

## APPENDICES: Kellogg Company Q2 2017 Financial Results Presentation

August 3, 2017

### Exhibit Reconciliation of Non-GAAP Amounts

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**Kellogg Company and Subsidiaries**  
**Adjustments to Reconcile As Reported Results to Currency-Neutral Comparable Results**

(millions, except per share data)

Exhibit 1

**Quarter ended July 1, 2017**

**Year-to-date period ended July 1, 2017**

| (Results are unaudited)                        | Net sales | Cost of goods sold | Selling, general and administrative expense | Operating profit | Net sales | Cost of goods sold | Selling, general and administrative expense | Operating profit |
|--|-----------|--------------------|---|------------------|-----------|--------------------|---|------------------|
| <b>Mark-to-market</b>                          | \$ —      | \$ (8)             | \$ 1  | \$ 7             | \$ —      | \$ 21              | \$ (7)                                      | \$ (14)          |
| <b>Project K and cost reduction activities</b> | —         | 20                 | 76  | (96)             | —         | 35                 | 203   | (238)            |
| <b>Integration and transaction costs</b>       | —         | —                  | —   | —                | —         | —                  | 1   | (1)              |
| <b>Acquisitions</b>                            | 50        | 29                 | 17  | 4                | 101       | 58                 | 33  | 10               |
| <b>Foreign currency impact</b>                 | (23)      | (16)               | (1)   | (6)              | (55)      | (35)               | (5)   | (15)             |
| <b>Comparable adjustments</b>                  | \$ 27     | \$ 25              | \$ 93                                       | \$ (91)          | \$ 46     | \$ 79              | \$ 225                                      | \$ (258)         |

**Quarter ended July 2, 2016**

**Year-to-date period ended July 2, 2016**

| (Results are unaudited)                        | Net sales | Cost of goods sold | Selling, general and administrative expense | Operating profit | Net sales | Cost of goods sold | Selling, general and administrative expense | Operating profit |
|--|-----------|--------------------|---|------------------|-----------|--------------------|---|------------------|
| <b>Mark-to-market</b>                          | \$ —      | \$ (16)            | \$ (4)                                      | \$ 20            | \$ —      | \$ 9               | \$ (5)                                      | \$ (4)           |
| <b>Project K and cost reduction activities</b> | —         | 36                 | 36  | (72)             | —         | 54                 | 70  | (124)            |
| <b>Integration and transaction costs</b>       | —         | —                  | —   | —                | —         | 1                  | —   | (1)              |
| <b>Venezuela operations impact</b>             | 7         | 5                  | 2   | —                | 16        | 9                  | 2   | 5                |
| <b>Venezuela remeasurement</b>                 | —         | 7                  | —   | (7)              | —         | 12                 | 1   | (13)             |
| <b>Comparable adjustments</b>                  | \$ 7      | \$ 32              | \$ 34                                       | \$ (59)          | \$ 16     | \$ 85              | \$ 68                                       | \$ (137)         |

**Kellogg Company and Subsidiaries**  
**Adjustments to Reconcile As Reported Results to Currency-Neutral Comparable Results**  
(millions, except per share data)

Exhibit 2

|   | Quarter ended July 1, 2017 |              |                   |                           | Year-to-date period ended July 1, 2017 |              |                   |                           |
|---|----------------------------|--------------|-------------------|---------------------------|--|--------------|-------------------|---------------------------|
| (Results are unaudited)                                   | Interest expense           | Income taxes | Net income (loss) | Per share amount: Diluted | Interest expense                       | Income taxes | Net income (loss) | Per share amount: Diluted |
| <b>Mark-to-market (pre-tax)</b>                           | \$ —                       | \$ —         | \$ 7              | \$ 0.02                   | \$ —                                   | \$ —         | \$ (14)           | \$ (0.04)                 |
| <b>Project K and cost reduction activities (pre-tax)</b>  | —                          | —            | (96)              | (0.27)                    | —                                      | —            | (238)             | (0.67)                    |
| <b>Integration and transaction costs (pre-tax)</b>        | —                          | —            | —                 | —                         | —                                      | —            | (1)               | —                         |
| <b>Income tax benefit applicable to adjustments, net*</b> | —                          | (31)         | 31                | 0.08                      | —                                      | (81)         | 81                | 0.22                      |
| <b>Foreign currency impact</b>                            | (1)                        | (1)          | (5)               | (0.01)                    | (1)                                    | (1)          | (14)              | (0.04)                    |
| <b>Comparable adjustments</b>                             | \$ (1)                     | \$ (32)      | \$ (63)           | \$ (0.18)                 | \$ (1)                                 | \$ (82)      | \$ (186)          | \$ (0.53)                 |

  

|   | Quarter ended July 2, 2016 |              |                   |                           | Year-to-date period ended July 2, 2016 |              |                   |                           |
|---|----------------------------|--------------|-------------------|---------------------------|--|--------------|-------------------|---------------------------|
| (Results are unaudited)                                   | Interest expense           | Income taxes | Net income (loss) | Per share amount: Diluted | Interest expense                       | Income taxes | Net income (loss) | Per share amount: Diluted |
| <b>Mark-to-market (pre-tax)</b>                           | \$ —                       | \$ —         | \$ 20             | \$ 0.05                   | \$ —                                   | \$ —         | \$ (4)            | \$ (0.01)                 |
| <b>Project K and cost reduction activities (pre-tax)</b>  | —                          | —            | (72)              | (0.20)                    | —                                      | —            | (124)             | (0.35)                    |
| <b>Other costs impacting comparability (pre-tax)</b>      | —                          | —            | —                 | —                         | 153                                    | —            | (153)             | (0.43)                    |
| <b>Integration and transaction costs (pre-tax)</b>        | —                          | —            | —                 | —                         | —                                      | —            | (1)               | —                         |
| <b>Venezuela operations impact (pre-tax)</b>              | —                          | —            | —                 | —                         | —                                      | —            | 5                 | 0.01                      |
| <b>Venezuela remeasurement (pre-tax)</b>                  | —                          | —            | (5)               | (0.01)                    | —                                      | —            | (11)              | (0.03)                    |
| <b>Income tax benefit applicable to adjustments, net*</b> | —                          | (16)         | 16                | 0.04                      | —                                      | (83)         | 83                | 0.24                      |
| <b>Comparable adjustments</b>                             | \$ —                       | \$ (16)      | \$ (41)           | \$ (0.12)                 | \$ 153                                 | \$ (83)      | \$ (205)          | \$ (0.57)                 |

\* Represents the estimated income tax effect on the reconciling items, using weighted-average statutory tax rates, depending upon the applicable jurisdiction.

