

PILGRIMS PRIDE CORP  
Form 424B5  
January 16, 2007  
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Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-130113

**This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but is not complete and may be changed. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

Subject To Completion, dated January 12, 2007

PRELIMINARY PROSPECTUS SUPPLEMENT

(To Prospectus dated December 2, 2005)

**\$450,000,000**

**Pilgrim s Pride Corporation**

**% Senior Notes due 2015**

**% Senior Subordinated Notes due 2017**

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We are offering \$ of our % Senior Notes due 2015, referred to as the Senior Notes, and \$ of our % Senior Subordinated Notes due 2017, referred to as the Subordinated Notes. The Senior Notes and the Subordinated Notes are referred to collectively as the notes. Interest is payable on and of each year, beginning on , 2007. The Senior Notes will mature on , 2015 and the Subordinated Notes will mature on , 2017.

We may redeem all or part of the Senior Notes on or after , 2011. We may redeem all or part of the Subordinated Notes on or after , 2012. Before , 2010, we also may redeem up to 35% of the aggregate principal amount of each of the Senior Notes and the Subordinated Notes from the proceeds of certain equity offerings. Redemption prices are set forth under Description of Notes Description of the Senior Notes Optional Redemption and Description of Notes Description of the Subordinated Notes Optional Redemption, respectively.

If we sell assets or experience a change of control, we may be required to make offers to repurchase the notes at the prices and on the terms described in this prospectus supplement. These notes are our general unsecured obligations. The Senior Notes rank equally with all our other unsubordinated indebtedness, and are effectively subordinated to our secured obligations, including our revolving and term loan facilities, to the extent of that security, and the indebtedness of our subsidiaries. The Subordinated Notes are subordinated to all of our existing and future senior indebtedness, including our revolving and term loan facilities, and are effectively subordinated to the indebtedness of our subsidiaries. The Subordinated Notes rank equally with our 9 1/4% Senior Subordinated Notes due November 15, 2013.

The notes will be held by the book-entry depositary, and book-entry interests representing interests in the notes and transfers of these interests in the notes will be shown on the records maintained by The Depository Trust Company.

*Investing in the notes involves risks. See Risk Factors on page S-19.*

	Per Senior		Per Subordinated	
	Note	Total	Note	Total
Public Offering Price	100.00%	\$	100.00%	\$
Underwriting Discount	%	\$	%	\$
Proceeds to Pilgrim s Pride Corporation	%	\$	%	\$
Interest on the notes will accrue from January , 2007 to the date of delivery.				

*Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.*

Affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC, the joint book-running managers of this offering, are lenders under our bridge loan facility and as such will receive all of the net proceeds of this offering, which will be used to repay outstanding amounts under our bridge loan facility.

Delivery of the notes, in book entry form, will be made on or about January , 2007.

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*Joint Book-Running Managers*

**LEHMAN BROTHERS**

**CREDIT SUISSE**

**BMO CAPITAL MARKETS**

*Senior Co-Managers*  
**DEUTSCHE BANK SECURITIES**

**JPMORGAN**

**BANC OF AMERICA SECURITIES LLC**  
, 2007

*Co-Managers*  
**STEPHENS INC.**

**STIFEL NICOLAUS**

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**PROSPECTUS**

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

This document has two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the notes offered. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Statements of our plans, hopes, intentions, beliefs, anticipations, expectations or predictions for the future, denoted by the words anticipate, believe, estimate, expect, project, imply, intend, foresee and similar expressions, are forward-looking statements that reflect our current expectations about future events and are subject to risks, uncertainties and assumptions. Such risks, uncertainties and assumptions include those identified in the Risk Factors section of this prospectus supplement including the following:

Matters generally affecting the poultry industry, 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 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;

Competitive factors and pricing pressures or the loss of one or more of our largest customers;

Inability to consummate, or effectively integrate, any acquisition, including integrating our recent acquisition of Gold Kist Inc., or to realize the associated anticipated cost savings and operating synergies;

Currency exchange rate fluctuations, trade barriers, exchange controls, expropriation and other risks associated with foreign operations; and

The impact of uncertainties of litigation as well as other risks described in our filings with the Securities and Exchange Commission (SEC).

Actual results could differ materially from those projected in these forward-looking statements as a result of these factors, among others, many of which are beyond our control.

**WHERE YOU CAN FIND MORE INFORMATION; INCORPORATION BY REFERENCE**

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any materials we file with the SEC at the following location of the SEC: Public Reference Room, 100 F Street, NE, Room 1580, Washington, D.C. 20549.

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You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our SEC filings are also available to the public over the Internet at the SEC's Web site at <http://www.sec.gov>. In addition, you may inspect our SEC filings at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows us to incorporate by reference into this prospectus supplement the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. Any information referenced this way is considered to be part of this prospectus supplement, and any information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents that we have filed with the SEC:

our annual report on Form 10-K for the fiscal year ended September 30, 2006; and

our current reports on Form 8-K and Form 8-K/A, as applicable, filed on December 5, 2006, December 19, 2006, January 4, 2007, January 9, 2007 and January 11, 2007.

We also incorporate by reference any future filings made with the SEC (other than information furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or as otherwise permitted by the SEC's rules) under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act) before termination of the offering.

You may obtain a copy of these filings, at no cost, by writing or calling us at: Pilgrim's Pride Corporation, 4845 US Highway 271 North, Pittsburg, TX, Telephone: (903) 434-1000.

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### **SUMMARY**

*The following is a summary of the more detailed information appearing elsewhere in this prospectus supplement. This summary is not complete and does not contain all the information you should consider. You should carefully read the entire prospectus supplement, the accompanying prospectus and the information incorporated herein by reference, including the Risk Factors section and the financial statements and the related notes. Unless the context otherwise requires or as otherwise indicated, we, us, our and similar terms, as well as references to the Company and Pilgrim's Pride, include all of our consolidated subsidiaries. We obtained the industry data used throughout this prospectus supplement from industry publications that we believe to be reliable, but we have not independently verified this information. Unless the context otherwise requires, the pro forma information contained in this prospectus supplement assumes that we completed the acquisition of Gold Kist Inc. (Gold Kist) and the related financings at the beginning of the fiscal year ended September 30, 2006, in accordance with the assumptions described in the section entitled Unaudited Pro Forma Financial Data. We define the poultry industry as consisting of the chicken and turkey industries.*

### **The Company**

We are the largest producer of chicken in the United States, the second largest producer and seller of chicken in Mexico, the largest producer of chicken in Puerto Rico, and have one of the best known brand names in the chicken industry. In the U.S., we produce both prepared and fresh chicken and fresh turkey, while in Mexico and Puerto Rico, we exclusively produce fresh chicken. Through vertical integration, we control the breeding, hatching and growing of chickens. We also control the processing, preparation, packaging and sale of our product lines, which we believe has made us one of the highest quality, lowest-cost producers of chicken in North America. We have consistently applied a long-term business strategy of focusing our growth efforts on higher-value, higher-margin prepared foods products and have become a recognized industry leader in this market segment. Accordingly, our sales efforts have traditionally been targeted to the foodservice industry, principally chain restaurants and food processors. We have continually made investments to ensure our prepared foods capabilities remain state-of-the-art and have complemented these investments with a substantial and successful research and development effort. In fiscal 2006, we sold 5.7 billion pounds of dressed chicken and 149.2 million pounds of dressed turkey and generated net sales of \$5.2 billion. In fiscal 2006, our United States (U.S.) operations including Puerto Rico accounted for 91.7% of our net sales, with the remaining 8.3% arising from our Mexico operations. On a pro forma basis, in fiscal 2006, we sold 9.0 billion pounds of dressed chicken and 149.2 million pounds of dressed turkey, generating net sales of \$7.4 billion, with our U.S. and Puerto Rico operations accounting for 94.1% of our pro forma net sales.

On January 9, 2007, we completed the acquisition of Gold Kist for an aggregate purchase price of approximately \$1.1 billion and the refinancing or assumption of approximately \$144.0 million of Gold Kist's debt. Prior to the acquisition, Gold Kist was the third largest chicken company in the U.S., accounting for 8.8% of chicken produced in the U.S. in 2005. Gold Kist operated a fully integrated chicken production business, with production complexes located in Alabama, Florida, Georgia, North Carolina and South Carolina. In fiscal 2006, Gold Kist produced 3.3 billion pounds of dressed chicken and generated net sales of \$2.1 billion.

With the addition of Gold Kist, we became the world's leading chicken company in terms of production, with a pro forma market share based on total annual chicken production in the U.S. of 24.8%, and the fourth largest U.S. meat protein company by revenues. The combined company has an expanded geographic reach and customer base, while maintaining a balanced portfolio of fresh chicken and value-added products. Our enhanced geographic diversification will enable us to compete more efficiently both in the U.S. and internationally. We believe that the combined company will have a strong financial position and substantial cash flow, enabling us to consistently reduce debt and return to historical debt levels. See Gold Kist Acquisition.

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### **Our Business**

The U.S. chicken industry has grown for the last ten years at a compounded annual growth rate of 3.5%, growing from 24.8 billion pounds of chicken produced in 1995 to 35.0 billion pounds produced in 2005. This growth resulted from increasing domestic and international per capita consumption of chicken and population growth. The U.S. chicken industry is the world's largest producer and second largest exporter of chicken. From 1995 to 2005, annual per capita consumption of chicken in the U.S. increased 25.2%, while annual per capita consumption of beef and pork declined 1.7%, and 2.9%, respectively. Per capita consumption of chicken in the U.S. surpassed that of pork in 1984 and beef in 1992. We believe these favorable trends will continue over the long-term due to consumers' continued awareness of the health benefits, convenience, cost advantages and versatility of chicken. The United States Department of Agriculture (USDA) estimates that per capita consumption of chicken in the U.S. will grow from 87.0 pounds in 2005 to 93.8 pounds in 2010.

We expect several on-going industry trends to continue in 2007. These include increasing consumer demand for high-quality chicken products in the U.S. and globally and the consolidation of the U.S. chicken industry. We believe the consolidation in the industry is driven by the desire for enhanced cost efficiencies, the consolidation of the supermarket and foodservice industries and strict environmental, food safety, labor and other regulations governing the chicken industry. We believe these trends will result in favorable demand for our products, more stable chicken prices and generally improved industry conditions.

We believe that the industry has two major customer categories, foodservice and retail. The majority of our U.S. chicken sales are derived from products sold to the foodservice market. Foodservice customers principally include chain restaurants, food processors, foodservice distributors and certain other institutions located throughout the continental U.S. The retail market consists primarily of grocery store chains, wholesale clubs and other retail distributors. While the overall chicken market has grown consistently, we believe the majority of this growth in recent years has been in the foodservice market. According to the National Chicken Council, from 2001 through 2005, sales of chicken products to the foodservice market grew at a compounded annual growth rate of approximately 7.0%, versus 5.5% growth for the chicken industry overall. Foodservice growth is anticipated to continue as food-away-from-home expenditures continue to outpace overall industry growth rates. According to the National Restaurant Association, food-away-from-home expenditures grew at a compounded annual growth rate of approximately 5.2% from 2001 through 2005, and are projected to grow at a 3.5% compounded annual growth rate from 2005 through 2010. As a result, the food-away-from-home category is projected by the National Restaurant Association to account for 53.0% of total food expenditures by 2010, as compared with the amount of 47.5% in 2006. Due to internal growth and our fiscal 2004 acquisition of the chicken division of ConAgra Foods, Inc, which we sometimes refer to as our fiscal 2004 acquisition, our sales to the foodservice market from fiscal 2002 through fiscal 2006 grew at a compounded annual growth rate of 27.8% and represented 72.1% of the net sales of our U.S. chicken operations in fiscal 2006.

We are one of the two largest suppliers of prepared chicken products in the U.S. Our prepared chicken products include portion-controlled breast fillets, tenderloins and strips, delicatessen products, salads, formed nuggets and patties and bone-in chicken parts. These products are sold either refrigerated or frozen and may be fully cooked, partially cooked or raw. In addition, these products are breaded or non-breaded and either pre-marinated or non-marinated. Our prepared chicken products business is an important component of our sales and for fiscal 2006 accounted for 47.3%, or \$1,940.1 million, of our U.S. chicken sales. Although Gold Kist's prepared chicken products sales as a percentage of its total U.S. chicken sales is lower than ours, the acquisition of Gold Kist significantly increases our overall sales of prepared chicken products, solidifying our position as one of the two largest suppliers of prepared chicken products in the U.S.

Our prepared chicken products are sold primarily to foodservice customers. We are a major supplier of chicken to Arby's®, Burger King®, Chick-fil-A®, Stouffers®, Wal-Mart® and Wendy's®. Due to increased demand from our customers and our fiscal 2004 acquisition, our prepared chicken products sales to the

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foodservice market were \$1,567.3 million in fiscal 2006 compared to \$659.9 million in fiscal 2002, a compounded annual growth rate of approximately 24.1%. The acquisition of Gold Kist further increases our prepared chicken products sales to the foodservice market.

Our prepared chicken products sales to the retail market were \$308.5 million in fiscal 2006 compared to \$158.3 million in fiscal 2002, a compounded annual growth rate of approximately 18.2%. We believe that our growth in this market segment will continue as retailers concentrate on satisfying consumer demand for more products that are quick, easy and convenient to prepare at home.

The market for prepared chicken products has experienced, and we believe will continue to experience, greater growth, higher average sales prices and higher margins than fresh chicken products. We believe our above-market growth of prepared chicken products is attributable to our competitive strengths, which include full-line product capabilities, high-volume production capacities, research and development expertise and extensive distribution and marketing experience.

