TYSON FOODS INC
Form 424B5
September 04, 2008
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any state or jurisdiction where the offer or sale thereof is not permitted.

Subject to completion

Preliminary Prospectus Supplement dated September 4, 2008

Prospectus Supplement

(To prospectus dated September 4, 2008)

Filed Pursuant to Rule 424(b)(5)

Registration No. 333-132434

20,000,000 Shares

Class A common stock

We are offering 20,000,000 shares of our Class A common stock. An entity controlled by Mr. Don Tyson, our director and former Chairman, has indicated that it intends to purchase 3,000,000 shares of Class A common stock in this offering.

Our Class A common stock is listed on the New York Stock Exchange under the symbol TSN. On September 3, 2008, the last reported sale price of our Class A common stock on the New York Stock Exchange was $15.18 per share.

Concurrently with this offering of Class A common stock, we are offering $450 million aggregate principal amount of our % convertible senior notes due 2013 (or up to $517.5 million aggregate principal amount of notes if the underwriters exercise their option to purchase additional notes to cover over-allotments, if any) pursuant to a separate prospectus supplement and accompanying prospectus. This Class A common stock offering is not contingent upon the notes offering, and the notes offering is not contingent upon this Class A common stock offering.

Investing in our Class A common stock involves risks, including those described in the Risk Factors section beginning on page S-8 of this prospectus supplement and the Risk Factors section beginning on page 7 of our Annual Report on Form 10-K for the fiscal year ended September 29, 2007, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

	Per share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters may also purchase up to an additional 3,000,000 shares of our Class A common stock at the public offering price, less the underwriting discounts and commissions, to cover over-allotments, if any, within 30 days of the date of this prospectus supplement. If the underwriters exercise this option in full, the total underwriting discounts and commissions will be $ million, and our total proceeds, before expenses, will be $ million.

The underwriters expect to deliver the Class A common stock on or about September , 2008.

Joint Book-Running Managers

J.P. Morgan **Merrill Lynch & Co.**

The date of this prospectus supplement is September , 2008.

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Prospectus supplement

Prospectus

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. Both this prospectus supplement and the accompanying prospectus include or incorporate by reference important information about us, our common stock 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 Incorporation of Certain Documents by Reference on page 2 of the accompanying prospectus before investing in our Class A common stock.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or which we or the underwriters provide to you. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with additional or different information, you should not rely on it. 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, 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.

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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 common stock. You should carefully read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors, 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 the world s largest meat protein company 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 four segments: Chicken, Beef, Pork and Prepared Foods. 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 of live cattle and hogs, raw materials and grain, 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 the number one poultry breeding stock supplier in the world, supplying Tyson as well as a number of other poultry production companies. Investing in breeding stock research and development allows us to breed into our flocks the natural 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 national and regional grocery retailers, regional grocery wholesalers, meat distributors, warehouse club stores, military commissaries, industrial food processing companies, national and regional 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.

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Competitive strengths

We believe our competitive strengths will enable us to expand our position as a global leader in the protein sector.

Scale and leading market positions across the chicken, beef and pork industries. We are the largest producer and marketer of chicken, beef and pork. By volume in the United States, as of June 28, 2008, we held the #2 position in poultry, the #2 position in beef and the #2 position in pork. Global protein demand is strong, and we believe it will continue to expand consistent with rising standards of living and a growing middle class in highly populated areas around the world. As the world s leading protein provider, we are well-positioned to serve this growing demand.

Diversified business model. Our business model is diversified across three proteins, all major distribution channels, various types of products and geographies of production and distribution. Our diversification can help reduce the impact from volatility in market fundamentals affecting specific segment performance in each protein. We also understand consumer needs and trends and are able to provide them the products they desire, from the most basic protein to fully-prepared meals, whether eaten at home or away from home.

Retail The Tyson brand is one of the most recognized brands in the United States retail channel, and our products can be found in major grocery chains, wholesale club stores, convenience stores, drugstore chains and military commissaries.

Foodservice We are a leading protein provider to major national chains, including quick service restaurants and casual, mid-scale and fine dining establishments. We also supply broadline distributors and on-site foodservice venues, including hospitals and school cafeterias.

