By Serving The New American Family
The Family Unit is Undergoing a Fundamental Shift
Income Polarization

60% of households

40% of households

< $62K Per Year Household Income >

Generational Shifts

Generation Share of Population
(age in 2020)

<table>
<thead>
<tr>
<th>Generation</th>
<th>2010 Share</th>
<th>2020 Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniors (75+)</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>Boomers (56-74)</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Gen X (39-55)</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Gen Y (18-38)</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>Emerging (&lt;18)</td>
<td>15%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Ethnic Fragmentation

World Economic Purchasing Power
(by 2015)

HISPANIC AMERICANS
12TH LARGEST ECONOMY

AFRICAN AMERICAN
17TH LARGEST ECONOMY

ASIAN AMERICAN
27TH LARGEST ECONOMY

Sources: U.S. Department of Commerce, Kantar Retail Analysis, and Nielsen 360 Conference 2012
Serving the New American Family

- Appealing to inspired, busy, health conscious, and value conscious moms
- Products and packaging for smaller families and multicultural families
- Connect consumers to products using relevant, contextualized messages
- Engage consumers through correct mix of communication mediums
Role of Protein Guides Innovation

**FUNCTIONAL**
- Sustained Energy
- Mental Focus
- Satiety
- Lean Tissue Maintenance
- No Guilt

**EMOTIONAL**
- Control
- Satisfaction
- Performance
- Confidence

**Daily Protein Needs**
- Man: 56g
- Woman: 46g
Strategic Acquisitions

2005 2009 2010 2011 2013
Key Performance Targets

Revenue Growth of 5%

Organic
Brand Building & Innovation
3% to 4%

Acquisition
Enabling & Bolt-On
2% to 3%

Operating Income Growth of 10%
Vision, Pillars & Strategic Imperatives

Grocery Products: Leading in Protein-Strong Convenient Foods

- Microwave Meals: 38% Share Invest & Grow
- SPAM: 47% Share Protect & Grow
- MegaMex Foods: 4% Share Expand
- SKIPPY: 16% Share Integrate & Grow

Innovation | Brand Equity | Channel Development | Cost & Margin Leadership | Ethnic Capabilities | Great People

Source: Nielsen XAOC 52 Week Ending 4/27/13
Dollar Market Share
-Microwave Meals-

Hormel Foods: 38%
Campbell's: 24%
ConAgra: 17%
Private Label: 1%

Source: Nielsen XAOC 52 Week Ending 4/27/13

Category Growth:
2012 - 2013

$525 million
Category
Microwave Meals Growth Platform

Category Profile
• $525 million in sales
• Tray EQ. Baseline Growth of 8%

New Items

Brand Building

Household Penetration Growth

Source: Nielsen XAOC 52 W/E 5/25/13
Focus is on category growth, meal occasion expansion and diverse flavor options

Key Strategies for Growth

1. New Flavors & Occasions
2. Category Expansion
3. More Efficient Assortment

Driving Brand Growth, Elevating the Category

New Varieties:
- Scalloped Potatoes
- Cheesy Potatoes
- SPAM® and Macaroni and Cheese

New SPAM® Items
Vision, Pillars & Strategic Imperatives

Grocery Products:
Leading in Protein-Strong Convenient Foods

38% Share Invest & Grow
47% Share Protect & Grow
4% Share Expand
16% Share Integrate & Grow

Innovation
Brand Equity
Channel Development
Cost & Margin Leadership
Ethnic Capabilities
Great People

Source: Nielsen XAOC 52 Week Ending 4/27/13
**Dollar Market Share -Luncheon Meat-**

- **SPAM® brand**: 87%
- **Armour**: 7%
- **Private Label**: 5%

\[5\% \text{ CAGR (2011 - 2013)}\]

\[\$224 \text{ million} \text{ Category}\]

**Dollar Market Share -Chili-**

- **Hormel® Chili**: 47%
- **Wolf**: 18%
- **Campbell’s**: 5%
- **Armour**: 3%
- **Private Label**: 6%

\[1\% \text{ CAGR (2011 - 2013)}\]

\[\$524 \text{ million} \text{ Category}\]

**Dollar Market Share -Hash-**

- **Mary Kitchen® hash**: 64%
- **Libby’s**: 10%
- **Armour**: 7%
- **Private Label**: 17%

\[5\% \text{ CAGR (2011 - 2013)}\]

\[\$100 \text{ million} \text{ Category}\]

**Dollar Market Share -Stew-**

- **Dinty Moore® brand**: 72%
- **Armour**: 6%
- **Campbell’s**: 3%
- **Private Label**: 10%

\[-3\% \text{ CAGR (2011 - 2013)}\]

\[\$90 \text{ million} \text{ Category}\]
Legacy Core Growth Platform

Category Profile
- $1.3 billion in sales
- 43% household penetration

New Items

Brand Building

Key Strategies for Growth
- Growth through innovation
- Build brand equity
- Target occasional users
SPAM Goal: Activate Occasional Users

Listen

Talk

See

Believe

#BreakTheMonotony_at_SPAM.com

@VernonDavis85 @SPAMbrand This is cute!

