

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): November 14, 2006

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

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

| | |
|--|-------------------|
| 4845 US Hwy. 271 N. | |
| Pittsburg, Texas | 75686-0093 |
| (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 the conference call of November 14, 2006.

| Exhibit Number | Description |
|---------------------------|--------------------|
|---------------------------|--------------------|

| | |
|------|---|
| 99.1 | Overview of Pilgrim's Pride Corporation to be referenced in the conference call of November 14, 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: November 14, 2006.

By: /s/ Richard A. Cogdill

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

Exhibit Index

| Exhibit Number | Description |
|---------------------------|---|
| 99.1 | Overview of Pilgrim's Pride Corporation to be referenced in the conference call of November 14, 2006. |



Pilgrim's Pride Corporation

Fiscal 2006

4th Quarter & Year-End Results

November 14, 2006

1



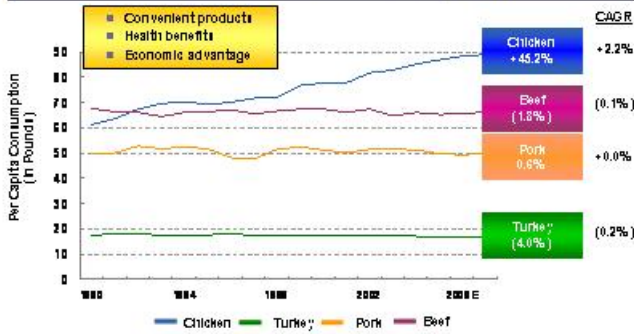
Cautionary Notes And Forward-Looking Statements

- Statements contained in this presentation that state the intentions, plans, hopes, beliefs, anticipations, expectations or predictions of the future of Pilgrim's Pride Corporation and its management, including any as to changes in pricing, demand and market conditions for chicken products and profitability, 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.
- 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 and to exclude recoveries resulting from our vitamin and methionine and other litigation and recall-related insurance, and to exclude taxes related to the repatriation of earnings pursuant to the American Jobs Creation Act and one-time accounting adjustments related to Mexico government-mandated defined benefit plans. 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



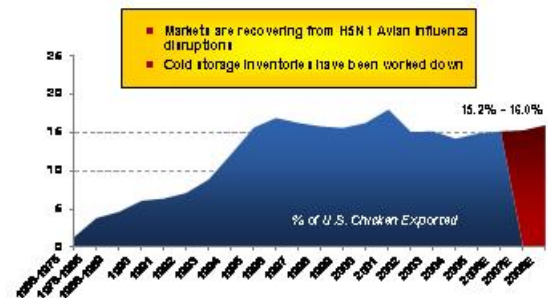
Market Supply and Demand Dynamics ...

U.S. Chicken Consumption



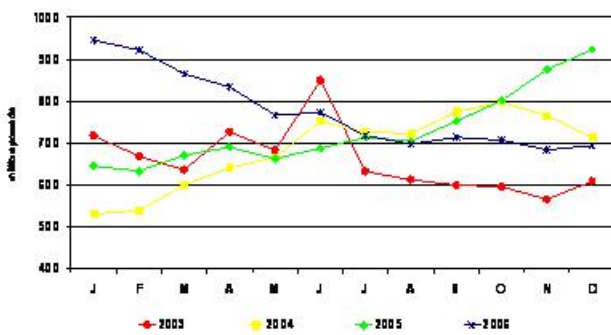
Source: October 2006 National Chicken Council.

Industry Exports



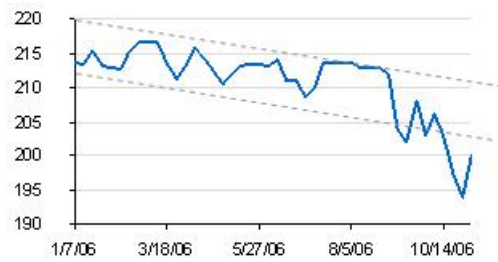
Source: October 2006 National Chicken Council.

Cold Storage Inventories



Source: USDA, Informa Economics.
Note: Period data for October 2006 - December 2006 projected by Informa

Egg Sets



Source: National Agricultural Statistics Service, USDA - Broiler hatchery weekly publication as of 11/8/06.



Industry Response to Challenges in Operating Environment

Weekly Broiler Slaughtered
(y-o-y growth)



Source: USDA.

Pullets Placed



Source: USDA.

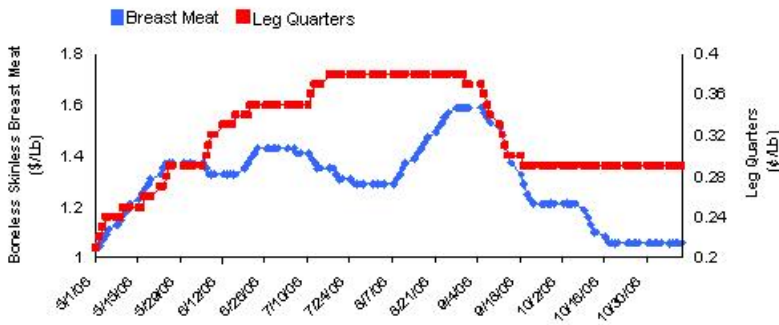
□ Industry production overall was reduced by 4% to 6% and is expected to move margins back above break-even before the end of the fiscal year

- In March, Gold Kist announced a 3.25% production cutback to begin the week after Easter – Consumer Conference
- In May, Pilgrims Pride announced a 3% production cutback to begin in July - Company Earnings Call
- In May, Sanderson Farms announced a 4.3% reduction in production levels to begin in early July in all of its big bird deboning plants and at its chill pack plant to begin late June – Company Earnings Call
- In July, Tyson announced a 5% to 6% total cutback, 3% of which had been put in place during July and an additional 2-3% cut to begin in the fall – Company Earnings Call



