## 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 8, 2004

# **PILGRIM'S PRIDE CORPORATION**

(Exact Name of Registrant as Specified in its Charter)

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

110 South Texas Street Pittsburg, Texas (Address of Principal Executive Offices) 75686-0093

(ZIP Code)

Registrant's telephone number, including area code: (903) 855-1000

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 (see General Instruction A.2. below):

q Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

q Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

q Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

q Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

#### ITEM 2.02: RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On November 8, 2004, the Registrant issued the press release attached hereto as Exhibit 99.1 reporting financial and operating results for the fourth quarter and fiscal year ended October 2, 2004.

#### **ITEM 9.01: FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits.

The following exhibits are filed with this report on Form 8-K:

Exhibit Number Description

#### SIGNATURES

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 8, 2004

By: /s/ Richard A. Cogdill Richard A. Cogdill Executive Vice President, Chief Financial Officer, Secretary and Treasurer

#### Exhibit Index

 Exhibit
 Description

 99.1
 Press Release dated November 8, 2004



## PILGRIM'S PRIDE CORPORATION REPORTS RECORD EARNINGS AND NET SALES FOR 2004 FISCAL FOURTH QUARTER AND ANNUAL PERIODS

## **RESULTS EXCEED PREVIOUSLY ISSUED UPDATED EARNINGS EXPECTATIONS**

## [Gains in Net Income, EPS and Operating Margins Driven by Higher Sales and Improved Operating Efficiencies]

PITTSBURG, Texas, Nov. 8, 2004 - Pilgrim's Pride Corporation (NYSE: PPC) today reported record net income of \$72.3 million, or \$1.09 per share, for the fourth fiscal quarter ended October 2, 2004. Included in the fiscal 2004 fourth quarter earnings is a non-recurring recovery of \$23.8 million, or \$14.8 million net of tax, or \$0.22 per share, attributable to recoveries under a business interruption insurance policy related to the October 2002 recall of certain deli meats by the Company. Excluding this non-recurring recovery, fourth quarter earnings were still a record at \$57.5 million, or \$0.87 per share. Also included in this quarter's results were turkey restructuring and related charges in the amount of \$8.2 million, or \$5.1 million net of tax, or \$0.08 per share. Excluding the non-recurring recovery and restructuring related items, fourth quarter earnings were \$62.6 million, or \$0.95 per share.

For fiscal 2004, which ended October 2, 2004, the Company reported record net income of \$125.4 million, or \$2.00 per share. Included in the fiscal 2004 earnings are non-recurring recoveries of \$24.8 million, or \$15.4 million net of tax, or \$0.25 per share, attributable to recoveries under a business interruption insurance policy related to the October 2002 recall of certain deli meats by the Company and proceeds from settlements of vitamin and methionine antitrust lawsuits. Excluding these non-recurring recoveries, fiscal 2004 earnings were still a record at \$110.0 million, or \$1.75 per share. Also included in this year's results, were turkey restructuring and related charges in the amount of \$72.1 million, or \$44.3 million net of tax, or \$0.71 per share. Excluding the non-recurring recoveries and restructuring related items, fiscal 2004 earnings were \$154.3 million, or \$2.46 per share.

The Company is providing 2004 fiscal fourth quarter and annual earnings information excluding non-recurring recoveries and restructuring related information because it believes some investors may be interested in earnings exclusive of these unusual items.

"Our record performance in both the fourth fiscal quarter and annual period ended October 2, 2004 reflects both the successful integration of the ConAgra chicken division acquisition and the benefits of pursuing a growth strategy centered around our Prepared Foods business, which grew more than 25 percent on a pro forma basis over the past fiscal year," commented O.B. Goolsby, President and Chief Executive Officer of Pilgrim's Pride. "Responding to our customer's growing demand for high-quality, convenient meat proteins will remain a key priority for us going forward. Looking ahead to fiscal 2005, we expect the continuation of favorable consumer trends, rising export demand and projections for a further drop in commodity grain prices to create a positive growth environment that will enable us to continue de livering value to our shareholders," Goolsby concluded.

The results reported today for fiscal 2004's fourth fiscal quarter compare to fiscal 2003's fourth quarter net income of \$25.1 million, or \$0.61 per share. Included in the fiscal 2003 fourth quarter results was an \$11.2 million gain, or \$6.3 million net of tax and related employee incentive plan accruals, or \$0.15 a share, attributable to proceeds received from the federal government to reimburse for losses incurred due to avian influenza and proceeds from settlements of vitamin and methionine antitrust lawsuits. In addition, the fiscal 2003 fourth quarter included a non-cash reduction of tax expense of \$16.9 million, or \$0.41 per share, associated with the reversal of a valuation allowance on net operating losses in the Company's Mexico operations. Excluding the non-recurring recoveries and Mexic o tax valuation change from the fourth quarter of 2003, earnings would have been \$1.9 million, or \$0.05 per share.

The results reported today for fiscal 2004 compare to fiscal 2003's net income of \$56.0 million, or \$1.36 per share. Included in fiscal 2003 results was a \$26.6 million gain, or \$15.0 million net of tax and related employee incentive plan accruals, or \$0.36 a share, which was attributable to proceeds received from the federal government to reimburse for losses incurred due to avian influenza. In addition, fiscal 2003 included a gain of \$56.0 million, or \$31.6 million net of tax and related employee incentive plan accruals, or \$0.77 a share, attributable to proceeds from settlements of vitamin and methionine antitrust lawsuits. In addition, fiscal 2003 included a non-cash reduction of tax expense of \$16.9 million or \$0.41 per share, associated with the reversal of a valuation allowance on net operating

losse s in the Company's Mexico operations. Excluding the non-recurring recoveries and Mexico tax valuation change from fiscal 2003 results, earnings would have been \$(7.5) million, or \$(0.18) per share.

