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Hormel Foods Highlights Record 2016 Performance and Focuses on the Future

AUSTIN, Minn., (February 1, 2017) — Hormel Foods Corporation (NYSE: HRL) shared the record results of fiscal year 2016, highlights from its 125th anniversary celebration events and how it will continue to drive future growth during its annual stockholder meeting in Austin, Minn.

Jim Snee, president and chief executive officer at Hormel Foods, delivered the evening's featured presentation and commented on the company's 2016 performance. "2016 was another banner year for Hormel Foods and we continue to be inspired by our mission to produce some of the most trusted and iconic food products for millions of consumers around the globe," Snee said. "We achieved record sales of \$9.5 billion and record earnings of \$1.64 per share, a 29 percent increase over the previous year."

Snee showed highlights from the events of the company's 125th anniversary celebrations from around the world and discussed the 2017 outlook for Hormel Foods. "Our formula for success will continue to allow us to build our portfolio of brands that consumers love, accelerate innovation, complete revolutionary acquisitions and build our balanced model across all of our businesses. We are well positioned to fuel more record-breaking years ahead and I could not be more excited about our future. We have a talented and inspired group of employees who are focused on driving growth, innovation and continued success now and into the next 125 years."

A video of the meeting can be viewed at [hormelfoods.com](http://www.hormelfoods.com/Newsroom/Press-Releases) under the Press Releases section at <http://www.hormelfoods.com/Newsroom/Press-Releases>.

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* Adjusted Financial Measures

¹ COMPARISON OF U.S. GAAP TO NON-GAAP FINANCIAL MEASUREMENTS

The non-GAAP adjusted financial measurements are presented to provide investors additional information to facilitate the comparison of past and present operations. The non-GAAP adjusted financial measurements are used for internal purposes to evaluate the results of operations and to measure a component of certain employee incentive plans in fiscal year 2015. Non-GAAP measurements are not intended to be a substitute for U.S. GAAP measurements in analyzing financial performance. These non-GAAP measurements are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

² ADJUSTED FINANCIAL MEASURES

Adjusted segment operating profit, net earnings, and diluted net earnings per share exclude charges relating to the closure of the Stockton, California, manufacturing facility and the exit from international joint venture businesses in the first quarter of fiscal 2015, and charges relating to the goodwill impairment charge associated with the Diamond Crystal Brands business and an adjustment to the contingent consideration accrual for CytoSport in the fourth quarter of fiscal 2015. The tables below show the calculations to reconcile from the non-GAAP adjusted measures to the GAAP measures in both the fourth quarter and full year of fiscal 2015.

Full Year							
(In thousands, except per share amounts)	2016 Earnings	2015 Non-GAAP Adjusted Earnings	Stockton Plant Closure	International Business Exit	Diamond Crystal Brands Impairment	CytoSport Contingent Consideration Adjustment	2015 GAAP Earnings
Grocery Products	\$268,461	\$239,108	\$(10,526)				\$228,582
Refrigerated Foods	585,652	424,968					424,968
Jennie-O Turkey Store	329,427	276,217					276,217
Specialty Foods	110,917	105,925			\$(21,537)	\$8,870	93,258
International & Other	78,409	87,864		\$(9,546)			78,318
Total segment operating profit	1,372,866	1,134,082	(10,526)	(9,546)	(21,537)	8,870	1,101,343
General corporate expense	(49,436)	(35,199)					(35,199)
Net interest & investment expense	(6,680)	(10,177)					(10,177)
Earnings before income taxes	1,316,750	1,088,706	(10,526)	(9,546)	(21,537)	8,870	1,055,967
Income taxes	(426,698)	(374,334)	3,685	770			(369,879)
Net earnings attributable to Hormel Foods Corporation	\$890,052	\$714,372	\$ (6,841)	\$ (8,776)	\$ (21,537)	\$ 8,870	\$ 686,088
Diluted net earnings per share	\$ 1.64	\$ 1.32	\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ 0.02	\$ 1.27

About Hormel Foods – Inspired People. Inspired Food.™

Hormel Foods Corporation, based in Austin, Minn., is a global branded food company with over \$9 billion in annual revenues across 75 countries worldwide. Its brands include SKIPPY®, SPAM®, Hormel® Natural Choice®, Applegate®, Justin's®, Wholly Guacamole®, Hormel® Black Label® and more than 30 other beloved brands. The company is a member of the S&P 500 Index and the S&P 500 Dividend Aristocrats, was named one of "The 100 Best Corporate Citizens" by Corporate Responsibility Magazine for the eighth year in a row, and has received numerous other awards and accolades for its corporate responsibility and community service efforts. In 2016, the company celebrated its 125th anniversary and announced its new vision for the future - *Inspired People. Inspired Food.™* - focusing on its legacy of innovation. For more information, visit www.hormelfoods.com and <http://2015csr.hormelfoods.com/>.

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Forward-Looking Statements

This news release 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 which appear on pages 31 - 35 in the company's 2016 Annual Report, which can be accessed at www.hormelfoods.com under "Investors-SEC Filings."

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