## Kellogg Company and Subsidiaries

### Reconciliation of Non-GAAP Amounts - Reported Net Sales to Currency-Neutral Comparable Net Sales

Exhibit 3

#### Quarter ended July 1, 2017

| (millions)                                   | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|--|--------------------------|----------------|-------------------|---------------------------|------------------------|--------|------------------|-----------------|-----------|-------------------------|
| <b>Reported net sales</b>                    | \$ 679                   | \$ 803         | \$ 276            | \$ 391                    | \$ 2,149               | \$ 566 | \$ 234           | \$ 238          | \$ —      | \$ 3,187                |
| Acquisitions                                 | —                        | —              | —                 | —                         | —                      | 4      | 46               | —               | —         | 50                      |
| <b>Comparable net sales</b>                  | \$ 679                   | \$ 803         | \$ 276            | \$ 391                    | \$ 2,149               | \$ 562 | \$ 188           | \$ 238          | \$ —      | \$ 3,137                |
| Foreign currency impact                      | —                        | —              | —                 | (5)                       | (5)                    | (23)   | (1)              | 6               | —         | (23)                    |
| <b>Currency-neutral comparable net sales</b> | \$ 679                   | \$ 803         | \$ 276            | \$ 396                    | \$ 2,154               | \$ 585 | \$ 189           | \$ 232          | \$ —      | \$ 3,160                |

#### Quarter ended July 2, 2016

| (millions)                  | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|-----------------------------|--------------------------|----------------|-------------------|---------------------------|------------------------|--------|------------------|-----------------|-----------|-------------------------|
| <b>Reported net sales</b>   | \$ 727                   | \$ 803         | \$ 271            | \$ 406                    | \$ 2,207               | \$ 629 | \$ 204           | \$ 228          | \$ —      | \$ 3,268                |
| Venezuela operations impact | —                        | —              | —                 | —                         | —                      | —      | 7                | —               | —         | 7                       |
| <b>Comparable net sales</b> | \$ 727                   | \$ 803         | \$ 271            | \$ 406                    | \$ 2,207               | \$ 629 | \$ 197           | \$ 228          | \$ —      | \$ 3,261                |

#### % change - 2017 vs. 2016:

|   |        |     |      |        |        |         |        |        |    |        |
|---|--------|-----|------|--------|--------|---------|--------|--------|----|--------|
| <b>Reported growth</b>                    | (6.6)% | — % | 1.8% | (3.6)% | (2.6)% | (10.0)% | 14.8 % | 4.3%   | —% | (2.5)% |
| Acquisitions                              | — %    | — % | —%   | — %    | — %    | 0.6 %   | 22.4 % | —%     | —% | 1.5 %  |
| Venezuela operations impact               | — %    | — % | —%   | — %    | — %    | — %     | (2.7)% | —%     | —% | (0.2)% |
| <b>Comparable growth</b>                  | (6.6)% | — % | 1.8% | (3.6)% | (2.6)% | (10.6)% | (4.9)% | 4.3%   | —% | (3.8)% |
| Foreign currency impact                   | — %    | — % | —%   | (1.0)% | (0.2)% | (3.6)%  | (0.9)% | 2.2%   | —% | (0.7)% |
| <b>Currency-neutral comparable growth</b> | (6.6)% | — % | 1.8% | (2.6)% | (2.4)% | (7.0)%  | (4.0)% | 2.1%   | —% | (3.1)% |
| Volume (tonnage)                          |        |     |      |        | (3.7)% | (8.6)%  | (7.4)% | (1.9)% | —% | (4.9)% |
| Pricing/mix                               |        |     |      |        | 1.3 %  | 1.6 %   | 3.4 %  | 4.0%   | —% | 1.8 %  |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - First Quarter 2017 Reported Net Sales to Currency-Neutral Comparable Net Sales**

Exhibit 4

Quarter ended April 1, 2017

| (millions)                                   | U.S. Morning Foods | U.S. Snacks | U.S. Specialty | North America Other | Total North America | Europe | Latin America | Asia Pacific | Corporate | Kellogg Consolidated |
|--|--------------------|-------------|----------------|---------------------|---------------------|--------|---------------|--------------|-----------|----------------------|
| <b>Reported net sales</b>                    | \$ 719             | \$ 781      | \$ 395         | \$ 393              | \$ 2,288            | \$ 512 | \$ 222        | \$ 232       | \$ —      | \$ 3,254             |
| Acquisitions                                 | —                  | —           | —              | 1                   | 1                   | 3      | 47            | —            | —         | 51                   |
| <b>Comparable net sales</b>                  | \$ 719             | \$ 781      | \$ 395         | \$ 392              | \$ 2,287            | \$ 509 | \$ 175        | \$ 232       | \$ —      | \$ 3,203             |
| Foreign currency impact                      | —                  | —           | —              | 4                   | 4                   | (39)   | (6)           | 9            | —         | (32)                 |
| <b>Currency-neutral comparable net sales</b> | \$ 719             | \$ 781      | \$ 395         | \$ 388              | \$ 2,283            | \$ 548 | \$ 181        | \$ 223       | \$ —      | \$ 3,235             |

Quarter ended April 2, 2016

| (millions)                  | U.S. Morning Foods | U.S. Snacks | U.S. Specialty | North America Other | Total North America | Europe | Latin America | Asia Pacific | Corporate | Kellogg Consolidated |
|-----------------------------|--------------------|-------------|----------------|---------------------|---------------------|--------|---------------|--------------|-----------|----------------------|
| <b>Reported net sales</b>   | \$ 767             | \$ 832      | \$ 376         | \$ 414              | \$ 2,389            | \$ 598 | \$ 192        | \$ 216       | \$ —      | \$ 3,395             |
| Venezuela operations impact | —                  | —           | —              | —                   | —                   | —      | 9             | —            | —         | 9                    |
| <b>Comparable net sales</b> | \$ 767             | \$ 832      | \$ 376         | \$ 414              | \$ 2,389            | \$ 598 | \$ 183        | \$ 216       | \$ —      | \$ 3,386             |

