



July 30, 2010

## **Pilgrim's Pride Reports Financial Results for Second Quarter of Fiscal 2010**

GREELEY, Colo., July 30, 2010 /PRNewswire via COMTEX/ --

Pilgrim's Pride Corporation (NYSE: PPC) today reported net earnings of \$32.9 million, or \$0.15 per diluted share, on net sales of \$1.7 billion for the second quarter ended June 27, 2010. These results include nonrecurring administrative restructuring charges of \$16.9 million pre-tax, or \$10.5 million after tax, or \$0.05 per diluted share, related to the writedown of net book value of two office buildings. For the comparable quarter a year ago, the company reported net earnings of \$53.2 million, or \$0.72 per share, on total sales of nearly \$1.8 billion. Adjusted EBITDA, which excludes restructuring and reorganization charges, was \$127.6 million for the second quarter of fiscal 2010, as compared to adjusted EBITDA of \$166.0 million for the same period a year ago.

"Our results for the second quarter reflect significant improvement from the first quarter, a sign that the operational and structural changes we have made over the past 18 months are beginning to pay off," said Don Jackson, Pilgrim's Pride president and chief executive. "We are making progress in a number of areas, including new business, cost control and operating efficiencies. We continue to make gains in live operations and plant costs."

The company said the administrative restructuring charges include \$14.8 million in non-cash impairment costs related to writing down the net book value of its former corporate headquarters building in east Texas and a satellite corporate office building in Atlanta. Those offices were recently closed as part of the relocation of the corporate headquarters to Greeley, CO.

"Cost improvement in the short-term, and product mix and price in the long-term, continue to be our largest opportunities for creating value. We are succeeding in bringing in new, higher-margin business in both retail and foodservice in the third quarter. Overall we are seeing good demand from customers and we intend to grow our share and volume in every channel. Sales and volume in the second quarter increased across our retail and foodservice segments when compared to the first quarter. In terms of supply and demand, we are in balance with our boneless skinless breast meat, with all of that product being absorbed by our core retail and foodservice businesses," he explained.

Jackson said he is cautiously optimistic about industry fundamentals heading into the second half of the year, as overall production is estimated to rise 2.7 percent in 2010. "That is still well below the pre-cutback levels of 2008 and supplies at this point remain fairly tight. Based on the current supply across all three meat proteins, I believe the industry will remain relatively strong. In general, our customers appear to be optimistic, and I believe we will see more price support for chicken as supplies remain below pre-cutback levels."

"Looking ahead, we are focused on upgrading the value of our product mix, operating our plants more efficiently, and taking full advantage of our stronger financial and competitive position in the marketplace," Mr. Jackson said.

For the first two quarters of fiscal 2010, the company reported a net loss of \$12.6 million, or \$0.06 per share, on sales of \$3.4 billion. These results include nonrecurring administrative restructuring charges and reorganization expenses of \$71.2 million pre-tax, or \$44.3 million after tax, or \$0.21 per diluted share. For the same period a year ago, Pilgrim's Pride reported a net loss of \$5.5 million, or \$0.07 per share, on sales of \$3.5 billion. Adjusted EBITDA for the first six months of fiscal 2010 was \$187.1 million, compared to \$246.7 million for the same period a year ago.

### **Conference Call Information**

A conference call to discuss the company's quarterly results will be held today at 9 a.m. Mountain (11 a.m. Eastern). To listen live via telephone, call toll-free 800-894-5910, passcode 5630149. International callers should dial 785-424-1052, passcode 5630149. The presentation will be broadcast live over the Internet at <http://www.videonewswire.com/event.asp?id=70373>. (Please copy and paste the link into the 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 approximately two hours of

the conclusion of the call. A toll-free telephone replay will be available today beginning at approximately noon Mountain time by calling 888-203-1112, passcode 5630149. International callers may dial 719-457-0820, passcode 5630149. The replay will be available for 30 days.

## About Pilgrim's Pride

Pilgrim's Pride Corporation employs approximately 41,000 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. For more information, please visit <http://www.pilgrimspride.com>.

## 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 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; the ability to execute the company's business plan to achieve desired cost savings and profitability; the ability of the company to achieve the anticipated synergistic gains from the sale of 64% of its common stock to JBS USA Holdings, Inc; the ability of the company to re-open its idled facilities in the manner and on the time schedule planned due to, among other things, the company's dependence on commodity prices and economic conditions; future pricing for feed ingredients and the company's products; additional 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, particularly in light of Pilgrim's Pride's substantial leverage; restrictions imposed by, and as a result of, Pilgrim's Pride's substantial 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 exports into Russia, the anti-dumping proceeding in Ukraine and the anti-dumping and countervailing duty proceeding in China; 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.*

Media & Investor

Contact:

Gary Rhodes

Vice President, Corporate Communications and

Investor Relations

(903) 434-1495

PILGRIM'S PRIDE CORPORATION  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended	
	June 27, 2010	June 27, 2009
	----	----
	(In thousands, except per share data)	
Net sales	\$1,707,568	\$1,776,813
Costs and expenses:		
Cost of sales	1,575,077	1,611,337
	-----	-----
Gross profit	132,491	165,476

