

The Natural Choice.



PILGRIM'S PRIDE CORPORATION 2006



FOR SIXTY YEARS, *Pilgrim's Pride* has been the natural choice for delicious, convenient and wholesome chicken products. From our humble beginnings as a family-owned feed store in East Texas in 1946 to our position today as the second-largest chicken producer in the United States and Mexico, we have built our business on a simple mission: providing the best possible service, selection and value to our customers and consumers every day. ✿ Over the years, there's been quite a bit of change in the chicken business. Consumption has doubled. Consumer tastes have shifted. Retailers and restaurants need innovative products to drive their business. A lot of chicken companies that couldn't keep pace have been acquired by other companies. ✿ Through it all, *Pilgrim's Pride* has succeeded by staying true to our roots and treating each customer like family. After all, for *Pilgrim's Pride* and our 40,000 employees, taking care of our customers just comes naturally.

Pilgrim's Pride Facility Locations

Prepared Foods Processing

Bossier City, LA
 Chattanooga, TN
 Dallas, TX
 Elberton, GA
 Farmerville, LA
 Franconia, PA
 Moorefield, WV
 Mt. Pleasant, TX
 Nacogdoches, TX
 Waco, TX

Chicken Processing/Fresh

Athens, AL
 Athens, GA
 Batesville, AR
 Broadway, VA
 Canton, GA
 Chattanooga, TN
 Clinton, AR
 Dallas, TX
 Dalton, GA
 DeQueen, AR
 El Dorado, AR
 Enterprise, AL
 Farmerville, LA
 Gainesville, GA
 Lufkin, TX
 Marshville, NC
 Mayfield, KY
 Moorefield, WV
 Mt. Pleasant, TX
 Nacogdoches, TX
 Natchitoches, LA
 Los Cues, Mexico
 San Luis Potosí, Mexico
 Tepeji del Rio, Mexico
 Aibonito, Puerto Rico

Turkey Processing/Fresh

New Oxford, PA

Feed Milling

Athens, AL
 Athens, GA
 Batesville, AR
 Canton, GA
 Chattanooga, TN
 Clinton, AR
 El Dorado, AR
 Enterprise, AL
 Farmerville, LA
 Gainesville, GA
 Harrisonburg, VA
 Hope, AR
 Marshville, NC
 Mayfield, KY
 Moorefield, WV
 Mt. Pleasant, TX
 Nacogdoches, TX
 Nashville, AR
 Natchitoches, LA
 Pittsburg, TX
 Tenaha, TX
 Colón, Mexico
 Querétaro, Mexico
 Saltillo, Mexico
 San Luis Potosí, Mexico
 Las Piedras, Puerto Rico

Hatching and/or Grow-out

Athens, AL
 Athens, GA
 Batesville, AR
 Broadway, VA
 Canton, GA
 Center, TX
 Chattanooga, TN
 Clinton, AR
 Concord, NC
 Dalton, GA
 DeQueen, AR
 El Dorado, AR
 Enterprise, AL
 Farmerville, LA

Gainesville, GA
 Harrisonburg, VA
 Hope, AR
 Mayfield, KY
 Moorefield, WV
 Nacogdoches, TX
 Nashville, AR
 Natchitoches, LA
 Pittsburg, TX
 Sulphur Springs, TX
 Querétaro, Mexico
 Saltillo, Mexico
 San Luis Potosí, Mexico
 Aibonito, Puerto Rico

Distribution Centers

Arlington, TX
 Dallas, TX
 El Paso, TX
 Houston, TX
 Jackson, MS
 Mt. Pleasant, TX
 North Wilkesboro, NC
 Oskaloosa, IA
 Phoenix, AZ
 Plant City, FL
 Salt Lake City, UT
 San Antonio, TX
 Aguascalientes, Mexico
 Cancún, Mexico
 Ciudad Victoria, Mexico
 Coatzacoalcos, Mexico
 Guadalajara, Mexico
 Los Cues, Mexico
 Monterrey, Mexico
 Morelia, Mexico
 Puerto Vallarta, Mexico
 Reynosa, Mexico
 San Andrés Tuxtla, Mexico
 San Luis Potosí, Mexico
 Tampico, Mexico

Administration & Sales

Pittsburg, TX
 Broadway, VA
 Dallas, TX
 Duluth, GA
 Rockwall, TX
 Mexico City, Mexico
 Querétaro, Mexico
 Aibonito, Puerto Rico



- ★ Prepared Foods Processing
- Chicken Processing – Fresh
- Turkey Processing – Fresh
- Feed Milling
- + Hatching and/or Grow-out
- ▲ Distribution Centers
- ◆ Administration and Sales

● ◆ Aibonito
 ■ Las Piedras

Dear Friends, Associates and Fellow Stakeholders:

Fiscal 2006 proved to be a challenging year in our industry and for Pilgrim's Pride, it was no different.