We also sell fresh chicken products to the foodservice and retail markets. Our fresh chicken products consist of refrigerated (non-frozen) whole or cut-up chicken, either pre-marinated or non-marinated and prepackaged case-ready chicken, which includes various combinations of freshly refrigerated, whole chickens and chicken parts in trays, bags or other consumer packs labeled and priced ready for the retail grocer's fresh meat counter. Our fresh chicken business is an important component of our sales and for fiscal 2006 accounted for 46.0%, or \$1,885.0 million, of our U.S. chicken sales and as a result of the Gold Kist acquisition, our total U.S. fresh chicken sales will increase further. In addition to maintaining sales of mature, traditional fresh chicken products, our strategy is to shift the mix of our U.S. fresh chicken products by continuing to increase sales of higher margin, faster growing products, such as marinated chicken and chicken parts, and to continually shift portions of this product mix into the higher value and margin prepared foods category. Our retail sales are enhanced by the strong consumer awareness of the Pilgrim's Pride® brand, which is one of the leading chicken brand names in the chicken industry. We believe our brand awareness enhances the distribution of our fresh chicken and enables us to achieve price premiums in certain of our geographic markets. We believe the retail prepackaged fresh chicken business will continue to be a large and relatively stable market, providing opportunities for product differentiation and regional brand loyalty.

We are the second largest producer and seller of chicken in Mexico and are currently present in the Federal District of Mexico and all but three of the 31 Mexican States, which in total represent approximately 94.0% of the Mexican population. In fiscal 2006, the Mexican market represented 8.3% of our net sales and 5.9% of our net sales on a pro forma basis. Additionally, according to the National Chicken Council, between 1995 and 2005, annual per capita consumption of chicken in Mexico increased 62.1% to 59.5 pounds per person, as compared to 87.0 pounds per person in the U.S. According to the National Chicken Council, per capita consumption of chicken in Mexico is anticipated to grow from 59.5 pounds in 2005 to 67.2 pounds in 2010 as a result of the country's improving economy and favorable demographic trends.

Our export and other chicken products, with the exception of our exported prepared foods products, consist of whole chickens and chicken parts sold primarily in bulk, non-branded form either refrigerated to distributors in the U.S. or frozen for distribution to export markets. In the U.S., prices of these products are negotiated daily or weekly and are generally related to market prices quoted by the USDA or other public price reporting services. We also sell U.S.-produced chicken products for export to Eastern Europe, including Russia, the Far East, Mexico and other world markets. We believe that U.S. chicken exports will continue to grow as worldwide demand increases for high-grade, low-cost meat protein sources. We also believe that worldwide demand for higher margin prepared foods products will increase over the next several years. Accordingly, we believe we are well positioned to capitalize on such growth.



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### **Gold Kist Acquisition**

On January 9, 2007, we completed the acquisition of Gold Kist for an aggregate purchase price of approximately \$1.1 billion and the refinancing or assumption of approximately \$144.0 million of Gold Kist debt.

Prior to the acquisition, Gold Kist was the third largest chicken company in the U.S., accounting for 8.8% of chicken produced in the U.S. in 2005. In fiscal 2006, Gold Kist produced and marketed approximately 3.3 billion pounds of dressed chicken and generated net sales of approximately \$2.1 billion.

In fiscal 2006, Gold Kist sold its products to over 3,000 customers in the retail, industrial, foodservice and export markets. Gold Kist was a major supplier to all but one of the top ten U.S. food retailers, and products sold to the retail market accounted for a majority of its sales. Gold Kist's retail sales consisted principally of fresh and frozen whole and cut-up products, deboned products and further-processed products.

Prior to the acquisition, Gold Kist was a major supplier to most major quick serve restaurant chains, providing a full line of fresh, frozen, partially- and fully-cooked products to various foodservice customers. Gold Kist also sold its products to a diversified base of foodservice distributors and end-use customers, including the USDA School Lunch Program. In addition, Gold Kist was a major supplier to industrial companies that further process chicken or use chicken as an ingredient in prepared meals.

Over the last few years Gold Kist focused its growth efforts on value-added products. These growth efforts included expenditures for expansion of further processing capacity, technological advances in its poultry production and processing operations and expanded chill pack capacity. Since October 2004, the percentage of Gold Kist's value-added sales as a percentage of total sales increased from 44.7% to 59.2% as of the end of fiscal 2006. Gold Kist was also the first major chicken processor in the U.S. to offer antibiotic-free, air chilled premium chicken products raised on an all-vegetable diet. The air chilling process reduces the water absorption that occurs during the traditional water cooling process, while retaining the natural flavor, texture and tenderness of the chicken.

The Gold Kist acquisition expands our presence in the Southeastern United States, complementing our existing operations. Prior to the acquisition, Gold Kist operated a fully integrated chicken production business, with production complexes located in Alabama, Florida, Georgia, North Carolina and South Carolina. As a result of this acquisition we became the world's leading chicken company in terms of production, with a pro forma market share based on total annual chicken production in the U.S. of 24.8%, and the fourth largest U.S. meat protein company by revenues. We believe the acquisition will present us opportunities to achieve significant cost savings, resulting primarily from the optimization of purchasing and the uses of production, distribution and shared facilities and the reduction of duplicative selling, general and administrative expenses.

### **Business Strategy**

Our objectives are (1) to increase sales, profit margins and earnings and (2) to outpace the growth of, and maintain our leadership position in, the poultry industry. To achieve these goals, we plan to continue to pursue the following strategies and apply these strategies to maximizing the operating, strategic and financial benefits of the Gold Kist acquisition:

***Capitalize on significant scale with leading industry position and brand recognition.*** We are the world's leading chicken company in terms of production and the fourth largest U.S. meat protein company by revenues. We estimate that our market share based on total annual chicken production in the U.S. is 24.8%, surpassing Tyson Food's market share of 21.4%, and surpassing our next largest competitor's market share of 7.3%. The complementary fit of markets and geographic locations are two of the many benefits we realize from our acquisition of Gold Kist. We believe we are one of only two

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U.S. chicken producers that can supply the growing demand for a broad range of price competitive standard and specialized products with well-known brand names on a nationwide basis from a single source supplier.

***Realize significant synergies from the combined operations of Pilgrim's Pride and Gold Kist.*** We expect that the Gold Kist acquisition will result in significant cost saving opportunities and broaden our geographic reach and customer base, while maintaining a balanced portfolio of fresh chicken and value-added products. We intend to integrate the Gold Kist operations into Pilgrim's Pride as rapidly as possible while minimizing disruption to our operations. We expect to realize significant synergies from the Gold Kist acquisition by:

Determining and implementing a best practices approach across all operations, including optimizing purchasing and the uses of all production, distribution and shared facilities and services;

Realizing operating efficiencies by reducing duplicative selling, general and administrative expenses;

Taking advantage of our geographic presence by optimizing our supply chain management and logistics; and

Achieving further economies of scale.

***Capitalize on attractive U.S. prepared foods market.*** We focus our U.S. growth initiatives on sales of prepared foods to the foodservice market because it continues to be one of the fastest growing and most profitable segments in the poultry industry. Products sold to this market segment require further processing, which enables us to charge a premium for our products, reducing the impact of feed ingredient costs on our profitability and improving and stabilizing our profit margins. Feed ingredient costs typically decrease from approximately 31%-49% of total production cost for fresh chicken products to approximately 16%-25% for prepared chicken products. Due to increased demand from our customers and our fiscal 2004 acquisition, our sales of prepared chicken products grew from \$848.7 million in fiscal 2002 to \$1,940.1 million in fiscal 2006, a compounded annual growth rate of 23.0%. Prepared foods sales represented 47.3% of our total U.S. chicken revenues in fiscal 2006, which we believe provides us with a significant competitive advantage and reduces our exposure to feed price fluctuations. The addition of well-known brands from our fiscal 2004 acquisition significantly expanded Pilgrim's Pride's already sizeable prepared foods chicken offerings. Similarly, our acquisition of highly customized cooked chicken products for restaurants and specialty foodservice customers from our fiscal 2004 acquisition complemented our existing lines of pre-cooked breast fillets, tenderloins, burgers, nuggets, salads and other prepared products for institutional foodservice, fast-food and retail customers. The acquisition of Gold Kist significantly increases our overall sales of prepared chicken products, solidifying our position as one of the two largest suppliers of prepared chicken products in the U.S.

***Emphasize customer-driven research and technology.*** We have a long-standing reputation for customer-driven research and development in designing new products and implementing advanced processing technology. This enables us to better meet our customers' changing needs for product innovation, consistent quality and cost efficiency. In particular, customer-driven research and development is integral to our growth strategy for the prepared foods market in which customers continue to place greater importance on value-added services. Our research and development personnel often work directly with customers in developing products for them, which we believe helps promote long-term relationships.

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***Enhance U.S. fresh chicken profitability through value-added, branded products.*** Our growth strategy has been to continually expand our prepared food operation as a percentage of total sales. For fiscal 2006, our U.S. fresh chicken sales accounted for \$1,885.0 million, or 46.0%, of our U.S. chicken sales and as a result of the Gold Kist acquisition, our total U.S. fresh chicken sales will increase further. In addition to maintaining the sales of traditional fresh chicken products, our strategy is to shift the mix of our U.S. fresh chicken products by continuing to increase sales of higher margin, faster growing products, such as fixed-weight packaged products and marinated chicken and chicken parts, and to continually shift portions of this product mix into the higher value and margin prepared chicken products. Much of our fresh chicken products are sold under the Pilgrim's Pride® brand name, which is a well-known brand in the chicken industry. The increased margin earned in value-added products dilutes the impact of feed cost fluctuations and mitigates the impact of changes in commodity chicken prices. Also, branded and value-added products provide us with a much more stable and predictable revenue stream. We plan to build on our growth efforts in the production and distribution of value-added products by utilizing Gold Kist's production facilities and customer base and by achieving economies of scale in the new combined company.

***Improve operating efficiencies and increase capacity on a cost-effective basis.*** We believe the acquisition of Gold Kist will allow us to decrease total cost of production and realize more efficient distribution with greater capacity through increased economies of scale. As production and sales grow, we continue to focus on improving operating efficiencies by investing in state-of-the-art technology and processes, training and our total quality management program. Specific initiatives include:

Standardizing lowest-cost production processes across our various facilities;

Centralizing purchasing and other shared services; and

Standardizing and upgrading technology where appropriate.

In addition, we have a proven history of increasing capacity while improving operating efficiencies at acquired properties in both the U.S. and Mexico. As a result, according to industry data, since 1993 we have consistently been one of the lowest cost producers of chicken in the U.S., and we also believe we are one of the lowest cost producers of chicken in Mexico.

***Continue to seek strategic acquisitions.*** We have pursued opportunities to expand through acquisitions in the past. We expect that once Gold Kist is integrated and absorbed, we will continue to pursue acquisition opportunities in the future that would complement our existing businesses, broaden our production capabilities and improve our operating efficiencies.

***Continue to penetrate the growing Mexican market.*** We seek to leverage our leading market position and reputation for freshness and quality in Mexico by focusing on the following objectives:

Continuing to be one of the most cost-efficient producers and processors of chicken in Mexico by applying technology and expertise utilized in the U.S.;

Continuing to increase our distribution of higher margin, more value-added products to national retail stores and restaurants; and

Continuing to build and emphasize brand awareness and capitalize on Mexican consumers' preference for branded products and their insistence on freshness and quality.

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***Capitalize on export opportunities.*** We intend to continue to focus on international opportunities to complement our U.S. chicken operations and capitalize on attractive export markets. Although according to the USDA, exports of U.S. chicken products decreased 6.3% from 2001 through 2005, we believe U.S. chicken exports will grow as worldwide demand increases for high-grade, low-cost meat protein sources. According to USDA data, the export market for chicken is expected to grow at a

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compounded annual growth rate of 2.9% from 2005 to 2010 and 5.1% from 2005 to 2006 alone. Historically, we have targeted international markets to generate additional demand for our dark chicken meat, which is a natural by-product of our U.S. operations given our concentration on prepared foods products and the U.S. customers' general preference for white chicken meat. As part of this initiative, we have created a significant international distribution network into several markets, including Mexico, which we now utilize not only for dark chicken meat distribution, but also for various higher margin prepared foods and other poultry products. We employ both a direct international sales force and export brokers. Our key international markets include Eastern Europe, including Russia, the Far East and Mexico. We believe that we have substantial opportunities to expand our sales to these markets by capitalizing on direct international distribution channels supplemented by our existing export broker relationships. For fiscal 2006 our export sales accounted for approximately 7.9% and 21.2% of our U.S. chicken sales and pounds, respectively, and approximately 7.0% and 17.6% of our pro forma U.S. chicken sales and pounds, respectively.

**Recent Developments**

Our unaudited interim consolidated financial statements for the three months ended December 30, 2006 are not yet available as of the date of this prospectus supplement. Although industry chicken prices have risen somewhat in recent weeks, during most of the first quarter of fiscal 2007, industry chicken prices were generally lower than the fourth quarter of fiscal 2006, while the average price of corn during our first quarter of fiscal 2007 was approximately 38% higher than in our fourth quarter of fiscal 2006. As a result, we began experiencing negative operating margins during our first quarter of fiscal 2007 and expect that our results in the first quarter when they become available will reflect those negative margin trends. We would expect that Gold Kist's operations for its first quarter of fiscal 2007 were also affected by these industry-wide negative margin trends.

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### **Risk Factors**

See Risk Factors beginning on page S-19 for a discussion of factors you should consider carefully before deciding to invest in the notes.