% change - 2017 vs. 2016:

|   |        |        |      |        |        |         |        |      |    |        |
|---|--------|--------|------|--------|--------|---------|--------|------|----|--------|
| <b>Reported growth</b>                    | (6.3)% | (6.1)% | 5.1% | (5.1)% | (4.2)% | (14.3)% | 15.8%  | 7.3% | —% | (4.1)% |
| Acquisitions                              | —%     | —%     | —%   | 0.4%   | 0.1%   | 0.5%    | 24.4%  | —%   | —% | 1.6%   |
| Venezuela operations impact               | —%     | —%     | —%   | —%     | —%     | —%      | (4.8)% | —%   | —% | (0.3)% |
| <b>Comparable growth</b>                  | (6.3)% | (6.1)% | 5.1% | (5.5)% | (4.3)% | (14.8)% | (3.8)% | 7.3% | —% | (5.4)% |
| Foreign currency impact                   | —%     | —%     | —%   | 0.7%   | 0.1%   | (6.5)%  | (2.9)% | 4.4% | —% | (1.0)% |
| <b>Currency-neutral comparable growth</b> | (6.3)% | (6.1)% | 5.1% | (6.2)% | (4.4)% | (8.3)%  | (0.9)% | 2.9% | —% | (4.4)% |
| Volume (tonnage)                          |        |        |      |        | (4.9)% | (10.9)% | (6.0)% | 2.2% | —% | (5.7)% |
| Pricing/mix                               |        |        |      |        | 0.5%   | 2.6%    | 5.1%   | 0.7% | —% | 1.3%   |

## Kellogg Company and Subsidiaries

### Reconciliation of Non-GAAP Amounts - Reported Net Sales to Currency-Neutral Comparable Net Sales

Exhibit 5

Year-to-date period ended July 1, 2017

| (millions)                                   | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total North<br>America | Europe   | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|--|--------------------------|----------------|-------------------|---------------------------|------------------------|----------|------------------|-----------------|-----------|-------------------------|
| <b>Reported net sales</b>                    | \$ 1,398                 | \$ 1,584       | \$ 671            | \$ 784                    | \$ 4,437               | \$ 1,078 | \$ 456           | \$ 470          | \$ —      | \$ 6,441                |
| Acquisitions                                 | —                        | —              | —                 | 1                         | 1                      | 7        | 93               | —               | —         | 101                     |
| <b>Comparable net sales</b>                  | \$ 1,398                 | \$ 1,584       | \$ 671            | \$ 783                    | \$ 4,436               | \$ 1,071 | \$ 363           | \$ 470          | \$ —      | \$ 6,340                |
| Foreign currency impact                      | —                        | —              | —                 | (1)                       | (1)                    | (62)     | (7)              | 15              | —         | (55)                    |
| <b>Currency-neutral comparable net sales</b> | \$ 1,398                 | \$ 1,584       | \$ 671            | \$ 784                    | \$ 4,437               | \$ 1,133 | \$ 370           | \$ 455          | \$ —      | \$ 6,395                |

Year-to-date period ended July 2, 2016

| (millions)                  | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total North<br>America | Europe   | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|-----------------------------|--------------------------|----------------|-------------------|---------------------------|------------------------|----------|------------------|-----------------|-----------|-------------------------|
| <b>Reported net sales</b>   | \$ 1,494                 | \$ 1,635       | \$ 647            | \$ 820                    | \$ 4,596               | \$ 1,227 | \$ 396           | \$ 444          | \$ —      | \$ 6,663                |
| Venezuela operations impact | —                        | —              | —                 | —                         | —                      | —        | 16               | —               | —         | 16                      |
| <b>Comparable net sales</b> | \$ 1,494                 | \$ 1,635       | \$ 647            | \$ 820                    | \$ 4,596               | \$ 1,227 | \$ 380           | \$ 444          | \$ —      | \$ 6,647                |

% change - 2017 vs. 2016:

|   |        |        |      |        |        |         |        |      |    |        |
|---|--------|--------|------|--------|--------|---------|--------|------|----|--------|
| <b>Reported growth</b>                    | (6.5)% | (3.1)% | 3.7% | (4.3)% | (3.5)% | (12.1)% | 15.3 % | 5.7% | —% | (3.3)% |
| Acquisitions                              | — %    | — %    | —%   | 0.2 %  | — %    | 0.6 %   | 23.4 % | —%   | —% | 1.5 %  |
| Venezuela operations impact               | — %    | — %    | —%   | — %    | — %    | — %     | (3.7)% | —%   | —% | (0.2)% |
| <b>Comparable growth</b>                  | (6.5)% | (3.1)% | 3.7% | (4.5)% | (3.5)% | (12.7)% | (4.4)% | 5.7% | —% | (4.6)% |
| Foreign currency impact                   | — %    | — %    | —%   | (0.1)% | — %    | (5.1)%  | (1.9)% | 3.2% | —% | (0.8)% |
| <b>Currency-neutral comparable growth</b> | (6.5)% | (3.1)% | 3.7% | (4.4)% | (3.5)% | (7.6)%  | (2.5)% | 2.5% | —% | (3.8)% |
| Volume (tonnage)                          |        |        |      |        | (4.3)% | (9.8)%  | (6.7)% | 0.1% | —% | (5.3)% |
| Pricing/mix                               |        |        |      |        | 0.8 %  | 2.2 %   | 4.2 %  | 2.4% | —% | 1.5 %  |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - Reported Gross Profit to Currency-Neutral Comparable Gross Profit**