The Company is providing 2003 fiscal fourth quarter and annual earnings information excluding non-recurring recoveries and Mexico tax valuation change because it believes some investors may be interested in earnings exclusive of these unusual items.

The Company also reported record net sales for the fourth fiscal quarter ending October 2, 2004, of \$1.49 billion, an increase of \$780.5 million, or 110.0 percent, compared with net sales of \$709.5 million for the same period last year, with the increase resulting primarily from the acquisition of ConAgra Foods, Inc.'s Chicken Division, which was effective November 23, 2003, along with positive industry and consumption trends.

The Company also reported record net sales for fiscal 2004 of \$5.36 billion, an increase of \$2.74 billion, or 104.6 percent, compared with net sales of \$2.62 billion for the same period last year, with the increase resulting primarily from the acquisition of ConAgra Foods, Inc.'s Chicken Division, which was effective November 23, 2003, along with positive industry and consumption trends.

#### **Conference Call Information**

Pilgrim's Pride will hold a conference call to discuss the Company's fourth quarter and fiscal 2004 financial results at 10:00 a.m. CST (11:00 a.m. EST) on November 8, 2004. To listen live via telephone, call 800-391-2548, verbal pass code VG495227. The call also will be web cast live on the Internet at <u>http://www.firstcallevents.com/service/ajwz410412177gf12.html</u>. Additionally, the Company has posted a slide presentation on its website at <u>www.pilgrimspride.com</u> which can be viewed by listeners in connection with today's conference call. The web cast will be available for replay within two hours of the conclusion of the call. A telephone replay will be available beginning at 2:00 p.m. CST on November 8 through November 15 at 800-355-2355 pass code 495227#.

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

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

**Forward Looking Statements:** Statements contained in this press release that state the intentions, 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. Factors that could cause actual results to differ materially from those projected in such forward-looking statements affecting the poultry industry generally, including fluctuations in the commodity prices of feed ingredients, chicken and turkey; additional outbreaks of avian influenza or other diseas es affecting the production performance and/or marketability of the company's 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; management of our cash resources, particularly in light of our substantial leverage; restrictions imposed by and as a result of, our substantial leverage; currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; changes in laws or regulations affecting our operations as well as competitive factors and pricing pressures; inability to effectively integrate ConAgra's chicken business or realize the associated cost savings and operating synergies currently anticipated; inability to recognize the anticipated cost savings and anticipat ed benefits in connection with our turkey division restructuring; 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 f

Contact: Sondra Fowler Pilgrim's Pride Corporation (903) 855 4195

## PILGRIM'S PRIDE CORPORATION

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> PILGRIM'S PRIDE CORPORATION Consolidated Statements of Income [In thousands, except share and per share amounts]

