BUILDING ON TRADITION



Investor Day 2013

Hormel Foods

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 and risk factors on pages 33-38 in the Company's Form 10-Q filed June 7, 2013.

BUILDING ON TRADITION



Jeff Ettinger

Chairman, President & CEO

Hormel Foods

International Trip







Hormel Foods: A Growth Story

THE WALL STREET JOURNAL.
DOWJONES WEDNESDAY, AUGUST 1, 2012 - VOL. CCLX NO. 26 WSJ.com ★★ $2.00

At Hormel, Spam Is Small Part of the Buffet

By Marshall Eckblad

Hormel Foods Corp., maker of Spam, is trying to move up the food chain.

Chief Executive Jeffrey Ettinger has broadened the company's offerings with items including Mexican fare and turkey burgers in the hopes that investors will see the 122-year-old company as a diversified packaged-food company, not just a meat processor.

BOSS TALK

It is also trying to keep pace with shifting consumer tastes. Hormel is now the biggest distributor of Mexican salsa in the U.S., with a joint venture that includes the Chi-Chi's and La Victoria brands, and Wholly Guacamole, a recent acquisition.

While the company's stock price has nearly doubled during the six-year tenure of Mr. Ettinger, it is down 4% so far this year as a U.S. drought has driven up grain costs and dimmed earnings prospects for companies that produce livestock. (Hormel raises its own turkeys.)

In an interview at the company's Austin, Minn., headquarters, the 54-year-old Mr. Ettinger discussed America's changing tastes and the challenge of transforming Hormel into a bigger player in packaged foods. Edited excerpts:

WSJ: How do you describe the company to outsiders like new employees or investors?

Mr. Ettinger: We view ourselves as a packaged-food company, but our heritage is that of a small-town meatpacker. It's an early-to-work culture, and it's a hardwo[rk]ure.



Bloomberg Photo for The Wall Street Journal

CEO Jeffrey Ettinger says Hormel looks to grow revenues at a 5% clip and earnings at 10% per year, toward the upper end of the food industry.

Revenue, in billions		Profit, in millions		Employees	
2Q 2012	2Q 2011	2Q 2012	2Q 2011	2012	2011
$2.01	$1.96	$128	$110	19,600	19,500

Hormel Foods Corp.

A se[ca]tegory [Mexi]sion first came on, we saw an [op]portunity in [the] tradi[tion]al brands? How [do] you mark[et]

an effort to not be lumped in with the other meat companies, whose stocks tend to go through boom-and-bust cycles?

Mr. Ettinger: Our company performs like a packaged-food company, so it would be appropriate over time to have the same yield as our packaged-food peers. The dividend has doubled over the past five years. Even so, our earnings have gone up faster than our stock price, so we don't think we're done in terms of where the stock price ought to be.

WSJ: Is that a message you're sending to institutional investors?

Mr. Ettinger: We're pretty up front about our goals. We're looking to grow revenues at a 5% clip and earnings at 10% per year. That's toward the upper end of the food industry and so it's aggressive in that sense. But it's not dot-com; it's sustainable. We were a just-over $3 billion company in the late '90s and we'll hit $8 billion this year.

WSJ: What's the secret of Spam's continued popularity?

Mr. Ettinger: The key to Spam's evolution, after it was created in the 1930s, was World War II. At many of the island-based outposts, which had no refrigeration or local meat source, the military brought it with them. Spam is still huge in those places and among the younger generations. Hawaii, for example, is the leading per capita consumption market in the U.S. by far. Okinawa is a huge market for Spam.

