



Q4 FY05 Question & Answer
June 30, 2005

1. What were the company's earnings in fiscal 2005, excluding major items that impact comparability?

Diluted EPS of \$1.23 included net \$0.12 of expense from items that impact comparability (detailed in question 23).

2. What were some examples of major brands in the Retail Products segment posting sales growth on a comparable basis for the quarter?

ACT II

Banquet

Blue Bonnet

Chef Boyardee

Cook's

Eckrich

Healthy Choice

Hunt's

Kid Cuisine

Marie Callender's

PAM

Parkay

Reddi-wip

Snack Pack

Swiss Miss

3. What were some examples of major brands in the Retail Products segment posting sales declines on a comparable basis for the quarter?

Armour

Butterball

David's

Egg Beaters

Hebrew National

LaChoy

Manwich

Peter Pan

Slim Jim

Van Camp's

Wesson

4. What were unit volume changes for the quarter on a comparable basis in the Retail Products and Foodservice Products segments?

Retail Products volume increased 2% and Foodservice Products volume decreased 2%.

5. How much was total Depreciation and Amortization (all types) from continuing operations for the quarter?

Approximately \$90 million (versus \$90 million in Q4 2004).

\$89 million of depreciation (versus \$89 million in Q4 2004)

\$1 million of other amortization (versus \$1 million in Q4 2004)

6. How much was total Depreciation and Amortization (all types) from continuing operations for the fiscal year?

Approximately \$351 million (versus \$345 million for fiscal 2004).

\$349 million of depreciation (versus \$342 million for fiscal 2004)

\$2 million of other amortization (versus \$3 million for fiscal 2004)

7. How much were Capital Expenditures from continuing operations for the quarter?

Approximately \$102 million (versus \$109 million in Q4 2004).

8. How much were Capital Expenditures from continuing operations for the fiscal year?

Approximately \$453 million (versus \$349 million last year). The increase over last year is due principally to additional investment to update strategic information systems for the future.

9. What was the net interest expense for the quarter?

\$68 million.

10. What was the net interest expense for the fiscal year?

\$295 million.

11. What was Corporate Expense for the quarter?

Approximately \$131 million (versus approximately \$100 million in Q4 2004). The increase reflects the impact of the headcount reduction costs as well as increased self-insurance costs.

12. How much did you pay in dividends during the quarter?

\$141 million.

13. How much did you pay in dividends for the fiscal year?

\$550 million.

14. What was the weighted average number of diluted shares outstanding for the quarter?

521 million shares.

15. What was the approximate effective tax rate for the fourth quarter (rounded)?

41%, reflecting a change in estimated effective state income tax rates.

16. What were the gross margins and operating margins this quarter (\$ amounts in millions, rounded)?

Gross Margin = Gross Profit* divided by Net Sales

Gross Margin = $\$746/\$3,706 = 20.1\%$

Operating Margin = Segment Operating Profit** divided by Net Sales

Operating Margin = $\$363/\$3,706 = 9.8\%$

* Gross Profit equals Net Sales – Costs of Goods Sold ($\$3,706 - \$2,960 = \$746$)

**See fourth-quarter segment operating results for a reconciliation of Operating Profit to Income from continuing operations before income taxes, equity method investment earnings and cumulative effect of changes in accounting. Income from continuing operations before income taxes, equity method investment earnings and cumulative effect of changes in accounting divided by Net Sales = $\$165/\$3,706 = 4.4\%$.

17. What was the trade working capital position at quarter end, excluding amounts for discontinued operations?

Trade working capital is defined as the net position of Accounts Receivable plus Inventory less Current Operating Liabilities (Accounts Payable, Accrued Expenses, and Advances on Sales).

