

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**  
**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): May 17, 2006

**PILGRIM'S PRIDE CORPORATION**  
(Exact Name of Registrant as Specified in its Charter)

<b>Delaware</b>	<b>1-9273</b>	<b>75-1285071</b>
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

<b>4845 US Hwy. 271 N.</b>	
<b>Pittsburg, Texas</b>	<b>75686-0093</b>
(Address of Principal Executive Offices)	(ZIP Code)

Registrant's telephone number, including area code: **(903) 434-1000**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 7.01 Regulation FD Disclosure**

Attached hereto as Exhibit 99.1 is an overview of Pilgrim's Pride Corporation to be referenced in investor presentations on May 18-19, 2006.

**Exhibit  
Number**      **Description**

99.1      Overview of Pilgrim's Pride Corporation to be referenced in investor presentations on May 18-19, 2006.

## Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

## PILGRIM'S PRIDE CORPORATION

Date: May 17, 2006.

By: /s/ Richard A. Cogdill

Richard A. Cogdill  
Executive Vice President, Chief Financial Officer,  
Secretary and Treasurer

## Exhibit Index

<b>Exhibit Number</b>	<b>Description</b>
99.1	Overview of Pilgrim's Pride Corporation to be referenced in investor presentations on May 18-19, 2006.



# Harris Nesbitt Agriculture & Protein Conference

May 18, 2006



## Safe Harbor Statement

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- Statements contained in this presentation that state the intentions, 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, 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.
- The information included in this presentation should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended October 1, 2005 and subsequent reports filed with the Securities and Exchange Commission.
- The term "Proforma" as used in this presentation refers to the inclusion of the ConAgra chicken division acquisition on November 23, 2003 as if it had been owned by the Company for the entire period presented.
- We have included certain information regarding our results of operations and components thereof that have been adjusted to exclude the effects of the restructuring of our turkey operations and other related expenses, to exclude the estimated adverse effects of the October 2002 recall of certain deli meats by the company and to exclude recoveries resulting from our vitamin and methionine and other litigation, government avian influenza reimbursements and recall-related insurance. We have included this information as we believe that investors may be interested in our results excluding these items as this is how our management analyzes our results from continuing operations.
- "EBITDA" is defined as net income (loss) before interest, income taxes, depreciation and amortization. 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 Generally Accepted Accounting Principles (GAAP) results, to compare the performance of companies. EBITDA is not a measurement of financial performance under GAAP and 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.



## Executive Management Presenting

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**OB Goolsby, Jr.** Chief Executive Officer,  
President

**Rick Cogdill** Chief Financial Officer,  
Secretary and Treasurer

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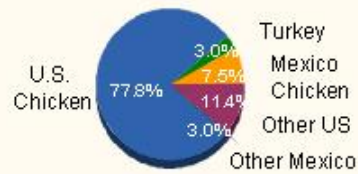
## Company Overview



# Pilgrim's Pride at a Glance

- Founded in 1946 by Pilgrim family brothers; IPO in 1986
- Second-largest poultry producer in the U.S. and Mexico
- Award-winning preferred supplier to foodservice and retail industry leaders
- Over 43.5% of LTM 4/1/06 U.S. chicken sales are prepared foods value-added products
- NYSE – Traded under PPC
- Market Capitalization as of May 12, 2006: ~\$1.7 billion

## Sales by Division <sup>(3)</sup>



Total Sales LTM Ending 4/1/06:  
\$5,532.2 mm

## U.S. Chicken Sales <sup>(3)</sup>



Total Sales LTM Ending 4/1/06:  
\$4,305.1 mm

	FY 2005	LTM Ending 4/1/06
Sales	\$5.7 billion	\$5.5 billion <sup>(3)</sup>
EBITDA	\$563.1 mm <sup>(1)</sup>	\$396.9 mm <sup>(1)</sup>

<sup>(1)</sup> See Appendix H for reconciliation.

<sup>(2)</sup> EBITDA is adjusted to exclude the effects of the restructuring of four turkey operations and to exclude resources resulting from our shrimp and mechanics and other divisions. See Appendix F for reconciliation.

<sup>(3)</sup> See Appendix J and Appendix L for reconciliations of sales by division and U.S. chicken sales, respectively.



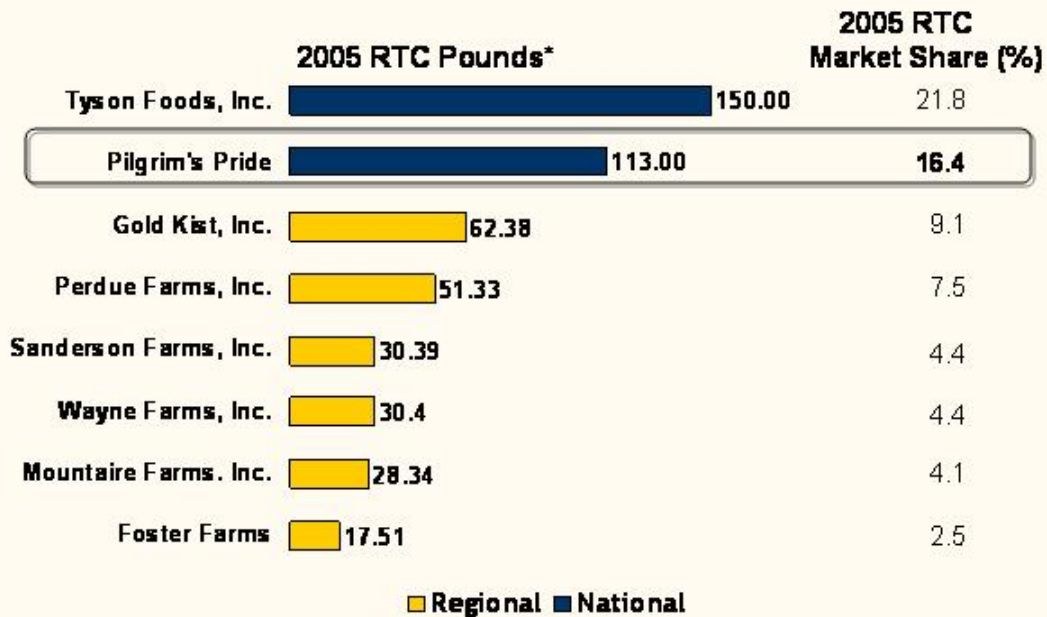
# Pilgrim's Pride Business Strategy

- ✓ Capitalize on significant scale with leading industry position and brand recognition
- ✓ Capitalize on attractive U.S. prepared foods market
- ✓ Emphasize customer-driven research and technology
- ✓ Enhance U.S. fresh chicken profitability through value-added, branded products
- ✓ Improve operating efficiencies and increase capacity on a cost-effective basis
- ✓ Continue to seek strategic acquisitions
- ✓ Continue to penetrate the growing Mexican market
- ✓ Capitalize on export opportunities



# Solid Leadership Position

## Top 8 Companies U.S. Chicken Market Share %



\* RTC Million Pounds Per Week  
 Source: Watt Poultry USA April 2006

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# Vertically Integrated Operation



**Pilgrim's Pride is a fully integrated chicken company. We control all aspects of production from egg to finished product to keep quality high and costs low.**



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# Poultry Processing Facilities



# Prepared Foods Plants





# North American Distribution Centers



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## U.S. Industry Overview







# Challenging Operating Environment

Growing Supply of Meat Proteins



**International Effects**  
▪H5N1 Avian Influenza – Poultry  
▪BSE (Mad-Cow) & Hoof & Mouth Disease – Beef



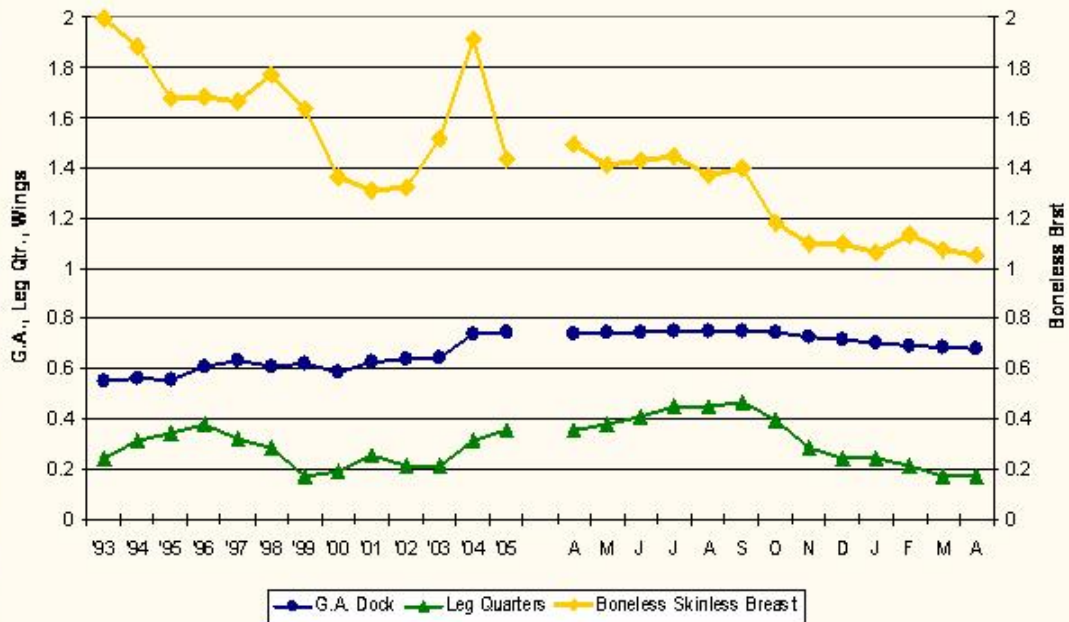
Pressure on Pricing

High Inventories

Export Disruptions



# UrnerBarry Market Averages



Source: UrnerBarry Publications, Inc.



# U.S. Industry Outlook

## ■ Pricing environment during (vs. prior year periods) :

	2nd Qtr FY 06	2nd Qtr Ytd	Change from End of 2nd Qtr FY2006*
<b>Primary:</b>			
GA Dock	> -6.2% to \$0.69/lb.	-4.4% to \$0.71/lb.	-1.5% to \$0.68/lb.
Leg Quarters	> -30.8% to \$0.21/lb.	-9.6% to \$0.27/lb.	+19.0% to \$0.25/lb.
<b>Other:</b>			
Wings	> -16.0% to \$0.97/lb.	-16.5% to \$0.89/lb.	-16.5% to \$0.81/lb.
Breast Meat	> -29.2% to \$1.09/lb.	-22.4% to \$1.12/lb.	+11.0% to \$1.21/lb.