### **The Offering**

Issuer	Pilgrim s Pride Corporation, a Delaware corporation.		
Notes Offered	\$	aggregate principal amount of	% Senior Notes due 2015
	\$	aggregate principal amount of	% Senior Subordinated Notes due 2017
Use of Proceeds	We will use the net proceeds from this offering to repay indebtedness outstanding under our bridge loan facility incurred in connection with the Gold Kist acquisition. Because affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC are lenders under the bridge loan facility, such affiliates will receive all of the net proceeds of this offering. See Use of Proceeds and Underwriting Other Relationships/NASD Conduct Rules.		
Senior Notes			
Maturity	, 2015.		
Interest Rate	Interest on the Senior Notes will accrue at the rate of % per annum, payable semi-annually in cash in arrears.		
Interest Payment Dates	and of each year, beginning on , 2007.		
Ranking	<p>The Senior Notes will be unsecured senior obligations. Because they are unsecured, the Senior Notes will be effectively subordinated in right of payment to all of our existing and future secured obligations to the extent of the value of the assets securing those obligations and the indebtedness of our subsidiaries.</p> <p>The Senior Notes will rank equally with all of our existing and future unsecured obligations that do not expressly provide that they are subordinated to the Senior Notes.</p> <p>The Senior Notes will rank senior in right of payment to all of our existing and future subordinated obligations (including the Subordinated Notes).</p> <p>Assuming that we had completed this offering and the Gold Kist acquisition and the related financings in accordance with the assumptions described in the section entitled Unaudited Pro Forma Financial Data and applied the proceeds as intended, as of September 30, 2006, the</p>		

Senior Notes would have been effectively subordinated to approximately \$1,053.5 million of our secured obligations and liabilities of our subsidiaries and we would have had

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obligations that were subordinated to the Senior Notes on that date of approximately \$82.6 million excluding the Subordinated Notes offered hereby.

### Guarantees

The Senior Notes will be guaranteed on a senior unsecured basis, jointly and severally, by any of our domestic subsidiaries that incur indebtedness. None of our foreign subsidiaries will guarantee the Senior Notes, and none of our existing domestic subsidiaries will initially guarantee the Senior Notes.

### Optional Redemption

We will have the right to redeem the Senior Notes in whole or in part on or after \_\_\_\_\_, 2011, at the redemption prices described in Description of Notes Description of the Senior Notes Optional Redemption. In addition, prior to \_\_\_\_\_, 2010, we have the option to redeem up to 35% of the aggregate principal amount of the Senior Notes with the proceeds of certain equity offerings at the price described in Description of Notes Description of the Senior Notes Optional Redemption.

### Mandatory Offer to Repurchase

If we sell certain assets or experience specific kinds of changes in control, we must offer to repurchase the Senior Notes at the redemption prices described in Description of Notes Description of the Senior Notes Repurchase at the Option of Holders.

### Main Covenants of the Indenture

We will issue the Senior Notes under an indenture and supplemental indenture (collectively, the Senior Indenture ) with Wells Fargo Bank, National Association, as trustee, each dated \_\_\_\_\_, 2007. The Senior Indenture contains various covenants that will limit our ability and the ability of our subsidiaries to, among other things:

borrow money;

incur liens;

pay dividends;

make investments;

use our assets as security in other transactions;

sell our assets;

enter into transactions with affiliates;

merge or consolidate with other companies;



issue or sell equity interests in subsidiaries; and

restrict the ability of our subsidiaries to make payments to us.

For more details, see [Description of Notes](#) [Description of the Senior Notes](#) [Certain Covenants](#).

If, after the date of this offering, the Senior Notes receive an Investment Grade Rating (as defined in [Description of Notes](#) [Description of the Senior Notes](#) [Certain Definitions](#) ), then certain of the covenants will cease to apply as described in [Description of Notes](#) [Description of the Senior Notes](#) [Fall-Away Event](#).

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Form of Senior Notes	We will initially issue the Senior Notes as one or more global notes in registered, book-entry form without interest coupons. These global notes will be deposited upon issuance with Wells Fargo Bank, National Association, as custodian for The Depository Trust Company. Beneficial interests in the Senior Notes will be shown on the records maintained by The Depository Trust Company and its participants. Except in the limited circumstances described in Description of Notes Book Entry; Delivery; Form, participants or indirect participants in the global notes cannot obtain Senior Notes in definitive form and cannot have Senior Notes issued and registered in their names.
Trustee and Paying Agent	Wells Fargo Bank, National Association
Governing Law	The Senior Indenture and the Senior Notes will be governed by, and construed in accordance with, the laws of the State of New York.
Absence of Trading Market for Senior Notes	We do not intend to apply for a listing of the Senior Notes on any securities exchange. Accordingly, we cannot assure you that a liquid market for the Senior Notes will develop or will be maintained.
<b>Subordinated Notes</b>	
Maturity	, 2017.
Interest Rate	Interest on the Subordinated Notes will accrue at the rate of % per annum, payable semi-annually in cash in arrears.
Interest Payment Dates	and of each year, beginning on , 2007.
Ranking	<p>The Subordinated Notes will be unsecured senior subordinated obligations. They will rank subordinated in right of payment to all of our existing and future senior obligations (including the Senior Notes) and are effectively subordinated to the debt of our subsidiaries.</p> <p>The Subordinated Notes will rank equally with all of our existing and future senior subordinated obligations.</p> <p>The Subordinated Notes will rank senior in right of payment to all of our future subordinated obligations, if any.</p> <p>Assuming that we had completed this offering and the Gold Kist acquisition and the related financings in accordance with the assumptions described in the section entitled Unaudited Pro Forma Financial Data and applied the proceeds as intended, as of September 30, 2006, the Subordinated Notes would have been subordinated to approximately \$1,254.3 million of our existing senior obligations, excluding the Senior Notes offered hereby.</p>



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Guarantees	The Subordinated Notes will be guaranteed on a senior subordinated unsecured basis, jointly and severally, by any of our domestic subsidiaries that incur indebtedness. None of our foreign subsidiaries will guarantee the Subordinated Notes, and none of our existing domestic subsidiaries will initially guarantee the Subordinated Notes.
Optional Redemption	We will have the right to redeem the Subordinated Notes in whole or in part on or after , 2012, at the redemption prices described in Description of Notes Description of the Subordinated Notes Optional Redemption. In addition, prior to , 2010, we have the option to redeem up to 35% of the aggregate principal amount of the Subordinated Notes with the proceeds of certain equity offerings at the price described in Description of Notes Description of the Subordinated Notes Optional Redemption.
Mandatory Offer to Repurchase	If we sell certain assets or experience specific kinds of changes in control, we must offer to repurchase the Subordinated Notes at the redemption prices described in Description of Notes Description of the Subordinated Notes Repurchase at the Option of Holders.
Main Covenants of the Indenture	<p>We will issue the Subordinated Notes under an indenture and supplemental indenture (collectively, the Subordinated Indenture ) with Wells Fargo Bank, National Association, as trustee, each dated , 2007. The Subordinated Indenture contains various covenants that will limit our ability and the ability of our subsidiaries to, among other things:</p> <ul style="list-style-type: none"> <li>borrow money;</li> <li>incur liens;</li> <li>pay dividends;</li> <li>make investments;</li> <li>use our assets as security in other transactions;</li> <li>sell our assets;</li> <li>enter into transactions with affiliates;</li> <li>merge or consolidate with other companies;</li> <li>issue subordinated debt that is not <i>pari passu</i> with or subordinated to the Subordinated Notes;</li> </ul>

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issue or sell equity interests in subsidiaries; and

restrict the ability of our subsidiaries to make payments to us.

For more details, see [Description of Notes](#) [Description of the Subordinated Notes](#) [Certain Covenants](#).

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If, after the date of this offering, the Subordinated Notes receive an Investment Grade Rating (as defined in Description of Notes Description of the Subordinated Notes Certain Definitions ), then certain of the covenants will cease to apply as described in Description of Notes Description of the Subordinated Notes Fall-Away Event.

Form of Subordinated Notes

We will initially issue the Subordinated Notes as one or more global notes in registered, book-entry form without interest coupons. These global notes will be deposited upon issuance with Wells Fargo Bank, National Association as custodian for The Depository Trust Company. Beneficial interests in the Subordinated Notes will be shown on the records maintained by The Depository Trust Company and its participants. Except in the limited circumstances described in Description of Notes Book Entry; Delivery; Form, participants or indirect participants in the global notes cannot obtain Subordinated Notes in definitive form and cannot have Subordinated Notes issued and registered in their names.

Trustee and Paying Agent

Wells Fargo Bank, National Association

Governing Law

The Subordinated Indenture and the Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Absence of Trading Market for Senior Notes

We do not intend to apply for a listing of the Subordinated Notes on any securities exchange. Accordingly, we cannot assure you that a liquid market for the Subordinated Notes will develop or will be maintained.

**Table of Contents****Summary Unaudited Pro Forma Financial and Other Data**

The following table sets forth certain of our statement of operations and other data on a pro forma basis giving effect to the Gold Kist acquisition, the refinancing of certain Pilgrim's Pride notes payable in December 2006, the completion of this offering and the application of the net proceeds as described under "Use of Proceeds" as if they had occurred as of the beginning of the fiscal year ended September 30, 2006. The unaudited pro forma balance sheet data gives effect to the Gold Kist acquisition, the refinancing of certain Pilgrim's Pride notes payable in December 2006, the completion of this offering and the application of the net proceeds as described under "Use of Proceeds" as if they had occurred on September 30, 2006. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The unaudited pro forma financial data is provided for information purposes only and is not necessarily indicative of our future results or the operating results or financial condition that would have actually been obtained had such transactions been consummated as of the assumed dates. You should read this unaudited pro forma financial data in conjunction with "Unaudited Pro Forma Financial Data" contained in this prospectus supplement and our consolidated financial statements and the related notes, "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Selected Financial Data" incorporated by reference in this prospectus supplement from our annual report on Form 10-K for the year ended September 30, 2006 (the "2006 Form 10-K") and Gold Kist's consolidated financial statements and the related notes incorporated by reference in this prospectus supplement from our current report on Form 8-K/A filed on January 11, 2007.

	<b>Pro Forma Consolidated Fiscal Year Ended September 30, 2006 (In thousands, except per share amounts)</b>
<b>Statement of Operations:</b>	
Net sales	\$ 7,352,079
Cost of sales	6,993,932
Gross profit	358,147
Selling, general and administrative expenses	397,815
Operating loss	(39,668)
Interest expense, net(a)	128,791
Other income, net	(6,159)
Loss before taxes	(162,300)
Income tax benefit	(50,410)
Net loss	\$ (111,890)
Net loss per common share (basic and diluted)	\$ (1.68)
<b>Other Data:</b>	
EBITDA(b)	\$ 176,741
Depreciation and amortization(c)	\$ 214,454
Capital expenditures	\$ 234,320

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	<b>Pro Forma at September 30, 2006 (In thousands)</b>
<b>Balance Sheet Data:</b>	
Cash and cash equivalents	\$ 150,322
Working capital	\$ 612,719
Total assets	\$ 4,027,720
Total debt, including current maturities	\$ 1,805,311
Total stockholders' equity	\$ 1,113,807

- (a) Interest expense, net consists of interest expense less interest income.
- (b) EBITDA is defined as the sum of net income plus interest, taxes, depreciation and amortization (excluding amortization of capitalized financing costs). Our method of computation may or may not be comparable to other similarly titled measures used in filings with the SEC by other companies. See the consolidated statements of income and consolidated statements of cash flows included in our financial statements. EBITDA is presented because we believe it provides meaningful additional information concerning a company's operating results and its ability to service its long-term debt and to fund its growth, and we believe EBITDA is frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of results under U.S. generally accepted accounting principles (GAAP), 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. The following table provides a reconciliation of pro forma combined EBITDA to pro forma combined net income for the period presented:

	<b>Pro Forma  Consolidated Fiscal Year Ended September 30, 2006 (In thousands)</b>
Net loss	\$ (111,890)
Add:	
Interest expense, net	128,791
Income tax benefit	(50,410)
Depreciation and amortization	214,454
Minus:	
Amortization of capitalized financing charges	4,204
 EBITDA	 \$ 176,741

- (c) Includes amortization of capitalized financing costs of approximately \$4.2 million.



**Table of Contents****Summary Historical Financial and Other Data**

The following consolidated financial data is derived from our consolidated financial statements. Historical results should not be taken as necessarily indicative of the results that may be expected for any future period. You should read this consolidated financial data in conjunction with our consolidated financial statements and the related notes, Management's Discussion and Analysis of Results of Operations and Financial Condition and Selected Financial Data incorporated by reference in this prospectus supplement from the 2006 Form 10-K.

	Oct. 2, 2004(a)(b)	Fiscal Year Ended Oct. 1, 2005 (In thousands)	Sept. 30, 2006
<b>Statement of Operations:</b>			
Net sales	\$ 5,363,723	\$ 5,666,275	\$ 5,235,565
Cost of sales	4,794,415	4,921,076	4,937,965
Cost of sales restructuring(c)	64,160		
Non-recurring recoveries(d)	(23,891)		
Total cost of sales	4,834,684	4,921,076	4,937,965
Gross profit(d)	529,039	745,199	297,600
Selling, general and administrative expenses	255,802	309,387	294,598
Other restructuring charges(c)	7,923		
Operating income(d)	265,314	435,812	3,002
Interest expense, net(e)	52,129	43,932	40,553
Other (income) expense, net(d)	4,650	(11,643)	(1,234)
Income (loss) before income taxes	208,535	403,523	(36,317)
Income tax expense (benefit)	80,195	138,544	(2,085)
Net income (loss)	\$ 128,340	\$ 264,979	\$ (34,232)
<b>Other Data:</b>			
EBITDA(f)	\$ 372,501	\$ 580,078	\$ 136,763
Depreciation and amortization(g)	\$ 113,788	\$ 134,944	\$ 135,133
Capital expenditures	\$ 79,642	\$ 116,588	\$ 143,882

	At September 30, 2006
<b>Balance Sheet Data:</b>	
Cash and cash equivalents	\$ 156,404
Working capital	\$ 528,836
Total assets	\$ 2,426,868
Total debt, including current maturities	\$ 565,198
Total stockholders' equity	\$ 1,117,328

- (a) Fiscal 2004 includes 53 weeks.
- (b) We acquired the ConAgra Foods, Inc. chicken division on November 23, 2003 for \$635.2 million including the non-cash value of common stock issued of \$357.5 million. The acquisition has been accounted for as a purchase and the results of operations for this acquisition have been included in our consolidated results of operations since the acquisition date.
- (c) On April 26, 2004, we announced a plan to restructure our turkey division, including the sale of some facilities in Virginia. The facilities were sold in the fourth quarter of fiscal 2004. In connection with the restructuring, we recorded cost of sales-restructuring charges of approximately \$64.2 million and \$7.9 million of other restructuring charges.