Exhibit 6

|   | Quarter ended   |                 | Year-to-date period ended |                 |
|---|-----------------|-----------------|---------------------------|-----------------|
|   | July 1,<br>2017 | July 2,<br>2016 | July 1,<br>2017           | July 2,<br>2016 |
| <b>Reported gross profit</b>                    | <b>\$ 1,265</b> | <b>\$ 1,270</b> | <b>\$ 2,469</b>           | <b>\$ 2,515</b> |
| Mark-to-market (COGS)                           | 8               | 16              | (21)                      | (9)             |
| Project K and cost reduction activities (COGS)  | (20)            | (36)            | (35)                      | (54)            |
| Integration and transaction costs (COGS)        | —               | —               | —                         | (1)             |
| Acquisitions (COGS)                             | 21              | —               | 43                        | —               |
| Venezuela operations impact (COGS)              | —               | 2               | —                         | 7               |
| Venezuela remeasurement (COGS)                  | —               | (7)             | —                         | (12)            |
| <b>Comparable gross profit</b>                  | <b>\$ 1,256</b> | <b>\$ 1,295</b> | <b>\$ 2,482</b>           | <b>\$ 2,584</b> |
| Foreign currency impact                         | (7)             |                 | (20)                      |                 |
| <b>Currency-neutral comparable gross profit</b> | <b>\$ 1,263</b> |                 | <b>\$ 2,502</b>           |                 |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - Reported Gross Margin to Currency-Neutral Comparable Gross Margin**

Exhibit 7

|   | Quarter ended   |                 | Year-to-date period ended |                 |
|---|-----------------|-----------------|---------------------------|-----------------|
|   | July 1,<br>2017 | July 2,<br>2016 | July 1,<br>2017           | July 2,<br>2016 |
| <b>Reported gross margin</b>                    | <b>39.7 %</b>   | 38.9 %          | <b>38.3 %</b>             | 37.7 %          |
| Mark-to-market (COGS)                           | <b>0.3 %</b>    | 0.5 %           | <b>(0.4)%</b>             | (0.2)%          |
| Project K and cost reduction activities (COGS)  | <b>(0.7)%</b>   | (1.0)%          | <b>(0.5)%</b>             | (0.8)%          |
| Acquisitions (COGS)                             | <b>0.1 %</b>    | — %             | <b>0.1 %</b>              | — %             |
| Venezuela operations impact (COGS)              | — %             | (0.1)%          | — %                       | — %             |
| Venezuela remeasurement (COGS)                  | — %             | (0.2)%          | — %                       | (0.2)%          |
| <b>Comparable gross margin</b>                  | <b>40.0 %</b>   | 39.7 %          | <b>39.1 %</b>             | 38.9 %          |
| Foreign currency impact                         | — %             |                 | — %                       |                 |
| <b>Currency-neutral comparable gross margin</b> | <b>40.0 %</b>   |                 | <b>39.1 %</b>             |                 |

**Kellogg Company and Subsidiaries**
**Reconciliation of Non-GAAP Amounts - Reported Operating Profit to Currency-Neutral Comparable Operating Profit**

Exhibit 8

**Quarter ended July 1, 2017**

| (millions)                              | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total<br>North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|---|--------------------------|----------------|-------------------|---------------------------|---------------------------|--------|------------------|-----------------|-----------|-------------------------|
| <b>Reported</b>                         | \$ 176                   | \$ 22          | \$ 70             | \$ 59                     | \$ 327                    | \$ 76  | \$ 26            | \$ 19           | \$ 5      | \$ 453                  |
| Mark-to-market                          | —                        | —              | —                 | —                         | —                         | —      | —                | —               | 7         | 7                       |
| Project K and cost reduction activities | (1)                      | (79)           | (1)               | (2)                       | (83)                      | (2)    | (3)              | (3)             | (5)       | (96)                    |
| Acquisitions                            | —                        | —              | —                 | —                         | —                         | —      | 4                | —               | —         | 4                       |
| <b>Comparable</b>                       | \$ 177                   | \$ 101         | \$ 71             | \$ 61                     | \$ 410                    | \$ 78  | \$ 25            | \$ 22           | \$ 3      | \$ 538                  |
| Foreign currency impact                 | —                        | —              | —                 | (1)                       | (1)                       | (4)    | —                | 1               | (2)       | (6)                     |
| <b>Currency-neutral comparable</b>      | \$ 177                   | \$ 101         | \$ 71             | \$ 62                     | \$ 411                    | \$ 82  | \$ 25            | \$ 21           | \$ 5      | \$ 544                  |

**Quarter ended July 2, 2016**

| (millions)                              | U.S.<br>Morning<br>Foods | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total<br>North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |
|---|--------------------------|----------------|-------------------|---------------------------|---------------------------|--------|------------------|-----------------|-----------|-------------------------|
| <b>Reported</b>                         | \$ 165                   | \$ 69          | \$ 60             | \$ 47                     | \$ 341                    | \$ 68  | \$ 20            | \$ 12           | \$ 8      | \$ 449                  |
| Mark-to-market                          | —                        | —              | —                 | —                         | —                         | —      | —                | —               | 20        | 20                      |
| Project K and cost reduction activities | (4)                      | (34)           | (1)               | (4)                       | (43)                      | (14)   | (4)              | (4)             | (7)       | (72)                    |
| Venezuela remeasurement                 | —                        | —              | —                 | —                         | —                         | —      | (7)              | —               | —         | (7)                     |
| <b>Comparable</b>                       | \$ 169                   | \$ 103         | \$ 61             | \$ 51                     | \$ 384                    | \$ 82  | \$ 31            | \$ 16           | \$ (5)    | \$ 508                  |