| Cost of sides         1,229,591         660,005           Cost of sides - restructing         0,179  | Net Sales                            | \$ 1,486,45 | 4 \$ 709,471          |
|--|--------------------------------------|-------------|-----------------------|
| Cost of sales         1.296,859         660,085           Cost of sales restructuring         8,178         -           Nucrecurring recoverias         (2,38,15)         (1,04,77)           Selling, general and administrative         73,960         34,141           Operating Income         1,355,202         683,749           Other Expense (income):         -         -           Incress (regress, net         11,471         9,146           Toral other expenses, net         3,225         (457)           Income buffer income taxes         110,599         19,226           Income tox expense (breefti)         44,229         (61,148)           Net income per common share         -         -           -basic and diluted         \$         0.015         \$           Dividends dictared per common share         -         -         -           -basic and diluted         \$         0.015         \$         0.015           Dividends dictared per common share         -         -         -         -   | Costs and Expenses                   |             |                       |
| Cast of sales - restructuring         8,178         -           Non-recurring mercoveries         (23,815)         (10,477)           Selling, general and administrative         73,500         34,141           Operating Income         1355,262         663,749           Operating Income         114,172         5,722           Other Expense (Income):         11,471         9,146           Interest expense, net         11,471         9,146           Foreign exchange (gain) loss         (123)         107           Missellaneous, net         3,225         (457)           Income back and divinisme and the set of t  |                                      | 1,296,95    | 9 660,085             |
| Non-recarring recoveries         (23.815)         (10.477)           Selling, general and administrative         73,500         33.141           1.355,282         683.749           Operating Income         131,172         25,722           Other Expense (Income):         114,71         9,146           Interest expense, net         114,71         9,146           Miscellaneous, net         3,225         (457)           Total other expenses, net         145,73         8,796           Income before income taxes         116,599         16,526           Income taxe sequese (benefit)         44,289         (6,148)           Net income per common share         5         0.015         \$           Hold Interest expenses, net   |                                      |             |                       |
| Operating Income         1.355.282         683.749           Other Expense (Income):         131.172         25.722           Other Expense (Income):         11.471         9.146           Evergin exchange (gin) loss         (123)         107           Miscellancous, att         3.225         (457)           Total other expenses, net         14.573         8.736           Income before income taxes         116,599         15.926           Income before income taxes         44.269         (8.148)           Net income per common share         44.269         (8.148)           Vel income per common share         5         0.015         5           Vel income per common share         2001 \$         5         0.015           Vel income per common share         5         0.015         \$         0.015           Vel income per common share         \$         0.015         \$         0.015           Weighted average shares outstanding         66.555.733         41.112.679         \$           Parked Near Enddel         \$         2.001 \$         \$         0.015           Net income per common share         \$         0.015         \$         0.015           Veladed declapper common share         \$  |                                      | (23,81      | 5) (10,477)           |
| Operating Income         1.355.282         683.749           Other Expense (Income):         111.172         25.722           Other Expense (Income):         114.71         9.146           Forrigin exchange (ginn) luss         (123)         107           Miscelianceus, net         3.225         (457)           Total other expenses, net         116.509         16.526           Income before income taxes         116.509         16.526           Income before income taxes expense (benefit)         44.269         (8.148)           Net income per common share         5         0.015         5           Invidends declared per common share         5         0.015         5         0.015           Weighted average shares outstanding         66.555.733         41,112.679         5         20.015         5         0.015           Weighted average shares outstanding         66.555.733         41,112.679         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015         5         0.015  | Selling, general and administrative  |             |                       |
| Operating Income         131,172         25,722           Other Expense (Income):         11,471         9,146           Foreign exchange (gain) loss         (123)         107           Total other expenses, net         3,225         (457)           Income barge (gain) loss         114,573         8,796           Income barge mess, net         14,573         8,796           Income barge spaces, net         14,573         8,796           Income barge (gain) constance         116,590         116,520           Income barge spaces, net         116,590         116,326           Income barge (gain) constance         114,257         8,796           Net Income         \$ 7,233         \$ 2,5074           Vial income barge common share         5         0.015         \$ 0.015           Dividends declared per common share         \$ 0,015         \$ 0.015         \$ 0.015           Vial during daverage shares outstanding         66,555,733         41,112,679         \$ 0.015           Vial daverage shares outstanding         66,555,733         41,112,679         \$ 0.015           Stalls         \$ 5,303,723         \$ 2,465,341         \$ 0.015         \$ 0.015           Cost of sales         \$ 1,031,115         \$ 0.015         \$ 0.015 <td></td> <td>1,355,28</td> <td></td>  |                                      | 1,355,28    |                       |
| Other Expense (Income):         11,471         9,146           Interset expense, net         11,471         9,146           Foreign exchange (gain) loss         (123)         107           Miscellaneous, net         2,225         (457)           Total other expenses, net         14,573         8,796           Income taxes         116,599         16,526           Income taxe expense (benefit)         44,260         (61,148)           Net Income         \$         72,330         \$           Net Income         \$         10,9         \$         0,61           Dividends declared per common share  | Operating Income                     |             |                       |
| Interest expense, net         11,471         9,146           Foreign exchange (gain) loss         (123)         107           Miscellaneous, net         3,225         (457)           Total other expenses, net         116,599         16,926           Income before income taxes         116,599         16,926           Income to expense (benefit)         44,269         (8,148)           Net Income excesses (benefit)         5         2,0074           Net income per common share         5         0,015         5         0,015           Dividends declared per common share         5         0,015         5         0,015           Siscal Year Finded         2004         27,2033         41,112,679           Fiscal Year Finded         2004         27,2033         41,112,679           Net Sales         \$ 5,363,723         2,619,345         Cost of sales         2,619,345           Cost of sales         \$ 5,363,723         2,619,345         2,619,345         2,619,345           Cost of sales         \$ 5,363,723         2,619,345         2,619,345         2,619,345           Cost of sales         \$ 5,363,723         2,619,345         2,619,345         2,619,345           Cost of sales         \$ 5,363,723 <td< td=""><td>- F</td><td>,_</td><td></td></td<>   | - F                                  | ,_          |                       |
| Interest expense, net         11,471         9,146           Foreign exchange (gain) loss         (123)         107           Miscellaneous, net         3,225         (457)           Total other expenses, net         116,559         16,526           Income before income taxes         116,559         16,526           Income to expense (benefit)         44,269         (8,148)           Net Income excesses (benefit)         5         2,074           Net income per common share         5         0,015         0,015           Jvidends declared per common share         5         0,015         0,015           Social Set         5         0,015         0,015           Vieighted average shares outstanding         66,555,733         41,112,679           Fiscal Year Finded         2004         27,2033           Net Sales         5         5,63,723         2,613,345           Cost of sales         4,813,333         2,465,341         -           Ost of sales         5         5,363,723         2,613,345           Cost of sales         5         7,923         -           Obst expenses         7,923         -         -           Other restructuring         64,150         -   | Other Expense (Income):              |             |                       |
| Freign exchange (gin) loss       (123)       107         Miscellaneous, net       3.225       (457)         Total other expenses, net       14.573       8.760         Income before income taxes       116.599       16.526         Income before income taxes       116.599       16.526         Income before income taxes       44.269       (8.148)         Net income       \$ 7.2,30       \$ 2.5,074         Net income per common share   |                                      | 11,47       | 1 9,146               |
