



July 31, 2013

## **Pilgrim's Pride Reports an Increase in Year Over Year Net Income of 175% for the Second Quarter**

GREELEY, Colo., July 31, 2013 (GLOBE NEWSWIRE) -- Pilgrim's Pride Corporation (Nasdaq:PPC) reports second quarter 2013 financial results with net sales of \$2.2 billion, compared to \$2.0 billion reported in the second quarter of 2012. Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") of \$264.6 million compared to the \$125.1 million generated in the prior year. Net income of \$190.7 million reflected an improvement of 175% compared to the \$69.4 million reported in the same period in 2012, with earnings per share reaching \$0.74 compared to \$0.27 in the second quarter of 2012.

"Our second quarter results continue to validate our strategy. Our focus on our key customers and ability to adapt to changing market conditions has helped us gain significant business in strategic channels to improve our sales mix, enabling us to take advantage of strong industry fundamentals. We continue to reap the benefits of operational excellence in areas of yield improvements and plant cost and efficiency gains, all of which contributed to our positive results, while our export and Mexico business continue to operate more favorably," stated Bill Lovette, Pilgrim's Chief Executive Officer.

"We're also pleased to announce that we have substantially completed an amendment to our U.S. Credit Facility. With this amendment we will refinance the Revolver and the Term Loan B-1 through 2018 with reduced interest costs and more favorable covenants. We view this amendment as further confirmation of the progress we have made in optimizing our capital structure, supported by strong operations and our effective management of working capital, which enabled us to reduce our net debt to \$834 million at quarter end, a leverage of 1.5 times our EBITDA of the last twelve months."

### **Conference Call Information**

A conference call to discuss Pilgrim's quarterly results will be held tomorrow, August 1 at 7:00 a.m. Mountain (9 a.m. Eastern). Participants are encouraged to pre-register for the conference call using the link below. Callers who pre-register will be given a unique PIN to gain immediate access to the call and bypass the live operator. Participants may pre-register at any time, including up to and after the call start time.

To pre-register, go to: <http://services.choruscall.com/links/ppc130801.html>.

You may also reach the pre-registration link by logging in through the investor section of our website at [www.pilgrims.com](http://www.pilgrims.com) and clicking on the link under "Upcoming Events."

For those who would like to join the call but have not pre-registered, access is available by dialing +1 (877) 270-2148 within the US or +1 (412) 902-6510 internationally and requesting the "Pilgrim's Pride Conference." Please note that to submit a question to management during the call, you must be logged in via telephone.

Replays of the conference call will be available on Pilgrim's website approximately two hours after the call concludes and can be accessed through the "Investor" section of [www.pilgrims.com](http://www.pilgrims.com). The webcast will be available for replay through November 1, 2013.

### **About Pilgrim's Pride**

Pilgrim's Pride Corporation employs approximately 37,500 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.

### **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 considered forward-looking statements. It is important to note that 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; future pricing for feed ingredients and the Company's products; 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; restrictions imposed by, and as a result of, Pilgrim's Pride's 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 anti-dumping proceedings and countervailing duty proceedings; 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.



"EBITDA" is defined as the sum of net income (loss) plus interest, taxes, depreciation and amortization. "Adjusted EBITDA" is defined as the sum of EBITDA plus restructuring charges, reorganization items and loss on early extinguishment of debt less net income attributable to noncontrolling interests. EBITDA is presented because it is used by management 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.



Net debt is defined as total long term debt, less current maturities, plus current maturities of long term debt minus cash and cash equivalents. Net debt is presented because it is used by us, and we believe it is frequently used by securities analysts, investors and other parties, in addition to and not in lieu of debt as presented under GAAP, to compare the indebtedness of companies. A reconciliation of net debt is as follows:



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