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TYSON REPORTS SECOND QUARTER AND SIX MONTHS FISCAL 2012 RESULTS

- **2nd quarter EPS was $0.44 compared to $0.42 last year**
- **2nd quarter Sales were $8.3 billion, up 3.4% compared to last year**
- **Overall operating margin was 3.7%**
  - **Chicken operating income $145 million, or 5.0% of sales**
  - **Beef operating loss $(1) million, or 0.0% of sales**
  - **Pork operating income $115 million, or 8.4% of sales**
  - **Prepared Foods operating income $44 million, or 5.5% of sales**
- **Increase of 35 million shares authorized for repurchase under existing share repurchase program**

Springdale, Arkansas – May 7, 2012 – Tyson Foods, Inc. (NYSE: TSN), today reported the following results:

(in millions, except per share data)	Second Quarter		Six Months	
	2012	2011	**2012**	2011
Sales	**$ 8,268**	$ 8,000	**$ 16,597**	$ 15,615
Operating Income	**302**	303	**580**	801
Net Income	**166**	156	**322**	450
Less: Net Loss Attributable to Noncontrolling Interest	**—**	(3)	**—**	(7)
Net Income Attributable to Tyson	**$ 166**	$ 159	**$ 322**	$ 457
Net Income Per Share Attributable to Tyson	**$ 0.44**	$ 0.42	**$ 0.86**	$ 1.20

“Our multi-protein business again proved advantageous, producing solid earnings for the fiscal second quarter,” said Donnie Smith, Tyson's president and chief executive officer. “We were pleased with the rate of improvement in our Chicken business. The Chicken, Pork and Prepared Foods segments all were in or above their normalized operating margin ranges, while Beef essentially broke even despite extremely challenging market conditions.

“We're positioned for another great year as we expect to gain momentum in our third and fourth quarters,” Smith said. “We still think we have the potential for earnings per share of $2 for the year if we execute as planned.”

Segment Performance Review (in millions)

Sales *(for the second quarter and six months ended March 31, 2012, and April 2, 2011)*								
	Second Quarter				Six Months			
	2012	2011	Volume Change	Avg. Price Change	2012	2011	Volume Change	Avg. Price Change
Chicken	$ 2,911	$ 2,739	(1.6)%	8.0 %	$ 5,673	$ 5,358	(3.4)%	9.6 %
Beef	3,369	3,333	(10.7)%	13.2 %	6,836	6,518	(9.6)%	16.0 %
Pork	1,372	1,384	(0.1)%	(0.8)%	2,847	2,622	1.2 %	7.3 %
Prepared Foods	807	778	(1.2)%	4.9 %	1,668	1,584	(1.3)%	6.7 %
Other	46	25	n/a	n/a	100	33	n/a	n/a
Intersegment Sales	(237)	(259)	n/a	n/a	(527)	(500)	n/a	n/a
Total	**$ 8,268**	**$ 8,000**	**(4.3)%**	**7.7 %**	**$ 16,597**	**$ 15,615**	**(4.7)%**	**11.0%**

Operating Income (Loss) *(for the second quarter and six months ended March 31, 2012, and April 2, 2011)*								
	Second Quarter				Six Months			
			Operating Margin				Operating Margin	
	2012	2011	2012	2011	2012	2011	2012	2011
Chicken	$ 145	$ 37	5.0 %	1.4 %	$ 177	$ 218	3.1 %	4.1 %
Beef	(1)	94	— %	2.8 %	30	210	0.4 %	3.2 %
Pork	115	146	8.4 %	10.5 %	280	323	9.8 %	12.3 %
Prepared Foods	44	31	5.5 %	4.0 %	95	59	5.7 %	3.7 %
Other	(1)	(5)	n/a	n/a	(2)	(9)	n/a	n/a
Total	**$ 302**	**$ 303**	**3.7 %**	**3.8%**	**$ 580**	**$ 801**	**3.5%**	**5.1%**