| Miscellaneous, net         3225         (457)           Total other expenses, net         14.573         8,796           Income before income taxes         116.599         16.926           Income before income taxes         116.599         16.926           Income before income taxes         116.599         16.926           Net Income per common share         5         2.074           -basic and diluted         \$         1.09         \$         0.015           Dividends declared per common share         66,555,733         41,112.679         0.015         \$         0.015           Elscal Vear Ended         \$         5.03.723         \$ 2,019,345         0.015         \$         0.015 <td>•</td> <td></td> <td></td>  | •                                    |             |                       |
| Total other expenses, net         14,573         8,796           Income before income tax espense (benefit)         14,573         8,796           Income tax expense (benefit)         44,269         (8,148)           Net Income         \$ 72,330         \$ 25,074           Net income per common share         \$ 1.09         \$ 0.015           -basic and diluted         \$ 1.09         \$ 0.015           Dividends declared per common share         \$ 0.015         \$ 0.015           -basic and diluted         \$ 0.015         \$ 0.015           Dividends declared per common share         \$ 0.0204         2.004           -basic and diluted         \$ 0.015         \$ 0.015           Dividends declared per common share         \$ 0.015         \$ 0.015           Eiscal Year Ended         2.004         2.004         2.004           October 2, September         2.004         2.01335         2.619,345           Cost of sales         \$ 5.363,723         \$ 2.619,345         Cost of sales         \$ 2.619,345           Cost of sales - restructuring recoveries         (23,891)         (46,479)         \$ 241,570         136,870           Selling, general and administrative         241,570         136,870         200,680         63,613           Other ex   |                                      |             | ,                     |
| Income before income taxes         116,599         16,926           Income tax expense (benefit)         44,269         (8,148)           Net Income         \$72,330         \$25,074           Net income per common share         \$72,330         \$0,015           -basic and diluted         \$1,09         \$0,015           Dividends declared per common share         \$0,015         \$0,015           Dividends declared per common share         \$65,557,33         41,112,679           Eiscal Year Ended         \$2004         \$27,203         \$2,619,345           Costs and Expenses         \$5,5363,733         \$2,619,345         \$2,015         \$3,015           Costs of sales         \$4,813,333         2,465,341         \$2,465,341         \$2,465,341         \$2,465,341         \$2,465,341         \$2,465,341         \$3,333         2,465,341         \$3,333         2,465,341         \$2,129,3152         \$2,619,3455         \$3,333         2,465,341         \$3,333         2,465,341         \$3,333         2,465,341         \$3,331         2,465,341         \$3,331         2,465,341         \$3,331         2,465,341         \$3,331         2,465,341         \$3,331         2,465,341         \$3,331         2,465,341         \$3,333         2,465,341         \$3,333         2,465,341 <td< td=""><td>Total other expenses, net</td><td></td><td></td></td<>  | Total other expenses, net            |             |                       |
| Income tax expense (benefit)       44.269       (6,148)         Net income       \$ 72,330       \$ 25,074         Net income per common share   |                                      |             |                       |
| Income tax expense (benefit)       44.269       (6,148)         Net income       \$ 72,330       \$ 25,074         Net income per common share   | Income before income taxes           | 116.59      | 16.926                |
| Net Income       \$       72,330       \$       25,074         Net income per common share       -basic and diluted       \$       1.09       \$       0.61         Dividends declared per common share       \$       0.015       \$       0.015         Weighted average shares outstanding $66,555,733$ $41,112,679$ Fiscal Year Ended $2004$ $27,2003$ $52,204$ $27,2003$ Net Sales $55,363,723$ $52,619,345$ $204,27,2003$ $52,2619,345$ Cost of sales $4813,353$ $2.465,341$ $64,160$ Cost of sales $4813,353$ $2.465,341$ $64,160$ Cost of sales $41,570$ $136,870$ $7,923$ Non-recurring recoveries $(23,891)$ $(46,479)$ $56,101,15$ $2.555,732$ Operating Income $200,608$ $63,613$ $7,923$ Other restructuring charges $7,292$ $51,01,15$ $2.555,732$ $025$ $63,613$ Other restructuring Income $200,608$ $63,613$ $205$ $63,613$ Other expense, net $52,129$   |                                      |             |                       |
| Net income per common share         5         1.09         \$         0.61           Dividends declared per common share         \$         0.015         \$         0.015           Weighted average shares outstanding         66.555,733         41,112,679           Eiscal Year Ended         27, 2003         27, 2003           Net Sales         \$         \$,363,723         \$         2,619,345           Cost of sales         4,813,353         2,465,341         Cost of sales - restructuring         64,160         -           Non-recurring recoveries         (23,991)         (46,479)         Selling, general and administrative         241,570         136,870           Other restructuring charges         7,923         -         -         5,103,115         2,555,732           Operating Income         260,608         63,613         205         (359)         Miscellaneous, net         4,445         (37,244)           Total other expense, net         5,103,115         2,55,732         3,205         3,205         3,205           Income before income taxes         203,829         63,235         1,793         -         3,7981           Total other expense, net         5,179         3,7981         -         5,779         3,781   |                                      |             |                       |
| -basic and diluted       \$       1.09       \$       0.61         Dividends declared per common share       \$       0.015       \$       0.015         Weighted average shares outstanding $66,555,733$ $41,112,679$ Fiscal Year Ended $2004$ $27,2003$ $27,2003$ Net Sales       \$       \$ $5,363,723$ \$ $5,263,342$ \$ $2,2619,345$ Cost of sales $4,813,353$ $2,465,341$ -       -         Cost of sales $4,813,353$ $2,465,341$ -       -         Non-recurring recoveries $(23,891)$ $(46,479)$ Selling, general and administrative $241,570$ $136,870$ Other restructuring charges $7,923$ - $5,103,115$ $2,555,732$ Operating Income $241,570$ $136,870$ $260,608$ $63,613$ Other restructuring charges $7,923$ - $5,103,115$ $2,555,732$ Operating Income $252,129$ $37,981$ $7923$ - $5,103,115$ $2,555,732$ $37,981$ Other sepense, net $52,129$ $37,981$ $7923$ $793$ $3738$ <td< td=""><td></td><td></td><td>5 5 23,074</td></td<>  |                                      |             | 5 5 23,074            |
| -basic and diluted       \$       1.09       \$       0.61         Dividends declared per common share       \$       0.015       \$       0.015         Weighted average shares outstanding $66,555,733$ $41,112,679$ Fiscal Year Ended $2004$ $27,2003$ $27,2003$ Net Sales       \$       \$ $5,363,723$ \$ $5,263,342$ \$ $2,2619,345$ Cost of sales $4,813,353$ $2,465,341$ -       -         Cost of sales $4,813,353$ $2,465,341$ -       -         Non-recurring recoveries $(23,891)$ $(46,479)$ Selling, general and administrative $241,570$ $136,870$ Other restructuring charges $7,923$ - $5,103,115$ $2,555,732$ Operating Income $241,570$ $136,870$ $260,608$ $63,613$ Other restructuring charges $7,923$ - $5,103,115$ $2,555,732$ Operating Income $252,129$ $37,981$ $7923$ - $5,103,115$ $2,555,732$ $37,981$ Other sepense, net $52,129$ $37,981$ $7923$ $793$ $3738$ <td< td=""><td>Natingana na amman shara</td><td></td><td></td></td<>  | Natingana na amman shara             |             |                       |
| Dividends declared per common share         \$         0.015         \$         0.015           Weighted average shares outstanding         66,555,733         41,112,679           Fiscal Year Ended         2004         27,2003           Net Sales         \$         5,363,723         \$         2,619,345           Costs of Sales         4,813,353         2,465,341         -         -           Cost of Sales         4,813,353         2,465,341         -         -           Non-recurring recoveries         -         (23,891)         (46,479)           Selling, general and         -         -         -         -           administrative         -         241,570         136,870           Oher restructuring charges         -         -         -         -           Operating Income         -         -         -         -         -           Oher Expense [Income]:         -  |                                      | ¢ 10        | ) ¢ 0.61              |
| Weighted average shares outstanding         66,555,733         41,112,679           Eiscal Year Ended         2004         27,2003           Net Sales         \$ 5,363,723 \$ 2,619,345           Cost of sales         4,813,353         2,465,341           Cost of sales         2,801         (46,479)           Selling, general and         241,570         136,870           Other restructuring charges         7,923         -   |                                      |             |                       |
| Escal Year Ended         October 2, September 2, Se | -                                    |             |                       |
