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EXCELLENCE ON A CONSISTENT BASIS

QUARTERLY UPDATE

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MERGERS & ACQUISITIONS

CAPITAL RAISING

STRATEGIC ADVISORY

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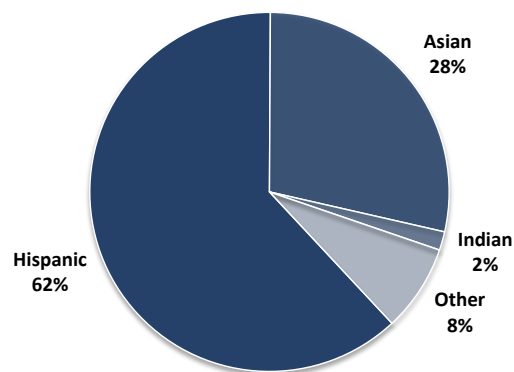
THE NAME METRONOME IS SYMBOLIC OF THE IMPORTANCE OF TIMING AND OF ACHIEVING EXCELLENCE ON A CONSISTENT BASIS. FROM MARATHONERS TO SYMPHONY CONDUCTORS, A SEASONED PERFORMER'S RHYTHM, HARD WORK, DEDICATION AND EXPERIENCE DICTATE THE OUTCOME.

SPOTLIGHT: ETHNIC MEAL OCCASIONS WHAT ARE THE OPPORTUNITIES IN 2012?

Sales of ethnic foods, currently estimated to equal \$2.5 billion, represent only a small fraction of total U.S. food sales; yet this sector may provide one of the most significant opportunities in the food industry. Throughout the past decade, ethnic food has experienced rapid growth, and that growth will likely continue in the future. This will ultimately generate M&A activity as both buyers and sellers position themselves to benefit from these market dynamics.

Ethnic foods will increasingly permeate grocery aisles and restaurant menus, driven primarily by changing U.S. demographics and Americans' growing exposure to foreign palates. Growing ethnic populations are undeniably linked to increasing sales of ethnic foods, but several other factors are also influencing the frequency of ethnic meal occasions. First, traditional ethnic cuisines are often redeveloped to

ETHNIC FOOD SALES BY TYPE (2010)



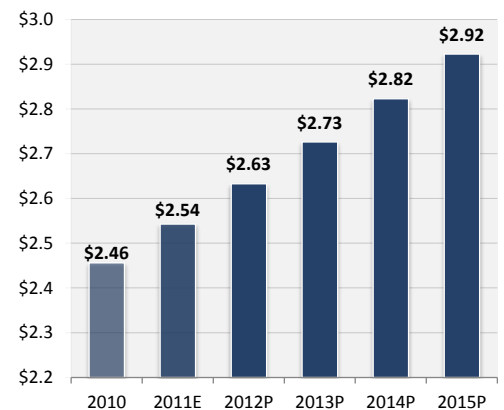
Source: Mintel/SymphonyIRI Group Consumer Network, 2011

incorporate natural, low-sodium or low-fat ingredients, thereby offering consumers an alternative to meals that were once deemed unhealthy. Second, international travel and exposure to new cultures (often via mainstream cooking and travel media) have broadened the appeal of, and increased access to, ethnic dining alternatives. Mintel's Global New

Products Database estimates that 1,000 new Asian food products were launched in the U.S. between early 2006 and mid-December 2010.

While these broad changes may be evident, more subtle issues need to be considered. Cultural traditions greatly influence shopping habits and dining preferences. For example, foods that appeal to Hispanic consumers may struggle in a Brazilian community. Understanding these differences is crucial to a product's market success.

PROJECTED ETHNIC FOOD SALES (\$B)



Source: Mintel/SymphonyIRI Group Consumer Network, 2011

Looking to the future, vast growth opportunities await ethnic food manufacturers. Those firms that individually account for less than 4% of the ethnic food market collectively comprise more than half of the ethnic food market's total sales. In this highly fragmented sector, global food processors aggressively compete to capture additional market share, and are willing to pay aggressive multiples to do so.

Please contact us if you would like to better understand how these trends will impact M&A activity. Dan Malina, a Metronome Senior Advisor, has over 25 years of deal experience, including 12 years at General Mills, where he headed both strategy and M&A.

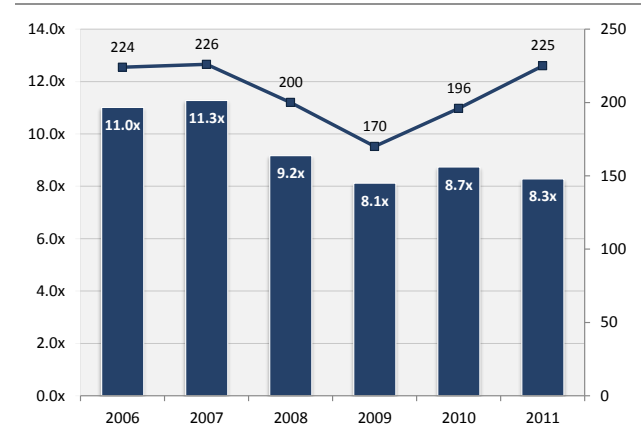
M&A MARKET UPDATE: U.S. FOOD & BEVERAGE

In 2011, the U.S. Food & Beverage M&A market experienced a rebound in transaction volume, reaching 225 deals—a level of activity last realized in 2007 and a 14.8% increase over 2010. Financial buyers completed more than 30 investments in a wide variety of Food & Beverage sub-sectors including, snack foods, confectioneries, baked goods, frozen entrees, vitamins, and pet foods. Despite the increase in activity, aggregate transaction value in 2011 declined \$23.4 billion, or 72.1%, to \$9.0 billion. 2011 median EV/EBITDA multiples exceeded recessionary valuation levels set in 2009 but failed to continue 2010's recovery. The 2012 Food & Beverage M&A market is expected to improve alongside the strengthening U.S. economy and a number of positive market dynamics (e.g., strong competition for high-quality assets and substantial amounts of un-invested private equity capital).