Our industry experienced significantly reduced export demand for much of the year, leading to higher inventory levels and contributing to lower overall market pricing for chicken. At the same time, industry production levels in the U.S. continued to increase, creating an oversupply situation and further weakening prices through the first half of the year.

Pilgrim's Pride responded to these challenges by taking swift, decisive action to improve our competitive position and strike a better balance between supply and demand. In May, we announced plans to scale back production by 3%, lower our capital investment for the

remainder of the fiscal year, and sharpen our focus on reducing costs and operating more efficiently.

Our entire organization worked together to tackle these issues. From our hatcheries and grow-out operations to our processing plants, logistics and procurement functions, we challenged our 40,000 employee "Partners" to find ways to lower our costs, share ideas for improving our work processes, and remove any barriers to serving our customers. We're proud of the way our employees responded.

As a result of these efforts in the second half of the year, our Company reported a modest profit in the fourth fiscal quarter after adjusting for non-recurring U.S. and foreign tax expenses. For the full 2006 fiscal year, the Company reported

a net loss of \$34.2 million, or \$0.51 per share, on total sales of \$5.236 billion. After adjusting for U.S. and foreign tax expenses of \$25.8 million, or \$0.39 per share, related to the repatriation of \$155 million of foreign earnings pursuant to the American Jobs Creation Act of 2004, Pilgrim's Pride reported an adjusted net loss of \$8.4 million, or \$0.12 per share.



Lonnie "Bo" Pilgrim
Chairman

While we were not pleased with our Company's overall financial performance in 2006, there were several notable achievements:

- We gained new business in a number of consumer accounts, including several large grocery chains. Our sales and volumes in the consumer deli and value-added categories continued to grow.
- Our Foodservice business grew at a significantly faster rate than the industry in 2006. We have become



O.B. Goolsby Jr.
President and Chief Executive Officer

a serious player in this segment as a result of good growth in our Top 10 accounts and progress in school foodservice accounts, health care, military and other markets. As part of our plan to expand our presence in these channels, we have realigned our sales teams to be closer to our customers.

→ We were the first in our industry to launch a 100% natural enhanced case-ready fresh chicken product. As first-to-market, our brand offers a unique selling proposition in the high-volume, case-ready category.

→ We're also an industry leader in the fight against obesity, as evidenced by the unprecedented launch of our EatWellStayHealthy Kids™ Breaded Chicken Breast Nuggets and Breaded Popcorn Chicken. These products, which also were first to market, have less than half the calories, half the carbohydrates and 80% less fat per serving than the leading national brand.

→ Our fully-cooked line ranked as the fastest-growing brand in the retail freezer case in 2006.

Our Company has made some hard decisions over the past 12 months, but these actions were absolutely necessary for the long-term health of our business. In a challenging operating environment like this, it's more important than ever to operate as efficiently as possible.

At Pilgrim's Pride, we are constantly searching for ways to operate more efficiently. We've had a company-wide focus on process improvement teams since 1992. Our cross-organizational teams are on a relentless hunt for ways to take costs out of our business. Every process, every expenditure, is scrutinized. For example, we invested in labor-saving equipment at one location that significantly reduced our processing costs. In another example, we added feed-

ingredient storage in strategic locations where we can purchase local grain at lower prices and reduce our freight costs. These are just a few of the dozens of ways we are taking costs out of our business.

Although we have made good progress toward operating more efficiently, we recognize there is a lot of work ahead of us. Higher feed and energy costs, along with continued uncertainty in export markets, could make fiscal 2007 another challenging year for our Company and industry.

In fact, as a result of soaring corn costs and record-low prices for breast meat, Pilgrim's Pride in late October announced further plans to reduce weekly chicken processing, this time by 5% year-over-year, beginning January 1, 2007. We intend to keep this reduction, which amounts to approximately 1.3 million head per week, in effect until average

industry margins return to more normalized levels.

We believe that the cutbacks initiated in 2006 will help us strike a better balance between production and demand while strengthening our competitive position. Reducing overall supply to better match demand is an important component in helping return the industry to profitability.

Now more than ever, it is important for us to execute on our strategic plan and seize opportunities to build our business, whether by adjusting our product mix, strengthening our brand identity with consumers, or shortening the time it takes to bring new products to market.

Long-term consumption trends continue to work in our favor. More people than ever are recognizing chicken as a healthy, convenient and affordable source of protein. There's a growing trend for bolder, more exotic flavors and spices. New market channels offer

expansion possibilities. Our customers recognize Pilgrim's Pride as a consistent, quality supplier that responds quickly to their needs. They know we have the size and scale to deliver for them every time.

