UNITED STATES DEPARTMENT OF JUSTICE

Antitrust Division, Washington, D.C.

Smithfield Foods, Inc.'s
Second Narrative Response to CID No. 20835

March 16, 2001

REDACTED

REDACTED

INTERROGATORIES

1. Separately for (a) IBP stock held by your company for its own account and (b) IBP stock held by each of your company's retirement plans, identify each purchase of such stock at any time since January 1, 1998. Include:

(i) the date of the purchase;
(ii) the source of the stock (open market or other source);
(iii) the number of shares purchased;
(iv) the price paid for each share;
(v) the identity of the persons in your company who participated in the decision to purchase the stock or who authorized the transaction; and
(vi) the percentage of total IBP stock held by your company and the retirement plan immediately after each such purchase.

ANSWER:

REDACTED

REDACTED

(i)(a) Attached as Exhibit 1 is a table showing each purchase or (sale) of stock of IBP by SF Investments, Inc. ("SFII"), a Delaware corporation and wholly-owned subsidiary of Smithfield, setting forth the settlement date of each stock purchase or (sale), the number of shares purchased or (sold), and the price paid or (proceeds received) for each share, including

REDACTED FOOTNOTE

commission.[4] For the convenience of the Department of Justice, the table also sets forth the cost or (proceeds) of each block purchase or (sale) of shares and the balance of shares held on each transaction date. Thus, Exhibit 1 provides a chronology of the information sought by both Interrogatory Nos. 1 and 2 as to IBP stock held by Smithfield through SFII. In addition, Smithfield has held 200 shares of IBP since well before the relevant time period, throughout the relevant time period, and continuing until January 23, 2001, for the purpose of receiving shareholder communications from IBP, a company in the same or a related industry.[5]

REDACTED

[4] The IBP shares shown on Exhibit 1 do constitute the holdings of IBP shares by SFII over time, but three of those purchases were actually made initially by a pension trust of Carroll's Foods, Inc., a wholly owned subsidiary of Smithfield, and subsequently transferred to SFII. These were the trades (shares) dated 3/6/00 (239,600 shares), 3/7/00 (80,400 shares) and 3/9/00 (15,941 shares). Three documents relating to this transfer are produced as SF5235-5237.

[5] On January 23, 2001, Smithfield tendered its 200 shares of IBP to the exchange agent designated by Tyson Foods, Inc. in that company's $30 cash tender offer for 50.1% of the outstanding shares of IBP. Although that tender offer has been terminated, Smithfield has not received a return of those shares.