(Source: UnerBany Publications)

\* To May 12, 2006

## ■ Export Outlook

- Exports are expected to increase 3.0% year over year in 2006 according to USDA Projections

## ■ Cold Storage Thousand Lbs.

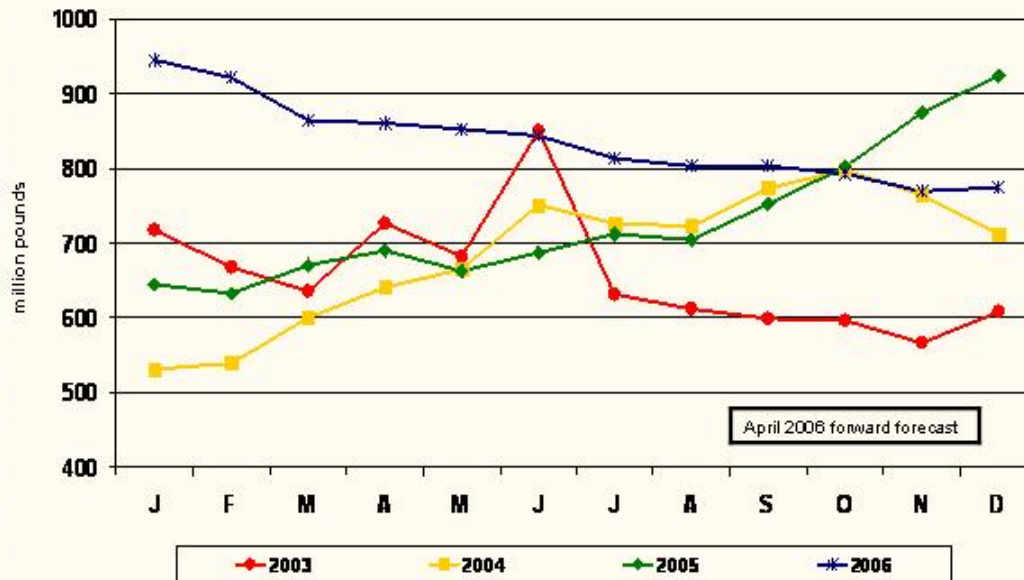
	March 2005	January 2006	March 2006	March 2006 vs.	
				Mar. 05	Jan. 06
Breast/Breast Meat	> 151,453	158,437	149,001	-1.6%	-5.9%
Leg Quarters	> 59,798	171,942	145,375	143.0%	-15.5%
Total Chicken	> 673,470	920,749	867,479	28.8%	-5.8%

(Source: USDA Cold Storage Report)

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# Broiler Cold Storage Inventories



Source: USDA and Informa Economics Projections dated April 27, 2006

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# U.S. Industry Outlook - Continued

## Grain Market

<u>FY2006 Actuals:</u>	<u>2<sup>nd</sup> Qtr FY06 Near-by Futures vs. Prior Year Qtr</u>	<u>2<sup>nd</sup> Qtr YTD FY06 Near-by Futures vs. Prior Year YTD</u>
- Corn*	+8.3% to \$2.21/bushel	+1.0% to \$2.05/bushel
- Soybean Meal*	+10.0% to \$181.56/ton	+9.2% to \$175.77/ton

<u>FY2006 Outlook:</u>	<u>2005-2006 Crop Year USDA Projections vs. 2<sup>nd</sup> Qtr YTD FY06</u>	<u>2005-2006 Crop Year 5/12/06 Futures (CBOT) vs. 2<sup>nd</sup> Qtr YTD FY06</u>
- Corn*	-4.9% to \$1.95/bushel	+17.1% to \$2.36/bushel
- Soybean Meal*	-1.9% to \$172.50/ton	+3.2% to \$182.22/ton

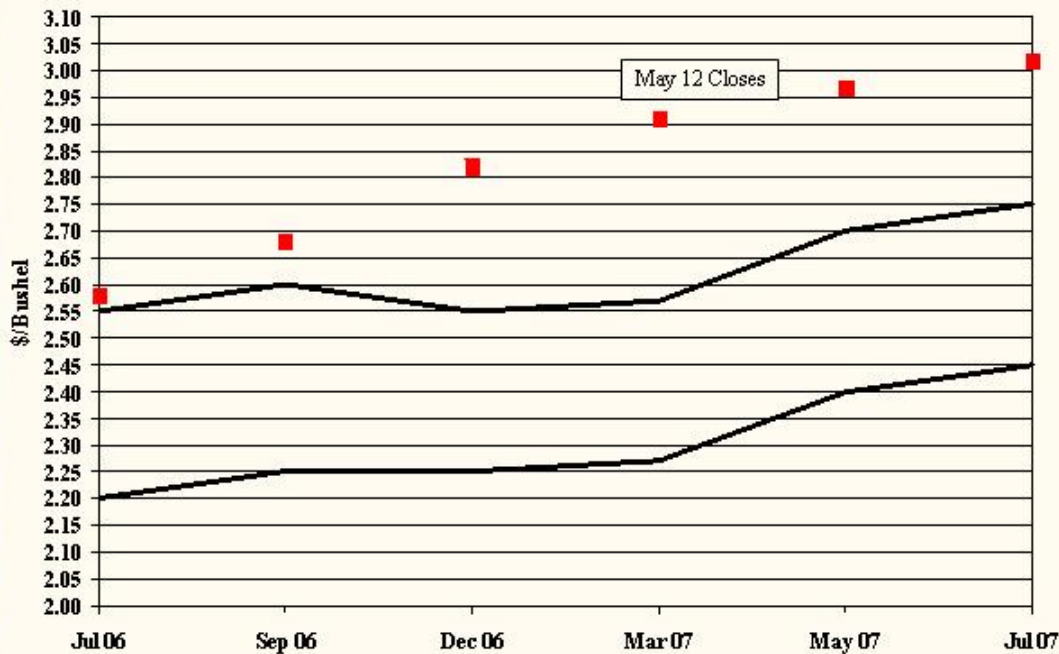
\* Excludes Freight and Basis delivery costs

\*\* Source data from Chicago Board of Trade ("CBOT")

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## Corn Futures Trading Ranges



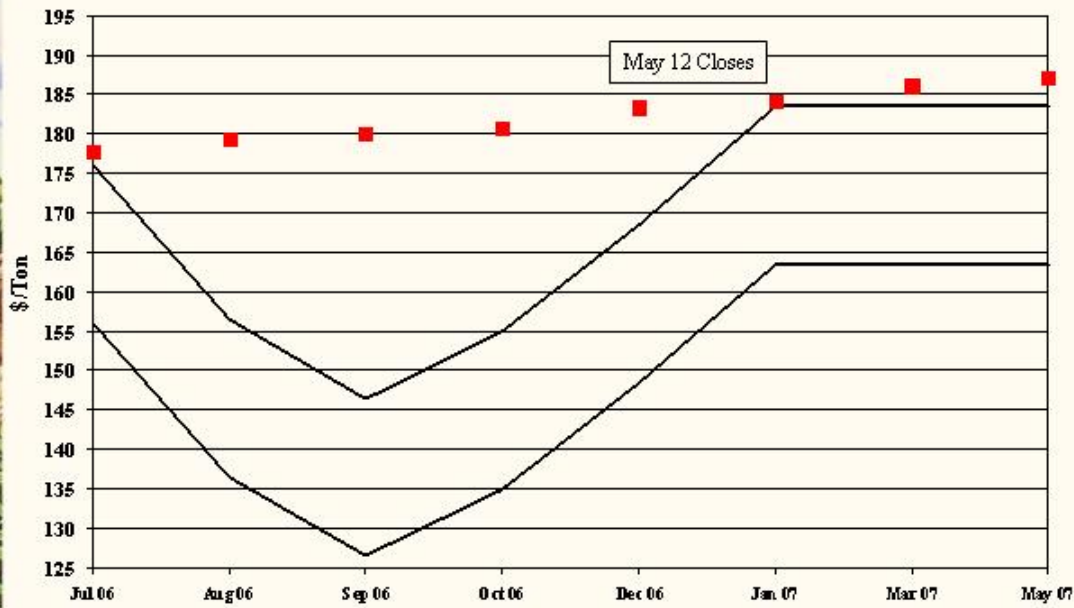
■ CBOT Corn Futures Contract

— Upper Level Range & Lower Level Range Projections by Informa Economics, Inc.

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# Soybean Meal Futures Trading Ranges



■ CBOT Soybean Meal Futures Contract — Upper Level Range & Lower Level Range Projections by Informa Economics, Inc.



# Energy Pricing

## Energy Information Administration (EIA) - U.S. Energy Prices: Medium Recovery Case

	2005				2006				2007			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
<b>Diesel<sup>a</sup></b> (\$/gal)	<b>2.07</b>	<b>2.26</b>	<b>2.56</b>	<b>2.71</b>	<b>2.50</b>	2.79	2.74	2.75	2.64	2.69	2.68	2.70
<b>Natural Gas<sup>b</sup></b> (\$/mcf)	<b>6.62</b>	<b>7.14</b>	<b>9.01</b>	<b>12.64</b>	<b>7.94</b>	7.07	7.78	9.62	9.87	7.84	8.76	10.20

<sup>a</sup> On-highway retail    <sup>b</sup> Residential Average

### Analysis of Estimated Effects on Pricing

**2nd Qtr 2006: Natural Gas declines, Diesel increases versus prior year 2nd quarter**

*Diesel:* 23.5%

*Natural Gas:* -1.0%

**3rd Qtr 2006: Natural gas declines, Diesel increases versus prior year 3rd quarter**

*Diesel:* 7.0%

*Natural Gas:* -20.7%

**4th Qtr 2006: Natural Gas declines, Diesel increases versus prior year 4th quarter**

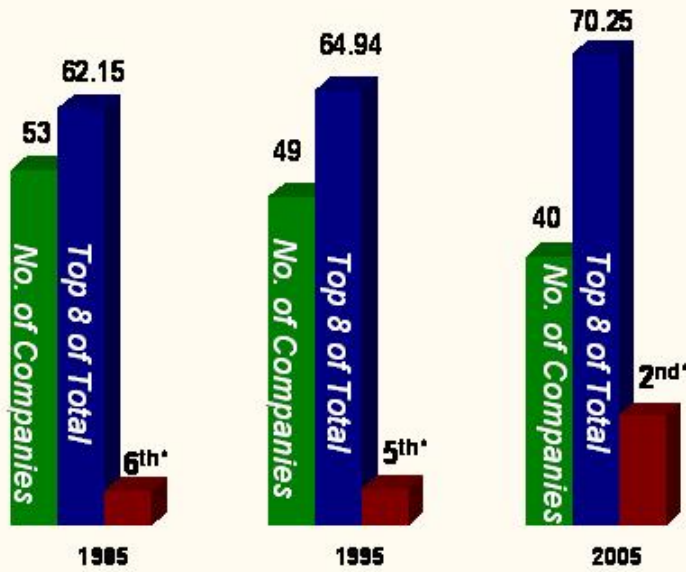
*Diesel:* 1.5%

*Natural Gas:* -23.9%

Source: Energy Information Administration Short Term Energy Outlook dated May 9, 2006



