International

Jim Snee
Group Vice President, Hormel Foods Corporation
President, Hormel Foods International Corporation
Growing Global Presence

International & Other Segment Sales

In millions

2005: $146
2014: $534

Global
Multicultural
Healthy / Holistic
On-the-Go
Delivering Accelerated Growth

**Revenues**

In millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$200</td>
<td>$300</td>
<td>$400</td>
<td>$500</td>
<td>$600</td>
<td>$700</td>
</tr>
</tbody>
</table>

+ 18% CAGR

**Segment Profit**

In millions

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<th>Year</th>
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<tbody>
<tr>
<td>Value</td>
<td>$20</td>
<td>$40</td>
<td>$60</td>
<td>$80</td>
<td>$100</td>
<td>$120</td>
</tr>
</tbody>
</table>

+ 25% CAGR
1st Half 2015 Results

• Revenues and segment profits +4% vs. year ago*
• Lower pork markets impacted revenues
• Port slow down
• Exchange rates

*Excludes nonrecurring charges related to the exit of international joint venture businesses ($9.5 million).
Margin Guidance

Hormel Foods International Corporation

Guidance: 14% to 17%

1st half of 2015 actual*: 16.7%

*Excludes nonrecurring charges related to the exit of international joint venture businesses ($9.5 million).
Hormel Foods International

Sources of Accelerated Growth

- China
- SKIPPY® brand
- SPAM® brand
- Pork
China

• Well developed business in both foodservice and retail

• Expanding capacity with new plant opening Fall 2016

• In-country *SPAM®* production
Chinese Balanced Model

- Pork
- Foodservice
- Frozen / Chilled
- Western Style

- Peanuts
- Retail
- Ambient
- Chinese Style
Chinese Balanced Model

Pork
Foodservice

Peanuts
Retail
## Chinese Balanced Model

<table>
<thead>
<tr>
<th>Pork</th>
<th>Peanuts</th>
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<tbody>
<tr>
<td>Foodservice</td>
<td>Retail</td>
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</table>
Jiaxing Hormel Foods Co. Ltd.
Positioned for Future Growth
SKIPPY® Strategies

- Distribution
- New Markets
- Consumers
Distribution

**Core Items**

**BASE**

**Line Extensions**

**FLAVORS**

**REDUCED FAT**

**Innovate**

**NATURALS**

Japan, Philippines, Indonesia & Thailand

Philippines, Singapore, Malaysia, South Korea, Micronesia

Singapore, Panama, Asia, Japan, Philippines, Micronesia & Europe
Launch of SKIPPY Natural Peanut Butter Spread in Singapore
11 September 2014
New Markets

Brazil

Colombia

Panama

Spain
SKIPPY® is the PEANUT BUTTER that SPREADS SIMPLE FUN!

- Global positioning
- Leverage assets
- Fully integrated marketing
**SPAM® Brand**

**Local Flavors**

**SPAM® Tocino**
- Created for the Philippines
- Launched in the U.S.A.
- Sweet BBQ flavor

**SPAM® Portuguese Sausage**
- Created for Hawaii
- Launching in Okinawa

**SPAM® MaLa**
- A global launch to appeal to Chinese consumers and **SPAM®** lovers around the world
- Bold & spicy flavor
REVENUES

5 year CAGR: 18%

SEGMENT PROFITS

5 year CAGR: 25%

GROWTH