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- (d) Gross profit, operating income and other income include the following non-recurring recoveries and other unusual items for each of the years presented:

	Fiscal Year Ended			
	Oct. 2, 2004	Other Income	Oct. 1, 2005	Other Income
	Non-Recurring	(In thousands)	Non-Recurring	(In thousands)
Insurance recoveries	\$ 23,815	\$	\$	\$
Litigation settlement				11,680
Vitamin and methionine	76	963		
Total	\$ 23,891	\$ 963	\$	\$ 11,680

- (e) Interest expense, net, consists of interest expense less interest income.
- (f) EBITDA is defined as the sum of net income plus interest, taxes, depreciation and amortization (excluding amortization of capitalized financing costs). Our method of computation may or may not be comparable to other similarly titled measures used in filings with the SEC by other companies. See the consolidated statements of income and consolidated statements of cash flows included in our financial statements. EBITDA is presented because we believe that it provides meaningful additional information concerning a company's operating results and its ability to service its long-term debt and to fund its growth, and we believe EBITDA is frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of 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.

A reconciliation of net income to EBITDA is as follows:

	Oct. 2, 2004	Fiscal Year Ended Oct. 1, 2005 (In thousands)	Sept. 30, 2006
Net income	\$ 128,340	\$ 264,979	\$ (34,232)
Add:			
Interest expense, net	52,129	43,932	40,553
Income tax expense (benefit)	80,195	138,544	(2,085)
Depreciation and amortization	113,788	134,944	135,133
Minus:			
Amortization of capitalized financing costs	1,951	2,321	2,606
EBITDA	\$ 372,501	\$ 580,078	\$ 136,763

- (g) Includes amortization of capitalized financing costs of approximately \$2.0 million, \$2.3 million and \$2.6 million in the fiscal years 2004, 2005 and 2006, respectively.

**Table of Contents****Summary Historical Financial and Other Data Gold Kist**

The following consolidated financial data is derived from Gold Kist's consolidated financial statements. Historical results should not be taken as necessarily indicative of the results that may be expected for any future period. You should read this consolidated financial data in conjunction with Gold Kist's consolidated financial statements and the related notes incorporated by reference in this prospectus supplement from our Current Report on Form 8-K/A filed on January 11, 2007.

	Comparative Quarter Ended September 28, 2003	Fiscal Year Ended June 26, 2004	Transition Quarter Ended October 2, 2004 (In Thousands)	Fiscal Year Ended October 1, 2005	September 30, 2006
<b>Statement of Operations:</b>					
Net Sales	\$ 516,688	\$ 2,260,728	\$ 646,511	\$ 2,304,262	\$ 2,127,374
Cost of sales	453,998	1,899,395	554,142	1,984,178	2,041,171
Gross Profit	62,690	361,333	92,369	320,084	86,203
Distribution, administrative and general expense	24,271	108,772	31,011	112,177	107,526
Pension plan settlement loss(a)		10,288		906	
Conversion Expenses(b)			2,522	1,418	
Other charges					6,152
	24,271	119,060	33,533	114,501	113,678
Operating income (loss):	38,419	242,273	58,836	205,583	(27,475)
Interest expense, net(c)	7,430	27,799	7,879	17,713	9,819
Debt prepayment interest and write-off related fees and discounts		6,341		16,186	
Write-off of investments(d)		57,364		2,500	
Income from joint ventures, net		(1,685)	(1,223)	(4,146)	(2,461)
Miscellaneous, net	(4,242)	(257)	(610)	(507)	(2,464)
Income (loss) before income taxes	35,231	152,711	52,790	173,837	(32,369)
Income tax expense (benefit)	11,746	41,817	18,772	61,591	(14,624)
Net income (loss)	\$ 23,485	\$ 110,894	\$ 34,018	\$ 112,246	\$ (17,745)
<b>Other Data:</b>					
Depreciation and amortization	\$ 9,964	\$ 39,592	\$ 10,030	\$ 43,144	\$ 44,793
Capital expenditures	\$ 3,992	\$ 42,210	\$ 25,160	\$ 80,760	\$ 90,438
					<b>At September 30, 2006</b>
<b>Balance Sheet Data:</b>					
Cash and cash equivalents					\$ 77,532
Working capital					\$ 269,464
Total assets					\$ 869,137
Total debt					\$ 143,661
Total patrons and other equity/stockholders equity					\$ 471,458

- (a) Gold Kist recognized pension settlement expense in fiscal 2004 and fiscal 2005. The pension settlement expense resulted from lump sum distribution payments from the plans to electing retiring employees exceeding service and interest cost components of pension expense in the plan year.

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- (b) Gold Kist converted from an agricultural cooperative to a for-profit corporation and completed its initial public stock offering in October 2004.
- (c) Interest expense, net consists of interest expense less interest and dividend income.
- (d) In October 1998, Gold Kist completed the sale of assets of the Agri-Services segment business to Southern States Cooperative, Inc., or SSC. In connection with the transaction, Gold Kist purchased from SSC \$60.0 million principal amount of capital trust securities and \$40.0 million principal amount of cumulative preferred securities for \$98.6 million in October 1999. In October 2002, SSC notified Gold Kist that, pursuant to the provisions of the indenture under which Gold Kist purchased the capital trust securities, SSC would defer the capital trust securities' quarterly interest payment due on October 5, 2002. Quarterly interest payments for subsequent quarters were also deferred. As a result of the deferral of the interest payments, Gold Kist reduced the carrying value of the capital trust securities by \$24.1 million with a corresponding charge against the loss from continuing operations for fiscal 2003.

As of December 31, 2003, SSC's total stockholders' and patrons' equity fell below Gold Kist's carrying value of the preferred stock investment, which Gold Kist believed was a triggering event indicating impairment. Gold Kist recorded an other-than-temporary impairment charge of \$18.5 million, which was reflected as a loss on investment within other expenses. In June 2004, Gold Kist notified SSC that it was abandoning the investment and returned the securities. As a result of the abandonment, the remaining investment balance of \$38.9 million was written off and reflected as a write-off of investment within other expenses in the consolidated statement of operations for fiscal 2004. The write-off of an investment in fiscal 2005 represents an investment in a supply cooperative in which Gold Kist is no longer a member.

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### **RISK FACTORS**

*Before you invest in the notes, you should consider carefully the following factors, in addition to the other information contained and incorporated by reference in this prospectus supplement and the accompanying prospectus. Investing in the notes involves a high degree of risk. The risks described below are not the only risks we face, and additional risks and uncertainties may also impair our business operations. The occurrence of any one or more of the following or other currently unknown factors could materially adversely affect your investment in the notes or our business and operating results.*

#### **Risks Relating to Our Business**

**Cyclicalities and Commodity Prices** Industry cyclicalities can affect our earnings, especially due to fluctuations in commodity prices of feed ingredients, chicken and turkey.

Profitability in the chicken and turkey industries is materially affected by the commodity prices of feed ingredients, chicken and turkey, which are determined by supply and demand factors. As a result, the chicken and turkey industries are subject to cyclical earnings fluctuations.

The production of feed ingredients is positively or negatively affected primarily by weather patterns throughout the world, the global level of supply inventories and demand for feed ingredients, and the agricultural policies of the U.S. and foreign governments. In particular, weather patterns often change agricultural conditions in an unpredictable manner. A sudden and significant change in weather patterns could affect supplies of feed ingredients, as well as both the industry's and our ability to obtain feed ingredients, grow chickens and turkeys or deliver products.

The cost of corn, our primary feed ingredient, increased significantly from August 2006 to the date of this prospectus supplement, and there can be no assurance that the price of corn will not continue to rise as a result of, among other things, increasing demand for corn products around the world and alternative uses of corn, such as ethanol production.

High feed ingredient prices have had a material adverse effect on our operating results. We periodically seek, to the extent available, to enter into advance purchase commitments or financial hedging contracts for the purchase of feed ingredients in an effort to manage our feed ingredient costs. The use of such instruments may not be successful.

We also seek to adjust our operations in response to high feed prices and other cyclical factors. On October 29, 2006, we announced that we would reduce weekly chicken processing by 5.0% year-over-year, or approximately 1.3 million head per week by January 2007, as part of our continuing effort to better balance supply and demand amid declining chicken prices and sharply higher costs for corn. Although industry chicken prices have risen somewhat in recent weeks, during most of the first quarter of fiscal 2007, industry chicken prices were generally lower than the fourth quarter of fiscal 2006, even though the average price of corn in the first quarter of fiscal 2007 was 38.0% higher than in the fourth quarter of fiscal 2006. As a result, we operated at a negative margin in the first quarter of fiscal 2007. There can be no assurance that corn prices will not continue to rise or when chicken prices will rise enough to offset the increased corn prices.

**Livestock and Poultry Disease, including Avian Influenza** Outbreaks of livestock diseases in general and poultry diseases in particular, including avian influenza, can significantly affect our ability to conduct our operations and demand for our products.

We take reasonable precautions to ensure that our flocks are healthy and that our processing plants and other facilities operate in a sanitary and environmentally-sound manner. However, events beyond our control, such as the outbreaks of disease, either in our own flocks or elsewhere, could significantly affect demand for our products or our ability to conduct our operations. Furthermore, an outbreak of disease could result in governmental restrictions on the import and export of our fresh chicken, turkey or other products to or from our suppliers, facilities or customers, or require us to destroy one or more of our flocks. This could also result in the

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cancellation of orders by our customers and create adverse publicity that may have a material adverse effect on our ability to market our products successfully and on our business, reputation and prospects.

During the first half of fiscal 2006, there was substantial publicity regarding a highly pathogenic strain of avian influenza, known as H5N1, which has been affecting Asia since 2002 and which has recently been found in Eastern Europe. It is widely believed that H5N1 is being spread by migratory birds, such as ducks and geese. There have also been some cases where H5N1 is believed to have passed from birds to humans as humans came into contact with live birds that were infected with the disease.

Although highly pathogenic H5N1 has not been identified in North America, there have been outbreaks of low pathogenic strains of avian influenza in North America, including in the U.S. in 2002 and 2004, and in Mexico outbreaks of both high and low-pathogenic strains of avian influenza are fairly common occurrences, including in 2006, which have impacted our operations. Historically, the outbreaks of low pathogenic avian influenza have not generated the same level of concern, or received the same level of publicity or been accompanied by the same reduction in demand for poultry products in certain countries as that recently associated with the highly pathogenic H5N1 strain. Accordingly, even if the highly pathogenic H5N1 strain does not spread to North or Central America, there can be no assurance that it will not materially adversely affect demand for North or Central American produced poultry internationally and/or domestically, and, if it were to spread to North or Central America, there can be no assurance that it would not significantly affect our ability to conduct our operations and/or demand for our products, in each case, in a manner having a material adverse effect on our business, reputation and/or prospects.

### **Contamination of Products If our poultry products become contaminated, we may be subject to product liability claims and product recalls.**

Poultry products may be subject to contamination by disease producing organisms, or pathogens, such as *Listeria monocytogenes*, *Salmonella* and generic *E. coli*. These pathogens are generally found in the environment and, as a result, there is a risk that they, as a result of food processing, could be present in our processed poultry products. These pathogens can also be introduced as a result of improper handling at the further processing, foodservice or consumer level. These risks may be controlled, but may not be eliminated, by adherence to good manufacturing practices and finished product testing. We have little, if any, control over proper handling once the product has been shipped. Illness and death may result if the pathogens are not eliminated at the further processing, foodservice or consumer level. Even an inadvertent shipment of contaminated products is a violation of law and may lead to increased risk of exposure to product liability claims, product recalls and increased scrutiny by federal and state regulatory agencies and may have a material adverse effect on our business, reputation and prospects.

### **Product Liability Product liability claims or product recalls can adversely affect our business reputation and expose us to increased scrutiny by federal and state regulators.**

The packaging, marketing and distribution of food products entails an inherent risk of product liability and product recall and the resultant adverse publicity. We may be subject to significant liability if the consumption of any of our products causes injury, illness or death. We could be required to recall certain of our products in the event of contamination or damage to the products. In addition to the risks of product liability or product recall due to deficiencies caused by our production or processing operations, we may encounter the same risks if any third party tampers with our products. We cannot assure you that we will not be required to perform product recalls, or that product liability claims will not be asserted against us, in the future. Any claims that may be made may create adverse publicity that would have a material adverse effect on our ability to market our products successfully or on our business, reputation, prospects, financial condition and results of operations.

### **Substantial Leverage Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under our debt securities.**

Our acquisition of Gold Kist increased our indebtedness significantly. We currently have, and after this offering will continue to have, a substantial amount of indebtedness. The following table shows important credit



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statistics for our company. The table sets forth these statistics on a pro forma basis to reflect the completion of the acquisition of Gold Kist and related financings and this offering as described in Summary Unaudited Pro Forma Financial Data and in accordance with the assumptions described therein.

	<b>Pro Forma as of September 30, 2006 (\$ in thousands)</b>
Total debt, including current maturities	\$ 1,805,311
Stockholders' equity	\$ 1,113,807
Total debt to stockholders' equity ratio	1.6x
Ratio of earnings to fixed charges	*

—

\* Earnings were insufficient to cover our fixed charges by \$170,936.