HUFFPOST TASTE

USA TODAY
Marketing Investments
Vision, Pillars & Strategic Imperatives

Grocery Products:
Leading in Protein-Strong
Convenient Foods

38% Share Invest & Grow

47% Share Protect & Grow

4% Share Expand

16% Share Integrate & Grow

Innovation
Brand Equity
Channel Development
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Ethnic Capabilities
Great People

Source: Nielsen XAOC 52 Week Ending 4/27/13
Dollar Market Share
-Mexican Foods-

Source: Nielsen XAOC 52 Week Ending 4/13/13

General Mills (Old El Paso) - 5%
Campbell’s (Pace) - 2%
B&G (Ortega/Las Palmas) - 2%

Pepsico (Tostitos) - 14%
Gruma (Mission) - 11%

Category: $9.9 billion
CAGR: 2.8% (2011 - 2013)
Leading brand of salsa and tortillas - Eastern United States

Leading brand of salsa and sauces - Western United States

Leading brand of authentic salsa

#1 Selling mole & nopalitos - United States

#1 Share of peppers - Western United States

Leading brand C-store & Club Channels

Leading hot sauce & tomato sauce brands - Mexico

#1 Guacamole - United States
Innovation

Herdez

Cooking Sauces: Roasted Pasilla Chile, Tomatillo Verde, Red Guajillo Chile, Traditional Chipotle

Mexican Snacking Destination Set
Innovation

Varieties:
- Egg, Bacon, Hash Browns, & Cheese
- Egg & Sausage
- Triple Play Breakfast
- Egg & Sausage Chimichangas
- Egg, Bacon, Cheese & Jalapeno

Varieties:
- Mini Chicken and Beef Tacos
- Grilled Chicken Quesadilla
- Chipotle Chicken & Cheese Flautas
- Taquitos
- Fajita Bites
Innovation
Vision, Pillars & Strategic Imperatives

Grocery Products: Leading in Protein-Strong Convenient Foods

- MicrowaveMeals: 38% Share Invest & Grow
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Innovation
Brand Equity
Channel Development
Cost & Margin Leadership
Ethnic Capabilities
Great People

Source: Nielsen XAOC 52 Week Ending 4/27/13
Strategic Fit of SKIPPY®

- Growing value-added non-meat protein
- Adds earnings stability/margin accretion
- Extendibility into other on-trend categories
- Relatively easy to integrate and manage
- Fit to current “protein” portfolio
- #2 brand position and the #1 share in “natural”
- Levers center store core competency
Strong Business Fundamentals

### U.S. Peanut Butter Equivalent Units Category Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Equivalent Units in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>53.0</td>
</tr>
<tr>
<td>2010</td>
<td>55.4</td>
</tr>
<tr>
<td>2011</td>
<td>57.2</td>
</tr>
<tr>
<td>Latest 52 Weeks</td>
<td>56.6</td>
</tr>
</tbody>
</table>

Growth:
- 2009: +4.5%
- 2010: +3.3%
- 2011: +1.0%

### U.S. Peanut Butter $ Category Growth

<table>
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<th>Year</th>
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<td>2009</td>
<td>$1.4</td>
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</tr>
<tr>
<td>2011</td>
<td>$1.6</td>
</tr>
<tr>
<td>Latest 52 Weeks</td>
<td>$2.0</td>
</tr>
</tbody>
</table>

Growth:
- 2009: +2.3%
- 2010: +8.6%
- Latest 52 Weeks: +30.4%

Source: AC Nielsen. $ and EQ Volume Share is TTL U.S. All Outlets, 2009 Annuals–52 weeks ending September 29, 2012
Growing Consumption Trends

Annual Peanut Butter Eating Occasions in the U.S.

- Per capita:
  - 2005: 25
  - 2006: 27
  - 2007: 28
  - 2008: 28
  - 2009: 27
  - 2010: 27
  - 2011: 30

- CAGR: 3.5%

Peanut Butter Sandwich Usage is Very Stable

- Years 1984 - 2012

U.S. Peanut Crop Dynamics

Market is returning to historical norms after 2011/2012 aberration


<table>
<thead>
<tr>
<th>Year</th>
<th>PEANUT PRODUCTION (billions of lbs.)</th>
</tr>
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<tbody>
<tr>
<td>2009A</td>
<td>3.70</td>
</tr>
<tr>
<td>2010A</td>
<td>4.20</td>
</tr>
<tr>
<td>2011A</td>
<td>3.70</td>
</tr>
<tr>
<td>2012E</td>
<td>6.10</td>
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**HISTORIC PEANUT PRICES – FOB SHELLING PLANT**

- Average Price: $0.47
- $1.08

**Current Market**: $0.50 - $0.55

BRAND VALUES

FUN
Embody the sheer joy of being a kid

ICONIC
Stay relevant in pop culture

FORWARD-THINKING
Offer on-trend variants, such as Naturals

FAMILY-ORIENTED
Know our consumer and what is important to them

TASTE-DRIVEN
Recognize that taste is king in the foods business

HEALTH-CONSCIOUS
Focus on healthy lifestyles and kid nutrition

ENTREPRENEURIAL
Seek to win differently
Our innovation approach to spreads will follow a process similar to our MegaMex Foods JV

1. Understand our customer
2. Understand how they use our product
3. INNOVATE
   • New Products
   • Marketing & Merchandising
The End