| Fiscal Year Ended         2004         27, 2003           Net Sales         \$ 5,363,723         \$ 2,619,345           Cost of sales         4,813,353         2,465,341           Cost of sales - restructuring         64,160            Non-recurring recoveries         (23,891)         (46,479)           Selling, general and         241,570         136,870           Other restructuring charges         7,923            5,103,115         2,555,732            Operating Income         52,129         37,981           Other Expense [Income]:             Interest expense, net         52,129         37,981           Poreign exchange loss (gain)         2005         359)           Miscellaneous, net         203,829         63,235           Income before income taxes         203,829         63,235           Income tax expense         7,933            Net Income         \$ 125,381         \$ 5,636           Net Income per common share             -basic and diluted         \$ 2,00 \$ 5         1.36           Dividends declared per common share         \$ 0,06 \$ 0,06         0,06   | weighted average shares outstanding  | د/,כככ,00   | 41,112,0/9            |
| Costs and Expenses         4,813,353         2,465,341           Cost of sales - restructuring         64,160            Non-recurring recoveries         (23,891)         (46,479)           Selling, general and         241,570         136,870           Other restructuring charges         7,923            5,103,115         2,555,732            Operating Income         5,103,115         2,555,732           Operating Income         260,608         63,613           Other expense, Income]:             Interest expense, net         52,129         37,981           Foreign excharge loss (gain)         205         (359)           Miscellaneous, net         4,445         (37,244)           Total other expense, net         56,779         378           Income before income taxes         78,448         7,199           Net Income         \$ 125,381         \$ 56,056           Vet Income per common share             -basic and diluted         \$ 0,06         \$ 0,06  |                                      |             | 2004 27, 2003         |
| Cost of sales       4,813,353       2,465,341         Cost of sales - restructuring       64,160          Non-recurring recoveries       (23,891)       (46,479)         Selling, general and       241,570       136,870         Other restructuring charges       7,923          5,103,115       2,555,732       -         Operating Income       260,608       63,613         Other Expense [Income]:           Interest expense, net       52,129       37,981         Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income before income taxes       78,448       7,199         Net Income       \$       125,381       \$         Net Income       \$       125,381       \$       56,036         Net Income per common share            -basic and diluted       \$       2,00 \$       1.36         Dividends declared per common share       \$       0.06       0.06   | Costs and Expenses                   |             |                       |
| Non-recurring recoveries         (23,891)         (46,479)           Selling, general and         241,570         136,870           Other restructing charges         7,923            5,103,115         2,555,732         -           Operating Income         260,608         63,613           Other Expense [Income]:         -         -           Interest expense, net         52,129         37,981           Foreign exchange loss (gain)         205         (359)           Miscellaneous, net         24,445         (37,244)           Total other expenses, net         56,779         378           Income before income taxes         203,829         63,235           Income tax expense         78,448         7,199           Net Income         \$         125,331         \$           Net Income per common share         -         -         -           -basic and diluted         \$         2.00         \$         1.36  |                                      |             | 4,813,353 2,465,341   |
| Selling, general and       241,570       136,870         Other restructuring charges       7,923          5,103,115       2,555,732         Operating Income       260,608       63,613         Other Expense [Income]:          Interest expense, net       52,129       37,981         Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income before income taxes       203,829       63,235         Income taxes       7,994       7,199         Net income       \$       125,381       \$         Net income per common share       \$       2.00       \$       1.36         Dividends declared per common share       \$       0.006       \$       0.006       \$  | Cost of sales - restructuring        |             | 64,160                |
| administrative       241,570       136,870         Other restructuring charges       7,923   | Non-recurring recoveries             |             | (23,891) (46,479)     |
| Other restructuring charges         7,923            5,103,115         2,555,732           Operating Income         260,608           Other Expense [Income]:            Interest expense, net         52,129           Foreign exchange loss (gain)         205           Miscellaneous, net         4,445           Total other expense, net         56,779           Income before income taxes         203,829           Income tax expense         78,448           7,199            Net Income         \$           Net income per common share  | Selling, general and                 |             |                       |
| 5,103,115         2,555,732           Operating Income         260,608         63,613           Other Expense [Income]:         52,129         37,981           Foreign exchange loss (gain)         205         (359)           Miscellaneous, net         4,445         (37,244)           Total other expenses, net         56,779         378           Income before income taxes         203,829         63,235           Income tax expense         78,448         7,199           Net Income         \$ 125,381         \$ 56,036           Net income per common share         \$ 2.00         \$ 1.36           Dividends declared per common share         \$ 0.06         \$ 0.06  | administrative                       |             | 241,570 136,870       |
| Operating Income         260,608         63,613           Other Expense [Income]:  | Other restructuring charges          |             | 7,923                 |
| Operating Income         260,608         63,613           Other Expense [Income]:  |                                      |             | 5,103,115 2,555,732   |
| Other Expense [Income]:       52,129       37,981         Interest expense, net       52,129       37,981         Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income tax expense       78,448       7,199         Net Income       \$       125,381       \$         Net income per common share       -       -         -basic and diluted       \$       2.00       \$         Dividends declared per common share       \$       0.06       \$  | Operating Income                     |             |                       |
| Interest expense, net       52,129       37,981         Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income before income taxes       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share  | -F0                                  |             | ,                     |
| Interest expense, net       52,129       37,981         Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income before income taxes       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share  | Other Expense [Income]:              |             |                       |
| Foreign exchange loss (gain)       205       (359)         Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income taxes       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share  |                                      |             | 52,129 37,981         |
| Miscellaneous, net       4,445       (37,244)         Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income tax expense       78,448       7,199         Net Income per common share       \$ 125,381       \$ 56,036         -basic and diluted       \$ 2.00       \$ 1.36         Dividends declared per common share       \$ 0.06       \$ 0.06   |                                      |             |                       |
| Total other expenses, net       56,779       378         Income before income taxes       203,829       63,235         Income tax expense       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share   |                                      |             |                       |
| Income before income taxes       203,829       63,235         Income tax expense       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share  | Total other expenses, net            |             |                       |
| Income tax expense       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share       -basic and diluted       \$ 2.00       \$ 1.36         Dividends declared per common share       \$ 0.06       \$ 0.06   | •                                    |             |                       |
| Income tax expense       78,448       7,199         Net Income       \$ 125,381       \$ 56,036         Net income per common share       -basic and diluted       \$ 2.00       \$ 1.36         Dividends declared per common share       \$ 0.06       \$ 0.06   | Income before income taxes           |             | 203.829 63.235        |
| Net Income       \$ 125,381       \$ 56,036         Net income per common share       -basic and diluted       \$ 2.00       \$ 1.36         Dividends declared per common share       \$ 0.06       \$ 0.06   |                                      |             |                       |
| Net income per common share         -basic and diluted         Dividends declared per common share         \$ 0.06 \$ 0.06   |                                      |             |                       |
| -basic and diluted\$2.00 \$1.36Dividends declared per common share\$0.06 \$0.06  |                                      |             |                       |
| -basic and diluted\$2.00 \$1.36Dividends declared per common share\$0.06 \$0.06  | Nat income per common chara          |             |                       |
| Dividends declared per common share \$ 0.06 \$ 0.06  | -                                    |             | 2 200 ¢ 120           |
| 1  |                                      |             |                       |
| weighted average shares outstallullig 02,040,092 41,112,0/9  |                                      |             |                       |
|  | אינוקוונים מינומצר אומורא טעואמועווא |             | 02,040,032 41,112,0/9 |

