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Pilgrim's Pride Celebrates 60 Years of Innovation and Leadership

From Its Start in 1946 as a Tiny Feed Store in East Texas to Its Place Today as a Fortune 500 Firm With \$5.7 Billion in Sales and 40,000 Partners, Pilgrim's Pride Has Set the Pace in the Poultry Industry

PITTSBURG, Texas, Oct. 2 /PRNewswire-FirstCall/ -- The year was 1946. The United Nations held its first general assembly in London. Jackie Robinson debuted as the second baseman for the Montreal Royals. The classic movie "It's a Wonderful Life" opened in theaters across the country. And Aubrey Pilgrim opened a tiny feed store in East Texas that, over the next 60 years, would grow to become Pilgrim's Pride Corp. (NYSE: PPC) and change the face of the U.S. poultry industry.

(Photo: <http://www.newscom.com/cgi-bin/prnh/20061002/DAM032-a>

<http://www.newscom.com/cgi-bin/prnh/20061002/DAM032LOGO-b>)

On October 2, 1946, Aubrey Pilgrim and his partner, Pat Johns, bought a feed and seed store in Pittsburg, Texas, for \$3,500. Aubrey's brother, Lonnie "Bo" Pilgrim, soon joined them. In those days, they would sell 100 baby chicks and a sack of feed to local farmers, who would take the chicks home and raise them in their back yards.

"They would sell the chickens back to us, and we would turn them loose in a pen near the store. Local people would come to purchase one of the chickens, and we would catch the one they'd chosen," Bo Pilgrim recalls in "One Pilgrim's Progress" (Nelson Business, \$22.99, Amazon.com), published in 2005.

Selling baby chicks to drive feed sales was one of several innovative ideas that would later lead to the "vertical integration" model of poultry production used by nearly every major poultry company.

"We began to grow in a way that, looking back, was a set of small but integrated steps. We didn't know it at the time, of course, that our steps were linked in some way. We were simply responding to one opportunity after the next. In retrospect, the pieces of a fairly elaborate puzzle were beginning to fall into place," remembers Mr. Pilgrim, who now serves as chairman of Pilgrim's Pride and last week was inducted into the Texas Heritage Hall of Honor for his contributions to Texas agriculture. His brother, Aubrey, passed away in 1966.

Today, as it celebrates its 60th anniversary, Pilgrim's Pride stands as one of the great entrepreneurial success stories. It posted 2005 sales of \$5.7 billion, and it ranks as the second-largest poultry company in the U.S. and Mexico and the largest in Puerto Rico. Pilgrim's Pride processes approximately 6 million chickens a day, along with 480 million table eggs per year, and exports to more than 70 countries. The Company regularly appears on Fortune's list of "Most Admired" companies.

Industry Innovator

Over the years, Pilgrim's Pride has established a reputation for industry-leading innovation. It was one of the first in the poultry industry to produce individually quick-frozen cooked and fresh chicken products. In 1984, the Company developed the world's first boneless whole chicken. In 1997, after years of research into the role of certain vital nutrients in fighting heart disease and promoting wellness, the company introduced EggsPlus™, a healthier alternative to the ordinary egg that contains extra Vitamin E, Lutein and Omega-3 essential fatty acids.

More recently, Pilgrim's Pride introduced its EatWellStayHealthy Kids™ line of heart-healthy products, the first in the industry to feature the USDA-regulated word, "healthy," on its packaging, as well as the American Heart Association's "heart check-mark" seal of approval.

These innovations have earned Pilgrim's Pride numerous awards for quality and service from its customers, as well as accolades within its industry. Recent awards include the Distinguished Supplier Award from Darden Restaurants, Inc., the world's largest casual dining restaurant company; the 2005 Vendor Partnership Award from Jack in the Box Inc.; the Poultry

Supplier of the Year Award from Zaxby's, a major fast casual chicken restaurant chain; and the Outstanding Vendor of the Year Award from Fry's Food Stores, a division of The Kroger Co. Pilgrim's Pride has also been named among the "Most Admired Companies in America" by Fortune for four consecutive years, and was named one of the "Best Managed Companies in America" by Forbes in 2006.

Admittedly, the growth and success of the past 60 years is a bit "mind-boggling" to Mr. Pilgrim, who grew up in Pine, Texas (pop. 80), and attended classes in a three-room schoolhouse just after the Great Depression. But he believes the years ahead are filled with even more promise.

"At one time, there were more than 1,000 poultry companies in the United States. Today, there are just a few dozen. The survivors are those that have been able to respond quickly and decisively to the changing tastes of customers and consumers. We've enjoyed a great deal of success over the past 60 years by staying one step ahead of our competitors, and our future looks even brighter," Mr. Pilgrim said.

About Pilgrim's Pride Corporation

Pilgrim's Pride Corporation is the second-largest chicken producer in the United States and Mexico and the largest chicken producer in Puerto Rico. Pilgrim's Pride employs approximately 40,000 people and has major operations in Texas, Alabama, Arkansas, Georgia, Kentucky, Louisiana, North Carolina, Pennsylvania, Tennessee, Virginia, West Virginia, Mexico and Puerto Rico, with other facilities in Arizona, Florida, Iowa, Mississippi and Utah.

Pilgrim's Pride products are sold to foodservice, retail and frozen entree customers. The Company's primary distribution is through retailers, foodservice distributors and restaurants throughout the United States and Puerto Rico and in the Northern and Central regions of Mexico. For more information, please visit <http://www.pilgrimspride.com>.

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