subordinated to the indebtedness (including trade payables) of each of our subsidiaries (other than the Guarantor) to the extent of the value of their assets, and holders of the amortizing notes will not have any claim as a creditor against any non-Guarantor subsidiary. In addition, the indenture under which the amortizing notes will be issued does not restrict our subsidiaries from incurring additional indebtedness and will not contain any limitation on the amount of liabilities (such as trade payables) that may be incurred by them. At March 29, 2014, our subsidiaries (other than the Guarantor) had \$2,345 million of outstanding liabilities, including trade payables, but excluding intercompany obligations.

***A court may void the senior guarantee of the amortizing notes or subordinate the senior guarantee to other obligations of the Guarantor.***

The Company's obligations under the amortizing notes will be guaranteed only by Tyson Fresh Meats, Inc., which we refer to as the Guarantor. It is possible that the creditors of the Guarantor may challenge its senior guarantee as a fraudulent conveyance under relevant federal and state statutes. Although standards may vary depending on the applicable law, generally under United States federal bankruptcy law and comparable provisions of state fraudulent transfer laws, if a court were to find that, among other things, at the time the Guarantor of the amortizing notes incurred the debt evidenced by its senior guarantee of the amortizing notes, the Guarantor either:

was insolvent or rendered insolvent by reason of the incurrence of the senior guarantee;

was engaged or about to engage in a business or transaction for which the Guarantor's remaining assets constituted unreasonably small capital;

was a defendant in an action for money damages, or had a judgment for money damages docketed against it, if in either case, after a final judgment, the judgment remained unsatisfied; or

intended to incur, or believed that it would incur, debt beyond its ability to pay such debt as its matured;

and that Guarantor:

received less than the reasonable equivalent value or fair consideration for the incurrence of its senior guarantee; or

incurred the senior guarantee or made related distributions or payments with the intent of hindering, delaying or defrauding creditors;

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then, there is a risk that the senior guarantee of the Guarantor could be voided by a court, or claims by holders of the amortizing notes under the senior guarantee could be subordinated to other debts of the Guarantor. In addition, any payment by the Guarantor pursuant to its senior guarantee could be required to be returned to the Guarantor, or to a fund for the benefit of the creditors of the Guarantor.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding. Generally, however, the Guarantor of the amortizing notes would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair value of all of its assets at a fair valuation;

the present fair value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

Although the Guarantor's senior guarantee will be limited as necessary to prevent that senior guarantee from constituting a fraudulent conveyance under applicable law, this provision may not be effective to protect the senior guarantee from being voided under the fraudulent transfer laws described above. In a Florida bankruptcy case, a similar provision was found to be ineffective to protect senior guarantees. In addition, the assets of our subsidiaries that do not guarantee the amortizing notes, will not be available to satisfy the obligations under the amortizing notes.

***If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the amortizing notes.***

Any default under the agreements governing our other indebtedness and the remedies sought by the holders of such indebtedness, could prevent us from making installment payments on the amortizing notes (including, without limitation, installment payments) and substantially decrease the market value of the amortizing notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our other indebtedness, or if we otherwise fail to comply with the various covenants in our debt instruments, we could be in default under the terms of the agreements governing our other indebtedness. In the event of such default:

the holders of such indebtedness may be able to cause all of our available cash flow to be used to pay such indebtedness and, in any event, could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest; and/or

we could be forced into bankruptcy or liquidation.

If our operating performance declines, we may in the future need to amend or modify the agreements governing our indebtedness or seek concessions from the holders of such indebtedness.

***The U.S. federal income tax consequences relating to the Units are uncertain.***

No statutory, judicial or administrative authority directly addresses the characterization of the Units or instruments similar to the Units for U.S. federal income tax purposes. As a result, some aspects of the U.S. federal income tax consequences of an investment in the Units are not certain. Specifically, the amortizing notes and the purchase contracts could potentially be recharacterized as a single instrument for U.S. federal income tax purposes, in which case (i) U.S. holders (as defined below under Material United States Federal Income Tax Consequences U.S. Holders ) could be required to recognize the entire amount of each installment payment on the amortizing notes, rather than merely the portion of such payment denominated as interest, as income and (ii) payments of principal and interest made to non-U.S. holders (as defined below under Material United

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States Federal Income Tax Consequences Non-U.S. Holders ) on the amortizing notes could be subject to U.S. withholding tax. We have not sought any rulings concerning the treatment of the Units, and the tax consequences described in Material United States Federal Income Tax Consequences are not binding on the Internal Revenue Service or the courts, either of which could disagree with the explanations or conclusions contained therein.

***You may be subject to tax upon an adjustment to the settlement rate of the purchase contracts even though you do not receive a corresponding cash distribution.***

The fixed settlement rates of the purchase contracts are subject to adjustment in certain circumstances, including the payment of certain cash dividends or upon a fundamental change. If the settlement rates are adjusted (or there is a failure to make an adjustment) as a result of a distribution that is taxable to our Class A common stockholders, such as a cash dividend, you generally will be deemed to have received for U.S. federal income tax purposes a taxable dividend without the receipt of any cash. You may also be deemed to have received a taxable dividend in the event we make certain other adjustments to the settlement rates of the purchase contracts. If you are a non-U.S. holder (as defined in Material United States Federal Income Tax Consequences Non-U.S. Holders ), such deemed dividend may be subject to U.S. federal withholding tax (currently at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty), which may be withheld from shares of Class A common stock or sales proceeds subsequently paid or credited to you. It is possible that U.S. withholding tax on deemed dividends would be withheld from any interest or other amounts paid to a non-U.S. holder. See Material United States Federal Income Tax Consequences Non-U.S. Holders Dividends and Other Distributions with Respect to Our Class A Common Stock and Purchase Contracts.

***Any adverse rating action with respect to the Units may cause their trading price to fall.***

We do not intend to seek a rating on the Units. However, if a rating service were to rate the Units and if such rating service were to lower its rating on the Units below the rating initially assigned to the Units or otherwise announces its intention to put the Units on credit watch, the trading price of the Units could decline.



**Table of Contents****USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting underwriting discounts and commissions and before estimated offering expenses, will be approximately \$ million. We intend to use the net proceeds from this offering, together with the net proceeds of the Class A common stock offering, the Debt Financings and cash on hand to finance the Hillshire Brands Acquisition and to pay related fees and expenses. If for any reason the Hillshire Brands Acquisition is not consummated, then we intend to use the net proceeds from this offering for general corporate purposes. See Summary Recent Developments.

As required by the Merger Agreement, the net proceeds of this offering and the concurrent Class A common stock offering (net of our good faith estimate of offering fees and expenses) will be placed into an escrow account, pending release upon consummation of, and to partially fund, the Hillshire Brands Acquisition (or, if earlier, upon termination of the Merger Agreement).

The completion of this Units offering is not contingent upon the completion of the Class A common stock offering, the Debt Financings or the Hillshire Brands Acquisition. Accordingly, even if the Hillshire Brands Acquisition or the other financing transactions do not occur, the Units sold in this offering will remain outstanding, and we will not have any obligation to offer to repurchase any or all of the Units sold in this offering.

The following table outlines the sources and uses of funds for the Hillshire Brands Acquisition. The table assumes that the Hillshire Brands Acquisition and the financing transactions are completed simultaneously, but this offering and the concurrent Class A common stock offering are expected to occur before completion of the Debt Financings and the Hillshire Brands Acquisition. Amounts in the table are in millions of dollars and are estimated, and actual amounts may vary from the estimated amounts.

<b>Sources of Funds</b>		<b>Uses of Funds</b>	
Cash	\$ 314	Total equity purchase price	\$ 8,081
Units offered hereby <sup>(1)</sup>	\$ 1,500	Transaction fees and expenses <sup>(2)</sup>	\$ 432
Class A common stock offering <sup>(1)</sup>	\$ 949		
Debt Financings <sup>(1)</sup>	\$ 5,750		
<b>Total</b>	<b>\$ 8,513</b>	<b>Total</b>	<b>\$ 8,513</b>

(1) Before discounts, commissions and expenses and assumes no exercise of the underwriters' over-allotment option for the concurrent Class A common stock offering.

(2) Includes discounts, commissions and expenses of this offering.

**Table of Contents****PRICE RANGE OF CLASS A COMMON STOCK AND DIVIDENDS**

Our Class A common stock is traded on the New York Stock Exchange under the symbol TSN. No public trading market currently exists for the Class B common stock. Cash dividends cannot be paid to holders of Class B common stock unless they are simultaneously paid to holders of Class A common stock. The per share amount of the cash dividend paid to holders of Class B common stock cannot exceed 90% of the cash dividend simultaneously paid to holders of Class A common stock. We have paid uninterrupted quarterly dividends on common stock each year since 1977. In fiscal 2013, the annual dividend rate for Class A common stock was \$0.20 per share and the annual dividend rate for Class B common stock was \$0.18 per share. In fiscal 2012, the annual dividend rate for Class A common stock was \$0.16 per share and the annual dividend rate for Class B common stock was \$0.144 per share. On November 15, 2012, the Board of Directors declared a special dividend of \$0.10 per share for Class A common stock and \$0.09 per share for Class B common stock, which was paid on December 14, 2012, to shareholders of record on November 30, 2012. Additionally, on November 14, 2013, the Board of Directors increased the quarterly dividend previously declared on August 1, 2013, to \$0.075 per share on our Class A common stock and \$0.0675 per share on our Class B common stock.

The following table sets forth, for the periods indicated, the high and low closing sales prices of our Class A common stock and per share dividends paid for the Class A common stock and the Class B common stock.

	Class A common stock price range		Dividends paid per share	
	High	Low	Class A	Class B
<b>Fiscal Year 2014:</b>				
First Quarter	\$ 33.97	\$ 27.56	\$ 0.075	\$ 0.0675
Second Quarter	43.15	33.17	0.075	0.0675
Third Quarter	44.01	35.15	0.075	0.0675
Fourth Quarter (through July 25, 2014)	39.85	37.54	(a)	(a)
<b>Fiscal Year 2013:</b>				
First Quarter	\$ 19.79	\$ 16.02	\$ 0.15	\$ 0.135
Second Quarter	24.82	19.40	0.05	0.045
Third Quarter	25.88	23.26	0.05	0.045
Fourth Quarter	31.83	26.03	0.05	0.045
<b>Fiscal Year 2012:</b>				
First Quarter	\$ 20.91	\$ 16.68	\$ 0.04	\$ 0.036
Second Quarter	20.37	18.52	0.04	0.036
Third Quarter	19.58	17.66	0.04	0.036
Fourth Quarter	18.56	14.17	0.04	0.036

(a) A \$0.075 Class A dividend per share and a \$0.0675 Class B dividend per share are scheduled to be paid in the fourth quarter on September 15, 2014 to holders of record as of August 29, 2014.

On July 25, 2014, the last reported sale price of our Class A common stock on the New York Stock Exchange was \$39.54 per share. There were approximately 24,000 holders of record of our Class A common stock as of July 21, 2014.

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**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth the ratio of earnings to fixed charges for the Company for each year in the five year period ended September 28, 2013, and for the six months ended March 29, 2014. For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income (loss) from continuing operations before income taxes, fixed charges and amortization of capitalized interest, but excludes equity method investment earnings and capitalized interest. Fixed charges consist of (i) interest on indebtedness, whether expensed or capitalized, (ii) that portion of rental expense the Company believes to be representative of interest (one-third of rental expense) and (iii) amortization of debt discount and expense.

<b>Six Months Ended</b>	<b>Fiscal Years</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>March 29, 2014</b>					
8.80	6.71	4.58	4.48	4.38	(a)

(a) In fiscal 2009, our earnings were insufficient to cover our fixed charges by \$540.0 million.

**Table of Contents****CAPITALIZATION**

The following table sets forth our cash position and capitalization as of March 29, 2014:

on an actual basis;

on an as adjusted basis to give effect to this offering after deducting the underwriting discounts and commissions and estimated offering expenses (but not the application of the proceeds therefrom);

on an as further adjusted basis to give effect to the issuance and sale of 24,000,000 shares of our Class A common stock (but not the application of the proceeds therefrom), assuming a public offering price of \$39.54 per share of our common stock, which is equal to the last reported sale price of our common stock on the New York Stock Exchange on July 25, 2014, after deducting the underwriting discounts and commissions and estimated offering expenses (assuming no exercise of the underwriters' over-allotment option to purchase additional shares of our Class A common stock); and

on a pro forma as further adjusted basis to give further effect to (i) the Debt Financings and the payment of related fees and expenses and (ii) the Hillshire Brands Acquisition.

This table should be read in conjunction with the other sections of this prospectus supplement and our consolidated financial statements and related notes incorporated by reference in this prospectus supplement, including under Unaudited Condensed Combined Pro Forma Financial Information. See Where You Can Find More Information in this prospectus supplement. In addition, investors should not place undue reliance on the as adjusted, as further adjusted or pro forma as further adjusted information included below because this offering is not contingent upon completion of any of the transactions reflected in the adjustments below.