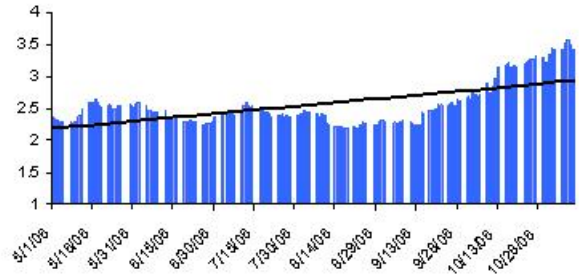
Additional Action Taken by Pilgrim's Pride

UrnerBarry Market Pricing



Source: UB Publications, Mid-West Boneless Skinless Breast Meat Tender Out
 UB Publications, Mid-West Leg Quarters (Bulk) thru 11/13/06

Corn Near-by Futures
 (\$/Bushel)



Source: Chicago Board of Trade Com Near-by Futures thru 11/13/06

- Industry dynamics improved in the spring and early summer, but have weakened in recent months

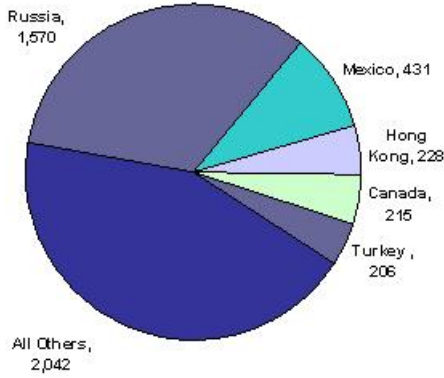
To better balance supply and demand amid rising costs and lower pricing, on October 29th PPC announced plans to reduce production year-over-year by 5%

Reduction began with egg sets as of October 30th
 and will take effect with weekly processing by January 1, 2007

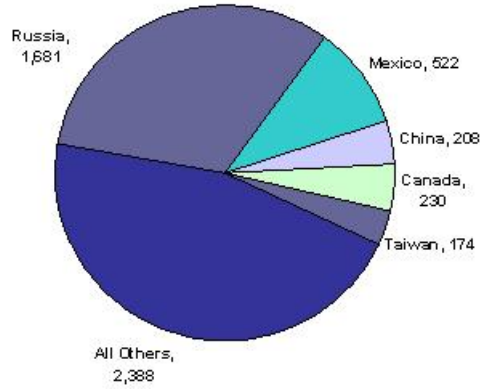


Top U.S. Chicken Export Markets

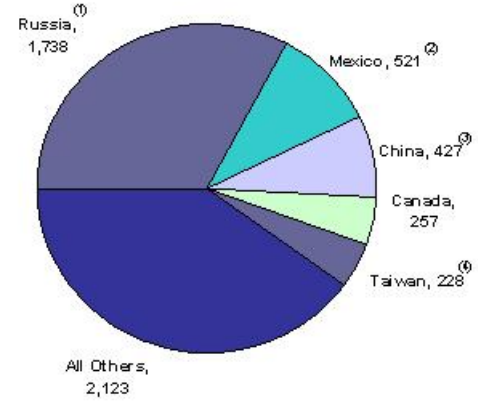
US Exports 2004



US Exports 2005



US Exports 2006



| | |
|---------------------------|---------|
| % of US Production: | 14.04% |
| % Inc (Dec.) – Exports: | (3.49%) |
| % Inc. (Dec.) – Domestic: | 5.35% |

| | |
|---------------------------|--------|
| % of US Production: | 14.72% |
| % Inc (Dec.) – Exports: | 8.78% |
| % Inc. (Dec.) – Domestic: | 2.96% |

| | |
|---------------------------|--------|
| % of US Production: | 15.34% |
| % Inc (Dec.) – Exports: | 6.86% |
| % Inc. (Dec.) – Domestic: | 0.00% |

- (1) Bans on U.S. imports generally lifted
- (2) Bans on U.S. imports generally lifted except for eleven counties in TX
- (3) Bans on U.S. imports generally lifted except for CT, RI, NY & PA
- (4) Bans on U.S. imports generally lifted except for PA

November 2006 Source: USDA & Informa Economics Projections



Pricing a Challenge in Recent Months

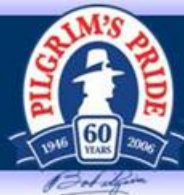
Pricing environment during (vs. prior year periods) :

| | | <u>4th Qtr FY 06*</u> | <u>4th Qtr Ytd*</u> | <u>11/13/06 vs. 09/30/06**</u> |
|------------------------|---------------------|------------------------|----------------------|--------------------------------|
| <u>Primary:</u> | | | | |
| ▪ | GA Dock | ➤ -6.1% to \$0.70/lb. | -5.8% to \$0.70/lb. | -1.8% to \$0.69/lb. |
| ▪ | Leg Quarters | ➤ -21.1% to \$0.36/lb. | -19.7% to \$0.29/lb. | 0.0% to \$0.29/lb. |
| <u>Other:</u> | | | | |
| ▪ | Wings | ➤ +14.2% to \$0.95/lb. | -7.3% to \$0.89/lb. | -14.1% to \$0.85/lb. |
| ▪ | Breast Meat | ➤ -1.6% to \$1.39/lb. | -15.8% to \$1.21/lb. | -12.4% to \$1.06/lb. |

(Source: UrnerBarry Publications)

* Pricing reflects averages for the related time periods

** Reflects price change for the period 9/30/06 thru 11/13/06



Feed Ingredient Outlook

■ Grain Market

FY2006 Actuals:

- **Com***
- **Soybean Meal***

**4th Qtr FY06
Near-by Futures
vs. Prior Year Qtr**

**+7.6% to \$2.42/bushel
-18.6% to \$166.20/ton**

**4th Qtr YTD FY06
Near-by Futures
vs. Prior Year YTD**

**+5.9% to \$2.32/bushel
-4.3% to \$175.56/ton**

FY2007 Outlook:

- **Com***
- **Soybean Meal***

**2006-2007 Crop Year
USDA Projections
vs. 4th Qtr YTD FY06**

**+29.3% to \$3.00/bushel
+1.1% to \$177.50/ton**

**2006-2007 Crop Year
11/13/06 Futures (CBOT)
vs. 4th Qtr YTD FY06**

**+47.8% to \$3.43/bushel
+11.2% to \$195.22/ton**

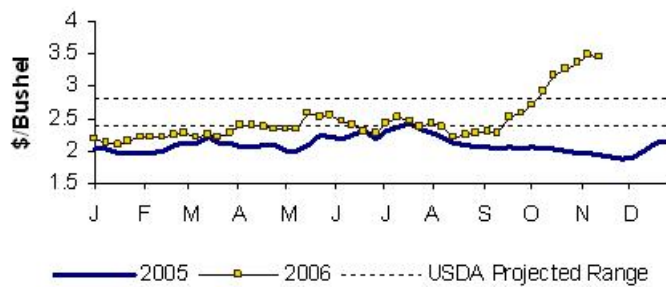
* Excludes Freight and Basis Costs delivery costs

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

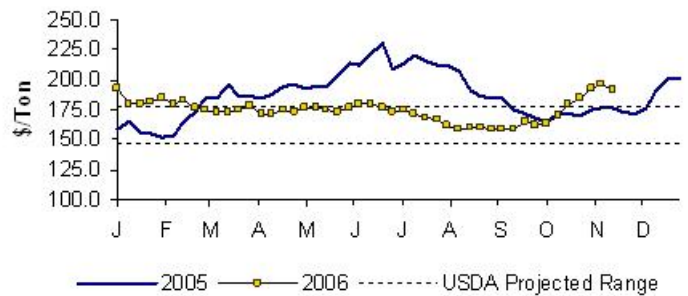


Feed Ingredient Prices Affected by Speculation

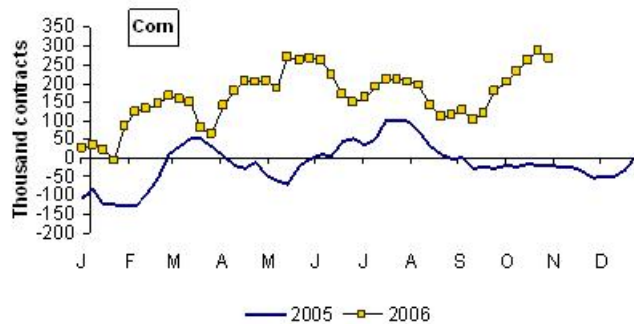
Com Near-by Futures vs. USDA Projections



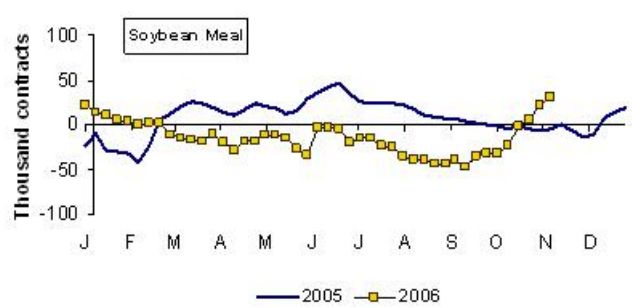
SBOM Near-by Futures vs. USDA Projections



Large Speculative Net Futures & Options Position



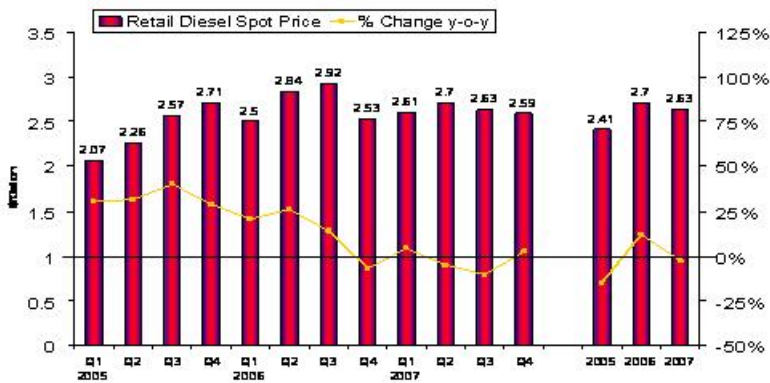
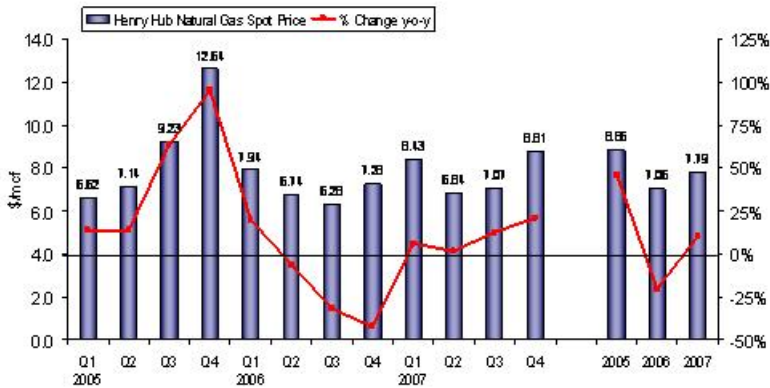
Increasing Speculative Net Futures & Options Position



* Source: CFTC Commitment of Traders Report 11/13/06, Chicago Board of Trade Futures, & USDA



Energy Pricing



Estimated Pricing

- 4th Qtr 2006** Natural gas and diesel decline versus prior year 4th quarter
Diesel: -6.7%
Natural Gas: -42.4%
- 1st Qtr 2007** Natural Gas and Diesel increase versus prior year 1st quarter
Diesel: 4.3%
Natural Gas: 6.2%
- 2nd Qtr 2007** Natural Gas increases, Diesel decreases versus prior year 2nd quarter
Diesel: -5.0%
Natural Gas: 1.6%
- 3rd Qtr 2007** Natural Gas increases, Diesel decreases versus prior year 3rd quarter
Diesel: -10.0%
Natural Gas: 12.6%
- 4th Qtr 2007** Natural Gas and diesel increase versus prior year 4th quarter
Diesel: 2.5%
Natural Gas: 20.9%

* Source: Energy Information Administration



Earnings per Share

| <u>Actuals</u> | <u>FY2006</u> | <u>FY2005</u> | <u>%Change</u> |
|-------------------|---------------|---------------|----------------|
| 4th Quarter | \$ (0.11) | \$ 1.12 | -109.8% |
| Fiscal Year | \$ (0.51) | \$ 3.98 | -112.8% |
| | | | |
| <u>Adjusted *</u> | | | |
| 4th Quarter | \$ 0.28 | \$ 1.12 | -75.0% |
| Fiscal Year | \$ (0.12) | \$ 3.82 | -103.1% |

*FY2006 4th quarter and fiscal year adjusted to exclude taxes related to the repatriation of earnings pursuant to the American Jobs Creation Act. See Appendices C and D for reconciliation.

