

Frequently Asked Questions & Answers September 16, 2009

Who is JBS S.A.?

JBS S.A., which is based on Sao Paulo, Brazil, is one of the largest beef and pork producers in the world. Their annual sales are over \$20 billion, and they operate plants all over the world, including 16 facilities in the United States that are part of JBS U.S.A., their subsidiary based in Greeley, Colo.

What role is JBS playing in your emergence from bankruptcy?

JBS is our “plan sponsor.” When we emerge from bankruptcy, they will purchase 64% of the new shares in the reorganized company for \$800 million, making them our majority shareholder. The money from that purchase will be used to pay back our creditors.

Is JBS essentially buying Pilgrim’s Pride out of bankruptcy?

Yes, they will purchase the majority of the new stock in our company when we emerge from bankruptcy, so JBS will own a controlling interest in Pilgrim’s Pride. We expect to operate as a separate business unit from beef and pork under the JBS umbrella.

Why isn’t Pilgrim’s Pride emerging on its own?

That was one of the options we considered as we developed our reorganization plan, but in the end we decided that partnering with JBS would create the most value for our stakeholders. Our plan of reorganization calls for repaying our creditors in full while also preserving a lot of value for our existing shareholders. That is a very rare feat for bankrupt companies. In addition, the deal with JBS received the full approval of our board of directors and the Pilgrim family.

Is JBS going to merge with Pilgrim’s Pride after you get out of bankruptcy?

As majority owner of Pilgrim’s Pride when we emerge from bankruptcy, JBS will have the option of merging the two companies. That decision will be up to them.

When does Pilgrim’s Pride expect to emerge from bankruptcy?

We expect to be out of bankruptcy before the end of December.

How does partnering with JBS make Pilgrim’s stronger?

Our financial position will be stronger and we’ll have access to new markets. We believe there will be tremendous synergies available through this alliance that will help us capitalize on our combined strengths and increase our sales channel penetration, especially in exports to specific markets.

What happens to the current management team?

Most of Pilgrim’s Pride’s senior management team will remain in place. Don Jackson will continue to lead the company.

What will happen to the stock?

The plan calls for all existing Pilgrim's Pride common stock to be cancelled and existing shareholders to receive 36% of the shares in the reorganized company, with JBS owning the other 64%.

What happens to Bo Pilgrim and the Pilgrim family?

The Pilgrim family will remain large shareholders, but they will no longer retain control of the company when we emerge. Mr. Pilgrim will continue to work on behalf of the reorganized company and serve on its board of directors.

Is it possible for this deal to fall through?

The plan of reorganization must still be approved by the Bankruptcy Court, so it is possible that there could be some changes. But we are confident that our proposed plan of reorganization will earn the support of all stakeholders and provide the foundation for sustained, profitable growth in the years ahead.

What will happen to your employees?

For most of our employees and facilities, there will be no significant changes. We anticipate little impact on our plants, operations and sales organization. We expect to operate as a separate business unit from beef and pork under the JBS umbrella. There will be some integration of our corporate functions into the JBS organization. Over the next several months, Pilgrim's Pride and JBS will develop an integration plan that lays out how that will take place.

What kind of changes do you anticipate in your sales and operations as a result of your partnership with JBS?

We expect little impact on our plants, operations and sales organization. Our growers will continue to supply our plants, our plants will continue to operate and we'll continue doing our best to serve our customers.

What happens to current shareholders?

All existing Pilgrim's Pride common stock will be cancelled and existing stockholders will receive the same number of new common stock shares representing 36% of the reorganized Pilgrim's Pride in aggregate.

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Will JBS move forward with its plans for an IPO?

In the event that JBS completes an initial public offering, all of the then-outstanding shares of new PPC common stock may be exchanged, at the option of JBS, for shares of their common stock.

Are there potential regulatory issues?

The stock purchase agreement with JBS is subject to Hart-Scott-Rodino approval. We do not anticipate there being any problems receiving regulatory approval since JBS does not currently have a presence in the chicken industry.