	As of March 29, 2014 (unaudited)			Pro forma as further adjusted
	Actual	As adjusted	As further adjusted	
	(\$ in millions, except for share numbers)			
<b>Cash and cash equivalents</b>	\$ 438	\$ 1,893	\$ 2,813	\$ 343
<b>Short-term debt:</b>				
Current debt	52	124	124	416
Total short-term debt	52	124	124	416
<b>Long-term debt:</b>				
Revolving credit facility				
Senior notes:				

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6.60% Senior Notes due April 2016	638	638	638	638
7.00% Notes due May 2018	120	120	120	120
4.50% Senior Notes due June 2022	1,000	1,000	1,000	1,000
7.00% Notes due January 2028	18	18	18	18
Discount on senior notes	(5)	(5)	(5)	(5)
Senior amortizing notes that are components of the Units (less current portion)		148	148	148
GO Zone tax-exempt bonds due October 2033 (0.07% at 3/29/14)	100	100	100	100
Hillshire debt (at fair value, less current portion)				869
Other	17	17	17	17
Debt Financings (less current portion) <sup>(1)</sup>				5,560
Total long-term debt	1,888	2,036	2,036	8,465
Total debt	1,940	2,160	2,160	8,881

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	As of March 29, 2014 (unaudited)			Pro forma as further adjusted
	Actual	As adjusted	As further adjusted	adjusted
	(\$ in millions, except for share numbers)			
<b>Shareholders equity:</b>				
Common stock (\$0.10 par value):				
Class A authorized 900 million shares; issued 322 million actual and as adjusted; 346 million as further adjusted and pro forma as further adjusted	32	32	34	34
Class B authorized 900 million shares; issued 70 million shares	7	7	7	7
Capital in excess of par value	2,181	3,421	4,339	4,339
Retained earnings	5,407	5,407	5,407	5,336
Accumulated other comprehensive income	(103)	(103)	(103)	(103)
Less treasury stock, at cost 43 million shares	(1,088)	(1,088)	(1,088)	(1,088)
<b>Total Tyson shareholders equity</b>	<b>6,436</b>	<b>7,676</b>	<b>8,596</b>	<b>8,525</b>
Noncontrolling interests	28	28	28	28
<b>Total shareholders equity</b>	<b>6,464</b>	<b>7,704</b>	<b>8,624</b>	<b>8,553</b>
Total capitalization	\$ 8,404	\$ 9,864	\$ 10,784	\$ 17,434

- (1) If the Hillshire Brands Acquisition is not consummated, we do not expect any debt under the proposed Debt Financings to be outstanding, other than the New Notes, which we expect to contain a special mandatory redemption requirement if the Hillshire Brands Acquisition is not consummated by a specified date. See Use of Proceeds.

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**Table of Contents****UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

On July 1, 2014, Tyson Foods, Inc., a Delaware corporation ( *Tyson* ), and HMB Holdings, Inc. ( *HMB Holdings* ), a Maryland corporation and wholly-owned subsidiary of Tyson, entered into a definitive agreement and plan of merger (the *Merger Agreement* ) with The Hillshire Brands Company ( *Hillshire* ), a Maryland corporation. Under the *Merger Agreement*, *Tyson* and *HMB Holdings* will acquire *Hillshire* and its subsidiaries for a price of \$63.00 per share in cash. The all-cash transaction is valued at approximately \$8.9 billion, including the assumption of *Hillshire*'s net debt and breakage fees. The *Merger Agreement* contains representations, warranties and covenants of the parties customary for transactions of this type.

Concurrently, and in connection with entering into the *Merger Agreement*, *Tyson* entered into a fully committed 364-day unsecured bridge facility from Morgan Stanley Senior Funding, Inc., J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A. *Tyson* also entered into a senior unsecured term loan facility with the same lenders. The committed facilities, together with cash on hand, will be available to fund the *Hillshire* acquisition, including the payment of related fees and expenses. Permanent funding is expected to include a mix of term loans, senior notes issuance, common stock issuance, tangible equity unit issuance and cash on hand.

The following unaudited pro forma condensed consolidated financial information is based on the historical consolidated financial information of *Tyson* and *Hillshire* and has been prepared to reflect the proposed *Hillshire* acquisition and related financing transactions. For purposes of the pro forma financial information, we have assumed the acquisition financing will consist of: (a) \$2,500 million aggregate principal amount of term loans; (b) \$3,250 million aggregate principal amount of senior notes; (c) \$949 million issuance of common stock; (d) \$1,500 million issuance of tangible equity units, consisting of \$1,280 million of prepaid stock purchase contracts and \$220 million of senior amortizing notes; and (e) \$314 million cash on hand. The final structure and terms of the acquisition financing will be subject to market conditions and may change materially from the assumptions used in the pro forma information. See *Notes to Unaudited Pro Forma Condensed Consolidated Financial Information* below.

The unaudited pro forma condensed consolidated financial information is provided for informational purposes only. The unaudited pro forma condensed consolidated statements of income are not necessarily indicative of operating results that would have been achieved had the acquisition been completed as of September 30, 2012 (first day of the most recently completed fiscal year) and does not intend to project the future financial results of *Tyson* after the *Hillshire* acquisition. The unaudited pro forma condensed consolidated balance sheet does not purport to reflect what *Tyson*'s financial condition would have been had the transactions closed on March 29, 2014 (latest interim balance sheet date) or for any future or historical period. The unaudited pro forma condensed consolidated statements of income and balance sheet are based on certain assumptions, described in the accompanying notes, which management believes are reasonable and do not reflect the cost of any integration activities or the benefits from the *Hillshire* acquisition and synergies that may be derived from any integration activities.

*Tyson*'s fiscal year ends in September, while *Hillshire*'s fiscal year ends in June. The unaudited condensed consolidated balance sheet combines the unaudited condensed consolidated balance sheet of *Tyson* as of March 29, 2014, and the unaudited condensed consolidated balance sheet of *Hillshire* as of March 29, 2014. The full-year unaudited pro forma condensed consolidated statement of income for the year ended September 28, 2013, combines the audited consolidated statement of income for *Tyson* for the fiscal year ended September 28, 2013 and the audited consolidated statement of income of *Hillshire* for the fiscal year ended June 29, 2013. The unaudited pro forma condensed consolidated statement of income for the six months ended March 29, 2014 combines the unaudited condensed consolidated statement of income of *Tyson* for the six months ended March 29, 2014 and *Hillshire*'s unaudited condensed consolidated statement of income for the six months ended March 29, 2014. The unaudited condensed consolidated statement of income of *Hillshire* for the six months ended March 29, 2014 was determined by subtracting



Hillshire's unaudited condensed consolidated statement of income for the three months ended September 28, 2013 (its first quarter of fiscal 2014) from the unaudited

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condensed consolidated statement of income for the nine months ended March 29, 2014. Sales of \$984 million and net income of \$29 million related to Hillshire's first fiscal quarter ended September 28, 2013, are not included in the pro forma information.

The unaudited pro forma condensed consolidated financial information should be read in conjunction with the following information:

notes to the unaudited pro forma condensed consolidated financial information;

Tyson's Current Report on Form 8-K filed on July 2, 2014, including exhibits thereto, which describes the Hillshire acquisition;

audited consolidated financial statements of Tyson as of and for the year ended September 28, 2013, which are included in Tyson's Current Report on Form 8-K filed with the SEC on July 28, 2014;

audited consolidated financial statements of Hillshire as of and for the year ended June 29, 2013, which are included in Tyson's Current Report on Form 8-K filed with the SEC on July 28, 2014;

unaudited condensed consolidated financial statements of Tyson as of and for the six months ended March 29, 2014, which are included in Tyson's Quarterly Report on Form 10-Q for the quarter ended March 29, 2014, as filed with the SEC; and

unaudited condensed consolidated financial statements of Hillshire as of and for the nine months ended March 29, 2014, which are included in Tyson's Current Report on Form 8-K filed with the SEC on July 28, 2014.

**Table of Contents****Unaudited Pro Forma Condensed Consolidated Balance Sheet****As of March 29, 2014****(in millions)**

	<b>Tyson Historical</b>	<b>Hillshire Historical</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma</b>
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	\$ 438	\$ 219	\$ (314) (1)	\$ 343
Accounts receivable, net	1,548	205		1,753
Inventories	2,968	300	45 (2)	3,313
Other current assets	230	374	139 (3)	743
<b>Total Current Assets</b>	<b>5,184</b>	<b>1,098</b>	<b>(130)</b>	<b>6,152</b>
Net Property, Plant and Equipment	4,105	814	445 (4)	5,364
Goodwill	1,925	371	4,103 (5)	6,399
Intangible Assets	156	134	5,057 (6)	5,347
Other Assets	516	114	(19) (7)	611
<b>Total Assets</b>	<b>\$ 11,886</b>	<b>\$ 2,531</b>	<b>\$ 9,456</b>	<b>\$ 23,873</b>
<b>Liabilities and Shareholders Equity</b>				
Current Liabilities				
Current debt	\$ 52	\$ 102	\$ 262 (8)	\$ 416
Accounts payable	1,429	306		1,735
Other current liabilities	1,024	323	(63) (9)	1,284
<b>Total Current Liabilities</b>	<b>2,505</b>	<b>731</b>	<b>199</b>	<b>3,435</b>
Long-Term Debt	1,888	840	5,737 (8)	8,465
Deferred Income Taxes	444		2,032 (10)	2,476
Other Liabilities	585	359		944
Commitments and Contingencies				
Shareholders Equity				
Common Stock				
Class A	32	1	1 (11)	34
Class B	7			7
Capital in excess of par value	2,181	188	1,970 (11)	4,339
Retained earnings	5,407	603	(674) (11)	5,336
Accumulated other comprehensive loss	(103)	(140)	140 (11)	(103)
Unearned stock of ESOP		(51)	51 (11)	
Treasury stock, at cost	(1,088)			(1,088)

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Total Registrant Shareholders Equity	6,436	601	1,488	8,525
Noncontrolling Interests	28			28
Total Shareholders Equity	6,464	601	1,488	8,553
Total Liabilities and Shareholders Equity	\$ 11,886	\$ 2,531	\$ 9,456	\$ 23,873

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**Table of Contents****Unaudited Pro Forma Condensed Consolidated Statements of Income****For the Twelve Months Ended****(in millions, except per share data)**

	<b>Tyson Historical September 28, 2013</b>	<b>Hillshire Historical June 29, 2013</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma</b>
Sales	\$ 34,374	\$ 3,920	\$ (63)	(12)	\$ 38,231
Cost of Sales	32,016	2,758	166	(13)	34,940
Gross Profit	2,358	1,162	(229)		3,291
Selling, General and Administrative	983	865	(200)	(14)	1,648
Operating Income	1,375	297	(29)		1,643
Other (Income) Expense					
Interest Income	(7)	(7)			(14)
Interest Expense	145	48	177	(15)	370
Other, net	(20)				(20)
Total Other (Income) Expense	118	41	177		336
Income from Continuing Operations before Income Taxes	1,257	256	(206)		1,307
Income Tax Expense	409	72	(78)	(10)	403
Income from Continuing Operations	848	184	(128)		904
Less: Net Income (Loss) Attributable to Noncontrolling Interests					
Net Income from Continuing Operations Attributable to Registrant	\$ 848	\$ 184	\$ (128)		\$ 904
Weighted Average Shares Outstanding:					
Class A Basic	282		56	(16)	338
Class B Basic	70				70
Diluted	367		62	(16)	429
Net Income per Share from Continuing Operations					
Class A Basic	\$ 2.46				\$ 2.25
Class B Basic	\$ 2.22				\$ 2.07
Diluted	\$ 2.31				\$ 2.11

**Table of Contents****Unaudited Pro Forma Condensed Consolidated Statements of Income****For the Six Months Ended****(in millions, except per share data)**

	<b>Tyson Historical March 29, 2014</b>	<b>Hillshire Historical March 29, 2014</b>	<b>Pro Forma Adjustments</b>		<b>Pro Forma</b>
Sales	\$ 17,793	\$ 2,037	\$ (38)	(12)	\$ 19,792
Cost of Sales	16,457	1,431	77	(13)	17,965
Gross Profit	1,336	606	(115)		1,827
Selling, General and Administrative	563	414	(99)	(14)	878
Operating Income	773	192	(16)		949
Other (Income) Expense					
Interest Income	(5)	(5)			(10)
Interest Expense	53	24	86	(15)	163
Other, net	1				1
Total Other (Income) Expense	49	19	86		154
Income from Continuing Operations before Income Taxes					
Taxes	724	173	(102)		795
Income Tax Expense	262	17	(39)	(10)	240
Income from Continuing Operations	462	156	(63)		555
Less: Net Income (Loss) Attributable to Noncontrolling Interests		(5)			(5)
Net Income from Continuing Operations Attributable to Registrant	\$ 467	\$ 156	\$ (63)		\$ 560
Weighted Average Shares Outstanding:					
Class A Basic	272		56	(16)	328
Class B Basic	70				70
Diluted	355		62	(16)	417
Net Income per Share from Continuing Operations					
Class A Basic	\$ 1.40				\$ 1.43
Class B Basic	\$ 1.26				\$ 1.31
Diluted	\$ 1.32				\$ 1.34

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**NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

**(dollars in millions, except per share data)**

**BASIS OF PRO FORMA PRESENTATION**

The unaudited pro forma condensed consolidated financial information presented is based on the historical audited and unaudited consolidated financial information of Tyson and the audited and unaudited consolidated financial information of Hillshire. The unaudited pro forma condensed consolidated balance sheet as of March 29, 2014 assumes the Hillshire acquisition was completed on that date. The unaudited pro forma condensed consolidated statements of income for the year ended September 28, 2013 and the six months ended March 29, 2014, assume the Hillshire acquisition was completed on September 30, 2012.