# Continued Consolidation of U.S. Chicken Industry Has Led to More Rational Behavior

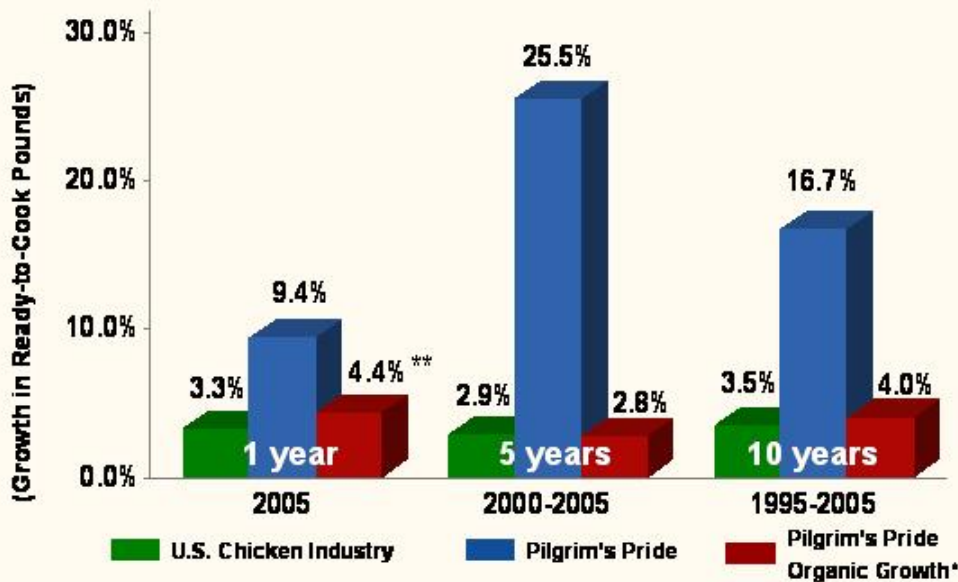


\*PPC Rank  
Source: Watt Publishing

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# Pilgrim's Outpaces Industry Growth Organically & thru Acquisitions



**Pilgrim's Pride's business strategy has enabled it to dramatically outperform industry growth**

*Pro forma for Acquisitions*

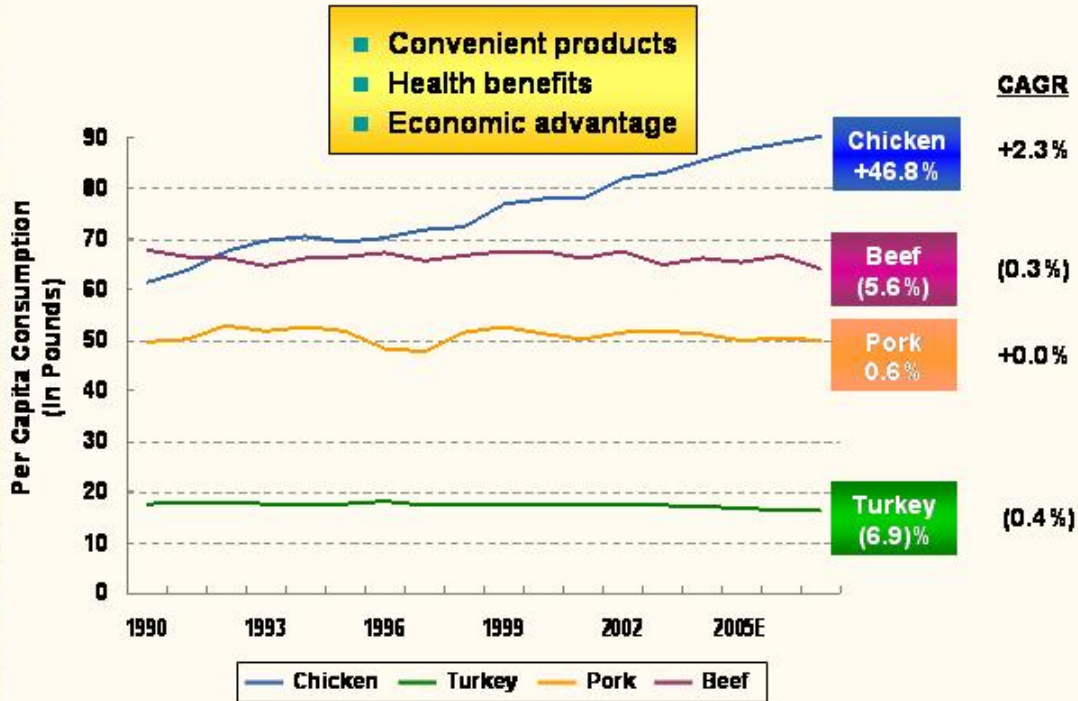
\*\*The first quarter of fiscal year 2004 contained 14 weeks as compared to the more standard 13 weeks included in the first quarter of fiscal year 2005. Accordingly, to facilitate comparability between the periods, the first quarter of fiscal year 2004 has been adjusted by multiplying the actual amount by the quotient of 13 divided by 14, to which the actual second, third and fourth fiscal quarter amounts were added.

Source: USDA

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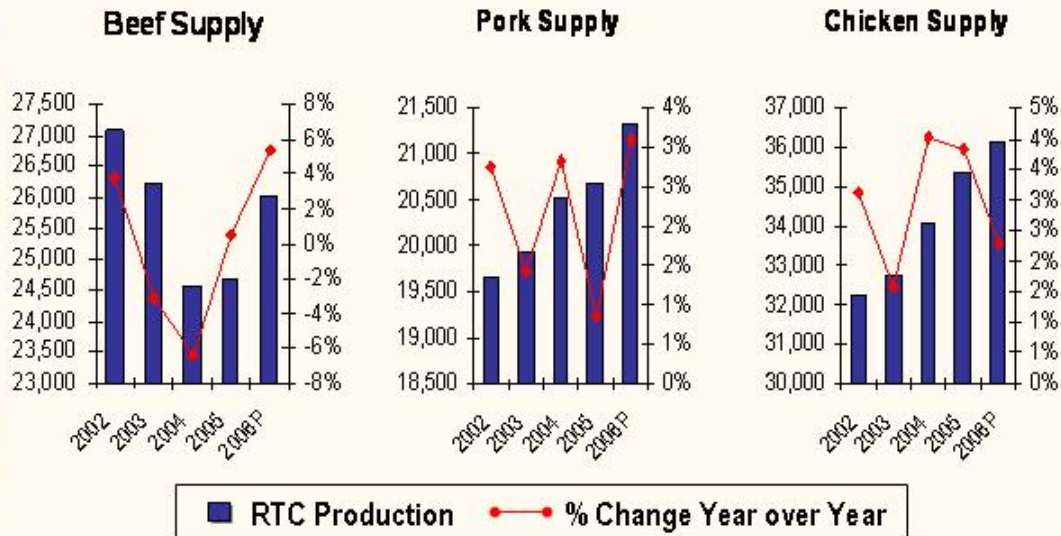
# U.S. Chicken Consumption Continues to Outpace Other Proteins



Source: April 17, 2006 National Chicken Council.



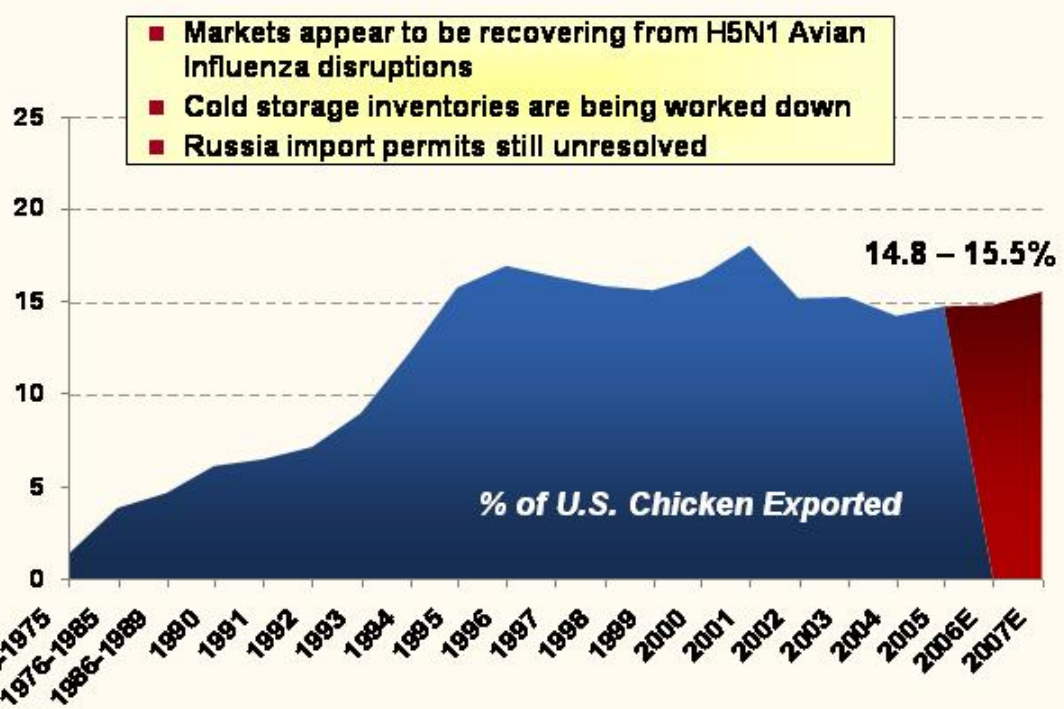
# U.S. Meat Supply



Source: USDA Red meat & poultry forecasts dated April 14, 2006



# Industry Exports Slowly Rebounding



Source: April 17, 2006 National Chicken Council.