	<u>Q4 FY05</u>	<u>Q4 FY04</u>
Accounts Receivable	\$1,292	\$1,303
Inventory	\$2,615	\$2,517
Less: Accounts Payable	\$ 818	\$ 925
Less: Accrued Expenses	\$1,285	\$1,345
Less: Advances on Sales	<u>\$ 150</u>	<u>\$ 178</u>
Net Position	\$1,654	\$1,372

18. What is included in the company's net debt at the end of the quarter (in millions)?

	<u>Q4 FY05</u>	<u>Q4 FY04</u>
Total Debt*	\$4,475	\$5,694
Less: Cash On Hand	<u>\$ 208</u>	<u>\$ 609</u>
Total	\$4,267	\$5,085

* Total debt = short-term debt, long-term debt, and subordinated debt

19. What is the preliminary estimate of the effective tax rate for fiscal 2006 (rounded)?

Approximately 38%.

20. What are the projected Capital Expenditures for fiscal 2006?

Approximately \$400 million.

21. What is the expected net interest expense for fiscal 2006?

Approximately \$300 million.

22. Can the company comment on the liquidation of the Swift Foods' cattle-feeding assets?

During the quarter, the company received \$70 million related to the liquidation of the cattle-feeding assets it received in connection with financing it provided Swift Foods; the liquidation process is now complete. Those cattle-feeding assets were classified as discontinued operations.

23. As reported in this release and prior releases, what are the main items in fiscal 2005 EPS that will affect comparability with fiscal 2006 EPS?

Summary of major items in fiscal 2005 EPS that will affect comparability with fiscal 2006 EPS	<u>First Quarter</u>	<u>Second Quarter</u>	<u>Third Quarter</u>	<u>Fourth Quarter</u>
Costs to implement efficiency initiatives	-\$0.02			
Loss on discontinued operations		-\$0.01	-\$0.03	
Gain on Pilgrim's Pride stock			\$0.22	
Impairment charge related to joint venture assets			-\$0.13	
Other impairment charges & fire damage			-\$0.04	
Litigation expense, most of which is not tax deductible			-\$0.04	
Benefit from favorable Retail litigation settlement			\$0.02	
Expense due to early retirement of debt			-\$0.03	
Severance costs				-\$0.05
Impact of higher than estimated tax rate				-\$0.01

24. What are the revised historical segment results as a result of the classification change that took place this quarter?

Please see the attached tables—one shows segment information, the other shows the entire P/L information.

ConAgra Foods, Inc.
Segment Operating Results
(\$USD, in millions)

	FY 2004					FY 2005				
	Q1 FY04	Q2 FY04	Q3 FY04	Q4 FY04	Total	Q1 FY05	Q2 FY05	Q3 FY05	Q4 FY05	Total
<u>Segment Sales</u>										
Retail Products	\$1,841.0	\$2,271.6	\$2,091.3	\$2,230.2	\$8,434.1	\$2,014.2	\$2,485.4	\$2,076.8	\$2,092.7	\$8,669.1
Foodservice Products	772.4	842.7	776.6	882.4	3,274.1	792.2	832.4	783.9	818.8	3,227.3
Food Ingredients	508.1	577.0	558.0	730.5	2,373.6	576.8	691.3	607.5	794.9	2,670.5
Total	3,121.5	3,691.3	3,425.9	3,843.1	14,081.8	3,383.2	4,009.1	3,468.2	3,706.4	14,566.9
<u>Segment Operating Profit</u>										
Retail Products	208.0	361.3	329.3	319.4	1,218.0	209.8	373.0	303.1	243.4	1,129.3
Foodservice Products	74.4	86.3	70.5	93.4	324.6	66.4	92.5	62.4	55.8	277.1
Food Ingredients	27.9	54.1	54.2	60.4	196.6	60.1	79.2	59.8	64.0	263.1
Total	310.3	501.7	454.0	473.2	1,739.2	336.3	544.7	425.3	363.2	1,669.5
Reconciliation of total operating profit to income from continuing operations before income taxes, equity method investment earnings (loss) and cumulative effect of changes in accounting										
<u>Items excluded from segment operating profit:</u>										
General and corporate expense	(90.3)	(82.6)	(79.2)	(99.8)	(351.9)	(63.6)	(72.3)	(135.5)	(130.8)	(402.2)
Gain on sale of Pilgrim's Pride Corporation common stock	-	-	-	-	-	-	-	185.7	-	185.7
Interest expense, net	(65.5)	(68.2)	(61.8)	(79.4)	(274.9)	(73.4)	(85.8)	(68.1)	(67.7)	(295.0)
Income from continuing operations before income taxes, equity method investment earnings (loss) and cumulative effect of changes in accounting	\$154.5	\$350.9	\$313.0	\$294.0	\$1,112.4	\$199.3	\$386.6	\$407.4	\$164.7	\$1,158.0