Pro forma adjustments reflected in the unaudited pro forma condensed consolidated balance sheet are based on items that are directly attributable to the Hillshire acquisition and related financing that are factually supportable. Pro forma adjustments reflected in the unaudited pro forma condensed consolidated statements of income are based on items directly attributable to the acquisition and related financing and are factually supportable and expected to have a continuing impact on Tyson.

The acquisition will be accounted for as a business combination. Accordingly, the assets acquired and liabilities assumed are recorded based on their estimated fair values. The unaudited pro forma condensed consolidated statements of income do not reflect the cost of any integration activities or benefits from the acquisitions and synergies that may be derived from any integration activities, both of which may have a material effect on Tyson's consolidated statements of income in periods following the completion of the Hillshire acquisition.

Certain amounts in Hillshire's historical financial information have been reclassified to conform to Tyson's presentation.

**HILLSHIRE ACQUISITION TRANSACTION SUMMARY**

Tyson intends to pay in cash a purchase price equal to \$63.00 per share, or \$8,081, at closing to consummate the Hillshire acquisition. In addition, Tyson paid \$163 in cash for breakage costs incurred by Hillshire related to a previously proposed acquisition, and will assume Hillshire's net debt which totaled \$621 as of June 28, 2014. Pro forma adjustments related to the financing for the Hillshire acquisition have been made in the unaudited pro forma condensed consolidated balance sheet as of March 29, 2014 as if the Hillshire acquisition had closed on that date and in the unaudited pro forma condensed consolidated statements of income for the year ended September 28, 2013 and the six months ended March 29, 2014 as if the financings had been completed on September 30, 2012.

**Financing Assumptions**

Concurrently, and in connection with entering into the Merger Agreement, Tyson entered into a fully committed 364-day unsecured bridge facility from Morgan Stanley Senior Funding, Inc., J.P. Morgan Securities LLC and JPMorgan Chase Bank, N.A. Tyson also entered into a senior unsecured term loan facility with the same lenders. The committed facilities, together with cash on hand, will be available to fund the Hillshire acquisition, including the payment of related fees and expenses. Notwithstanding the foregoing, for purposes of the pro forma financial information, Tyson has assumed the Hillshire Acquisition financing will consist of:

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- a) an assumed \$1,306 aggregate principal amount of 3-year floating rate term loans with an amortizing base equal to 2.50% per quarter and with an assumed interest rate of 1.60%;
- b) an assumed \$594 aggregate principal amount of 5-year floating rate term loans with an amortizing base equal to 2.50% per quarter and with an assumed interest rate of 1.75%;
- c) an assumed \$600 aggregate principal amount of 5-year floating rate term loans, with an assumed interest rate of 1.75%;

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- d) an assumed \$3,250 aggregate principal amount of 5, 10, and 30-year fixed rate senior notes, with an assumed stated weighted average interest rate of 3.91%;
- e) an assumed \$949 issuance of common stock, at an assumed offering price of \$39.54 per share (which was the closing price of Tyson's common stock on The New York Stock Exchange on July 25, 2014), which would result in the issuance of approximately 24 million shares of common stock (assuming no exercise of the underwriters' option to purchase additional shares of common stock) and an increase in pro forma weighted-average shares outstanding by such amount of shares;
- f) an assumed \$1,500 issuance of tangible equity units, assumed to be comprised of \$1,280 of prepaid stock purchase contracts and \$220 of senior amortizing notes issued at an assumed interest rate. The prepaid stock purchase contracts are assumed to have a reference price equal to \$39.54 per share (which was the closing price of Tyson's common stock on The New York Stock Exchange on July 25, 2014), such that the maximum number of shares issuable on the July 15, 2017 settlement date (which would be subject to postponement in certain limited circumstances) would be approximately 37.9 million and an increase in pro forma weighted-average shares outstanding by such amount of shares.

The final structure and terms of the Hillshire acquisition financing will be subject to market conditions and may change materially from the assumptions described above. Changes in the assumptions described above would result in changes to various components of the unaudited pro forma condensed consolidated balance sheet, including cash and cash equivalents, long-term debt and additional paid-in capital, and various components of the unaudited pro forma condensed consolidated statements of income, including interest expense, earnings per share and weighted-average shares outstanding. Depending upon the nature of the changes, the impact on the pro forma financial information could be material.

Each 0.125% increase (decrease) in each of the respective stated interest rates assumed above for the term loans, senior notes, and senior amortizing notes would increase (decrease) pro forma interest expense by approximately \$7 for the year ended September 28, 2013 and approximately \$3 for the six months ended March 29, 2014, and would decrease (increase) pro forma earnings per share (basic and diluted) by \$0.01 per share for the year ended September 28, 2013 and by less than \$0.01 per share for the six months ended March 29, 2014 (assuming the principal balances and the pro forma weighted-average shares outstanding do not change from those assumed as described herein);

Each \$100 increase (decrease) in the principal amount of the term loans would increase (decrease) pro forma interest expense by approximately \$2 for the year ended September 28, 2013 and approximately \$1 for the six months ended March 29, 2014 and would decrease (increase) pro forma earnings per share (basic and diluted) by less than \$0.01 per share for the year ended September 28, 2013 and the six months ended March 29, 2014 (assuming the stated interest rates on the term loans and the pro forma weighted-average shares outstanding do not change from those assumed as described herein);

Each \$100 increase (decrease) in the principal amount of the senior notes would increase (decrease) pro forma interest expense by approximately \$4 for the year ended September 28, 2013 and approximately \$2 for the six months ended March 29, 2014 and would decrease (increase) pro forma earnings per share (basic and

diluted) by approximately \$0.01 per share for the year ended September 28, 2013 and by less than \$0.01 per share for the six months ended March 29, 2014 (assuming the stated interest rates on the senior notes and the pro forma weighted-average shares outstanding do not change from those assumed as described herein);

Each \$100 increase (decrease) in the amount of common stock issued would increase (decrease) pro forma weighted average shares outstanding by approximately 2.5 million shares and would decrease (increase) pro forma earnings per share (basic and diluted) by approximately \$0.01 per share for the year ended September 28, 2013 and the six months ended March 29, 2014 (assuming the offering price per share of common stock does not change from that assumed as described herein);

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Each \$1.00 increase (decrease) in the assumed offering price of the common stock of \$39.54 per share (which was the closing price of Tyson's common stock on The New York Stock Exchange on July 25, 2014), would, in the aggregate, decrease (increase) pro forma weighted-average shares outstanding by approximately 0.6 million shares, and would increase (decrease) pro forma earnings per share (basic and diluted) by less than \$0.01 for the year ended September 28, 2013 and the six months ended March 29, 2014, respectively (assuming the aggregate dollar amount of common stock issued does not change from that assumed as described herein);

Each \$100 increase (decrease) in the amount of tangible equity units issued would increase (decrease) pro forma interest expense by approximately \$0.2 for the year ended September 28, 2013 and approximately \$0.1 for the six months ended March 29, 2014, would increase (decrease) pro forma weighted-average shares outstanding by approximately 2.5 million shares, and would decrease (increase) pro forma earnings per share (basic and diluted) by approximately \$0.01 per share for the year ended September 28, 2013 and the six months ended March 29, 2014, respectively (assuming the stated interest rate on the senior amortizing notes, the reference price for the prepaid stock purchase contracts component of the tangible equity units, and the ratio of the amount of the prepaid stock purchase contracts to the amount of the senior amortizing notes do not change from that assumed as described herein);

Each \$1.00 increase (decrease) in the assumed reference price of the prepaid stock purchase contracts of \$39.54 per share (which was the closing price of Tyson's common stock on The New York Stock Exchange on July 25, 2014), would, in the aggregate, decrease (increase) pro forma weighted-average shares outstanding by approximately 0.9 million shares, and would increase (decrease) pro forma earnings per share (basic and diluted) by less than \$0.01 for the year ended September 30, 2013 and the six months ended March 31, 2014, respectively (assuming the aggregate dollar amounts of the prepaid stock purchase contract components of the tangible equity units to be issued do not change from those assumed as described herein).

At this time, Tyson has not completed detailed valuation analyses to determine the fair values of Hillshire's assets and liabilities. Accordingly, the unaudited pro forma condensed consolidated financial information includes a preliminary fair value determination based on assumptions and estimates that, while considered reasonable under the circumstances, are subject to changes, which may be material. In addition, Tyson has not yet performed the due diligence necessary to identify all of the adjustments required to conform Hillshire's accounting policies to Tyson's or to identify other items that could significantly impact the fair value determination or the assumptions and adjustments made in the preparation of this unaudited pro forma condensed consolidated financial information. Upon completion of detailed valuation analyses, there may be additional increases or decreases to the recorded book values of the acquired assets and liabilities, including but not limited to inventories, brands, trademarks, customer relationships and other intangible assets, property, plant and equipment, and debt that could give rise to future amounts of depreciation and amortization expense and changes in related deferred taxes that are not reflected in the information contained in this unaudited pro forma condensed consolidated information. Accordingly, once the necessary valuation analyses have been performed and the final fair value determination has been completed, actual results may differ materially from the information presented in this unaudited pro forma condensed consolidated financial information.

Additionally, the unaudited pro forma condensed consolidated statements of income do not reflect the cost of any integration activities or benefits from the Hillshire acquisition and synergies that may be derived from any integration activities, both of which may have a material effect on Tyson's consolidated results of operations in periods following the completion of the Tyson acquisition.



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Below is a summary of the preliminary reconciliation of purchase consideration to the book value of net assets acquired and certain valuation adjustments related to the Hillshire acquisition:

<b>Total consideration (includes closing consideration, \$163 breakage costs incurred by Hillshire related to a previously proposed acquisition and \$43 change in control related costs)</b>	<b>\$ 8,287</b>
Historical net book value of Hillshire	\$ 601
Preliminary valuation adjustment to inventories	45
Preliminary valuation adjustment for other assets	51
Preliminary valuation adjustment for property, plant and equipment	445
Preliminary valuation adjustment to identifiable intangible assets	5,057
Preliminary valuation adjustment to debt	(29)
Deferred and current tax impact of preliminary valuation adjustments	(1,983)
Write-off of deferred financing fees of Hillshire's existing debt	(3)
Residual adjustment to goodwill created by the business combination	4,103
<b>Total acquisition cost</b>	<b>\$ 8,287</b>

The following table is an estimate of the total sources and uses of cash as a result of the Hillshire acquisition and related financing transactions.

<b>Sources of cash</b>	
Cash on hand	\$ 314
Term loans 3 year (amortizing)	1,306
Term loans 5 year (amortizing)	594
Term loans 5 year	600
Senior notes 5, 10 and 30 year	3,250
Common Equity	949
Tangible Equity Units <sup>(a)</sup>	1,500
<b>Total sources of cash</b>	<b>\$ 8,513</b>
<b>Uses of cash</b>	
Fund Hillshire acquisition	\$ 8,081
Breakage cost	163
Change in control cost	43
Other estimated transaction fees and expenses	226
<b>Total uses of cash</b>	<b>\$ 8,513</b>

a)

For purposes of the pro forma financial information, the tangible equity units were assumed to consist of \$1,280 of prepaid stock purchase contracts accounted for as equity and \$220 of senior amortizing notes accounted for as debt.

**HILLSHIRE ACQUISITION PRO FORMA ADJUSTMENTS**

- 1) After consideration of the expected financing transactions and related fees, Tyson estimates it will use \$314 of cash on hand to consummate the Hillshire Acquisition.
- 2) Reflects the adjustment of Hillshire's inventory to its preliminary estimated fair value.
- 3) Reflects a \$51 reclass of Hillshire's equity for an amount owed to Hillshire from its ESOP that will be collected upon the ESOP's dissolution concurrent with the closing of the acquisition. Additionally, reflects the estimated tax benefit effect totaling \$151 for certain transaction related fees and costs and a reduction of \$63 for a reclass of current deferred tax liability to current deferred tax asset as described in note (9).
- 4) Reflects the adjustment of Hillshire's property, plant and equipment to its preliminary estimated fair value.