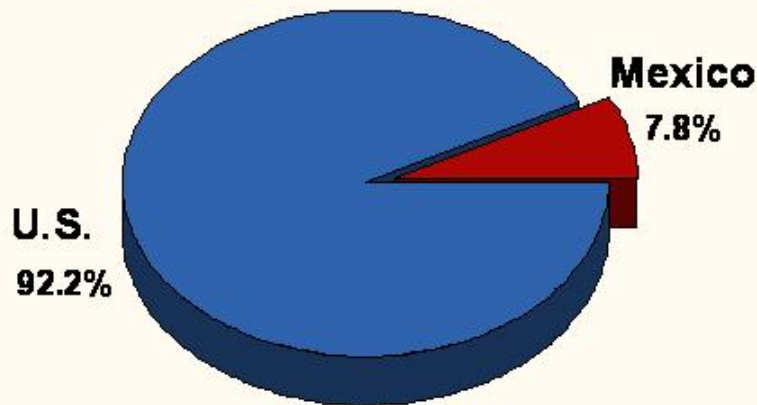


# U.S. Business Overview





# Geographic Sales Mix



**LTM 4/01/2006 Net Sales\*:**  
**\$5.5 billion**

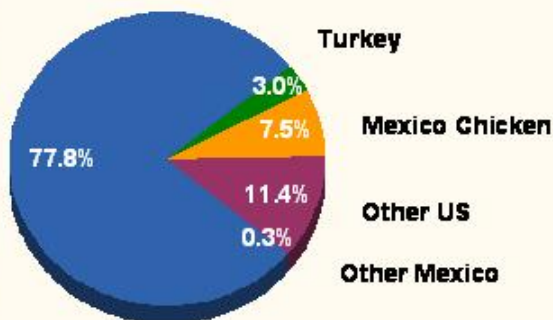
\*See Appendix J for reconciliation



# Largest Pure-Play Company in Poultry

## Sales by Division

### U.S. Chicken



**Total Sales LTM 4/1/2006\*:**  
**\$5,532.2 mm**

## U.S. Chicken Sales



**Total Sales LTM 4/1/2006\*:**  
**\$4,305.1 mm**

\*See Appendix J and Appendix L for reconciliations of Sales and U.S. Chicken Sales, respectively





# Pilgrim's Pride Product Portfolio



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## Pilgrim's First to Introduce 100% Natural Enhanced Product

- Both Marinated & Non-Marinated Products
- Introduced in January 2006
- Full line of case ready products
- 100% Leak-proof, bead sealed packaging
- Marketing Support: TV & Print
- New Packaging Graphics
- Bilingual Product Description



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## What Does 100% Natural Mean?

To make the claim, USDA guidelines require that the product must meet the following criteria:

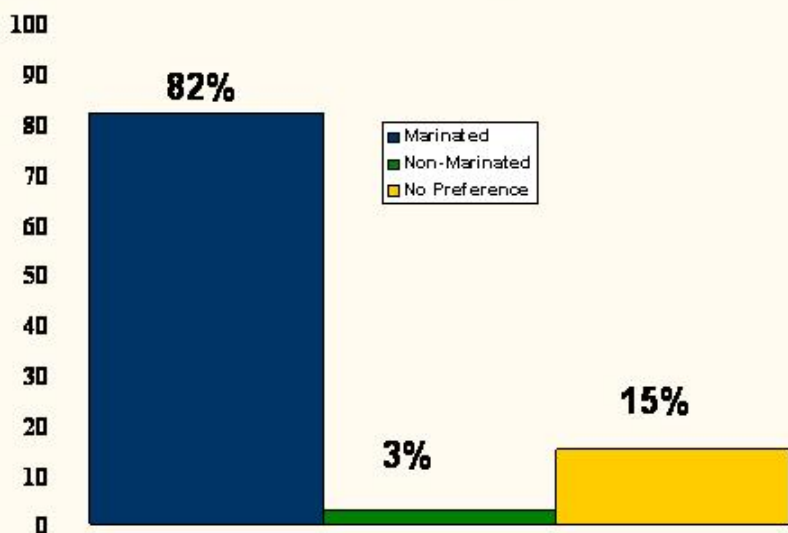
- ✓ **Minimal processing with no fundamental alteration of the raw product**
- ✓ **Contains no artificial flavor, color, chemical preservative, or any artificial or synthetic ingredient**
- ✓ **The cutting and deboning chicken is recognized as a minimal process**
- ✓ **Marinated products contain no artificial ingredients or preservatives**

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## Consumer's Prefer Enhanced Products

**Consumer Preference  
Blind Taste Test Among Consumers**



**82% of consumers preferred enhanced marinated products**

Source: Murphy & Associates January 2005

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## Small Town Commercials In Play

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## Pilgrim's is Well-Positioned for Future Growth & Acquisitions

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### Market Share

Clear #2 in the Industry

### Consistent Growth in Prepared Foods

A leading supplier of quick-service restaurants

Growing presence in food-service distribution

Great position to grow in retail

### National Coverage

Ability to serve the largest customers

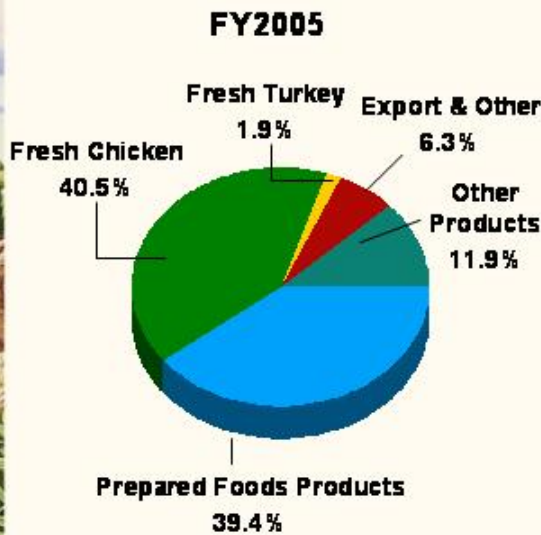


# Financial Overview

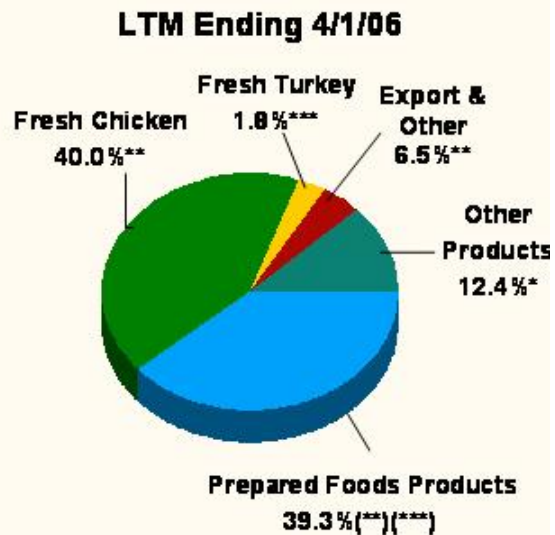
## Rick Cogdill

### Chief Financial Officer

## U.S. Sales Breakdown



**Net Sales: \$5.2 Billion**

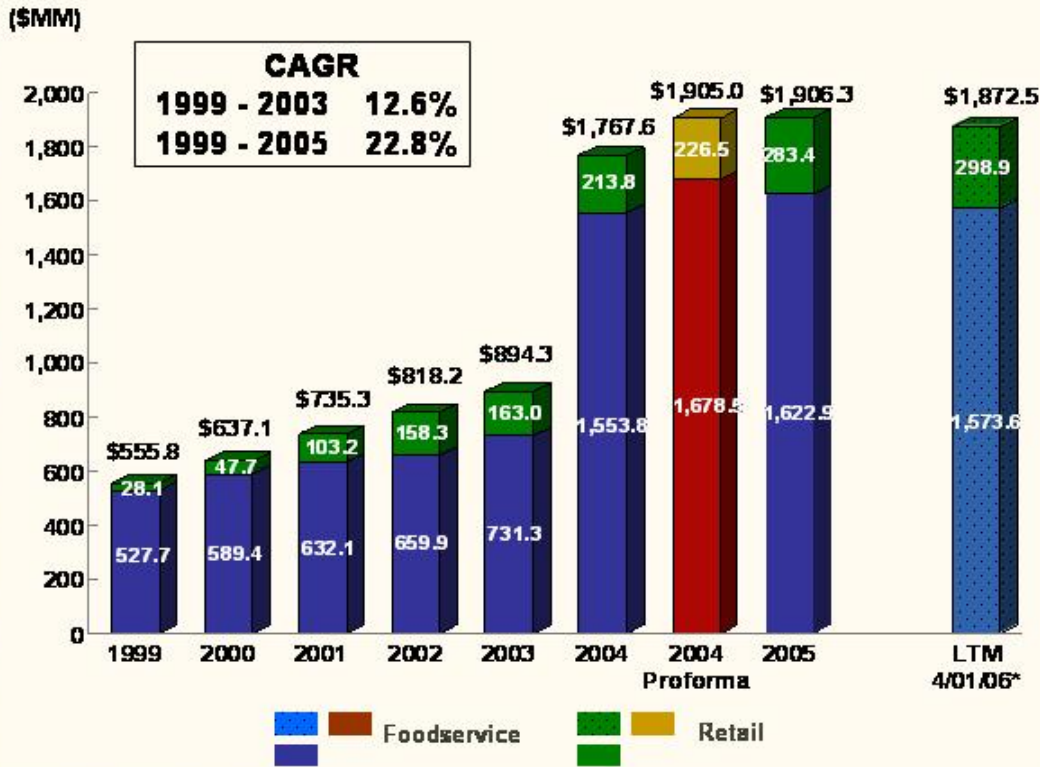


**Net Sales: \$5.1 Billion**

\* See Appendix J for reconciliation of LTM 4/1/06 Other Products  
 \*\* See Appendix L for reconciliation of LTM 4/1/06 U.S. Chicken Sales  
 \*\*\* See Appendix M for reconciliation of LTM 4/1/06 Turkey Sales



# Our Prepared Foods Focus Differentiates Pilgrim's

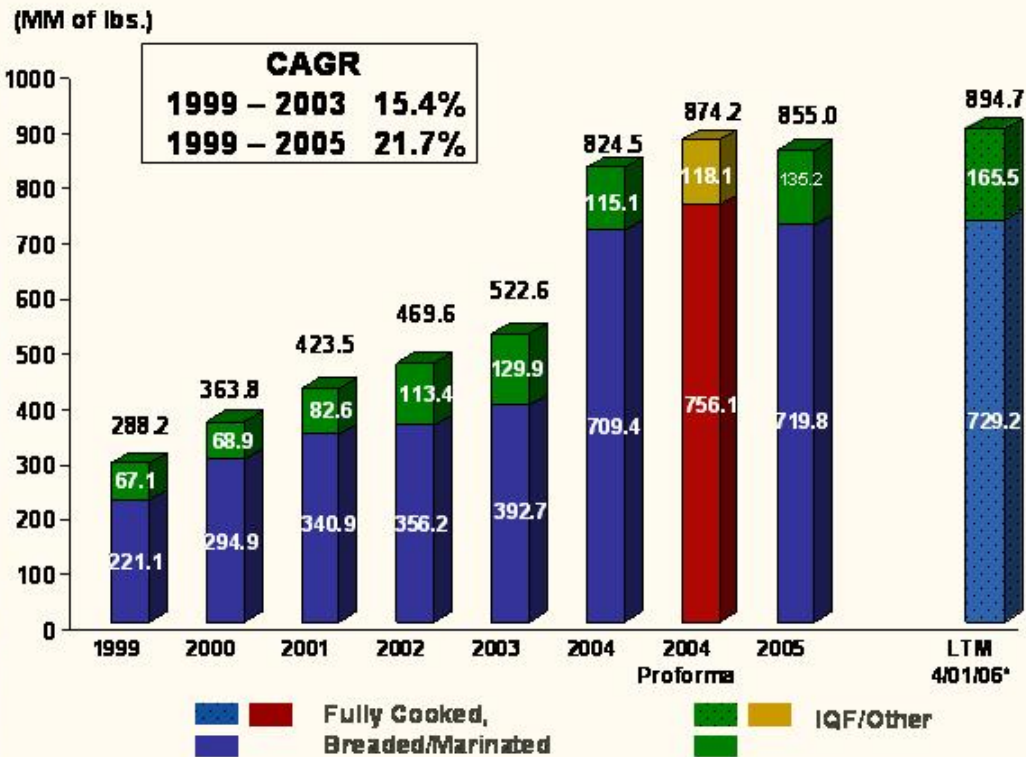


\*See Appendix L for reconciliation

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# Prepared Foods Chicken Product Mix Focused on Highest Value Products