## PILGRIM'S PRIDE CORPORATION

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#### PILGRIM'S PRIDE CORPORATION Condensed Consolidated Balance Sheets [In thousands]

| Oc | tober 2, 2004 | S  | eptember 27,<br>2003 |
|----|---------------|----|----------------------|
| \$ | 38,165        | \$ | 16,606               |

| Other current assets                       | <br>992,545     | <br>474,102     |
|--|-----------------|-----------------|
| Total current assets                       | <br>1,030,710   | 490,708         |
| Other Assets                               | 50,086          | 31,302          |
| Property, Plant and Equipment, net         | 1,178,675       | 735,474         |
|  |                 | <br>            |
| Total Assets                               | \$<br>2,259,471 | \$<br>1,257,484 |
|  |                 |                 |
| LIABILITIES AND STOCKHOLDERS' EQUITY       |                 |                 |
| Current maturities of long-term debt       | \$<br>8,428     | \$<br>2,680     |
| Other current liabilities                  | 624,997         | 276,909         |
| Total Current Liabilities                  | 633,425         | 279,589         |
| Long-Term Debt, Less Current Maturities    | 535,866         | 415,965         |
| Deferred Income Taxes                      | 168,974         | 113,988         |
| Minority Interest in Subsidiary            | 1,210           | 1,246           |
| Total Stockholders' Equity                 | 919,996         | 446,696         |
|  |                 |                 |
| Total Liabilities and Stockholders' Equity | \$<br>2,259,471 | \$<br>1,257,484 |
|  |                 |                 |