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- 5) Represents the incremental goodwill resulting from purchase accounting after estimating the fair value of the identifiable assets acquired and liabilities assumed. See Hillshire Acquisition Transaction Summary above.
- 6) For purposes of the preliminary fair value determination discussed in Hillshire Acquisition Transaction Summary above, Tyson estimated the fair value of Hillshire's identifiable intangible assets at \$5,191 including approximately \$4,652 of brand and trademark related intangibles and approximately \$539 of customer relationship intangibles representing an increase to the historical net book value of Hillshire's intangible assets of \$5,057. For purposes of determining incremental pro forma amortization expense to be recorded in the unaudited pro forma condensed consolidated statements of income, \$4,363 of the brand names were assumed to have an indefinite life, \$289 of the brand names were assumed to have a 20-year life to be amortized on a straight-line basis, and the customer relationship intangible assets were assumed to have a weighted average life of approximately 16 years to be amortized on a declining basis based on economic benefit derived over that period.
- 7) Represents the net impact of reversing \$3 of deferred financing fees recorded on Hillshire's historical balance sheet for debt instruments and recording \$48 of estimated issuance costs to be incurred on the debt to be issued to finance the transaction. Additionally, \$64 of Hillshire's non-current deferred tax asset was reclassified to non-current deferred tax liability.
- 8) Current debt adjustment represents amounts expected to be due in the first year on the amortizing term loans and senior amortizing note component of the tangible equity units. Long-term debt reflects a \$29 adjustment of Hillshire's long-term debt to its preliminary estimated fair value and the estimated incremental new debt Tyson expects to incur to finance the Hillshire acquisition less the current portion. The estimated balance of new Tyson debt consists of the following components: term loans of \$2,500 (\$190 shown as current debt), senior notes of \$3,250 and senior amortizing notes component of tangible equity units of \$220 (\$72 shown as current debt). See Hillshire Acquisition Transaction Summary Financing Assumptions above for various assumptions made with respect to the estimated balances of the new Tyson debt.
- 9) Reflects a reclassification of Tyson's net current deferred tax liability at March 29, 2014 to net against Hillshire's net current deferred tax asset.
- 10) Income tax expense and deferred income tax impacts in the pro forma condensed consolidated balance sheet and condensed consolidated statements of income as a result of purchase accounting have been estimated at Tyson's incremental statutory tax rate of 38%. Additionally, Deferred Income Taxes includes a reduction of \$63 for a reclass of current deferred tax liability as described in note (7).
- 11) Reflects adjustments to remove Hillshire's historical equity accounts to record the acquisition (the total of which is equal to its net book value) and reclass \$51 related to a receivable from Hillshire's ESOP as described in note (3). Additionally, includes adjustments to reduce retained earnings to reflect the after tax effect of certain acquisition related expenses as described in notes contained herein, to reduce capital in excess of par value for fees related to equity issuance, and to increase common stock and capital in excess of par value for the estimated net proceeds from the issuance of common stock and the prepaid stock purchase contract component of the tangible equity units. See Hillshire Acquisition Transaction Summary Financing Assumptions above for various

assumptions made with respect to estimated proceeds from the issuance of common stock and the prepaid stock purchase contract component of the tangible equity units.

- 12) Sales and Cost of Sales were adjusted to eliminate sales of \$63 for the year ended September 28, 2013 and \$38 for the six months ended March 29, 2014 between Tyson and Hillshire.
  
- 13) Reflects the elimination of Cost of Sales for intercompany sales as described in note (12) and an adjustment to reclass shipping and handling costs to Cost of Sales from Selling, General and Administrative expense of \$249 for the year ended September 28, 2013 and \$123 for the six months ended March 29, 2014. The reclass of shipping and handling costs is to conform Hillshire's policy election to record shipping and handling costs in Selling, General and Administrative expense to Tyson's policy to record such costs in Cost of Sales. Additionally, reflects a decrease in depreciation expense of \$20 for the year ended September 28,



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2013 and \$8 for the six months ended March 29, 2014 driven by an extension of the historical useful lives of Hillshire's property, plant and equipment, partially offset by the impact of fair value adjustments to their respective book values.

- 14) Reflects adjustments to reclass shipping and handling costs from Selling, General and Administrative expense to Cost of Sales as described in note (13) and amortization of intangible assets as described in note (6) of \$51 for the year ended September 28, 2013 and \$25 for the six months ended March 29, 2014. Additionally, reflects a decrease of \$2 for the year ended September 28, 2013 and \$1 for the six months ended March 29, 2014 for the changes in depreciation expense described in note (13) that are charged to Selling, General and Administrative expense.
  
- 15) As described in notes herein, Tyson expects to incur new debt to partially finance the Hillshire acquisition. The pro forma adjustments for the year ended September 28, 2013 and the six months ended March 29, 2014, reflect incremental interest expense, including amortization of deferred financing fees using the effective interest method, for new debt expected to be incurred by Tyson.
  
- 16) As described in notes herein, Tyson intends to issue common stock and tangible equity units to partially finance the Hillshire acquisition. Tyson intends to raise \$949 from the issuance of common stock and \$1,280 from the issuance of the prepaid stock purchase contract component of the tangible equity units. Based on the closing market price of Tyson common stock on July 25, 2014 of \$39.54 per share and the assumed reference price and maximum conversion rate for the stock purchase contracts for diluted shares (and the minimum conversion rate for basic shares), Tyson estimated the issuance of common stock and tangible equity units would result in a 56 million share increase to pro forma basic shares outstanding and 62 million share increase to pro forma diluted shares outstanding for both the year ended September 28, 2013 and the six months ended March 29, 2014. See Hillshire Acquisition Transaction Summary Financing Assumptions above for various assumptions made with respect to the estimated proceeds from the issuance of common stock and the prepaid stock purchase contract component of the tangible equity units.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following information should be read in conjunction with our March 29, 2014 unaudited interim consolidated financial statements and related notes and with our fiscal year 2013 audited consolidated financial statements and related notes, both of which are incorporated by reference into this prospectus supplement and the accompanying prospectus. We also urge you to review and consider our disclosure describing various risks that may affect our business, which are set forth under the heading Risk Factors. Finally, the following information, including the fiscal 2014 outlook set forth under Outlook, does not give effect to the Hillshire Brands Acquisition. See Summary Recent Developments Proposed Hillshire Brands Acquisition and Unaudited Pro Forma Condensed Combined Financial Information.

**Description of the Company**

We are one of the world's largest meat protein companies and the second-largest food production company in the Fortune 500 with one of the most recognized brand names in the food industry. We produce, distribute and market chicken, beef, pork, prepared foods and related allied products. Some of the key factors influencing our business are customer demand for our products; the ability to maintain and grow relationships with customers and introduce new and innovative products to the marketplace; accessibility of international markets; market prices for our products; the cost and availability of live cattle and hogs, raw materials, feed ingredients; and operating efficiencies of our facilities. Our operations are conducted in five segments: Chicken, Beef, Pork, Prepared Foods and International. During the second quarter of fiscal 2014, we began reporting our International operation as a separate segment, which was previously included in our Chicken segment. Our International segment became a separate reportable segment as a result of changes to our internal financial reporting to align with previously announced executive leadership changes. The International segment includes our foreign operations primarily related to raising and processing live chickens into fresh, frozen and value-added chicken products in Brazil, China, India and Mexico. All periods presented have been reclassified to reflect this change. Beef, Pork, Prepared Foods and Other results were not impacted by this change. However, the fiscal 2014 outlook, set forth under Outlook below, does not account for the change in reportable segments.

**Overview**

General Operating income grew 53% in the second quarter of fiscal 2014 over the same period in fiscal 2013 and was led by strong earnings in our Chicken and Pork segments.

We continued to execute our strategy of accelerating growth in domestic value-added chicken sales, prepared food sales and international chicken production, innovating products, services and customer insights and cultivating our talent development to support Tyson's growth for the future.

We also maintained focus on maximizing our margins through margin management and operational efficiency improvements. Margin management improvements occurred in the areas of mix, export sales, price optimization and value-added product initiatives. The operational efficiencies occurred in areas of yields, cost reduction and labor management.

Market environment Our Chicken segment delivered strong results in the second quarter of fiscal 2014 driven by favorable domestic market conditions associated with strong demand for our chicken products. Our Beef segment experienced record high fed cattle costs and reduced availability of fed cattle supplies but increased operating margins by maximizing our revenues relative to the rising live cattle markets. Our Pork segment results remained strong in the second quarter of fiscal 2014 due to mix changes and favorable market conditions associated with lower total pork supplies. Our Prepared Foods segment was challenged by volatile raw material prices in addition to costs incurred as we continue to invest in our lunchmeat business and growth platforms. Our International segment experienced losses due to challenging market conditions in China and Brazil.

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**Discontinued Operation** In the third quarter of fiscal 2013, we reported our Weifang operation in China, which was previously part of our Chicken segment, as a discontinued operation. Accordingly, Weifang's results are reported as a discontinued operation for all periods presented.

**Margins** Our total operating margin was 4.0% in the second quarter of fiscal 2014. Operating margins by segment were as follows:

Chicken 8.2% Beef 0.9% Pork 7.2% Prepared Foods 2.4% International (9.1)%

**Debt and Liquidity** During the second quarter of fiscal 2014 we used \$96 million of cash to fund operations. Additionally, we repurchased, as part of our share repurchase program, 2.5 million shares of our Class A common stock for \$100 million. At March 29, 2014, we had approximately \$1.4 billion of liquidity, which includes availability under our credit facility and \$438 million of cash and cash equivalents.

<b>in millions, except per share data</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Net income from continuing operations attributable to Tyson	\$ 213	\$ 157	\$ 467	\$ 334
Net income from continuing operations attributable to Tyson per diluted share	0.60	0.43	1.32	0.92
Net loss from discontinued operation attributable to Tyson		(62)		(66)
Net loss from discontinued operation attributable to Tyson per diluted share		(0.17)		(0.18)
Net income attributable to Tyson	213	95	467	268
Net income attributable to Tyson per diluted share	0.60	0.26	1.32	0.74

**Second quarter and six months Fiscal 2013** Net income included the following item:

\$19 million, or \$0.05 per diluted share, related to a recognized currency translation adjustment.

**Summary of Results****Sales**

<b>in millions</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Sales	\$ 9,032	\$ 8,383	\$ 17,793	\$ 16,749
Change in sales volume	2.8%		2.6%	
Change in average sales price	5.2%		3.8%	
Sales growth	7.7%		6.2%	

*Second quarter Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales were positively impacted by higher sales volume, which accounted for an increase of \$141 million. All segments, with the exception of the Beef segment, had an increase in sales volume.

**Average Sales Price** Sales were positively impacted by higher average sales prices, which accounted for an increase of \$508 million. The Beef and Pork segments had an increase in average sales price largely due to increased pricing associated with rising cattle and hog costs. These increases were partially offset by a decrease in average sales price in the Chicken, Prepared Foods and International segments which was driven by lower feed ingredient costs and volatile markets in our International segment.

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**Table of Contents***Six months Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales were positively impacted by higher sales volume, which accounted for an increase of \$362 million. All segments, with the exception of the Pork segment, had an increase in sales volume.

**Average Sales Price** Sales were positively impacted by higher average sales prices, which accounted for an increase of \$682 million. All segments, with the exception of the Chicken and International segments, had an increase in average sales price largely due to continued tight domestic availability of protein, increased pricing associated with rising live and raw material costs, and improved mix. These increases were partially offset by a decrease in average sales price in the Chicken and International segments driven by lower feed ingredient costs and volatile markets in our International segment.

**Cost of Sales**

<b>in millions</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Cost of sales	\$ 8,381	\$ 7,915	\$ 16,457	\$ 15,742
Gross profit	\$ 651	\$ 468	\$ 1,336	\$ 1,007
Cost of sales as a percentage of sale	92.8%	94.4%	92.5%	94.0%

*Second quarter Fiscal 2014 vs Fiscal 2013*

Cost of sales increased \$466 million. Higher input cost per pound increased cost of sales \$314 million and higher sales volume increased cost of sales \$152 million.

The \$314 million impact of higher input cost per pound was primarily driven by:

Increases in live cattle and live hog costs of approximately \$355 million and \$90 million, respectively.

Increase in raw material and other input costs in our Prepared Foods segment of approximately \$25 million.

Decreases in feed costs of approximately \$175 million in our Chicken segment and \$13 million in our International segment.

The \$152 million impact of higher sales volume was driven by increases in sales volume in all of our segments other than our Beef segment.

*Six months Fiscal 2014 vs Fiscal 2013*

Cost of sales increased \$715 million. Higher input cost per pound increased cost of sales \$357 million and higher sales volume increased cost of sales \$358 million.

The \$357 million impact of higher input cost per pound was primarily driven by:

Increases in live cattle and live hog costs of approximately \$450 million and \$140 million, respectively.

Increase in raw material and other input costs in our Prepared Foods segment of approximately \$65 million.

Decrease in feed costs of approximately \$340 million in our Chicken segment and \$18 million in our International segment.

The \$358 million impact of higher sales volume was driven by increases in sales volume in all of our segments other than our Pork segment.

**Table of Contents***Selling, General and Administrative*

<b>in millions</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Selling, general and administrative expense	\$ 290	\$ 232	\$ 563	\$ 467
As a percentage of sales	3.2%	2.8%	3.2%	2.8%

*Second quarter Fiscal 2014 vs Fiscal 2013*

Increase of \$24 million related to employee costs including payroll and stock-based and incentive-based compensation.

Increase of \$18 million related to advertising, sales promotions and commissions.

Increase of \$12 million related to professional fees and charitable contributions.

*Six Months Fiscal 2014 vs Fiscal 2013*

Increase of \$37 million related to employee costs including payroll and stock-based and incentive-based compensation.

Increase of \$35 million related to advertising, sales promotions and commissions.

Increase of \$20 million related to professional fees and charitable contributions.

<b>in millions</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Cash interest expense	\$ 24	\$ 29	\$ 49	\$ 59
Non-cash interest expense	1	7	4	14
Total Interest Expense	\$ 25	\$ 36	\$ 53	\$ 73

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

Cash interest expense includes interest expense related to the coupon rates for senior notes and commitment/letter of credit fees incurred on our revolving credit facilities. The decrease is due to a lower average debt balance compared to the same period in fiscal 2013 as our 2013 Notes were paid off and retired



on October 15, 2013.

Non-cash interest expense primarily includes interest related to the amortization of debt issuance costs and discounts/premiums on note issuances. The decrease is due to lower amortization of debt issuance costs and discounts compared to the same period in fiscal 2013 as our 2013 Notes were paid off and retired on October 15, 2013.