**% change - 2017 vs. 2016:**

|   |             |                |              |               |               |               |                |              |                |              |
|---|-------------|----------------|--------------|---------------|---------------|---------------|----------------|--------------|----------------|--------------|
| <b>Reported growth</b>                    | <b>6.4%</b> | <b>(68.0)%</b> | <b>16.9%</b> | <b>26.1 %</b> | <b>(4.0)%</b> | <b>11.9 %</b> | <b>29.2 %</b>  | <b>57.1%</b> | <b>(44.9)%</b> | <b>0.7 %</b> |
| Mark-to-market                            | —%          | — %            | —%           | — %           | — %           | — %           | — %            | —%           | (126.2)%       | (3.1)%       |
| Project K and cost reduction activities   | 1.4%        | (66.6)%        | 1.6%         | 8.6 %         | (10.6)%       | 16.9 %        | 6.6 %          | 16.8%        | (110.3)%       | (4.2)%       |
| Integration and transaction costs         | —%          | — %            | —%           | — %           | — %           | 0.4 %         | (2.0)%         | 1.5%         | — %            | — %          |
| Acquisitions                              | —%          | — %            | —%           | — %           | — %           | (0.3)%        | 19.2 %         | —%           | — %            | 0.8 %        |
| Venezuela operations impact               | —%          | — %            | —%           | — %           | — %           | — %           | (0.8)%         | —%           | (1.5)%         | — %          |
| Venezuela remeasurement                   | —%          | — %            | —%           | — %           | — %           | — %           | 22.5 %         | —%           | — %            | 1.3 %        |
| <b>Comparable growth</b>                  | <b>5.0%</b> | <b>(1.4)%</b>  | <b>15.3%</b> | <b>17.5 %</b> | <b>6.6 %</b>  | <b>(5.1)%</b> | <b>(16.3)%</b> | <b>38.8%</b> | <b>193.1 %</b> | <b>5.9 %</b> |
| Foreign currency impact                   | —%          | — %            | —%           | (1.0)%        | (0.2)%        | (4.0)%        | (1.7)%         | 3.9%         | (41.2)%        | (1.0)%       |
| <b>Currency-neutral comparable growth</b> | <b>5.0%</b> | <b>(1.4)%</b>  | <b>15.3%</b> | <b>18.5 %</b> | <b>6.8 %</b>  | <b>(1.1)%</b> | <b>(14.6)%</b> | <b>34.9%</b> | <b>234.3 %</b> | <b>6.9 %</b> |

**Kellogg Company and Subsidiaries**
**Reconciliation of Non-GAAP Amounts - Reported Operating Profit to Currency-Neutral Comparable Operating Profit**

Exhibit 9

Year-to-date period ended July 1, 2017

| (millions)                              | U.S. Morning Foods | U.S. Snacks | U.S. Specialty | North America Other | Total North America | Europe | Latin America | Asia Pacific | Corporate | Kellogg Consolidated |
|---|--------------------|-------------|----------------|---------------------|---------------------|--------|---------------|--------------|-----------|----------------------|
| <b>Reported</b>                         | \$ 336             | \$ (22)     | \$ 166         | \$ 108              | \$ 588              | \$ 142 | \$ 59         | \$ 41        | \$ (17)   | \$ 813               |
| Mark-to-market                          | —                  | —           | —              | —                   | —                   | —      | —             | —            | (14)      | (14)                 |
| Project K and cost reduction activities | (2)                | (199)       | (1)            | (9)                 | (211)               | (8)    | (4)           | (4)          | (11)      | (238)                |
| Integration and transaction costs       | —                  | —           | —              | —                   | —                   | —      | (1)           | —            | —         | (1)                  |
| Acquisitions                            | —                  | —           | —              | (2)                 | (2)                 | —      | 12            | —            | —         | 10                   |
| <b>Comparable</b>                       | \$ 338             | \$ 177      | \$ 167         | \$ 119              | \$ 801              | \$ 150 | \$ 52         | \$ 45        | \$ 8      | \$ 1,056             |
| Foreign currency impact                 | —                  | —           | —              | (1)                 | (1)                 | (11)   | (3)           | 2            | (2)       | (15)                 |
| <b>Currency-neutral comparable</b>      | \$ 338             | \$ 177      | \$ 167         | \$ 120              | \$ 802              | \$ 161 | \$ 55         | \$ 43        | \$ 10     | \$ 1,071             |

Year-to-date period ended July 2, 2016

| (millions)                              | U.S. Morning Foods | U.S. Snacks | U.S. Specialty | North America Other | Total North America | Europe | Latin America | Asia Pacific | Corporate | Kellogg Consolidated |
|---|--------------------|-------------|----------------|---------------------|---------------------|--------|---------------|--------------|-----------|----------------------|
| <b>Reported</b>                         | \$ 313             | \$ 152      | \$ 146         | \$ 92               | \$ 703              | \$ 138 | \$ 43         | \$ 29        | \$ (26)   | \$ 887               |
| Mark-to-market                          | —                  | —           | —              | —                   | —                   | —      | —             | —            | (4)       | (4)                  |
| Project K and cost reduction activities | (9)                | (54)        | (3)            | (13)                | (79)                | (28)   | (4)           | (4)          | (9)       | (124)                |
| Integration and transaction costs       | —                  | —           | —              | —                   | —                   | (1)    | —             | —            | —         | (1)                  |
| Venezuela operations impact             | —                  | —           | —              | —                   | —                   | —      | 5             | —            | —         | 5                    |
| Venezuela remeasurement                 | —                  | —           | —              | —                   | —                   | —      | (13)          | —            | —         | (13)                 |
| <b>Comparable</b>                       | \$ 322             | \$ 206      | \$ 149         | \$ 105              | \$ 782              | \$ 167 | \$ 55         | \$ 33        | \$ (13)   | \$ 1,024             |