Products We are a value-added food company with a commodity base; therefore, we manufacture products ranging from commodity boxed beef and pork and bulk-pack chicken to highly customized specialty foods. Tyson is a leading supplier of pizza crusts as well as pepperoni, sausage and beef toppings to national pizza chains and retail frozen pizza manufacturers. We are a leader in soups, sauces and side dishes for the foodservice industry, and we are one of the largest tortilla manufacturers in the United States.

In addition to the Tyson brand, we have several other strong brands for our bacon and deli meats businesses including Wright , Wilson , Russer and Corn King . We also manufacture products for our leading customers in-house, or private label, brands.

Geographical We export protein to more than 80 countries and have in-country operations in the United States, Mexico, China, Argentina, Brazil and India, among others.

Culture of product innovation. We have a long history of developing and marketing products that appeal to customers and consumers demand for delicious, healthful and convenient food. This strength derives from proprietary consumer insights complemented by our customers and our own culinary and food manufacturing expertise. Our extensive Research & Development capabilities enable us to create food products which possess the flavor profiles, nutritional characteristics and ease of preparation attributes that our customers and consumers desire.

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Senior executive officers with significant experience in the protein industry. We have one of the most experienced senior management teams in the protein industry. Our senior executive officers experience in the protein industry has spanned disparate product and market cycles and regulatory regimes.

The Tyson strategy

Our primary objectives are to capitalize on current market conditions and build on our competitive strengths to enhance our position as a global leader.

Growth through innovation and insight. Tyson led the move to add value to chicken in the 1970s and 1980s. We are building on this history through further investment in assets and activities with the goals of helping our customers grow their businesses and increasing our revenue.

In February 2007, we opened the Tyson Discovery Center, a state-of-the-art product development facility that enhances our ability to partner with our foodservice and retail customers. With 19 test kitchens, sensory panel and focus group areas, a packaging lab and a pilot plant USDA certified for chicken, beef and pork, the Discovery Center has greatly improved our speed-to-market as well as customer collaboration. Located at our world headquarters in Springdale, Arkansas, the Discovery Center is often a destination for leaders of major retail and foodservice operations, who see first hand the benefits of our facilities and the value Tyson can bring to their businesses.

International growth through exports and in-country production. Our global distribution network and international infrastructure have enabled us to develop extensive local market knowledge and have helped facilitate new strategic investments. In February 2008, we announced the formation of a joint venture with Jiangsu Jinghai Poultry Industry Group to grow and process chicken to serve eastern China. In June 2008, we announced the purchase of a 51% stake in Godrej Foods, Ltd., a leading agribusiness enterprise in India. In July 2008, we signed an agreement to acquire a controlling stake in Shandong Xinchang Group, a Chinese poultry producer. We are currently pursuing opportunities for further global expansion.

Growth in new markets through renewable products. The primary platform for our renewable products initiative is energy. Through Dynamic Fuels LLC, a 50/50 joint venture with Syntroleum Corp., we plan to turn inedible fats, greases and oils into synthetic renewable diesel. We also have an alliance with ConocoPhillips in which we supply high-grade animal fats which are converted into renewable diesel. In other platforms, we have the potential to derive value through the development and manufacturing of pet products, nutraceuticals such as collagen and protein supplements and biotech applications including health and beauty products and super absorbent materials.

Improved profitability through efficiencies. During our 2006 fiscal year, we implemented programs to improve profitability by reducing costs and streamlining processes throughout our business, with a particular focus on the beef and pork businesses. We estimate these initiatives have resulted in cost savings of more than $250 million in fiscal 2007. Based on these and other proactive steps taken by management, we believe our operating margins in our beef and pork businesses are currently among the best in the industry, and we are now working on further streamlining our chicken segment operations.