Our substantial indebtedness could adversely affect our financial condition which could have important consequences to you. For example, it could:

Make it more difficult for us to satisfy our obligations under our debt securities, including the notes;

Increase our vulnerability to general adverse economic conditions;

Limit our ability to obtain necessary financing and to fund future working capital, capital expenditures and other general corporate requirements;

Require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and for other general corporate purposes;

Limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

Place us at a competitive disadvantage compared to our competitors that have less debt;

Limit our ability to pursue acquisitions and sell assets; and

Limit, along with the financial and other restrictive covenants in our indebtedness, our ability to borrow additional funds. Failing to comply with those covenants could result in an event of default or require redemption of indebtedness. Either of these events could have a material adverse effect on us.

Our ability to make payments on and to refinance our indebtedness, including the notes, will depend on our ability to generate cash in the future, which is dependent on various factors. These factors include the commodity prices of feed ingredients, chicken and turkey and general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. See Description of Other Indebtedness and Description of Notes.

**Additional Borrowings Available** Despite our substantial indebtedness, we may still be able to incur significantly more debt; this could intensify the risks described above.

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Despite our significant indebtedness, we are not prohibited from incurring additional indebtedness in the future. If additional debt is added to our current substantial debt levels, the related risks that we now face could intensify. For more information on our borrowing ability, see [Description of Other Indebtedness](#) and [Description of Notes](#).

**Insurance** We are exposed to risks relating to product liability, product recalls, property damage and injuries to persons for which insurance coverage is expensive, limited and potentially inadequate.

Our business operations entail a number of risks, including risks relating to product liability claims, product recalls, property damage and injuries to persons. We currently maintain insurance with respect to certain of these risks, including product liability insurance, property insurance, workers compensation insurance and general

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liability insurance, but in many cases such insurance is expensive, difficult to obtain and no assurance can be given that such insurance can be maintained in the future on acceptable terms, or in sufficient amounts to protect us against losses due to any such events, or at all. Moreover, even though our insurance coverage may be designed to protect us from losses attributable to certain events, it may not adequately protect us from liability and expenses we incur in connection with such events. For example, the losses attributable to our October 2002 recall of cooked deli-products produced at one of our facilities significantly exceeded available insurance coverage. Additionally, in the past two of our insurers encountered financial difficulties and were unable to fulfill their obligations under the insurance policies as anticipated and separately two of our other insurers contested coverage with respect to claims covered under policies purchased, forcing us to litigate the issue of coverage before we were able to collect under these policies.

### **Significant Competition Competition in the chicken and turkey industries with other vertically integrated poultry companies could adversely affect our business.**

The chicken and turkey industries are highly competitive. In both the U.S. and Mexico, we primarily compete with other vertically integrated poultry companies.

In general, the competitive factors in the U.S. poultry industry include:

Price;

Product quality;

Brand identification;

Breadth of product line; and

Customer service.

Competitive factors vary by major market. In the foodservice market, competition is based on consistent quality, product development, service and price. In the U.S. retail market, we believe that competition is based on product quality, brand awareness, customer service and price. Further, there is some competition with non-vertically integrated further processors in the U.S. prepared food business.

In Mexico, where product differentiation has traditionally been limited, product quality and price have been the most critical competitive factors. Additionally, the North American Free Trade Agreement, which went into effect on January 1, 1994, required annual reductions in tariffs for chicken and chicken products in order to eliminate those tariffs by January 1, 2003. On November 21, 2002, the Mexican Secretariat of the Economy announced that it would initiate an investigation to determine whether a temporary safeguard action was warranted to protect the domestic poultry industry when import tariffs on poultry were eliminated in January 2003. In July 2003, the U.S. and Mexico entered into a safeguard agreement with regard to imports into Mexico of chicken leg quarters from the U.S. Under this agreement, a tariff rate for chicken leg quarters of 98.8% of the sales price was established. This tariff was reduced on January 1, 2007 to 19.8% and is to be reduced in the following year so that the final tariff rate at January 1, 2008 will be zero. As those tariffs are reduced, increased competition from chicken imported into Mexico from the U.S. could have a material adverse effect on the Mexican chicken industry in general, and on our Mexican operations in particular.

### **Loss of Key Customers The loss of one or more of our largest customers could adversely affect our business.**

In fiscal 2006, on a pro forma basis, our three largest customers accounted for approximately 18.8% of our net sales, with our largest customer, Wal-Mart Stores Inc., accounting for approximately 9.1% of our net sales. Our business could suffer significant set backs in revenues and operating income if we lost one or more of our largest customers, or if our customers plans and/or markets should change significantly.



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### **Integration of Gold Kist There can be no assurance that Gold Kist can be combined successfully with our business.**

In evaluating the terms of our acquisition of Gold Kist, we analyzed the respective businesses of Pilgrim's Pride and Gold Kist and made certain assumptions concerning their respective future operations. A principal assumption was that the acquisition will produce operating results better than those historically experienced or presently expected to be experienced in the future by us in the absence of the acquisition. There can be no assurance, however, that this assumption is correct or that the businesses of Pilgrim's Pride and Gold Kist will be successfully integrated in a timely manner.

### **Synergies of Gold Kist There can be no assurance that we will achieve anticipated synergies from our acquisition of Gold Kist.**

We consummated the Gold Kist acquisition with the expectation that it will result in beneficial synergies, such as cost savings and enhanced growth. Any success in realizing these benefits and the timing of this realization, if any, depend upon the successful integration of the operations of Gold Kist into Pilgrim's Pride, and upon general and industry-specific economic factors. The integration of two independent companies is a complex, costly and time-consuming process. The difficulties of combining the operations of the companies include, among others:

Transitioning and preserving Gold Kist's customer, contractor, supplier and other important third party relationships;

Integrating corporate and administrative infrastructures;

Coordinating sales and marketing functions;

Minimizing the diversion of management's attention from ongoing business concerns;

Coordinating geographically separate organizations; and

Retaining key employees.

Even if Pilgrim's Pride and Gold Kist are able to integrate their operations and economic conditions remain stable, there can be no assurance that the anticipated synergies will be achieved.

### **Assumption of Unknown Liabilities in Acquisitions Assumption of unknown liabilities in acquisitions may harm our financial condition and operating results.**

Acquisitions may be structured in such a manner that would result in the assumption of unknown liabilities not disclosed by the seller or uncovered during pre-acquisition due diligence. For example, our acquisition of Gold Kist was structured as a merger in which we effectively assumed all of the liabilities of Gold Kist, including liabilities that may be unknown. Such unknown obligations and liabilities could harm our financial condition and operating results.

### **Potential Acquisitions We may pursue additional opportunities to acquire complementary businesses, which could further increase leverage and debt service requirements and could adversely affect our financial situation if we fail to successfully integrate the acquired business.**

We intend to continue to pursue selective acquisitions of complementary businesses in the future. Inherent in any future acquisitions are certain risks such as increasing leverage and debt service requirements and combining company cultures and facilities, which could have a material adverse effect on our operating results, particularly during the period immediately following such acquisitions. Additional debt or equity capital may be required to complete future acquisitions, and there can be no assurance that we will be able to raise the required capital. Furthermore, acquisitions involve a number of risks and challenges, including:

Diversion of management's attention;

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The need to integrate acquired operations;

Potential loss of key employees and customers of the acquired companies;

Lack of experience in operating in the geographical market of the acquired business; and

An increase in our expenses and working capital requirements.

Any of these and other factors could adversely affect our ability to achieve anticipated cash flows at acquired operations or realize other anticipated benefits of acquisitions.

### **Foreign Operations Risks Our foreign operations pose special risks to our business and operations.**

We have substantial operations and assets located in Mexico and may participate in or acquire operations and assets in other foreign countries in the future. Foreign operations are subject to a number of special risks, including among others:

Currency exchange rate fluctuations;

Trade barriers;

Exchange controls;

Expropriation; and

Changes in laws and policies, including those governing foreign-owned operations.

Currency exchange rate fluctuations, which have adversely affected us in the past, or one or more other risks may have a material adverse effect on our business or operations in the future.

Our operations in Mexico are conducted through subsidiaries organized under the laws of Mexico. We may rely in part on intercompany loans and distributions from our subsidiaries to meet our obligations. Claims of creditors of our subsidiaries, including trade creditors, will generally have priority as to the assets of our subsidiaries over our claims. Additionally, the ability of our Mexican subsidiaries to make payments and distributions to us will be subject to, among other things, Mexican law. In the past, these laws have not had a material adverse effect on the ability of our Mexican subsidiaries to make these payments and distributions. However, laws such as these may have a material adverse effect on the ability of our Mexican subsidiaries to make these payments and distributions in the future.

### **Government Regulation Regulation, present and future, is a constant factor affecting our business.**

The chicken and turkey industries are subject to federal, state and local governmental regulation, including in the health and environmental areas. We anticipate increased regulation by various agencies concerning food safety, the use of medication in feed formulations and the disposal of poultry by-products and wastewater discharges.

Also, changes in laws or regulations or the application thereof may lead to government enforcement actions and resulting litigation by private litigants. We are aware of an industry-wide investigation by the Wage and Hour Division of the U.S. Department of Labor to ascertain compliance with various wage and hour issues, including the compensation of employees for the time spent on such activities such as donning and doffing work equipment. We have been named a defendant in several related suits brought by employees. Due, in part, to the government

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investigation and the recent U.S. Supreme Court decision in *IBP, Inc. v. Alvarez*, it is possible that we may be subject to additional employee claims.

Unknown matters, new laws and regulations, or stricter interpretations of existing laws or regulations may materially affect our business or operations in the future.

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### **Immigration Legislation and Enforcement Proposed immigration legislation or increased enforcement efforts in connection with existing immigration legislation could cause our costs of doing business to increase or cause us to change the way in which we do business.**

Immigration legislation continues to be considered by the United States Congress. It is likely that the new Congress will address the immigration issue during the session that began in January 2007. In addition to the federal legislation, some states are considering immigration legislation. If proposed federal immigration legislation becomes law or if states in which we do business enact and enforce immigration laws, such laws may contain provisions that could make it more difficult or costly for us to hire legal immigrant workers. In such case, we may incur additional costs to run our business or may have to change the way we conduct our operations, either of which could have a material adverse effect on our business, operating results and financial condition. Additionally, increased enforcement efforts with respect to existing immigration laws by governmental authorities may disrupt our operations, thereby negatively impacting our business.

### **Control of Voting Stock Control over Pilgrim s Pride is maintained by members of the family of Lonnie Bo Pilgrim.**

Through two limited partnerships and related trusts and voting agreements, Lonnie Bo Pilgrim, Patty R. Pilgrim, his wife, and Lonnie Ken Pilgrim, his son, control 62.225% of the voting power of our outstanding common stock. Accordingly, they control the outcome of all actions requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of Pilgrim s Pride or its assets. This ensures their ability to control the foreseeable future direction and management of Pilgrim s Pride. In addition, an event of default under certain agreements related to our indebtedness will occur if Lonnie Bo Pilgrim and certain members of his family cease to own at least a majority of the voting power of the outstanding common stock.

### **Risks Relating to the Offering and Investment in the Notes**

#### **Limitations on Change of Control We may not have the ability to raise the funds necessary to finance a change of control offer.**

Upon the occurrence of certain specified change of control events, we will be required to offer to purchase the notes and certain of our other indebtedness, plus accrued and unpaid interest, if any, to the date of purchase. If a change of control were to occur, we cannot assure you that we would have sufficient funds to pay the purchase price of the outstanding notes, and we expect that we would require third party financing to do so. We cannot assure you that we would be able to obtain this financing on favorable terms, if at all. In addition, we may be required to refinance or obtain the consent of our lenders under our revolving and revolving/term senior credit facilities to purchase the notes. If we do not obtain such consents or repay such borrowings, we would be prohibited from purchasing any notes. In such case, our failure to purchase tendered notes would constitute a default under the indentures governing the notes, which, in turn, would constitute a default under our revolving and revolving/term credit facilities. For more information on our requirements to redeem the notes upon the occurrence of a change of control, see Description of Notes.

#### **Effective Subordination of the Notes The Notes effectively will be junior in right of payment to some other liabilities.**

The Senior Notes and the Subordinated Notes are junior in right of payment as to liabilities of our subsidiaries that do not guarantee the Senior Notes and the Subordinated Notes, to the extent of the assets of those subsidiaries. In addition, we have a significant amount of secured debt. Therefore, the Senior Notes and the Subordinated Notes will also be effectively subordinated to our secured debt to the extent of the value of the assets securing such debt. Assuming that we have completed this offering and applied the net proceeds of this offering as intended, as of September 30, 2006, the amount of our secured debt and the liabilities of our subsidiaries on a pro forma basis would have been approximately \$1,053.5 million. The Senior Notes and the

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Subordinated Notes will not be secured by our assets or the assets of our subsidiaries, and our subsidiaries will not initially guarantee the Senior Notes and the Subordinated Notes. See Description of Notes.

**Subordination of the Subordinated Notes** The Subordinated Notes will be junior in right of payment to our senior indebtedness, including the Senior Notes, and any subsidiary guarantees of the Subordinated Notes will be junior in right of payment to any senior indebtedness of such subsidiaries.

The Subordinated Notes will be contractually junior in right of payment to all of our senior indebtedness, including the Senior Notes, and the subsidiary guarantees, if any, will be contractually junior in right of payment to all senior indebtedness of such subsidiaries. As of September 30, 2006, the pro forma amount of our and our subsidiaries' senior indebtedness was approximately \$1,254.3 million, excluding the amount of the Senior Notes offered hereby. The Subordinated Notes will not be secured by our assets or the assets of our subsidiaries, and our subsidiaries will not initially guarantee the Subordinated Notes. See Description of Notes Description of the Subordinated Notes.

We may not pay principal, premium, if any, interest or other amounts on the Subordinated Notes in the event of a payment default in respect of certain senior indebtedness, unless such indebtedness has been paid in full or the default has been cured or waived. In addition, if certain other defaults regarding certain senior indebtedness occur, we may be prohibited from paying any amount on the Subordinated Notes and our subsidiaries may be prohibited from paying any amount on the subsidiary guarantees, if any, for a designated period of time. If we are, or any of the subsidiary guarantors, if any, is, declared bankrupt or insolvent, or if there is a payment default under, or an acceleration of, any senior indebtedness, we are required to pay our creditors who are holders of senior indebtedness in full before we apply any of our assets to pay amounts owing with respect to the Subordinated Notes. Accordingly, we may not have enough assets remaining after payments to holders of our senior indebtedness to make any payments on the Subordinated Notes.