FY2005 fiscal year adjusted for a litigation settlement and recoveries on prior year's turkey restructuring charges. See Appendix E for reconciliation.



Results from Operations – 4th Quarter

(\$ in millions, except per share figures)

| | Actual | | |
|---|------------|------------|---------|
| | FY2006 | FY2005 | %Change |
| EPS | \$ (0.11) | \$ 1.12 | -109.8% |
| Net Sales | \$ 1,338.4 | \$ 1,482.7 | -9.7% |
| Net (Loss) Income | \$ (7.5) | \$ 74.7 | -110.0% |
| EBITDA | \$ 57.2 | \$ 159.5 | -64.1% |
| <u>EBITDA Reconciliation</u> | | | |
| Net (Loss) Income | \$ (7.5) | \$ 74.7 | |
| Add: | | | |
| Income Tax (Benefit) Expense | 19.6 | 34.6 | |
| Interest expense, net | 10.6 | 10.1 | |
| Depreciation and amortization | 35.1 | 40.7 | |
| Minus: | | | |
| Amortization of capitalized financing costs | 0.6 | 0.6 | |
| EBITDA - as reported | \$ 57.2 | \$ 159.5 | -64.1% |
| EBITDA Margin - as reported | 4.27% | 10.76% | |



Results from Operations – 4th Quarter – Continued

(\$ in millions)

| | FY2006 | Actual FY2005 | %Change |
|---|----------|------------------|---------|
| <u>EBITDA Reconciliation</u> | | | |
| Net Income | \$ (7.5) | \$ 74.7 | |
| Add: | | | |
| Income Tax Expense | 19.6 | 34.6 | |
| Interest expense, net | 10.6 | 10.1 | |
| Depreciation and amortization | 35.1 | 40.7 | |
| Minus: | | | |
| Amortization of capitalized financing costs | 0.6 | 0.6 | |
| EBITDA - as reported | \$ 57.2 | \$ 159.5 | -64.1% |
| EBITDA Margin - as reported | 4.27% | 10.76% | |
| <u>Non-recurring Adjusted EBITDA</u> | | | |
| Accounting adjustments related to benefit plans | 6.4 | - | |
| EBITDA - Adjusted | \$ 63.6 | \$ 159.5 | |
| EBITDA Margin - Adjusted | 4.75% | 10.76% | |



Results from Operations – Fiscal Year

(\$ in millions, except per share figures)

| | Actual | | |
|---|------------|------------|---------|
| | FY2006 | FY2005 | %Change |
| EPS | \$ (0.51) | \$ 3.98 | -112.8% |
| Net Sales | \$ 5,235.6 | \$ 5,666.3 | -7.6% |
| Net (Loss) Income | \$ (34.2) | \$ 265.0 | -112.9% |
| EBITDA | \$ 136.8 | \$ 580.1 | -76.4% |
| EBITDA Reconciliation | | | |
| Net (Loss) Income | \$ (34.2) | \$ 265.0 | |
| Add: | | | |
| Income Tax (Benefit) Expense | (2.1) | 138.6 | |
| Interest expense, net | 40.6 | 43.9 | |
| Depreciation and amortization | 135.1 | 134.9 | |
| Minus: | | | |
| Amortization of capitalized financing costs | 2.6 | 2.3 | |
| EBITDA - as reported | \$ 136.8 | \$ 580.1 | -76.4% |
| EBITDA Margin - as reported | 2.61% | 10.24% | |



Results from Operations – Fiscal Year - Continued

(\$ in millions)

| | Actual | | % Change |
|--|-----------|----------|----------|
| | FY2006 | FY2005 | |
| EBITDA Reconciliation | | | |
| Net Income | \$ (34.2) | \$ 265.0 | |
| Add: | | | |
| Income Tax Expense | (2.1) | 138.6 | |
| Interest expense, net | 40.6 | 43.9 | |
| Depreciation and amortization | 135.1 | 134.9 | |
| Minus: | | | |
| Amortization of capitalized financing costs | 2.6 | 2.3 | |
| EBITDA - as reported | \$ 136.8 | \$ 580.1 | -76.4% |
| EBITDA Margin - as reported | 2.61% | 10.24% | |
| Non-recurring Adjusted EBITDA | | | |
| Turkey Restructuring & Other non-recurring items | - | (17.0) | |
| Accounting adjustments related to benefit plans | 6.4 | - | |
| EBITDA - Adjusted | \$ 143.2 | \$ 563.1 | |
| EBITDA Margin - Adjusted | 2.74% | 2.53% | |



