



December 3, 2008

## **Pilgrim's Pride Corporation Receives Court Approval of 'First Day' Motions**

Obtains Interim Approval to Borrow Up To \$365 Million in DIP Financing Court Approval Assures Operations to Continue Uninterrupted

PITTSBURG, Texas, Dec. 3 /PRNewswire/ -- Pilgrim's Pride Corporation, together with certain of its wholly owned subsidiaries (collectively, the "Company"), today announced the approval of "first day" motions by the United States Bankruptcy Court for the Northern District of Texas (the "Court"). The Company received interim approval to access \$365 million of its \$450 million debtor-in-possession financing facility arranged by Bank of Montreal as lead agent (the "DIP financing"). The DIP financing, combined with cash generated from ongoing operations, will allow the Company to satisfy its customary business obligations, including the timely payment of employee wages and payments to vendors. The final DIP hearing is scheduled for December 17, 2008.

The Company also announced that it received Court approval to, among other things, pay pre-petition employee wages, health benefits, and other employee obligations during its restructuring under Chapter 11. Additionally, the Company is authorized to continue to honor all of its current customer policies without interruption, including marketing development, rebate and prepayment programs, coupon programs, product replacement and customer refunds.

"The Court's approval of our DIP financing and first day motions is a positive first step toward a successful restructuring," said Clint Rivers, president and chief executive officer. "Throughout this process, we will continue to operate our business without interruption, including paying employee wages and purchasing the goods and services necessary to serve our customers. We have been working hard to address the operational and financial challenges we currently face, and this restructuring will help us not only meet these challenges, but also enhance the efficiency of our operations, strengthen our balance sheet and position Pilgrim's Pride to compete more effectively in the future."

Additionally, the Company noted that the New York Stock Exchange (NYSE) has suspended Pilgrim's Pride common stock as a result of the Company's filing of its Chapter 11 petitions. The Company's common stock is now quoted on the Pink Sheets Electronic Quotation Service and has been assigned the ticker symbol "PGPDQ.PK." Information about this service is available at <http://www.pinksheets.com/>.

As previously announced, the Company filed voluntary Chapter 11 petitions on December 1, 2008. The Chapter 11 cases are being jointly administered under case number 08-45664. The Company's operations in Mexico and certain operations in the United States were not included in the filing and continue to operate as usual, outside of the Chapter 11 process.

Additional information about the restructuring is available at the Company's website [www.pilgrimspride.com](http://www.pilgrimspride.com) or via the Company's restructuring information line, 888-830-4659. For access to Court documents and other general information about the Chapter 11 cases, please visit [www.kccllc.net/pilgrimspride](http://www.kccllc.net/pilgrimspride).

### About Pilgrim's Pride

Pilgrim's Pride Corporation employs approximately 48,000 people and operates 35 chicken processing plants and 11 prepared-foods facilities. 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>.

### 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, including as to expectations as to the reorganization of the Company's business and finances to resolve its operational and liquidity issues, expectations to emerge from Chapter 11 proceedings stronger and more competitive, the sufficiency of liquidity to be provided by the debtor-in-possession financing facility, anticipated authorizations being requested of the Bankruptcy Court and expectations as to the

ability to make post-petition payments, 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: the Company's ability to obtain court approval with respect to its motions in the Chapter 11 proceedings; the ability of the Company and its subsidiaries to prosecute, develop and consummate one or more plans of reorganization with respect to the Chapter 11 proceedings; risks associated with third party motions in the Chapter 11 proceedings, which may interfere with the Company's ability to develop and consummate one or more plans of reorganization; the potential adverse effects of the Chapter 11 proceedings on the Company's liquidity or results of operations; matters affecting the poultry industry generally; continued compliance with conditions for funding under the debtor-in- possession financing facility; the ability to execute the Company's business and restructuring plan to achieve desired cost savings and additional capital to improve liquidity; future pricing for feed ingredients and the Company's products; additional outbreaks of avian influenza or other diseases, either in the Company's flocks or elsewhere, affecting the Company's ability to conduct its operations and/or demand for its poultry products; contamination of the Company'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 the Company's substantial leverage; restrictions imposed by, and as a result of, the Company's substantial leverage; changes in laws or regulations affecting the Company'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 the Company 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 the Company'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 channels; 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.

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)