***Other (Income) Expense, net***

<b>in millions</b>	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>	<b>March 29, 2014</b>	<b>March 30, 2013</b>
	\$ (2)	\$ (19)	\$ 1	\$ (19)

*Six months Fiscal 2014*

Included an expense of \$6 million related to the impairment of an equity security investment, which was partially offset by income of \$5 million of equity earnings in joint ventures and foreign currency exchange gains.

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Included \$19 million related to a currency translation adjustment gain recognized in conjunction with the receipt of proceeds constituting the final resolution of our investment in Canada.

***Effective Tax Rate***

<b>Three Months Ended</b>		<b>Six Months Ended</b>	
<b>March 29,</b>	<b>March 30,</b>	<b>March 29,</b>	<b>March 30,</b>
<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
38.3%	23.9%	36.2%	30.4%

*Second quarter and six months Fiscal 2014* The effective tax rate for continuing operations was impacted by:

state income taxes;

the domestic production deduction; and

losses in foreign jurisdictions for which no benefit is recognized.

*Second quarter and six months Fiscal 2013* The effective tax rate for continuing operations was impacted by:

the non-taxable currency translation adjustment gain;

the retroactive extension of tax credits;

change in tax reserves;

state income taxes;

the domestic production deduction; and

losses in foreign jurisdictions for which no benefit is recognized.

**Segment Results**

We operate in five segments. Chicken, Beef, Pork, Prepared Foods and International. The following table is a summary of sales and operating income (loss), which is how we measure segment income.

in millions	Sales			
	Three Months Ended		Six Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
Chicken	\$ 2,842	\$ 2,733	\$ 5,498	\$ 5,328
Beef	3,825	3,447	7,559	6,932
Pork	1,487	1,311	2,911	2,674
Prepared Foods	861	803	1,768	1,644
International	328	331	655	658
Other		27		47
Intersegment Sales	(311)	(269)	(598)	(534)
Total	\$ 9,032	\$ 8,383	\$ 17,793	\$ 16,749

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in millions	Operating Income (Loss)			
	Three Months		Six Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
Chicken	\$ 234	\$ 143	\$ 487	\$ 256
Beef	35	(26)	93	20
Pork	107	72	228	197
Prepared Foods	21	28	37	61
International	(30)	(3)	(58)	(5)
Other	(6)	22	(14)	11
<b>Total</b>	<b>\$ 361</b>	<b>\$ 236</b>	<b>\$ 773</b>	<b>\$ 540</b>

**Chicken Segment Results**

in millions	Three Months Ended			Six Months Ended		
	March 29, 2014	March 30, 2013	Change	March 29, 2014	March 30, 2013	Change
Sales	\$ 2,842	\$ 2,733	\$ 109	\$ 5,498	\$ 5,328	\$ 170
Sales Volume Change			4.3%			3.4%
Average Sales Price Change			(0.3)%			(0.2)%
Operating Income	\$ 234	\$ 143	\$ 91	\$ 487	\$ 256	\$ 231
Operating Margin	8.2%	5.2%		8.9%	4.8%	

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales volumes grew due to stronger demand for chicken products and mix of rendered product sales.

**Average Sales Price** The slight decrease in average sales price was primarily due to lower feed ingredient costs, partially offset by mix changes.

**Operating Income** Operating income was positively impacted by increased sales volume, operational improvements and lower feed ingredient costs, partially offset by decreased average sales price. Feed costs decreased \$175 million and \$340 million for the second quarter and first six months of fiscal 2014, respectively.

**Beef Segment Results**

in millions	Three Months Ended		Six Months Ended	
		Change		Change

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	<b>March 29, 2014</b>	<b>March 30, 2013</b>		<b>March 29, 2014</b>	<b>March 30, 2013</b>	
Sales	\$ 3,825	\$ 3,447	\$ 378	\$ 7,559	\$ 6,932	\$ 627
Sales Volume Change			(1.8)%			1.1%
Average Sales Price Change			13.0%			7.9%
Operating Income	\$ 35	\$ (26)	\$ 61	\$ 93	\$ 20	\$ 73
Operating Margin	0.9%	(0.8)%		1.2%	0.3%	

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

Sales Volume Sales volumes decreased for the second quarter of fiscal 2014 due to a reduction in live cattle processed as a result of reduced export sales. However, sales volumes increased for the first six months of fiscal 2014 due to better demand for our beef products.

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**Average Sales Price** Average sales price increased due to lower domestic availability of fed cattle supplies, which drove up livestock costs.

**Operating Income** Operating income increased due to improved operational execution and maximizing our revenues relative to the rising live cattle markets, partially offset by increased operating costs.

**Pork Segment Results**

in millions	Three Months Ended			Six Months Ended		
	March 29, 2014	March 30, 2013	Change	March 29, 2014	March 30, 2013	Change
Sales	\$ 1,487	\$ 1,311	\$ 176	\$ 2,911	\$ 2,674	\$ 237
Sales Volume Change			0.7%			(0.7)%
Average Sales Price Change			12.5%			9.6%
Operating Income	\$ 107	\$ 72	\$ 35	\$ 228	\$ 197	\$ 31
Operating Margin	7.2%	5.5%		7.8%	7.4%	

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales volumes increased for the second quarter of fiscal 2014 as a result of better domestic demand for our pork products. However, sales volumes decreased for the first six months of fiscal 2014 as a result of reduced export sales during our first quarter of fiscal 2014.

**Average Sales Price** Average sales price increased primarily due to mix changes and lower total hog supplies, which resulted in higher input costs.

**Operating Income** Operating income increased due to maximizing our revenues relative to live hog markets, partially attributable to operational and mix performance.

**Prepared Foods Segment Results**

in millions	Three Months Ended			Six Months Ended		
	March 29, 2014	March 30, 2013	Change	March 29, 2014	March 30, 2013	Change
Sales	\$ 861	\$ 803	\$ 58	\$ 1,768	\$ 1,644	\$ 124
Sales Volume Change			8.1%			5.7%
Average Sales Price Change			(0.9)%			1.7%
Operating Income	\$ 21	\$ 28	\$ (7)	\$ 37	\$ 61	\$ (24)
Operating Margin	2.4%	3.5%		2.1%	3.7%	

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales volumes increased as a result of improved demand for our prepared foods products and incremental volumes from the purchase of three businesses.

**Average Sales Price** Average sales price decreased slightly for the second quarter of fiscal 2014 due to mix changes. However, average sales price increased for the first six months of fiscal 2014 due to better product mix and price increases associated with higher input costs.

**Operating Income** Operating income decreased, despite increases in sales volumes, as a result of higher raw material and other input costs of approximately \$25 million and \$65 million for the second quarter and first six months of fiscal 2014, respectively, and additional costs incurred as we invested in our growth platforms. Because many of our sales contracts are formula based or shorter-term in nature, we are typically able to offset rising input costs through pricing. However, there is a lag time for price increases to take effect.

**Table of Contents****International Segment Results**

in millions	Three Months Ended			Six Months Ended		
	March 29, 2014	March 30, 2013	Change	March 29, 2014	March 30, 2013	Change
Sales	\$ 328	\$ 331	\$ (3)	\$ 655	\$ 658	\$ (3)
Sales Volume Change			13.8%			12.4%
Average Sales Price Change			(12.9)%			(11.4)%
Operating Income	\$ (30)	\$ (3)	\$ (27)	\$ (58)	\$ (5)	\$ (53)
Operating Margin	(9.1)%	(0.9)%		(8.9)%	(0.8)%	

*Second quarter and six months Fiscal 2014 vs Fiscal 2013*

**Sales Volume** Sales volumes increased as we continue to grow our businesses in Brazil and China.

**Average Sales Price** Average sales price decreased due to poor export market conditions in Brazil, supply imbalances associated with weak demand in China and a less favorable pricing environment in Mexico.

**Operating Income** Operating income decreased due to poor operational execution in Brazil, challenging market conditions in Brazil and China and additional costs incurred as we continue to grow our International operation.

**Outlook**

In fiscal 2014, we expect overall domestic protein production (chicken, beef, pork and turkey) to decrease approximately 1% from fiscal 2013 levels, mainly due to further reductions in forecasted hog supplies. Grain supplies are expected to increase in fiscal 2014, which should result in lower input costs. The following is a summary of the fiscal 2014 outlook for each of our segments, as well as an outlook on sales, capital expenditures, net interest expense, debt and liquidity and share repurchases:

**Chicken** We expect domestic chicken production to increase around 2-3% in fiscal 2014 compared to fiscal 2013. Based on current futures prices, we expect lower feed costs in fiscal 2014 compared to fiscal 2013 of approximately \$500 million. Many of our sales contracts are formula based or shorter-term in nature, but there may be a lag time for price changes to take effect. Due to the relative value of chicken compared to other proteins, we believe demand will remain strong in fiscal 2014. We believe our Chicken segment should be above its normalized range of 5.0%-7.0% for fiscal 2014.

**Beef** We expect to see a reduction of industry fed cattle supplies of 3-4% in fiscal 2014 as compared to fiscal 2013. Although we generally expect adequate supplies in regions we operate our plants, there may be periods of imbalance of fed cattle supply and demand. For fiscal 2014, we believe our Beef segment's profitability will be similar to fiscal 2013, which was below its normalized range of 2.5%-4.5%.



**Pork** We expect industry hog supplies to decrease around 4-5% in fiscal 2014 compared to fiscal 2013, partially offset by increased average live weights. For fiscal 2014, we believe our Pork segment will be in its normalized range of 6.0%-8.0%.

**Prepared Foods** We expect operational improvements and pricing to offset increased raw material costs. Because many of our sales contracts are formula based or shorter-term in nature, we are typically able to offset rising input costs through increased pricing. As we continue to invest heavily in our growth platforms, we expect our Prepared Foods segment to be below its normalized range of 4.0%-6.0% for fiscal 2014.

**International** We expect our International chicken production to increase around 15% in fiscal 2014 compared to fiscal 2013. Based on current futures prices, we expect lower feed costs in fiscal 2014

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compared to fiscal 2013 of approximately \$40 million. Unless market conditions improve, we will incur losses for the remainder of the year; however the losses in the third and fourth quarters of fiscal 2014 should be lower than the losses sustained in the first two quarters of fiscal 2014.

**Sales** We expect fiscal 2014 sales to approximate \$38 billion as we continue to execute our strategy of accelerating growth in domestic value-added chicken sales, prepared food sales and international chicken production, as well as price increases associated with rising cattle and hog costs.

**Capital Expenditures** We expect fiscal 2014 capital expenditures to be approximately \$600 to \$650 million.

**Net Interest Expense** We expect net interest expense will approximate \$95 million for fiscal 2014.

**Debt and Liquidity** We expect total liquidity, which was \$1.4 billion at March 29, 2014, to be above our goal to maintain liquidity in excess of \$1.2 billion.

**Share Repurchases** We currently do not plan to repurchase shares other than to fund obligations under equity compensation programs.

**Liquidity and Capital Resources**

Our cash needs for working capital, capital expenditures, growth opportunities, the repurchases of senior notes and share repurchases are expected to be met with current cash on hand, cash flows provided by operating activities, or short-term borrowings. Based on our current expectations, we believe our liquidity and capital resources will be sufficient to operate our business. However, we may take advantage of opportunities to generate additional liquidity or refinance existing debt through capital market transactions. The amount, nature and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

**Cash Flows from Operating Activities**

<b>in millions</b>	<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Net income	\$ 462	\$ 274
Non-cash items in net income:		
Depreciation and amortization	254	259
Deferred income taxes	(24)	(24)
Other, net	32	57
Convertible debt discount	(92)	
Changes in working capital	(367)	(336)

Net cash provided by operating activities	\$ 265	\$ 230
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Operating cash outflow associated with the Convertible debt discount relate to the initial debt discount of \$92 million on our 2013 Notes, which matured and were retired in the first quarter of fiscal 2014.

Cash flows associated with changes in working capital for the six months ended:

*March 29, 2014* Decreased primarily due to higher inventory and accounts receivable balances and decreases in taxes payable and accrued salaries, wages and benefits balances, partially offset by an increase in accounts payable. The increase in inventory and accounts receivable balances is largely due to increased raw material costs and timing of sales.

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*March 30, 2013* Decreased primarily due to higher inventory and accounts receivable balances and decreases in accounts payable and accrued salaries, wages and benefits balances. The increase in inventory and accounts receivable balances is largely due to increased raw material costs and timing of sales.

**Cash Flows from Investing Activities**

<b>in millions</b>	<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Additions to property, plant and equipment	\$ (293)	\$ (290)
(Purchases of)/Proceeds from marketable securities, net	(3)	(63)
Acquisitions, net of cash acquired	(56)	(10)
Other, net	8	30
<b>Net cash used for investing activities</b>	<b>\$ (344)</b>	<b>\$ (333)</b>

Additions to property, plant and equipment include acquiring new equipment and upgrading our facilities to maintain competitive standing and position us for future opportunities as well as ongoing development of our International segment.

Capital spending for fiscal 2014 is expected to be approximately \$650 to \$700 million, and will include spending on our operations for production and labor efficiencies, yield improvements and sales channel flexibility, as well as expansion of our International segment.

Acquisitions During the first six months of fiscal 2014, we acquired a value-added food business as part of our strategic expansion initiative. The purchase price of the acquisition was \$56 million, which included \$12 million for property, plant and equipment, \$27 million allocated to Intangible Assets and \$18 million allocated to Goodwill.