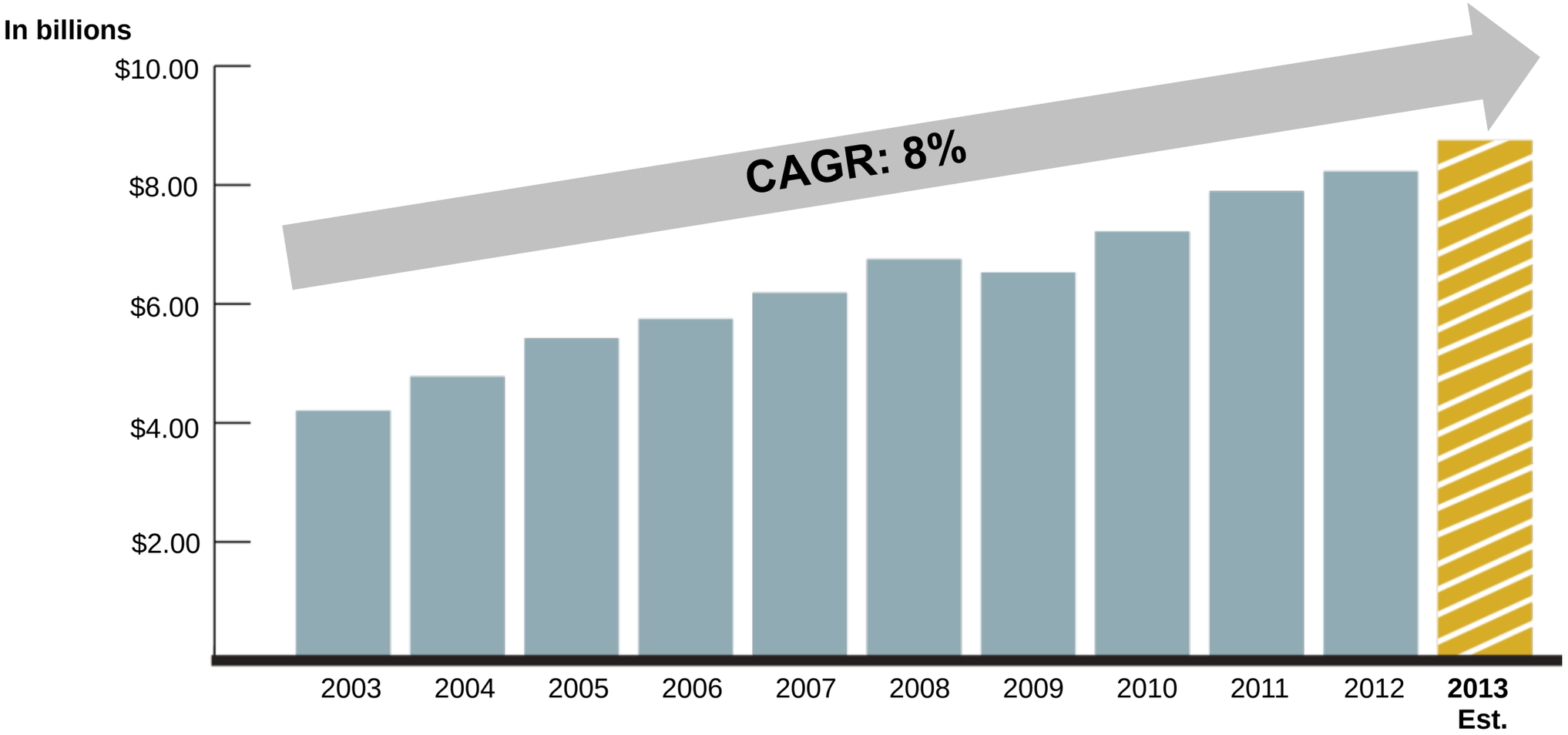
WSJ: W[hat] is the last f[ew] you

Mr. Ettinger: We've already made a couple of steps into areas that are not meat-oriented. We bought Country Crock, with its line of side dishes, as a logical extension to meat-based items, and that's been a very nice acquisition for us.

WSJ: What are your [pl]an[s]