**Absence of Trading Market** There may be no active trading market for the notes.

There is no established trading market for the notes, and the notes will not be listed on any securities exchange. An active market for the notes may not develop or continue for any period of time. Even if a market for the notes does develop, there may not be liquidity in that market, or the notes might trade for less than their original value or face amount. If an active public market does not develop, the market price and liquidity of the notes may be adversely affected.

Even if a market for the notes develops, trading prices could be higher or lower than the initial offering price of the notes. The prices of the notes will depend on many factors, including:

Prevailing interest rates;

The markets for similar securities;

General economic conditions; and

Our financial condition, historical financial performance and future prospects.

**Fraudulent transfer statutes may limit rights to receive payment on the notes.**

Federal or state fraudulent transfer laws permit a court, if it makes certain findings, to:

Void all or a portion of the obligations under the notes or any subsidiary guarantee;

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Subordinate the obligations under the notes or any subsidiary guarantee to our or our subsidiaries' other existing and future indebtedness, entitling other creditors to be paid in full before any payment is made on the notes or any subsidiary guarantee; and

Take other action detrimental to you, including, in some circumstances, invalidating the notes or any subsidiary guarantee. If a court were to take any of these actions, we cannot assure you that you would ever be repaid.

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Under federal and state fraudulent transfer laws, in order to take any of those actions, courts will typically need to find that, at the time we or a subsidiary guarantor incurred indebtedness evidenced by the notes or a subsidiary guarantee, we or any subsidiary guarantor:

Issued the notes or a subsidiary guarantee with the intent of hindering, delaying or defrauding current or future creditors; or

We or a subsidiary guarantor received less than fair consideration or reasonably equivalent value for incurring the indebtedness represented by the notes or subsidiary guarantee and we or a subsidiary guarantor:

- (1) were insolvent or were rendered insolvent by reason of the issuance of the notes or subsidiary guarantee;
- (2) were engaged, or about to engage, in a business or transaction for which our assets or the assets of a guarantor were unreasonably small; or
- (3) intended to incur, or believed (or should have believed) that debts beyond our or its ability to pay as such debts mature would be incurred (as all of the foregoing terms are defined in or interpreted under such fraudulent transfer statutes).

Different jurisdictions define insolvency differently. However, we or a subsidiary guarantor generally would be considered insolvent at the time we or it incurred the indebtedness constituting the notes or any subsidiary guarantee if (1) the fair market value (or fair saleable value) of our assets or the assets of a subsidiary guarantor is less than the amount required to pay our or its total existing debts and liabilities (including the probable liability related to contingent liabilities) as they become absolute or mature or (2) we or any subsidiary guarantor were incurring debts beyond our or its ability to pay as those debts mature. There can be no assurance as to what standard a court would apply in order to determine whether we or any subsidiary guarantor were insolvent as of the date the notes or any subsidiary guarantee were issued, and there can be no assurance that, regardless of the method of valuation, a court would not determine that we or any subsidiary guarantor were insolvent on that date, or that a court would not determine, regardless of whether we or any subsidiary guarantor were insolvent on the date the notes or any subsidiary guarantee were issued, that payments under the notes or any subsidiary guarantee constituted fraudulent transfers on another ground.

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**USE OF PROCEEDS**

We estimate the net proceeds to us from the sale of the notes to be \$441.1 million, after deducting estimated fees and expenses. We intend to use those proceeds to repay indebtedness outstanding under our senior unsecured term loan agreement with Lehman Commercial Paper Inc., as the administrative agent and a lender, Lehman Brothers Inc., as joint lead arranger and joint book-running manager, Credit Suisse Securities (USA) LLC, as joint lead arranger and joint book-running manager, and Credit Suisse Cayman Islands Branch, as syndication agent and a lender, dated as of November 29, 2006, as amended (the "Bridge Loan Agreement"). The Bridge Loan Agreement provides for an aggregate term loan commitment of \$450.0 million, which was borrowed in full as of January 3, 2007 and used to finance a portion of the purchase price for the Gold Kist acquisition. The loans under the Bridge Loan Agreement initially accrue interest at a rate per annum equal to LIBOR plus 2.75%. Loans under the Bridge Loan Agreement mature on the first anniversary of the Gold Kist acquisition. See "Description of Other Indebtedness."

Because affiliates of Lehman Brothers Inc. and Credit Suisse Securities (USA) LLC are lenders under the Bridge Loan Agreement, such affiliates will receive all of the net proceeds of this offering. See "Underwriting Other Relationships/NASD Conduct Rules."

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**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated debt and capitalization as of September 30, 2006, on (1) an actual basis and (2) a pro forma basis to give effect to the Gold Kist acquisition and the related financings, the completion of this offering and the application of the net proceeds as described under Use of Proceeds. You should read this table in conjunction with Description of Other Indebtedness, Description of Notes and Unaudited Pro Forma Financial Data contained in this prospectus supplement and our consolidated financial statements and the related notes, Management's Discussion and Analysis of Results of Operations and Financial Condition and Selected Financial Data incorporated by reference in this prospectus supplement from the 2006 Form 10-K.

	<b>As of September 30, 2006</b>	
	<b>Actual</b>	<b>Pro Forma</b>
	<b>(In thousands)</b>	
Cash and cash equivalents	\$ 156,404	\$ 150,322
Investments in available for sale securities	\$ 136,621	\$ 136,621
Debt (including current maturities)(a):		
Secured revolving credit facilities(b)	74,682	74,682
Notes payable to insurance company maturing in 2012	50,115	
Notes payable to insurance company maturing in 2013	41,333	
Revolving credit facility(c)		780,000
Term credit facility(d)		100,000
9 <sup>5</sup> / <sub>8</sub> % Senior Notes due 2011	299,601	299,601
Notes offered hereby(e)		450,000
9 <sup>1</sup> / <sub>4</sub> % Senior Subordinated Notes due 2013	82,640	82,640
Other debt	16,827	18,388
<b>Total debt</b>	<b>565,198</b>	<b>1,805,311</b>
Stockholders' equity		
Common stock	665	\$ 665
Additional paid-in capital	469,779	469,779
Retained earnings	646,884	643,363
<b>Total stockholders' equity</b>	<b>1,117,328</b>	<b>1,113,807</b>
<b>Total capitalization</b>	<b>\$ 1,682,526</b>	<b>\$ 2,919,118</b>

- (a) Does not include any amounts available under our Receivables Purchase Agreement, under which we sell, on a revolving basis, certain of our trade receivables ( Pooled Receivables ) to a special purpose corporation wholly-owned by us, which in turn sells a percentage ownership interest to third parties. The availability under this facility is \$125.0 million and expires in June 2008. As of September 30, 2006, \$125.0 million Pooled Receivables are available for sale subject to the terms and conditions thereof.
- (b) On September 30, 2006, an additional \$126.6 million was available under these facilities subject to the terms and conditions thereof.
- (c) On a pro forma basis, at September 30, 2006, an additional \$65.0 million was available under this facility, subject to the terms and conditions thereof.
- (d) On a pro forma basis, at September 30, 2006, an additional \$330.0 million was available under this facility.
- (e) Assumes an aggregate principal amount of \$450.0 million of the notes offered hereby. The allocation between the Senior Notes and the Subordinated Notes will be determined at the time of the pricing of the notes.

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**UNAUDITED PRO FORMA FINANCIAL DATA**

The unaudited pro forma statement of operations sets forth certain of our income statement and other data on a pro forma basis giving effect to the Gold Kist acquisition, the refinancing of certain Pilgrim's Pride notes payable in December 2006, the completion of this offering and the application of the net proceeds as described under "Use of Proceeds" as if they had occurred as of the beginning of the fiscal year ended September 30, 2006. The unaudited pro forma balance sheet data give effect to the Gold Kist acquisition, the refinancing of certain Pilgrim's Pride notes payable in December 2006, the completion of this offering and the application of the net proceeds as described under "Use of Proceeds" as if they had occurred on September 30, 2006. The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The unaudited pro forma financial data is provided for information purposes only and is not necessarily indicative of our future results or the operating results or financial condition that would have actually been obtained had such transactions been consummated as of the assumed dates. You should read this unaudited pro forma financial data in conjunction with our consolidated financial statements and the related notes, "Management's Discussion and Analysis of Results of Operations and Financial Condition" and "Selected Financial Data" incorporated by reference in this prospectus supplement from the 2006 Form 10-K and Gold Kist's consolidated financial statements and the related notes incorporated by reference in this prospectus supplement from our current report on Form 8-K/A filed on January 11, 2007.

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**Table of Contents****Pilgrim s Pride Corporation****Unaudited Pro Forma Condensed Balance Sheet****September 30, 2006 (A)****(In thousands)**

	<b>Pilgrim s Pride</b>	<b>Gold Kist</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 156,404	\$ 77,532	\$ (83,614)(B,C)	\$ 150,322
Investments in available for sale securities	21,246			21,246
Trade accounts and other receivables, less allowance for doubtful accounts	263,149	114,758	(7,700)(B)	370,207
Inventories	585,940	225,831		811,771
Income taxes receivable	39,167		(18,244)(B)	20,923
Current deferred taxes	7,288	11,015		18,303
Other current assets	32,480	14,279		46,759
Total Current Assets	1,105,674	443,415	(109,558)	1,439,531
<b>Investments</b>	115,375			115,375
<b>Deferred income taxes, net</b>		17,682	(17,682)(B)	
<b>Other Assets</b>	50,825	55,216	3,779(B,E)	109,820
<b>Goodwill</b>		19,922	516,453(B)	536,375
<b>Property, plant and equipment</b>	1,154,994	332,902	338,723(B)	1,826,619
Total Assets	\$ 2,426,868	\$ 869,137	\$ 731,715	\$ 4,027,720

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	Pilgrim s Pride	Gold Kist	Pro Forma Adjustments	Pro Forma Combined
<b>Liabilities and Stockholders Equity</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 293,685	\$ 69,927	\$	\$ 363,612
Accrued expenses	272,830	83,559	96,489(B)	452,878
Income taxes payable		18,244	(18,244)(B)	
Current maturities of long term debt	10,322	2,221	(2,221)(C)	10,322
<b>Total Current Liabilities</b>	<b>576,837</b>	<b>173,951</b>	<b>76,024</b>	<b>826,812</b>
<b>Long-Term Debt</b>				
Secured revolving credit facility	74,682			74,682
Note payable to an insurance company maturing in 2012	50,115		(50,115)(C)	
Notes payable to an insurance company maturing in 2013	41,333		(41,333)(C)	
Revolving credit facility			780,000(C)	780,000
Term credit facility			100,000(C)	100,000
9 <sup>5</sup> /8% Senior Notes due 2011	299,601			299,601
Notes offered hereby (a)			450,000(C)	450,000
9 <sup>1</sup> /4% Senior Subordinated Notes due 2013	82,640			82,640
10 <sup>1</sup> /4% Senior Notes due 2014		128,505	(128,505)(C)	
Other Debt	16,827	15,156	(13,595)(C)	18,388
Less current maturities	(10,322)	(2,221)	2,221(C)	(10,322)
<b>Net long term debt</b>	<b>554,876</b>	<b>141,440</b>	<b>1,098,673</b>	<b>1,794,989</b>
<b>Deferred income taxes</b>	<b>175,869</b>		<b>76,386(B)</b>	<b>252,255</b>
<b>Other long term liabilities</b>		<b>82,288</b>	<b>(44,389)(B)</b>	<b>37,899</b>
<b>Minority Interest in Subsidiary</b>	<b>1,958</b>			<b>1,958</b>
<b>Stockholders equity</b>	<b>1,117,328</b>	<b>471,458</b>	<b>(474,979)(B)</b>	<b>1,113,807</b>
<b>Total liabilities and stockholders equity</b>	<b>\$ 2,426,868</b>	<b>\$ 869,137</b>	<b>\$ 731,715</b>	<b>\$ 4,027,720</b>

- (a) Assumes an aggregate principal amount of \$450.0 million of the notes offered hereby. The allocation between the Senior Notes and the Subordinated Notes will be determined at the time of the pricing of the notes.

**Table of Contents****Pilgrim s Pride Corporation****Unaudited Pro Forma Statement of Operations****For the Year Ended September 30, 2006****(In thousands)**

	<b>Pride Pilgrim s</b>	<b>Gold Kist</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Combined</b>
<b>Statement of Operations:</b>				
Net sales	\$ 5,235,565	\$ 2,127,374	\$ (10,860)(D)	\$ 7,352,079
Cost of sales	4,937,965	2,041,171	14,796(D)	6,993,932
Gross Profit	297,600	86,203	(25,656)	358,147
Selling, general and administrative expenses	294,598	107,526	(4,309)(D)	397,815
Other charges		6,152	(6,152)(H)	
Operating income (loss)	3,002	(27,475)	(15,195)	(39,668)
Interest expense	50,601	15,347	78,419(F)	144,367
Interest income	(10,048)	(5,528)		(15,576)
Foreign exchange loss	144			144
Other (income) from joint venture, net		(2,461)		(2,461)
Other income, net	(1,378)	(2,464)		(3,842)
Loss before taxes	(36,317)	(32,369)	(93,614)	(162,300)
Income tax benefit	(2,085)	(14,624)	(33,701)(G)	(50,410)
Net loss	\$ (34,232)	\$ (17,745)	\$ (59,913)	\$ (111,890)
Net loss per common share (basic and diluted)	\$ (.51)	\$ (.35)		\$ (1.68)
Weighted average shares outstanding (basic and diluted)	66,555,733	50,100,000		66,555,733
<b>Other Data:</b>				
Depreciation and amortization	\$ 135,133	\$ 44,793	\$ 34,528	\$ 214,454
Capital expenditures	\$ 143,882	\$ 90,438	\$	\$ 234,320
Amortization of capitalized financing charges	\$ 2,606	\$ 943	\$ 655	\$ 4,204

**Table of Contents****NOTES TO UNAUDITED PRO FORMA FINANCIAL DATA**

- (A) Fiscal year 2006 for each of Gold Kist and Pilgrim's Pride ended on September 30, 2006.
- (B) The Gold Kist acquisition is accounted for as a purchase business combination. The acquisition was completed on January 9, 2007, and funded by drawings under our revolving/term borrowing facility and borrowings under the Bridge Loan Agreement, which is to be refinanced with the net proceeds of this offering. See Use of Proceeds. The Unaudited Pro Forma Financial Data does not include any adjustments related to restructuring costs or recurring benefits expected from synergies. The purchase price allocation is preliminary and further adjustments may be made based on the completion of final valuation and other studies. Our management has preliminarily valued the plant, property and equipment and other assets based on their experience with valuations for similar properties and assets in the past. We will revise the purchase price allocation when final valuations are available. We are in the process of completing a valuation of fixed assets and other intangibles and we will adjust the purchase price allocation accordingly. We cannot currently estimate the ultimate adjustment to the final purchase price as a result of various purchase price adjustments.

