



Campofrio-Groupe Smithfield Merger Completed

SMITHFIELD, Va., Dec 17, 2008 /PRNewswire-FirstCall via COMTEX News Network/ --

Smithfield Foods, Inc. (NYSE: SFD) announced today that the merger of Campofrio Alimentacion S.A. ("Campofrio") and Group Smithfield Holdings S.L. ("Groupe Smithfield") has been finalized. The new company will be known as Campofrio Food Group and will be listed on the Madrid and Barcelona Stock Exchanges.

The merger creates the largest pan-European company in the packaged meats sector and one of the five largest worldwide. The company is the market leader in Spain, France, Portugal and The Netherlands, and maintains an important presence in Romania, Germany, the United Kingdom, Italy and Belgium.

Smithfield Foods owns 37 percent or approximately 37.8 million shares of the new company. Previously Smithfield owned 24 percent of Campofrio and 50 percent of Groupe Smithfield. Other significant shareholders are Oaktree Capital (24 percent), Pedro and Fernando Ballve (12 percent), Diaz Family and Luis Serrano (five percent), Caja Burgos (four percent) and QMC (two percent). The remaining 16 percent will be held by the public.

"This is a major step in Smithfield's strategy to grow and improve its global packaged meats presence. The companies have complimentary manufacturing and marketing platforms, presenting the opportunity for value creation and synergies," said C. Larry Pope, Smithfield Foods president and chief executive officer. "The merger produces the leading player in the European packaged meats market, with leading brands in every market in which we operate," he said.

Mr. Pope noted that this transaction converts Smithfield's Western European ventures into a more liquid investment, with its shares in the publicly-traded company having a market value of over \$350 million, based on closing price on December 2, 2008.

With sales of \$12 billion, Smithfield Foods is the leading processor and marketer of fresh pork and packaged meats in the United States, as well as the largest producer of hogs. For more information, visit <http://www.smithfieldfoods.com>.

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