Sales by Segment – Actual

(\$ in millions)

| | 4 th Quarter | | | Fiscal Year Ended | | |
|-------------------------------------|-------------------------|-------------------|---------------|-------------------|-------------------|---------------|
| | FY2006 | FY2005 | %Change | FY2006 | FY2005 | %Change |
| Chicken: | | | | | | |
| United States | \$ 1,059.1 | \$ 1,162.5 | -8.9% | \$ 4,098.4 | \$ 4,411.2 | -7.1% |
| Mexico | 115.3 | 101.2 | 14.0% | 418.7 | 403.4 | 3.8% |
| Total Chicken Sales | \$ 1,174.4 | \$ 1,263.7 | -7.1% | \$ 4,517.1 | \$ 4,814.6 | -6.2% |
| Total Turkey Sales | \$ 36.1 | \$ 50.2 | -28.0% | \$ 130.9 | \$ 204.8 | -36.1% |
| Sale of Other Products: | | | | | | |
| United States | \$ 125.0 | \$ 163.6 | -23.7% | \$ 570.6 | \$ 626.1 | -8.9% |
| Mexico | 2.9 | 5.2 | -43.2% | 17.0 | 20.8 | -18.1% |
| Total Sale of Other Products | \$ 127.9 | \$ 168.8 | -24.3% | \$ 587.6 | \$ 646.9 | -9.2% |
| Total Net Sales | \$ 1,338.4 | \$ 1,482.7 | -9.7% | \$ 5,235.6 | \$ 5,666.3 | -7.6% |



Summary Operating Results

(\$ in millions)

| | 4 th Quarter | | Fiscal Year Ended | |
|---------------------------------|-------------------------|-----------------|-------------------|-----------------|
| | FY2006 | FY2005 | FY2006 | FY2005 |
| Operating Income (Loss): | | | | |
| Chicken: | | | | |
| United States | \$ 32.6 | \$ 113.8 | \$ 28.7 | \$ 405.7 |
| Mexico | (7.8) | 7.9 | (18.0) | 39.8 |
| Sub Total | \$ 24.8 | \$ 121.7 | \$ 10.7 | \$ 445.5 |
| Turkey | 0.4 | (5.9) | (15.5) | (22.5) |
| Other Products: | | | | |
| United States | \$ (4.2) | \$ 2.9 | \$ 6.2 | \$ 8.2 |
| Mexico | 0.5 | 1.1 | 1.6 | 4.6 |
| Sub Total | \$ (3.7) | \$ 4.0 | \$ 7.8 | \$ 12.8 |
| GAAP Operating Income | \$ 21.5 | \$ 119.8 | \$ 3.0 | \$ 435.8 |
| Operating Margin | 1.61% | 8.08% | 0.06% | 7.69% |



Summary Operating Results - Continued

(\$ In Millions)

| | 4th Quarter | | Fiscal Year Ended | |
|--|-------------------------------|-----------------|--------------------------|-----------------|
| | FY2006 | FY2005 | FY2006 | FY2005 |
| Operating Income (Loss): | | | | |
| Chicken: | | | | |
| United States | \$ 32.6 | \$ 113.8 | \$ 28.7 | \$ 405.7 |
| Mexico | (7.8) | 7.9 | (18.0) | 39.8 |
| Sub Total | \$ 24.8 | \$ 121.7 | \$ 10.7 | \$ 445.5 |
| Turkey | 0.4 | (5.9) | (15.5) | (22.5) |
| Other Products: | | | | |
| United States | \$ (4.2) | \$ 2.9 | \$ 6.2 | \$ 8.2 |
| Mexico | 0.5 | 1.1 | 1.6 | 4.6 |
| Sub Total | \$ (3.7) | \$ 4.0 | \$ 7.8 | \$ 12.8 |
| GAAP Operating Income | \$ 21.5 | \$ 119.8 | \$ 3.0 | \$ 435.8 |
| Operating Margin | 1.61% | 8.08% | 0.06% | 7.69% |
| Turkey Restructuring | - | - | - | (5.3) |
| Accounting adjustments related to benefit plans | 6.4 | - | 6.4 | - |
| Adjusted Operating Income | \$ 27.9 | \$ 119.8 | \$ 9.4 | \$ 430.5 |
| Operating Margin before Turkey Restructuring & Accounting Adjustment | 2.08% | 8.08% | 0.18% | 7.60% |



Long-Term Debt

(\$ in thousands)

| | September 30, 2006 | | | | October 1, 2005 | | | |
|---|--------------------|-------------------|-------------------|---------------------|-----------------|-------------------|-------------------|---------------------|
| | Final Maturity | Outstanding | Available | Facility Total | Final Maturity | Outstanding | Available | Facility Total |
| Senior unsecured notes, interest at 9 5/8% | 2011 | \$ 299,601 | -- | \$ 299,601 | 2011 | \$ 302,588 | -- | \$ 302,588 |
| Senior unsecured notes, interest at 9 1/4% | 2013 | 82,640 | -- | 82,640 | 2013 | 100,000 | -- | 100,000 |
| Note payable to an insurance company at 6.68% | 2012 | 50,115 | -- | 50,115 | 2012 | 53,103 | -- | 53,103 |
| Notes payable to an insurance company at LIBOR plus 2.2075% | 2013 | 41,333 | -- | 41,333 | 2013 | 54,667 | -- | 54,667 |
| Revolving term/credit facility at LIBOR plus 1.00% | 2016 | -- | 535,300 | 795,000 * | 2011 | -- | 500,000 | 500,000 |
| Mexico revolving credit facility | 2011 | 74,682 | -- | 75,000 | | | | |
| Term Loan | 2016 | -- | -- | 430,000 * | | | | |
| Bridge Loan | 2016 | -- | 450,000 | 450,000 | | | | |
| Industrial revenue bond at variable rate | 2012 | 9,500 | -- | 9,500 | 2012 | 9,500 | -- | 9,500 |
| Industrial revenue bond at variable rate | 2019 | 4,700 | -- | 4,700 | 2019 | 4,700 | -- | 4,700 |
| Other notes payable | VAR | 2,627 | -- | 2,627 | VAR | 2,908 | -- | 2,908 |
| | | <u>565,198</u> | <u>\$ 985,300</u> | <u>\$ 2,240,516</u> | | <u>527,466</u> | <u>\$ 500,000</u> | <u>\$ 1,027,466</u> |
| Less current maturities | | 10,322 | | | | 8,603 | | |
| Total Long-term debt | | <u>\$ 554,876</u> | | | | <u>\$ 518,863</u> | | |

*These credit facilities will be fully available to the Company as identified collateral is fully pledged to collateralized loans.