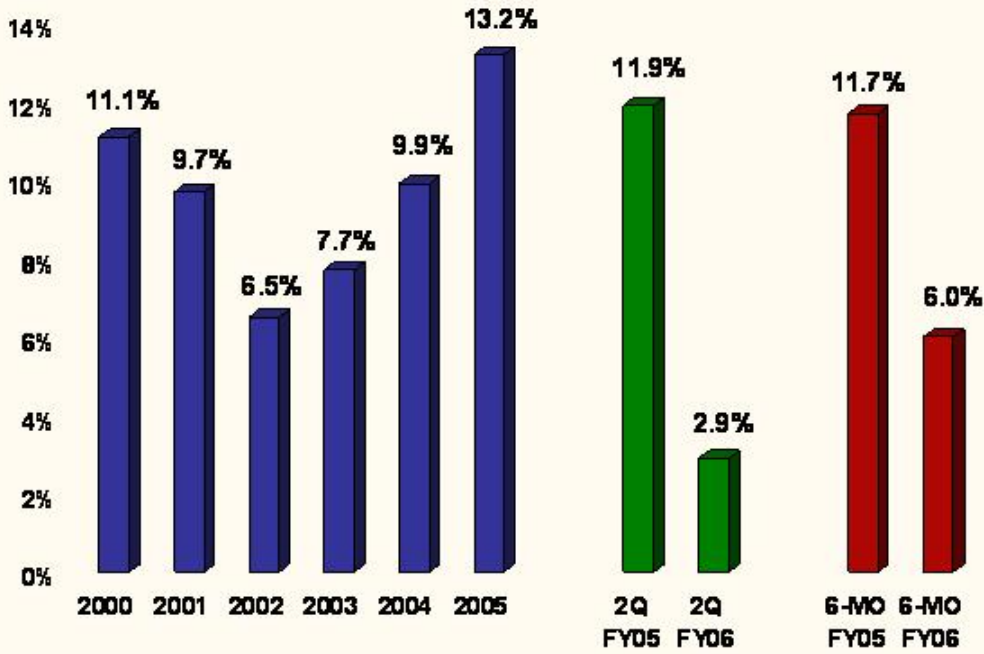


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# Gross Margin % of Sales

Fiscal Years Ended

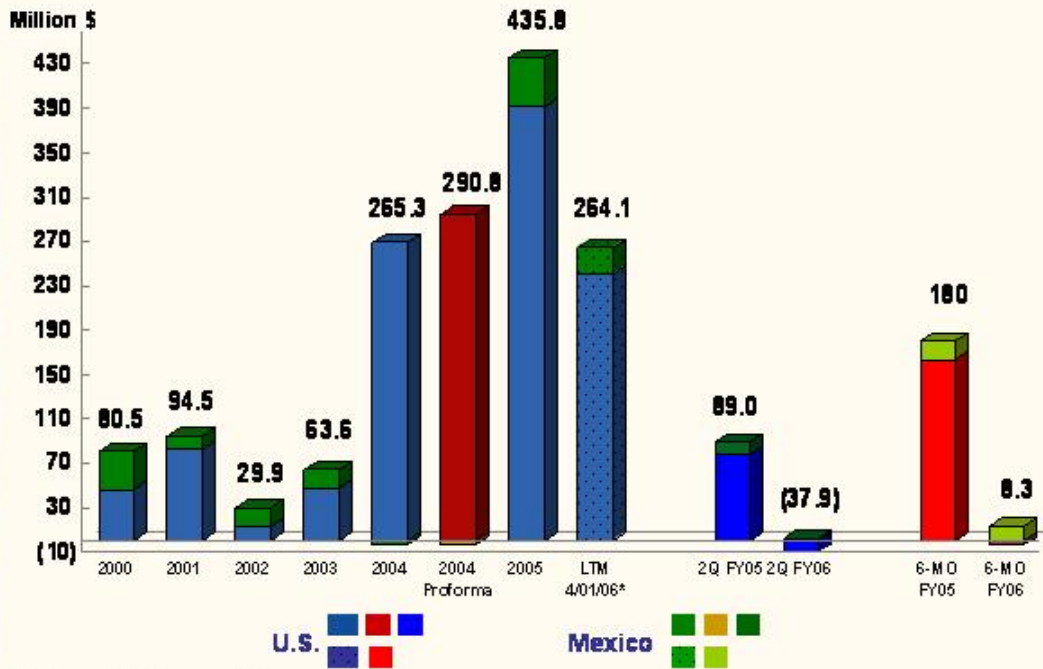


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# Operating Income Summary

Fiscal Years Ended



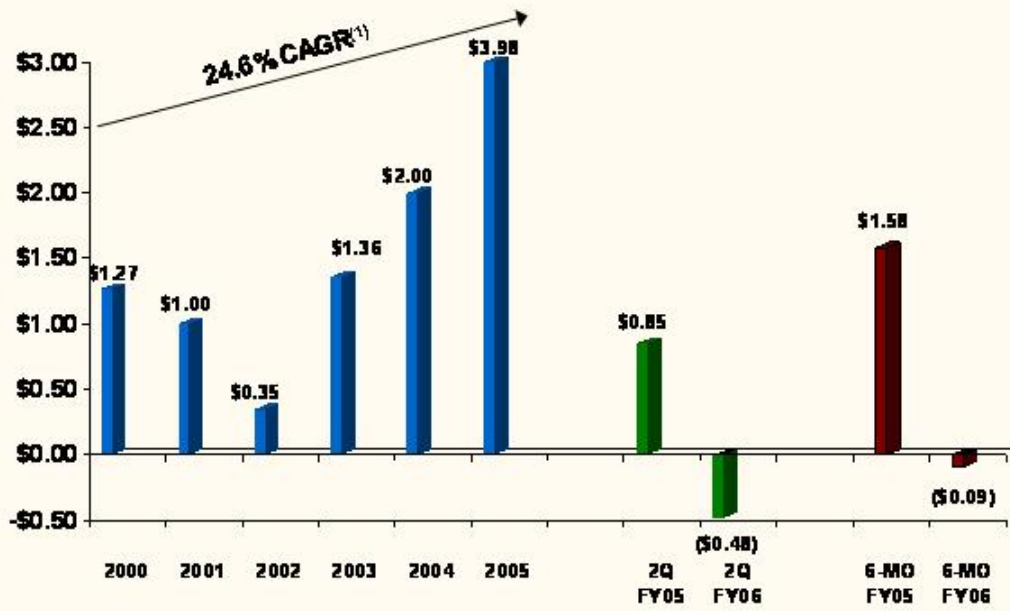
\*See Appendix K for reconciliation

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# Earnings Per Share

Fiscal Years Ended



(1) 2000 to 2005 CAGR

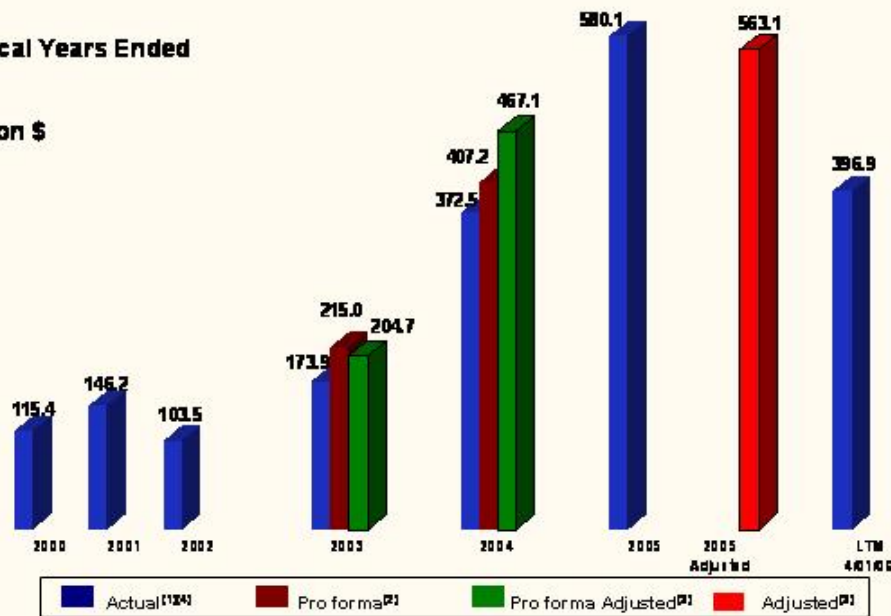
41



# Strong EBITDA

Fiscal Years Ended

Million \$



See Appendix C for reconciliations of FY2000 thru FY2002 & Appendix D for reconciliations of FY2003 thru FY2005

See Appendix E for reconciliations

FY2003, FY2004 and FY2005 EBITDA calculations are adjusted to exclude the effects of the restructuring of our bakery operations and other related expenses, to exclude the estimated adverse effects of the October 2002 recall of certain deli meats by the company and to exclude recoveries resulting from our vitamin and melatonin and other litigation and to exclude recoveries from government and other reimbursement and recall-related insurance. See Appendix E for reconciliations.

