



February 4, 2010

Pilgrim's Pride Reports Financial Results for Quarter Ended December 27, 2009

PITTSBURG, Texas, Feb 04, 2010 /PRNewswire via COMTEX/ -- Pilgrim's Pride Corporation (NYSE: PPC) today reported net income of \$33.6 million, or \$0.44 per diluted share, on net sales of \$1.6 billion for the quarter ended December 27, 2009. These results include an income tax benefit of \$102.4 million, or \$1.33 per diluted share, related to a net operating loss carryforward, and a net charge of \$32.7 million, or \$0.42 per diluted share, related to the company's reorganization. For the comparable quarter a year earlier, the company reported a net loss of \$228.8 million, or \$3.09 per diluted share, on total sales of nearly \$1.9 billion.

"Our financial results have improved dramatically over the past year as we work to create a market-driven company clearly focused on delivering the highest levels of service, selection and value to our customers as efficiently as possible," said Don Jackson, Pilgrim's Pride president and chief executive officer. "While we are pleased with the progress we have made, we recognize that there is much more work to be done in positioning Pilgrim's Pride for sustained, profitable growth. We will continue to focus on opportunities for improving our product mix, expanding our customer base and operating more efficiently."

Market pricing for chicken products during the quarter was mixed. The average market price for breast meat rose 8 percent and for wings increased by 37 percent versus the same period a year earlier. The average market price for leg quarters, however, declined 10 percent and Georgia Dock dropped about 5 percent. Pilgrim's Pride said its total U.S. feed-ingredient costs in the quarter declined approximately \$120 million, or 20 percent, when compared to the same period a year ago.

The company reported an overall operating profit of \$7.6 million for the quarter, an improvement of \$185.8 million from a year earlier. Operating income was driven by higher gross profit and a \$16 million reduction - or nearly 17 percent drop - in Selling, General and Administrative (SG&A) expenses in the company's U.S. operations as the company continued to benefit from expense reduction efforts during its reorganization.

"Today our business strategy is clear," said Dr. Jackson. "We are squarely focused on being a market-driven company that produces to the needs of our customers and the market. We have reduced our production of commodity chicken and are targeting higher-margin products. Our core retail and foodservice demand is driving supply. Our supply chain is focused on optimizing production, while our operations group is driving performance through safety, quality, productivity and cost efficiency."

On December 28, 2009, Pilgrim's Pride amended and restated its bylaws, which, among other things, changed the company's fiscal year end from the Saturday nearest September 30 of each year to the last Sunday in December of each year. This change aligns the company's reporting cycle with the fiscal calendar of JBS USA, the majority stockholder of Pilgrim's Pride. The change resulted in an approximate three-month transition period which began September 27, 2009, and ended December 27, 2009.

Conference Call Information

A conference call to discuss the company's quarterly results will be held today at 10 a.m. Central (11 a.m. Eastern). To listen live via telephone, call toll-free 877-719-9799, pass code 4464666. International callers should dial 719-325-4759. The presentation will be broadcast live over the Internet at <http://www.videonewswire.com/event.asp?id=65642>. (Please copy and paste the link into the browser.)

Additionally, the company has posted a slide presentation on its website at <http://www.pilgrimspride.com/>, which may be viewed by listeners in connection with today's conference call. The webcast will be available for replay within approximately two hours of the conclusion of the call. A telephone replay will be available today beginning at approximately 1 p.m. (Central) toll-free at 888-203-1112 pass code 4464666. International callers should dial 719-457-0820. The replay will be available for 30 days.

About Pilgrim's Pride

Pilgrim's Pride Corporation employs approximately 41,000 people and operates chicken processing plants and prepared-foods

facilities in 12 states, Puerto Rico and Mexico. The Company's primary distribution is through retailers and foodservice distributors. For more information, please visit <http://www.pilgrimspride.com/>.

Forward-Looking Statements

Statements contained in this press release that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management 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; the ability to execute the company's business plan to achieve desired cost savings and profitability; the ability of the company to achieve the anticipated synergistic gains from the sale of 64% of its common stock to JBS USA Holdings, Inc; future pricing for feed ingredients and the company's products; additional outbreaks of avian influenza or other diseases, either in Pilgrim's Pride's flocks or elsewhere, affecting its ability to conduct its operations and/or demand for its poultry products; contamination of Pilgrim's Pride's products, which has previously 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; management of cash resources, particularly in light of Pilgrim's Pride's substantial leverage; restrictions imposed by, and as a result of, Pilgrim's Pride's substantial leverage; changes in laws or regulations affecting Pilgrim's Pride's operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause the costs of doing business to increase, cause Pilgrim's Pride to change the way in which it does business, or otherwise disrupt its operations; competitive factors and pricing pressures or the loss of one or more of Pilgrim's Pride's largest customers; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; disruptions in international markets and distribution channel, including exports into Russia, the anti-dumping proceeding in Ukraine and the anti-dumping and countervailing duty proceeding in China; and the impact of uncertainties of litigation as well as other risks described under "Risk Factors" in the Company's 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.