Industry consolidation may offer the most significant – and immediate – opportunity. On December 4, 2006, we announced entering into a definitive merger agreement under which Pilgrim's Pride would acquire all of the outstanding shares of Gold Kist common stock for \$21.00 per share in cash. The transaction has a total equity value of approximately \$1.1 billion, plus the assumption of approximately \$144 million of Gold Kist's debt.

We believe the combination of Pilgrim's Pride and Gold Kist, which if successful would create the world's leading chicken producer, would result in substantial value creation for our respective shareholders, employees, customers, and business employees. Together our companies

would offer a balanced portfolio of fresh chicken and value-added products and expand our geographic reach and customer base, enabling us to compete more efficiently and provide even better service to our customers.

Pilgrim's Pride has a proven track record of successfully acquiring and integrating chicken companies of all sizes, and we are truly excited about the current possibilities that would be created with our acquisition of Gold Kist.

On a significant personal note, we celebrated our 60th anniversary as a company on October 2, 2006. Looking back, it's truly amazing to see just how far we've come from that first feed and seed store in East Texas to our place today as America's second-largest chicken company.

Working together, we've achieved a lot of great things. We have a strong and growing customer base, a tremendous

network of over 5,000 contract growers, and modern facilities that enable us to produce over 6 billion pounds of poultry products each year to feed the world. Our 40,000 employees are the best in the business and our most important asset.

A lot has changed in our industry over the years. At one time there were more than 1,000 chicken companies in the U.S. Today, there are just a handful of major producers and a few dozen smaller players. The survivors will continue to be those that are able to respond quickly and decisively to the ever-changing tastes of customers of all sizes and consumers, while having the scale and financial resources necessary to invest in new technology, enhanced food-safety systems and other processes.

Over the past 12 months, we have been reminded just how quickly our business can change. While our operating environment remains challenging,

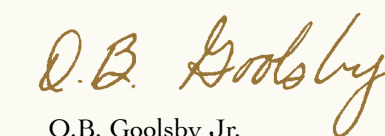
we firmly believe that continued demand for high-quality, convenient and low-fat chicken will position our Company for profitable long-term growth. We have the right strategy and team in place to emerge as an even stronger, more formidable competitor.

With your continued support and commitment, we are looking forward to our future together as we work toward achieving our vision of being a "world-class food company...better than the best" and in fulfilling our mission of providing "outstanding customer satisfaction...every day!"

Sincerely,



Lonnie "Bo" Pilgrim
Chairman



O.B. Goolsby Jr.
President and
Chief Executive Officer



Rotisserie Chicken

PINEAPPLE-APRICOT CHICKEN
WITH PIGNOLI NUTS



SESAME CHICKEN FINGERS WITH
TERIYAKI DIPPING SAUCE



7 |

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riven by chicken,
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today can select
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their local grocery
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atched versatility,
g to please almost

any palate – nuggets, rotisserie,
hot wings, strips, tenders, diced
chicken for salads, breast meat
for sandwiches, wraps, breakfast
biscuits and even breakfast burri-
tos. Bold new flavors are also
attracting new fans.

➤ Health benefits — Consumers
know that a diet rich in protein
and low in fat, sodium, cholesterol
and carbohydrates is an important
part of a healthy lifestyle. At a
time when more than 13% of U.S.
children are overweight, and one
in five children is predicted to
become obese by the end of the

*More people than ever
are recognizing chicken
as a healthy, convenient
and affordable source
of protein.*



**PINEAPPLE-APRICOT CHICKEN
WITH PIGNOLI NUTS**

Serves 4

- 4 Pilgrim's Pride boneless, skinless chicken breasts
- 1 cup pineapple-apricot preserves
- 2 tbsp soy sauce
- 1 cinnamon stick, crushed
- 1 tsp whole allspice, crushed
- 1/2 whole nutmeg, grated
- 1 tbsp freshly ground ginger
- 1/2 tsp salt
- 1/2 tsp black pepper freshly ground
- 3/4 cup pignoli or pine nuts, toasted

1. Place cinnamon, allspice and nutmeg in a small skillet over low heat for 5 minutes or until spices have released their fragrance. Remove and grind to a powder in a coffee or spice grinder. Rub spice mixture over the chicken. Put preserves, soy sauce, salt and pepper in a small saucepan and heat until preserves are melted. Reserve 1/2 cup and pour the remaining glaze over the chicken and marinate in the refrigerator for 1 hour.
2. Prepare grill and place chicken on the direct heat over medium hot coals smooth side first. Grill for 5 minutes, turn over and grill for an additional 5 minutes or until done. Serve with the reserved sauce and nuts.