**% change - 2017 vs. 2016:**

|   |             |                 |              |               |                |               |               |              |                |               |
|---|-------------|-----------------|--------------|---------------|----------------|---------------|---------------|--------------|----------------|---------------|
| <b>Reported growth</b>                    | <b>7.4%</b> | <b>(114.5)%</b> | <b>13.7%</b> | <b>17.7 %</b> | <b>(16.3)%</b> | <b>3.3 %</b>  | <b>36.7 %</b> | <b>43.0%</b> | <b>30.6 %</b>  | <b>(8.4)%</b> |
| Mark-to-market                            | —%          | —%              | —%           | —%            | —%             | —%            | —%            | —%           | (53.6)%        | (1.2)%        |
| Project K and cost reduction activities   | 2.2%        | (100.5)%        | 2.1%         | 6.2 %         | (18.5)%        | 12.8 %        | 2.6 %         | 4.9%         | (79.3)%        | (12.1)%       |
| Integration and transaction costs         | —%          | —%              | —%           | —%            | —%             | 0.3 %         | (2.3)%        | 1.1%         | (1.8)%         | —%            |
| Acquisitions                              | —%          | —%              | —%           | (1.7)%        | (0.2)%         | (0.3)%        | 25.5 %        | —%           | —%             | 1.0 %         |
| Venezuela operations impact               | —%          | —%              | —%           | —%            | —%             | —%            | (15.1)%       | —%           | (1.1)%         | (0.6)%        |
| Venezuela remeasurement                   | —%          | —%              | —%           | —%            | —%             | —%            | 29.7 %        | —%           | —%             | 1.3 %         |
| <b>Comparable growth</b>                  | <b>5.2%</b> | <b>(14.0)%</b>  | <b>11.6%</b> | <b>13.2 %</b> | <b>2.4 %</b>   | <b>(9.5)%</b> | <b>(3.7)%</b> | <b>37.0%</b> | <b>166.4 %</b> | <b>3.2 %</b>  |
| Foreign currency impact                   | —%          | —%              | —%           | (0.2)%        | (0.1)%         | (6.0)%        | (5.2)%        | 5.7%         | (27.8)%        | (1.4)%        |
| <b>Currency-neutral comparable growth</b> | <b>5.2%</b> | <b>(14.0)%</b>  | <b>11.6%</b> | <b>13.4 %</b> | <b>2.5 %</b>   | <b>(3.5)%</b> | <b>1.5 %</b>  | <b>31.3%</b> | <b>194.2 %</b> | <b>4.6 %</b>  |

**Kellogg Company and Subsidiaries**
**Reconciliation of Non-GAAP Amounts - Reported Operating Margin to Currency-Neutral Comparable Operating Margin**

Exhibit 10

|   | Quarter ended July 1, 2017 |                |                   |                           |                           |        |                  |                 |           |                         |        |
|---|----------------------------|----------------|-------------------|---------------------------|---------------------------|--------|------------------|-----------------|-----------|-------------------------|--------|
|   | U.S.<br>Morning<br>Foods   | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total<br>North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |        |
|   | <i>Basis points change</i> |                |                   |                           |                           |        |                  |                 |           |                         | %      |
| <b>Reported</b>                         | 3.2                        | (5.8)          | 3.3               | 3.5                       | (0.2)                     | 2.6    | 1.2              | 2.7             | —         | 0.4                     | 14.2 % |
| Mark-to-market                          | —                          | —              | —                 | —                         | —                         | —      | —                | —               | —         | (0.5)                   | 0.2 %  |
| Project K and cost reduction activities | 0.3                        | (5.7)          | 0.3               | 0.6                       | (1.9)                     | 1.9    | 0.4              | 0.4             | —         | (0.8)                   | (3.0)% |
| Other costs impacting comparability     | —                          | —              | —                 | —                         | —                         | —      | —                | —               | —         | —                       | — %    |
| Integration and transaction costs       | —                          | —              | —                 | —                         | —                         | —      | (0.2)            | 0.1             | —         | 0.1                     | — %    |
| Acquisitions                            | —                          | —              | —                 | —                         | —                         | (0.1)  | (0.6)            | —               | —         | (0.2)                   | (0.2)% |
| Venezuela operations impact             | —                          | —              | —                 | —                         | —                         | —      | 0.3              | —               | —         | —                       | — %    |
| Venezuela remeasurement                 | —                          | —              | —                 | —                         | —                         | —      | 3.1              | —               | —         | 0.2                     | — %    |
| <b>Comparable</b>                       | 2.9                        | (0.1)          | 3.0               | 2.9                       | 1.7                       | 0.8    | (1.8)            | 2.2             | —         | 1.6                     | 17.2 % |
| Foreign currency impact                 | —                          | —              | —                 | 0.1                       | —                         | (0.1)  | (0.2)            | 0.1             | —         | —                       | — %    |
| <b>Currency-neutral comparable</b>      | 2.9                        | (0.1)          | 3.0               | 2.8                       | 1.7                       | 0.9    | (1.6)            | 2.1             | —         | 1.6                     | 17.2 % |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - Reported Operating Margin to Currency-Neutral Comparable Operating Margin**

Exhibit 11

| Year-to-date period ended July 1, 2017  |                            |                |                   |                           |                           |        |                  |                 |           |                         |        |
|---|----------------------------|----------------|-------------------|---------------------------|---------------------------|--------|------------------|-----------------|-----------|-------------------------|--------|
|   | U.S.<br>Morning<br>Foods   | U.S.<br>Snacks | U.S.<br>Specialty | North<br>America<br>Other | Total<br>North<br>America | Europe | Latin<br>America | Asia<br>Pacific | Corporate | Kellogg<br>Consolidated |        |
|   | <i>Basis points change</i> |                |                   |                           |                           |        |                  |                 |           |                         | %      |
| <b>Reported</b>                         | 3.1                        | (10.7)         | 2.1               | 2.6                       | (2.0)                     | 2.0    | 2.0              | 2.2             | —         | (0.7)                   | 12.6 % |
| Mark-to-market                          | —                          | —              | —                 | —                         | —                         | —      | —                | —               | —         | (0.1)                   | (0.2)% |
| Project K and cost reduction activities | 0.4                        | (9.3)          | 0.3               | 0.5                       | (3.0)                     | 1.6    | —                | (0.1)           | —         | (1.9)                   | (3.7)% |
| Other costs impacting comparability     | —                          | —              | —                 | —                         | —                         | —      | —                | —               | —         | —                       | — %    |
| Integration and transaction costs       | —                          | —              | —                 | —                         | —                         | 0.1    | (0.2)            | 0.1             | —         | —                       | (0.1)% |
| Acquisitions                            | —                          | —              | —                 | (0.2)                     | (0.1)                     | (0.2)  | (0.3)            | —               | —         | (0.1)                   | (0.1)% |
| Venezuela operations impact             | —                          | —              | —                 | —                         | —                         | —      | (1.0)            | —               | —         | (0.1)                   | — %    |
| Venezuela remeasurement                 | —                          | —              | —                 | —                         | —                         | —      | 3.4              | —               | —         | 0.2                     | — %    |
| <b>Comparable</b>                       | 2.7                        | (1.4)          | 1.8               | 2.3                       | 1.1                       | 0.5    | 0.1              | 2.2             | —         | 1.3                     | 16.7 % |
| Foreign currency impact                 | —                          | —              | —                 | (0.1)                     | —                         | (0.1)  | (0.5)            | 0.1             | —         | —                       | — %    |
| <b>Currency-neutral comparable</b>      | 2.7                        | (1.4)          | 1.8               | 2.4                       | 1.1                       | 0.6    | 0.6              | 2.1             | —         | 1.3                     | 16.7 % |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - Reported Effective Tax Rate to Comparable Effective Tax Rate**

