foods for the way we live

Jeff Ettinger
Chairman, President and CEO
Legal Disclosure

This presentation contains forward-looking information based on management’s current views and assumptions. Actual events may differ materially. Please refer to the cautionary statement regarding Forward-Looking Statements and Risk Factors on pages 29-36 in the Company’s Form 10-Q for the fiscal quarter ended January 25, 2015 for more details.
## 2015 Second Quarter Results

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Earnings per share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In millions</strong></td>
<td></td>
</tr>
<tr>
<td>2014 Q2</td>
<td>$2,245</td>
</tr>
<tr>
<td>2015 Q2</td>
<td>$2,279</td>
</tr>
</tbody>
</table>

- Record sales and earnings for the quarter
- All five segments delivered operating profit growth
# 2015 Second Quarter Segment Results

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net Sales Change</th>
<th>Segment Profit Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery Products</td>
<td>+ 1%</td>
<td>+ 1%</td>
</tr>
<tr>
<td>Refrigerated Foods</td>
<td>- 8%</td>
<td>+ 52%</td>
</tr>
<tr>
<td>Jennie-O Turkey Store</td>
<td>+ 15%</td>
<td>+ 41%</td>
</tr>
<tr>
<td>Specialty Foods</td>
<td>+ 32%</td>
<td>+ 11%</td>
</tr>
<tr>
<td>International &amp; Other</td>
<td>- 7%</td>
<td>+ 2%</td>
</tr>
</tbody>
</table>
2015 Outlook

Growth Amidst Volatility

EPS*

$2.23

+ 12% to 17%

$2.50 to $2.60

Grocery Products and Refrigerated Foods

Input cost deflation

Specialty Foods

Improved 2H15 contribution from CytoSport

International

Growth in China

Jennie-O Turkey Store

Avian Influenza

*2015 EPS range excludes pre-tax nonrecurring charges relating to the closure of the Stockton, California, manufacturing facility ($10.5 million) and exit of international joint venture businesses ($9.5 million).
Avian Influenza

- Turkey impact greatest in Minnesota
  - Approximately 55 farms affected in the Jennie-O Turkey Store supply chain
  - Spread of virus seems to be slowing in Minnesota
  - Continuing to work with USDA, APHIS, and other veterinary organizations

- Jennie-O Turkey Store projected impact
  - 2H15 sales down 15% compared to 2H14
  - 2H15 segment margin guidance: 10% to 12%
Strong Brands Supporting Growth

At least 30 BRANDS have #1 or #2 MARKET SHARE POSITIONS IN THEIR CATEGORY
Supporting Brand Growth
Recent Acquisitions
Complement Growth and Diversify Portfolio
Accelerating Growth
New Product Development

3 BRANDS listed in the 2014 IRI PACESETTERS

$1 billion by 2009
$2 billion by 2012
$3 billion by 2016
Distribution Growth

Percent of Individuals Consuming Hormel Foods Products

IRI Total US - Multi Outlet - 12/2010 thru 12/2014 - Retail Total Points of Distribution

Source: The NPD Group’s National Eating Trends service; Years ending Feb. except latest period

Reported in an average two week period

Distribution Growth

+ 8% CAGR
Long Runway for Growth

Low Household Penetration (HHP)

- Jennie-O: Turkey Burgers, 3% Category 6%
- REV®: 4% Category 30%
- Party Trays, 6% Category 7%
- Hormel® Natural Choice®: 7% Category 80%
- Refrigerated Guacamole, 7% Category 14%
- Hormel® COMPLEATS®: 9% Category 14%
- SPAM®: 12% Category 14%
- Ground Turkey, 13% Category 26%
- Pepperoni, 22% Category 31%

IRI US Panel Data for 52 Weeks ended 2/22/15
Recent Trip to London

FINANCIAL TIMES
WORLD BUSINESS NEWSPAPER

Warren’s buffet

<table>
<thead>
<tr>
<th>Selected Brands</th>
<th>Mondelez</th>
<th>Campbell Soup</th>
<th>General Mills</th>
<th>Kellogg Co</th>
<th>Hormel Foods</th>
<th>Hershey</th>
<th>JM Smucker</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalization (Sbn)</td>
<td>57.7</td>
<td>14.2</td>
<td>31.7</td>
<td>22.4</td>
<td>14.9</td>
<td>22.2</td>
<td>13.5</td>
</tr>
<tr>
<td>Net Debt (Sbn)</td>
<td>13.5</td>
<td>3.7</td>
<td>7.8</td>
<td>6.3</td>
<td>-0.3</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td>Valuation Multiple**</td>
<td>13.8</td>
<td>12.0</td>
<td>12.4</td>
<td>11.9</td>
<td>12.4</td>
<td>13.5</td>
<td>11.9</td>
</tr>
</tbody>
</table>

*Estimated earnings before interest, taxes, depreciation and amortization/sales
** Enterprise value/ebitda

FT Graphic: Sources: Bloomberg; S&P Capital IQ; Companies; FT Research
Small Town Headquarters
Austin, Minnesota

- Fosters long-term careers
- Good corporate citizen
- Financially conservative
- Foundation ownership enables long-term financial perspective
Dividend Growth

**Dividend**

- +19%
- +25%
- $0.42
- $0.68
- $0.80
- $1.00

**Stock Performance**

Consecutive Years of Dividend Increases

HRL

.SPX

Years 2005-2015
Investing for the Future
(2010-2014)
Generating consistent and strong free cash flow
$2.9 billion invested or returned to shareholders since 2010

Return to Shareholders
(Share Repurchase and Dividends)
Invest in the Business
(Capex and M&A)
Talented Experienced Team

Senior Management
Team Average

26 YEARS TENURE
Thriving Vital Portfolio

Small Town HQ

conservative financially

SHARING PROFITS

good corporate citizen

SUSTAINABILITY EFFORTS

Talented, experienced team

FOSTER LONG-TERM CAREERS
Financial Performance Goals

- **5%** Revenue Growth
- **10%** Operating Income Growth
- **$3 Billion by 2016**
  - New Product Development
  - New Products Introduced Since 2000
- **<1%** Operating Expense Growth
Sales and EPS Growth
Exceeding long-term targets

**Sales**

+ 7% CAGR

**EPS**

+ 12% CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (billions)</th>
<th>EPS (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$6.5</td>
<td>$1.27</td>
</tr>
<tr>
<td>2010</td>
<td>$7.0</td>
<td>$1.43</td>
</tr>
<tr>
<td>2011</td>
<td>$7.7</td>
<td>$1.60</td>
</tr>
<tr>
<td>2012</td>
<td>$8.4</td>
<td>$1.78</td>
</tr>
<tr>
<td>2013</td>
<td>$9.3</td>
<td>$2.02</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>$2.23</td>
</tr>
</tbody>
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