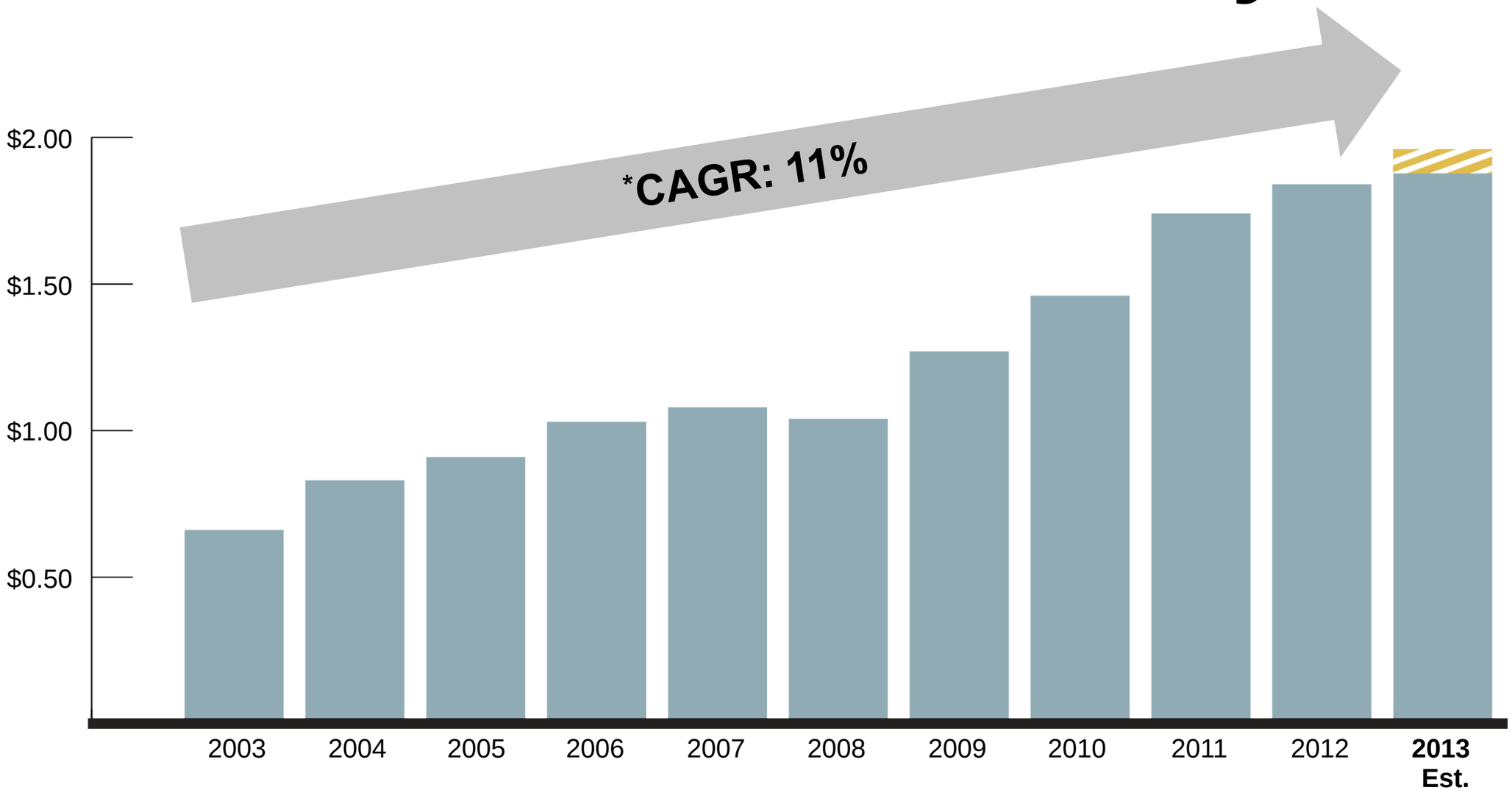
Mr. Ettinger: We're pretty up front about our goals. We're looking to grow revenues at a 5% clip and earnings at 10% per year. That's toward the upper end of the food industry and so it's aggressive in that sense. But it's not dot-com; it's sustainable. We were a just-over $3 billion company in the late '90s and we'll hit $8 billion this year.