© 2006 Eva Greer

**SESAME CHICKEN FINGERS WITH
TERIYAKI DIPPING SAUCE**

Serves 4

- 1 1/2 lbs. Pilgrim's Pride boneless, skinless chicken breasts
- 1 cup flour
- 1/2 tsp salt
- 2 large eggs
- 2 tbsp water
- 1 cup fine crumbs made from plain rice crackers or panko crumbs
- 1/2 cup sesame seeds
- 3 tbsp vegetable oil

Teriyaki Sauce:

- 1/4 cup rice wine vinegar
- 1/4 cup black bean sauce (with chili optional)
- 1/4 cup scallion, minced
- 2 cloves garlic, minced
- 4 tsp brown sugar

1. Preheat oven to 500 degrees F.
2. Trim chicken breasts, cutting them into 1-inch by 3-inch strips. In a shallow dish, whisk together flour and salt. In another shallow dish, whisk together eggs and water. In third shallow dish, mix together crumbs and sesame seeds.
3. Dredge chicken strips in flour, coating all sides. Dip chicken in egg; then roll chicken strips in crumb mixture to coat well.
4. In large, non-stick skillet over medium-high heat, warm half the oil. Add half the chicken and sauté until golden brown on all sides, about 5 minutes. Transfer chicken to baking sheet. Heat remaining oil in skillet and sauté remaining chicken strips, transferring to a baking sheet when done. Bake chicken until firm and crispy, about 8 minutes. Arrange on platter and serve with dipping sauces.
5. Mix together all ingredients for the sauce in a small bowl. Cover and set aside until ready to serve with chicken.

**NATURAL GROWTH
OPPORTUNITIES**

American consumers today are eating more chicken than ever. Over the past 25 years consumption has doubled and now stands at an estimated 87 pounds per person annually, well ahead of beef.

Evidence of that explosive growth is everywhere. Chicken wings now rank as the most popular foodservice appetizer, hitting an incredible 1 billion orders sold this year. Rotisserie chicken is one of the fastest-growing items in supermarket delis, increasing

at double-digit rates in some markets. Chicken is now served more than beef at quick-service restaurants and sales at traditional "hamburger joints" are largely driven by chicken, rather than beef.

There are a number of factors driving consumption growth:

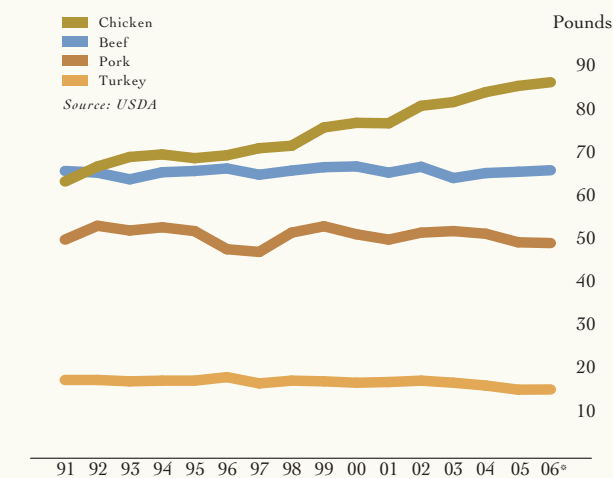
- Variety – People today can select from an incredible menu of chicken items, whether at their local grocery store, quick-service restaurant, or fine-dining establishment. Thanks to chicken's unmatched versatility, there is something to please almost

any palate – nuggets, rotisserie, hot wings, strips, tenders, diced chicken for salads, breast meat for sandwiches, wraps, breakfast biscuits and even breakfast burritos. Bold new flavors are also attracting new fans.

- Health benefits — Consumers know that a diet rich in protein and low in fat, sodium, cholesterol and carbohydrates is an important part of a healthy lifestyle. At a time when more than 13% of U.S. children are overweight, and one in five children is predicted to become obese by the end of the

U.S. Per Capita Consumption of Meat

© 2006 Numbers Projected



More people than ever are recognizing chicken as a healthy, convenient and affordable source of protein.

decade, healthy eating options have never been more important to American families.

→ Convenience – Products that can be eaten on the run, or prepared quickly and easily at home, are in high demand.

→ Value – Pound for pound, chicken is one of the most delicious, affordable sources of meat protein anywhere.