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#### Selected Financial Information (in thousands) (Unaudited)

Note: "EBITDA" is defined as the sum of the net income (loss) before interest, 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 an alternative to net income as indicators of our operating performance or any other measures of performance derived in accordance with GAAP. EBITDA is calculated as follows:

|   |     |                |    | September 27, |
|---|-----|----------------|----|---------------|
| <u>Three Months Ended</u>                   |     | ober 2, 2004   |    | 2003          |
| Net Income                                  | \$  | 72,330         | \$ | 25,074        |
| Add:  |     |                |    |               |
| Income tax expense (benefit)                |     | 44,269         |    | (8,148)       |
| Interest expense, net                       |     | 11,471         |    | 9,146         |
| Depreciation and amortization               |     | 25,487         |    | 19,934        |
| Minus:                                      |     |                |    |               |
| Amortization of capitalized financing costs |     | 535            | _  | 414           |
| EBITDA <sup>(a)</sup>                       | \$  | 153,022        | \$ | 45,592        |
| Capital expenditures                        | \$  | 23,805         | \$ | 17,429        |
|   |     |                |    | September 27, |
| <u>Fiscal Year Ended</u>                    | Oct | ober 2, 2004   |    | 2003          |
| Net Income                                  | \$  | 125,381        | \$ | 56,036        |
| Add:  |     |                |    |               |
| Income tax expense                          |     | 78,448         |    | 7,199         |
| Interest expense, net                       |     | 52,129         |    | 37,981        |
| Depreciation and amortization               |     | 113,788        |    | 74,187        |
| Minus:                                      |     |                |    |               |
| Amortization of capitalized financing costs |     | 1,951          |    | 1,477         |
| EBITDA <sup>(b)</sup>                       | \$  | 367,795        | \$ | 173,926       |
| Capital expenditures                        | \$  | 79,642         | \$ | 53,574        |
|   |     |                |    | September 27, |
| Other Data:                                 | 0   | ctober 2, 2004 |    | 2003          |
| Current maturities of long-term debt        | \$  | 8,428          | \$ | 2,680         |

| Long-term debt | 535,866       | <br>415,965   |
|----------------|---------------|---------------|
| Total Debt     | \$<br>544,294 | \$<br>418,645 |

#### PILGRIM'S PRIDE CORPORATION

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(a) Included in the three month period ended October 2, 2004, EBITDA results were Cost of sales-restructuring related amounts of \$8.2 million associated with the

previously announced sale of the Company's Hinton, Virginia, turkey operations.

(b) Included in the fiscal year ended October 2, 2004, EBITDA results were Cost of sales-restructuring related amounts and Other restructuring charges of \$64.2 million and \$7.9 million, respectively, associated with the previously announced sale of the Company's Hinton, Virginia, turkey operations.

PILGRIM'S PRIDE CORPORATION

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#### **Pilgrim's Pride Corporation**

## Pro forma Financial Information (in thousands except per share amounts)

## (Unaudited)

The unaudited pro forma financial information has been presented as if the acquisition of the ConAgra chicken division had occurred as of the beginning of each period presented. For the three month and annual periods ended September 27, 2003, the ConAgra Chicken division information has been included with a one-month lag to the Pilgrim's Pride reporting period in order to maintain their existing quarterly periods.