See Appendix H for reconciliation of LTM 4Q106 EBITDA

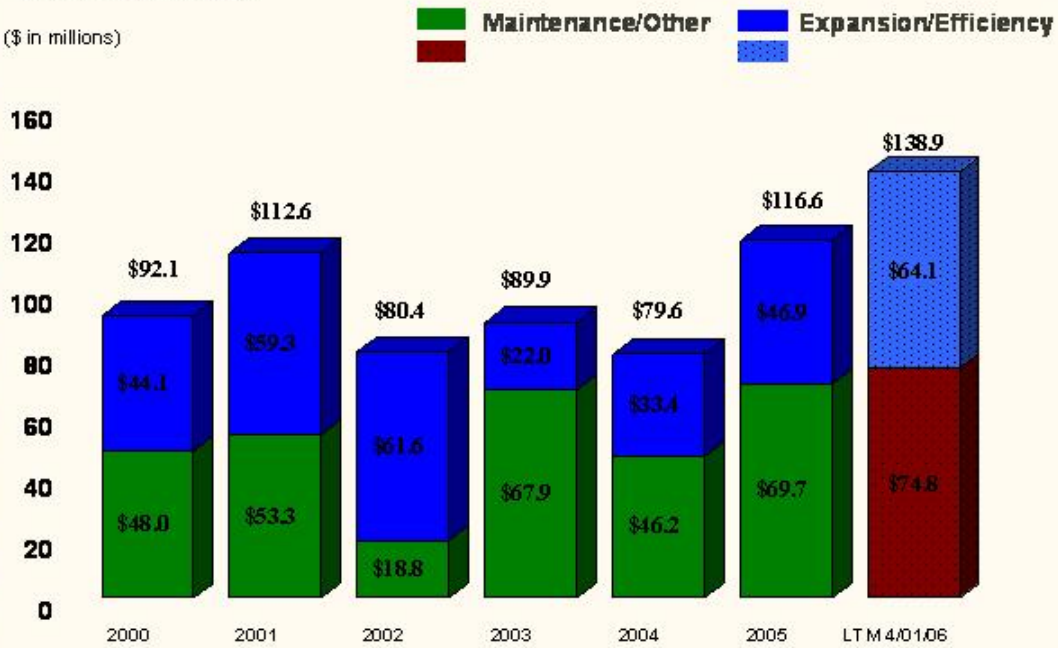
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# Prudent Management of Capital Expenditures

Fiscal Years Ended

(\$ in millions)



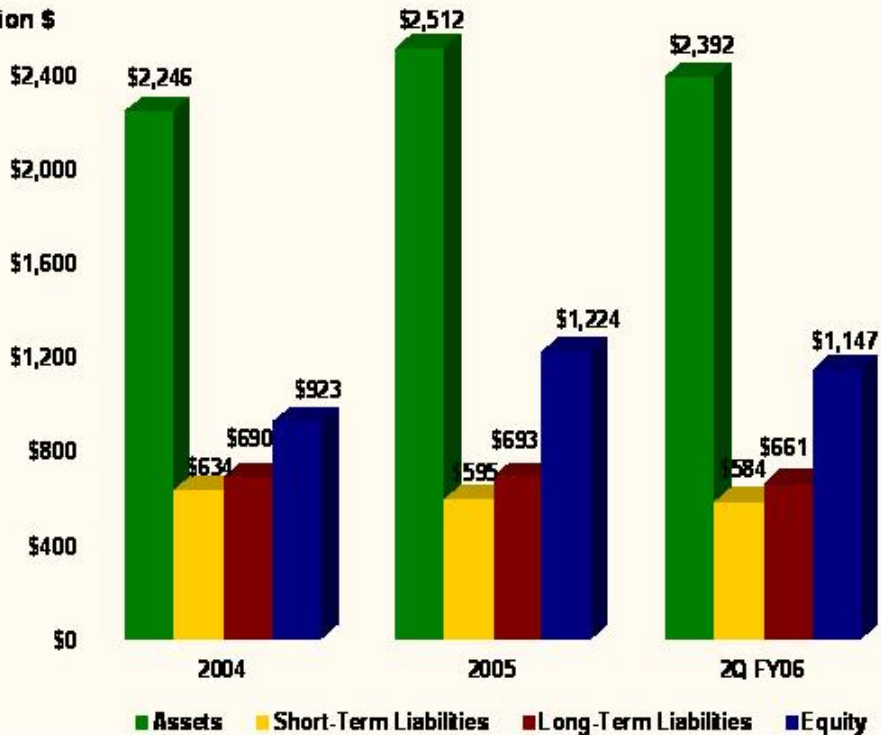
The Company projects FY 2006 capital expenditures of approximately \$140 - 175 million

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# Strong Balance Sheet

Million \$



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# Debt Maturity Profile

- No near-term debt maturity provides further credit protection and liquidity for Pilgrim's Pride
- Annual interest expense of ~\$44 million



Source: Company filings and estimates

Note: Breakdown of debt maturity for 2006 to 2009 not available.

Other debt consists of unamortized notes payable.

Maturity Profile is based on calendar.

Notes payable consists of \$107.5 million in an insurance company and other notes payable of \$29 million.



# Capitalization

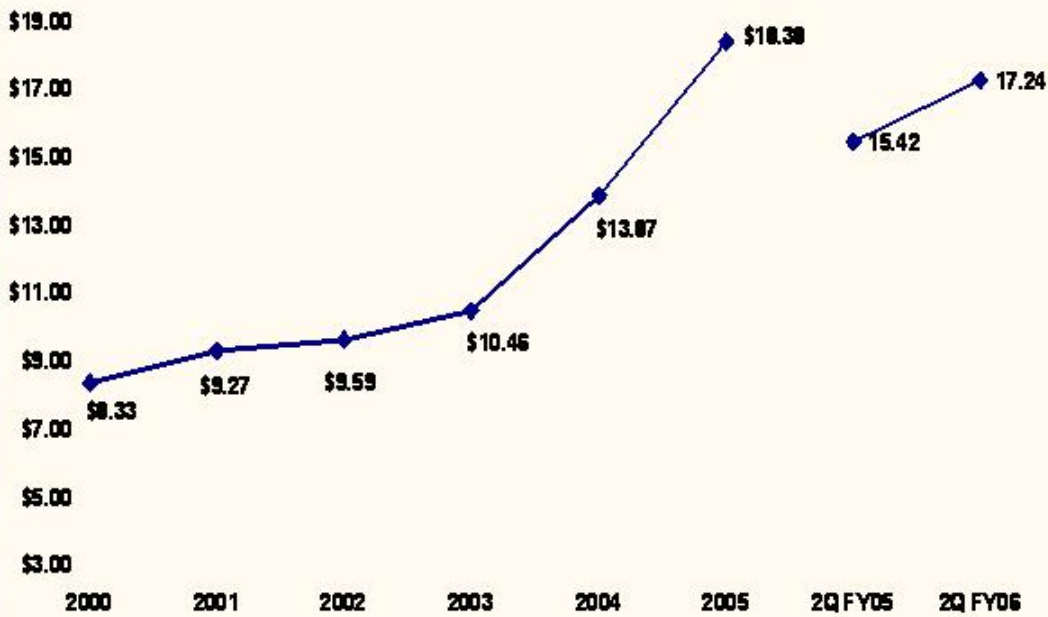
Million \$

	10/2/04		10/1/05		2nd Qtr FY2006	
		% of		% of		% of
	10/2/04	10/2/04	10/1/05	10/1/05	4/1/06	4/1/06
Cash and Cash Equivalents	382		1326		677	
Senior Secured Credit Facilities	-	- %	-	- %	-	- %
Notes Payable to Insurance Company	123.9	8.4	107.8	6.2	95.6	5.8
9.5/8% Senior Notes due 2011	303.0	20.7	302.6	17.3	299.9	18.3
9.1/4% Senior Subordinated Notes due 2013	100.0	6.8	100.0	5.7	82.6	5.0
Other Debt	17.4	1.2	17.1	1.0	17.0	1.0
Total Debt	544.3	37.1	527.5	30.1	495.1	30.1
Total Stockholders' Equity	923.0	62.9	1,223.6	69.9	1,147.4	69.9
Total Capitalization	1,467.3	100.0 %	1,751.1	100.0 %	1,642.5	100.0 %



## Book Value Per Share

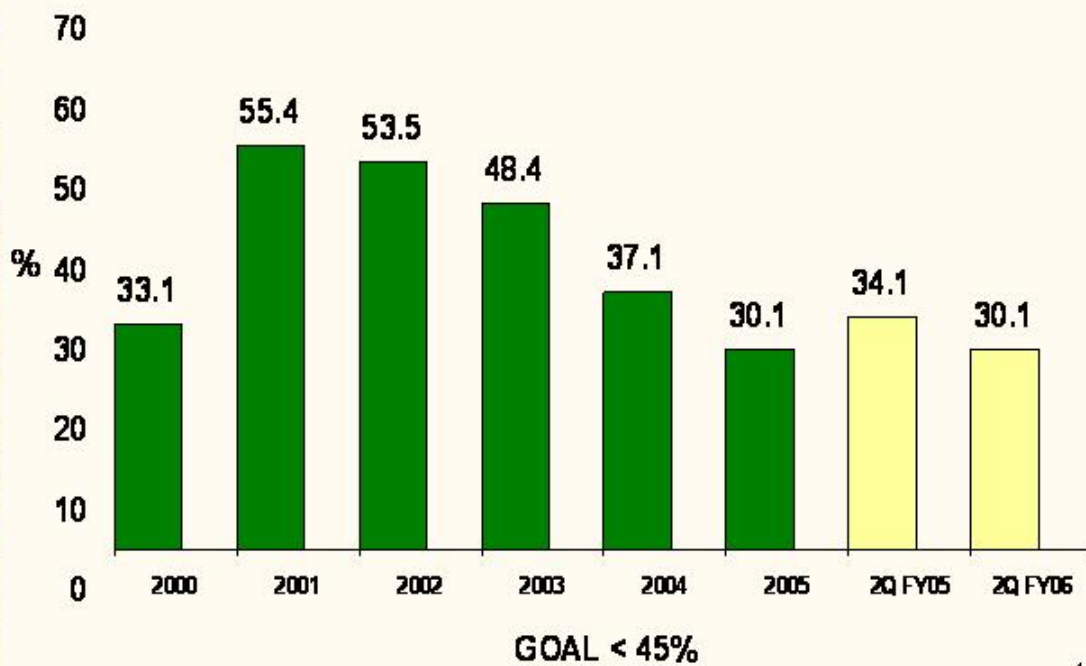
Fiscal Years Ended



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## Total Debt to Total Capitalization



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## Summary Credit Ratios

	<u>FYE 2005</u>	<u>6-Mo 2005</u>	<u>6-Mo 2006</u>
<b>EBITDA / Interest Expense (**)</b>	<b>12.82x</b>	<b>11.83x</b>	<b>3.87x</b>
<b>Total Debt / EBITDA (*) (**)</b>	<b>0.94x</b>	<b>1.04x</b>	<b>1.25x</b>
<b>Net Debt / EBITDA (*) (**)</b>	<b>0.70x</b>	<b>0.75x</b>	<b>1.08x</b>
<b>Total Debt / Total Capital</b>	<b>30.1%</b>	<b>34.1%</b>	<b>30.1%</b>
<b>Net Debt / Total Capital</b>	<b>24.4%</b>	<b>27.2%</b>	<b>27.1%</b>
<b>Net Worth (millions)</b>	<b>\$1,223.6</b>	<b>\$1,026.1</b>	<b>\$1,147.4</b>
<b>Book Value/Common Share</b>	<b>\$18.38</b>	<b>\$15.42</b>	<b>\$17.24</b>

(\*) For 2Q FY2005 and 2Q FY2006, EBITDA used in this calculation is based on the LTM periods ending April 2, 2005 and April 1, 2006, respectively. See Appendix F for reconciliation.