INDUSTRY INNOVATOR

Over the years, Pilgrim's Pride has established a reputation for staying

a step ahead of consumer trends. Our Wing-Dings brand breaded wings have been America's favorite since 1964. We were one of the first in the chicken industry to produce individually quick-frozen cooked and fresh chicken products. In 1984, our Company developed the world's first boneless whole chicken. In 1997, we introduced EggsPlus™, a healthier alternative to the ordinary egg that contains extra Vitamin E, Lutein and Omega-3 essential fatty acids to fight heart disease.

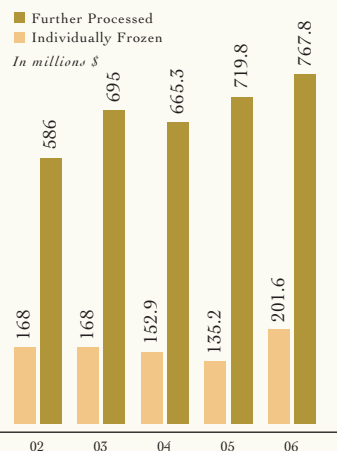
At Pilgrim's Pride, we understand that delivering innovative ideas to our customers is the key to growth.

We are better positioned than any other chicken company to consistently deliver the fresh ideas that our customers need. Our research and development team is staffed with certified food scientists, professional chefs, culinary-school graduates and other trained experts who bring new products, flavors and tastes to life for our customers every day.

Last year, we introduced more than 450 new items designed to help our customers cater to ever-changing consumer tastes. These included everything from chicken in a honey-jalapeno marinade for grocery deli counters, to a boneless breaded wing

Prepared Foods Product Mix

The Shift to Value-Added



At Pilgrim's Pride, we understand that delivering innovative ideas to our customers is the key to growth.



Jamaican
Wing Sations®

Our EatWellStayHealthy™ brand is ideally suited to meet consumers' desire for healthier eating.

for a national pizza chain, to a spicy marinated breast fillet for a well-known quick-service restaurant operator.

Our EatWellStayHealthy™ brand is ideally suited to meet consumers' desire for healthier eating. All of these products carry the American Heart Association's (AHA) "heart check-mark" seal of approval, meaning they meet the AHA's strict guidelines for limits for saturated fat, sodium and cholesterol.

In 2006, we took two kid favorites — popcorn chicken and nuggets — and

reformulated them for healthier eating.

Our new EatWellStayHealthy Kids™ Breaded Chicken Breast Nuggets and Breaded Popcorn

Chicken were introduced to stores this fall. All products in the line are made from whole-muscle chicken breast and contain zero trans fats. These products have less than half the calories, half the carbohydrates and 80% less fat per serving than the leading national brand. Both items are approved for Child Nutrition

Labeling, a voluntary federal labeling program for the USDA's Child Nutrition Programs.



With 80% less fat per serving and less than half the calories of the leading national brand, our EatWellStayHealthy Kids baked nuggets make parents and kids happy.

"It's encouraging to see a heart-healthy product in the marketplace that appeals directly to children," said Dr. Kenneth Cooper of The Cooper Institute in Dallas, a nationally recognized leader in physical fitness and disease prevention. "Childhood obesity is a serious health issue with many long-term implications. It's

EatWellStayHealthy Kids™
Asian Popcorn Chicken

Consumers can quickly see that Pilgrim's Pride is the perfect choice for a healthy diet.



We were the first in our industry to launch a 100% natural enhanced case-ready fresh chicken product.

more important than ever for parents to be able to choose healthy foods that are low in fat, calories and carbohydrates for their children."

Another way we are responding to consumers' demand for healthier options is through our case-ready

fresh chicken. This product has a new look, with labels emphasizing that the products are "100% natural." The packaging is designed to appeal to consumers who want poultry products free from additives and chemicals. And since all Pilgrim's Pride and EatWellStayHealthy products are totally free of trans fat, consumers can quickly see that Pilgrim's Pride is the perfect choice for a healthy diet.

Innovations such as these have earned Pilgrim's Pride numerous awards for quality and service from our customers, including Wal-Mart

Stores, Inc., SYSCO, Brinker International Inc., and US Foodservice. And in a poll of retail executives by the trade publication Refrigerated & Frozen Foods, Pilgrim's Pride was recognized as the top supplier in the category.

We've also earned accolades from the national business press. Pilgrim's Pride has been named in the ranking of "Most Admired Companies in America" by Fortune for four consecutive years, and listed among the "Best Managed Companies in America" by Forbes for five of the past seven years.



Moroccan Chicken
and Couscous



Breaded Breast
of Chicken Sandwich

INVESTING
IN OUR FUTURE

While we're proud of these achievements, we know that our focus must be on the road ahead. We will continue to hunt for ways to deliver better products, service and quality to each and every customer.

