



## **Sanderson Farms Announces Donning and Doffing Settlement Agreement**

LAUREL, Miss., Jun 23, 2008 (BUSINESS WIRE) -- Sanderson Farms, Inc. (NASDAQ: SAFM) announced today that the Federal District Court for the Eastern District of Louisiana has approved a settlement agreement reached between certain hourly employees of the Company's three operating subsidiaries, as plaintiffs, and the subsidiaries, as defendants, in so-called donning and doffing litigation. The litigation was brought in various federal district courts in Louisiana and Mississippi by various current and former employees of the Company's subsidiary corporations. These employees, who spent uncompensated time walking to and from their workstations and donning and doffing protective gear, had brought litigation on behalf of themselves and all others similarly situated. The plaintiffs claimed in this litigation, styled *Annie Collins v. Sanderson Farms, Inc. (Production Division) and Sanderson Farms, Inc. (Processing Division)*, that they were entitled to compensation for this time. The Company will pay approximately \$2.6 million to settle the claims of 8,337 current and former employees, and will obtain dismissal of all pending litigation.

Commenting on the settlement, Mike Cockrell, treasurer and chief financial officer of Sanderson Farms, Inc., stated, We are pleased to settle this litigation and put it behind us. While we are confident our pay practices are and have been legal and appropriate, a United States Supreme Court decision involving other companies created uncertainty regarding whether time spent donning and doffing protective gear, hair nets and smocks is compensable. We have always had excellent relationships with our employees, and look forward to continuing that relationship. Because of the uncertainty regarding this settlement prior to its approval by the court, the Company has established no reserves for this case. The amount of the charge will be recognized during the current fiscal quarter.

Sanderson Farms, Inc. is engaged in the production, processing, marketing and distribution of fresh and frozen chicken and other prepared food items. Its shares trade on the NASDAQ Stock Market, LLC under the symbol SAFM.

This press release contains forward-looking statements based on management's current views and assumptions. Actual results and events may differ. For a discussion of these matters, please refer to the Cautionary Statement Regarding Risks and Uncertainties That May Affect Future Performance in Item 7 of the Company's 2007 Annual Report on Form 10-K.

SOURCE: Sanderson Farms, Inc.

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