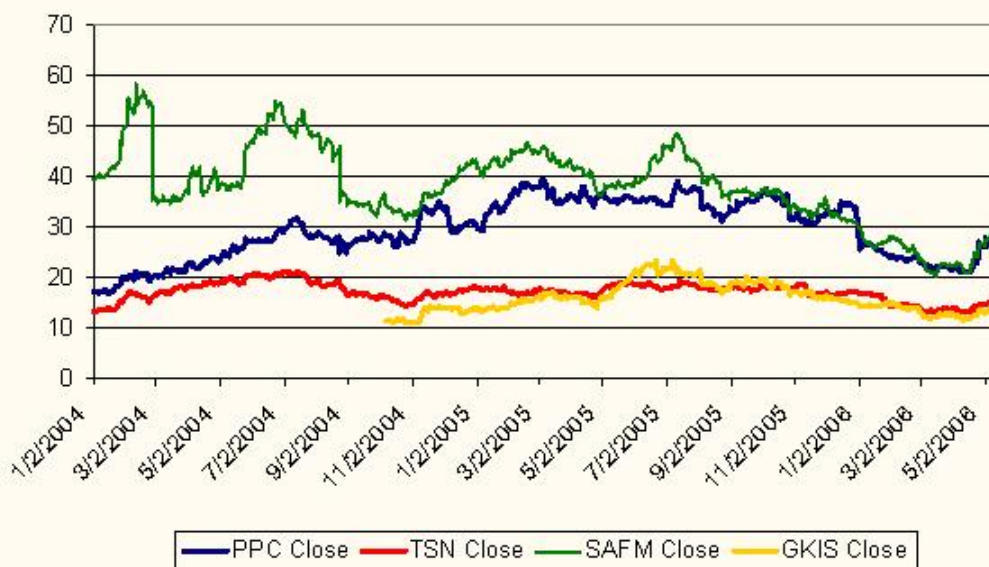
(\*\*) FY 2005, EBITDA used in this calculation has been adjusted. See Appendix F for reconciliation.

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## PPC Stock Comparison

PPC Closing Stock Price & Peers



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## Going Forward...

We believe our growth opportunities are still outstanding.

Financial goals remain clear:



Utilize free cash flow to fund internal growth and repay indebtedness



Continue reducing leverage with excess cash-flow



Selectively pursue expansion opportunities that generate high rates of return

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## Reconciliation of Non-GAAP Measures and Other Computations





## Appendix A

### Summary Operating Results – Sales Segments

(\$ in millions)	FY2005 2Q YTD	FY2006 2Q YTD	FY2005 Quarter 2	FY2006 Quarter 2
<b>Chicken Sales:</b>				
United States	\$ 2,125.6	\$ 2,019.4	\$ 1,090.8	\$ 985.2
Mexico	187.9	196.4	90.9	104.0
Total Chicken Sales	\$ 2,313.5	\$ 2,215.8	\$ 1,181.7	\$ 1,089.2
Total Turkey Sales	117.1	79.0	37.3	17.1
<b>Sale of Other Products</b>				
United States	303.2	307.6	148.1	154.1
Mexico	9.8	7.1	8.2	5.3
Total Sale of Other Products	313.0	314.7	156.3	159.4
<b>Total Net Sales</b>	<b>\$ 2,743.6</b>	<b>\$ 2,609.5</b>	<b>\$ 1,375.3</b>	<b>\$ 1,265.7</b>



## Appendix B

### Summary Operating Results – Operating Income

(\$ in millions)	FY2005 2Q YTD	FY2006 2Q YTD	FY2005 Quarter 2	FY2006 Quarter 2
<b>Operating Income (Loss):</b>				
<b>Chicken and Other Products:</b>				
United States	\$ 170.7	\$ 16.1	\$ 82.1	\$ (37.7)
Mexico	14.0	(5.1)	8.9	1.8
Sub Total	\$ 184.7	\$ 11.0	\$ 91.0	\$ (35.9)
Turkey	(10.2)	(12.4)	(5.5)	(6.7)
<b>Other Products:</b>				
United States	3.1	8.9	1.5	4.4
Mexico	2.4	0.8	2.0	0.3
Sub Total	\$ 5.5	\$ 9.7	\$ 3.5	\$ 4.7
<b>GAAP Operating Income</b>	<b>\$ 180.0</b>	<b>\$ 8.3</b>	<b>\$ 89.0</b>	<b>\$ (37.9)</b>
Operating Margin	3.16%	0.15%	6.50%	-2.82%
Turkey Restructuring & Other non-recurring items**	23.9	-	-	-
Adjusted Operating Income	<b>\$ 156.1</b>	<b>\$ 8.3</b>	<b>\$ 89.0</b>	<b>\$ (37.9)</b>
Operating Margin before Turkey Restructuring & Other non-recurring items	2.74%	0.15%	6.50%	-2.82%

\*\*For FY2005 2Q YTD the turkey restructuring and other non-recurring items are composed of \$23.8 mm of Turkey Recall Insurance Proceeds and \$0.1 mm in recoveries from vitamin and methionine litigation settlements



## Appendix C

### EBITDA Reconciliation – FY2000 thru FY2002

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(\$ in thousands)

	Fiscal Years		
	FY2000	FY2001	FY2002
<u>EBITDA Reconciliation</u>			
Net Income	\$ 52,344	\$ 41,137	\$ 14,335
Add:			
Income Tax Expense (benefit)	10,442	20,724	(12,425)
Interest expense, net	17,779	30,775	32,003
Depreciation and amortization	36,027	55,390	70,973
Minus:			
Amortization of capitalized financing costs	\$ 1,236	\$ 1,860	\$ 1,417
EBITDA - as reported	<u>\$ 115,356</u>	<u>\$ 146,166</u>	<u>\$ 103,469</u>



## Appendix D

### EBITDA Reconciliation – FY2003 thru FY2005

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(\$ in thousands)

	Fiscal Years		
	FY2003	FY2004	FY2005
<u>EBITDA Reconciliation</u>			
Net Income	\$ 56,036	\$ 128,341	\$ 264,979
Add:			
Income Tax Expense (benefit)	7,199	80,195	138,544
Interest expense, net	37,981	52,129	43,932
Depreciation and amortization	74,187	113,788	134,944
Minus:			
Amortization of capitalized financing costs	\$ 1,477	\$ 1,951	\$ 2,321
EBITDA - as reported	<u>\$ 173,926</u>	<u>\$ 372,502</u>	<u>\$ 580,078</u>



## Appendix E

### Reconciliation of Adjusted EBITDA FY2003 - FY2005

(\$ in thousands)

	Proforma FY2003	Adj. Pro forma FY2004*	Adjusted FY2005
Net Income	\$ 34,731	\$ 142,797	\$ 264,979
Add:			
Income Tax Expense	(5,963)	89,054	138,544
Interest expense, net	70,813	56,500	43,932
Depreciation and amortization	116,854	120,833	134,944
Minus:			
Amortization of capitalized financing costs	1,476	1,951	2,321
EBITDA	\$ 214,959	\$ 407,233	\$ 580,078
Adjustments:			
Turkey Restructuring	-	64,160	(5,277)
Other Restructuring	-	7,923	-
Turkey Recall Insurance	-	(23,815)	-
Turkey Recall Effects	65,000	20,000	-
Vitamin, Methionine and other litigation Sett	(55,977)	(1,038)	(11,680)
Adjustment to a 52 week year	(19,300)	(7,410)	-
Adjusted EBITDA	\$ 204,682	\$ 467,053	\$ 563,121



## Appendix F

### Reconciliation - Summary Credit Ratios & Other Information

#### EBITDA Reconciliation of FY2005 and LTM Periods EBITDA

(\$ thousands)	FY2005	LTM* Ending 4/2/05	LTM* Ending 4/1/06
Net Income	\$ 264,979	\$ 190,002	\$ 154,743
Add:			
Income Tax Expense	138,544	123,883	67,816
Interest expense, net	43,932	47,703	40,895
Depreciation and amortization	134,944	118,632	136,194
Minus:			
Amortization of capitalized financing costs	2,321	2,233	2,728
EBITDA	\$ 580,078	\$ 477,987	\$ 396,920
Adjustments:			
Turkey Restructuring	(5,277)	59,720	(837)
Other Restructuring	-	7,923	-
Turkey Recall Insurance	-	(23,815)	-
Turkey Recall Effects	-	-	-
Vitamin, Methionine and other Litigation Settlements	(11,680)	(11,680)	-
Adjusted EBITDA	\$ 563,121	\$ 510,135	\$ 396,083

#### Debt net of Cash Reconciliation

	FY2005	FY2005q2	FY2006q2
Total Debt	\$ 527,466	\$ 531,905	\$ 495,114
Less Cash	132,567	147,837	67,680
Net Debt	\$ 394,899	\$ 384,068	\$ 427,434

\*For LTM Reconciliations see Appendix G and H



## Appendix G

### Reconciliation – Adjusted LTM EBITDA

	<b>3Q2004</b>	<b>4Q2004</b>	<b>1Q2005</b>	<b>2Q2005</b>	<b>LTM</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Ending 4/2/05</b>
Net Income	\$ 9,814	\$ 75,290	\$ 48,509	\$ 56,389	\$ 190,002
Add:					
Income Tax Expense (benefit)	12,263	46,016	31,400	34,204	123,883
Interest expense, net	14,690	11,471	12,224	9,318	47,703
Depreciation and amortization	29,122	25,668	30,065	33,777	118,632
Minus:					
Amortization of capitalized financing costs	643	440	570	580	2,233
EBITDA	<u>\$65,246</u>	<u>\$158,005</u>	<u>\$121,628</u>	<u>\$133,108</u>	<u>\$477,987</u>
Adjustments:					
Turkey Restructuring	55,982	8,178	-	(4,440)	59,720
Other Restructuring	7,923	-	-	-	7,923
Turkey Recall Insurance	-	(23,815)	-	-	(23,815)
Vitamin, Methionine and other Litigation Settlements	-	-	-	(11,680)	(11,680)
Adjusted EBITDA	<u>\$129,151</u>	<u>\$142,368</u>	<u>\$121,628</u>	<u>\$116,988</u>	<u>\$510,135</u>