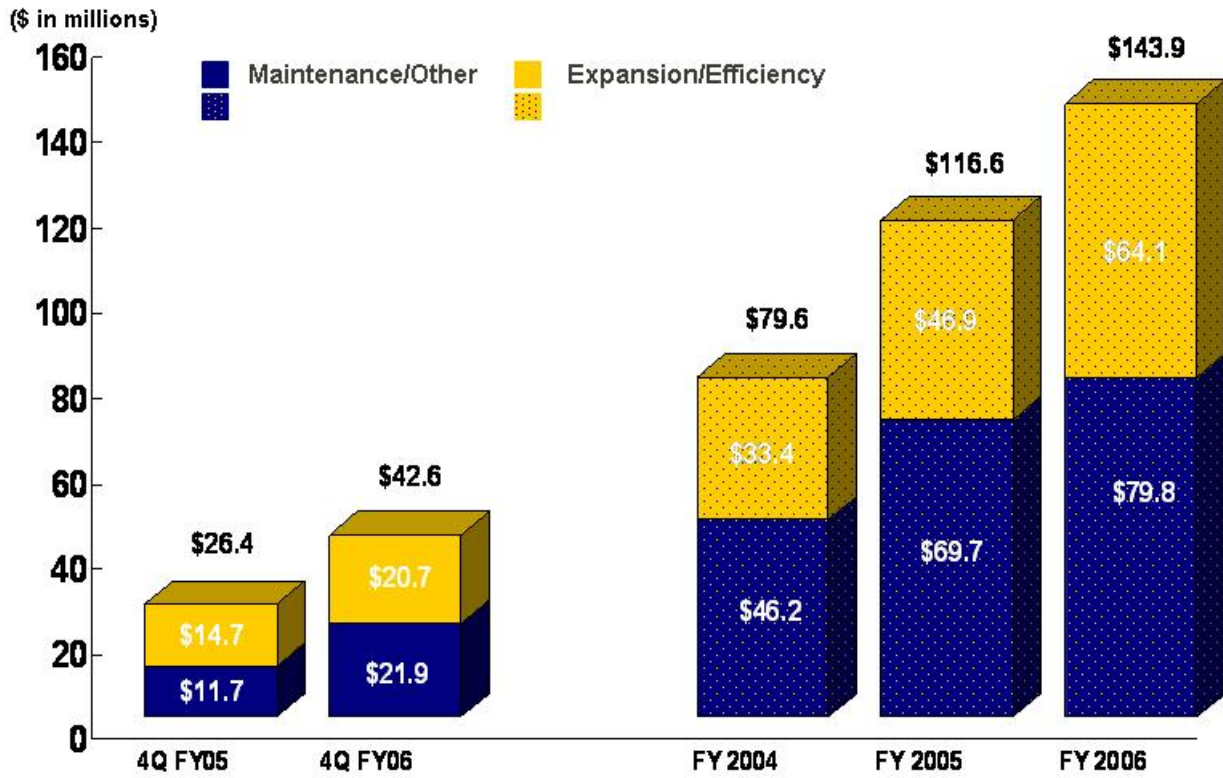
Other Credit Facilities

(\$ in thousands)

| | September 30, 2006 | | | | October 1, 2005 | | | |
|---|--------------------|-------------------|---------------------|---------------------|-----------------|-------------------|-------------------|---------------------|
| | Final Maturity | Outstanding | Available | Facility Total | Final Maturity | Outstanding | Available | Facility Total |
| Domestic Revolving Credit Facility at LIBOR plus 0.875% | 2009 | \$ - | \$ 126,645 | \$ 150,000 | 2009 | \$ - | \$ 115,782 | \$ 150,000 |
| Domestic Revolving Credit Facility at LIBOR plus 1.00% | | | | | 2011 | - | 18,000 | 18,000 |
| Total Revolving Credit Facilities | | \$ - | \$ 126,645 | \$ 150,000 | | \$ - | \$ 133,782 | \$ 168,000 |
| Total Debt | | \$ 565,198 | \$ 1,111,945 | \$ 2,390,516 | | \$ 527,466 | \$ 633,782 | \$ 1,195,466 |
| Receivables Purchase Agreement | 2008 | \$ - | \$ 125,000 | \$ 125,000 | 2008 | \$ - | \$ 125,000 | \$ 125,000 |
| Total Debt and Receivable Purchase Facilities | | \$ 565,198 | \$ 1,236,945 | \$ 2,515,516 | | \$ 527,466 | \$ 758,782 | \$ 1,320,466 |



Capital Expenditures



* See Appendix H



Summary Credit Ratios & Other Information

| | FY2005 | 4Q FY05 | 4Q FY06 | FY2006 |
|---|------------------|----------------|----------------|------------------|
| EBITDA / Interest Expense (*) | 13.20x | 15.84x | 5.41x | 3.37x |
| Adj. EBITDA / Interest Exp. (**) | 12.82x | 15.84x | 6.01x | 3.53x |
| Total Debt / EBITDA | 0.91x | - | - | 4.13x |
| Net Debt / EBITDA | 0.68x | - | - | 2.99x |
| Total Debt / Total Capital | 30.1% | - | - | 33.6% |
| Net Debt / Total Capital | 24.4% | - | - | 26.8% |
| Net Worth (millions) | \$1,223.6 | - | - | \$1,117.3 |
| Book Value/Common Share | \$18.38 | - | - | \$16.72 |

(*) See Appendices F & G for reconciliation of EBITDA used in this calculation.

(**) See Appendices F & G for reconciliation of Adjusted EBITDA used in this calculation.