Fiscal 2012 Outlook

In fiscal 2012, overall domestic protein (chicken, beef, pork and turkey) production is expected to decrease. Because exports are likely to remain strong, we forecast total domestic availability of protein to be down 2-3% compared to fiscal 2011, which should continue to support improved pricing. The following is a summary of the fiscal 2012 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 - For fiscal 2012, we expect industry production will decrease approximately 4% from fiscal 2011, which should allow for the continuation of improved market pricing conditions. Current futures prices indicate higher feed costs in fiscal 2012 compared to fiscal 2011. We expect to offset the increased feed costs with pricing and mix improvements as well as operational efficiencies expected to result in additional savings of $125 million in fiscal 2012. Our Chicken segment returned to its normalized operating margin range in the second quarter of fiscal 2012, and we expect results to remain strong for the remainder of the year.
- Beef - We experienced a decrease of fed cattle supplies of approximately 5% in the first six months of fiscal 2012 as compared to fiscal 2011. However, we expect to see an increase in fed cattle in the second half of fiscal 2012, which would result in a total decrease of fed cattle supplies of 2-3% for fiscal 2012 as compared to fiscal 2011. Although we generally expect adequate supplies in the regions we operate our plants, there may be periods of imbalance of fed cattle supply and demand. We anticipate beef exports will remain strong in fiscal 2012. While our Beef segment remained profitable for the first six months of fiscal 2012, we were challenged by volatile market conditions and reduced demand for beef products, which made it difficult to pass along increased input costs. The difficult margin conditions we experienced in the second quarter of fiscal 2012 continued into the early part of the third quarter, but we expect them to recover throughout the remainder of the of the second-half of the fiscal year due to improved cattle supplies and typical seasonal demand. For fiscal 2012, we believe our Beef segment will be profitable, returning to our normalized range in the fourth quarter of fiscal 2012.
- Pork - We expect hog supplies in fiscal 2012 to be up 1-2% compared to fiscal 2011 and to be adequate in the regions in which we operate. Additionally, we expect pork exports to remain strong in fiscal 2012. While we expect results should be above our normalized range for the fiscal year, we do not expect the remainder of fiscal 2012 to be at our first six-month levels.
- Prepared Foods - We expect operational improvements and increased 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. We expect results should remain within our normalized range for the balance of the fiscal year.

Outlook Continued

- Sales - We expect fiscal 2012 sales to approximate $34 billion mostly resulting from price increases related to decreases in domestic availability of protein and rising raw material costs.
- Capital Expenditures - We expect fiscal 2012 capital expenditures to be approximately $800-$850 million.
- Net Interest Expense - We expect fiscal 2012 net interest expense will be approximately $190 million, down $41 million compared to fiscal 2011.
- Debt and Liquidity - We do not have any significant scheduled maturities of debt due until October 2013 and may use our available cash to repurchase notes when available at attractive rates. Total liquidity at March 31, 2012, was $1.7 billion, well above our goal to maintain liquidity in excess of $1.2 billion.
- Share Repurchases - We expect to continue repurchasing shares under our share repurchase program. In the second quarter of fiscal 2012, we repurchased 3.6 million shares for approximately $70 million. On May 3, 2012, our Board of Directors approved an increase of 35 million shares authorized for repurchase under this program. As of May 7, 2012, 42.4 million shares remain available for repurchase. The timing and extent to which we repurchase shares will depend upon, among other things, market conditions, liquidity targets, our debt obligations and regulatory requirements.