We terminated the Gold Kist defined benefit pension plan, effective February 8, 2007, and have adjusted the pension liability to a preliminary estimate of the amount necessary to terminate the plan.

The Gold Kist acquisition was made pursuant to a cash tender offer at \$21.00 per share and a subsequent merger. Vesting of all outstanding restricted stock and other share-based awards was accelerated and the holders of such awards were paid the \$21.00 per share acquisition price or the difference between such price and the value of the relevant award (determined pursuant to the award agreement), as applicable. Pilgrim's Pride also made a cash offer and related consent solicitation for, and purchased the entire \$130 million outstanding principal amount of, Gold Kist's 10<sup>1</sup>/<sub>4</sub>% Senior Notes due 2014 at a purchase price (including accrued interest to the payment date) of \$1,122.41 per \$1,000 principal amount of notes plus, in the case of holders of such notes who tendered their notes and related consents on or prior to the consent date specified in the offer to purchase, an additional consent payment of \$30.00 per \$1,000 principal amount of notes. In addition, we intend to redeem Gold Kist's outstanding certificates of interest. In addition, change in control payments of approximately \$19.5 million were incurred and Pilgrim's Pride expects to pay other transaction costs of approximately \$35.5 million.

The following preliminary purchase price and purchase price allocation is based on the consolidated balance sheet of Gold Kist as follows (in thousands, except share and per share amounts):

Purchase consideration:	
Purchase 51,024,977 shares at \$21.00 per share	\$ 1,071,525
Purchase of 10 <sup>1</sup> / <sub>4</sub> % Senior Notes	153,766
Retirement of certificates of interest	14,695
Retirement of various share-based compensation awards	13,714
Various costs and fees	54,966
<b>Total purchase price</b>	<b>\$ 1,308,666</b>
Purchase price allocation:	
Current assets	\$ 417,471
Property, plant and equipment	671,625
Goodwill	536,375
Other assets	50,997
<b>Total assets acquired</b>	<b>1,676,468</b>
Current liabilities	249,975

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Long-term debt, less current maturities	1,561
Deferred income taxes	78,367
Other long-term liabilities	37,899
Total liabilities assumed	367,802
Total purchase price	\$ 1,308,666

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The purchase price allocation includes reclassifications to conform Gold Kist's financial statement presentation to our presentation and to adjust the basis in the acquired assets and liabilities based on the purchase price.

Goodwill represents the purchase price in excess of the value assigned to identifiable tangible and intangible assets. The value assigned to goodwill is supported by expected benefits gained by consolidating the two companies.

- (C) Represents adjustments to long-term debt and interest expense to consider the following attributes of the Gold Kist acquisition and the related offering and financings:
- i. Tender offer and purchase of Gold Kist's 10 3/4% Senior Notes due 2014 at \$1,122.41 per \$1,000 principal amount of notes plus \$30.00 per \$1,000 principal amount of notes paid for tenders on or prior to the consent date for a total premium of \$19.8 million and the prompt retirement of Gold Kist's outstanding certificates of interest;
  - ii. Increase in long-term debt resulting from the issuance of the Senior Notes and the Subordinated Notes offered hereby, assuming an average rate for the notes of 7.85%;
  - iii. Increase in long-term debt resulting from \$780.0 million of borrowings under our revolving borrowing facility;
  - iv. Increase in long-term debt resulting from \$100.0 million of borrowings under our term borrowing facility; and
  - v. Reduction in long-term debt for the extinguishment of two classes of Pilgrim's Pride notes payable to insurance companies in December 2006, from proceeds of the borrowings above. The extinguishment of deferred financing costs of approximately \$2.0 million is expected to be written off as a result.
- (D) Represents the adjustments to give effect to the following:
- i. Elimination of intercompany sales and related cost of sales between Pilgrim's Pride and Gold Kist.
  - ii. Additional depreciation expense based on the fair value preliminarily assigned to property, plant and equipment assuming a useful life of 10 years.
  - iii. Additional compensation costs related to the reversal of the Gold Kist pension plan expense and replacement with the expense of the Pilgrim's Pride 401K plan reflecting management's termination of the Gold Kist pension plan, effective February 8, 2007.
  - iv. Reclassification of certain selling, general and administrative costs to cost of sales to conform Gold Kist's financial statement presentation to our presentation.
- (E) As a result of these financing transactions, we expect to incur deferred financing costs of \$13.5 million, which have been capitalized in other assets, related to the refinancing of the long-term debt.

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- (F) Represents revised interest costs as a result of the acquisition and refinancing as described in C and E above. Interest also includes the 1.0% guarantee fee required to be paid to the Company's major stockholder, for his guarantees on 50% of the secured debt described in (c) iii. and iv. above.
- (G) Represents the adjustment to estimated income tax expense as a result of the Gold Kist acquisition and the pro forma adjustments.
- (H) Reversal of transaction costs incurred by Gold Kist as of September 30, 2006, related to the acquisition.

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### **DESCRIPTION OF OTHER INDEBTEDNESS**

At January 10, 2007, we maintained \$225.0 million in revolving credit facilities, \$75.0 million of which relate to our Mexico operations, and \$1,275.0 million in a secured revolving/term borrowing facility consisting of a \$845.0 million revolving/term loan commitment and a \$430.0 million term loan commitment. At any one time prior to September 21, 2007, we may elect to convert up to \$295.0 million of the outstanding balance owing under the revolving/term loan commitment to a non-revolving term loan. On September 21, 2007, the revolving/term loan commitment will be automatically reduced to \$500.0 million.

The \$150.0 million domestic revolving credit facility provides for interest rates ranging from LIBOR plus 0.875% to LIBOR plus 2.675%, depending upon our total debt to capitalization ratio. Borrowings under the domestic revolving credit facility are available until April 2009. Borrowings are available to us under the Mexico revolving credit facility in an aggregate principal amount of up to \$75.0 million. Dollar borrowings under this facility bear interest at a rate per annum ranging from LIBOR plus 1.25% to LIBOR plus 2.75%, depending upon our total debt to capitalization ratio. Peso borrowings under this facility bear interest at a rate per annum ranging from the Interbank Equilibrium Interest Rate (Tasa de Interés Interbancaria de Equilibrio) ( TIEE ) plus 1.05% to TIEE plus 2.55%, depending upon our total debt to capitalization ratio. Commencing September 30, 2007, we are required to reduce the aggregate commitment under this facility by \$3.0 million on September 30 of each year, until the aggregate revolving commitment is equal to \$50.0 million. This facility's final maturity date is September 25, 2011. We have entered into discussions with our lenders under our domestic revolving credit facility to increase the amount of the commitment under the facility.

The term loan commitment of our revolving/term borrowing facility is comprised of a \$210.0 million fixed rate term loan commitment and a \$220.0 million floating rate term loan commitment. Until September 21, 2011, from time to time, if certain conditions are satisfied, we have the right under the facility to increase the revolving/term loan commitment and the term loan commitment to a total maximum amount of \$1.0 billion and \$750.0 million, respectively. Borrowings under the revolving/term loan commitment are available on a revolving basis until September 21, 2011, at which time the outstanding borrowings will be converted to a term loan. Borrowings under the term loan commitment are available until not later than February 8, 2007. We will not be entitled to request a term loan under the term loan commitment unless we have elected to convert \$295.0 million of the outstanding principal owing under the revolving/term loan commitment to the non-revolving term loan. The fixed rate term loans bear interest at an annual rate of 6.84%. Any floating rate term loans will bear interest at LIBOR plus 175 bps, if our debt to EBITDA ratio (calculated on a rolling four fiscal quarter basis) is greater than 3.0 and LIBOR plus 150 bps, if our debt to EBITDA ratio (calculated on a rolling four fiscal quarter basis) is equal to or less than 3.0. The revolving/term loans provide for interest rates ranging from LIBOR plus 1.0% to LIBOR plus 2.0%, depending upon our total debt to capitalization ratio. The loans have a final maturity on September 21, 2016.

The \$150.0 million domestic revolving credit facility is secured by domestic chicken inventories, the \$75.0 million revolving credit facility in Mexico is secured by the outstanding capital stock of our Mexico subsidiaries and the revolving/term borrowing facility is secured by certain fixed assets and by all of the shares of Gold Kist (now called Pilgrim's Pride Corporation of Georgia, Inc.). All borrowings against these credit facilities are subject to, among other things, the availability of eligible collateral and no material adverse change provisions.

In November 2006, we entered into the Bridge Loan Agreement and on January 3, 2007 drew the entire commitment of \$450.0 million to finance a portion of the purchase price for the Gold Kist acquisition. The loans under the Bridge Loan Agreement accrue interest at a rate per annum equal to LIBOR plus 2.75%. Loans under the Bridge Loan Agreement will mature on the first anniversary of the Gold Kist acquisition. We intend to use the net proceeds of this offering to repay borrowings outstanding under the Bridge Loan Agreement.

We maintain a Receivables Purchase Agreement under which we sell accounts receivable. The agreement provides for the availability of \$125.0 million of accounts receivable and expires in June 2008. In connection

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with the Receivables Purchase Agreement, we can sell on a revolving basis certain of our trade receivables (the Pooled Receivables) to a special purpose corporation wholly owned by us, which in turn sells a percentage ownership interest to third parties. For the fiscal year ended September 30, 2006, and the quarter ended December 30, 2006, we did not sell any interests in the Pooled Receivables.

In June 1999, the Camp County Industrial Development Corporation issued \$25.0 million of variable-rate environmental facilities revenue bonds supported by letters of credit obtained by us. We may draw from these proceeds over the construction period for new sewage and solid waste disposal facilities at a poultry by-products plant to be built in Camp County, Texas. We are not required to borrow the full amount of the proceeds from these revenue bonds. All amounts borrowed from these funds will be due in 2029. The revenue bonds are supported by letters of credit obtained by us under our available revolving credit facilities. The amounts that we borrow will be reflected as debt when received from the Camp County Industrial Development Corporation. The interest rates on amounts borrowed will closely follow the tax-exempt commercial paper rates. Presently, there are no borrowings outstanding under the bonds.

In August 2001, we issued \$200.0 million aggregate principal amount of 9<sup>5</sup>/<sub>8</sub>% Senior Notes due 2011 (the Existing Senior Notes) and in August 2003, we issued an additional \$100.0 million principal amount of the Existing Senior Notes, of which approximately \$299.6 million principal amount was outstanding as of January 10, 2007. The Existing Senior Notes mature on September 15, 2011, with interest accruing at the rate of 9<sup>5</sup>/<sub>8</sub>% per annum, payable semi-annually in cash, in arrears. The Existing Senior Notes are our senior unsecured obligations. They rank equally with all of our existing and future obligations that do not expressly provide that they are subordinated to the Existing Senior Notes.

In November 2003, we issued \$100.0 million principal amount of 9<sup>1</sup>/<sub>4</sub>% Senior Subordinated Notes (the Existing Subordinated Notes), of which approximately \$82.6 million principal amount was outstanding as of January 10, 2007. The Existing Subordinated Notes mature on November 15, 2013, with interest accruing at the rate of 9<sup>1</sup>/<sub>4</sub>% per annum, payable semi-annually in cash, in arrears. The Existing Subordinated Notes are our unsecured senior subordinated obligations and rank (i) junior to all of our existing and future senior indebtedness, including the Senior Notes and the Existing Senior Notes, (ii) equally with any of our existing and future senior subordinated indebtedness, including the Subordinated Notes and (iii) senior to any other of our future subordinated indebtedness.

The following table sets forth our long term debt as of January 10, 2007.

	<b>Maturity</b>	<b>As of January 10, 2007 (\$ in thousands)</b>
Bridge Loan Agreement(a)	2007	450,000
Secured revolving credit facility	2009	
Secured revolving credit facility	2011	74,682
9 <sup>5</sup> / <sub>8</sub> % Senior Unsecured Notes	2011	299,601
9 <sup>1</sup> / <sub>4</sub> % Senior Subordinated Unsecured Notes	2013	82,640
Revolving/term credit facility	2016	880,000
Other debt	Various	18,388
<b>Total</b>		<b>1,805,311</b>

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- (a) We intend to use the net proceeds of this offering to repay indebtedness outstanding under the Bridge Loan Agreement. See Use of Proceeds and Underwriting Other Relationships/NASD Conduct Rules.



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### **DESCRIPTION OF NOTES**

In this description, the words *we*, *us*, *our* and the *Company* refers only to Pilgrim's Pride Corporation and not to any of its subsidiaries. In addition, in this description, the term *Holder* refers to the record holder of any Note. You can find the definitions of certain terms used in this description under the subheadings *Description of the Senior Notes*, *Certain Definitions* and *Description of the Subordinated Notes*, *Certain Definitions*.

