



CATTLE COUNCIL OF AUSTRALIA

MEDIA RELEASE

MR 13/07

30 May 2007

Swift & Co./AMH deal creates world's largest beef processor

Brazilian based company J&F Partners, major shareholders of beef processing company, JBS, in partnership with Dallas-based private equity firm, HM Capital partners LLC, have signed a definitive agreement under which JBS will acquire Swift & Company in an all-cash transaction representing an enterprise value of approximately US\$1.4 billion. The sale includes the Australian arm of the business, Australia Meat Holdings (AMH), Australia's largest meat processing company.

Cattle Council of Australia President, Mr Bill Bray, says that the acquisition by Latin America's largest beef producer of Swift & Co. and AMH is a defining moment in the Australian beef industry.

"While we are yet to see exact details of the acquisition, we can say that this announcement is a clear vote of confidence in the Australian beef industry. AMH is Australia's largest meat processing operation and we look forward to the new owners joining our industry at such an important time of our evolution.

Furthermore, this acquisition is clearly recognition of the robust systems, dedicated customer focus and political stability that we have worked tirelessly in Australia to achieve.

Strong competition between Australian processors is critically important for the sustained and prosperous future of the Australian beef cattle industry, in particular the production sector. Cattle Council recognises that AMH has been foreign-owned for years and therefore we anticipate that the spirit in which they operate will remain unchanged," Mr Bray said.

JBS commenced operations in 1953 in the city of Anapolis. JBS is the largest beef producer in Latin America with a daily slaughtering capacity of 22,600 head and is the leading beef producer in Brazil in terms of sales volume and net sales revenue in 2006.

HM Capital Partners LLC, based in Dallas, is a private equity firm that leverages its sector expertise to acquire, change and build strategically relevant businesses.

Swift & Co., founded in 1855, has nearly US\$10 billion in annual sales, is the third-largest processor of fresh beef and pork in the US and is the largest beef processor in Australia. AMH purchases in excess of 1.4 million cattle annually for processing through their four plants in Queensland.

"The significance of this announcement cannot be underestimated," Mr Bray added. "Brazil, as the world's largest exporter of beef by volume, is both a competitor to and now partner in the Australian beef industry. A key aspect to the success of this industry has long been the collaborative nature in which we fund and manage industry affairs and programs; Cattle Council looks forward to continuing the spirit of this collaboration with the new owners of AMH," Mr Bray concluded.

Ends – For further information contact Bill Bray, President, Cattle Council of Australia on 0429 307 561 or Selena Jensen at Pegasus Communications on (03) 9329 7369.

REPRESENTING AUSTRALIAN CATTLE PRODUCERS SINCE 1979

Cattle Council of Australia Incorporated (A2929)

PO Box E10 KINGSTON ACT 2604 Ph: 02 6273 3688 Fax: 02 6273 2397

E-mail: cca@cattlecouncil.com.au Web: www.cattlecouncil.com.au