**Cash Flows from Financing Activities**

<b>in millions</b>	<b>Six Months Ended</b>	
	<b>March 29, 2014</b>	<b>March 30, 2013</b>
Payments on debt	\$ (390)	\$ (55)
Net proceeds from borrowings	14	37
Purchases of Tyson Class A common stock	(275)	(188)
Dividends	(50)	(70)
Stock options exercised	49	69
Other, net	19	2
<b>Net cash used for financing activities</b>	<b>\$ (633)</b>	<b>\$ (205)</b>

Our 2013 Notes matured on October 15, 2013 at which time we paid the \$458 million principal value with cash on hand, and settled the conversion premium by issuing 11.7 million shares of our Class A common stock from available treasury shares. The 2013 Notes were initially recorded at a \$92 million discount, which equaled the fair value of an equity conversion premium instrument. The portion of the payment of the Notes related to the initial \$92 million discount was recorded in cash flows from operating activities. Simultaneous to the settlement of the conversion premium, we received 11.7 million shares of our Class A common stock from the call options.

During the first six months of fiscal 2014, we received proceeds of \$11 million and paid \$21 million related to borrowings at our foreign subsidiaries. Total debt related to our foreign subsidiaries was \$50 million at March 29, 2014 (\$37 million current, \$13 million long-term).

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Purchases of Tyson Class A common stock included:

\$250 million and \$150 million for shares repurchased pursuant to our share repurchase program during the six months ended March 29, 2014 and March 30, 2013, respectively; and

\$25 million and \$38 million for shares repurchased to fund certain obligations under our equity compensation plans during the during the six months ended March 29, 2014 and March 30, 2013, respectively.

Dividends during the first six months of fiscal 2014 included a 50% increase to our quarterly dividend rate. Dividends during the first six months of fiscal 2013 include a special dividend of \$0.10 and \$0.09 to holders of our Class A common stock and Class B common stock, respectively.

**Liquidity**

<b>in millions</b>	<b>Commitments Expiration Date</b>	<b>Facility Amount</b>	<b>Outstanding Letters of Credit (no draw downs)</b>	<b>Amount Borrowed</b>	<b>Amount Available</b>
Cash and cash equivalents					\$ 438
Short-term investments					\$ 2
Revolving credit facility	August 2017	\$ 1,000	\$ 45	\$	\$ 955
Total liquidity					\$ 1,395

The revolving credit facility supports our short-term funding needs and letters of credit. The letters of credit issued under this facility are primarily in support of workers' compensation insurance programs and derivative activities.

In October 2013 our 2013 Notes matured at which time we paid the \$458 million principal value with cash on hand.

At March 29, 2014, approximately 71% of our cash was held in the international accounts of our foreign subsidiaries. Generally, we do not rely on the foreign cash as a source of funds to support our ongoing domestic liquidity needs. Rather, we manage our worldwide cash requirements by reviewing available funds among our foreign subsidiaries and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of our subsidiaries could have adverse tax consequences or be subject to regulatory capital requirements; however, those balances are generally available without legal restrictions to fund ordinary business operations. Our U.S. income taxes, net of applicable foreign tax credits, have not been provided on undistributed earnings of foreign subsidiaries. Our intention is to reinvest

these earnings permanently or to repatriate the earnings only when it is tax effective to do so.

Our current ratio was 2.07 to 1 and 1.86 to 1 at March 29, 2014, and September 28, 2013, respectively.

***Capital Resources***

***Credit Facility***

Cash flows from operating activities and current cash on hand are our primary sources of liquidity for funding debt service, capital expenditures, dividends and share repurchases. We also have a revolving credit facility, with a committed maximum capacity of \$1.0 billion, to provide additional liquidity for working capital needs, letters of credit and a source of financing for growth opportunities. As of March 29, 2014, we had outstanding letters of credit totaling \$45 million issued under this facility, none of which were drawn upon, which left \$955 million available for borrowing. Our revolving credit facility is funded by a syndicate of 44 banks, with commitments ranging from \$0.3 million to \$90 million per bank. The syndicate includes bank holding companies that are required to be adequately capitalized under federal bank regulatory agency requirements.

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**Table of Contents***Capitalization*

To monitor our credit ratings and our capacity for long-term financing, we consider various qualitative and quantitative factors. We monitor the ratio of our debt to our total capitalization as support for our long-term financing decisions. At March 29, 2014, and September 28, 2013, the ratio of our debt-to-total capitalization was 23.1% and 27.9%, respectively. The reduction in this ratio at March 29, 2014 was due to the retirement of our 2013 Notes, which totaled \$458 million, upon their maturity in our first quarter of fiscal 2014. For the purpose of this calculation, debt is defined as the sum of current and long-term debt. Total capitalization is defined as debt plus Total Shareholders Equity.

*Credit Ratings**Revolving Credit Facility*

S&P's corporate credit rating for Tyson Foods, Inc. is BBB. Moody's senior, unsecured, subsidiary guaranteed long-term debt rating for Tyson Foods, Inc. is Baa3. Fitch Ratings, a wholly owned subsidiary of Fimalac, S.A. (Fitch), issuer default rating for Tyson Foods, Inc. is BBB. The below table outlines the fees paid on the unused portion of the facility (Facility Fee Rate) and letter of credit fees (Undrawn Letter of Credit Fee and Borrowing Spread) depending on the rating levels of Tyson Foods, Inc. from S&P, Moody's and Fitch.

<b>Ratings Level (S&amp;P/Moody's/Fitch)</b>	<b>Facility Fee Rate</b>	<b>Undrawn Letter of Credit Fee and Borrowing Spread</b>
BBB+/Baa1/BBB+ or above	0.150%	1.125%
BBB/Baa2/BBB (current level)	0.175%	1.375%
BBB-/Baa3/BBB-	0.225%	1.625%
BB+/Ba1/BB+	0.275%	1.875%
BB/Ba2/BB or lower or unrated	0.325%	2.125%

In the event the rating levels are split, the applicable fees and spread will be based upon the rating level in effect for two of the rating agencies, or, if all three rating agencies have different rating levels, the applicable fees and spread will be based upon the rating level that is between the rating levels of the other two rating agencies.

*Debt Covenants*

Our revolving credit facility contains affirmative and negative covenants that, among other things, may limit or restrict our ability to: create liens and encumbrances; incur debt; merge, dissolve, liquidate or consolidate; make acquisitions and investments; dispose of or transfer assets; pay dividends or make other payments in respect of our capital stock; amend material documents; change the nature of our business; make certain payments of debt; engage in certain transactions with affiliates; and enter into sale/leaseback or hedging transactions, in each case, subject to certain qualifications and exceptions. In addition, we are required to maintain minimum interest expense coverage and maximum debt-to-capitalization ratios.

Our 2022 Notes also contain affirmative and negative covenants that, among other things, may limit or restrict our ability to: create liens; engage in certain sale/leaseback transactions; and engage in certain consolidations, mergers and sales of assets.



We were in compliance with all debt covenants at March 29, 2014.

**Recently Adopted / Issued Accounting Pronouncements**

Refer to the discussion of recently adopted / issued accounting pronouncements in our Quarterly Report on Form 10-Q for the quarterly period ended March 29, 2014 under Part I, Item 1, Notes to Consolidated Condensed Financial Statements, Note 1: Accounting Policies.

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### **Critical Accounting Estimates**

We consider accounting policies related to: contingent liabilities; marketing and advertising costs; accrued self-insurance; impairment of long-lived assets; impairment of goodwill and other intangible assets; and income taxes to be critical accounting estimates. These policies are summarized below under Prior Years (Fiscal 2013, 2012 and 2011) Critical Accounting Estimates.

#### **Prior Years (Fiscal 2013, 2012 and 2011)**

During the second quarter of fiscal 2014, we began reporting our International operation as a separate segment, which was previously included in our Chicken segment. Our International segment became a separate reportable segment as a result of changes to our internal financial reporting to align with previously announced executive leadership changes. The International segment includes our foreign operations primarily related to raising and processing live chickens into fresh, frozen and value-added chicken products in Brazil, China, India and Mexico. All periods presented have been reclassified to reflect this change. Beef, Pork, Prepared Foods and Other results were not impacted by this change.

### **Overview**

**General** Operating income grew 7% in fiscal 2013 over fiscal 2012, which was led by record earnings in our Chicken segment and improved performance in our Beef segment. Revenues increased 4% to a record \$34.4 billion, driven by price and mix improvements. We were able to overcome a \$1.2 billion increase in input costs through strong operational execution and margin management. The following are a few of the key drivers:

We continued to execute our strategy of accelerating growth in domestic value-added chicken sales, prepared food sales and international chicken production, innovating products, services and customer insights and cultivating our talent development to support Tyson's growth for the future.

**Market environment** Our Chicken segment delivered record results in fiscal 2013 driven by strong demand and favorable domestic market conditions. The Chicken segment experienced increased feed costs but was able to offset the impact with operational, mix and price improvements. Our Beef segment's operating performance improved, despite lower domestic availability of fed cattle supplies, due to better operational execution, less volatile live cattle markets, and stronger export markets. Our Pork segment results remained within its normalized operating margin range, but were down slightly from last year due to periods of increased domestic availability of pork products. Our Prepared Foods segment was challenged by product mix and rapidly increasing raw material prices. Our International segment improved in fiscal 2013 due to a more favorable pricing environment in Brazil and Mexico, however the segment still experienced losses due to challenging market conditions in China combined with additional costs incurred as we continued to grow our International business.

**Discontinued Operation** After conducting an assessment during fiscal 2013 of our long-term business strategy in China, we determined our Weifang operation (Weifang), which was previously part of our

Chicken segment, was no longer core to the execution of our strategy given the capital investment it required to execute our future business plan. We completed the sale of Weifang in July 2013. Weifang's results are reported as a discontinued operation for all periods presented.

**Margins** Our total operating margin was 4.0% in fiscal 2013. Operating margins by segment were as follows:

Chicken 6.2% Beef 2.1% Pork 6.1% Prepared Foods 3.0% International (2.8)%

**Debt and Liquidity** During fiscal 2013, we generated \$1.3 billion of operating cash flows. We repurchased 21.1 million shares of our stock for \$550 million under our share repurchase program

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in fiscal 2013. At September 28, 2013, we had \$2.1 billion of liquidity, which includes the availability under our credit facility and \$1.1 billion of cash and cash equivalents.

Our accounting cycle resulted in a 52-week year for fiscal 2013, 2012 and 2011.

<b>in millions, except per share data</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net income from continuing operations attributable to Tyson	\$ 848	\$ 621	\$ 752
Net income from continuing operations attributable to Tyson per diluted share	2.31	1.68	1.98
Net loss from discontinued operation attributable to Tyson	(70)	(38)	(2)
Net loss from discontinued operation attributable to Tyson per diluted share	(0.19)	(0.10)	(0.01)
Net income attributable to Tyson	778	583	750
Net income attributable to Tyson per diluted share	2.12	1.58	1.97

2013 Net income included the following item:

\$19 million, or \$0.05 per diluted share, related to recognized currency translation adjustment gain.

2012 Net income included the following item:

\$167 million pretax charge, or \$0.29 per diluted share, related to the early extinguishment of debt.

2011 Net income included the following items:

\$11 million gain, or \$0.03 per diluted share, related to a sale of interests in an equity method investment; and

\$21 million reduction to income tax expense, or \$0.05 per diluted share, related to a reversal of reserves for foreign uncertain tax positions.

**Summary of Results****Sales**

	<b>in millions</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Sales	\$ 34,374	\$ 33,055	\$ 32,032
Change in sales volume	(0.2)%	(4.3)%	
Change in average sales price	4.6%	7.8%	
Sales growth	4.0%	3.2%	

2013 vs. 2012

**Sales Volume** Sales were negatively impacted by a slight decrease in sales volume, which accounted for a decrease of \$255 million. This was primarily due to decreases in the Beef and Pork segments, partially offset by increases in the Chicken, Prepared Foods and International segments.

**Average Sales Price** Sales were positively impacted by higher average sales price, which accounted for an increase of approximately \$1.6 billion. All segments experienced increased average sales price, largely due to continued tight domestic availability of protein, increased pricing associated with rising live and raw material costs, and improved mix. The majority of the increase was driven by the Chicken and Beef segments.

*2012 vs. 2011*

**Sales Volume** Sales were negatively impacted by a decrease in sales volume, which accounted for a decrease of \$1.7 billion. The Chicken, Beef and Prepared Foods segments had a decrease in sales volume, with the majority of the decrease in the Beef segment. These decreases were offset by increases in sales volume in our Pork and International segments.

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**Average Sales Price** The increase in sales was largely due to an increase in average sales price, which accounted for an increase of approximately \$2.7 billion. The Chicken, Beef and Prepared Foods segments had an increase in average sales price largely due to continued tight domestic availability of protein and increased live and raw material costs. These increases were partially offset by decreases in average sales price in the Pork segment which was driven down by lower live hog costs, and in our International segment due to volatile markets.

***Cost of Sales***

	<b>in millions</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Cost of sales	\$ 32,016	\$ 30,865	\$ 29,837
Gross profit	2,358	2,190	2,195
Cost of sales as a percentage of sales	93.1%	93.4%	93.1%

*2013 vs. 2012*

Cost of sales increased by approximately \$1.2 billion due to higher input cost per pound.