Summary Credit Ratios & Other Information – Continued

FY2005 and FY2006 EBITDA Reconciliations

| | <u>FY2005</u> | <u>FY2006</u> | <u>Q4 FY2006</u> |
|--|-------------------|-------------------|------------------|
| Net Income | \$ 264,979 | \$ (34,232) | \$ (7,483) |
| Add: | | | |
| Income Tax Expense | 138,544 | (2,085) | 19,601 |
| Interest expense, net | 43,932 | 40,553 | 10,579 |
| Depreciation and amortization | 134,944 | 135,133 | 35,082 |
| Minus: | | | |
| Amortization of capitalized financing costs | 2,321 | 2,606 | 572 |
| EBITDA | <u>\$ 580,078</u> | <u>\$ 136,763</u> | <u>\$ 57,207</u> |
| Adjustments: | | | |
| Turkey Restructuring | (5,277) | - | - |
| Vitamin, Methionine and other Litigation Settlements | (11,680) | - | - |
| Accounting adjustments related to benefit plans | - | 6,405 | 6,405 |
| Adjusted EBITDA | <u>\$ 563,121</u> | <u>\$ 143,168</u> | <u>\$ 63,612</u> |

Debt net of Cash Reconciliation

| | <u>FY2005</u> | <u>FY2006</u> |
|------------|-------------------|-----------------|
| Total Debt | \$ 527,466 | \$ 165,198 |
| Less Cash | <u>132,567</u> | <u>156,404</u> |
| Net Debt | <u>\$ 394,899</u> | <u>\$ 8,794</u> |

*For Fiscal Year Reconciliations see Appendices F & G



Reconciliation of Non-GAAP Measures and Other Computations



Appendix A Chicken Sales – Actual

(\$ in millions)

| | 4th Quarter | | | Fiscal Year | | |
|----------------------------------|-------------------|-------------------|---------------|-------------------|-------------------|---------------|
| | FY2006 | FY2005 | %Change | FY2006 | FY2005 | %Change |
| Prepared Foods: | | | | | | |
| Foodservice | \$ 408.8 | \$ 405.6 | 0.8% | \$ 1,567.3 | \$ 1,622.9 | -3.4% |
| Retail | 79.4 | 77.0 | 3.2% | 308.5 | 283.4 | 8.9% |
| Total Prepared Foods | 488.2 | 482.6 | 1.2% | 1,875.8 | 1,906.3 | -1.6% |
| Fresh Chicken | | | | | | |
| Foodservice | 352.0 | 401.0 | -12.2% | 1,388.4 | 1,509.2 | -8.0% |
| Retail | 127.3 | 158.4 | -19.7% | 496.6 | 612.1 | -18.9% |
| Total Fresh Chicken | 479.3 | 559.4 | -14.3% | 1,885.0 | 2,121.3 | -11.1% |
| Export and Other | | | | | | |
| Prepared Foods | 15.8 | 14.0 | 12.8% | 64.3 | 59.5 | 8.2% |
| Chicken | 72.0 | 104.1 | -30.8% | 257.8 | 303.1 | -15.0% |
| Total Export | 87.8 | 118.1 | -25.7% | 322.1 | 362.6 | -11.2% |
| Other Chicken By Products | 3.8 | 2.4 | 55.4% | 15.5 | 21.0 | -26.7% |
| Total Export and Other | 91.6 | 120.5 | -24.0% | 337.6 | 383.7 | -12.0% |
| Total U.S. Chicken | 1,059.1 | 1,162.5 | -8.9% | 4,098.4 | 4,411.2 | -7.1% |
| Total Mexico Chicken | 115.3 | 101.2 | 14.0% | 418.7 | 403.4 | 3.8% |
| Total Chicken Sales | \$ 1,174.4 | \$ 1,263.7 | -7.1% | \$ 4,517.1 | \$ 4,814.6 | -6.2% |



Appendix B Turkey Sales – Actual

| (\$ in millions) | 4th Quarter | | | Fiscal Year | | |
|---------------------------------|----------------|----------------|---------------|-----------------|-----------------|---------------|
| | FY2006 | FY2005 | %Change | FY2006 | FY2005 | %Change |
| Prepared Foods: | | | | | | |
| Foodservice | \$ 0.5 | \$ 7.9 | -93.7% | \$ 21.0 | \$ 61.2 | -65.6% |
| Retail | 0.3 | 10.6 | -96.9% | 13.0 | 37.7 | -65.6% |
| Total Prepared Foods | 0.8 | 18.5 | -95.5% | 34.0 | 98.9 | -65.6% |
| Fresh Turkey | | | | | | |
| Foodservice | 4.3 | 3.8 | 10.1% | 9.2 | 12.7 | -27.4% |
| Retail | 29.5 | 26.2 | 13.0% | 84.0 | 88.1 | -4.6% |
| Total Fresh Turkey | 33.8 | 30.0 | 12.6% | 93.2 | 100.8 | -7.5% |
| Export and Other | | | | | | |
| Prepared Foods | 0.0 | 0.1 | -73.8% | 0.2 | 1.0 | -77.9% |
| Turkey Other | 1.3 | 1.3 | 3.4% | 2.6 | 3.3 | -20.2% |
| Total Export | 1.3 | 1.4 | -4.8% | 2.9 | 4.3 | -33.4% |
| Other Turkey By Products | 0.2 | 0.3 | -28.3% | 0.8 | 0.8 | -10.4% |
| Total Export and Other | 1.5 | 1.7 | -8.6% | 3.7 | 5.2 | -29.4% |
| Total Turkey Sales | \$ 36.1 | \$ 50.2 | -28.0% | \$ 130.9 | \$ 204.8 | -36.1% |