Segment Performance Review

Chicken Segment Results

in millions	Three Months Ended			Six Months Ended		
	March 31, 2012	April 2, 2011	Change	March 31, 2012	April 2, 2011	Change
Sales	$ 2,911	$ 2,739	$ 172	$ 5,673	$ 5,358	$ 315
Sales Volume Change			(1.6)%			(3.4)%
Average Sales Price Change			8.0 %			9.6 %
Operating Income	$ 145	$ 37	$ 108	$ 177	$ 218	$ (41)
Operating Margin	5.0%	1.4%		3.1%	4.1%	

Second quarter and six months – Fiscal 2012 vs Fiscal 2011

- Sales and Operating Income –
  - Sales Volume – The decrease in sales volumes in the second quarter and six months of fiscal 2012 was primarily attributable to a decrease in domestic production pounds as a result of balancing our supply with forecasted customer demand, partially offset by increases in international sales volumes and 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 – Operating income was positively impacted by increases in average sale price, improved mix and operational improvements. These increases were partially offset by increased grain and feed ingredients costs of $65 million and $285 million for the second quarter and six months of fiscal 2012, respectively. Increases in other growout operating costs of $23 million and $53 million also negatively impacted operating income for the second quarter and six months of fiscal 2012, respectively.
  - Derivative Activities – Operating results included the following amounts for commodity risk management activities related to grain and energy purchases. These amounts exclude the impact from related physical purchase transactions, which impact current and future period operating results.

Income/(Loss) - in millions	Qtr	YTD
2012	$ (3)	$ (6)
2011	23	74
Decline in operating results	$ (26)	$ (80)

Beef Segment Results

in millions	Three Months Ended			Six Months Ended		
	March 31, 2012	April 2, 2011	Change	March 31, 2012	April 2, 2011	Change
Sales	$ 3,369	$ 3,333	$ 36	$ 6,836	$ 6,518	$ 318
Sales Volume Change			(10.7)%			(9.6)%
Average Sales Price Change			13.2 %			16.0 %
Operating Income (Loss)	$ (1)	$ 94	$ (95)	$ 30	$ 210	$ (180)
Operating Margin	— %	2.8%		0.4%	3.2%	

Second quarter and six months – Fiscal 2012 vs Fiscal 2011

- Sales and Operating Income –
  - Average sales price increased due to price increases associated with increased livestock costs. Sales volumes decreased due to a reduction in live cattle processed and outside tallow purchases. Operating income decreased in the second quarter and six months of fiscal 2012 from the result of volatile market conditions and 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.
  - Derivative Activities – Operating results included the following amounts for commodity risk management activities related to forward futures contracts for live cattle. These amounts exclude the impact from related physical sale and purchase transactions, which impact current and future period operating results.

Income/(Loss) - in millions	Qtr	YTD
2012	$ 2	$ 8
2011	(30)	(39)
Improvement in operating results	$ 32	$ 47

Pork Segment Results

in millions	Three Months Ended			Six Months Ended		
	March 31, 2012	April 2, 2011	Change	March 31, 2012	April 2, 2011	Change
Sales	$ 1,372	$ 1,384	$ (12)	$ 2,847	$ 2,622	$ 225
Sales Volume Change			(0.1)%			1.2%
Average Sales Price Change			(0.8)%			7.3%
Operating Income	$ 115	$ 146	$ (31)	$ 280	$ 323	$ (43)
Operating Margin	8.4%	10.5%		9.8%	12.3%	

Second quarter and six months – Fiscal 2012 vs Fiscal 2011

- Sales and Operating Income –
  - Average sales price decreased slightly for the second quarter of fiscal 2012. Average sales price increased for the six months of fiscal 2012 due to price increases associated with increased livestock costs. We maintained strong operating income by maximizing our revenues relative to the live hog markets, partially attributable to strong export sales and operational and mix performance.
  - Derivative Activities – Operating results included the following amounts for commodity risk management activities related to forward futures contracts for live hogs. These amounts exclude the impact from related physical sale and purchase transactions, which impact current and future period operating results.

