



April 25, 2005

## **Pilgrim's Pride Corporation Reports Record Earnings for Fiscal Second Quarter and First Six Months Periods**

### **Second fiscal quarter earnings up 71% vs. same quarter last year and**

Year-to-date earnings of 142.6% vs. first six-months of last year

PITTSBURG, Texas, April 25 /PRNewswire-FirstCall/ -- Pilgrim's Pride Corporation (NYSE: PPC) today reported net income rose 71% to \$56.4 million, or \$0.85 per share, for the second fiscal quarter ended April 2, 2005, an increase of \$23.4 million, or \$0.35 per share, when compared with net income of \$33.0 million, or \$0.50 per share, in the second quarter ended April 3, 2004. The Company also reported net sales for the second quarter ended April 2, 2005 of \$1.375 billion, a slight decrease when compared with net sales of \$1.385 billion for the same period last year. Included in the net income for the second quarter of fiscal 2005 is a non-recurring gain of \$6.5 million net of tax, or \$0.10 per share associated with a litigation settlement.

For the six months ended April 2, 2005, the Company reported net income rose 142.6% to \$104.9 million, or \$1.58 per share, an increase of \$61.7 million, or \$0.85 per share, when compared with net income of \$43.2 million, or \$0.73 per share, for the six months ended April 3, 2004. The Company also reported net sales for the first six months of fiscal 2005 of \$2.744 billion, an increase of \$315 million, compared with net sales of \$2.429 billion for the same period last year. Included in the net income for the first six months of fiscal 2005 is a non-recurring gain of \$6.5 million net of tax, or \$0.10 per share, associated with a litigation settlement.

"Our record second fiscal quarter and first six months' performance reflects solid poultry market trends coupled with the continued strong growth of our chicken business, lower average feed costs when compared to the prior year and excellent results from our Mexico operations," said O.B. Goolsby, President and Chief Executive Officer of Pilgrim's Pride. "We continue our focus this year on product mix improvements more so than unit volume growth and the penetration of our prepared foods business into an ever-widening customer base throughout the foodservice, retail and quick service categories. We expect that poultry market prices will remain solid and feed costs will be considerably lower than in the prior fiscal year for the remainder of fiscal year 2005. These factors, combined with a strong export demand, give us reason to maintain our positive industry outlook for the rest of fiscal 2005."

Pilgrim's Pride will hold a conference call to discuss the Company's second quarter fiscal 2005 financial results at 10 a.m. CDT (11 a.m. EDT) on April 25, 2005. To listen live via telephone, call 800-391-2548, verbal pass code VG495227. The call also will be webcast live on the Internet at <http://phx.corporate-ir.net/phoenix.zhtml?p=irrol-eventDetails&c=68228&eventID=1051215> (Note: Due to length URL may not hyperlink. Please copy and paste into your 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 two hours of the conclusion of the call. A telephone replay will be available beginning at 2 p.m. CDT on April 25 through May 2 at 800-355-2355 pass code 495227#.

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

Statements contained in this press release that state the intentions, hopes, beliefs, anticipations, expectations, outlooks or predictions of the future of Pilgrim's Pride Corporation and its management, including the expectations regarding poultry prices and feed costs for the remainder of fiscal year 2005, 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 affecting the production performance and/or marketability of the company's 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; management of our cash resources, particularly in light of our

leverage; restrictions imposed by and as a result of, our leverage; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; changes in laws or regulations affecting our operations or the application thereof as well as competitive factors and pricing pressures; risks associated with the acquisition of ConAgra Foods' chicken division including possible unknown liabilities assumed in connection with the acquisition and loss of customers of the acquired business; inability to recognize the anticipated cost savings and anticipated benefits in connection with our turkey division restructuring; 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.