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Recent developments

We are currently negotiating an amendment to our Amended and Restated Five-Year Revolving Credit Agreement (the Credit Agreement) with JPMorgan Chase Bank, the administrative agent, and the other lenders party to the Credit Agreement. The amendment is expected to modify certain covenants of the Credit Agreement to, among other things, provide for the upcoming sale of our Canadian beef processing operations and the offerings described in this prospectus supplement. We have agreed to include as part of the Credit Agreement amendment the requirement that certain of our material subsidiaries provide guarantees and that Tyson and such subsidiaries pledge certain of their assets to secure our performance under the Credit Agreement. At present, our obligations under the Credit Agreement are guaranteed by Tyson Fresh Meats, Inc., our largest subsidiary, but are not otherwise guaranteed or secured. We expect the amendment to be finalized prior to the end of the current fiscal year.

As of September 3, 2008, Standard & Poor s Rating Services (S&P) assigned to us a corporate family rating of BBB- (and on CreditWatch with negative implications), and Moody s Investors Service (Moody s) assigned to us a corporate family rating of Ba1 (and under review for downgrade). There can be no assurance as to the actions that may be taken by S&P or Moody s (or any other ratings agency), the timing of any such actions or the ratings which are assigned to us by such agencies.

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 2210 West Oaklawn Drive, Springdale, Arkansas 72762-6999. Our telephone number is (479) 290-4000. Our website is *www.tyson.com.* Information on our website is not part of this prospectus supplement.

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The offering

Issuer	Tyson Foods, Inc., a Delaware corporation
Class A Common Stock Offered	20,000,000 shares
Common Stock to be Outstanding After this Offering (excluding treasury shares)	
Class A	304,975,852 shares
Class B	70,021,155 shares
Total	374,997,007 shares
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 (or approximately $ million if the underwriters exercise their over-allotment option in full). The underwriters have agreed to reimburse certain of our offering expenses. We intend to apply the net proceeds from this offering, together with the net proceeds from the concurrent notes offering described below, as follows: towards the repayment of our borrowings under our accounts receivable securitization; and for other general corporate purposes.
NYSE Trading Symbol	Our Class A common stock is listed on the New York Stock Exchange under the symbol TSN.
Certain U.S. Federal Income Tax Considerations	You should consult your tax advisor with respect to the U.S. federal income tax consequences of owning the Class A common stock in light of your own particular situation and with respect to any tax consequences arising under the laws of any state, local, foreign or other taxing jurisdiction. See Certain U.S. Federal Income Tax Considerations.
Risk Factors	See Risk Factors beginning on page S-8 of this prospectus supplement and other information 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 Class A common stock.

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The number of shares of our Class A common stock to be outstanding immediately after this offering is based on 284,975,852 shares (excluding treasury shares) outstanding as of August 29, 2008, and excludes:

17,861,008 shares of our Class A common stock issuable upon exercise of options and restricted stock units, outstanding as of August 29, 2008;

24,993,452 shares of our Class A common stock available for future grant under our existing equity incentive plans as of August 29, 2008; and

3,000,000 shares of our Class A common stock that may be purchased by the underwriters to cover over-allotments.

Holders of our Class B common stock are entitled to ten votes for each share held of record on all matters submitted to a vote of stockholders, including the election of directors. Each share of Class B common stock is convertible into one fully paid and nonassessable share of Class A common stock.

Concurrent notes offering

Concurrently with this offering, we are offering $450 million aggregate principal amount of % convertible senior notes due 2013 (or up to $517.5 million aggregate principal amount of notes if the underwriters therefor exercise their over-allotment option in full) pursuant to a separate prospectus supplement. This Class A common stock offering is not contingent upon the notes offering, and the notes offering is not contingent upon this Class A common stock offering. We expect to raise approximately $ million in aggregate gross proceeds from the two offerings. However, amounts sold in each offering may increase or decrease based on market conditions relating to a particular security. We can not assure you that we will complete the concurrent notes offering. See Concurrent Notes Offering.

Unless we specifically state otherwise, the information in this prospectus supplement assumes the completion of the concurrent notes offering and that the underwriters for the notes offering do not exercise their over-allotment option to purchase additional notes and that the underwriters for this offering of Class A common stock do not exercise their over-allotment option to purchase additional shares of Class A common stock.

