Tyson Foods Rivals for Hillshire Brands with $6.2B Bid

NEW YORK (AP) — Hillshire Brands has another suitor.

Two days after poultry producer Pilgrim's Pride made a $5.58 billion bid for the maker of Ball Park hot dogs and Jimmy Dean sausages, Tyson Foods Co. barged in with a $6.2 billion offer. The latest offer sent Hillshire shares up 14 percent in premarket trading.

The offer by Tyson, one of the world's largest meat producers, is for $50 per share. That's $5 per share higher than Pilgrim's Pride offer earlier this week. Hillshire has about 124 million shares outstanding, according to SEC filings. Tyson values the deal at $6.8 billion including debt.

In the meantime, Hillshire Brands has been trying to buy Birds Eye frozen vegetables maker Pinnacle Foodsfor $4.23 billion.

But Tyson said its offer would make a more profitable company and a "clear leader" in the retail sale of prepared foods.

"We believe that there is a strong strategic, financial and operational rationale for the combination of Tyson and Hillshire," said Tyson CEO Donnie Smith.

The offer is a 35 percent premium to Hillshire's closing price May 9, the day before Hillshire announced its bid for Pinnacle.

Hillshire said earlier it strongly believes in its deal with Pinnacle Foods but was reviewing Pilgrim Pride's $5.58 billion offer.

Hillshire could not immediately be reached about the Tyson offer.

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