One way we're doing that is by constantly investing in new technology, equipment and facilities that allow us to operate more efficiently and respond quicker to our customers' needs. Over the past five years, we have spent approximately \$475

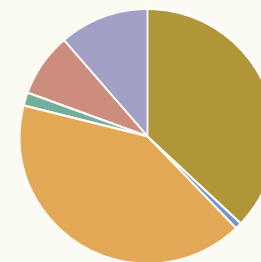
million to ensure we can continue to deliver the products and service that our customers expect.

For example, we recently expanded our processing facility in Mayfield, Kentucky, to accommodate the growing needs of our fresh foodservice customers and our prepared-foods plants in Tennessee and West Virginia. Mayfield supplies the latter with boneless breast and wings for further-processing.

Pilgrim's Pride is one of only two U.S. chicken producers that can supply the growing demand for a

broad array of chicken products under well-known brand names on a nationwide basis. We believe we have significant competitive strengths in terms of full-line product capabilities, high-volume production capacities, research and development expertise and extensive distribution.

The Company currently owns and operates 26 chicken processing facilities in the United States, Mexico and Puerto Rico; 10 prepared-foods plants; and one turkey processing facility. Twenty-five feed mills and 33 hatcheries support these plants. We also have 13 distribution centers in



Sales By Product Line 2006

- 37.1% U.S. Prepared Foods - Chicken
- 0.7% U.S. Prepared Foods - Turkey
- 41.2% U.S. Fresh Chicken
- 1.8% U.S. Fresh Turkey
- 8.0% Mexico Chicken
- 11.2% Non-poultry Sales

We will continue to hunt for ways to deliver better products, service and quality to each and every customer.

the U.S. and, in Mexico, we are strategically located to serve 75% of all Mexican consumers through our 18 distribution centers in that country.

From this base we also export commodity chicken products to more than 70 countries, including Russia, China, Japan and Kazakhstan. Today, exports account for approximately 7.9% of our total U.S. chicken sales. And we believe that U.S. chicken exports will continue to grow as worldwide demand increases for high-grade, low-cost protein. We also believe that worldwide demand for higher-margin prepared foods products will increase over the next several years and that

Pilgrim's Pride is well-positioned to capitalize on such growth.

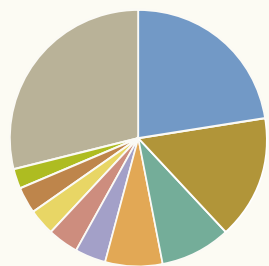
SHARPENED FOCUS ON QUALITY AND SAFETY

The quality of our products and the safety of the people who produce and consume them has always been a priority for Pilgrim's Pride. We have long been an industry leader in product quality and safety because we work closely with our customers to help them achieve their goals.

Over the past few years, we have strengthened our product and market

testing programs to ensure that even as we develop and produce a growing number of products, each one maintains the highest level of quality that our customers expect and that we have consistently delivered in the past.

Training, education and audits are some of the tools we use to ensure compliance with safe food-handling and preparation standards. In fact, Pilgrim's Pride is the only chicken producer to have earned a perfect 100% score from the U.S. military during quality-assurance audits in 2006. Our Company has well-established practices in place to ensure



U.S. Chicken Market Share

22.58% Tyson Foods	3.87% Wayne Farms
15.75% Pilgrim's Pride	3.41% Mountaire Farms
8.72% Gold Kist	3.29% Foster Farms
7.13% Perdue Farms	2.45% Peco
3.92% Sanderson Farms	28.88% All Others

Our customers recognize Pilgrim's Pride as a consistent, quality supplier that responds quickly to their needs.



Fajita Chicken Pizza



CHICKEN CORDON ROUGE



GRILLED KEY LIME CHICKEN BREASTS



91

rank as the most appetizer, hitting an all-time high of 1.5 billion units sold this year.



below the industry standard. It is a result of the safety practices we've put in place over the past several years.

Our Wing-Dings brand breaded wings have been America's favorite since 1964.

Our company is committed to the highest quality work practices. We are continuously developing a total quality management system. Our goals are:

- Measuring results and outcomes; and
- Recognizing and rewarding success.

empowering our employees to understand safety and take steps to improve. We are implementing

Today, we measure and monitor safety with the same regularity as sales and profits. Our goal is clear and simple: zero accidents. Based on our progress over the past few years, we believe



CHICKEN CORDON ROUGE

Serves 4

- 4 boneless, skinless chicken breast halves, about 1 1/2 pounds
- 3 oz. goat cheese
- 1/2 cup Parmesan cheese, grated
- 1 tbsp roasted red pepper, chopped or pimento
- 1/4 teaspoon dried oregano
- 1/4 cup flour
- 1 large egg
- 1 tbsp water
- 1/5 cup dry Italian-style bread crumbs
- 1 tbsp vegetable oil
- 1 tbsp fresh parsley, chopped
- 1/8 tsp salt
- 1/8 tsp freshly ground pepper

