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Pilgrim's Pride Corporation Issues Statement in Response to Recent Trading Activity in Its Common Stock

PITTSBURG, Texas, Sept. 25 /PRNewswire-FirstCall/ -- Pilgrim's Pride Corporation (NYSE: PPC) today announced that, based on preliminary results, it notified its lenders that the company expects to report a significant loss in the fiscal fourth quarter ending September 27, 2008. The company attributed the anticipated loss to high feed-ingredient costs, continued weak pricing and demand for breast meat, and the significant negative impact of hedged grain positions during the quarter.

As a result of this expected loss, Pilgrim's Pride recently informed its lenders that it does not expect to be in compliance with its fixed-charge coverage ratio covenant under its principal credit facilities as of the fiscal year ending September 27, 2008, but expects to be in compliance with all other covenants as of the end of the 2008 fiscal year.

Pilgrim's Pride also announced that it believes it has reached an understanding with the agents under its credit facilities to temporarily waive the fixed-charge coverage ratio covenant through October 28, 2008, and to provide continued liquidity under these facilities during this same period. The temporary waiver will be subject to the negotiation of a definitive written agreement with the lenders, and there can be no assurance that this negotiation will result in a waiver acceptable to Pilgrim's Pride and its lenders. Failure to obtain a waiver or amendment of this covenant may preclude the company from drawing funds under these facilities and permit the lenders to declare an event of default, either of which would have a material adverse effect on the company.

About Pilgrim's Pride

Pilgrim's Pride Corporation is the largest chicken company in the United States and Puerto Rico and the second-largest in Mexico. Pilgrim's Pride employs approximately 53,500 people and operates 36 chicken processing plants and 12 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 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 and chicken; compliance with covenants in credit facilities in a volatile and adverse market; 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 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 our cash resources, particularly in light of our substantial leverage; restrictions imposed by, and as a result of, our substantial leverage; changes in laws or regulations affecting our operations or the application thereof; new immigration legislation or increased enforcement efforts in connection with existing immigration legislation that cause our costs of doing business to increase, cause us to change the way in which we do business, or otherwise disrupt our operations; competitive factors pricing pressures or the loss of one or more of our largest customers; inability to consummate, or effectively integrate, any acquisition or realize the associated cost savings and operating synergies currently anticipated; 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 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.

SOURCE Pilgrim's Pride

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