Exhibit 12

|   | Quarter ended   |                 | Year-to-date period ended |                 |
|---|-----------------|-----------------|---------------------------|-----------------|
|   | July 1,<br>2017 | July 2,<br>2016 | July 1,<br>2017           | July 2,<br>2016 |
| <b>Reported effective tax rate</b>      | <b>26.4 %</b>   | 27.4 %          | <b>20.9 %</b>             | 25.2 %          |
| Mark-to-market                          | <b>0.1 %</b>    | 0.5 %           | <b>0.2 %</b>              | 0.5 %           |
| Project K and cost reduction activities | <b>(1.9)%</b>   | (1.0)%          | <b>(3.3)%</b>             | (0.2)%          |
| Other costs impacting comparability     | — %             | — %             | — %                       | (1.7)%          |
| Venezuela operations impact             | — %             | — %             | — %                       | (0.1)%          |
| Venezuela remeasurement                 | — %             | 0.3 %           | — %                       | 0.3 %           |
| <b>Comparable effective tax rate</b>    | <b>28.2 %</b>   | 27.6 %          | <b>24.0 %</b>             | 26.4 %          |

**Kellogg Company and Subsidiaries**

**Reconciliation of Non-GAAP Amounts - Reported Diluted EPS to Currency-Neutral Comparable Diluted EPS**

Exhibit 13

|  | Quarter ended   |                 |                | Year-to-date period ended |                 |                |
|--|-----------------|-----------------|----------------|---------------------------|-----------------|----------------|
|  | July 1,<br>2017 | July 2,<br>2016 | Growth<br>rate | July 1,<br>2017           | July 2,<br>2016 | Growth<br>rate |
| <b>Reported diluted EPS</b>                        | <b>\$ 0.80</b>  | <b>\$ 0.79</b>  | <b>1.3%</b>    | <b>\$ 1.54</b>            | <b>\$ 1.29</b>  | <b>19.4%</b>   |
| Mark-to-market (pre-tax)                           | 0.02            | 0.05            |                | (0.04)                    | (0.01)          |                |
| Project K and cost reduction activities (pre-tax)  | (0.27)          | (0.20)          |                | (0.67)                    | (0.35)          |                |
| Other costs impacting comparability (pre-tax)      | —               | —               |                | —                         | (0.43)          |                |
| Venezuela operations impact (pre-tax)              | —               | —               |                | —                         | 0.01            |                |
| Venezuela remeasurement (pre-tax)                  | —               | (0.01)          |                | —                         | (0.03)          |                |
| Income tax benefit applicable to adjustments, net* | 0.08            | 0.04            |                | 0.22                      | 0.24            |                |
| <b>Comparable diluted EPS</b>                      | <b>\$ 0.97</b>  | <b>\$ 0.91</b>  | <b>6.6%</b>    | <b>\$ 2.03</b>            | <b>\$ 1.86</b>  | <b>9.1%</b>    |
| Foreign currency impact                            | (0.01)          |                 |                | (0.04)                    |                 |                |
| <b>Currency-neutral comparable diluted EPS</b>     | <b>\$ 0.98</b>  |                 | <b>7.7%</b>    | <b>\$ 2.07</b>            |                 | <b>11.3%</b>   |

\* Represents the estimated income tax effect on the reconciling items, using weighted-average statutory tax rates, depending upon the applicable jurisdiction.

## Kellogg Company and Subsidiaries

### Reconciliation of Non-GAAP Amounts - Reported Cash Flow to Kellogg Defined Cash Flow

Exhibit 14

| (millions)   | Year-to-date period ended |                 |
|--|---------------------------|-----------------|
|  | July 1,<br>2017           | July 2,<br>2016 |
| <b>Operating activities</b>  |                           |                 |
| Net Income   | \$ 544                    | \$ 455          |
| Adjustments to reconcile net income to operating cash flows:       |                           |                 |
| Depreciation and amortization                                      | 240                       | 251             |
| Postretirement benefit plan expense (benefit)                      | (96)                      | (56)            |
| Deferred income taxes  | (67)                      | 7               |
| Stock compensation   | 36                        | 30              |
| Other  | 30                        | 11              |
| Postretirement benefit plan contributions                          | (28)                      | (23)            |
| Changes in operating assets and liabilities, net of acquisitions   | (5)                       | (27)            |
| <b>Net cash provided by (used in) operating activities</b>         | <b>654</b>                | <b>648</b>      |
| <b>Less:</b>   |                           |                 |
| Additions to properties  | (268)                     | (249)           |
| <b>Cash flow (operating cash flow less property additions) (a)</b> | <b>\$ 386</b>             | <b>\$ 399</b>   |

(a) Cash flow is defined as net cash provided by operating activities less capital expenditures. We use this non-GAAP financial measure to focus management and investors on the amount of cash available for debt repayment, dividend distributions, acquisition opportunities and share repurchase.

**Kellogg Company and Subsidiaries**  
**Reconciliation of Non-GAAP amounts - 2017 Full Year Guidance\***

Exhibit 15

|  | Net sales              | Operating profit   | EPS                    |
|--|------------------------|--------------------|------------------------|
| <b>Currency-Neutral Comparable Guidance</b>                              | <b>Approx. (3.0%)</b>  | <b>7.0% - 9.0%</b> | <b>\$4.03 - \$4.09</b> |
| Foreign currency impact  | (1.3%)                 | (1.6%)             | Approx. (\$0.06)       |
| <b>Comparable Guidance</b>   | <b>Approx. (4.3.%)</b> | <b>5.4% - 7.4%</b> | <b>\$3.97 - \$4.03</b> |
| <b>Impact of certain items that are excluded from Non-GAAP guidance:</b> |                        |                    |                        |
| Project K and cost reduction activities (pre-tax)                        | -                      | (2.8%) - (6.3%)    | (\$1.28) - (\$1.14)    |
| Integration costs (pre-tax)  | -                      | 0.3%               | (\$0.03) - (\$0.02)    |
| Acquisitions/dispositions (pre-tax)                                      | 1.4%                   | 1.0%               | \$0.08                 |
| Income tax benefit applicable to adjustments, net**                      |                        |                    | \$0.37 - \$0.33        |

\* 2017 full year guidance for net sales, operating profit, and earnings per share are provided on a non-GAAP, comparable and currency-neutral comparable basis only because certain information necessary to calculate such measures on a GAAP basis is unavailable, dependent on future events outside of our control and cannot be predicted without unreasonable efforts by the Company. The Company is providing quantification of known adjustment items where available.