Segment operating profit excludes general corporate expense, gain on sale of Pilgrim's Pride Corporation common stock, equity method investment earnings (loss) and net interest expense. Management believes such amounts are not directly associated with segment performance results for the period. Management believes the presentation of total operating profit for segments facilitates period-to-period comparison of results of segment operations.

ConAgra Foods, Inc.
Income Statement for FY05, FY04
(\$USD, in millions)

	Q1 FY04	Q2 FY04	FY 2004 Q3 FY04	Q4 FY04	Total	Q1 FY05	Q2 FY05	FY 2005 Q3 FY05	Q4 FY05	Total
Net sales	\$3,121.5	\$3,691.3	\$3,425.9	\$3,843.1	\$14,081.8	\$3,383.2	\$4,009.1	\$3,468.2	\$3,706.4	\$14,566.9
Costs and expenses										
Costs of goods sold	2,439.1	2,791.7	2,625.3	3,020.0	10,876.1	2,700.3	3,108.1	2,696.0	2,960.5	11,464.9
SG&A expenses	462.4	480.5	425.8	449.7	1,818.4	410.2	428.6	482.4	513.5	1,834.7
Interest expenses, net	65.5	68.2	61.8	79.4	274.9	73.4	85.8	68.1	67.7	295.0
Gain on sale of Pilgrim's Pride Corporation common stock	-	-	-	-	-	-	-	185.7	-	185.7
Income from continuing operations before income taxes, equity method investment earnings (loss) and cumulative effect of changes in accounting	154.5	350.9	313.0	294.0	1,112.4	199.3	386.6	407.4	164.7	1,158.0
Income tax expense	36.4	130.3	110.6	151.5	428.8	81.0	156.1	161.0	71.9	470.0
Equity method investment earnings (loss)	11.2	16.3	1.9	14.1	43.5	14.1	15.1	(64.0)	9.9	(24.9)
Income from continuing operations before cumulative effect of changes in accounting	129.3	236.9	204.3	156.6	727.1	132.4	245.6	182.4	102.7	663.1
Income (loss) from discontinued operations	40.3	31.9	12.4	12.7	97.3	2.3	(6.0)	(17.1)	(0.8)	(21.6)
Income before cumulative effect of changes in accounting	169.6	268.8	216.7	169.3	824.4	134.7	239.6	165.3	101.9	641.5
Cumulative effect of changes in accounting	(11.7)	-	(1.4)	-	(13.1)	-	-	-	-	-
Net income	\$157.9	\$268.8	\$215.3	\$169.3	\$811.3	\$134.7	\$239.6	\$165.3	\$101.9	\$641.5

Note on Forward-Looking Statements:

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current views and assumptions of future events and financial performance and are subject to uncertainty and changes in circumstances. Readers of this release should understand that these statements are not guarantees of performance or results. Many factors could affect the company's actual financial results and cause them to vary materially from the expectations contained in the forward-looking statements. These factors include, among other things, future economic circumstances, industry conditions, company performance and financial results, availability and prices of raw materials, product pricing, competitive environment and related market conditions, operating efficiencies, access to capital, actions of governments and regulatory factors affecting the company's businesses and other risks described in the company's reports filed with the Securities and Exchange Commission. The company cautions readers not to place undue reliance on any forward-looking statements included in this document, which speak only as of the date made.