



March 1, 2006

## **Pilgrim's Pride Corporation Withdraws Previously Announced Guidance for Second Quarter and Full 2006 Fiscal Year**

PITTSBURG, Texas, March 1 /PRNewswire-FirstCall/ -- Pilgrim's Pride Corporation (NYSE: PPC) today announced it is withdrawing its previously issued guidance for the second quarter and full 2006 fiscal year, including the previously announced earnings guidance of \$0.25 to \$0.35 per share and \$2.00 to \$2.50 per share, respectively, and that it intends to provide guidance for the year in its next quarterly conference call scheduled for May 2, 2006. Confirming statements and sentiments expressed by other U.S. poultry companies over the past several days, Pilgrim's Pride said the results for the second quarter and full year are expected to be less than previously forecasted primarily because of depressed prices for U.S. chicken leg quarters due to the continued weakness of international demand.

"The international markets and demand have not progressed as we had anticipated and our U.S. operations continue to be negatively impacted by the declines in the selling price for chicken leg quarters, which declined from an average selling price of \$0.33 per pound in the first quarter of fiscal 2006 to approximately \$0.15 per pound today for exported product. Looking forward, we believe that the international markets will resume more demand for U.S. chicken as consumers become more fully aware that eating properly handled and cooked chicken has never been a human health issue, particularly as international supplies have been negatively impacted by efforts to control the spread of avian influenza in Asia, Europe and other locations. U.S. chicken products are generally recognized as the highest quality and safest products in the world due to the stringent biosecurity standards employed by the U.S. industry and the voluntary 100% testing of flocks for avian influenza prior to processing by most in our industry," said O.B. Goolsby, Pilgrim's Pride president and chief executive officer.

"While our Mexico operations have recently returned to profitability -- through February of this quarter they have essentially broken even -- our U.S. operations during this same period have sustained a net loss of approximately \$15 million, or \$0.23 per share. Absent a change in the price realization for leg quarters, the Company sees no reason that this trend will not continue for the remainder of the second fiscal quarter. Looking past this quarter, we generally anticipate that market conditions will progress favorably as we move into summer, which is traditionally the case for our industry."

Pilgrim's Pride Corporation is the second-largest poultry producer in the United States and Mexico and the largest chicken producer in Puerto Rico. Pilgrim's Pride employs more than 40,000 people and has major operations in Texas, Alabama, Arkansas, Georgia, Kentucky, Louisiana, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, Mexico and Puerto Rico, with other facilities in Arizona, California, Florida, Iowa, Mississippi, and Utah.

Pilgrim's Pride products are sold to foodservice, retail and frozen entree customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the United States and Puerto Rico and in the Northern and Central regions of Mexico.

For more information, please visit <http://www.pilgrimspride.com>

### **Forward-Looking Statements:**

Statements contained in this press release that state the intentions, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including anticipated changes in demand and market conditions for chicken products, are forward-looking statements. It is important to note that the actual results could differ materially from those projected in such forward-looking statements. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: matters affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey; additional outbreaks of avian influenza or other diseases, either in our own flocks or elsewhere, affecting our ability to conduct our operations and/or demand for our poultry products; contamination of our products, which has recently and can in the future lead to product liability claims and product recalls; exposure to risks related to product liability, product recalls, property damage and injuries to persons, for which insurance coverage is expensive, limited and potentially inadequate; changes in laws or regulations affecting our operations or the application thereof; competitive factors and pricing pressures or the loss of one or more of our largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations;

management of our cash resources, particularly in light of our leverage, and restrictions imposed by and as a result of, our leverage; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in our Annual Report on Form 10-K and subsequent filings with the Securities and Exchange Commission. Pilgrim's Pride Corporation undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Pilgrim's Pride Corporation

### **Media Contact**

**Cameron Bruett**

Communications

Phone: +1 970.506.7801 | Email: [cameron.bruett@jbssa.com](mailto:cameron.bruett@jbssa.com)