1. Lay chicken breasts between sheets of plastic wrap and pound to 1/4-inch thickness. Sprinkle with salt and pepper.
2. In medium bowl, blend together goat cheese, Parmesan cheese, roasted red pepper and oregano. Use hands to divide and form the cheese mixture into 4 rolls. Set a roll on top of each chicken breast. Roll up chicken, folding in sides, and secure with toothpicks.
3. In shallow bowl, beat together egg and water. Place flour in shallow pan. In another shallow bowl, combine bread crumbs and parsley. Dredge chicken roll in flour, patting off any excess. Dip chicken roll in egg, turning to coat all sides; then roll chicken in bread crumbs. Wrap and refrigerate for at least one hour.
4. Preheat oven to 375 degrees F.
5. In large, non-stick skillet over medium-high heat, warm oil, sauté chicken rolls, turning to brown all sides, about 5 minutes. Transfer to a baking dish and bake for 20 minutes, or until firm and cooked throughout. Remove toothpicks before serving.

GRILLED KEY LIME CHICKEN BREASTS

Serves 4

- 4 boneless, skinless chicken breast halves, about 1 1/2 pounds
- 1 tbsp olive oil
- 1 large clove garlic, pressed
- 1/2 cup Key Lime juice
- 1 tbsp fresh-chopped basil
- Salt and pepper

1. Season breasts with salt and pepper.
2. Marinate in lime juice, oil, garlic and basil. Marinate in a re-sealable storage bag at least 4 to 6 hours or overnight.
3. Grill over moderate heat 6 to 7 minutes, turn and cook an additional 6 to 7 minutes until done.

Chicken wings now rank as the most popular foodservice appetizer, hitting an incredible 1 billion orders sold this year.



Our Wing-Dings brand breaded wings have been America's favorite since 1964.

our poultry products are processed and handled safely.

Our Quality Assurance team will continue to help our operations develop and maintain programs to address emerging food safety regulations. Our philosophy will always be to meet or exceed the requirements of any regulations and remain a leader in the industry.

Thanks to a company-wide focus on safety and health, our workplace is safer than ever and our employees are more productive. Our workplace

injury rate is well below the industry average as a result of the safety initiatives we have put in place over the past several years.

Everyone in our company is accountable for safe work practices. Our approach to developing a total safety culture includes:

- Educating and empowering our employees to understand safe work practices and take steps to remove hazards;
- Evaluating and implementing best practices;

- Measuring results and outcomes; and
- Recognizing and rewarding success.

Today, we measure and monitor safety with the same regularity as sales and profits. Our goal is clear and simple: zero accidents. Based on our progress over the past few years, we believe

that goal is the appropriate standard. In 2006, we had a number of facilities celebrate 1 million and 2 million work hours without a single lost-time injury. In fact, some of our smaller locations have logged 10 or 15 years without having a lost-time injury.

TAKING CARE OF OUR EMPLOYEES

At Pilgrim's Pride, we truly believe that our 40,000 employees are both the reason for our success and our greatest asset. We know that in order

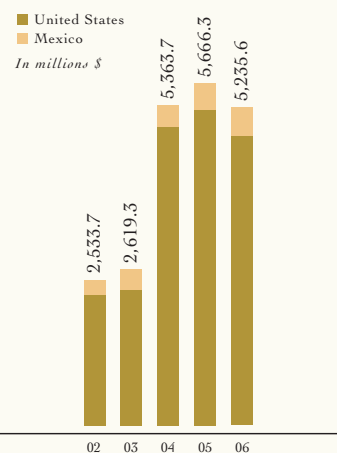
to take good care of our customers, we must first take good care of our employees. That's why we work hard to be an employer of choice by offering comprehensive benefits ranging from tuition reimbursement and a generous 401-K plan to a wide variety of employee recognition awards and personal-health initiatives.

For example, we recently introduced in selected locations a bilingual corporate wellness program aimed at helping our employees lead healthier, happier lives. This pilot program, called "Partners in

Health" ("Compañeros En Salud"), encourages employees to complete a Personal Health Analysis (PHA) and biometric screenings. Customized classes and educational material are created for each employee and delivered by an on-site health coach (or "promotora") who understands the culture and needs of the employees at that location.

Another example is our long-standing "Pilgrim's Cares" program, which provides personal counseling services on a confidential basis. Since 1990, this service has been provided by

Net Sales



Our 40,000 employees are both the reason for our success and our greatest asset.