Appendix C Reconciliation – 4th Qtr. FY2006 Adjusted Earnings Per Share

(\$ in thousands except per share figures)

| | With repatriation tax effects | Remove repatriation tax effects | Without repatriation tax effects |
|--|----------------------------------|------------------------------------|-------------------------------------|
| Net Sales | \$ 1,338,398 | \$ - | \$ 1,338,398 |
| Costs and Expenses: | | | |
| Cost of sales | 1,239,095 | - | 1,239,095 |
| Selling, general and administrative | 77,826 | - | 77,826 |
| | <u>\$ 1,316,921</u> | <u>\$ -</u> | <u>\$ 1,316,921</u> |
| Operating income | \$ 21,477 | \$ - | \$ 21,477 |
| Other Expense (Income): | | | |
| Interest expense, net | \$ 10,579 | \$ - | \$ 10,579 |
| Foreign exchange gain | (868) | - | (868) |
| Miscellaneous, net | (352) | - | (352) |
| | <u>\$ 9,359</u> | <u>\$ -</u> | <u>\$ 9,359</u> |
| Income before income taxes | 12,118 | - | 12,118 |
| Income tax expense | 19,601 | (25,786) | (6,185) |
| Net income | <u>\$ (7,483)</u> | <u>\$ 25,786</u> | <u>\$ 18,303</u> |
| Net income per common share – basic and diluted | <u>(\$0.11)</u> | <u>\$0.39</u> | <u>\$0.28</u> |
| Weighted average shares outstanding | <u>66,555,733</u> | <u>66,555,733</u> | <u>66,555,733</u> |



Appendix D

Reconciliation - FY2006 Adjusted Earnings Per Share

(\$ in thousands except per share figures)

| | With repatriation tax effects | Remove repatriation tax effects | Without repatriation tax effects |
|-------------------------------------|----------------------------------|------------------------------------|-------------------------------------|
| Net Sales | \$ 5,235,565 | \$ - | \$ 5,235,565 |
| Costs and Expenses: | | | |
| Cost of sales | 4,937,965 | - | 4,937,965 |
| Selling, general and administrative | 294,598 | - | 294,598 |
| | <u>\$ 5,232,563</u> | <u>\$ -</u> | <u>\$ 5,232,563</u> |
| Operating income | \$ 3,002 | \$ - | \$ 3,002 |
| Other Expense (Income): | | | |
| Interest expense, net | \$ 40,553 | \$ - | \$ 40,553 |
| Foreign exchange gain | 144 | - | 144 |
| Miscellaneous, net | (1,378) | - | (1,378) |
| | <u>\$ 39,319</u> | <u>\$ -</u> | <u>\$ 39,319</u> |
| Income before income taxes | (36,317) | - | (36,317) |
| Income tax expense | (2,085) | (25,786) | (27,871) |
| Net income | <u>\$ (34,232)</u> | <u>\$ 25,786</u> | <u>\$ (8,446)</u> |
| Net income per common share | | | |
| - basic and diluted | <u>(\$0.51)</u> | <u>\$0.39</u> | <u>(\$0.12)</u> |
| Weighted average shares outstanding | <u>66,555,733</u> | <u>66,555,733</u> | <u>66,555,733</u> |



Appendix E

Reconciliation - FY2005 Adjusted Earnings Per Share

(\$ in thousands except per share figures)

| | With turkey restructuring & other non-recurring items | Remove turkey restructuring & other non- recurring items | Without turkey restructuring & other non- recurring items |
|-------------------------------------|--|---|--|
| Net Sales | \$ 5,666,275 | \$ - | \$ 5,666,275 |
| Costs and Expenses: | | | |
| Cost of sales | 4,921,076 | 5,277 | 4,926,353 |
| Selling, general and administrative | 309,387 | - | 309,387 |
| | <u>\$ 5,230,463</u> | <u>\$ 5,277</u> | <u>\$ 5,235,740</u> |
| Operating income | \$ 435,812 | \$ (5,277) | \$ 430,535 |
| Other Expense (Income): | | | |
| Interest expense, net | \$ 43,932 | \$ - | \$ 43,932 |
| Foreign exchange gain | (474) | - | (474) |
| Miscellaneous, net | (11,169) | 11,680 | 511 |
| | <u>\$ 32,289</u> | <u>\$ 11,680</u> | <u>\$ 43,969</u> |
| Income before income taxes | 403,523 | (16,957) | 386,566 |
| Income tax expense | 138,544 | (6,149) | 132,395 |
| Net income | <u>\$ 264,979</u> | <u>\$ (10,808)</u> | <u>\$ 254,171</u> |
| Net income per common share | | | |
| - basic and diluted | <u>\$3.98</u> | <u>(\$0.16)</u> | <u>\$3.82</u> |
| Weighted average shares outstanding | <u>66,555,733</u> | <u>66,555,733</u> | <u>66,555,733</u> |



Appendix F Reconciliation – FY2006 EBITDA

| | 1Q2006 Actual | 2Q2006 Actual | 3Q2006 Actual | 4Q2006 Actual | Fiscal Year |
|---|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Net Income (Loss) | \$ 25,678 | \$ (31,954) | \$ (20,473) | \$ (7,483) | \$ (34,232) |
| Add: | | | | | |
| Income Tax Expense (benefit) | 10,962 | (15,147) | (17,501) | 9,354 | (2,085) |
| Interest expense, net | 8,448 | 10,057 | 11,468 | 10,580 | 40,553 |
| Depreciation and amortization | 30,348 | 34,744 | 34,960 | 35,082 | 135,133 |
| Minus: | | | | | |
| Amortization of capitalized financing costs | 581 | 976 | 477 | 572 | 2,606 |
| EBITDA | <u>\$74,855</u> | <u>(\$3,276)</u> | <u>\$7,977</u> | <u>\$ 57,207</u> | <u>\$ 136,763</u> |
| Adjustments: | | | | | |
| Accounting adjustments related to benefit plans | - | - | - | 6,405 | 6,405 |
| Adjusted EBITDA | <u>\$74,855</u> | <u>(\$3,276)</u> | <u>\$7,977</u> | <u>\$63,612</u> | <u>\$143,168</u> |



Appendix H Reconciliation – FY2006 Capital Expenditures

| | 1Q2006 Actual | 2Q2006 Actual | 3Q2006 Actual | 4Q2006 Actual | Fiscal Year |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| Maintenance/Other | \$ 27.0 | \$ 15.5 | \$ 15.4 | \$ 21.9 | \$ 79.8 |
| Efficiency/Expansion | 16.8 | 15.2 | 11.4 | 20.7 | 64.1 |
| Total Capital Expenditures | \$ 43.8 | \$ 30.7 | \$ 26.8 | \$ 42.5 | \$ 143.8 |