The \$1.2 billion impact of higher input costs was primarily driven by:

Increase in feed costs of \$406 million in our Chicken segment and \$64 million in our International segment.

Increase in live cattle and hog costs of approximately \$395 million.

Increase in raw material and other input costs in our Prepared Foods segment of approximately \$110 million.

Increase due to net losses of \$15 million in fiscal 2013, compared to net gains of approximately \$66 million in fiscal 2012, from our Pork segment commodity risk management activities. These amounts exclude the impact from related physical purchase transactions, which impact future period operating results.

***2012 vs. 2011***

Cost of sales increased by approximately \$1.0 billion. Higher input cost per pound increased cost of sales by approximately \$2.2 billion, while lower sales volume decreased cost of sales \$1.2 billion.

The \$2.2 billion impact of higher input costs per pound was primarily driven by:

Increase in live cattle and hog costs of approximately \$1.5 billion.

Increase in feed costs of \$303 million and increase in other growout operating costs of \$50 million in our Chicken segment.

Increase in feed costs of \$17 million in our International segment.

The \$1.2 billion impact of lower sales volume was driven by decreases in our Chicken, Beef and Prepared Foods segments, partially offset by an increase in sales volume in our Pork and International segments.

***Selling, General and Administrative***

	<b>in millions</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Selling, general and administrative	\$ 983	\$ 904	\$ 906
As a percentage of sales	2.9%	2.7%	2.8%

**Table of Contents***2013 vs. 2012*

Increase of \$79 million in selling, general and administrative is primarily driven by:

Increase of \$44 million related to employee costs including payroll and stock-based and incentive-based compensation.

Increase of \$32 million related to advertising and sales promotions.

**Interest Income**

	in millions		
	2013	2012	2011
	\$(7)	\$ (12)	\$ (11)

*2013/2012/2011* Interest income remained relatively flat due to continued low interest rates.

**Interest Expense**

	in millions		
	2013	2012	2011
Cash interest expense	\$ 117	\$ 151	\$ 195
Loss on early extinguishment of debt		167	
Losses on notes repurchased			7
Non-cash interest expense	28	38	40
Total Interest Expense	\$ 145	\$ 356	\$ 242

*2013/2012/2011*

Cash interest expense included interest expense related to the coupon rates for senior notes and commitment/letter of credit fees incurred on our revolving credit facilities. The decrease in cash interest expense in fiscal 2013 is due to lower average coupon rates compared to fiscal 2012 and 2011. This decrease is driven by the full extinguishment of the 10.50% Senior Notes due 2014 (2014 Notes) in fiscal 2012, partially offset with the 4.5% Senior Notes due 2022 (2022 Notes) issued in fiscal 2012.

Loss on early extinguishment of debt included the amount paid exceeding the par value of debt, unamortized discount and unamortized debt issuance costs related to the full extinguishment of the 2014 Notes.



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Losses on notes repurchased during fiscal 2011 included the amount paid exceeding the carrying value of the notes repurchased, which primarily included the repurchases of the 8.25% Notes due October 2011 (2011 Notes) and the 6.60% Senior Notes due April 2016 (2016 Notes).

Non-cash interest expense primarily included interest related to the amortization of debt issuance costs and discounts/premiums on note issuances. This includes debt issuance costs incurred on our revolving credit facility, the 2014 Notes and the accretion of the debt discount on the 3.25% Convertible Senior Notes due 2013 (2013 Notes).

***Other (Income) Expense, net***

		in millions	
	2013	2012	2011
	\$(20)	\$ (23)	\$ (20)

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2013 Included \$19 million related to recognized currency translation adjustment gain.

2012 Included \$16 million of equity earnings in joint ventures and \$4 million in net foreign currency exchange gains.

2011 Included \$11 million gain related to a sale of interests in an equity method investment.

***Effective Tax Rate***

	<b>2013</b>	<b>2012</b>	<b>2011</b>
	32.6%	36.4%	31.6%

The effective tax rate on continuing operations was impacted by a number of items which result in a difference between our effective tax rate and the U.S. statutory rate of 35%. The table below reflects significant items impacting the rate as indicated.

*2013*

Domestic production activity deduction reduced the rate 3.2%.

General business credits reduced the rate 1.3%.

State income taxes increased the rate 2.4%.

*2012*

Domestic production activity deduction reduced the rate 1.8%.

General business credits reduced the rate 0.7%.

State income taxes increased the rate 1.5%.

Foreign rate differences and valuation allowances increased the rate 1.8%.

*2011*

Domestic production activity deduction reduced the rate 2.3%.

General business credits reduced the rate 0.9%.

State income taxes increased the rate 1.6%.

### Segment Results

We operate in five segments: Chicken, Beef, Pork, Prepared Foods and International. The following table is a summary of sales and operating income (loss), which is how we measure segment income (loss).

	in millions					
	Sales			Operating Income (Loss)		
	2013	2012	2011	2013	2012	2011
Chicken	\$ 10,988	\$ 10,270	\$ 9,810	\$ 683	\$ 554	\$ 189
Beef	14,400	13,755	13,549	296	218	468
Pork	5,408	5,510	5,460	332	417	560
Prepared Foods	3,322	3,237	3,215	101	181	117
International	1,324	1,104	978	(37)	(70)	(21)
Other	46	167	127		(14)	(24)
Intersegment Sales	(1,114)	(988)	(1,107)			
Total	\$ 34,374	\$ 33,055	\$ 32,032	\$ 1,375	\$ 1,286	\$ 1,289

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**Table of Contents*****Chicken Segment Results***

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>Change 2013 vs. 2012</b>	<b>2011</b>	<b>Change 2012 vs. 2011</b>
Sales	\$ 10,988	\$ 10,270	\$ 718	\$ 9,810	\$ 460
Sales Volume Change			0.7%		(5.8)%
Average Sales Price Change			6.2%		11.4%
Operating Income	\$ 683	\$ 554	\$ 129	\$ 189	\$ 365
Operating Margin	6.2%	5.4%		1.9%	

*2013 vs. 2012*

**Sales Volume** Sales volume grew due to increased production driven by stronger demand for our chicken products.

**Average Sales Price** The increase in average sales price was primarily due to mix changes and price increases associated with higher input costs. Since many of our sales contracts are formula based or shorter-term in nature, we were able to offset rising input costs through improved pricing and mix.

**Operating Income** Operating income was positively impacted by increased average sales price, and improved live performance and operational execution. These increases were partially offset by increased feed costs of \$406 million.

*2012 vs. 2011*

**Sales Volume** The decrease in sales volume in fiscal 2012 was primarily attributable to the impact of production cuts we made in late fiscal 2011 and maintained throughout fiscal 2012, in order to balance our supply with forecasted customer demand. These production cuts reduced our total slaughter pounds by approximately 4% in fiscal 2012, but were partially offset by open-market meat purchases.

**Average Sales Price** The increase in average sales price is primarily due to mix changes and price increases associated with reduced industry supply and increased input costs.

**Operating Income** The increase in operating income was largely due to the increase in average sales price and operational improvements, partially offset by reduced sales volume, increased grain, feed ingredients and other growout costs.

**Feed Costs** Operating results were negatively impacted in fiscal 2012 by an increase in feed costs of \$303 million and an increase in other growout operating costs of \$50 million.

Operational Improvements Operating results were positively impacted by approximately \$115 million of operational improvements, primarily attributed to improvements in yield, mix and processing optimization.

**Beef Segment Results**

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>Change 2013 vs. 2012</b>	<b>2011</b>	<b>Change 2012 vs. 2011</b>
Sales	\$ 14,400	\$ 13,755	\$ 645	\$ 13,549	\$ 206
Sales Volume Change			(1.8)%		(11.3)%
Average Sales Price Change			6.6%		14.4%
Operating Income	\$ 296	\$ 218	\$ 78	\$ 468	\$ (250)
Operating Margin	2.1%	1.6%		3.5%	

2013 vs. 2012

Sales Volume Sales volume decreased due to less outside trim and tallow purchases, partially offset by increased production volumes.

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**Average Sales Price** Average sales price increased due to lower domestic availability of fed cattle supplies, which drove up livestock costs.

**Operating Income** Operating income increased due to improved operational execution, less volatile live cattle markets and improved export markets, partially offset by increased operating costs.

2012 vs. 2011

**Sales and Operating Income**

Average sales price increased due to price increases associated with increased livestock costs. Sales volume decreased due to a reduction in live cattle processed and outside tallow purchases. Operating income decreased due to higher fed cattle costs and periods of reduced demand for beef products, which made it difficult to pass along increased input costs, as well as lower sales volumes and increased employee related operating costs.

**Pork Segment Results**

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>Change 2013 vs. 2012</b>	<b>2011</b>	<b>Change 2012 vs. 2011</b>
Sales	\$ 5,408	\$ 5,510	\$ (102)	\$ 5,460	\$ 50
Sales Volume Change			(3.6)%		2.4%
Average Sales Price Change			1.9%		(1.5)%
Operating Income	\$ 332	\$ 417	\$ (85)	\$ 560	\$ (143)
Operating Margin	6.1%	7.6%		10.3%	

2013 vs. 2012

**Sales Volume** Sales volume decreased as a result of balancing our supply with customer demand and reduced exports.

**Average Sales Price** Demand for pork products improved, which drove up average sales price and livestock cost despite a slight increase in live hog supplies.

**Operating Income** While reduced compared to prior year, operating income remained strong in fiscal 2013 despite brief periods of imbalance in industry supply and customer demand. We were able to maintain strong operating margins by maximizing our revenues relative to the live hog markets, partially due to operational and mix performance.

Derivative Activities Operating results included net losses of \$15 million in fiscal 2013, compared to net gains of \$66 million in fiscal 2012 for commodity risk management activities related to futures contracts. These amounts exclude the impact from related physical sale and purchase transactions, which impact current and future period operating results.

*2012 vs. 2011*

#### Sales and Operating Income

Average sales price decreased due to increased domestic availability of pork products, which drove lower live hog costs. Operating income decreased due to compressed pork margins caused by the excess domestic availability of pork products. We were able to maintain strong operating margins by maximizing our revenues relative to the live hog markets, partially due to strong export sales and operational and mix performance.

Derivative Activities Operating results included net gains of \$66 million in fiscal 2012, compared to net losses of \$32 million in fiscal 2011 from commodity risk management activities related to futures contracts. These amounts exclude the impact from related physical sale and purchase transactions, which impact current and future period operating results.

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**Table of Contents****Prepared Foods Segment Results**

	<b>2013</b>	<b>2012</b>	<b>Change 2013 vs. 2012</b>	<b>2011</b>	<b>Change 2012 vs. 2011</b>
Sales	\$ 3,322	\$ 3,237	\$ 85	\$ 3,215	\$ 22
Sales Volume Change			1.9%		(0.9)%
Average Sales Price Change			0.7%		1.6%
Operating Income	\$ 101	\$ 181	\$ (80)	\$ 117	\$ 64
Operating Margin	3.0%	5.6%		3.6%	

2013 vs. 2012

**Sales Volume** Sales volume increased as a result of improved demand for our prepared products and incremental volumes from the purchase of two businesses in fiscal 2013.

**Average Sales Price** Average sales price increased due to price increases associated with higher input costs.

**Operating Income** Operating income decreased, despite increases in sales volumes and average sales price, as the result of increased raw material and other input costs of approximately \$110 million and additional costs incurred as we invested in our lunchmeat business and growth platforms. Because many of our sales contracts are formula based or shorter-term in nature, we are typically able to offset rising input costs through pricing. However, there is a lag time for price increases to take effect.

2012 vs. 2011

**Sales and Operating Income** Operating margins were positively impacted by lower raw material costs of \$75 million and increased average sales prices, which were partially offset by lower volumes and increased operational costs of approximately \$30 million, largely due to costs related to revamping our lunchmeat business and the start-up of a new pepperoni plant. Because many of our sales contracts are formula based or shorter-term in nature, we typically offset changing input costs through pricing. However, there is a lag time for price changes to take effect, which is what we experienced during fiscal 2011.

**International Segment Results**

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>Change 2013 vs. 2012</b>	<b>2011</b>	<b>Change 2012 vs. 2011</b>
Sales	\$ 1,324	\$ 1,104	\$ 220	\$ 978	\$ 126
Sales Volume Change			11.6%		17.1%
Average Sales Price Change			7.5%		(3.7)%
Operating Income	\$ (37)	\$ (70)	\$ 33	\$ (21)	\$ (49)
Operating Margin	(2.8)%	(6.3)%		(2.1)%	



*2013 vs. 2012*

**Sales Volume** Sales volume increased as we continued to grow our International operation.

**Average Sales Price** Average sales price increased due to improved market conditions and more favorable pricing environments in Brazil and Mexico.

**Operating Income** Operating income improved due to better performance in Brazil and Mexico, partially offset by increased feed costs of \$64 million and supply imbalances associated with weak demand in China as a result of avian influenza.

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**Table of Contents***2012 vs. 2011*

**Sales Volume** Sales volume increased as we continued to grow our International operation.

**Average Sales Price** Average sales price decreased due to less favorable pricing environments across all of our International operation.

**Operating Income** Operating income decreased primarily as a result of challenging market conditions in China and Mexico and due to additional costs incurred as we continue to grow out our International operation.