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Summary consolidated financial information

The following summary information is derived from the financial statements we have incorporated by reference into the accompanying prospectus. You should read it together with our historical consolidated financial statements and the related notes incorporated by reference into the accompanying prospectus. See Where You Can Find More Information and Incorporation of Certain Documents by Reference in the accompanying prospectus.

in millions, except per share data	Nine months June 28, 2008	June 30, 2007	Fiscal years 2007	2006	2005
	(unaudited)				
Summary of Operations					
Sales	$19,661	$19,155	$25,729	$24,589	$24,801
Cost of sales	18,772	18,032	24,300	23,639	23,179
	889	1,123	1,429	950	1,622
Selling, general and administrative	660	610	814	930	920
Other charges	36	2	2	70	47
Operating income (loss)	193	511	613	(50)	655
Other (income) expense:					
Interest income	(7)	(6)	(8)	(30)	(10)
Interest expense	159	176	232	268	237
Other, net	(24)	(11)	(21)	(20)	(13)
Income (loss) from continuing operations before income taxes	65	352	410	(268)	441
Income tax expense (benefit)	24	117	142	(94)	127
Income (loss) from continuing operations	41	235	268	(174)	314
Income (loss) from discontinued operation, net of tax	(3)	1		(17)	58
Income (loss) before cumulative effect of change in accounting principle	38	236	268	(191)	372
Cumulative effect of change in accounting principle, net of tax				(5)	
Net income (loss)	$ 38	$ 236	$ 268	$ (196)	$ 372
Diluted earnings (loss) per share:					
Income (loss) from continuing operations	$ 0.12	$ 0.66	$ 0.75	$ (0.51)	$ 0.88
Income (loss) from discontinued operation	(0.01)			(0.05)	0.16
Cumulative effect of change in accounting principle				(0.02)	
Net earnings (loss)	$ 0.11	$ 0.66	$ 0.75	$ (0.58)	$ 1.04
Balance Sheet Data					
Total assets	$10,648	$10,316	$10,227	$11,121	$10,504
Total debt	3,078	2,977	2,779	3,979	2,995
Shareholders equity	4,775	4,683	4,731	4,440	4,671
Other Key Financial Measures					
Depreciation and amortization	$ 374	$ 386	$ 514	$ 517	$ 501
Capital expenditures	330	164	285	531	571

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Risk factors

Any investment in our Class A common stock 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 Class A common stock. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the fiscal year ended September 29, 2007, and in other documents that we subsequently file with the Securities and Exchange Commission, all of which are incorporated by reference into this prospectus supplement and the accompanying prospectus. 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 Class A common stock could decline, and you may lose all or part of your investment in our Class A common stock. 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 Forward-Looking Statements in the accompanying prospectus.

Risks related to the Class A common stock

The market price of our Class A common stock may be volatile, which could cause the value of your investment to decline.

The market price of our Class A common stock has experienced, and may continue to experience, significant volatility. Between January 1, 2007 and September 3, 2008, the trading price of our Class A common stock on the New York Stock Exchange has ranged from a low of $12.81 per share to a high of $24.32 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;
- our ability to repay our debt;
- investor perceptions of us and the industry and markets in which we operate;
- our dividend policy;
- future sales of equity or equity-related securities;
- 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

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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, and you may be unable to resell your shares of our Class A common stock at or above the offering price.

Future sales of shares of our Class A common stock may depress its market price.

Sales of substantial numbers of additional shares of Class A common stock, including shares of Class A common stock underlying the notes and shares issuable upon exercise of outstanding options, restricted stock units or warrants, as well as sales of shares that may be issued in connection with future acquisitions or for other purposes, including to finance our operations and business strategy or to adjust our ratio of debt-to-equity, or the perception that such sales could occur, may have a harmful effect on prevailing market prices for our Class A common stock and our ability to raise additional capital in the financial markets at a time and price favorable to us. The price of our Class A common stock could also be affected by possible sales of our Class A common stock by investors who view the notes being offered in the concurrent notes offering as a more attractive means of equity participation in our company and by hedging or arbitrage trading activity that we expect will develop involving our Class A common stock.

The issuance of additional stock in connection with acquisitions or otherwise will dilute all other shareholdings.