Income/(Loss) - in millions	Qtr	YTD
2012	$ 22	$ 33
2011	(22)	(9)
Improvement in operating results	$ 44	$ 42

Prepared Foods Segment Results

in millions	Three Months Ended			Six Months Ended		
	March 31, 2012	April 2, 2011	Change	March 31, 2012	April 2, 2011	Change
Sales	$ 807	$ 778	$ 29	$ 1,668	$ 1,584	$ 84
Sales Volume Change			(1.2)%			(1.3)%
Average Sales Price Change			4.9 %			6.7 %
Operating Income	$ 44	$ 31	$ 13	$ 95	$ 59	$ 36
Operating Margin	5.5%	4.0%		5.7%	3.7%	

Second quarter and six months – Fiscal 2012 vs Fiscal 2011

- Sales and Operating Income –
  - We increased operating income, despite lower sales volumes and higher raw material costs of $5 million and $41 million for the second quarter and six months of fiscal 2012, respectively, due to mix changes and increased average sales prices. Additionally, input costs were less volatile in the second quarter and six months of fiscal 2012 as compared to same periods in fiscal 2011. 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. However, there is a lag time for price increases to take effect, which is what we experienced during fiscal 2011.

TYSON FOODS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(In millions, except per share data)
(Unaudited)

	Three Months Ended		Six Months Ended	
	March 31, 2012	April 2, 2011	March 31, 2012	April 2, 2011
Sales	$ 8,268	$ 8,000	$ 16,597	$ 15,615
Cost of Sales	7,733	7,467	15,569	14,338
Gross Profit	535	533	1,028	1,277
Selling, General and Administrative	233	230	448	476
Operating Income	302	303	580	801
Other (Income) Expense:				
Interest income	(5)	(3)	(7)	(6)
Interest expense	52	63	101	129
Other, net	(2)	2	(14)	(8)
Total Other (Income) Expense	45	62	80	115
Income before Income Taxes	257	241	500	686
Income Tax Expense	91	85	178	236
Net Income	166	156	322	450
Less: Net Loss Attributable to Noncontrolling Interest	—	(3)	—	(7)
Net Income Attributable to Tyson	$ 166	$ 159	$ 322	$ 457
Weighted Average Shares Outstanding:				
Class A Basic	294	305	295	305
Class B Basic	70	70	70	70
Diluted	373	383	374	381
Net Income Per Share Attributable to Tyson:				
Class A Basic	$ 0.47	$ 0.43	$ 0.90	$ 1.24
Class B Basic	$ 0.42	$ 0.39	$ 0.81	$ 1.12
Diluted	$ 0.44	$ 0.42	$ 0.86	$ 1.20
Cash Dividends Per Share:				
Class A	$ 0.040	$ 0.040	$ 0.080	$ 0.080
Class B	$ 0.036	$ 0.036	$ 0.072	$ 0.072
Sales Growth	3.4%		6.3%	
Margins: (Percent of Sales)				
Gross Profit	6.5%	6.7%	6.2%	8.2%
Operating Income	3.7%	3.8%	3.5%	5.1%
Net Income	2.0%	2.0%	1.9%	2.9%
Effective Tax Rate	35.3%	34.9%	35.5%	34.3%

TYSON FOODS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(In millions)
(Unaudited)

	March 31, 2012	October 1, 2011
Assets		
Current Assets:		
Cash and cash equivalents	$ 723	$ 716
Accounts receivable, net	1,253	1,321
Inventories	2,622	2,587
Other current assets	152	156
Total Current Assets	4,750	4,780
Net Property, Plant and Equipment	3,943	3,823
Goodwill	1,892	1,892
Intangible Assets	143	149
Other Assets	442	427
Total Assets	$ 11,170	$ 11,071
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current debt	$ 84	$ 70
Accounts payable	1,191	1,264
Other current liabilities	895	1,040
Total Current Liabilities	2,170	2,374
Long-Term Debt	2,136	2,112
Deferred Income Taxes	433	424
Other Liabilities	496	476
Total Tyson Shareholders' Equity	5,906	5,657
Noncontrolling Interest	29	28
Total Shareholders' Equity	5,935	5,685
Total Liabilities and Shareholders' Equity	$ 11,170	$ 11,071