\*\* Represents the estimated income tax effect on the reconciling items, using weighted-average statutory tax rates, depending upon the applicable jurisdiction.

**Reconciliation of Non-GAAP amounts - Cash Flow Guidance**  
**(millions)**

|   | Approximate<br>Full Year 2017 |
|---|-------------------------------|
| Net cash provided by (used in) operating activities | <b>\$1,600 - \$1,700</b>      |
| Additions to properties                             | <b>(\$500)</b>                |
| Cash Flow   | <b>\$1,100 - \$1,200</b>      |

## Exhibit 16 - Significant items impacting comparability (Page 1 of 2)

### **Significant items impacting comparability**

#### Project K and cost reduction activities

In February 2017, the Company announced an expansion and an extension to its previously-announced global efficiency and effectiveness program ("Project K"). Project K is expected to continue generating a significant amount of savings that may be invested in key strategic areas of focus for the business. The Company expects that these savings may be used to drive future growth in the business. We recorded pre-tax charges related to this program of \$96 million and \$237 million for the quarter and year-to-date periods ended July 1, 2017, respectively. We also recorded pre-tax charges of \$60 million and \$107 million for the quarter and year-to-date periods ended July 2, 2016, respectively.

In 2015 we initiated the implementation of a Zero-Based Budgeting (ZBB) program in our North America business. During 2016 ZBB was expanded to include international segments of the business. In support of the ZBB initiative, we incurred pre-tax charges of less than \$1 million for the quarter ended July 1, 2017 and \$1 million for the year-to-date period ended July 1, 2017. We also incurred pre-tax charges of \$12 million and \$17 million for the quarter and year-to-date periods ended July 2, 2016, respectively.

#### Acquisitions

In December 2016, the Company acquired Ritmo Investimentos, controlling shareholder of Parati S/A, Afical Ltda and Padua Ltda ("Parati Group"), a leading Brazilian food group for approximately BRL 1.38 billion (\$381 million) or \$379 million, net of cash and cash equivalents. The purchase price was subject to certain working capital and net debt adjustments based on the actual working capital and net debt existing on the acquisition date compared to targeted amounts. These adjustments were finalized during the quarter ended July 1, 2017 and resulted in a purchase price reduction of BRL 14 million (\$4 million). In our Latin America reportable segment, for the quarter ended July 1, 2017 the acquisition added \$46 million in net sales and \$4 million of operating profit (before integration costs) that impacted the comparability of our reported results. For the year-to-date period ended July 1, 2017 the acquisition added \$93 million in net sales and \$12 million of operating profit (before integration costs) that impacted the comparability of our reported results.

#### Mark-to-market accounting for pension plans, commodities and certain foreign currency contracts

We recognize mark-to-market adjustments for pension plans, commodity contracts, and certain foreign currency contracts as incurred. Actuarial gains/losses for pension plans are recognized in the year they occur. Changes between contract and market prices for commodities contracts and certain foreign currency contracts result in gains/losses that are recognized in the quarter they occur. We recorded total pre-tax mark-to-market benefit of \$7 million and a pre-tax charge of \$14 million for the quarter and year-to-date periods ended July 1, 2017, respectively. We also recorded a pre-tax mark-to-market benefit of \$20 million and a pre-tax charge of \$4 million for the quarter and year-to-date periods ended July 2, 2016, respectively.

## **Exhibit 16 - Significant items impacting comparability (Page 2 of 2)**

### Other costs impacting comparability

During the quarter ended April 2, 2016, we redeemed \$475 million of our 7.45% U.S. Dollar Debentures due 2031. In connection with the debt redemption, we incurred \$153 million of interest expense, consisting primarily of a premium on the tender offer and also including accelerated losses on pre-issuance interest rate hedges, acceleration of fees and debt discount on the redeemed debt and fees related to the tender offer.

### Venezuela

There was a material change in the business environment, including a worsening of our access to key raw materials subject to restrictions, and a related significant drop in production volume in the fourth quarter of 2016. These supply chain disruptions, along with other factors such as the worsening economic environment in Venezuela and the limited access to dollars to import goods through the use of any of the available currency mechanisms, have impaired our ability to effectively operate and fully control our Venezuelan subsidiary.

As of December 31, 2016, we deconsolidated and changed to the cost method of accounting for our Venezuelan subsidiary. For the quarter ended July 2, 2016 the deconsolidation reduced net sales by \$7 million and operating profit by less than \$1 million which impacted the comparability of our reported results. For the year-to-date period ended July 2, 2016 the deconsolidation reduced net sales by \$16 million and operating profit by \$5 million which impacted the comparability of our reported results.

In 2016 certain non-monetary assets related to our Venezuelan subsidiary continued to be remeasured at historical exchange rates. As these assets were utilized by our Venezuelan subsidiary during 2016 they were recognized in the income statement at historical exchange rates resulting in an unfavorable impact. As a result of the utilization of the remaining non-monetary assets, we experienced an unfavorable pre-tax impact approximately \$5 million and \$11 million during the quarter and year-to-date periods ended July 2, 2016, primarily impacting COGS.

### Foreign currency translation

We evaluate the operating results of our business on a currency-neutral basis. We determine currency-neutral operating results by dividing or multiplying, as appropriate, the current-period local currency operating results by the currency exchange rates used to translate our financial statements in the comparable prior-year period to determine what the current period U.S. dollar operating results would have been if the currency exchange rate had not changed from the comparable prior-year period.