10 Year Sales History



Based on internal 2013 sales estimate

10 Year EPS History



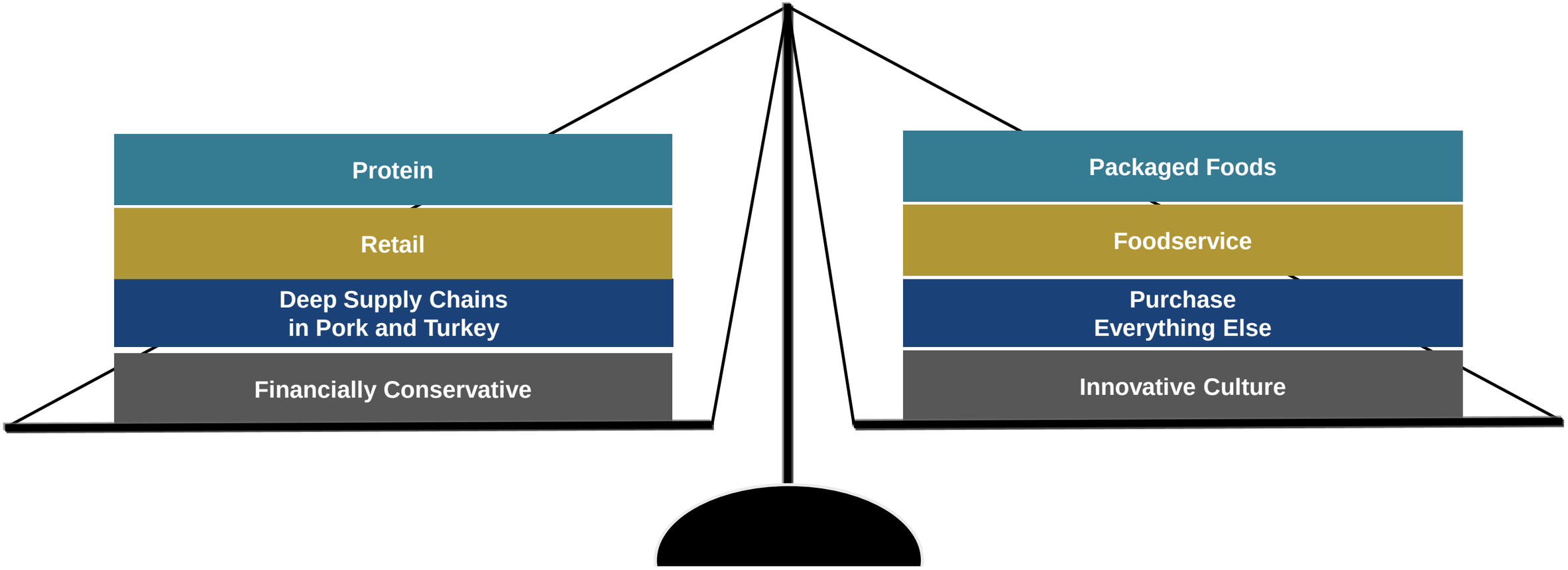
*CAGR based on 2013 EPS midpoint of guidance range $1.88 to $1.96

Keys to Growth

- Balanced Model
- Leading Brands
- Innovation
- Strategic Acquisitions
- Experienced Team



Balanced Model



Our Balanced Model In Action

Segment Operating Profit

	Grocery Products	Refrigerated Foods	Jennie-O Turkey Store	Specialty Foods	International
FY 2008	5%	22%	- 27%	14%	17%
FY 2009	9%	7%	11%	- 2%	2%
FY 2010	- 4%	22%	65%	18%	- 5%
FY 2011	4%	6%	43%	-5%	39%
FY 2012	12%	-22%	16%	8%	38%
YTD 2Q 2013	12%	2%	-25%	33%	29%

Year-Over-Year Growth Year-Over-Year Decline

Leading Brands

#1

At least 34 products have #1 or #2 market share positions in their category

- These categories span our Grocery Products, Meat Products and Jennie-O Turkey Store segments

#2

















Investments in Brand Strength

- *Hormel*® Campaign
- *SPAM*® (U.S. and Abroad)
- *Jennie-O Turkey Store*® Campaign
  - "Make the Switch™"
- *Herdez*®
  - "Con Toda Confianza…Es Herdez"
- *Hormel*® *REV*®
  - "For Those Who Are Hungry™"