PILGRIM'S PRIDE CORPORATION Consolidated Statements of Income (Unaudited) [In thousands, except share and per share amounts] Three Months Ended April 2, 2005 April 3, 2004 Net Sales \$1,375,321 \$1,384,908 Costs and Expenses Cost of sales 1,216,837 1,261,513 Selling, general and administrative 69,529 61,884 1,286,366 1,323,397 Operating Income 88,955 61,511 Other Expense (Income): Interest expense, net 9,318 13,524 Foreign exchange (gain) loss (223) 185 Miscellaneous, net (10,733) 1,257 Total other expenses, net (1,638) 14,966 Income before income taxes 90,593 46,545 Income tax expense 34,204 13,594 Net Income \$56,389 \$32,951 Net income per common share -basic and diluted \$0.85 \$0.50 Dividends declared per common share \$0.015 \$0.015 Weighted average shares outstanding 66,555,733 66,555,733 Six Months Ended April 2, 2005 April 3, 2004 (26 Weeks) (27 Weeks) Net Sales \$2,743,568 \$2,429,275 Costs and Expenses Cost of sales 2,429,673 2,228,840 Selling, general and administrative 133,925 108,116 2,563,598 2,336,956 Operating Income 179,970 92,319 Other Expense (Income): Interest expense, net 21,542 25,968 Foreign exchange (gain) loss (326) 263 Miscellaneous, net (11,748) 936 Total other expenses, net 9,468 27,167 Income before income taxes 170,502 65,152 Income tax expense 65,604 21,915 Net Income \$104,898 \$43,237 Net income per common share -basic and diluted \$1.58 \$0.73 Dividends declared per common share \$0.015 \$0.030 Weighted average shares outstanding 66,555,733 58,882,431 PILGRIM'S PRIDE CORPORATION Condensed Consolidated Balance Sheets (Unaudited) [In thousands] April 2, 2005 October 2, 2004 ASSETS Cash and cash equivalents \$147,837 \$38,165 Other current assets 909,824 979,063 Total Current Assets 1,057,661 1,017,228 Other Assets 49,618 50,086 Property, Plant and Equipment, net 1,162,257 1,178,675 Total Assets \$2,269,536 \$2,245,989 LIABILITIES AND STOCKHOLDERS' EQUITY Current maturities of long-term debt \$8,501 \$8,428 Other current liabilities 556,909 625,074 Total Current Liabilities 565,410 633,502 Long-Term Debt, Less Current Maturities 523,404 535,866 Deferred Income Taxes 153,286 152,455 Minority Interest in Subsidiary 1,320 1,210 Total Stockholders' Equity 1,026,116 922,956 Total Liabilities and Stockholders' Equity \$2,269,536 \$2,245,989 Pilgrim's Pride Corporation Pro forma Financial Information (Unaudited) (In thousands except per share amounts) The unaudited pro forma financial information has been presented as if the acquisition of the ConAgra chicken division had occurred as of the beginning of fiscal year 2004. Six Months Ended April 3, 2004 (27 Weeks) Net sales \$2,890,067 Depreciation and amortization \$66,043 Operating income \$117,833 Interest expense, net \$30,339 Income tax expense \$30,775 Net income \$57,695 Net income per common share \$0.87 Weighted average shares outstanding 66,555,733 Selected Financial Information (Unaudited) (In thousands)

Note: "EBITDA" is defined as net income before interest, 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.

EBITDA is calculated as follows:

| Three Months Ended                          | April 2, 2005 | April 3, 2004 |
|---|---------------|---------------|
| Net Income                                  | \$56,389      | \$32,951      |
| Add:  |               |               |
| Income tax expense                          | 34,204        | 13,594        |
| Interest expense, net                       | 9,318         | 13,524        |
| Depreciation and amortization               | 33,777        | 33,087        |
| Minus:                                      |               |               |
| Amortization of capitalized financing costs | 580           | 488           |
| EBITDA                                      | \$133,108     | \$92,668      |
| Capital expenditures                        | \$27,994      | \$19,429      |

| Six Months Ended | April 2, 2005<br>(26 Weeks) | April 3, 2004<br>(27 Weeks) | Pro Forma<br>April 3, 2004<br>(27 Weeks) |
|------------------|-----------------------------|-----------------------------|--|
| Net Income       | \$104,898                   | \$43,237                    | \$57,695                                 |

|   |           |           |           |
|---|-----------|-----------|-----------|
| Add:  |           |           |           |
| Income tax expense                          | 65,604    | 21,915    | 30,775    |
| Interest expense, net                       | 21,542    | 25,968    | 30,339    |
| Depreciation and amortization               | 63,842    | 58,998    | 66,043    |
| Minus:                                      |           |           |           |
| Amortization of capitalized financing costs | 1,150     | 1,007     | 1,007     |
| EBITDA                                      | \$254,736 | \$149,111 | \$183,845 |
| Capital expenditures                        | \$52,154  | \$39,981  | \$46,044  |

SOURCE Pilgrim's Pride Corporation

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