Grilled Chicken Garden Salad



Marketplace Chaplains USA, a Dallas-based organization. Whether providing a shoulder to lean on, a patient ear for listening, or a few gentle words of advice and compassion, these chaplains and counselors help thousands of our employees work through the everyday issues of life.

GIVING BACK TO OUR LOCAL COMMUNITIES

Pilgrim's Pride has always recognized the importance of giving back to the local communities where our employees

live and work. That's why you'll find thousands of our employees generously donating their time and money each year to a wide range of causes and events, whether it's building houses for Habitat for Humanity, walking in a fundraiser for cancer research, or volunteering to coach a youth sports team. Over the past 18 months, our Company has donated approximately \$6 million to local non-profits, youth groups and others.

Hunger relief is an increasing focus for our Company. Over the past year, we have donated more than a half-

million pounds of poultry products to America's Second Harvest and other food banks around the country, including the East Texas Food Bank. In addition, we have teamed up with local non-profits such as Hope for Housing and the Kids' Café, which provides free nutritious meals and snacks to low-income children in East Texas. We plan to look for additional opportunities to lead the fight against hunger in our local communities.

Pilgrim's Pride employees generously contribute their time and money to hundreds of worthy causes each year.





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from left to right

- CHARLES L. BLACK** *Retired Banker, Mt. Pleasant, Texas*
- LONNIE KEN PILGRIM** *Executive Vice President, Assistant to Chairman*
- VANCE C. MILLER, SR.** *Chairman of Vance C. Miller Interests, Chairman and Chief Executive Officer of Henry S. Miller Cos., Dallas, Texas*
- BLAKE D. LOVETTE** *Retired Poultry Executive, North Wilkesboro, North Carolina*
- O.B. GOOLSBY, JR.** *President and Chief Executive Officer*
- S. KEY COKER** *Executive Vice President, Compass Bank, Dallas, Texas*
- LONNIE "BO" PILGRIM** *Chairman*
- CLIFFORD E. BUTLER** *Vice Chairman*
- RICHARD A. COGDILL** *Chief Financial Officer, Secretary and Treasurer*
- KEITH W. HUGHES** *Consultant and Former CEO of Associates First Capital, Dallas, Texas*
- DONALD L. WASS, PH.D.** *President, The William Oncken Company of Texas, Dallas, Texas*
- LINDA CHAVEZ** *President, Center for Equal Opportunity, Sterling, Virginia*
- JAMES G. VETTER, JR.** *Attorney, Godwin Gruber LLP, Dallas, Texas*

Corporate Information

Board of Directors

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Vice Chairman

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S. KEY COKER
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Chairman of Vance C. Miller Interests, Chairman and Chief Executive Officer of Henry S. Miller Cos. Dallas, Texas

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Attorney Godwin Gruber LLP Dallas, Texas

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President, The William Oncken Company of Texas Dallas, Texas

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Vice Chairman

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President and Chief Executive Officer

RICHARD A. COGDILL
Chief Financial Officer Secretary and Treasurer

J. CLINTON RIVERS
Chief Operating Officer

Executive Vice Presidents

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Executive Vice President Human Resources

ROBERT L. HENDRIX
Executive Vice President Case Ready and Supply Operations

JOSEPH MORAN
Executive Vice President Fresh Foodservice

LONNIE KEN PILGRIM
Executive Vice President Assistant to Chairman

WALTER F. SHAFER, III
Executive Vice President Prepared Foods

ROBERT A. WRIGHT
Executive Vice President Sales and Marketing

International Operations

ALEJANDRO M. MANN
President Mexico Operations

HECTOR L. MATTEI-CALVO
President Puerto Rico Operations

Senior Vice Presidents

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Senior Vice President Supply Plants Regional Operations

DAVID W. HAND
Senior Vice President International and Fresh Sales

WILLIAM V. KANTOLA
Senior Vice President Foodservice Sales

MICHAEL D. MARTIN
Senior Vice President Case Ready Regional Operations

JOSEPH R. MENEFFEE
Senior Vice President Prepared Foods Regional Operations

RANDALL J. MEYERS
Senior Vice President Consumer Division

RONALD E. MORRIS
Senior Vice President Prepared Foods Regional Operations

ROBERT N. PALM
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Senior Vice President National Accounts

MICHAEL A. PRUITT
Senior Vice President Live Production Technical Services

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Senior Vice President Procurement

GARY L. TREAT
Senior Vice President Food Safety and Quality Assurance

GARY D. TUCKER
Senior Vice President Corporate Controller

JAMES W. TUNNELL, JR.
Senior Vice President Information Technology and Chief Information Officer

¹ Member of Compensation Committee
² Member of Audit Committee
⁵ Member of Compensation Subcommittee



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