Growth From Innovation

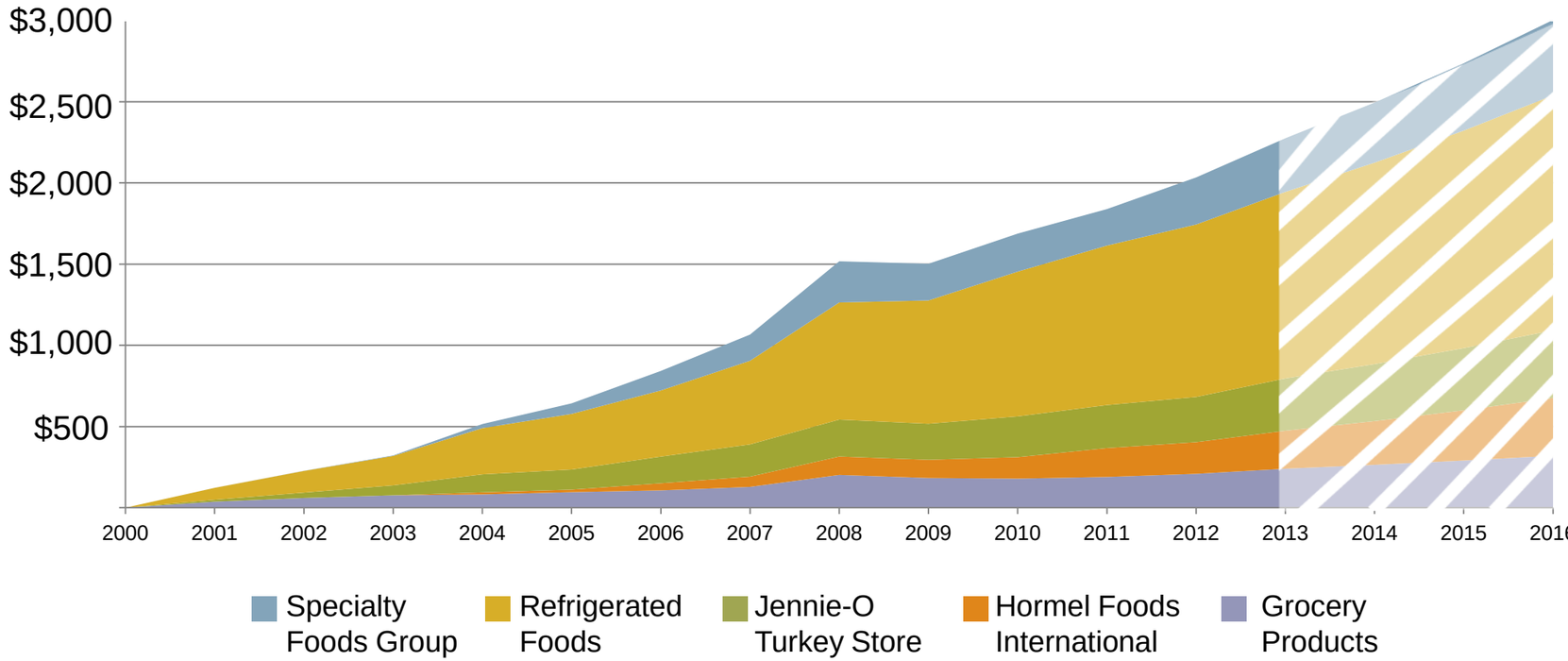
Innovation Challenges

$2 billion by 2012 — **Success** ✓

$3 billion by 2016 — **In progress**



In millions



Growth From Acquisitions

Jennie-O: Value-Added Turkey

THE TURKEY STORE

2001

Grocery Products: Traditional

VALLEY FRESH

2006

SKIPPY

2013

Refrigerated Foods: Value-Added Protein

FARMER JOHN

2004

Provena Foods, Inc.

2006

Saag's

2006

BURKE

2007

Grocery Products: Mexican

MANNY'S

2005

La Victoria

2009

DON MIGUEL

2010

WHOLLY GUACAMOLE

2011

Refrigerated Foods: Convenience Meals

Lloyd's BARBEQUE

2005

COUNTRY CROCK

2010

Specialty Foods

DIAMOND CRYSTAL BRANDS

2002

CENTURY FOODS INTERNATIONAL

2003

MARK-LYNN FOODS, INC.

2005

Boca Grande Foods

2008

Experienced Team



Steve Binder
Executive Vice President and President, Hormel Business Units



Jody Feragen
Executive Vice President and Chief Financial Officer



Jim Splinter
Group Vice President, Grocery Products



Steve Venenga
Vice President, Meat Products Marketing



Glenn Leitch
Group Vice President; President, Jennie-O Turkey Store, Inc.



Don Kremin
Group Vice President, Specialty Foods



Jim Snee
Group Vice President; President, Hormel Foods International Corporation

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Thank You!

Hormel Foods