| Three Months Ended  | <u>0</u>                                     | <u>ctober 2, 2004</u>   | <u>Se</u>  | <u>ptember 27, 2003</u>   |
|---|--|---|--|---|
| Net sales   | \$   | 1,486,454   | \$   | 1,317,612   |
| Depreciation and amortization   | \$   | 25,487  | \$   | 30,640  |
| Cost of sales-restructuring   | \$   | 8,178   | \$   |   |
| Operating income  | \$   | 131,172   | \$   | 32,128  |
| Interest expense, net   | \$   | 11,471  | \$   | 17,313  |
| Income tax expense (benefit)  | \$   | 44,269  | \$   | (11,172)  |
| Net income  | \$   | 72,330  | \$   | 26,231  |
| Net income per common share   | \$   | 1.09  | \$   | 0.39  |
|   |  |   |  |   |
| Capital Expenditures  | \$   | 23,805  | \$   | 25,834  |
|   |  |   |  |   |
|   |  |   |  |   |
| <u>Fiscal Year Ended</u>  |  | <u>October 2, 2004</u>  | <u>S</u>   | <u>September 27, 2003</u>   |
| <u>Fiscal Year Ended</u>  |  | <u>October 2, 2004</u>  | <u>S</u>   | <u>September 27, 2003</u>   |
| <u>Fiscal Year Ended</u><br>Net sales   | \$   | <u>October 2, 2004</u><br>5,824,515   | <u>s</u>   |   |
|   | \$<br>\$                                     |   |  |   |
| Net sales   |  | 5,824,515   | \$   | 4,968,356   |
| Net sales<br>Depreciation and amortization  | \$   | 5,824,515<br>120,833  | \$<br>\$   | 4,968,356   |
| Net sales<br>Depreciation and amortization<br>Cost of sales-restructuring   | \$<br>\$                                     | 5,824,515<br>120,833<br>64,160  | \$<br>\$<br>\$   | 4,968,356   |
| Net sales<br>Depreciation and amortization<br>Cost of sales-restructuring<br>Other restructuring charges  | \$<br>\$<br>\$                               | 5,824,515<br>120,833<br>64,160<br>7,923   | \$<br>\$<br>\$<br>\$   | 4,968,356<br>116,854<br><br>  |
| Net sales<br>Depreciation and amortization<br>Cost of sales-restructuring<br>Other restructuring charges<br>Operating income  | \$<br>\$<br>\$<br>\$                         | 5,824,515<br>120,833<br>64,160<br>7,923<br>285,897                                | \$<br>\$<br>\$<br>\$<br>\$   | 4,968,356<br>116,854<br><br><br>60,572                                |
| Net sales<br>Depreciation and amortization<br>Cost of sales-restructuring<br>Other restructuring charges<br>Operating income<br>Interest expense, net   | \$<br>\$<br>\$<br>\$<br>\$                   | 5,824,515<br>120,833<br>64,160<br>7,923<br>285,897<br>56,500                      | \$<br>\$<br>\$<br>\$<br>\$<br>\$   | 4,968,356<br>116,854<br><br><br>60,572<br>70,813                      |
| Net sales         Depreciation and amortization         Cost of sales-restructuring         Other restructuring charges         Operating income         Interest expense, net         Income tax expense (benefit) | \$<br>\$<br>\$<br>\$<br>\$                   | 5,824,515<br>120,833<br>64,160<br>7,923<br>285,897<br>56,500<br>87,222            | \$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$   | 4,968,356<br>116,854<br><br><br>60,572<br>70,813<br>(5,963)           |
| Net salesDepreciation and amortizationCost of sales-restructuringOther restructuring chargesOperating incomeInterest expense, netIncome tax expense (benefit)Net income   | \$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$ | 5,824,515<br>120,833<br>64,160<br>7,923<br>285,897<br>56,500<br>87,222<br>139,665 | \$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$<br>\$ | 4,968,356<br>116,854<br><br><br>60,572<br>70,813<br>(5,963)<br>34,731 |

#### Pilgrim's Pride Corporation Non-GAAP Reconciliation (<u>In millions except per share data)</u> (Unaudited)

| Three Months Ended  | October | October 2, 2004  |    | September<br>27,2003 |  |
|---|---------|------------------|----|----------------------|--|
| Net Income  | \$      | 72.3             | \$ | 25.1                 |  |
| Less: Non-recurring recoveries (net of tax)                 |         | 14.8             |    | 6.3                  |  |
| Net income excluding non-recurring recoveries               |         | 57.5             |    | 18.8                 |  |
| Plus: Turkey restructuring and related charges (net of tax) |         | 5.1              |    |                      |  |
| Less: Mexico tax adjustment                                 |         |                  |    | 16.9                 |  |
| Net income adjusted for unusual items                       | \$      | 62.6             | \$ | 1.9                  |  |
|   |         |                  |    |                      |  |
|   |         | Per Share Amount |    |                      |  |
| Net Income  | \$      | 1.09             | \$ | 0.61                 |  |
| Less: Non-recurring recoveries (net of tax)                 |         | 0.22             |    | 0.15                 |  |
| Net income excluding non-recurring recoveries               |         | 0.87             |    | 0.46                 |  |
| Plus: Turkey restructuring and related charges (net of tax) |         | 0.08             |    |                      |  |
| Less: Mexico tax adjustment                                 |         |                  |    | 0.41                 |  |
| Net income adjusted for unusual items                       | \$      | 0.95             | \$ | 0.05                 |  |
|   |         |                  |    |                      |  |

| Fiscal Year Ended   | Octo | October 2, 2004 |       | September<br>27,2003 |  |
|---|------|-----------------|-------|----------------------|--|
| Net Income  | \$   | 125.4           | \$    | 56.0                 |  |
| Less: Non-recurring recoveries (net of tax)                 |      | 15.4            |       | 46.6                 |  |
| Net income excluding non-recurring recoveries               |      | 110.0           |       | 9.4                  |  |
| Plus: Turkey restructuring and related charges (net of tax) |      | 44.3            |       |                      |  |
| Less: Mexico tax adjustment                                 |      |                 |       | 16.9                 |  |
| Net income adjusted for unusual items                       | \$   | 154.3           | \$    | (7.5)                |  |
|   |      | <u>Per Sha</u>  | re Am | ount                 |  |
| Net Income  | \$   | 2.00            | \$    | 1.36                 |  |
| Less: Non-recurring recoveries (net of tax)                 |      | 0.25            |       | 1.13                 |  |
| Net income excluding non-recurring recoveries               |      | 1.75            |       | 0.23                 |  |
| Plus: Turkey restructuring and related charges (net of tax) |      | 0.71            |       |                      |  |
| Less: Mexico tax adjustment                                 |      |                 |       | 0.41                 |  |
| Net income adjusted for unusual items                       | \$   | 2.46            | \$    | (0.18)               |  |