After this offering, we will have an aggregate of shares of Class A common stock authorized but unissued and not reserved for issuance under our option and compensation plans. 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 the investors who purchase our shares in this offering.

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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 (or approximately $ million if the underwriters exercise their over-allotment option in full). In addition, we estimate that the net proceeds from the concurrent notes offering, after deducting underwriting discounts and commissions and before estimated offering expenses, will be approximately $ million (or approximately $ million if the underwriters exercise their over-allotment option in full). The underwriters have agreed to reimburse certain of our offering expenses.

We intend to apply the net proceeds from this offering, together with the net proceeds from the concurrent notes offering, towards the repayment of borrowings under our accounts receivable securitization and for other general corporate purposes which may include, without limitation, acquisitions, strategic investments and initiatives to grow our business. Borrowings under the accounts receivable securitization had an effective interest rate of 3.59% as of August 29, 2008. The facility expires on August 5, 2009. An affiliate of J.P. Morgan Securities Inc. provides a portion of the commitments related to our accounts receivable securitization facility.

Our management will retain broad discretion over the use of proceeds, and we may ultimately use the proceeds for different purposes than what we currently intend. Pending any specific application, the net proceeds from the offering may be invested in short-term marketable securities.

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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 the 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. The Company has paid uninterrupted quarterly dividends on its common stock each year since 1977 and expects to continue its cash dividend policy. In both fiscal 2007 and 2006, 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.

The following table sets forth, for the periods indicated, the high and low 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
Fiscal Year 2008:				
First Quarter	$ 18.79	$ 13.50	$0.04	$0.036
Second Quarter	17.44	12.81	0.04	0.036
Third Quarter	19.50	13.10	0.04	0.036
Fourth Quarter, through September 3, 2008	18.40	14.08	(a)	(a)
Fiscal Year 2007:				
First Quarter	$ 17.09	$ 14.10	$0.04	$0.036
Second Quarter	19.56	15.67	0.04	0.036
Third Quarter	24.32	19.32	0.04	0.036
Fourth Quarter	24.04	17.79	0.04	0.036
Fiscal Year 2006:				
First Quarter	$ 19.50	$ 15.70	$0.04	$0.036
Second Quarter	17.08	12.57	0.04	0.036
Third Quarter	17.33	12.75	0.04	0.036
Fourth Quarter	16.70	13.05	0.04	0.036

(a) A $0.04 Class A dividend per share and a $0.036 Class B dividend per share are scheduled to be paid on September 15, 2008 to holders of record as of September 1, 2008.

On September 3, 2008, the closing price of our Class A common stock on the New York Stock Exchange was $15.18 per share. There were approximately 34,000 holders of record of our Class A common stock as of September 3, 2008.

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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 29, 2007, and for the nine months ended June 28, 2008. For the purposes of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes and fixed charges (excluding capitalized interest). Fixed charges consist of (i) interest on indebtedness, whether expensed or capitalized, but excluding interest to fifty-percent-or-less-owned subsidiaries, (ii) the Company s proportionate share of interest of fifty-percent-or-less-owned subsidiaries, (iii) that portion of rental expense the Company believes to be representative of interest (one-third of rental expense) and (iv) amortization of debt discount and expense.

Nine months ended	Fiscal years				
June 28, 2008	2007	2006	2005	2004	2003
1.34	2.48	(a)	2.58	2.44	2.41

(a) In fiscal 2006, our earnings were deficient to cover our fixed charges by $273 million.

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Capitalization

The following table sets forth our cash position and capitalization as of June 28, 2008:

on an actual basis;

on an as adjusted basis to give effect to (i) the issuance and sale of 20,000,000 shares of our Class A common stock in this offering at an assumed public offering price of $15.18 per share (which was the closing price on September 3, 2008), after deducting the underwriting discounts and commissions and before estimated offering expenses (assuming no exercise of the underwriters over-allotment option to purchase additional shares) and (ii) the use of the net proceeds from this offering towards the repayment of our borrowings under our accounts receivable securitization as set forth under Use of proceeds ; and

on a pro forma as adjusted basis to give further effect to (i) the issuance and sale of $450 million aggrega