**Liquidity and Capital Resources**

Our cash needs for working capital, capital expenditures, growth opportunities, the repurchases of senior notes and share repurchases are expected to be met with current cash on hand, cash flows provided by operating activities, or short-term borrowings. Based on our current expectations, we believe our liquidity and capital resources will be sufficient to operate our business. However, we may take advantage of opportunities to generate additional liquidity or refinance existing debt through capital market transactions. The amount, nature and timing of any capital market transactions will depend on our operating performance and other circumstances; our then-current commitments and obligations; the amount, nature and timing of our capital requirements; any limitations imposed by our current credit arrangements; and overall market conditions.

***Cash Flows from Operating Activities***

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net income	\$ 778	\$ 576	\$ 733
Non-cash items in net income:			
Depreciation and amortization	519	499	506
Deferred income taxes	(12)	140	86
Loss on early extinguishment of debt		167	
Impairment of assets	74	34	18
Other, net	26	18	49
Net changes in working capital	(71)	(247)	(346)
Net cash provided by operating activities	\$ 1,314	\$ 1,187	\$ 1,046

Cash flows associated with Loss on early extinguishment of debt included the amount paid exceeding the par value of debt, unamortized discount and unamortized debt issuance costs related to the full extinguishment of the 2014 Notes.

Cash flows associated with changes in working capital:

2013 Decreased primarily due to a higher accounts receivable balance, partially offset by increases in accrued salaries, wages and benefits and income tax payable. The higher accounts receivable balance is largely due to significant increases in input costs and price increases associated with the increased input costs.

2012 Decreased due to the increase in inventory and accounts receivable balances, partially offset by the increase in accounts payable. The higher inventory and accounts receivable balances were driven by significant increases in input costs and price increases associated with the increased input costs.

2011 Decreased due to the increase in inventory and accounts receivable balances, partially offset by the increase in accounts payable. The higher inventory and accounts receivable balances were driven by significant increases in input costs and price increases associated with the increased input costs.

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**Table of Contents*****Cash Flows from Investing Activities***

	<b>2013</b>	<b>2012</b>	<b>2011</b>
Additions to property, plant and equipment	\$ (558)	\$ (690)	\$ (643)
Purchases of marketable securities, net	(18)	(11)	(80)
Proceeds from notes receivable			51
Acquisitions, net of cash acquired	(106)		
Other, net	39	41	28
Net cash used for investing activities	\$ (643)	\$ (660)	\$ (644)

Additions to property, plant and equipment include acquiring new equipment and upgrading our facilities to maintain competitive standing and position us for future opportunities. In fiscal 2013, 2012, and 2011, our capital spending was primarily for production efficiencies in our operations and for ongoing development of our International segment.

Capital spending for fiscal 2014 is expected to approximate \$700 million, and will include spending on our operations for production and labor efficiencies, yield improvements and sales channel flexibility, as well as expansion of our International segment.

Purchases of marketable securities included funding for our deferred compensation plans.

Proceeds from notes receivable totaling \$51 million in fiscal 2011 related to the collection of notes receivable received in conjunction with the sale of a business operation in fiscal 2009.

Acquisitions in fiscal 2013 related to acquiring two value-added food businesses as part of our strategic expansion initiative which are included in our Prepared Foods segment.

***Cash Flows from Financing Activities***

<b>in millions</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Payments on debt	\$ (91)	\$ (993)	\$ (500)
Net proceeds from borrowings	68	1,116	115
Purchase of redeemable noncontrolling interest			(66)
Purchases of Tyson Class A common stock	(614)	(264)	(207)
Dividends	(104)	(57)	(59)
Stock options exercised	123	34	51
Other, net	18	(7)	8

Net cash used for financing activities	\$ (600)	\$ (171)	\$ (658)
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Payments on debt included

2013 \$91 million primarily related to borrowings at our foreign subsidiaries.

2012 \$885 million for the extinguishment of the 2014 Notes and \$103 million related to borrowings at our foreign subsidiaries.

2011 \$315 million of 2011 Notes; \$63 million of 2016 Notes; \$2 million of 7.0% Notes due May 2018 (2018 Notes); and \$103 million related to borrowings at our foreign subsidiaries.

Net proceeds from borrowings included

2013 \$68 million primarily from our foreign operations. Total debt related to our foreign subsidiaries was \$60 million at September 28, 2013 (\$40 million current, \$20 million long-term).

2012 We received net proceeds of \$995 million from the issuance of the 2022 Notes. We used the net proceeds towards the extinguishment of the 2014 Notes, including the payments of accrued

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interest and related premiums, and general corporate purposes. Additionally, our foreign subsidiaries received proceeds of \$115 million from borrowings. Total debt related to our foreign subsidiaries was \$102 million at September 29, 2012 (\$62 million current, \$40 million long-term).

2011 Our foreign subsidiaries received proceeds of \$106 million from borrowings. Total debt related to our foreign subsidiaries was \$98 million at October 1, 2011 (\$58 million current, \$40 million long-term). Additionally, Dynamic Fuels received \$9 million in proceeds from short-term notes in fiscal 2011.

In fiscal 2011, the minority interest partner in our 60%-owned Shandong Tyson Xinchang Foods joint ventures in China exercised put options requiring us to purchase its entire 40% equity interest. The transaction closed in fiscal 2011 for cash consideration totaling \$66 million.

Purchases of Tyson Class A common stock include

\$550 million, \$230 million and \$170 million for shares repurchased pursuant to our share repurchase program in fiscal 2013, 2012 and 2011, respectively; and

\$64 million, \$34 million and \$37 million for shares repurchased to fund certain obligations under our equity compensation plans in fiscal 2013, 2012 and 2011, respectively.

**Liquidity**

	<b>Commitments Expiration Date</b>	<b>Facility Amount</b>	<b>Outstanding Letters of Credit under Revolving Credit Facility (no draw downs)</b>	<b>Amount Borrowed</b>	<b>Amount Available</b>
Cash and cash equivalents					\$ 1,145
Short-term investments					1
Revolving credit facility	August 2017	\$ 1,000	\$ 42	\$	\$ 958
Total liquidity					\$ 2,104

The revolving credit facility supports our short-term funding needs and letters of credit. The letters of credit issued under this facility are primarily in support of workers' compensation insurance programs and derivative activities.

Our 2013 Notes matured in October 2013. Upon maturity, we paid the \$458 million principal value with cash on hand, and settled the conversion premium by issuing 11.7 million shares of our Class A common stock from available treasury shares. Simultaneous to the settlement of the conversion premium, we received 11.7 million shares of our Class A common stock from call options we entered into concurrently with the 2013 Note issuance.

At September 28, 2013, approximately 34% of our cash was held in the international accounts of our foreign subsidiaries. Generally, we do not rely on the foreign cash as a source of funds to support our ongoing domestic liquidity needs. Rather, we manage our worldwide cash requirements by reviewing available funds among our foreign subsidiaries and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of our subsidiaries could have adverse tax consequences or be subject to regulatory capital requirements; however, those balances are generally available without legal restrictions to fund ordinary business operations. Our U.S. income taxes, net of applicable foreign tax credits, have not been provided on undistributed earnings of foreign subsidiaries. Our intention is to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so.

Our current ratio was 1.86 to 1 and 1.91 to 1 at September 28, 2013, and September 29, 2012, respectively.

**Table of Contents*****Capital Resources******Credit Facility***

Cash flows from operating activities and current cash on hand are our primary sources of liquidity for funding debt service, capital expenditures, dividends and share repurchases. We also have a revolving credit facility, with a committed maximum capacity of \$1.0 billion, to provide additional liquidity for working capital needs, letters of credit and a source of financing for growth opportunities. As of September 28, 2013, we had outstanding letters of credit totaling \$42 million issued under this facility, none of which were drawn upon, which left \$958 million available for borrowing. Our revolving credit facility is funded by a syndicate of 44 banks, with commitments ranging from \$0.3 million to \$90 million per bank. The syndicate includes bank holding companies that are required to be adequately capitalized under federal bank regulatory agency requirements.

***Capitalization***

To monitor our credit ratings and our capacity for long-term financing, we consider various qualitative and quantitative factors. We monitor the ratio of our debt to our total capitalization as support for our long-term financing decisions. At September 28, 2013, and September 29, 2012, the ratio of our debt-to-total capitalization was 27.9% and 28.7%, respectively. For the purpose of this calculation, debt is defined as the sum of current and long-term debt. Total capitalization is defined as debt plus Total Shareholders' Equity.

***Revolving Credit Facility***

S&P's corporate credit rating for Tyson Foods, Inc. is BBB. Moody's senior, unsecured, subsidiary guaranteed long-term debt rating for Tyson Foods, Inc. is Baa3. Fitch Ratings, a wholly owned subsidiary of Fimalac, S.A. (Fitch), issuer default rating for Tyson Foods, Inc. is BBB. The below table outlines the fees paid on the unused portion of the facility (Facility Fee Rate) and letter of credit fees (Undrawn Letter of Credit Fee and Borrowing Spread) depending on the rating levels of Tyson Foods, Inc. from S&P, Moody's and Fitch.

<b>Ratings Level (S&amp;P/Moody's/Fitch)</b>	<b>Facility Fee Rate</b>	<b>Undrawn Letter of Credit Fee and Borrowing Spread</b>
BBB+/Baa1/BBB+ or above	0.150%	1.125%
BBB/Baa2/BBB (current level)	0.175%	1.375%
BBB-/Baa3/BBB-	0.225%	1.625%
BB+/Ba1/BB+	0.275%	1.875%
BB/Ba2/BB or lower or unrated	0.325%	2.125%

In the event the rating levels are split, the applicable fees and spread will be based upon the rating level in effect for two of the rating agencies, or, if all three rating agencies have different rating levels, the applicable fees and spread will be based upon the rating level that is between the rating levels of the other two rating agencies.

***Debt Covenants***



Our revolving credit facility contains affirmative and negative covenants that, among other things, may limit or restrict our ability to: create liens and encumbrances; incur debt; merge, dissolve, liquidate or consolidate; dispose of or transfer assets; change the nature of our business; engage in certain transactions with affiliates; and enter into sale/leaseback or hedging transactions, in each case, subject to certain qualifications and exceptions. In addition, we are required to maintain minimum interest expense coverage and maximum debt to capitalization ratios.

Our 2022 Notes also contain affirmative and negative covenants that, among other things, may limit or restrict our ability to: create liens; engage in certain sale/leaseback transactions; and engage in certain consolidations, mergers and sales of assets.

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We were in compliance with all debt covenants at September 28, 2013.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements material to our financial position or results of operations. The off-balance sheet arrangements we have are guarantees of debt of outside third parties, including a lease and grower loans, and residual value guarantees covering certain operating leases for various types of equipment. See Part II, Item 8, Notes to Consolidated Financial Statements, Note 20: Commitments and Contingencies in our Annual Report on Form 10-K for the year ended September 28, 2013 for further discussion.

**Contractual Obligations**

The following table summarizes our contractual obligations as of September 28, 2013:

in millions	Payments Due by Period				Total
	2014	2015-2016	2017-2018	2019 and thereafter	
Debt and capital lease obligations:					
Principal payments <sup>(1)</sup>	\$ 514	\$ 657	\$ 124	\$ 1,119	\$ 2,414
Interest payments <sup>(2)</sup>	112	202	115	205	634
Guarantees <sup>(3)</sup>	37	37	17	31	122
Operating lease obligations <sup>(4)</sup>	97	115	43	78	333
Purchase obligations <sup>(5)</sup>	1,482	102	57	74	1,715
Capital expenditures <sup>(6)</sup>	369	49			418
Other long-term liabilities <sup>(7)</sup>	6	5	4	38	53
<b>Total contractual commitments</b>	<b>\$ 2,617</b>	<b>\$ 1,167</b>	<b>\$ 360</b>	<b>\$ 1,545</b>	<b>\$ 5,689</b>

(1) In the event of a default on payment, acceleration of the principal payments could occur.

(2) Interest payments include interest on all outstanding debt. Payments are estimated for variable rate and variable term debt based on effective rates at September 28, 2013, and expected payment dates.

(3) Amounts include guarantees of debt of outside third parties, which consist of a lease and grower loans, all of which are substantially collateralized by the underlying assets, as well as residual value guarantees covering certain operating leases for various types of equipment. The amounts included are the maximum potential amount of future payments.

(4) Amounts include minimum lease payments under lease agreements.

(5) Amounts include agreements to purchase goods or services that are enforceable and legally binding and specify all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. The purchase obligations amount included items, such as future purchase commitments for grains, livestock contracts and fixed grower fees that provide terms that meet the above criteria. For certain grain purchase commitments with a fixed quantity provision, we have assumed the future obligations under the commitment based on available commodity futures prices as published in observable active markets as of September 28, 2013. We have excluded future purchase commitments for contracts that do

not meet these criteria. Purchase orders are not included in the table, as a purchase order is an authorization to purchase and is cancelable. Contracts for goods or services that contain termination clauses without penalty have also been excluded.

(6) Amounts include estimated amounts to complete buildings and equipment under construction as of September 28, 2013.

(7) Amounts include items that meet the definition of a purchase obligation and are recorded in the Consolidated Balance Sheets in our Annual Report on Form 10-K for the year ended September 28, 2013.

In addition to the amounts shown above in the table, we have unrecognized tax benefits of \$175 million and related interest and penalties of \$63 million at September 28, 2013, recorded as liabilities.