## Appendix H

### Reconciliation – Adjusted LTM EBITDA

	<b>3Q2005</b>	<b>4Q2005</b>	<b>1Q2006</b>	<b>2Q2006</b>	<b>LTM</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Ending 4/1/06</b>
Net Income	\$ 85,352	\$ 74,728	\$ 26,617	\$ (31,954)	\$ 154,743
Add:					
Income Tax Expense (benefit)	38,324	34,616	10,023	(15,147)	67,816
Interest expense, net	12,322	10,068	8,448	10,057	40,895
Depreciation and amortization	30,421	40,681	30,348	34,744	136,194
Minus:					
Amortization of capitalized financing costs	590	581	581	976	2,728
EBITDA	<u>\$165,829</u>	<u>\$159,512</u>	<u>\$74,855</u>	<u>(\$3,276)</u>	<u>\$396,920</u>
Adjustments:					
Turkey Restructuring	(837)	-	-	-	(837)
Adjusted EBITDA	<u>\$164,992</u>	<u>\$159,512</u>	<u>\$74,855</u>	<u>(\$3,276)</u>	<u>\$396,083</u>





## Appendix I

### Non-recurring Effects Affecting Fiscal 2003 - 2005

FY2005

October 1, 2005

(millions)

	Non- Recurring	Miscellaneous Net	Total Income	Expenses	Net Income (Loss)
Litigation Proceeds	\$ -	\$ 11.7	\$ -	\$ -	\$ 11.7
Turkey Restructuring asset sales	-	-	-	5.3	5.3
Total	\$ -	\$ 11.7	\$ -	\$ 5.3	\$ 17.0

FY 2004

(millions)

	Non- Recurring	Miscellaneous Net	Total Income	Expenses	Net Income (Loss)
Recall Effects (estimate)	\$ -	\$ -	\$ -	\$ (20.0)	\$ (20.0)
Vitamin	0.1	0.9	1.0	-	1.0
Turkey Restructuring	-	-	-	(64.2)	(64.2)
Turkey Recall Insurance	23.8	-	23.8	-	23.8
Other Charges - Turkey	-	-	-	(7.9)	(7.9)
Total	\$ 23.9	\$ 0.9	\$ 24.8	\$ (92.1)	\$ (67.3)

FY 2003

(millions)

	Non- Recurring	Miscellaneous Net	Total Income	Expenses	Net Income (Loss)
Avian Influenza	\$ 26.6	\$ -	\$ 26.6	\$ (7.3)	\$ 19.3
Vitamin	1.6	23.6	25.2	-	25.2
Methionine	18.3	12.5	30.8	-	30.8
Recall Effects (estimate)	-	0.0	0.0	(65.0)	(65.0)
Total	\$ 46.5	\$ 36.1	\$ 82.6	\$ (72.3)	\$ 10.3



## Appendix J

### Reconciliation - Sales LTM 4/1/06

(\$ in millions)

	3Q2005 Actual	4Q2005 Actual	1Q2006 Actual	2Q2006 Actual	LTM Ending 4/1/06
Chicken:					
United States	\$ 1,123.1	\$ 1,162.6	\$ 1,034.2	\$ 985.2	\$ 4,305.1
Mexico	114.4	101.2	92.4	104.0	412.0
Total Chicken Sales	\$ 1,237.5	\$ 1,263.8	\$ 1,126.6	\$ 1,089.2	\$ 4,717.1
Total Turkey Sales	\$ 37.5	\$ 50.2	\$ 61.9	\$ 17.1	\$ 166.7
Sale of Other Products:					
United States	\$ 159.3	\$ 163.6	\$ 153.5	\$ 154.1	\$ 630.5
Mexico	5.7	5.2	1.8	5.3	18.0
Total Sale of Other Products	\$ 165.0	\$ 168.8	\$ 155.3	\$ 159.4	\$ 648.5
Total Net Sales	\$ 1,440.0	\$ 1,482.7	\$ 1,343.8	\$ 1,265.7	\$ 5,532.2



## Appendix K Reconciliation - Operating Income LTM 4/1/06

(\$ in millions)

	3Q2005 Actual	4Q2005 Actual	1Q2006 Actual	2Q2006 Actual	LTM Ending 4/1/06
Chicken:					
United States	\$ 116.8	\$ 113.9	\$ 53.9	\$ (37.7)	\$ 246.9
Mexico	17.8	7.9	(7.1)	1.8	20.4
Total Chicken Sales	\$ 134.6	\$ 121.8	\$ 46.8	\$ (35.9)	\$ 267.3
Total Turkey Sales	\$ (1.9)	\$ (6.1)	\$ (5.6)	\$ (6.7)	\$ (20.3)
Sale of Other Products:					
United States	\$ 2.2	\$ 3.0	\$ 4.5	\$ 4.4	\$ 14.1
Mexico	1.1	1.1	0.5	0.3	3.0
Total Sale of Other Products	\$ 3.3	\$ 4.1	\$ 5.0	\$ 4.7	\$ 17.1
Total Net Sales	\$ 136.0	\$ 119.8	\$ 46.2	\$ (37.9)	\$ 264.1



## Appendix L Reconciliation - Sales LTM 4/1/06

(\$ in millions)

	3Q2005 Actual	4Q2005 Actual	1Q2006 Actual	2Q2006 Actual	LTM Ending 4/1/06
U.S. Chicken Sales:					
Prepared Foods:					
Foodservice	\$ 400.3	\$ 405.6	\$ 386.2	\$ 381.5	\$ 1,573.6
Retail	76.1	77.0	73.2	72.6	298.9
Total Prepared Foods	\$ 476.4	\$ 482.6	\$ 459.4	\$ 454.1	\$ 1,872.5
Fresh Chicken:					
Foodservice	\$ 388.3	\$ 401.0	\$ 352.0	\$ 339.3	\$ 1,480.6
Retail	154.4	158.4	128.1	118.2	559.1
Total Fresh Chicken	\$ 542.7	\$ 559.4	\$ 480.1	\$ 457.5	\$ 2,039.7
Export & Other:					
Export:					
Prepared Foods	\$ 15.1	\$ 14.1	\$ 16.7	\$ 15.6	\$ 61.5
Chicken	81.2	104.1	73.8	53.5	312.6
Total Export	\$ 96.3	\$ 118.2	\$ 90.5	\$ 69.1	\$ 374.1
Other Chicken By Products	7.7	2.4	4.2	4.5	18.8
Total Export and Other	\$ 104.0	\$ 120.6	\$ 94.7	\$ 73.6	\$ 392.9
Total U.S. Chicken	\$ 1,123.1	\$ 1,162.6	\$ 1,034.2	\$ 985.2	\$ 4,305.1



# Appendix M

## Reconciliation – Turkey Sales LTM 4/1/06

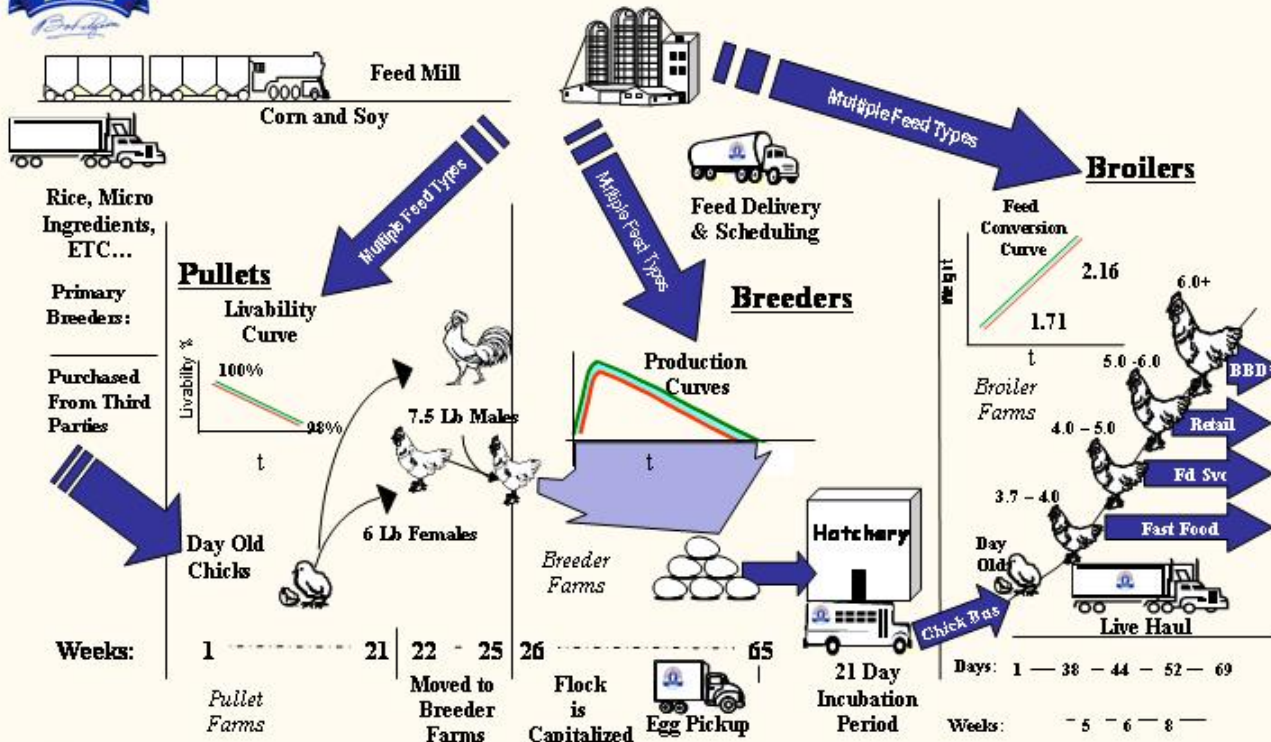
(\$ in millions)

	3Q2005 Actual	4Q2005 Actual	1Q2006 Actual	2Q2006 Actual	LTM Ending 4/1/06
<b>Turkey Sales:</b>					
Prepared Foods:					
Foodservice	\$ 10.6	\$ 8.0	\$ 13.4	\$ 6.3	\$ 38.3
Retail	9.7	10.6	7.9	4.5	32.7
Total Prepared Foods	\$ 20.3	\$ 18.6	\$ 21.3	\$ 10.8	\$ 71.0
Fresh Turkey:					
Foodservice	\$ 1.7	\$ 3.8	\$ 2.5	\$ 1.0	\$ 9.0
Retail	13.4	26.2	37.6	4.9	82.1
Total Fresh Turkey	\$ 15.1	\$ 30.0	\$ 40.1	\$ 5.9	\$ 91.1
Export & Other:					
Export:					
Prepared Foods	\$ 0.3	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.6
Turkey	1.2	1.3	0.1	0.2	2.8
Total Export	\$ 1.5	\$ 1.4	\$ 0.2	\$ 0.3	\$ 3.4
Other Turkey By Products	0.6	0.2	0.3	0.1	1.2
Total Export and Other	\$ 2.1	\$ 1.6	\$ 0.5	\$ 0.4	\$ 4.6
Total Turkey	\$ 37.5	\$ 50.2	\$ 61.9	\$ 17.1	\$ 166.7



# Appendix N

## Vertically Integrated Operation



\*BBD – Big Bird Deboning



# Pilgrim's Pride Corporation

