Darling International Inc. Announces Second Quarter Results

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Darling International Inc. today reported sales and earnings for its 2005 fiscal second quarter and six months ended July 2, 2005 as compared to the same periods of the prior year.

For the 2005 second quarter, the Company's net sales were \$81.3 million as compared to \$91.3 million for the 2004 second quarter. Decreases in raw material volumes and finished product prices accounted for the majority of the \$10.0 million net sales decrease. For the 2005 second quarter, the Company reported net income of \$2.7 million as compared to \$4.5 million for the 2004 comparable period. The decrease in net income for the 2005 second quarter resulted primarily from decreases in raw material volumes and finished product prices. The 2004 second quarter included a charge of \$1.7 million in other expenses related to the early redemption of preferred stock which was recorded in the comparable period of the prior year.

Darling International Chairman and CEO, Randall Stuewe, noted that "while 2005 second quarter earnings lagged the second quarter of 2004, net income increased \$1.8 million to \$2.7 million in the second quarter versus \$0.9 million net income in the first quarter of 2005, as pricing and product mix improvements accounted for the majority of the change. The impact of lower raw material volumes continued to be the primary reason earnings were lower in the first six months of Fiscal 2005 as compared to 2004."

For the six months ended July 2, 2005, the Company reported net sales of \$152.6 million as compared to \$168.8 million for the 2004 comparable period. For the six months ended July 2, 2005, the Company reported net income of \$3.7 million as compared to \$8.4 million for the 2004 comparable period. Decreases in raw material volumes and finished product prices accounted for the majority of the \$16.2 million and \$4.7 million net sales and net income decreases, respectively.

Darling International will host a conference call to discuss the Company's second quarter 2005 financial results at 11:00 a.m. Eastern Time (10:00 a.m. Central Time) on Friday, August 12, 2005. To listen to the conference call, participants calling from within North America may dial 800-322-0079; international participants may dial 973-409-9258. Please call approximately fifteen minutes before the start of the call to ensure that you are connected. The call will also be available as a live audio web cast that can be accessed on the company website at http://www.darlingii.com/investors/investors.html or http://www.earnings.com/. Following its completion, a replay of the call can be accessed until September 9, 2005 by dialing 877-519-4471 or 973-341-3080 outside of North America. The access code for the replay is 6349575. The conference call will also be archived on the company's website for seven days.

Darling International Inc. is the largest publicly traded, food processing by-products recycling company in the United States. The Company recycles used restaurant cooking oil and by-products from the beef, pork and poultry processing industries into useable products such as tallow, feed-grade fats and meat and bone meal. These products are primarily sold to animal feed and oleo-chemical manufacturers around the world. In addition, the Company provides grease trap collection services and sells equipment to restaurants.

For more information, please visit http://www.darlingii.com/.

{This media release contains forward-looking statements regarding the business operations of Darling and the industry in which it operates. These statements are identified by words such as "may," "will," "expect," "believe," "intend," "anticipate," "should," "estimate," continue," and other words referring to events to occur in the future. These statements reflect Darling's current view of future events and are based on its assessment of, and are subject to, a variety of risks and uncertainties beyond its control, including business and economic conditions in its existing markets, that could cause actual results to differ materially from those projected in such forward-looking statements. Other risks and uncertainties regarding Darling, its business and the industry in which it operates are referenced from time to time in the Company's filings with the Securities and Exchange Commission. Darling is under no obligation to (and expressly disclaims any such obligation to) update or alter its forward-looking statements whether as a result of new information, future events or otherwise.}

Darling International Inc.
Consolidated Operating Results
For the Periods Ended July 2, 2005 and July 3, 2004
(Dollars in thousands, except per share amounts)
(Unaudited)

Three Months Ended

Six Months Ended

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July 2, July 3, $ Change July 2, July 3, $ Change
                2004 Favorable 2005 2004 Favorable
                  (Unfavorable)
                                      (Unfavorable)
Net sales
           $81,274 $91,258 $(9,984) $152,627 $168,798 $(16,171)
Costs and
expenses:
 Cost of
 sales and
 operating
             62,701 67,152 4,451 118,810 125,246 6,436
 expenses
 Selling,
 general and
 administrative
             9,347
                     9,111
                              (236)
                                   18,047 18,098
                                                        51
 expenses
 Depreciation
 and
 amortization 3,807
                     3,970
                               163
                                     7,578 7,742
                                                      164
  Total
  costs and
  expenses 75.855 80.233
                              4,378 144,435 151,086 6,651
Operating
income
            5,419 11,025 (5,606)
                                     8,192 17,712 (9,520)
Other income
(expense):
 Interest
 expense (A) (1,589) (1,800)
                               211
                                     (3,173) (3,560)
                                                       387
 Other, net
              475 (1,730) 2,205
                                      675 (335) 1,010
  Total other
  expense (1,114) (3,530) 2,416 (2,498) (3,895) 1,397
Income from
continuing
operations
before income
taxes
           4,305 7,495 (3,190)
                                   5,694 13,817 (8,123)
Income taxes (1,563) (3,048) 1,485
                                      (2,036) (5,456) 3,420
Income from
continuing
             2,742 4,447 (1,705) 3,658 8,361 (4,703)
operations
Income from
discontinued
operations,
                    19
                          (13)
                                   12
                                         40
net of tax
                                               (28)
Net income $ 2,748 $ 4,466 $ (1,718) $ 3,670 $ 8,401 $ (4,731)
Basic and
diluted
income per
share:
 Continuing
 operations $ 0.04 $ 0.07 $ (0.03) $ 0.06 $ 0.13 $ (0.07)
 Discontinued
 operations
         $ 0.04 $ 0.07 $ (0.03) $ 0.06 $ 0.13 $ (0.07)
Total
(A) Pursuant to SFAS 150, beginning in the third quarter of fiscal 2003,
   on a prospective basis, preferred stock dividends and accretion are
   included in interest expense. Approximately $0.1 million of
   dividends and accretion are included in interest expense for the
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second quarter and \$0.4 million for the six months ended July 3, 2004.

FOR MORE INFORMATION CONTACT:

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SOURCE: Darling International Inc.

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Web site: http://www.darlingii.com/

http://www.darlingii.com/investors/investors.html

http://www.earnings.com/

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