The Company will issue the senior notes ( *Senior Notes* ) under an indenture between the Company and Wells Fargo Bank, National Association, as trustee (the *Trustee* ), to be dated the Issue Date (the *Base Senior Indenture* ), and a supplemental indenture to be dated the Issue Date (the *Senior Supplemental Indenture* and, together with the Base Senior Indenture, the *Senior Indenture* ). The Company will issue the senior subordinated notes ( *Subordinated Notes* ) under an indenture between the Company and the Trustee, to be dated the Issue Date (the *Base Subordinated Indenture* ), and a supplemental indenture to be dated the Issue Date (the *Subordinated Supplemental Indenture* and, together with the Base Subordinated Indenture, the *Subordinated Indenture* ). In this description, the term *Notes* refers to the Senior Notes and the Subordinated Notes collectively, and the term *Indentures* refers to the Base Senior Indenture, the Senior Supplemental Indenture, the Base Subordinated Indenture and the Subordinated Supplemental Indenture, collectively.

The terms of the Senior Notes and Subordinated Notes include those stated in the Indentures and those made part of the Indentures by reference to the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act* ).

The following description is a summary of the material provisions of the Indentures. We urge you to read the Indentures because they, and not this description, define your rights as holders of the Senior Notes and Subordinated Notes. Copies of the Indentures are available as set forth elsewhere in this prospectus supplement under the caption *Where You Can Find More Information; Incorporation by Reference*.

Definitions in each of the sections below entitled *Description of the Senior Notes* and *Description of the Subordinated Notes* are intended to be applicable only within the section in which they are respectively described, and all the defined terms applicable to the Senior Notes and Subordinated Notes can be found in the Senior Indenture and Subordinated Indenture, respectively.

#### **Description of the Senior Notes**

The Senior Notes:

are general unsecured senior obligations of the Company;

are effectively subordinated in right of payment to all existing and future secured Indebtedness of the Company to the extent of the value of the assets securing such Indebtedness and to all liabilities (including trade payables) of our Subsidiaries (other than Domestic Restricted Subsidiaries that become Guarantors);

are equal in right of payment to all future and existing unsubordinated, unsecured Indebtedness of the Company and any Domestic Restricted Subsidiaries that become Guarantors; and

will be senior in right of payment to any future Subordinated Indebtedness of the Company and any Domestic Restricted Subsidiaries that become Guarantors.

The Company conducts all of its business in Mexico through its Subsidiaries that are organized under the laws of Mexico. Those Subsidiaries will not guarantee the obligations under the Senior Notes. The Company's Mexican Subsidiaries generated approximately \$16.3 million operating loss in fiscal 2006 and held identifiable assets of approximately \$361.9 million as of September 30, 2006.

#### ***Principal, Maturity and Interest; Additional Senior Notes***

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The Company will issue \$ million aggregate principal amount of Senior Notes. Subject to our compliance with the covenant described under the subheading Certain Covenants Incurrence of

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Indebtedness and Issuance of Preferred Stock, we are entitled, without the consent of the Holders, to issue additional Senior Notes under the Senior Indenture on the same terms and conditions and with the same CUSIP numbers as the Senior Notes being offered hereby in an unlimited aggregate principal amount (the Additional Senior Notes). The Senior Notes and the Additional Senior Notes, if any, will be treated as a single class for all purposes of the Senior Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, for all purposes of the Senior Indenture and this Description of Notes Description of the Senior Notes, references to the Senior Notes include any Additional Senior Notes actually issued. The Senior Notes will be issued only in registered form without coupons, in denominations of \$2,000 and integral multiples of \$2,000 thereof.

The Senior Notes will mature on , 2015. Interest on the Senior Notes will accrue at the rate of % per annum and will be payable semi-annually in arrears on and , commencing on , 2007. The Company will make each interest payment to the Holders of record on the immediately preceding and . We will pay interest on overdue principal at 2% per annum in excess of the above rate and will pay interest on overdue installments of interest at such higher rate to the extent lawful. Interest on the Senior Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### ***Methods of Receiving Payments on the Senior Notes***

All payments on Senior Notes will be made at the office or agency of the Paying Agent and Registrar unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

### ***Paying Agent and Registrar for the Senior Notes***

The Trustee will initially act as Paying Agent and Registrar. The Company may change the Paying Agent or Registrar without prior notice to the Holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

### ***Transfer and Exchange***

A Holder may transfer or exchange Senior Notes in accordance with the provisions of the Senior Indenture. The Company, the Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents in connection with the transfer of the Senior Notes and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Senior Indenture. The Company is not required to transfer or exchange any Senior Note selected for redemption. Also, neither the Company nor the Registrar is required to transfer or exchange any Senior Note for a period of 15 days before a selection of Senior Notes to be redeemed.

The registered Holder of a Senior Note will be treated as the owner of it for all purposes.

### ***Subsidiary Guarantees***

The Senior Indenture requires, prior to a Fall-Away Event, that each Domestic Restricted Subsidiary (other than any Securitization Subsidiary that has entered into or established a Permitted Securitization Program) that incurs any Indebtedness (other than intercompany Indebtedness and Intercompany Bonds between or among such Domestic Restricted Subsidiary and the Company or any of its Restricted Subsidiaries) to guarantee the obligations of the Company under the Senior Notes (including the payment of principal, premium, if any, and interest on the Senior Notes) by entering into a supplemental indenture with the Company and the Trustee (each such Domestic Restricted Subsidiary and any other Restricted Subsidiary that guarantees the Senior Notes in

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accordance with the Senior Indenture being referred to herein as a Guarantor ). The Senior Indenture provides that any such Domestic Restricted Subsidiary must become a Guarantor and execute a supplemental indenture and deliver an opinion of counsel to the Trustee within 10 business days of the date on which it acquired, created or incurred such Indebtedness.

Any Guarantors will be jointly and severally liable with respect to the Company's obligations under the Senior Notes. Each such guarantee of the Senior Notes (a Subsidiary Guarantee ) will be a general unsecured obligation of the Guarantor thereunder and will be effectively subordinated in right of payment to all existing and future secured Indebtedness of such Guarantor to the extent of the value of the assets securing such Indebtedness. The Subsidiary Guarantees will be equal in right of payment to any existing or future unsecured Indebtedness of that Guarantor and will be senior in right of payment to any existing Subordinated Indebtedness of that Guarantor. The obligations of each Guarantor under its Subsidiary Guarantee will be limited as necessary to prevent that Subsidiary Guarantee from constituting a fraudulent conveyance under applicable law.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Company or another Guarantor, unless:

- (1) immediately after giving effect to that transaction, no Default or Event of Default exists; and
- (2) either:
  - (a) the Person acquiring the property in any such sale or disposition, or the Person formed by or surviving any such consolidation or merger (if such surviving Person is not the Guarantor), assumes all the obligations of that Guarantor under the Senior Indenture and its Subsidiary Guarantee pursuant to a supplemental indenture satisfactory to the Trustee; or
  - (b) in the case of any such sale or disposition (including by way of merger or consolidation) the Net Proceeds of such sale or other disposition are applied in accordance with the Asset Sale provisions of the Senior Indenture.

The Subsidiary Guarantee of a Guarantor will be released and such Person shall no longer be deemed a Guarantor for purposes of the Senior Indenture:

- (1) in connection with any sale, disposition or other transfer of all or substantially all of the assets of that Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Subsidiary of the Company, if the Net Proceeds of that sale or other disposition are applied in accordance with the Asset Sale provisions of the Senior Indenture;
- (2) in connection with any sale, disposition or other transfer of all of the Capital Stock of a Guarantor to a Person (including by way of merger or consolidation) that is not (either before or after giving effect to such transaction) the Company or a Subsidiary of the Company, if the Net Proceeds of that sale are applied (or the Company certifies in an Officer's Certificate delivered to the Trustee that such Net Proceeds will be applied) in accordance with the Asset Sale provisions of the Senior Indenture;
- (3) if the Company properly designates the Guarantor as an Unrestricted Subsidiary in accordance with the applicable provisions of the Senior Indenture; or
- (4) if all Indebtedness and Guaranteed Indebtedness of such Guarantor has been paid in full or otherwise discharged.

See Repurchase at the Option of Holders Asset Sales.

### ***Optional Redemption***

At any time prior to , 2010, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Senior Notes issued under the Senior Indenture (which includes the

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Additional Senior Notes, if any) at a redemption price of \_\_\_\_\_ % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that:

(1) at least 65% of the aggregate principal amount of Senior Notes issued under the Senior Indenture (which includes the Additional Senior Notes, if any) remains outstanding immediately after the occurrence of such redemption (excluding Senior Notes held by the Company and its Subsidiaries); and

(2) the redemption must occur within 90 days of the date of the closing of any such Equity Offering.

Notice of any redemption upon an Equity Offering may be given prior to the completion of the related Equity Offering, and any such redemption or notice may, at the Company's discretion, be subject to one or more conditions precedent, including, but not limited to completion of the related Equity Offering.

Except pursuant to the preceding paragraph, the Senior Notes will not be redeemable at the Company's option prior to \_\_\_\_\_, 2011. On or after \_\_\_\_\_, 2011, the Company may redeem all or a part of the Senior Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, thereon to, but not including, the applicable redemption date, if redeemed during the twelve-month period beginning on \_\_\_\_\_ of the years indicated below:

Year	Percentage
2011	%
2012	
2013	
2014 and thereafter	100.000%

All redemptions of the Senior Notes will be made upon not less than 30 days nor more than 60 days prior notice mailed by first class mail to each Holder's registered address. Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Senior Notes or portions thereof called for redemption on the applicable redemption date. Any redemption and notice thereof pursuant to the Senior Indenture may, in the Company's discretion, be subject to the satisfaction of one or more conditions precedent.

### ***Repurchase at the Option of Holders***

***Change of Control Triggering Event.*** If a Change of Control Triggering Event occurs, each Holder of Senior Notes will have the right to require the Company to repurchase all or any part (equal to \$2,000 or an integral multiple thereof) of that Holder's Senior Notes pursuant to a Change of Control Offer on the terms set forth in the Senior Indenture. In the Change of Control Offer, the Company will offer a change of control payment (the "Change of Control Payment") in cash equal to 101% of the aggregate principal amount of Senior Notes repurchased plus accrued and unpaid interest thereon to the date of purchase, subject to the rights of Holders on the relevant record date to receive interest due on the relevant interest payment date. Within 90 days following any Change of Control Triggering Event, unless the Company has mailed a redemption notice with respect to all of the outstanding Senior Notes in accordance with the Optional Redemption provisions of the Senior Indenture, the Company will mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase Senior Notes on the Change of Control Payment Date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Senior Indenture and described in such notice. The Company will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Senior Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Triggering Event provisions of the Senior Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have

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breached its obligations under the Change of Control Triggering Event provisions of the Senior Indenture by virtue of such conflict.

On the Change of Control Payment Date, the Company will, to the extent lawful:

- (1) accept for payment all Senior Notes or portions thereof properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Senior Notes or portions thereof so tendered; and
- (3) deliver or cause to be delivered to the Trustee the Senior Notes so accepted together with an Officers Certificate stating the aggregate principal amount of Senior Notes or portions thereof being purchased by the Company.

The Paying Agent will promptly mail to each Holder of Senior Notes so tendered the Change of Control Payment for such Senior Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Senior Note equal in principal amount to any unpurchased portion of the Senior Notes surrendered, if any; *provided*, that each such new Senior Note will be in a principal amount of \$2,000 or an integral multiple of \$2,000 thereof. Any Senior Note so accepted for payment will cease to accrue interest on and after the Change of Control Payment Date. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable regardless of whether or not any other provisions of the Senior Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Senior Indenture does not contain provisions that permit the Holders of the Senior Notes to require that the Company repurchase or redeem the Senior Notes in the event of a takeover, recapitalization or similar transaction.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Senior Indenture applicable to a Change of Control Offer made by the Company and purchases all Senior Notes validly tendered and not withdrawn under such Change of Control Offer; or (2) notice of redemption has been given pursuant to the Senior Indenture as described above under Optional Redemption, unless and until there is a default in payment of the applicable redemption price.

A Change of Control Offer may be made in advance of a Change of Control Triggering Event, and conditioned upon the occurrence of such Change in Control Triggering Event, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer. Senior Notes repurchased by the Company pursuant to a Change of Control Offer will have the status of Senior Notes issued but not outstanding or will be retired and canceled, at the option of the Company. Senior Notes purchased by an unaffiliated third party pursuant to the preceding paragraph will have the status of Senior Notes issued and outstanding.

If a Change of Control Triggering Event were to occur, there can be no assurance that the Company would have sufficient funds to pay the purchase price for all Senior Notes that the Company might be required to purchase. In the event that the Company was required to purchase Senior Notes pursuant to a Change of Control Offer, the Company expects that it would need to seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, there can be no assurance that the Company would be able to obtain such financing on favorable terms, if at all.

The definition of Change of Control includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a

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Holder of Senior Notes to require the Company to repurchase such Senior Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Subsidiaries taken as a whole to another Person or group may be uncertain.

**Asset Sales.** The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration (including by way of relief from, or by any Person assuming responsibilities for any liabilities, contingent or otherwise) at the time of such Asset Sale at least equal to the fair market value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) such fair market value is determined by the Company's Board of Directors and evidenced by a resolution of the Board of Directors and, if such fair market value exceeds \$50.0 million, is set forth in an Officers' Certificate delivered to the Trustee; and

(3) at least 75% of the consideration received by the Company or such Restricted Subsidiary is in the form of cash, Cash Equivalents or assets or Voting Stock of a type referred to in clauses (2), (3) or (4) immediately below. For purposes of this provision, each of the following shall be deemed to be cash:

(a) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Senior Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received in that conversion) within 180 days of the related Asset Sale.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the