PILGRIM'S PRIDE CORPORATION
Debtor and Debtor-in-Possession
Consolidated Statements of Operations
(Unaudited)

[In thousands, except share and per share data]

	Three Months Ended	
	December 27, ----- 2009 ----	December 27, ----- 2008 ----
	(In thousands, except per share data)	
Net sales	\$1,602,734	\$1,876,991
Costs and expenses:		
Cost of sales	1,517,273	1,960,373
Operational restructuring charges	2,877	-
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Gross profit (loss)	82,584	(83,382)
Selling, general and administrative expense	76,354	92,437
Administrative restructuring charges, net	(1,359)	2,422
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Total costs and expenses	1,595,145	2,055,232

Operating income (loss)	7,589	(178,241)
Other expenses (income):		
Interest expense	44,673	39,569
Interest income	(480)	(531)
Miscellaneous, net	(884)	(1,440)
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Total other expenses (income)	43,309	37,598
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Loss from continuing operations before reorganization items and income taxes	(35,720)	(215,839)
Reorganization items, net	32,726	13,250
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Loss from continuing operations before income taxes	(68,446)	(229,089)
Income tax expense (benefit)	(102,371)	278
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Income (loss) from continuing operations	33,925	(229,367)
Income from discontinued business, net of tax	-	574
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Net income (loss)	33,925	(228,793)
Less: Net income (loss) attributable to noncontrolling interest	312	(13)
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Net income (loss) attributable to Pilgrim's Pride Corporation	\$33,613	\$(228,780)
	=====	=====
Net income (loss) per common share-basic:		
Income (loss) from continuing operations attributable to Pilgrim's Pride Corporation common stockholders	\$0.45	\$(3.10)
Income from discontinued business attributable to Pilgrim's Pride Corporation common stockholders	-	0.01
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Net income (loss) attributable to Pilgrim's Pride Corporation common stockholders	\$0.45	\$(3.09)
	=====	=====
Net income (loss) per common share-diluted:		
Income (loss) from continuing operations attributable to Pilgrim's Pride Corporation common stockholders	\$0.44	\$(3.10)
Income from discontinued		

business attributable to Pilgrim's Pride Corporation common stockholders	- ---	0.01 ----
Net income (loss) attributable to Pilgrim's Pride Corporation common stockholders	\$0.44 ====	\$(3.09) =====
Weighted average shares outstanding:		
Basic	74,374	74,056
Diluted	77,141	74,056

PILGRIM'S PRIDE CORPORATION
Debtor and Debtor-in-Possession
Condensed Consolidated Balance Sheets
(Unaudited)
[In thousands]

	December 27, 2009	September 26, 2009
	-----	-----
ASSETS		

Cash and cash equivalents	\$236,300	\$220,029
Investments in available-for-sale securities	7,876	5,302
Other current assets	1,265,034	1,140,863
	-----	-----
Total current assets	1,509,210	1,366,194
Other assets	167,442	137,520
Investments in available-for-sale securities	58,104	57,314
Property, plant and equipment, net	1,474,707	1,499,476
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Total assets	\$3,209,463 =====	\$3,060,504 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		

Current maturities of long-term debt	\$238,072	\$ -
Other current liabilities	612,760	508,164
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Total current liabilities	850,832	508,164
Long-term debt, less current maturities	1,859,400	41,062
Deferred income taxes	66,164	22,213
Other long-term liabilities	102,051	98,783
Liabilities subject to compromise	138,208	2,233,161
Total stockholders' equity	192,808	157,121
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Total liabilities and stockholders' equity	\$3,209,463	\$3,060,504

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 PILGRIM'S PRIDE CORPORATION
 Debtors and Debtors-in-Possession
 Selected Financial Information
 (Unaudited)
 (In thousands)

Note: "EBITDA" is defined as the sum of income (loss) from continuing operations plus interest, taxes, depreciation and amortization. "Adjusted EBITDA" is defined as the sum of EBITDA plus restructuring charges and reorganization items. EBITDA is presented because it is used by us and we believe it is frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of results prepared in conformity with accounting principles generally accepted in the US ("GAAP"), to compare the performance of companies. We believe investors would be interested in our Adjusted EBITDA because this is how our management analyzes EBITDA from continuing operations. The Company also believes that Adjusted EBITDA, in combination with the Company's financial results calculated in accordance with GAAP, provides investors with additional perspective regarding the impact of certain significant items on EBITDA and facilitates a more direct comparison of its performance with its competitors. EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP. They should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with GAAP.

	Three Months Ended	

	December 27,	December 27,
	-----	-----
	2009	2008
	----	----
	(In thousands, except per share data)	
Income (loss) from continuing operations	\$33,925	\$(229,367)
Add:		
Income tax expense (benefit)	(102,371)	278
Interest expense, net	44,193	39,038
Depreciation and amortization	56,705	60,158
Minus:		
Amortization of Capitalized Financing Costs	1,437	1,544
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EBITDA	31,015	(131,437)
Add:		
Restructuring charges, net	1,518	2,422
Reorganization items, net	32,726	13,250
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Adjusted EBITDA

\$65,259
=====

\$(115,765)
=====

SOURCE Pilgrim's Pride Corporation

Media Contact

Cameron Bruett

Communications

Phone: +1 970.506.7801 | Email: cameron.bruett@jbssa.com