SELECT RECENT TRANSACTIONS

Announced	Target	Acquirer	EV (\$mm)	EV/EBITDA
02/17/2012	Talbott Teas	Jamba Juice	-	-
02/15/2012	The Wimble Company	Kellogg	\$2,695.0	11.1x
02/01/2012	5 Star Frozen Foods	Bernatello's Pizza	-	-
01/17/2012	Marnap Industries	Flavorchem Corp.	-	-
01/17/2012	V.I.S.	Nonni's Foods	-	-
01/17/2012	Beverage House	MB-Holding GmbH	-	-
01/03/2012	C.J. Vitner Company	Snak King Corp.	-	-
11/23/2011	Bellisio Foods	Centre Partners	-	-
11/17/2011	Icelandic Group (U.S. & Asia Ops.)	High Liner Foods	\$230.6	9.3x
11/11/2011	National Pretzel Company	ConAgra Foods	\$296.0	-
11/10/2011	Evolution Fresh	Starbucks Corp.	\$30.0	-
10/28/2011	Alberto-Culver, Culver Specialty Brands	B&G Foods	\$325.0	-
10/04/2011	Chef Solutions	Reser's Fine Foods/Mistral Capital	\$61.7	-
09/20/2011	Teasdale Quality Foods	Palladium Equity Partners	-	-
08/24/2011	Lucini Italia Company	Molinos USA	\$178.6	-
08/22/2011	Pearson's Candy Company	Brynwood Partners	-	-

Source: Capital IQ

MEDIAN EV/EBITDA MULTIPLES AND TRANSACTION VOLUME


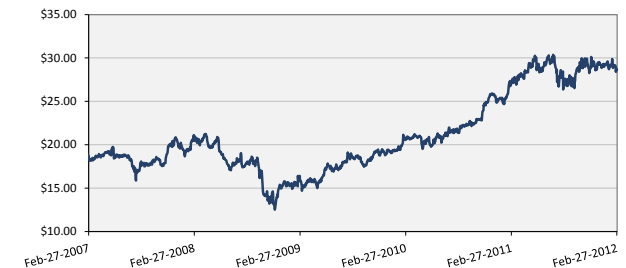
Source: Capital IQ

ACQUIRER PROFILE: HORMEL FOODS (NYSE:HRL)

Hormel Foods Corporation ("Hormel" or the "Company") is a multinational manufacturer of brand-name food products, sold worldwide to retail and foodservice customers. The Company's portfolio of product offerings includes processed meats (fresh, frozen, cured, smoked, cooked, and canned) as well as shelf-stable foods (microwaveable entrees, soups, stews, and snack goods).

In addition to the aforementioned product portfolio, Hormel is a leading manufacturer of ethnic cuisines. The Company offers a wide variety of ethnic side dishes, condiments and snacks that represent Hispanic, Asian, and Mediterranean flavors and culture. Hormel's MegaMex division offers "all the flavors of Mexico" through several market-leading brands—Don Miguel®, CHI-CHI's®, La Victoria®, Herdez®, and Embasa®. Asian and Mediterranean food products are sold under the House of Tsang®, Marrakesh Express®, and Peloponnese® brands, which are members of the Company's WorldFood division. Finally, Hormel's foodservice division includes CAFÉ H®, a provider of ethnic meat products.

Hormel continues to view ethnic meal occasions as a high-growth sector and frequently highlights Hispanic entrees and cuisines as a key growth platform, confirmed by Hormel's investment in Don Miguel, Inc. The Don Miguel acquisition expanded Hormel's Hispanic frozen food offerings and strengthened the Company's distribution network across convenience and warehouse club stores. In order to accelerate penetration into the Hispanic food market, Hormel is seeking additional strategic acquisitions that coincide with the Company's ethnic food innovation, brand building, and food service development efforts.

KEY STATISTICS AND SELECT ACQUISITION HISTORY
5-year Share Pricing

Financial Statistics

As of 01/29/2012		(\$mm)	
Total Revenue (LTM)	\$8,013.0	Total Revenue - 5-year CAGR	6.6%
EBITDA (LTM)	\$795.4	EBITDA - 5-year CAGR	5.9%
Cash & Equivalents	\$625.0	Market Cap (as of 2/27/2012)	\$7,562.0

Select Acquisition History

Date	Target	Description
Aug. 2011	Fresherized Foods, Inc.	Pre-prepared and fresh guacamole
Oct. 2010	Don Miguel, Inc.	Portfolio of Mexican foods
Feb. 2010	Country Crock Chilled Side-Dishes	Ready to heat and serve dishes
Jun. 2008	Boca Grande Foods, Inc.	Liquid portion control foods
Aug. 2007	Burke Marketing Corporation	Italian, Mexican and specialty meats
Jan. 2005	Arriba Foods, Inc.	Flour/corn tortillas, salsa and chips
Aug. 2004	Chi-Chi's, Inc.	Trademark properties for chips and salsa
Nov. 2002	Mexican Accent, LLC	Flour/corn tortillas, salsa and seasonings

Source: Capital IQ

Metronome Partners, LLC is an independent, Chicago and Memphis based M&A advisory firm that specializes in managing, structuring, and negotiating transactions of varying sizes and complexities in a broad range of industries. With over 200 transactions completed by Metronome's principals, the firm guides its clients through critical, value-based corporate finance alternatives, including strategic sales, recapitalizations, divestitures, and debt and equity placements. The firm focuses on middle-market businesses nationwide, valued from \$30 million to over \$500 million.