Selling, general and administrative expense	63,718	56,880
Administrative restructuring charges, net	16,882	-
	-----	---
Total costs and expenses	1,655,677	1,668,217
	-----	-----
Operating income	51,891	108,596
Other expenses (income):		
Interest expense	26,115	38,843
Interest income	(627)	(488)
Miscellaneous, net	(4,504)	(312)
	-----	----
Total other expenses	20,984	38,043
	-----	-----
Income (loss) from continuing operations before reorganization items and income taxes		
Reorganization items, net	30,907	70,553
	(2,178)	16,779
	-----	-----
Income (loss) from continuing operations before income taxes	33,085	53,774
Income tax expense (benefit)	(1,503)	555
	-----	---
Income (loss) from continuing operations	34,588	53,219
Income from discontinued business, net of tax	-	-
	---	---
Net income (loss)	34,588	53,219
Less: Net income (loss) attributable to noncontrolling interest	1,670	(20)
	-----	---
Net income (loss) attributable to Pilgrim's Pride Corporation	\$32,918	\$53,239
	=====	=====
Net loss per common share-basic and diluted:		
Income (loss) from continuing operations attributable to Pilgrim's Pride Corporation common stockholders	\$0.15	\$0.72
Income from discontinued business attributable to Pilgrim's Pride Corporation common stockholders	-	-
	---	---
Net income (loss) attributable to Pilgrim's Pride Corporation	\$0.15	\$0.72



Net income (loss) attributable to Pilgrim's Pride Corporation	\$(12,629)	\$(5,526)
	=====	=====
Net loss per common share-basic and diluted:		
Income (loss) from continuing operations attributable to Pilgrim's Pride Corporation common stockholders	\$(0.06)	\$(0.07)
Income from discontinued business attributable to Pilgrim's Pride Corporation common stockholders	-	-
	---	---
Net income (loss) attributable to Pilgrim's Pride Corporation common stockholders	\$(0.06)	\$(0.07)
	=====	=====
Weighted average shares outstanding - basic and diluted	214,282	74,056

PILGRIM'S PRIDE CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	June 27,	September 26,
	2010	2009
	----	----
	(In thousands)	
Assets:		
Cash and cash equivalents	\$36,483	\$220,029
Investment in available-for-sale securities	9,741	5,302
Trade accounts and other receivables, less allowance for doubtful accounts	330,103	316,953
Inventories	782,476	763,869
Income taxes receivable	54,144	15,028
Prepaid expenses and other current assets	55,530	44,540
Assets held for sale	27,179	473
	-----	---
Total current assets	1,295,656	1,366,194
Investment in available-for-sale securities	56,394	57,314
Deferred tax assets	11,665	16,732
Other long-lived assets	117,938	63,609
Identified intangible assets, net	51,792	57,179
Property, plant and equipment, net	1,393,795	1,499,476
	-----	-----
	\$2,927,240	\$3,060,504

	=====	=====
Liabilities and stockholders' equity:		
Accounts payable	\$263,541	\$182,173
Accrued expenses	287,770	309,259
Pre-petition obligations	3,663	-
Income taxes payable	8,490	-
Current deferred tax liabilities	15,277	16,732
Current maturities of long-term debt	62,853	-
	-----	---
Total current liabilities	641,594	508,164
Long-term debt, less current maturities	1,167,930	41,062
Deferred tax liabilities	42,384	22,213
Other long-term liabilities	90,175	98,783
	-----	-----
Total liabilities not subject to compromise	1,942,083	670,222
Liabilities subject to compromise	-	2,233,161
Common stock	2,143	771
Additional paid-in capital	1,447,211	646,793
Accumulated deficit	(448,421)	(469,407)
Accumulated other comprehensive loss	(23,883)	(27,237)
	-----	-----
Total Pilgrim's Pride Corporation stockholders' equity	977,050	150,920
Noncontrolling interest	8,107	6,201
	-----	-----
Total stockholders' equity	985,157	157,121
	-----	-----
	\$2,927,240	\$3,060,504
	=====	=====

## PILGRIM'S PRIDE CORPORATION

### Selected Financial Information

#### (Unaudited)

Note: "EBITDA" is defined as the sum of income (loss) from continuing operations plus interest, taxes, depreciation and amortization. "Adjusted EBITDA" is defined as the sum of EBITDA plus restructuring charges and reorganization items. 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 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.

Three Months  
Ended  
-----  
June                      June  
27,                        27,  
2010                      2009  
----                      ----  
(In thousands, except per share  
data)

Net income (loss) attributable to Pilgrim's Pride Corporation	\$32,918	\$53,239
Add:		
Income tax expense (benefit)	(1,503)	555
Interest expense, net	25,488	38,355
Depreciation and amortization	59,705	57,162
Minus:		
Amortization of capitalized loan costs	3,761	1,764
	-----	-----
EBITDA	112,847	147,547
Add:		
Restructuring charges, net	16,882	-
Pre-petition reorganization items, net	-	1,631
Post-petition reorganization items, net	(2,178)	16,779
	-----	-----
Adjusted EBITDA	\$127,551	\$165,957
	=====	=====

Six Months Ended  
-----  
June                      June  
27,                        27,  
2010                      2009  
----                      ----  
(In thousands, except per share  
data)

Net income (loss) attributable to Pilgrim's Pride Corporation	\$(12,629)	\$(5,526)
Add:		
Income tax expense (benefit)	(34,807)	2,902
Interest expense, net	53,361	81,975
Depreciation and amortization	117,473	117,674
Minus:		
Amortization of capitalized loan costs	7,541	3,540
	-----	-----

EBITDA	115,857	193,485
Add:		
Restructuring charges, net	52,701	(435)
Pre-petition reorganization items, net	-	1,527
Post-petition reorganization items, net	18,541	52,134
	-----	-----
Adjusted EBITDA	\$187,099	\$246,711
	=====	=====

SOURCE Pilgrim's Pride Corporation

**Media Contact**

**Cameron Bruett**

Communications

Phone: +1 970.506.7801 | Email: [cameron.bruett@jbssa.com](mailto:cameron.bruett@jbssa.com)