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

	Six Months Ended	
	March 31, 2012	April 2, 2011
Cash Flows From Operating Activities:		
Net income	$ 322	$ 450
Depreciation and amortization	245	256
Deferred income taxes	53	60
Other, net	41	40
Net changes in working capital	(207)	(603)
Cash Provided by Operating Activities	454	203
Cash Flows From Investing Activities:		
Additions to property, plant and equipment	(344)	(319)
Purchases of marketable securities	(25)	(107)
Proceeds from sale of marketable securities	13	27
Proceeds from notes receivable	—	51
Other, net	17	25
Cash Used for Investing Activities	(339)	(323)
Cash Flows From Financing Activities:		
Payments on debt	(41)	(65)
Net proceeds from borrowings	56	—
Purchases of Tyson Class A common stock	(128)	(21)
Dividends	(29)	(30)
Other, net	29	45
Cash Used for Financing Activities	(113)	(71)
Effect of Exchange Rate Change on Cash	5	7
Increase (Decrease) in Cash and Cash Equivalents	7	(184)
Cash and Cash Equivalents at Beginning of Year	716	978
Cash and Cash Equivalents at End of Period	$ 723	$ 794

TYSON FOODS, INC.
EBITDA Reconciliations
(In millions)
(Unaudited)

	Six Months Ended		Fiscal Year Ended	Twelve Months Ended
	March 31, 2012	April 2, 2011	October 1, 2011	March 31, 2012
Net income	$ 322	$ 450	$ 733	$ 605
Less: Interest income	(7)	(6)	(11)	(12)
Add: Interest expense	101	129	242	214
Add: Income tax expense	178	236	341	283
Add: Depreciation	217	217	433	433
Add: Amortization (a)	7	15	29	21
EBITDA	$ 818	$ 1,041	$ 1,767	$ 1,544
Total gross debt			$ 2,182	$ 2,220
Less: Cash and cash equivalents			(716)	(723)
Total net debt			$ 1,466	$ 1,497
Ratio Calculations:				
Gross debt/EBITDA			1.2x	1.4x
Net debt/EBITDA			0.8x	1.0x

(a) Excludes the amortization of debt discount expense of $21 million and $24 million for the six months ended March 31, 2012, and April 2, 2011, respectively, and $44 million for the fiscal year ended October 1, 2011, 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.

Tyson Foods, Inc., founded in 1935 with headquarters in Springdale, Arkansas, is one of the world's largest processors and marketers of chicken, beef and pork, the second-largest food production company in the *Fortune 500* and a member of the S&P 500. The company produces a wide variety of protein-based and prepared food products and is the recognized market leader in the retail and foodservice markets it serves. Tyson provides products and service to customers throughout the United States and more than 130 countries. The company has approximately 115,000 Team Members employed at more than 400 facilities and offices in the United States and around the world. Through its Core Values, Code of Conduct and Team Member Bill of Rights, Tyson strives to operate with integrity and trust and is committed to creating value for its shareholders, customers and Team Members. The company also strives to be faith-friendly, provide a safe work environment and serve as stewards of the animals, land and environment entrusted to it.

A conference call to discuss the Company's financial results will be held at 9 a.m. Eastern Monday, May 7, 2012. To listen live via telephone, call 888-455-8283. The call leader's name and a pass code will be required to join the call. The leader's name is Jon Kathol and the pass code is Tyson Foods. International callers dial 1-210-839-8865. A telephone replay will be available through June 8, 2012, at 800-284-7024. The live webcast, as well as the replay, will be available on the Internet at http://ir.tyson.com. Financial information, such as this news release, as well as other supplemental data, including Company distribution channel information, can be accessed from the Company's web site at http://ir.tyson.com.

Forward-Looking Statements

Certain information contained in the press release may constitute forward-looking statements, such as statements relating to expected performance, and including, but not limited to, statements appearing in the “Outlook” section. These forward-looking statements are subject to a number of factors and uncertainties which could cause our actual results and experiences to differ materially from the 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. 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 October 1, 2011, Annual Report filed on Form 10-K.